Boundless Collaboration

A Philosophy for Sustainable and Stabilizing Housing Investment Strategy

PABLO BRAVO VIAL

Every day in emergency departments throughout the country, we see patients who come to us for care to treat conditions that could have been avoided if only they had a clean and safe place to live.

Understanding the connection between housing and health has brought hospitals and health systems to invest in solutions for decades. This is not new for us. In spite of seemingly overwhelming need and unfathomable complexity, the health care industry is helping create and sustain affordable housing. There are, of course, enormous obstacles.

There is an overarching philosophy, a set of approaches that I believe can clarify the health care role in housing challenges. I have been fortunate to lead community health investment strategy at Dignity Health for quite some time, and I now have this role for CommonSpirit Health — the new, nonprofit Catholic health organization created by the alignment of Catholic Health Initiatives and Dignity Health. Over the years I have met, planned, worked and commiserated with leaders for nonprofit housing developers, community development financial institutions, and others who are funding, building and rehabilitating good homes for people. I want to share a bit of what I have learned from them and my colleagues at other health systems doing this work in the hope that these insights might help all of us better serve the communities that rely on us.

When we contemplate solutions to the affordable housing crisis—which, like many other issues in our society, requires remedies spanning years and decades—we should ask ourselves a couple of questions: How should hospitals and health systems build on their existing role in serving communities? And how can health care institutions participate for the necessary amount of time? From my perspective, there a few clear realizations in response to these questions.

First, we have to understand that we can't do this alone. Homelessness, substandard living conditions and increasing housing costs are problems that hospitals and health systems cannot solve on their own. This is bigger than us. That is not to say that we should not lead the efforts, but our approach to solutions should be collaborative. This work requires government, business, housing developers, nonprofits and health institutions to make affordable housing a top priority and pool the needed resources. Because we see firsthand the health consequences of homelessness and poor quality housing, health care institutions

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have a responsibility to convene the conversation and action.

Second, we must also recognize that hospitals and clinics, and the organizations that manage them, are anchors in their communities. Hospitals are often the largest employers and purchasers of services in town. They have a social contract with their communities to help them improve the overall health of the people who live there. The American Hospital Association credits active engagement and support from hospitals as vitally important to the success of multi-sector partnerships. Without the involvement of hospitals as anchor institutions, many community initiatives are unlikely to be effective and sustainable.[1] Coalitions like the Healthcare Anchor Network, a national collaboration of health care systems, are helping health institutions formalize this role with specific goals to codify this relationship and its impact. Hospitals and health systems should embrace their position as a resource for leadership, influence and capital in addition to our community benefit obligations. We can be the trusted rudder that guides discussion and policy on housing to meaningful changes that are good for everyone.

Third, our work must be sustainable. Whatever means or financial tools we decide to use to improve access to quality housing, they should be mechanisms that will last as long as the need, which seems endless. Programs designed for short term wins might be laudable. But what happens when grant funding ends or when a dynamic project leader retires? Increasingly, it is incumbent on hospitals to reduce the overall cost of care by improving the health of their communities. This requires a long view, particularly for housing.

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In addressing housing collaboratively as anchor institutions with programs that are sustainable over the long term, it is also important to see the need holistically. Housing is one part of a package of economic and social stresses that American families are facing. The United Way has been analyzing the impact of insufficient income for several years. It reports on a household category called ALICE, which is an acronym for asset limited, income constrained, employed. United Way examines the lived realities for families in this situation for 16 states in the U.S. According to the findings, 40 percent of ALICE households cannot afford the basics of housing, food, child care, transportation and health care. These families must make day-to-day trade-offs that mean cutting back on food or health care to cover their rent or mortgage. In its report, United Way points to lowering housing costs as the biggest opportunity to offer stability to ALICE households.[2] In our collective mission to improve community health and support neighborhood stability, housing is a clear priority because it is the largest expense for most families that are struggling and also is the keystone for other social determinants of health. One must have a clean, safe place to live in order to be healthy. When we assess housing solutions, we also have to keep in mind the interconnection with other basic needs. Are housing developments convenient to jobs? Are there adequate child care services available? As the United Way has illustrated, we have to consider how housing fits into the entirety of needs for people who are not getting by.

A home is not just a roof over one's head. It is the place where life happens, and it can be a stabilizing force in many respects. Through homeownership families can accumulate wealth and build financial stability, which is why we should view housing investment opportunity as a spectrum. The Vitalyst Health Foundation, a community health incubator in Arizona, has outlined the range of housing types and highlighted the impact on health of each. The spectrum begins with emergency shelter and transitional housing, which are intended to help get people who are homeless and living on the street into safe and humane quarters. Next are permanent supportive housing and affordable rentals, for which there is compelling evidence that they reduce the need for emergency health services and lower incarceration rates. Third is affordable homeownership, and the fourth category includes market rate rentals and home ownership. Home-owning

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households tend to have higher civic participation, better health outcomes and lower welfare dependency, according to the research compiled by Vitalyst.[3] If we agree that health care institutions should help build safe and stable neighborhoods, then we need to explore this entire range of housing investment options. This is our approach at CommonSpirit Health, and we have added to this list residential respite care for homeless individuals following discharge from a hospital, a critical and often missing piece of compassionate housing infrastructure.

