



TO: Boston CHNA/CHIP Collaborative

FROM: Elana Brochin, Director for Health Equity, Massachusetts Association of Community Development Corporations; Vanessa Calderón-Rosado, Chair, Massachusetts Association of Community Development Corporations Board of Directors

DATE: June 25, 2019

SUBJECT: Recommendations for Boston CHNA/CHIP pooled investment in housing and economic development

We are writing on behalf of the Massachusetts Association of Community Development Corporations (MACDC) to express support for the collaborative process culminating in the Boston hospitals' joint Community Health Needs Assessment. ***We are further writing to urge the Boston hospitals to continue this collaboration by establishing a new and large-scale pooled investment in affordable housing and economic development.***

We support the conclusion of the Boston CHNA-CHIP Collaborative that Housing (including affordability, quality, homelessness, ownership, gentrification, and displacement) and Financial Security and Mobility (including jobs, employment, income, education, and workforce training) should be the top priorities in addressing health needs among Boston residents. Additionally, we support the decision to name the achievement of racial and ethnic health equity as a core focus/aspirational goal. The strategies outlined in this memo are ones that the Boston hospitals can collaboratively employ to address housing and financial security and mobility through a racial/ethnic health equity lens. The strategies described in this memo additionally address other health challenges documented in the draft Executive Summary and discussed at the May 29th meeting.

We begin by describing the role of the Massachusetts Association of Community Development Corporations. We will then discuss the housing crisis in Boston, including an outline of the City's housing-related goals as described in Mayor Walsh's Boston 2030 report. Next, we emphasize the importance of viewing housing as a social determinant of health. We next describe the role of local Community Development Corporations in improving opportunities for housing and financial security and mobility. We then describe a number of strategies for impactful joint investments and collaborations between Community Development Corporations (CDCs) and the Boston hospitals, including maximizing hospitals' investments through the Community Investment Tax Credit. We conclude by urging the Boston CHNA/CHIP Collaborative to continue to engage MACDC as a thought-partner in addressing the health impacts of the housing crisis in Boston and to commit to a new large-scale pooled investment in affordable housing and economic development.

I. Role of Massachusetts Association of Community Development Corporations

MACDC is the membership association for 63 Community Development Corporations (CDCs) statewide, including 20 in the City of Boston. CDCs are community-controlled, nonprofit



organizations that work throughout the commonwealth to build more inclusive, vibrant, and productive communities. MACDC's history of supporting, building, and sustaining a community development sector in which people of diverse incomes and backgrounds can access affordable housing and economic development opportunities well-positions us to be thought-leaders and partners in addressing the key social determinants of health in our city, including, but not limited to, housing and financial security and mobility.

II. Housing Crisis in Boston

In 2014, Mayor Walsh released *Housing a Changing City: Boston 2030*, which is a comprehensive housing plan designed to address the housing needs of Boston's growing population. This report was updated in 2018. The original report cites projections that by the year 2030, Boston will have a population of 709,000 people and states that our current housing stock is insufficient to accommodate this growth. The 2018 update indicates that Boston's population has grown even faster than projected in 2014.

Key strategies articulated in the 2018 update include:

- **Preventing displacement through housing production and acquisition:** Maintaining the one in five rate of income-restricted units in Boston, producing a net additional 15,820 units of income-restricted housing, and acquiring 1,000 existing apartments and income-restricting them via an expanded Acquisition Opportunity Program;
- **Reducing eviction rates:** Collaborating with advocates, providers, and other professionals on an Eviction Prevention Task Force to reduce the number of evictions in both the subsidized and private housing markets;
- **Increasing homeownership opportunities:** Reducing barriers to affordable homeownership and increasing opportunities for homeownership, particularly for low- and middle-income families and families of color. The plan suggests closing the racial homeownership gap by working with non-profit and lending partners and to increase lending and ensure equal access to affordable home mortgages for families of color.

III. Housing as a Social Determinant of Health

We were pleased to see that, consistent with the Massachusetts Department of Public Health (DPH), the CHNA/CHIP Collaborative articulated the clear connection between Boston's affordable housing crisis and residents' health in the draft Executive Summary and at the Community Prioritization last month. DPH's updated Determination of Need (DoN) regulations adopt housing as one of DPH's six health priorities and emphasizes the link between inadequate housing and poor health outcomes. According to DPH, "Safe and stable housing provides personal security, reduces stress and exposure to disease, and provides a foundation for meeting basic hygienic, nutritional, and health care needs. Unhealthy and unsafe housing conditions typically plague communities in which residents have fewer financial resources." Given the documented affordable housing crisis in Boston and DPH's clear linking of housing and health outcomes, we were not surprised to learn that the CHNA identified housing as a significant health need in Boston.



