

Housing and Community Benefit:

What Counts?

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Guidance for tax-exempt hospitals seeking to improve their community's health through housing-related activities based on the most recent guidance from the IRS.





Housing and Community Benefit: What Counts?

Housing is an important social determinant of health, and the importance of safe and stable housing to health and well-being has been well documented. Affordable, stable and quality housing has been linked to improved chronic disease management; improved child, adolescent and adult physical and mental health; reduction of infectious diseases, asthma, depression and injuries; and several other positive health outcomes.

The impact of housing is especially significant among vulnerable populations, including low-income families, seniors, and the physically or mentally disabled. When households devote more than half of their income to housing, there may be insufficient resources available for preventive healthcare, insurance, healthy food or prescriptions. Unaffordable housing also drives families to seek out low-quality housing alternatives, increasing their exposure to toxins such as lead and mold.¹

Recognizing the linkage between housing and health, hospitals and health systems increasingly are seeking to improve community health through housing-related activities. This paper offers guidance and discusses housing-related activities that a hospital can report as community benefit, and those it should not.

Addressing Housing as a Community Benefit

Tax-exempt hospitals report their community benefit activities to the Internal Revenue Service each year on Part I of IRS Form 990 Schedule H. “Physical improvements and housing,” along with certain other social, environmental and economic activities, are listed separately in Part II as “Community Building,” implying that housing-related activities should not be reported as community benefit. However, in recent years the IRS has clarified that some housing activities and other activities addressing determinants of health are to be reported as community benefit. In 2011, the IRS amended instructions to Schedule H to say:

“Some community building activities may also meet the definition of community benefit. Don't report in Part II community building costs that are [reportable] ... as a community health improvement service...”

The IRS further clarified in a December 2015 IRS [Executive Order Update](#), which stated:

“...some housing improvements and other spending on social determinants of health that meet a documented community health need may qualify as community benefit for the purposes of meeting the community benefit standard.”

Based on these clarifications, a housing-related activity **must be provided primarily to address an identified community health need** (as opposed to benefiting the hospital or for purposes unrelated to health) to qualify as a reportable community benefit, and there should be reasonable evidence that the activity is known to improve health. Community need may be identified through a community health needs assessment (CHNA) or by a request from, or partnership with, government or community organizations. The IRS instructs hospitals to report qualifying activities as community benefit and not as community building.

¹Maqbool, Nabihah, Janet Viveiros, and Mindy Ault. *The Impacts of Affordable Housing on Health: A Research Summary*. National Housing Conference & Center for Housing Policy. Insights from Housing Policy Research, Apr. 2015. Web. <http://www2.nhc.org/HSGandHealthLitRev_2015_final.pdf>.

Does it Count as Community Benefit?

Based on the above considerations, we recommend that the following housing-related programs or activities be reported as community benefit activities. This list is based on successful housing programs that have been implemented by hospitals to address community health needs. It is not an exhaustive list; other activities may meet the definition of community benefit as well.

Community Health Improvement Services:

- **Health Promotion:** Providing health education, community-based clinical services (e.g., mental health counseling or medication support), support groups, Medicaid enrollment assistance, or offering self-help programs in a low-income or affordable housing setting or in partnership with affordable housing providers.
- **Supportive Housing Services:** Providing supportive housing services to formerly homeless or incarcerated, disabled or low-income persons to ensure they become and remain stably housed. These services may include case management, mental health services, substance abuse services, independent living classes, vocational services, health or medical services, or peer-support services.
- **Screening:** Screening for housing-related needs, such as housing instability or exposure to toxins, during patient visits.
- **Health Assessments:** Partnering with affordable housing developers to analyze resident health needs and the impact of the housing development on these needs through performing assessments such as a [Health Impact Assessment](#) or [Health Action Plan](#).
- **Legal Aid:** Facilitating access to legal aid for low-income persons to help them address poor-quality housing conditions that are harmful to their health.
- **Housing Quality Improvements:** Mitigating housing conditions that can cause elevated blood lead levels, such as peeling paint; remediating housing-based asthma triggers; weatherizing homes; or remodeling homes or units using guidelines to improve health and housing stability such as [Aging-in-Community](#) or [Universal Design](#) principles.
- **Accommodations During Treatment:** Providing free or subsidized accommodations for patients or family members if the household is low income (e.g., Medicaid or financial assistance recipients). Accommodations for higher-income individuals should not be counted.
- **Housing Subsidies:** Temporarily subsidizing housing for individuals who are low income, chronically homeless, formerly incarcerated, disabled, or frequent emergency room users to help them remain stably housed after an acute care episode. These subsidies should not include temporary housing provided to facilitate patient discharge in order to reduce hospital costs.
- **Short-Term Rental Assistance:** Providing short-term rental assistance or subsidies to community members experiencing a health and housing crisis.



Health Professions Education

- **On-site Training:** Costs associated with placing medical residents, nurses or other health professionals in supported/low-income housing settings, including on-site clinics, if the on-site training is part of receiving a degree, certification, or license.