So what does this philosophy look like in practice? At Dignity Health, which is part of CommonSpirit, we have had a community investment program in place for nearly 30 years. The program has evolved over the years with several torchbearers along the way, and we have offered low interest loans with favorable terms and specifically structured to help the funded projects succeed. To date, we have committed nearly $200 million of investments in community development. Nearly 45 percent is invested in affordable housing, which has helped to turn dangerous or abandoned buildings and neighborhoods into thriving communities. During the housing crisis of 2008, our line of credit to a group founded by neighborhood residents, STAND in Stockton, Calif., enabled the organization to refurbish 131 foreclosed single-family homes and rehabilitate three apartment buildings. This maintained the economic stability for families and neighborhoods as the city struggled financially. In Los Angeles, project-related loans and a line of credit to Abode Communities and affiliates created or preserved over 600 units of housing. Since the early days of our community investment program, we have had a productive and collaborative relationship with Mercy Housing, the affordable housing organization. Our work together began in 1989 with Dignity Health providing a loan guarantee and, later, a line of credit for pre-development loans to support new developments in California and Arizona, which has since expanded. We have partnered on more than 30 housing development and health care projects.

We are currently collaborating on a significant mixed income project in San Bernardino, Calif. As one of the largest employers in the area, we have a vested interest in ensuring not only our patients but our employees, too, have access to affordable, quality housing. We provided a $1.2 million loan to serve as a catalyst to bring in additional, private investment and foundation funding to the Arrowhead Grove project. Our experience has taught us that once someone makes an investment, others will join in. In June, the California Affordable Housing and Sustainable Communities program provided $20 million to help fund two upcoming phases of the project. In total, Arrowhead Grove will have nearly 400 housing units connected by a series of outdoor spaces, a new Kindergarten-12th grade academy campus with joint-use sport and recreational facilities and adjacent shopping areas. When complete, Arrowhead Grove is expected to be a model for what broader neighborhood revitalization can accomplish.[4]

We are in good company. Catholic Health Initiatives has had a remarkable Direct Community Investment Program for many years, and Kaiser Permanente has recently joined the effort with sizeable commitments to housing investment. Bon Secours Mercy Health has led the creation of land trusts to support neighborhoods struggling with affordable housing. In Cleveland, University Hospitals, the Cleveland Clinic, the Cleveland Community Foundation and Case Western Reserve University joined together with the city to rebuild some of the most disinvested neighborhoods through the Greater University Circle Initiative. Though once competitors, these hospitals found common ground to redevelop seven adjacent low-income neighborhoods. Similarly, in Detroit, Henry Ford Health System and Detroit Medical Center joined with Wayne State University as funders and investors in Midtown Detroit Inc., a nonprofit planning and development organization that supports the physical maintenance and revitalization of the neighborhood, through new mixed income housing, commercial activity and infrastructure investments.[5]

Defining the value and impact of these investments continues to be a major hurdle. Among the greatest challenges for health institutions with respect to community investment in housing is measuring the implications for improved outcomes and reduced costs. When I participate in conferences, usually one of the first questions we

hear from the audience is about measurement. With the right structure and conditions, some have been able to measure success. In Los Angeles, the county's Housing for Health program demonstrated that affordable housing substantially decreased the use of health care and mental health care services, including 77 percent fewer inpatient stays and 68 percent less emergency room visits. The reduction in these and other county services resulted in the program more than paying for itself: for every $1 invested in the Housing for Health program, the county observed a $1.20 savings in health care and other social service costs during the participants' first year being housed.[6,7] These remarkable results affirm what we've known for quite some time, but they are difficult to replicate with different models.

Community hospitals and the local organizations they work with all share a common conundrum. When we refer patients to a supportive housing partner for instance, how do we determine if or how their health improved, if they received care at another nearby hospital, and if we were able to lower the overall cost of providing care to those patients? To solve for this, CommonSpirit is partnering with several of our peer health systems and United Way, along with community-based organizations and service providers, businesses, and elected officials, on a new approach. We are calling the program the Connected Community Network. The network is based on the premise that everyone who is involved and interested in helping struggling people improve their health should be able to safely share information to assess the effects of collective efforts. Together, we are building a technology-based platform to connect people to the resources they need more efficiently and in a way that will help us all understand what is working well, what needs to change, and how we should invest accordingly. The project is in its infancy, but promising. We are piloting the Connected Community Network in several California communities based on success with an earlier model in Nevada. I hope to share more on the network in this journal once the program is humming, and we have outcome data.

Living and working in San Francisco, I see every day the dire need for a variety of housing solutions. But the problem and struggle exists nearly everywhere in America. In California, I think we are grappling with what is perhaps an extreme form of challenges faced by other communities throughout the country. We are starting to see significant progress. At this year's Housing California conference, Sacramento Mayor Darrell Steinberg noted that he has seen the tide shift with business and neighborhood associations endorsing diverse housing development, including projects to serve people who are homeless with supportive services. With the Salesforce company backing a San Francisco measure to increase funding for homelessness prevention and supportive housing and Google announcing a billion-dollar commitment to housing investment, it is clear that corporations are starting to realize that stable, sustainable housing supply is essential to our economic health. It is up to health care institutions to make sure the solutions also serve our physical and spiritual health.

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NOTES

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