It's also important to note that access to stable and affordable housing impacts the other social determinants of health identified by DPH, including education, employment and mental health, among others. Housing instability is a major factor that undermines educational achievement as children who move frequently often struggle to keep up in school. Similarly, it is hard for adults to maintain stable employment if their housing situation is unstable. The stress of high rent and evictions can undermine residents' mental health leading to a range of poor health outcomes. Through a focus on housing and community development, Boston hospitals can successfully impact a range of social determinants of health.

IV. Partnering with Community Development Corporations

Community Development Corporations are well-positioned to partner with Boston hospitals toward improving housing quality and affordability, supporting home ownership, and increasing economic opportunities. Community Development Corporations' expertise is consistent with the expertise needed to achieve the goals set forth in the Mayor's Boston 2030 plan and to impact health outcomes for Boston residents.

For more than 40 years, CDCs have transformed lives through constructing, rehabilitating, and preserving homes, creating and preserving job opportunities, and providing technical assistance to local entrepreneurs. Since their inception, Massachusetts CDCs have developed over 20,000 homes (including over 8,000 in the City of Boston) and attracted several billion dollars of investment to low- and moderate-income communities. In 2018 alone, CDCs constructed, rehabilitated, or preserved close to 900 homes. Additionally, in the last year CDCS have helped over 1,600 people obtain jobs by strengthening their skills and connection to employers and provided training, technical assistance or lending to over 2,000 entrepreneurs. Community Development Corporations can make use of their existing housing and economic development pipelines to partner with hospitals in moving the needle on creating and preserving affordable housing and increasing financial security and mobility among Boston residents.

An additional lever that Community Development Corporations can use to increase the impact of their work is the Community Investment Tax Credit. We will go into more detail about how the Boston hospitals can leverage the Community Investment Tax Credit in the context of specific investment strategies later in this memo.

V. The Impact of a Large Collaborative Investment

Through the pooling of resources, Boston hospitals have an opportunity to make a powerful impact on Boston residents' health through investment in housing and economic development. In Fiscal Year 2017, the nine Boston hospitals participating in the Boston CHNA/CHIP Collaborative collectively invested \$187 million in Community Benefits programs. We urge the Boston CHNA/CHIP Collaborative to increase their collective investment and to direct an increasingly larger proportion of this funding toward upstream investments in community health, as is consistent with the priorities identified in the Needs Assessment process. Only a targeted annual increase in collective spending on impactful Community Benefits programs will move the needle on housing needs and financial security and mobility among Boston residents.



Healthcare institutions teaming up to invest in housing is a strategy that is gaining momentum nationwide. In 2016, six Oregon health care organizations announced that they would donate \$21.5 million as part of partnership with a nonprofit organization serving individuals and families impacted by homelessness.¹

Just last month, three Seattle healthcare companies, including two hospitals, announced \$15 million in donations for projects aimed at addressing homelessness in their community. This investment will pay for a portion of three new projects representing 290 units of housing and on-site resident services. The impact of this investment by healthcare institutions will go beyond the initial \$15 million investment as executives from the healthcare institutions are calling on business executives across sectors to invest in this work. In addition to having a positive impact on the health of their community, advocates project that this investment will be cost-effective long-term as fewer emergency healthcare services are needed for this population.²

VI. Strategies for Impactful Joint Investments and Collaborations Between CDCs and Hospitals

There are a wide-range of ways that a collective hospital investment can work with CDCs to achieve the goals of the CHNA. We'd like to suggest a few high-impact areas:

a. Build and Preserve More Affordable Homes

In order to make housing available to low-income Boston residents, it is necessary to invest resources in building and maintaining affordable homes. MACDC members constructed, rehabilitated, or preserved close to 900 homes in 2018. Additionally, in 2018 CDCs provided home improvement loans or lead abatement services to over 500 homes. MACDC members also collectively manage over 18,000 rental housing units developed in prior years. The Boston hospitals should consider directing resources, including grant, soft-debt loans, below market loans and potential other financial instruments, towards Community Development Corporations and other non-profit developers in order to increase their ability to construct, preserve, and manage affordable housing in their communities.

