

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

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FEDERAL RESERVE BANK  
OF SAN FRANCISCO

“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



# ZIP CODE IMPROVEMENT...

## HOUSING COORDINATED WITH SERVICES



**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

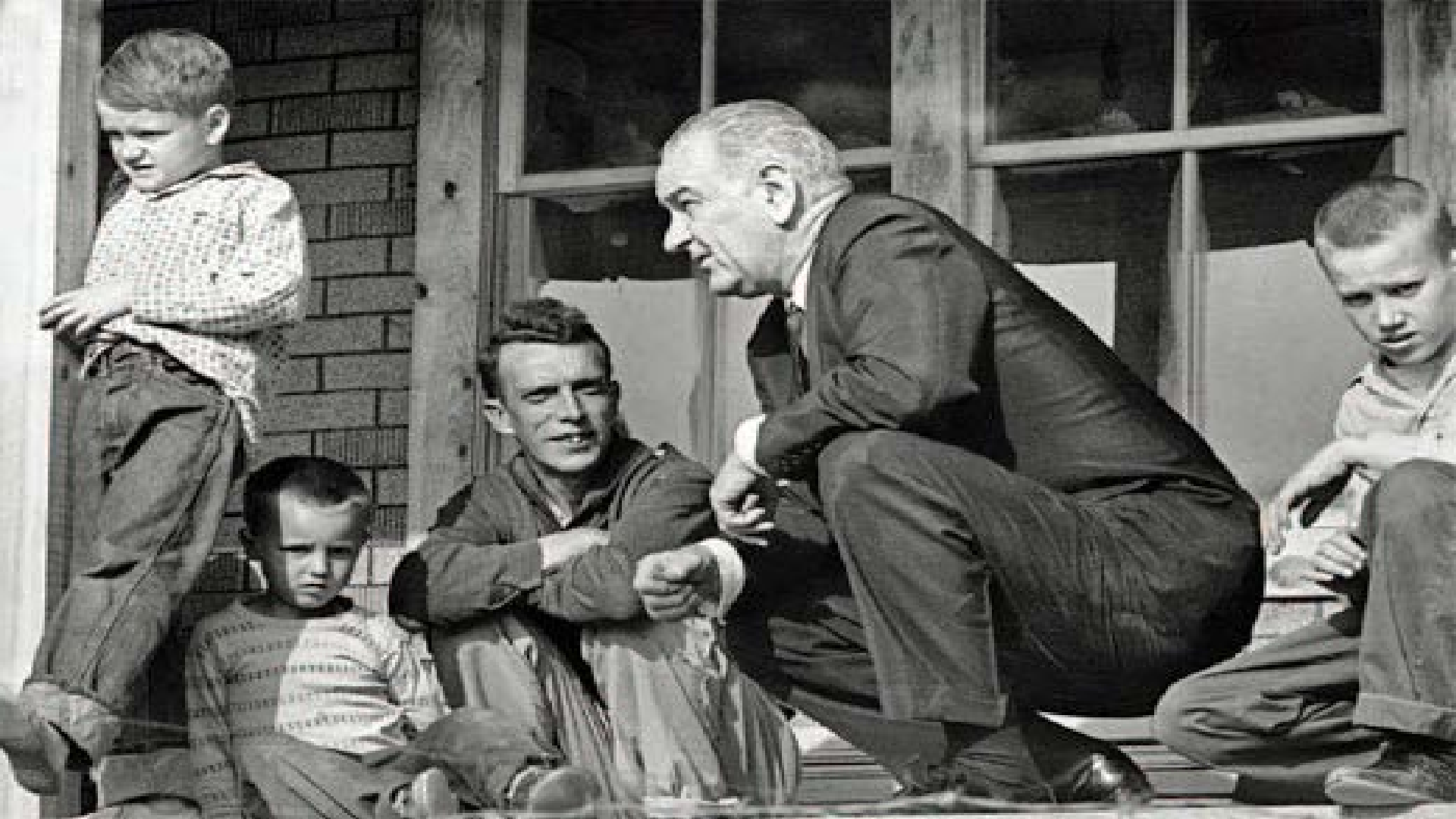
# ZIP CODE IMPROVEMENT... RESIDENT-FOCUSED ECONOMIC DEVELOPMENT



