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POLICY AND PRACTICE REPORT



"Perhaps one of the most promising new partners in community development is the health care sector. Factors such as educational attainment, income, access to healthy food, and the safety of a neighborhood tend to correlate with individual health outcomes in that neighborhood. Because these factors are linked to economic health as well as physical health, health care professionals and community development organizations are seeing new opportunities for cooperation in low-income communities."

— Ben S. Bernanke, former Chairman, Federal Reserve Board of Governors

Federal Reserve System Community Affairs Research Conference, Washington, D.C. April 12, 2013

Leveraging Multi-Sector Investments: New Opportunities to Improve the Health and Vitality of Communities

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Preface

The economic and community development sectors share much in common with the public health and medical care sectors. While the focus of their approaches may somewhat differ, overall they mutually aspire to promote the vibrancy and well-being of vulnerable, at-risk communities. These sectors have all come to understand that affordable housing, access to educational opportunities, and jobs that pay a livable wage influence individual health status and societal well-being. Yet, these sectors do not typically collaborate to leverage their financial, human, and institutional knowledge, skills, and resources for maximum impact. This paper will amplify an understanding of each other's needs and responsibilities, and identify opportunities to more effectively work together to build healthier communities.

Health and economic development are inextricably linked.[i]

— The Academy of Medical Sciences

Vibrant Communities Create Good Health

In many parts of the world, good health and life expectancy are highly variable. Within the United States, there are striking differences in health status found among our states, tribal lands, and territories, and among the neighborhoods within them. Widely held assumptions attribute these disparities to the differing quality and availability of medical care. However, research demonstrates that the health of populations is most closely determined by the socioeconomic conditions in which people live, including the distribution of income, goods, services, and opportunities within communities.

The uneven and siloed allocation of these resources is the result of a combination of poor planning and social policies that have left certain populations with limited educational and job opportunities, unaffordable housing, lack of healthy food and physical activity opportunities, neighborhood segregation and violence, pollution, and limited transportation options. These harmful conditions necessitate a coordinated, multi-sector approach that focuses resources on high-impact planning and investment strategies.

How Investment in Communities Impacts both Physical and Economic Health

Community development, including the financial institutions that fund it, helps low-income people and their neighborhoods by providing access to financing and other tools to build affordable housing, launch small businesses, and construct facilities in the community (e.g., child care centers). These investments help to make communities more robust, both economically and socially. However, the connection that is often not made is how these same strategies can make communities physically healthier and simultaneously reduce costs to the health care system.

Examples abound. Affordable housing can incorporate physical activity options within its housing design to provide more opportunities for residents to be physically active and reduce obesity rates. Developers can also use building materials and designs that can promote asthma-friendly environments. Small businesses can provide opportunities for residents to make healthier lifestyle choices, such as corner stores that offer access to fresh foods or gyms with programs for all ages, including family groups.[ii] These strategies can impact high cardiovascular disease, cancer, mental health and respiratory disease rates which result in preventable hospitalizations and disability.

Physical health can then affect the economic health of individuals across the lifespan. Healthier students demonstrate higher cognitive functioning,[iii] and thus receive a better education for a given level of schooling. Healthier people tend to have higher educational achievement levels, which translate into better jobs and the resources to access healthier lifestyles. Healthier adults are more productive workers because they have better mental and physical stamina.[iv] Additionally, their stable incomes may also lead people to save for retirement, thus raising the levels of investment and physical capital per worker.

Listed below in **Table 1** are common physical, economic, and asset development activities typically conducted by community development organizations. The table indicates the strength of the evidence, in general, regarding the overall anticipated affects these activities will have on low income individuals, families, and racial/ethnic minority groups.

