Building Healthy Communities: A Place Based Approach

Alisa Wilson, Mercy Loan Fund

October 17, 2013
30 Years of Affordable Housing Leadership

Our Mission: To create stable, vibrant and healthy communities by developing, financing and operating affordable, program-enriched housing for families, seniors and people with special needs who lack the economic resources to access quality, safe housing opportunities. Since 1987 Mercy Housing has grown from just 220 units and 620 residents, to a national organization serving over 144,900 people in over 43,500 homes.
Closing the Affordable Housing Gap
Serving Families and Individuals in Need

Families:
- 72% of our residents are families
- Median annual income: $17,485

Seniors:
- 19% of our residents are seniors
- Median annual income: $11,745

People with Special Needs:
- 9% have HIV/AIDS; are formerly homeless; and/or have physical or mental impairments
- Median annual income: $8,616

Community Participation
- Community Events
- Safety Issues
- Volunteerism
- Voter Registration

Economic Development
- Lease Education
- Eviction Prevention
- Financial Literacy
- EITC

Health and Wellness
- Health Supports
- Health Education
- Food
- Risk and Resiliency Review

Education
- Out of School Time Programs
- Educational Support
- Community Service
- Leadership
- Physical Activity
Mercy Housing’s Approach To Health Services

- Resident Services Coordinators directly provide non-medical services
- Partner with health care providers to bring in qualified staff for health care services.
- Measure outcomes
- Strategic Health Care Partnerships

Health Services Used by Residents

- Food
- Behavioral Healthcare
- Preventative & Primary Healthcare
- Well Being Checks
- Physical Activity - Adult
- Health Interview
- Health Ed & Risk Reduction
- Health Benefits Acquisition
- Transition Plan to/from Hospitals and/or Institution
- ADL Screening & Support

MANY CDFIs

ONE PURPOSE
Westbrook Plaza

★ 20,000 square-foot Federally Qualified Health Clinic (FQHC) operated by South of Market Health Center
  – Serves 5,000 patients annually, 60% of whom are homeless and uninsured
  – Primary medical, disease prevention, dental, podiatry and pre-natal care in addition to on-site services for HIV/AIDS, gastrointestinal disorders and diabetes
  – Divided into a separate air rights parcel and financed by NMTCs
★ Community pharmacy
★ 49 one-, two- and three-bedroom apartments
  – <60% of the area median income
  – Community rooms
  – Playground
★ Service synergy
  – Medical and social case management
  – Women and children’s services
  – Health education
Mission Creek Senior Community

- 140 units for chronically homeless or frail seniors
- Average reduction of $29,000/person/year in Medicare/Medicaid reimbursed services
- 50% of units receive In Home Support Services
- On-Site Adult Day Health Center, operated for the community by the North & South of Market Adult Day Health and used by 30% of residents
- Created or preserved 171 jobs and generated over $1 million in tax revenue in the first year, plus 45 jobs and over half a million in revenue annually.

"Even if I never leave my unit, look at the view, this is life." – Mission Creek Resident
Next Generation Housing and Health Care Models

★ “Best Practices” should include:
  – Medicaid/Medicare/private insurer reimbursement
  – Access to licensed and unlicensed health and wellness services
  – Incentives for health care service providers to work with housing developers/owners; and
  – Demonstrable data-driven savings models

★ Future example with CDFI financing:
  – Stygler Village (OH): 75 residents moved from Skilled Nursing Facility to National Church Residences Assisted Living Facility
  – Savings to Medicaid: $73/person/day or $2MM annually
  – Mercy Loan Fund is underwriting to provide a $3.7MM 1st mortgage with an 18 year term
    • Challenge: 18 year $$ for CDFIs! Strong partnerships needed!
At the Nexus of Health and Housing: The Healthy Futures Fund

Emily Chen
Local Initiatives Support Corporation
October 17, 2013
1. Expanding investment in housing and other real estate

2. Increasing family income and wealth

3. Stimulating economic activity, locally and regionally

4. Improving access to quality education

5. Fostering livable, safe and healthy environments

– Our Mission & Our Work

Many CDFIs

One Purpose

#OFNCONF
# LISC Investments since 1980

## INVESTMENTS IN COMMUNITY-BASED HEALTH CARE

- **$105.2 million** which has leveraged **$488.7 million** in total development in -
- **52 total health centers** (stand alone and mixed-use)
- **915,985 sq ft** of health care delivery space
- **1 million individuals** with improved access to care

## TOTAL COMMUNITY INVESTMENTS

- **$12.9 billion** which has leveraged **$38.3 billion** in total development in -
- **298,300** affordable homes & apartments
- **49.2 million sq ft** of retail & community space
- **180 schools** financed for 72,000 students
- **184 child care facilities** supported for 19,700 children
- **269 playing fields** renovated for 467,500 kids
Healthy Futures Fund Goals

- **EXPAND HEALTH CARE PROGRAMS & SERVICES** available to tenants in projects financed with Low Income Housing Tax Credits
- **ENCOURAGE COMMUNITY DEVELOPMENT ORGANIZATIONS & COMMUNITY HEALTH CARE PROVIDERS** to work together on mutually beneficial programs that improve the health of low-income individuals and families
- **PROVIDE NEW CAPITAL** to Federally Qualified Health Centers at a time of significant patient growth
- **UTILIZE MORE EFFICIENT STRUCTURE** for New Markets Tax Credit to finance health centers, in an effort to reduce transaction costs & better leverage capital from investors

