

# An Affordable Housing Reboot Will Improve Community Health

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The NHP Foundation credo “where you live matters” is resonating today as affordable housing industry and healthcare leaders are

coming together to combine safe, clean, secure housing with improved mental and physical health services. NHPF recently joined forces with CSH to call for fresh ways to use housing and health partnerships to bring about significant changes for those in need, including innovative funding approaches such as privatized housing vouchers.

Housing is a social determinant of health, we are repeatedly told, and this is particularly true for so many Americans, who are marginalized by multiple barriers and shortchanged by mainstream service systems. **Growing awareness of housing’s impact on residents’ health is fueling local and national dialogues for solutions that leverage housing to change the lives of those struggling with complex challenges.**

Currently, many people who are chronically homeless regularly find themselves in emergency departments (EDs) for issues that could be avoided if they lived in adequate housing and had access to less-expensive community-based care. Although their immediate circumstances may be addressed in the ED, underlying health issues and long-term well-being are unattended, causing poor patient outcomes and unnecessary strains and costs throughout our healthcare network.

And in many ways, like it or not, these poor outcomes and resulting perceptions are linked by society and our neighbors to the views they form around affordable housing.

## Why a Reboot Now

We must reboot affordable housing now to accommodate the real, looming concerns of vulnerable people while increasing the overall efficiency of healthcare systems. Important as it has been, the business of affordable housing preservation and development has historically been somewhat parochial, with many aspects repetitively executed and resistant to change. Fortunately, that has begun to change.

Revolutionary innovators from outside the industry are already impacting the next wave of affordable housing. Amazon has purchased a health insurer and is building one of its company headquarters next door to the nation's largest low income housing project. Microsoft recently announced creation of a \$500MM fund for affordable housing in Seattle and Facebook has joined the burgeoning movement, pledging \$40MM to the new Partnership for the Bay Area's Future, a \$500MM fund for housing in the San Francisco area. These pledges followed on the heels of healthcare giant Kaiser-Permanente's \$200MM commitment to address housing stability and homelessness.

We envision more forward-thinking companies stepping up to pledge funds as we embrace the opportunity to make real change. And the affordable housing industry needs to lead the way. We are uniquely equipped to leverage years of experience and expertise, as well as existing and future rental stock to help meet housing needs and overcome societal hurdles like healthcare. By doing so, we can unlock new sources of capital and increase affordable housing substantially.

## What We Are Doing

NHPF is challenging traditional financial partners as well as those in healthcare and tech to work together with affordable housing developers to find creative ways to fund rental housing, backed by essential services, for those on the lowest rung of the economic ladder.

Responding to the warning signs, our 2018 NHPF Symposium sought to inspire attendees in healthcare, investment, policy, social services and housing development to deliver fresh ways for our industry to cement a leadership position, ensuring a healthy future for affordable housing and our residents.

Ryan Moser, VP, Strategy & Impact at CSH, set the stage and tone with a presentation that harnessed crucial data to demonstrate the impact of housing on health. His data confirmed that adequate housing and access to critical mental and physical services—both residence-based and nearby—can dramatically alter healthcare outcomes. As Ryan pointed out, “High quality, affordable housing, with the right level of social supports helps people, communities and systems move from acute to prevention, from crisis to stability, and then grow and thrive.”

**We are seeing these results. National data shows when health services are combined with housing for the very vulnerable, there are fewer ED visits and EMS calls; reductions in abuse and neglect; better management of chronic senior health conditions; healthier children and even increases in employment and less time incarcerated.**

In 2016, the Providence Center for Outcomes Research and Education found health care costs 12 percent lower after individuals moved into affordable housing; study subjects were 20 percent more likely to see their primary care physician and 18 percent were less likely to visit the ED. Similarly, through its FUSE program moving people into supportive housing, CSH documented dramatic reductions in shelter days (91%); psychiatric inpatient days (50% fewer); and ambulance, ER, hospitalization, arrests and jail days (60-80%). The power of reliable, stable affordable housing is obviously transformative.

NHPF is currently improving the health of our residents in two ways. First, Operation Pathways, its Resident Services program has been selected as the first Certified Organization for Resident Engagement & Services (CORES) by the Stewards of Affordable Housing for the Future (SAHF). CORES Certification recognizes organizations that have “developed a robust commitment, capacity, and competency in providing resident services coordination in affordable rental housing.” Resident health is an important component of those services. CORES Certification is one requirement (among others) in order for an owner of multifamily affordable housing to qualify for Fannie Mae™ Healthy Housing Rewards—Enhanced Resident Services™ financing incentives. Second, NHPF is working with social service providers at our properties in St. Louis and Houston, matching available housing with chronically homeless who need it after a medical stay. We hope to expand this work throughout our geographic footprint of 15 states and the District of Columbia.

### **What an affordable housing reboot looks like**

It starts with our industry’s ability to match housing and services with a person’s holistic needs, while maximizing creative funding sources to finance these moves.

