

Strengthening Community Investment Ecosystems

Presentation to Rural Health Capital Resources
Council



June 11, 2024

**center for
community
investment**

Place Matters to Health

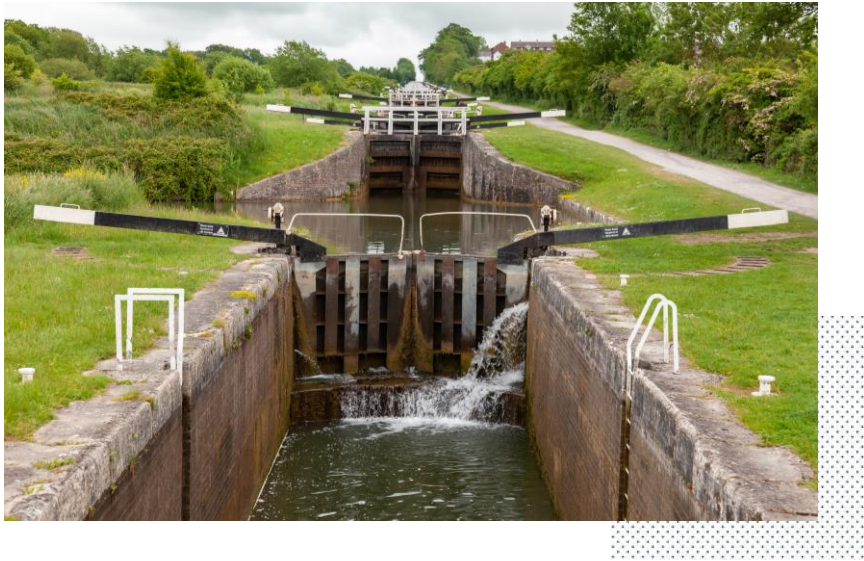
Where people live, work, and play shapes their health, their access to opportunity, and their chances to thrive.



USING INVESTMENT TO ACHIEVE SOCIAL ENDS

The scale of transformation needed in communities can't be achieved through grants or policy alone.

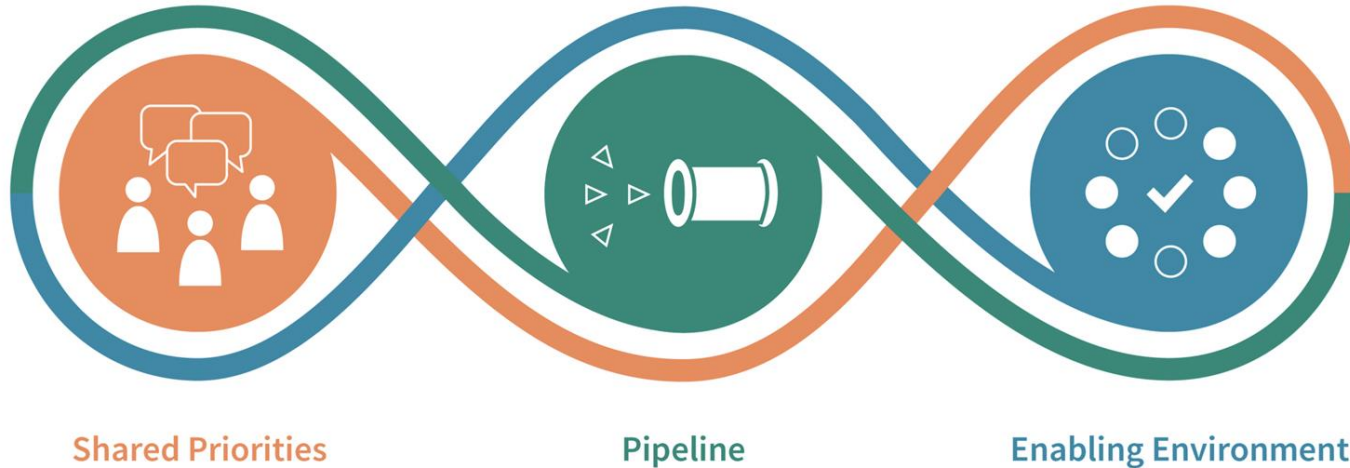
Community Investment: Making Money “Flow Uphill”













- Traditional investment flows to its easiest and most profitable uses – the path of least resistance.
- Community investment is meant to get capital to underserved communities; it is designed to make money “flow uphill”
- Like irrigation moving water, a whole system is required

Strengthening the Community Investment System

Focusing on the community investment system—examining who is or could be involved, pooling resources and batching deals to create efficiencies—can reduce transaction costs and increase the scale and impact of investment.