**EXCEPTED COMMUNITY IMPACTS:**
- 6-7 affordable housing projects with **500** new housing units with incorporated health service
- 7-8 new health center sites expected to serve **75,000** individuals and create **200** temporary and **1,200** permanent jobs
Healthy Futures Fund Partners

★ Founding Partners:
Morgan Stanley, The Kresge Foundation, and LISC

★ Fund Manager:
New Markets Support Company (a LISC subsidiary)

★ Fund Partners:
Capital Link – Technical Assistance Partner
Community Health Center Capital Fund
Corporation for Supportive Housing
Mercy Loan Fund
National Development Council
NCB Capital Impact
Opportunity Finance Network
Primary Care Development Corporation
$100 MM Healthy Futures Fund

★ **$50 million** in Low Income Housing Tax Credit Equity for affordable housing developments incorporating health care programs and services

★ **$43 million** FQHC Financing Fund for health center construction and permanent financing

★ **$4 million** in predevelopment financing for health center and affordable housing projects

★ **$2.2 million** in credit enhancements and **$800,000** in grants supporting Healthy Futures Fund goals
Lloyd House – Menominee, MI

- Historic rehabilitation of a 44-unit affordable housing project in the Upper Peninsula in rural Michigan by The Woda Group.
- Health services for residents & community:
  - Northpointe to lease ground floor commercial space and operate it as satellite site for behavioral health services delivery.
  - Bay Area Medical Center to offer on-site health screenings monthly in the community space.
- Northpointe expects some clients will income qualify and become residents of Lloyd House.
Rolling Hills Apartments –
St. Paul, MN

- Rehabilitation of a 108 unit affordable housing project in St. Paul, MN by Lutheran Social Services (LSS).
- The West Side Community Health Services, a Federally Qualified Health Center, will provide health screenings in the community building for residents and the community. The health center has two nearby sites that offer comprehensive primary care services.
- Rolling Hills residents include victims of sex trafficking and refugee households. The on-site screenings provide another means to stabilize the resident households and serve as a conduit for the residents to connect with the community and a primary care provider.
- LISC brought the developer and health care provider together.
Family Health Centers expansion – Omak, WA

★ The Family Health Centers undertaking consists of a 20,000 SF medical clinic expansion in rural Washington State. The expansion will quadruple the size of the medical clinic to 18,000 SF and more than double the size of the pharmacy to 2,000 SF. The health center will be able to serve over 5,000 additional patients per year resulting in an increase of 16,000 patient visits to 65,000 visits overall.

★ FHC has developed partnerships with medical and social service agencies to address community needs around health and human services and education, including nonprofits serving migrant farmworkers and area housing authorities.
For the Developer

★ **Understand the community need**: Incorporate the health profile of residents and the community into the decision-making around what health services would best benefit the target population.

★ **Understand the needs of the provider**: The developer needs to decide if they will leave certain spaces unprogrammed to allow for later build out or incorporate necessary design elements early on to limit impact on overall cost. For example, will part of the community space need to be redesigned to enable health examinations?

★ **Define your relationship with the provider**: Will a landlord/tenant relationship make the most sense? Should a Memorandum of Understanding or like document be established to define the scope of services to be provided and what each party is responsible for? Will the provider participate in the financing?
Healthy Futures v2.0 – Next generation of Health and Housing Integration

★ Impact metrics – Establish a baseline of impact metrics that will enable the industry to identify the models of health and housing integration that produce optimal health outcomes.

★ Efficiency – Design financing products that are efficient in minimizing transaction costs and effective in facilitating the integration of health services and housing.

★ Programmatic alignment between funders – Establish programmatic alignment between government, philanthropic partners, CDFIs and other funders to align our investments to achieve best outcomes.
Any Questions?

Please feel free to contact:

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Creating Integrated Supportive Housing with Healthcare Solutions

Andrew Baldwin, CSH
October 17, 2013

Our Mission
Advancing housing solutions that:

- Improve lives of vulnerable people
- Maximize public resources
- Build strong, healthy communities
Building Strong, Healthy Communities

Locations where CSH has staff stationed
Locations where CSH has helped build strong communities

Integrated Supportive Housing and Healthcare

★ Supportive Housing: a proven solution to house the most vulnerable.

★ Connections to healthcare advance and improve supportive housing.
  - Better health delivery/outcomes.
  - Help bring supportive housing to scale.
CSH’s Approach

★ Finance projects integrating supportive housing and health facilities.
★ Build stronger inter-sector linkages.
★ Build capacity in both sectors.

NSO: Bell Building

★ 155 units of permanent supportive housing
★ On-site supportive services
★ Federally Qualified Health Center (FQHC)
★ $50 million investment
  - LIHTC
  - NMTC
Asociación Puertorriqueños en Marcha: Paseo Verde

- 120 units / 10% permanent supportive housing
- Mixed Use/TOD/LEED certified
- Federally Qualified Health Center (FQHC)
- $31 million investment

Building Capacity in an Emerging Market

- Currently a diversity of organizational types, models, and financing strategies.
- Identify strong groups with inter-sector potential.
- Understand sector needs and promote collaboration.
- Provide tailored technical assistance and financing.
- Apply key learnings to scale.