To get to some concrete answers on how we can effectively and affordably do that today and for decades to come, the NHPF 2018 Symposium convened a panel of experts with deep experience in community medicine, health insurance, policy, affordable housing development and city government for a comprehensive discussion about the urgent need for a “prescription for housing.” The panel explored a variety of strategies including a collaborative funding model of privatized housing vouchers to open doors to existing rental units.

The following insights were gleaned from the panel discussion moderated by **Dr. Tiffany Manuel, VP Knowledge, Impact & Strategy, Enterprise Community Partners, Inc.**, and put forth here to help direct the affordable housing industry and encourage partners to join the effort which is all about collaboration.

## **Making the Reboot a Reality**

### **Redefining Who Affordable Housing Helps**

The panel cited how each day more and more Americans enter the affordable housing market—from the Baby Boomer who under-planned for retirement to the chronic substance

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user trying to find his or her footing. Typically, housing providers plan for residents who can pass stringent standards for employment, criminal background checks, etc., meaning projects with units available for people with incomes up to 60% area median income. The units serve mostly those at 50%-60%.

**To truly reduce the number of homeless, the affordable housing industry should change the current dynamic by establishing referral relationships with health-sector partners, creating set asides for people with special needs, and reducing all but the most significant barriers with a screen-in, rather than screen-out, approach. In some places this is already happening.**

Panelist **Stephen Brown**, Director of Preventive Emergency Medicine, University of Illinois Hospital leads “Better Health Through Housing,” which has provided 42 homeless individuals with affordable supportive housing. Brown and his colleagues began the effort to house the chronically ill/chronically homeless in his hospital because several randomized control trials (RCT) show providing supportive housing to hospital patients results in very high housing retention rates (over 80%) and reductions in healthcare costs and utilization between 38% and 72%.

Since the program began in November 2015, UI Health’s research has revealed several significant findings:

- **Homeless is a dangerous health condition.** The average life expectancy of a chronically homeless individual is 27 years less than the average American. The program found a shocking 30% mortality rate in the first 26 patients it placed into permanent supportive housing.
- **The majority of homeless pass through a hospital unnoticed.** 1,220 are homeless in a given year, and 4,660 have been identified since 2010. Many are pregnant women. In March of 2018, 15 pregnant women gave birth in the hospital’s OB unit. They had not been previously identified as homeless.
- **The homeless create exorbitant healthcare costs and utilization.** There are 132 homeless that are in the top 10th decile of the most expensive patients, (healthcare costs ranging from \$36,578 to \$938,133) 5.23 to 134 times as expensive as our average patient cost.
- **There are significant benefits for hospitals to house the homeless.** Housing the homeless has resulted in a 21% drop in healthcare costs, a 67% drop in ED visits and a 67% drop in inpatient hospitalizations. Program costs can also impact a non-profit hospital’s Community Benefit Statement to the IRS. Healthcare-to-housing programs deliver direct improvements to the health of the community that a hospital serves by helping reduce the number of readmissions which hover around 50% for homeless vs. 18.9% for all other chronic conditions.

### **Harnessing Data to Demonstrate Impact**

Although the industry has spent decades making the case for supportive housing with rigorous evaluation, program monitoring, and outcomes tracking, a successful affordable housing reboot will require even more strategic use of data to demonstrate impact on people, communities and systems. Affordable housing can work to develop data-sharing agreements and engage evaluation partners to better understand the impact of housing on health.

CSH, panelists **Dr. Joshua Bamberger**, Associate Clinical Professor, Family & Community Medicine, UCSF, **Daniel Field**, ED, Community Health & External Affairs, Kaiser Permanente and **Maria Torres-Springer**, Commissioner, NYC Department of Housing Preservation & Development are among the loudest voices recommending data meaningful to each partner in the affordable housing equation. It will always be important to create studies that demonstrate both health impact and costs savings with rigorous evaluation; but data can't be "one-size-fits-all." Panelists advised making the numbers meaningful to decision-makers. When engaging with health systems and providers we all need to understand what success means to them.

Every affordable housing provider should be looking at how to develop the capacity to deliver ever-stronger resident support services.

According to Kaiser-Permanente's Dan Field, his organization's recent housing and healthcare pledge would never have been made without solid research. Kaiser implemented a social needs inventory tool, YCLS (Your Current Life Situation), which went beyond questions focused on health, assessing all aspects of daily life. Kaiser found that 20% of respondents had one or more social nonmedical need—food, transportation, housing and that 9%, or 12,000 of those interviewed, reported some level of housing insecurity. Data like this tipped the scales for the healthcare giant looking to reduce both the cost and strain on resources including emergency room and jail visits.

### Investing in Service Partnerships and Delivery

The panel agreed the coming affordable housing reboot must include significant investment in meaningful onsite or closely located resident services. Every affordable housing provider should be looking at how to develop the capacity to deliver ever-stronger resident support services to expand the range of people that can be successful in their housing, and build its own community connections, or partner with agencies that can. Additional funding sources and resources are needed. NHPF continues to expand and improve its "Health and Wellness" programs as an integral part of all the services we offer our residents.