By considering the health implications of community planning, policy and investment decisions, we can lift up individuals, communities, and our economy at the same time. Often referred to as *Health in All Policies,* the idea is that our society needs to be more intentional about how it organizes itself and deploys its resources so that individuals, families, and communities can make healthier choices and live healthier lives.[v]

Business Case for Financial Institutions Investing in Community Health

The U.S. is the third wealthiest country in the world, but, as of 2009, we ranked 27th out of 34 industrialized countries in life expectancy. Yet we pay more per capita for our health care.[vi] In addition to the needless suffering and loss of life, the relatively poor health status in the U.S. also seriously affects our economic stability, with skyrocketing medical care costs representing about 18% of our nation's GDP. These largely preventable costs are draining businesses, governments, and families alike. For example, children who are obese or have uncontrolled asthma are more likely than other children to be absent from school, impeding their ability to learn. Further, our workforce isn't as productive as other nations when it draws from a population that is less healthy or must care for their sick children.

When so many U.S. adults are afflicted by preventable chronic illnesses such as heart disease, arthritis and diabetes, their unaffordable health care bills and insurance premiums result in stresses on our society and its economic viability. Housing foreclosures, unstable neighborhoods, and unproductive students and workers all result from capital being drained from our economy to support an unaffordable health care system burdened by expensive chronic diseases.

Indeed, over 60% of personal bankruptcies in the United States, and about half of residential foreclosures, are due to medical debt.[vii] What may be worse, for the first time in two centuries, this generation of children in America may live shorter lives than their parents.

Promoting ways to prevent illness can reduce the immense financial burden of disease, in addition to improving the length and quality of people's lives. Prevention policies and programs often are cost-effective, reduce health care expenditures, and improve productivity. For example, annual health care spending is $1,400 higher for people who are obese and $6,600 higher for those who have diabetes than for people who do not suffer these conditions. Indeed, a one percent reduction in weight, blood pressure, glucose, and cholesterol risk factors would save an estimated $83 to $103 annually in medical costs per person.[viii] There are other examples as well. By employing sound environmental building and maintenance practices in low income housing, programs can reap a return on investment by reducing expensive hospitalizations and visits to the emergency room from avoidable asthma attacks.

In its report, entitled *Prevention for a Healthier America: Investments in Disease Prevention Yield Significant Savings, Stronger Communities*, Trust for America's Health concluded that an investment of $10 per person per year in proven community-based programs to increase physical activity, improve nutrition, and prevent smoking and other tobacco use could save the country more than $16 billion annually within five years. This is a return of $5.60 for every $1.[ix]

Medical crises contribute to half of all home foreclosure filings.

— Health Matrix, 2008

Table 1: Common Physical, Econmic, and Asset Development Activities Typically Conducted by Community Development Organizations.

Activity	Impacts on Health*	Strength of Evidence
Affordable Housing	↓ Cardiovascular disease ↓ Cancer ↓ Obesity ↓ Respiratory disease ↑ Mental Health	Strong
Commercial Real Estate	↓ Cardiovascular disease ↓ Obesity ↓ Respiratory Disease	Weak
Community Space	↑ Mental Health	Medium
Transit-Oriented Development	↓ Crime and Violence ↓ Respiratory Disease ↓ Cardiovascular Disease ↓ Obesity	Strong
Open Space Preservation	↓ Cardiovascular Disease ↑ Mental Health	Medium/Strong
Small Business Development	↓ Crime and Violence ↓ Respiratory Disease ↓ Cardiovascular Disease ↓ Substance Abuse	Medium
Other Development (e.g.,Brownfield remediation)	↓ Lead and other poisonings	Strong
General Asset Development: English as a Second Language (ESL) classes and Legal Services	↓ Cancer ↓ Obesity ↓ Cardiovascular Disease	Strong
Substance Abuse/Mental Health Support	↓ Crime and Violence ↓ Domestic Violence ↓ Cardiovascular Disease ↓ Substance Abuse ↓ Sexually Transmitted Diseases ↑ Mental Health	Medium/Strong
Property Management	↓ Lead and other Poisonings ↓ Respiratory Disease ↓ Injuries ↓ Infectious Disease	Strong
Youth Development and Empowerment	↓ Crime and Violence ↓ Cancer ↓ Cardiovascular Disease ↓ Substance Abuse ↓ Sexually Transmitted Diseases ↑ Mental Health	Medium

Research conducted by the Metropolitan Area Planning Council within the Community Investments Tax Credit Health Impact Assessment with Health Resources in Action and Massachusetts Department of Public Health, 2014.