Research

- **Community Health Research:** Supporting or conducting research that further connects housing interventions to health outcomes. This might include conducting and publishing evaluations of housing-related activities that improve community health.

Cash and In-Kind Contributions

- **Contributions to Housing Organizations:** Contributing funds to housing organizations such as an affordable housing developer, owner, or management organization, to address housing problems or needs, so long as such contributions are restricted to community benefit purposes (e.g., delivering health services, removing toxins, or increasing physical activity).
- **Contributions to Homeless Shelters:** Contributing funds or providing in-kind assistance to homeless shelters for health-related activities or needs.
- **Surplus Property:** Donating hospital-owned property to an affordable housing development, if it can be established that the affordable housing would improve health.
- **Capital Grants:** Providing restricted grants toward the acquisition or construction of affordable housing anticipated to improve health.
- **Administrative Support:** Providing in-kind hospital staff support (e.g., accounting staff, legal counsel) to an organization focused on affordable housing.
- **Operational Capacity:** Staff time devoted to coalitions, grant writing, partnerships or advocacy that furthers housing as a means to improve health.

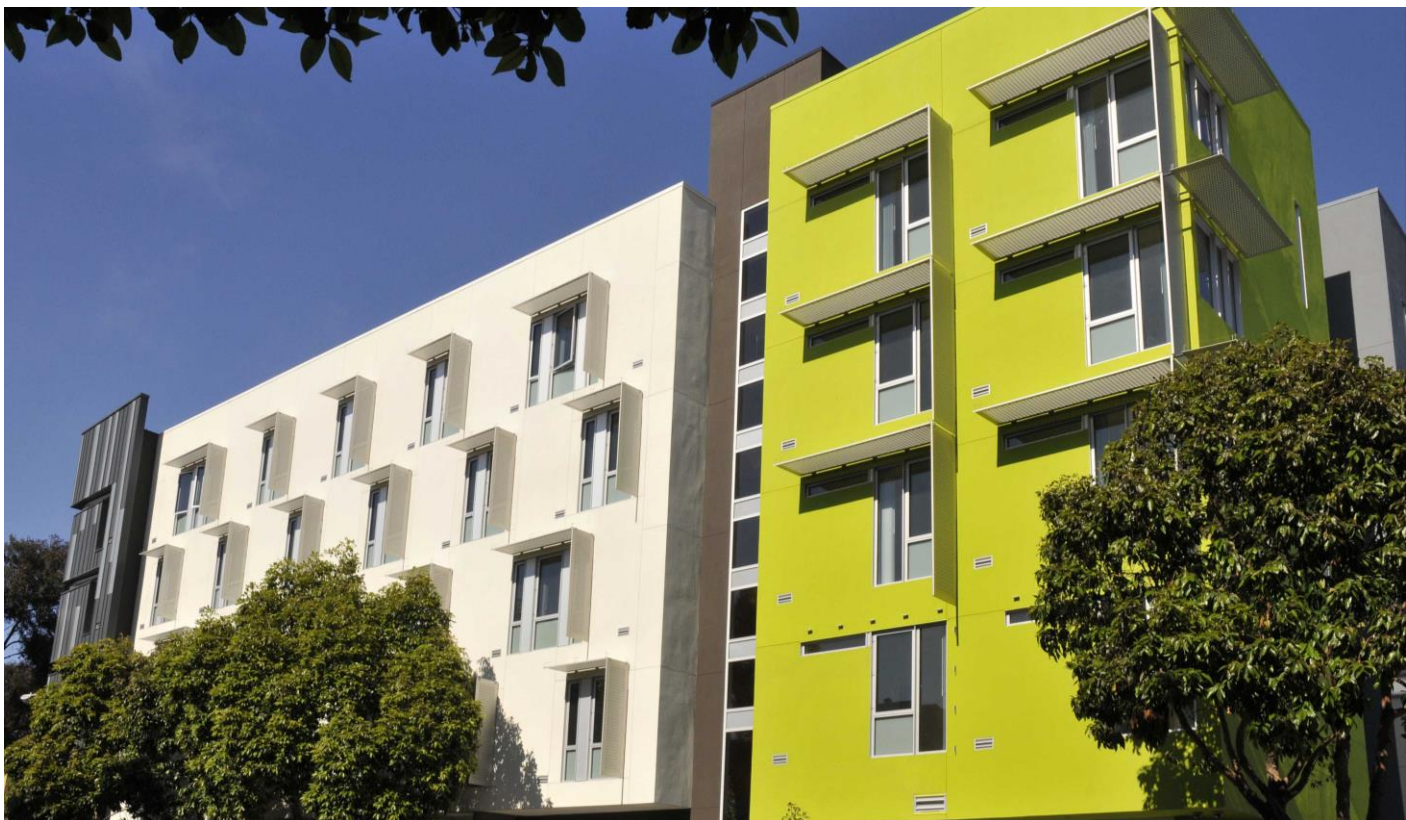


What Does Not Count as Community Benefit?