For its Strong Families Fund, CSH needed a partner to help design the metrics for these services and chose SAHF, whose **SVP of Health and Housing, Kamillah Wood, MD, MPH, FAAP** served on our panel discussion. Wood is a pediatrician who believes that affordable housing on its own will never improve health dramatically. Real, urgent change will only come about, she says, with the addition of strategic, hard-working services.

Beyond onsite Resident Services that focus on academics, healthy lifestyle, and financial education, **the panel also advocated for the development of partnerships with social service caseworkers, hospitals and local units of government. These partners can help affordable housing providers extend their reach and develop the most helpful services.**

### Community Infrastructure Co-Development

A critical step in the reboot is looking for ways that the affordable housing industry can enhance its solid reputation as a co-developer of infrastructure that supports community development and wellness. Creating physical infrastructure is the hallmark of the affordable housing industry. Those who create and preserve our nation's housing have fine-tuned a methodology for working with tax credits, lenders, builders and other partners to bring projects to fruition on time and on budget. And this physical and human services infrastructure goes hand in hand in creating the backbone for strong and healthy communities. Here are a couple of examples of work in that direction.

The first is the Blackburn Building, being developed by Central City Concern in Portland, a collocation of affordable and supportive housing, with respite care and an onsite health clinic servicing the campus and the entire community. The innovative project design was developed as part of the “Housing is Health” alliance attracting over \$21.5MM in direct investment from healthcare organizations including Kaiser and CSH. The second is Paseo Verde, a mixed-use development in Philadelphia which includes units dedicated to households earning between 20-60% of the local income range and some dedicated to supportive housing. The project also provided comprehensive health and social services for seniors both in the building and the community at large. It was co-developed by Association Puertoriquenos en Marcha and Jonathan Rose Companies, represented on the panel by company founder **Jonathan Rose**.

Rose takes the idea of community infrastructure development to a higher level. For example, his new affordable housing has onsite health exam rooms, and partners with a local healthcare agency to set up telemedicine appointments and other cost-saving methodologies. Rose properties also include partnerships with local food banks to supplement residents’ groceries. Also high on his list is the ability to reduce toxins and create greener environments. Rose pointed to studies that show that if the property can save residents \$30, \$50 or \$80 per month in utility bills for a family that’s earning \$15,000 to \$30,000 a year, that’s a huge benefit.

**Reimagining Housing Finance**

Affordable housing is at the edge of what could be the largest shift in housing and service finance since the advent of the Low Income Housing Tax Credit in 1986. A real reboot can capitalize on exciting trends.

According to panelist Jason Helgerson, “Fee for Service is out, Value Based Payment is in.” This shift can be seen from capitated rates to penalties for readmission to care. It makes healthcare responsible not just for providing services, but for achieving longer-term health benchmarks. And it moves housing from a side conversation as a social determinant to a critical ingredient for success.

Affordable housing is not immune to this effect, and is increasingly being asked to demonstrate tangible outcomes for tenants and communities.

Pay for Success (PFS) contracts and financing for housing are clear examples of where private capital is put to use to drive demonstrable public savings and social returns.

CSH helped design the nation’s first PFS project using supportive housing to address chronic homelessness in Massachusetts. NHPF is also one of the investors in the \$2.5MM private capital raised for this initiative, which in turn leveraged \$23 MM in local, state, and federal resources. At three years in, the project has housed over 700 people and is exceeding all project benchmarks and just authorized the second success payment to investors.

Also, Opportunity Zones are quickly developing what is expected to be a trillion-dollar market and have been designated for the next ten years by states with low income communities demonstrating high needs and potential for economic development. PFS and Opportunity Zones present ways that affordable housing can engage new partners. Not just healthcare and public partners, but also private sector players, corporate partners and high-net investments.

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## Going Forward

The NHP Foundation is working to make appropriate housing stock available for the chronically homeless. The answer could be privatized housing vouchers as well as sound investments for funders through concepts like Pay for Success or direct links to Opportunity Zones. As more government and private health care providers recognize the impactful economics of housing and health, they need to make a greater capital commitment to expand these programs.

A successful reboot will result in people living in safe, stable, affordable housing while realizing improved health outcomes. The promising collaborations detailed here are only the beginning of what we see as a partnership filled with great potential for the industry and for everyone living in affordable housing and our greater communities.

**Housing alone does not cure disease, and it doesn't reunify families, or prevent crime. However, the blending of housing and services unlocks potential and no one does this better than the affordable housing industry which invented the concept.**

It will take a major, all hands on deck commitment to make existing and future housing available, ramp up services and join with policy and funding leaders to create this needed paradigm shift in affordable housing.

Therefore, NHPF urges all those with a stake in the future to take a critical look at how affordable housing has traditionally worked and how we can come together now to surpass those efforts. Together, we can ensure a future that encompasses superior housing and health and improves the lives of economically challenged families, seniors and all of society for years to come.

**30<sup>th</sup>** Anniversary  
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