*key: ↓ decreased; ↑ increased

Investing in Healthier Communities

Over the past few decades, the fields of community and economic development, as well as the public health and medical care sectors, have typically worked separately. The community development field has traditionally focused on the economic and physical environments of communities, while the health sector has concentrated on the medical needs of people and addressing diseases and injuries in communities. However, both sectors are now focusing on neighborhoods in new ways: community development has come to understand that access to grocery stores and safe recreational opportunities are important mechanisms for promoting the well-being of communities, and the health sector is focusing more on healthy community design because they understand that many chronic illnesses and injuries are related to the ways in which neighborhoods are organized.

This realization can provide a natural way to blend the work of both sectors and leverage their knowledge, skills, and resources for the common good. Closing the gaps in health and life expectancy will necessitate changes in policies, practices, and individual behaviors, as well as investments in bricks and mortar projects. The effects of these coordinated strategies are healthier, more livable communities that contribute to our nation's economic and physical health.

Federal Policy Opportunities

The Community Reinvestment Act

The Community Reinvestment Act (CRA) is a law that serves to increase responsible lending, investments, and services for low- and moderate-income communities. Originally enacted by Congress in 1977 and updated over the years, the CRA declares that "regulated financial institutions have continuing and affirmative obligations to help meet the credit needs of the local communities in which they are chartered," particularly low- and moderate-income neighborhoods, and consistent with safe and sound banking operations.[x] The regulation requires that each insured depository institution's record in helping meet the credit needs of its entire community be evaluated periodically.

That record is taken into account in considering an institution's application for deposit facilities, including mergers and acquisitions. Examiners from four federal agencies assess and score a lending institution's activities as "outstanding," "satisfactory," "needs to improve," or "substantial non-compliance."[xi] The agencies that have been delineated to conduct the CRA examinations include:

- **The Board of Governors of the Federal Reserve System** (Federal Reserve), which evaluates state-chartered banks that are members of the Federal Reserve System, bank holding companies, and savings and loan holding companies;
- **The Federal Deposit Insurance Corporation** (FDIC), which supervises state-chartered banks and savings banks that are not members of the Federal Reserve System and the deposits of which are insured by the Corporation, and State savings associations;
- **The Office of the Comptroller of the Currency** (OCC), which assesses nationally-chartered banks and Federal savings associations; and
- **The Office of Thrift Supervision** (since merged with the OCC in 2011), which examines savings and loan institutions.

If a regulatory agency's assessment finds that a lending institution is not serving these neighborhoods, it can delay or deny that institution's request to merge with another lender or to open a branch or expand any of its other services. The financial institution's regulatory agency can also approve the merger application subject to their making specific improvements in a bank's lending or investment record in low- and moderate-income neighborhoods.

Any lending institution can opt to develop a *strategic plan*, instead of undergoing a regulator evaluation. The plan seeks to meet the credit needs of a bank's assessment area and must address the lending, investment, and service criteria that would have been part of the usual examination.[xii] The plan is to be created in conjunction with neighborhood organizations and must then be approved (deemed at least "satisfactory") by the appropriate Federal regulators. Financial institutions don't actually *have to* involve the public in the planning process itself, but must at least include opportunities for public review and comment.

An important step in the planning process is for the institution to define their assessment area(s). The assessment area should consist of one or more metropolitan areas or one or more contiguous political subdivisions (i.e., counties, cities or towns). The institution should include those areas in which it has its main office, branches, and deposit-taking remote service facilities such as ATMs and point-of-sale terminals.