The following should not be reported as community benefit:

- Development of market-rate housing, equity investments or other housing-related development or investments that generate revenue for the hospital.
- Community development investments or loans where the hospital expects a return or repayment in full.²
- Housing-related activities limited to hospital employees.
- Housing-related activities focused on general economic development and lacking reasonable evidence that investments will improve community health.
- Temporary housing provided to facilitate patient discharge in order to reduce hospital costs.
- Post-acute care, including recuperative and respite care provided to reduce hospital costs.

Although some housing-related activities and investments cannot be reported in Part I of Schedule H, space is provided in Part VI for *any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community*. Investments made in underserved communities are critical to the health and well-being of the community. Although those receiving a return cannot be included in Part I of Schedule H, hospitals can highlight such investments in the narrative section of Part VI of Schedule H. Part VI enables hospitals to describe community commitments beyond those reportable as community benefits on Schedule H.



²The administration of a community investment program that targets housing related to community health needs would count; however, the actual investments for which hospitals anticipate a return would not count as community benefit.

Examples of What Counts and Does Not Count as Community Benefit

The following provides examples of housing-related activities by hospitals and an explanation of whether they count as a community benefit. This is not an exhaustive list; other activities may also address community health needs and meet the definition of community benefit.

Activity	Does it Count?	Explanation
Holding a monthly health clinic in an affordable housing development.	Yes	This activity serves as a community-based clinical service targeting a vulnerable population.
Supporting a farmer's market at a housing development in a low food access setting.	Yes	This program would improve the health of persons in the community by targeting an environmental health determinant.
Donating funds for a playground to an affordable housing provider to encourage physical activity based on a need for more opportunities for physical activity among their youth.	Yes	This donation would improve the health of children in the community by targeting an environmental health determinant.
Creating a residential lead abatement program targeting families with small children.	Yes	This program would improve the health of persons in the community by addressing an environmental health determinant.
Offering home environmental assessments to patients who present to the ER with asthma.	Yes	This assessment extends beyond typical patient care to screen for the upstream causes of health complications.
Developing a housing program for individuals who are unstably housed and present to the ER often.	Yes	This program targets the health needs of a particularly vulnerable population and prevents the use of unnecessary hospital care.
Providing short-term rental assistance to low-income patients or community members experiencing financial difficulties as a result of their medical condition.	Yes	This contribution would encourage health through addressing a social and environmental health determinant.
Creating a medical respite program for the purposes of reducing hospital costs or avoiding readmission penalties.	No	This program is designed with the intent of benefiting the hospital and should not be counted as a community benefit activity.
Creation of a housing and services program targeting formerly incarcerated individuals to keep them housed.	Yes	Programs such as these improve health and lower emergency room use and other societal costs.
Low-interest loans or investments to promote affordable housing.	No	Investments with an anticipated return do not count as community benefit; however, they can be described in Section VI for promoting health in the community.
Designing a community investment program to target financial resources and products to improve health in underserved communities based on community need.	Yes and No	Although the actual loans and investments (that are expected to receive returns) cannot be counted as community benefit, the staff time and resources spent in administering the program can be counted.
Development of affordable housing for hospital employees.	No	This investment is a benefit to a hospital's employees and not to the community at large, it does not count as community benefit.

Additional Resources:

- American Hospital Association. [Housing and the Role of Hospitals](#). Social Determinant of Health Series. August 2017.
- Braveman, P., M. Dekker, S. Egerter, T. Sadegh-Nobari, and C. Pollack. [Issue Brief #7: Exploring the Social Determinants of Health. Housing and Health](#). Robert Wood Johnson Foundation, May 2011.
- Center for Outcomes Research and Education. [Health in Housing: Exploring the Intersection Between Housing and Health Care](#). February 2016.
- Duffrin, Liz. [Building on Tradition, Catholic Hospitals Invest in Community to Improve Health](#). Crosswalk Magazine, July 2017.
- Mercy Housing and the Low-Income Investment Fund. [Innovative Models in Health and Housing](#).
- National Center for Healthy Housing and The American Public Health Association. [National Healthy Housing Standard](#).
- Scally, C.P., Waxman, E., Gourevitch, R., Adeeyo, S. [Emerging Strategies for Integrating Health and Housing](#). Urban Institute, July 2017.
- U.S. Department of Housing and Urban Development. [Advancing Healthy Housing: A Strategy for Action](#). Federal Healthy Homes Work Group, 2013.
- Wachino, Vikki. [Coverage of Housing-Related Activities and Services for Individuals with Disabilities](#). United States of America. Department of Health and Human Services. Center for Medicaid and CHIP Services. CMCS Informational Bulletin, 2015.

The recommendations in this document were developed by the [Catholic Health Association](#) in partnership with [Enterprise Community Partners](#) and they do not represent tax or legal advice. Health care organizations should consult the most recent guidance from their state and the Internal Revenue Service regarding required reporting of community benefit information.