Baker-Ripley Center, Houston



Market Creek Plaza, San Diego

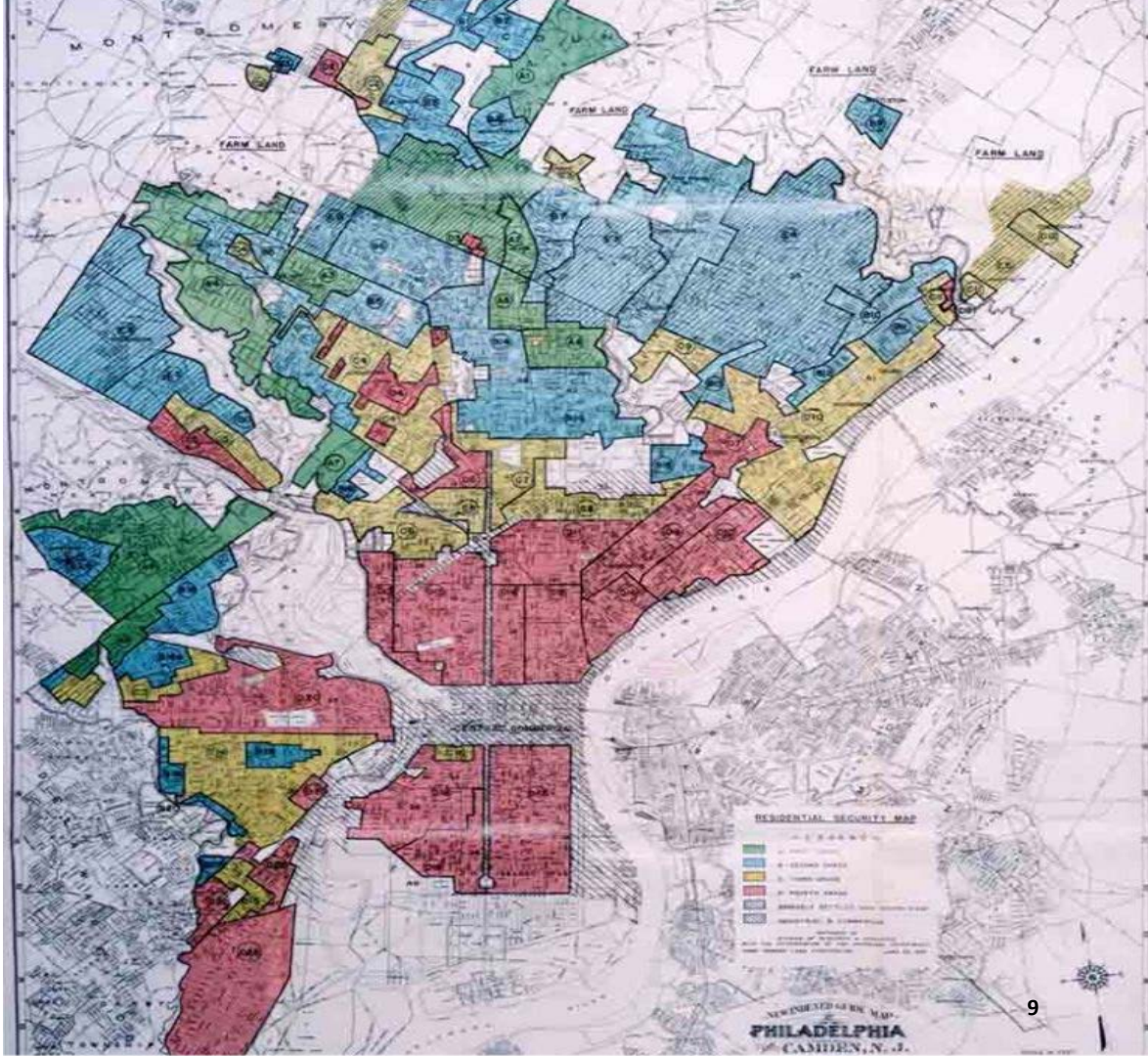




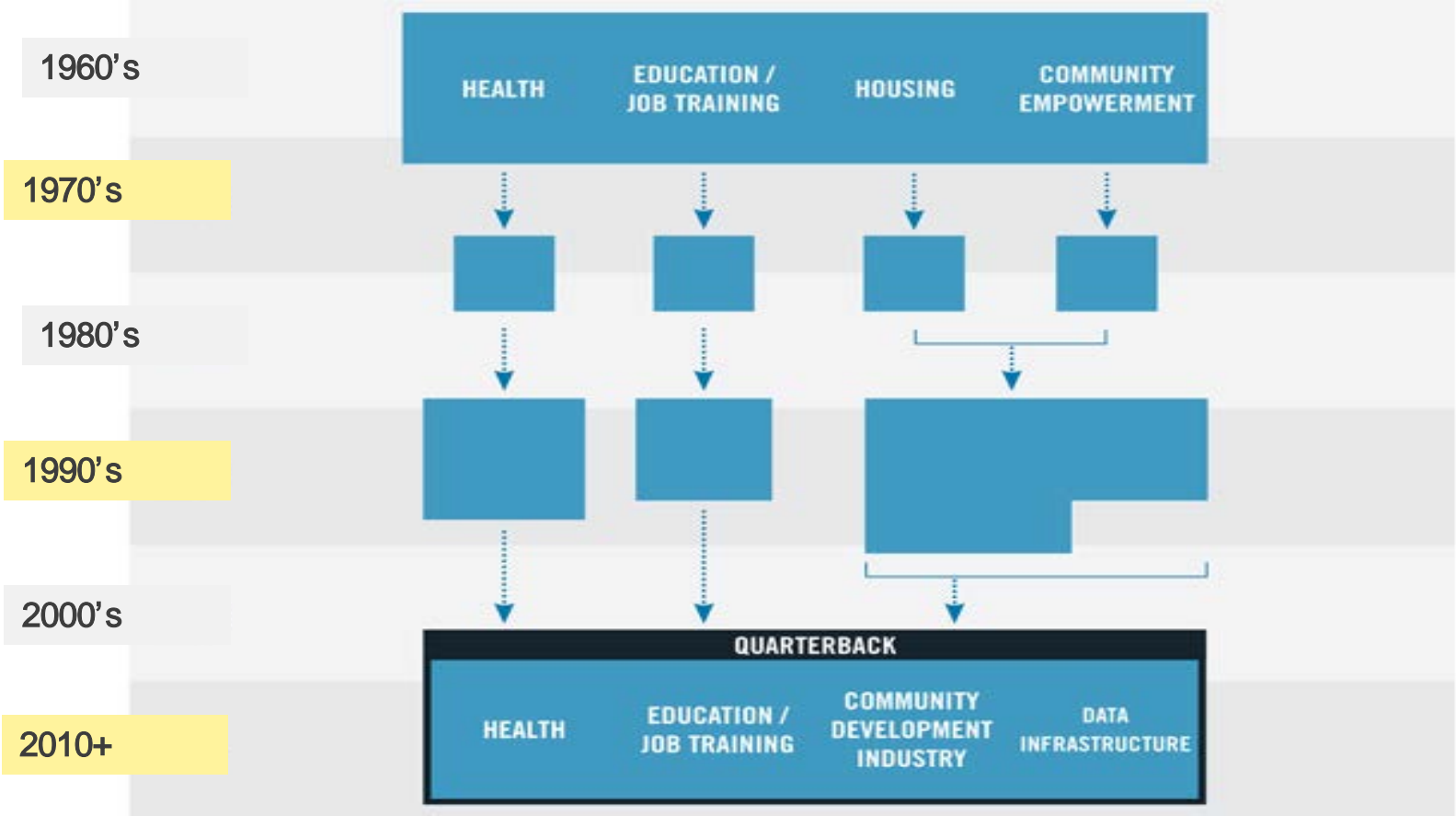
# REDLINING

## Community Reinvestment Act of 1977 (CRA)

*Philadelphia, 1949*



# Community Revitalization since the 1960s



# Mature Sector with Large Scale Investments

**OVER \$150 BILLION DOLLARS ANNUALLY**

**DIRECTED INTO LOW-INCOME NEIGHBORHOODS**

- **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

# **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

**Origin and Purpose:** Part of 2017 federal tax reform package. Designed to encourage investors with capital gains tax exposure to invest in economically distressed communities.