The bank should also include the surrounding geographies in which it has originated or purchased a substantial amount of its loan portfolio, including home mortgage, small business and small farm loans, as well as any consumer loans, on which the institution chooses to have its performance assessed.

The institution must also delineate measurable goals, stated in quantifiable terms, and the levels at which these goals must be met to justify the proposed ratings. The institution must set a term, not to exceed five years, during which the plan will be in effect.

The Patient Protection and Affordable Care Act (ACA)

The implementation of the federal Affordable Care Act in 2010 represents a significant overhaul of the U.S. health care system. The implementation of the ACA expands coverage in communities where health disparities are concentrated, and where physical, economic, and social conditions impede efforts to improve health status.[xiii] The ACA provides, in a sense, an opportunity, or financial incentive, for providers to examine new approaches aimed at reducing disparities and direct attention towards prevention and wellness in the communities where people live, work, learn and play.

Additionally, provider payment incentives to hold down health care costs can serve to shift dollars from treating medical conditions to community building activities which support community well-being and prevention. These interventions will require collaborations across sectors.

The ACA also revised federal tax exemption standards for nonprofit hospitals by clarifying and expanding their community benefit requirements. This followed changes in the tax form on which hospital community benefit, financial, and institutional activities are reported. Among other reforms, the ACA requires that nonprofit hospitals conduct community health needs assessments (CHNAs) every three years and develop strategic implementation plans that clearly align hospital investments to community needs.[xiv]

According to IRS instructions, for any activity to qualify as a community benefits initiative, it must be carried out or supported for the purpose of improving community health or safety, meet at least one community benefit objective (e.g., improving health services access, public health enhancement, advancing general knowledge, and relief of a government burden relating to health improvement), and respond to a demonstrated community need. Community need can be demonstrated in three ways:

1. a community health needs assessment developed or accessed by the organization;

2. documentation that demonstrated community need or a request from a public agency or community group was the basis for initiating or continuing the activity or program; and

3. the involvement of unrelated, collaborative tax-exempt or government organizations as partners in the activity or program.[xv]

The IRS accepts some evidence-based *community building* activities that address the socioeconomic determinants of health, such as environmental improvements to housing, economic development, community support, leadership development and job training, among others, as legitimate community benefits.

Stakeholders Investing in Communities

The following types of institutions share common ground by uplifting the health and resiliency of vulnerable communities. These institutions represent several pools of money available for community investment, and most investment decisions are based on their own organizational strategic plans.

Community Development Corporations (CDCs)

A community development corporation (CDC) is a not-for-profit organization incorporated to provide programs, offer services, and engage in community planning activities that promote and support neighborhood development. They usually serve a specific geographic location and often focus on serving low- or moderate-income residents and struggling neighborhoods.

CDCs engage and organize local residents and businesses to work together to identify opportunities to improve communities through commercial real estate and affordable housing development, small business financing and other economic development activities, community organizing, transportation planning, addressing open space and brownfield remediation, and other forms of asset building. CDCs are founded upon the principle that a community's residents can come together to effect change and to help transform their neighborhood together.[xvi]

Community Development Financial Institutions (CDFIs)

Nationwide, over 1000 Community Development Financial Institutions (CDFIs) serve economically distressed communities by providing credit, capital, and financial services that are often unavailable from mainstream financial institutions. CDFIs loan and invest in our nation's most distressed communities, and these funds leverage many more dollars from the private sector for development activities.

City First Bank of D.C.

The mission of City First Bank is to meet the financial services needs of low- and moderate-income communities in the District of Columbia and adjacent suburbs. This commercial bank with a community development charter focuses on low- and moderate-income communities with poverty levels at 80% or less of area median income. In the past five years the Bank provided $241 million in loans for small companies and nonprofit organizations for affordable housing development, charter schools, small businesses, and working capital for nonprofit organizations. The Bank also raised and deployed $270 million in New Markets Tax Credit financing for projects in low-income communities.