Shifting the Community Investment System

From		To	
	What can be financed ...		What community prioritizes
	Transactional focus		System/Ecosystem focus
	Single projects		Pipelines and batches of projects
	Gap filling		Ambitious and scaled
	Technical, Siloed		Integrative, Adaptive, and technical

Making Investment Work: The Capital Absorption Framework in Coachella Valley



Shared Priority

Ensure that there is a shared, community-determined vision **broad enough to matter** and **specific enough to shape decisions**.

1. Legitimate and widely embraced
2. Focused on racial equity and the system
3. Straightforward
4. Appropriately specific
5. Timely



Shared Priority

A **Shared Priority** is the North Star that guides collaborative work on community investment.

It has two parts:

- Aspiration
- Specific Result

The Martian test: If a Martian landed and asked how to invest \$10 million to further the most important thing to the community, would s/he get a consistent response?



Why is a Pipeline Important?

By working on a pipeline of deals, a community can:

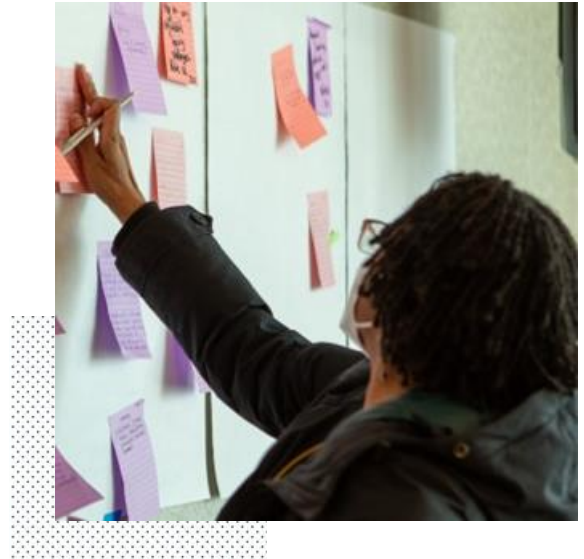
1. See all the potential opportunities
2. Ensure deals address shared priorities
3. Reduce costs and increase efficiencies
4. Identify where the system is stuck
5. Expand the community investment system



Enabling Environment

Seven elements that shape the context to facilitate the realization of the shared priorities:

1. Influencing and implementing policies and regulations
2. Adjusting institutional practices
3. Identifying/aligning additional funding and other resources
4. Ensuring the availability of needed skills and capacities
5. Fostering formal and informal relationships
6. Building forums and platforms for ongoing collaboration
7. Shifting narratives



Enabling Environment Approaches to Housing: A Selection



Preservation

- Right of first refusal
- Property tax incentives
- Moving properties into subsidy programs
- Preserving public housing: Rental Assistance Demonstration



Protection

- Good cause eviction policies
- Condominium conversion protections
- Rent stabilization



Production

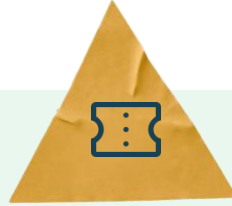
- Mandatory inclusionary zoning/offsets
- Density bonuses
- Revenue generation (Tax Increment Financing, Linkage Fees, Housing Trust Funds)
- Property acquisition (using publicly owned land, establishing property acquisition funds)
- Incentives (local and state tax incentives, parking incentives, expedited permitting, impact fees, transfer of development rights)

When we talk about upstream community investment in the social determinants, we are not talking about:



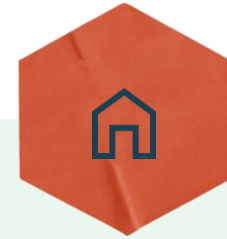
MOVING HEALTHCARE OUTSIDE OF THE HEALTH INSTITUTION

Funding mammogram vans or offering health screenings at affordable housing developments may improve preventive care and improve health outcomes, but it is not community investment.