**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.

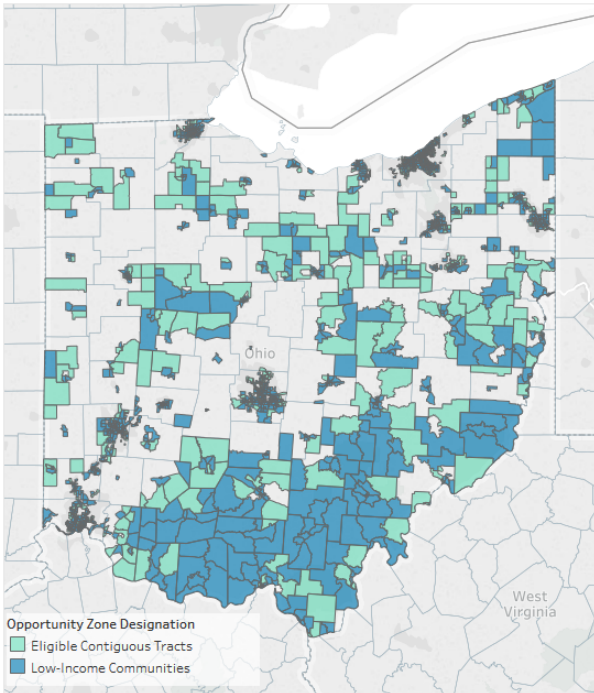
# Opportunity Zones

iCloud Calendar — Pacific Tr... X    Inbox (10) - dje.erickson@gm... X    The New York Times - Breaki... X    Google News    X    Opportunity Zone Eligibility T... X    Consumer Financial Protectio... X    How to take a screenshot ir... X    +    -    □    X

← → ↻ 🏠    <https://www.enterprisecommunity.org/opportunity360/opportunity-zone-eligibility-tool>    🔍 Search    ☰ ☱ ☲ ☳

Opportunity Zones map    info

## Opportunity Zone Eligibility Tool



**Maximum Tract Designations, Based on CDFI Fund Determination:**

OHIO	320
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**Filtered Eligible Tracts:**

Low-Income Communities	Eligible Contiguous Tracts
1,348	325

Select State: OHIO

County: (All)

Rural or Urban: (All)

Opportunity Zone Designation: (All)

Intersects Tribal Tract(s): No

Safe Harbor Status: (All)

**Federal Place-Based Program Filters**

Includes NMTI Investments(s): (All)

Includes Empowerment Zones(s): (All)

Intersects Promise Zones(s): (All)

Qualified Census Tract: (All)

Includes Section 538 project(s): (All)

Intersects Choice Neighborhoods(...): (All)

Includes CDBG Project(s): (All)

Includes Sect. 514 or 515 project(s): (All)



## New Healthcare Financing & Partnerships

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### Direct Healthcare Investments in SDOH:

- Community benefit and treasury dollars
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### Community Development & SDOH Investment Funds:

- Hospital loan funds
  - CDFI loan funds
  - Equity fund
-



# Direct Healthcare Investments in SDOH





Vita  
CARE. GROW. ASPIRE.