Since 1974, Bread for the City has served low-income individuals and families in Washington. Bread for the City serves more than 32,000 clients each year providing an array of supportive services including food, clothing, medical and dental care, legal services and comprehensive social services. One of BFC's two facilities is located in a small building, a former warehouse, on 7th Street in the Shaw community. The facility houses the food pantry, medical clinic, civil legal services practice, and offices for social workers and other service providers. With its large caseload and broad program offerings, the small building of 9,608 square feet was literally bursting at the seams, and BFC was forced to incur the expense of renting nearby space for its administrative staff. In 2009, with a public grant from the DC Primary Care Association and financing through the City First New Markets Tax Credit program, City First originated a loan of $6.4 million using proceeds of the equity investment by U.S. Bancorp Community Development Corporation. In October 2010, Bread for the City began construction of an 18,000 square foot addition on the parking lot next to the existing facility and completed substantial renovations to the existing clinic. The new facility allowed Bread for the City to double the size of its medical clinic, open a dental clinic, install a 3,500 s.f. rooftop vegetable garden, and increase its food storage and distribution capacity.

CDFIs are specialized financial institutions that work in market niches that are underserved by traditional financial institutions, and provide services such as mortgage financing for low-income and first-time homebuyers and not-for-profit developers; flexible underwriting and risk capital for needed community facilities; and technical assistance, commercial loans and investments to small start-up or expanding businesses in low-income areas.[xvii] There are several CDFI types:

- Community Development Banks, which are federally regulated and insured through the Federal Depository Insurance Corp., the Federal Reserve, Office of the Comptroller of the Currency, and state banking agencies;
- Community Development Credit Unions, which are federally and state regulated and insured by the National Credit Union Administration;
- Community Development Loan Funds, which are self-regulated, except for non-profit 501(c)(3) restrictions and state securities law, where applicable;
- Community Development Venture Capital Fund, for which the regulation is variable and depends on the funding sources; and
- Microenterprise Development Loan Fund, which is regulated by the IRS and grant makers, as any other 501(c)(3) nonprofit.[xviii]

In the 1990's, the CDFI industry expanded dramatically, in part because of the creation of the CDFI Fund, a government agency that provides funding to individual CDFIs and their partners through a competitive application process. In addition, revised CRA regulations in 1995 explicitly recognize loans and investments in CDFIs as a qualified CRA activity.

Corporate Citizenship Funds

A number of private corporations are committed to social and environmental responsibility, investing in higher standards of living and quality of life in the communities in which they operate. As such, they make community development investments in the form of grants, support of community projects, and employee volunteerism.

The federal New Markets Tax Credit Program was created to provide tax credit incentives to investors for equity investments in certified Community Development Entities which invest in low-income communities. http://www.journalofaccountancy.com/Issues/2001/Aug/TheCommunityRenewalTaxReliefActOf2000.htm

Dignity Health Hospitals: Increasing Capital for Underserved Communities

Dignity Health is the fifth largest hospital provider in the nation and the largest hospital system in California. They recognize that health cannot be defined simply as the absence of disease. Mental, spiritual and environmental well-being all play a part in the overall health of an individual or a community. For this reason, they go beyond their hospital walls to help improve the long-term health of the communities they serve, and this is reflected in their community benefits strategy.

In addition to making grant funds available to their community partners, they also work to establish larger pools of capital for those who have been historically underserved. Their Community Investments are providing below-market interest rate loans to nonprofit organizations that are working to improve the health and quality of life in their communities.

Dignity Health borrowers develop community facilities such as child care and community clinics, affordable housing for low-income families and seniors, job training for the unemployed or underemployed, and health care services for low-income and minority neighborhoods. Since 1992 they have invested more than $88.1 million in 185 nonprofit organizations.

http://www.dignityhealth.org/index.htm

Hospitals and Health Systems

Nonprofit hospitals have a charitable mission and interest in improving the health of the communities they serve. Community benefits resources are one way they are able to have this type of an effect. (see their requirements above under the ACA section). Many for-profit and non-profit hospitals also have substantial equity that could potentially be tapped for creative community investments.

