Health Happens in Neighborhoods: *What We Can Do About It!*

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“We are likely to look back at this time and wonder why community development and health were ever separate sectors.”

– Risa Lavizzo-Mourey, MD, Former President and CEO, Robert Wood Johnson Foundation, Speaking at the 2016 National Interagency Community Reinvestment Conference
What is Community Development?
COMMUNITY DEVELOPMENT: PAST

Pruitt-Igoe, St. Louis, MO
1956 to 1972
Architect: Minoru Yamasaki
Solara, San Diego
Zero Energy Affordable Housing

Plaza Apartments, San Francisco
Supportive Housing
ZIP CODE IMPROVEMENT...
COMPREHENSIVE YOUTH DEVELOPMENT

KIPP Academy, Washington D.C.  Neighborhood Centers Inc, Houston
ZIP CODE IMPROVEMENT...
RESIDENT-FOCUSED ECONOMIC DEVELOPMENT

Baker-Ripley Center, Houston
Market Creek Plaza, San Diego
REDLINING

Community Reinvestment Act of 1977 (CRA)

Philadelphia, 1949
Community Revitalization since the 1960s
Network of organizations
- Community Development Corporations (CDCs)
- Community Development Financial Institutions (CDFIs)
- For-profit & non-profit affordable housing developers

Federal/state tax credits & grants
- Low Income Housing Tax Credit (LIHTC); New Markets Tax Credit (NMTC); Community Development Block Grants (CDBG); Healthy Food Financing Initiative (HFFI)

Community Reinvestment Act dollars
- CRA-motivated loans and investments from private, for-profit banks

Mature Sector with Large Scale Investments

OVER $150 BILLION DOLLARS ANNUALLY
DIRECTED INTO LOW-INCOME NEIGHBORHOODS
A MARKET THAT VALUES HEALTH: New Tools

- Pay for Success (Social Impact Bonds)
- Prize-Based Philanthropy
- Advance Market Commitments
- Social Impact Guarantees
- Investment Tax Credits
- Population-Health Business Models
Opportunity Zones/Funds


Opportunity Zones: NMTC-eligible Census Tracts (and adjoining Tracts) selected by state governors before March 21 (April 20 with extension). Governors can choose up to 25% of the eligible Tracts in their state to be OZs.

Opportunity Funds: TBD funds solicit investment from investors with capital gains tax exposure and deploy a minimum of 90% of those funds in designated OZs. Eligible investments include equity in businesses located in OZs and real estate acquisitions that are then “substantially improved” (no passive land banking). Treasury will release guidance on certification, eligibility; current speculation is any financial institution can set up an Opportunity Fund.

Tax Benefits to Investors: Deferral of capital gains tax as long as investment is deployed through an Opportunity Fund. AND: 10% reduction in federal capital gains tax on original, rolled-over capital gains deployed at least five years; an additional 5% reduction if funds are deployed seven years (15% total); and additional elimination of all capital gains tax on any new capital gains accrued if funds are deployed at least ten years.
Opportunity Zones

Opportunity Zone Eligibility Tool

Maximum Tract Designations, Based on CDFI Fund Determination:

- OHIO - 320

Filtered Eligible Tracts:

- Low-Income Communities: 1,348
- Eligible Contiguous Tracts: 326

Select State: OHIO

Rural or Urban: (All)
Intersects Tribal Tract(s): No

County: (All)
Opportunity Zone Designation: (All)
Safe Harbor Status: (All)

Federal Place-Based Program Filters:

- Includes NMTC Investments: (All)
- Intersects Promise Zones: (All)
- Includes Section 530 project(s): (All)
- Includes CDBG Project(s): (All)
- Includes Empowerment Zones: (All)
- Qualified Census Tract: (All)
- Intersects Choice Neighborhoods: (All)
- Includes Sect. 514 or 516 project(s): (All)
New Healthcare Financing & Partnerships

Direct Healthcare Investments in SDOH:
• Community benefit and treasury dollars

Community Development & SDOH Investment Funds:
• Hospital loan funds
• CDFI loan funds
• Equity fund
Direct Healthcare Investments in SDOH
Innovative SDOH Financing Tools and Partnerships
Dignity Health
$120 million loan fund
ProMedica, LISC launch $45M partnership
BOSTON: Neighborhoods of gentrification
COORDINATING UPSTREAM: A Market that Values Health
STATE OF THE ART

- Trust and buy-in
- Cross-sectoral
- Place-based
- Data-driven
- Community Quarterback
BUYERS:
All who are willing to pay for better health
SELLERS: Any entity that can improve the upstream social determinants of health
TOOL MAKERS:
Those who can create the tools to connect the buyers to the sellers