PROVIDING TRANSIT PASSES TO PATIENTS

This addresses the social needs of individuals but does not change the root causes of poor health for the community.



PAYING FOR HOUSING REFERRALS

This gets at the key connection between housing and health, but it is a program that must be paid for with grants, and it does not change the availability of housing in the community.

Investing Upstream in the Social Determinants of Health

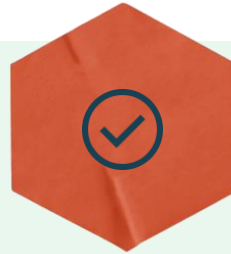
Hospitals and health systems have an array of assets that can be harnessed to create healthier communities.



FINANCIAL RESOURCES



LAND



EXPERTISE



RELATIONSHIPS

Hospital Motivations for Investing in Social Determinants

Mission	Foster healthier communities	Strategy	Gain experience with strategies that reduce costs and improve outcomes as preparation for payment shifts from volume to value (“skate where the puck is going”)
Institutional self-interest	Ensure that reputation and relationships with the community and the public sector position the institution to gain needed approvals, preserve tax-exempt status, and win contracts	Financial returns	Generate positive ROI
Competitiveness	Improve vibrancy of the surrounding community in order to strengthen the institution’s ability to attract and retain patients and staff	Compliance	Meet requirements, avoid penalties (e.g. for readmissions)

Key Success Factors for Implementing the Work

A successful community investment effort:



is done in partnership with others, rather than by a single organization on its own.



centers racial equity.



treats community organizations as full partners and funds them.



joins/supports community collaboratives.



creates accountability mechanisms.



leverages all system assets and unlocks capital from new stakeholders.



has dedicated, knowledgeable staff.



draws on multiple disciplines and types of expertise and lived experience.



works adaptively and learns along the way.



requires sustained, multi-year commitment.

Learn More

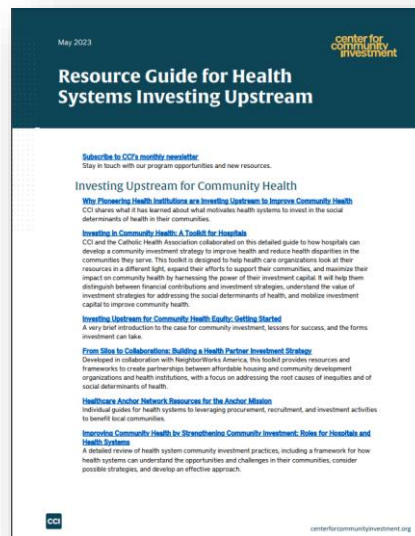
Access more resources on our website:

centerforcommunityinvestment.org/resources

Contact:

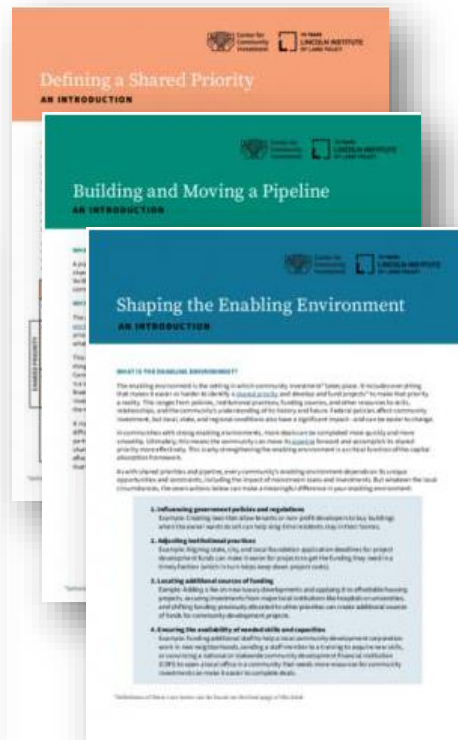
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Resource Guide for Health Systems Investing Upstream

May 2023



Introductions to Capital Absorption:

- Defining a Shared Priority
- Building and Moving a Pipeline
- Shaping the Enabling Environment

November 2021