There are other financial mechanisms that medical care institutions and health systems utilize to support the health of low income communities and reduce health disparities. Examples include:

- **MA Determination of Need Program (DoN).** [xix] The DoN program receives applications from health care facilities planning substantial capital expenditures or substantial change in services. The process evaluates the proposals and makes recommendations to the Public Health Council, which is authorized to approve or disapprove the expenditures and/or new services. DoN applicants must include with their application plans for Community Health Initiatives intended to foster collaborations between applicant institutions, local public health authorities, and community-based partners. The purpose is to improve the health status of vulnerable populations and to build community capacity to promote socioeconomic determinants of good health. Programs are strongly encouraged to involve expanded health partnerships including non-traditional partners such as community development corporations, schools, or other organizations based in or accountable to their communities that address socioeconomic determinants of health.

- **Accountable Care Organizations** (ACOs). ACOs are still in their infancy, but are becoming somewhat more common, now that they are supported by the ACA. ACOs are organized groups of physicians, hospitals, or other providers working together and jointly accountable for caring for a defined patient population, with the goal of improving health care quality and efficiency. Payers will contract with ACOs to care for a defined group of patients, using financial rewards to encourage them to save on costs while meeting quality indicators.

  While ACOs are not currently investing in community prevention, an innovative approach to an ACO is being demonstrated in Akron, Ohio, led by the Austen BioInnovation Institute (ABIA), which is developing the nation's first "Accountable Care Community" (ACC). An ACC encompasses not only medical care delivery systems, but "also the public health system, community stakeholders at the grassroots level, and community organizations whose work spans the spectrum of the determinants of health."[xx]

  While an ACO may be responsible for only its population of patients, an ACC is responsible for the health outcomes of the entire population of a defined geographic region or community. Initially, the Akron ACC is being funded through grants and community benefit funds from local hospital systems, but leaders of the ACC believe they have developed a model that will be financially self-sustaining in the long term. They project that health care costs will be lowered by 10 percent as a result of the new programs and interventions, with the savings captured through cost-avoidance and cost-recovery financial models. These savings will be shared with the ACC by participating health systems, providers, and payers through negotiated agreements with each entity, and will cover all of the collaborative's operating costs, as well as provide additional funds for future investment in the community.[xxi]

Private and Public Investors

Public-private-nonprofit partnerships are being developed across the country to invest in programs that have the potential for yielding a return on investment. Referred to as *Pay for Performance Investing*, these partnerships are structured by finding a common interest of all stakeholders (government, investors, service recipients, and providers) and using it to scale up promising models by designing creative financing solutions. One of these models is an innovative mechanism called a *Social Impact Bond* (SIB), which draws upon private capital to fund effective interventions designed to address the needs of the underserved. SIBs have the potential to unlock a large, untapped resource of investment capital to finance the expansion of cost effective, prevention-based projects, while focusing on measurable outcomes and generating social and financial returns for investors. In a SIB, the performance risk is shifted to the investor. Central to this type of funding is linking the investor repayment to the success of preventive social service programs. In addition, some of the cost savings can then be reinvested into prevention, further improving the community and continuing the long-term savings.

Innovators are taking the SIB concept and applying it to the health sector through a concept called *health impact bonds* which generate investment capital for evidence-based health interventions. The principal and interest are then returned based on share-of-savings achieved. The bonds work by bringing together investors, nonprofits, and government to agree on scaling a proven health program, such as an asthma home visiting program, and modeling how long it will take to produce savings which eventually returns to the investors.[xxii]

While there are still issues to work out before Social or Health Impact Bonds provide a larger share of funds for prevention and early intervention programs, the potential is there for them to be a financial tool that can allow governments to be innovative, and scale up what works, in ways they wouldn't otherwise attempt. There are other innovative investment strategies that are promising, but have yet to be extensively tested, such as insurance-provider risk/sharing arrangements that realign financial incentives to improve population health outcomes.[xxiv]