FAIRGATE FARM  
Growing a Local Food System







UnitedHealthcare®



Photo: Estancia del Sol Apartment Community



# Innovative SDOH Financing Tools and Partnerships



children's  
museum  
of phoenix



museo de  
los niños  
de phoenix



Dignity Health

Dignity Health  
\$120 million loan fund

Here is the... Measey Come

 CONWAY CENTER, WASHINGTON, DC

HealthyFuturesFund\*





3.13.2018  
ProMedica, LISC launch \$45M partnership

# BOSTON: Neighborhoods of gentrification

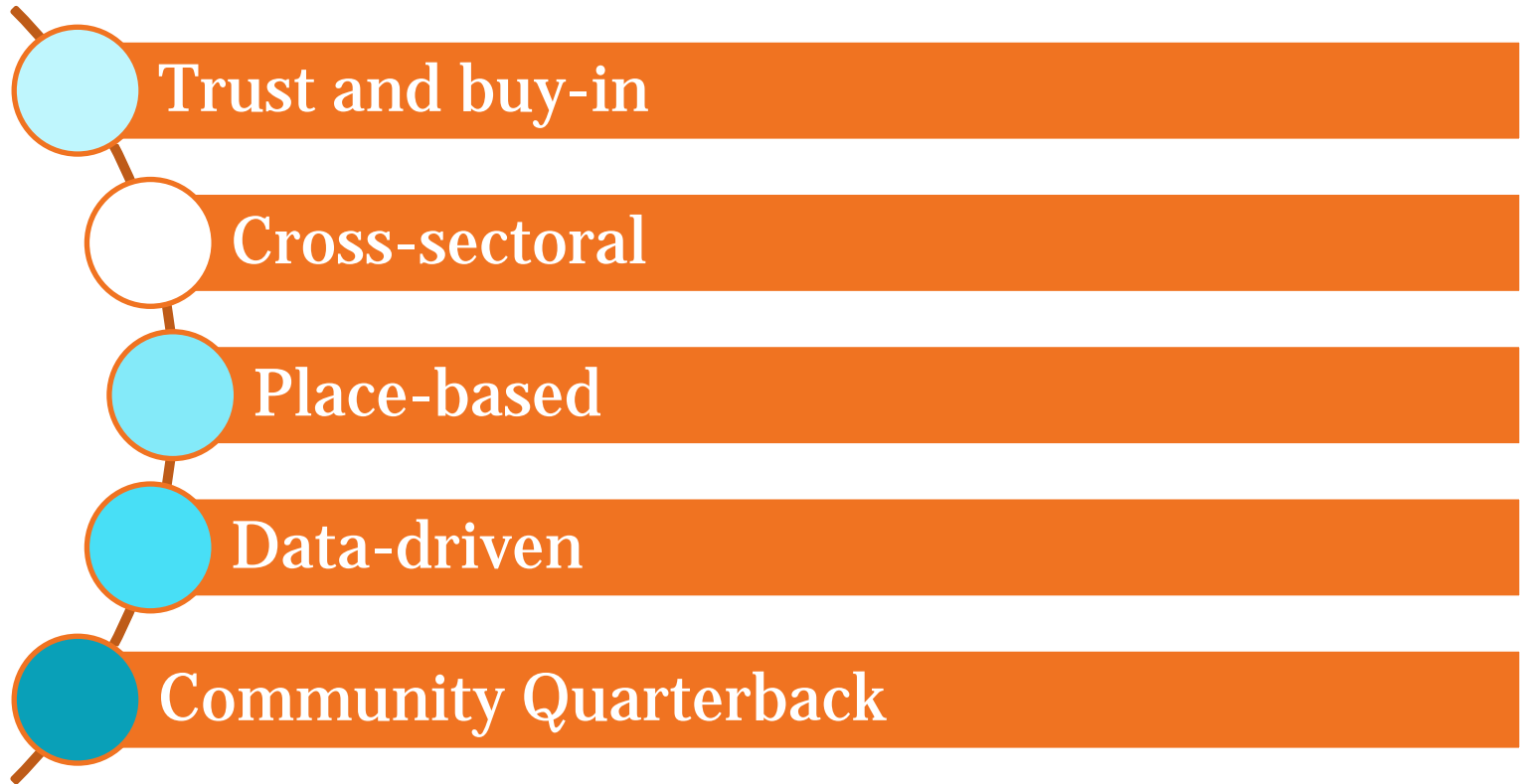




The background of the slide is a solid orange color with a sunburst or starburst pattern. The pattern consists of multiple triangular rays of varying lengths and widths, all originating from a central point on the right side of the image and extending towards the left. The rays are a lighter shade of orange than the background, creating a subtle, textured effect.

COORDINATING  
UPSTREAM: A Market  
that Values Health

# STATE OF THE ART





# 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



**WHAT MATTERS**  
**INVESTING**  
**IN RESULTS**  
TO BUILD STRONG,  
VIBRANT COMMUNITIES

Federal Reserve Bank of San Francisco  
& Nonprofit Finance Fund

WHAT MATTERS





FEDERAL RESERVE BANK  
OF SAN FRANCISCO

[www.frbsf.org/community-development](http://www.frbsf.org/community-development)

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