b. Acquisition Opportunity Program

Through investing in the Acquisition Opportunity Program, Boston hospitals could significantly impact housing affordability and health in their communities. The Acquisition Opportunity Program began in 2016 to protect Boston's rental housing stock from market forces. Through the fund, the Department of Neighborhood Development provides subsidies to help responsible owners such as CDCs buy occupied, multi-family rental properties. This investment serves to preserve so-called "naturally occurring affordable housing", prevents displacement, and allows for renovations that make the housing safe and healthier for tenants.³

¹ <https://www.hfmmagazine.com/articles/2518-portland-hospitals-donate-215-million-to-housing-initiative>

² <https://www.bizjournals.com/seattle/news/2019/05/15/seattle-area-organizations-donate-15m-to-fight.html>, <https://www.apnews.com/69a303d531594eaa7cca4fcc98f1d05>

³ <https://www.boston.gov/departments/neighborhood-development/acquisition-opportunity-program>



The above before/after picture highlights the value of renovating older housing stock

c. Support Home Ownership

Promoting homeownership is an important strategy toward addressing the housing needs of Boston residents. Homeownership is important because residents who own their own homes are less vulnerable to market changes translating into less displacement and disruption and the resulting poor health outcomes. A well-designed homeownership agenda could also help close the dramatic racial wealth gap in Boston – itself a significant social determinant of health. The Boston hospitals can help to support homeownership among low-income residents through investing in the well-organized and high-quality network of community-based organizations that provide homeownership education and counseling, and foreclosure prevention services. The Boston hospitals can also invest in down payment assistance programs targeted toward low-income homebuyers, first-generation homebuyers, and those needing extra assistance to buy in more exclusive communities.



A home-ownership education class at Neighborhood of Affordable Housing, Inc. (NOAH) in East Boston

d. Resident Services

According to the draft CHNA Executive Summary, focus group participants perceived the social services network in Boston to be large, strong and collaborative, although some suggested more could be done to enhance cooperation across institutions and reduce duplication. One way to improve upon and streamline these tools is through enhanced resident services within affordable housing developments. CDCs have long been dedicated to robust resident services for their tenants, including skills training, health and wellness opportunities, youth and family services, employment and career assistance, and opportunities for economic and educational advancement. Through investment in resident services, the Boston Collaborative can strengthen community ties and improve the social environment among Boston residents. Investment in resident services can address a number of concerns surfaced in the CHNA, including providing mental health support and referrals and employment counseling for residents.

e. Senior Housing Supports

According to the Boston 2030 report, senior households will represent 56% of the projected growth in all Boston households. Further, the Metropolitan Area Planning Council projects that 43% of all new growth in households will be in the low-income demographic group and eighty percent of these new low-income households will be senior households. The Boston CHNA Executive Summary identifies seniors as disparately affected by gentrification and as especially vulnerable to homelessness.

Elder/Aging health issues were also identified in the draft CHNA Executive Summary as a top concern affecting Boston residents. Through investment in senior housing, including services, the Boston hospitals could collectively have a large impact on the health outcomes of this vulnerable population.

f. Climate Resilience



Boston 2030 describes how climate change is creating new risks for all neighborhoods, including extreme temperatures, more frequent coastal flooding, significant rain events and the need for emergency preparedness planning. Sea-level rise is increasingly well-documented and visible during the large storms which now lash our coast and Harbor. Solutions to protect our vulnerable T stations and our ability to get to work, school, healthcare, food access are increasingly compromised. People’s well-being and overall physical, mental, social, cultural health is at risk.

Climate Changes often affect low- and moderate-income individuals and families more than others. For example, extreme temperature rise takes more lives than storms and we can expect that Boston will be getting hotter sooner. One way to say it is Boston’s summers will be like South Carolina’s by the end of the century. Boston 2030 further states that continuing to build and retrofit Boston’s homes to make them climate-ready will keep Boston residents safer and healthier while reducing housing costs for residents. Boston is aiming to be ‘Carbon neutral’ by 2050. The City has a range of carbon reduction strategies, but perhaps the biggest one will be retrofitting Boston’s 80,000 units of older housing units.