Philanthropy

Philanthropy is increasingly paying attention to impact investing by targeting investment capital as a complementary resource for achieving social and environmental change. Sometimes referred to as *Program Related Investments (PRIs)*, some foundations are putting more of their endowment, rather than just their grant-making resources into investments that support their philanthropic goals. In this particular case, foundations are willing to use their endowments to absorb risks that stymie private investors from putting their money into ideas that benefit society. Philanthropy can also use its platform to promote impact investment as a tool, drive quality in the field, and actively partner with other community institutions on collaborative, leveraged investments. Community Foundations are uniquely positioned to explore the links between health and community development because of their investments in both sectors.

Elements of a Health Impact Bond:

- Identify opportunities to improve health and lower costs, and forecast the potential savings for financial stakeholders — public and private health plans, self-insured employers, health care providers with aligned incentives, and other government and commercial payers — who agree to share a portion of validated savings to pay back investors.
- Invest in prevention by engaging impact investors — foundations, individuals and institutions — who provide upfront capital in exchange for agreed financial and social returns.
- Improve health outcomes and lower costs through evidence-based interventions delivered by qualified service providers.
- Share the return, based on health care cost savings validated by independent evaluators, with investors in the form of principal plus interest, and potentially reinvest a portion of the returns for program scale-up and sustainability.

Several elements are required to ensure a successful Social or Health Impact Bond:

+ Clear outcome metrics, which are accurately demonstrable
+ A clearly-defined and accessible target population
+ A baseline/comparison group
+ An evidence base for interventions that are known to achieve the target outcome
+ Easily identifiable public sector savings
+ A high level of public sector and investor engagement with the issue area[xxiii]

— Rick Brush, *Collective Health, LLC*

United Way

The United Way of America (UW) is a non-profit organization with more than 1,200 local offices across the United States. The issues that area UW offices focus on are determined locally because of the diversity of the communities served, but the main focus areas include education, income, and health, addressing social and economic determinants of health. The organizations work through numerous partnerships with sectors including schools, government agencies, businesses, organized labor, financial institutions, community development corporations, voluntary and neighborhood associations, the faith community, and others. Each office of the UW invests in local organizations that address one or more of the national or local focus areas, some on an annual basis and some for multi-year periods.

Public Health

Public health departments are governmental agencies organized at the state, territory, tribal, county, and community levels across the country. They are responsible for protecting and improving community well-being by preventing disease, illness and injury, and impacting social, economic, and environmental factors basic to good health.

They are also concerned with addressing the community conditions that lead to health disparities. Their main tasks include gathering and analyzing data on the community's health to determine risks and problems; preparing for and responding to public health emergencies; developing, applying and enforcing policies, laws, and regulations that improve health and ensure safety; mobilizing communities around important health issues; educating and encouraging people to lead healthy lives; linking people to health services, including preventive and health promotion services; advocating for the development of needed programs and services in underserved populations; and continuously monitoring the quality and accessibility of public health services. Health departments are increasingly moving toward accreditation by the new national Public Health Accreditation Board (PHAB). As part of this process, they need to bring community partners together to create health needs assessments, a health system health improvement plan, and their own agency strategic plan. Demonstrating meaningful multi-sector community partnerships is a critical component to become accredited.[xxv]

Health departments also invest in communities through grant-making programs and have access to important health and community data indicators, as well as evidence-based strategies to improve population health.

Community Organizations

There are many community-based organizations, coalitions, and faith-based organizations working to promote and facilitate healthy communities. Often comprised of diverse community residents and leaders, they are the essential ingredient for guiding investment strategies and policies that will respect their interests. These community groups can serve as the organized voice of residents, and must help drive the planning and implementation process. These organizations have experience engaging various sectors and populations that are experiencing adverse economic and health issues. Community engagement can be the difference between a successful initiative and one that falls well short of its potential.[xxvi]

The community voice must be present at the beginning of any planning process, not as an after-thought.