Climate change is echoed in the draft CHNA Executive Summary which lists “Environment” as a top health concern among survey respondents. According to the draft CHNA Executive Summary, “reducing environmental risk factors that impact poor community health outcomes will be central to improving population health—particularly related to climate change.” Through investment in climate resilient housing programs there is great potential to expand energy efficiency and green building and to retrofit homes to make them climate ready. These climate change responsive investments will improve community health outcomes.

g. Economic Development

Through partnering with Boston CDCs, the Boston hospitals can move the needle on addressing financial security and mobility in their communities. For years, MACDC has supported our members as they offered training, technical assistance and access to capital to small businesses and micro enterprises, including those from immigrant communities and communities of color and other traditional disadvantaged communities. In 2018 MACDC members have created or preserved over 4,000 job opportunities and provided economic opportunities to almost 22,000 families. The CHNA draft Executive Summary describes Boston residents’ challenges in saving money, buying groceries, paying for childcare, and paying mortgage, utility, credit card, and medical bills were common challenges that surfaced among survey respondents. Through investment in economic development, Boston hospitals can better help residents meet basic needs and combat the negative effects that poverty has on personal health.



CDCs impact financial security in their communities through offering training and technical assistance to small business owners

h. Creating a Community Investment Tax Credit Fund

In addition to being locally trusted community-controlled nonprofits, Community Development Corporations have attracted investments to low- and moderate-income communities through the Community Investment Tax Credit (CITC). The CITC supports a broad array of community efforts with a collective mission: ensuring families stay in their homes long term. The CITC provides a 50% tax credit against Commonwealth of Massachusetts tax liability. If the donor does not have sufficient tax liability, the credit is refundable, whereby the Commonwealth will issue a check for the balance of the credit to the donor maximizing impact of the donor's investment.

Through pooling resources to create a Community Investment Tax Credit fund, hospitals have an opportunity to have significant impact on housing and economic development in their communities. For example, in 2017 Baystate Medical Center in Springfield partnered with two local CDCs through a three-year, \$500,000 investment. Half of this investment went toward Revitalize CDC to improve housing conditions for children with asthma and to make home improvements that allow seniors to safely remain in their homes. The other \$250,000 Baystate investment went to Way Finders to support improving health through physical improvements to parks, sidewalks, and bikeways and to support healthy lifestyle programming in the community. In Boston, Boston Medical Center has paved the way in leveraging the Community Investment Tax Credit. In 2017 Boston Medical Center (BMC) committed to investing \$6.5 million in affordable housing to improve community health and patient health outcomes. Further, BMC committed to re-investing tax credits received through this initiative back into affordable housing. The Boston hospitals comprising the Boston Collaborative can similarly leverage CITC in order to impact on the strategies and goals laid out in the Mayor's Boston 2030 plan and to have considerable impact on health outcomes in Boston.



MACDC requests that Boston hospitals jointly invest 2 million dollars in a fund to support CDCs' housing and economic development work in the context of a fund eligible for the Community Investment Tax Credit. By leveraging the CITC, the Boston hospitals will further maximize the impact of this collective investment. This pooled fund could leverage the expertise of Boston Community Development Corporations to support housing and financial security and mobility through a multitude of strategies, including those previously described.

VII. Summary

A joint investment in strategies to support housing and economic development, such as the examples described above, will have a significant impact on housing and financial security and mobility. Investment in the strategies described will further impact additional concerns surfaced in the draft CHNA Executive Summary including mental health, the environment, employment/job opportunities, and elder/aging health issues. Through positively impacting these critical concerns, the Boston hospitals have a unique opportunity to improve the health of the communities that they serve. This is a critical moment for the Boston hospitals to build upon their successful collaboration in assessing community needs and to pool resources to address the needs identified. Through collaboration and a significant pooling of resources, the Boston hospitals have a unique opportunity to address housing quality and affordability – as well as other intertwined social determinants of health – on a large scale. Further, through leveraging the Community Investment Tax Credit, Boston hospitals could maximize the impact of this joint investment.

VIII. Continuing the Conversation

MACDC is a thought-leader on the intersection between community development and health. MACDC is also the member association for 20 CDCs in Boston who are actively increasing the production and acquisition of affordable housing and supporting the economic development of their communities. MACDC is well-positioned to further strategize ways in which hospital investments can be best leveraged to address the affordable housing crisis in Boston. We look forward to addressing these critical social determinants of health together and improving health outcomes among Boston residents.