Health impact assessment is a systemic process that uses an array of data sources and analytic methods and considers input from stakeholders to determine the potential effects of a proposed policy, plan, program, or project on the health of a population… and provides recommendations on managing those effects.

— National Academy of Sciences, 2011

Collective Impact: Working Together to Address the Wellbeing of Communities

Since all of these organizations engage in planning processes and invest various forms of capital to improve the health, safety, and wellbeing of vulnerable communities, there are ample opportunities for these sectors to collaborate for greater *collective impact*. The first step towards a more coordinated approach to improving the physical and economic health of communities is to convene a broad, multi-sector group of individuals from all relevant domains: community development, financial institutions, health care, public health, businesses, and community residents who reflect the diversity of the community. Together, this group needs to develop a common language and a deeper awareness and understanding of the values and missions of all participants, and to identify and articulate common areas — a convergence — of interest.

During the process of working together toward a shared vision and approach, there are seven key areas for the participants to jointly pursue:

1. ***Coordinating Community Assessments:*** Most social impact investors are collecting community needs, assets, and outcome data related to their fields. However, these data points are infrequently shared. A *coordinated assessment* approach to collecting and sharing community-level data could increase the depth and breadth of understanding of the factors that shape a community's outcomes and priorities.

2. ***Collaborative Community Planning:*** With strategic plans now required or encouraged for hospital community benefits departments, United Ways, health departments, and CRA banks, finding leverage points for *collaborative planning* and implementation can maximize institutional resources and impact on population health outcomes. Through a multi-sectoral approach, hospitals and public health departments can include community and economic development representatives at their planning tables. Similarly, CRA-governed financial institutions and Community Development Corporations can include health care and public health representatives in their respective planning processes. It is also recommended that philanthropy and local businesses be involved. Duplication of effort could be avoided if all parties also worked together on a *community master plan*. Such a coordinated plan could simultaneously maximize resources while reinforcing each other's respective goals to address community priorities and improve well-being indicators.

3. ***Identifying and Implementing Evidence-based Policies and Practices:*** New multi-sector initiatives should be informed by evidence that they work to improve the status of vulnerable populations. Examining published research and reports, as well as on-the-ground models that have undergone an evaluation, can help ensure collective success. There are databases that exist to aid this endeavor, including: *What Works for Health*. http://www.county-healthrankings.org/roadmaps/what-works-for-health. Additionally, using Health Impact Assessments (HIA) is a useful methodology for examining the health implications of various plans, policies, and developments that fall outside the traditional public health arenas.
   An HIA can provide objective analysis and recommendations to increase positive health outcomes and minimize adverse health impacts to the decision-making process for such initiatives that involve housing, transportation, and land use.

   In addition, HIAs use community and stakeholder input to ensure that the initiative is in line with the needs of the community residents that it will impact. *www.healthimpactproject.com.*

4. ***Aligning Activities and Investments:*** By referring to each other's shared goals, data, and community improvement plans, stakeholders can identify collaborative initiatives to maximize impact. Co-locating programs and sharing or cross-training staff can increase program resources and outreach. Identifying investment opportunities such as transit-oriented mixed-use affordable housing communities, or developing brown¬fields into community gardens or recreational facilities, are examples of more capital-intensive efforts. Each domain brings financial, intellectual, and institutional resources to the table. It will be important for the group to find ways to leverage these assets efficiently, both to make the greatest impact in the community and to attract additional capital or other resources to the process.

5. ***Regulatory Review:*** To reinforce strategies for coordination between the community/economic development sectors and the health care/public health sectors, regulations governing these institutions should be updated to become mutually reinforcing. One opportunity is to encourage a change in the language of the CRA to explicitly recognize "health" and the "socio-economic determinants of health," giving a broader range of acceptable projects in which financial institutions can invest. Similarly, the IRS is somewhat vague about counting "community building" activities as meeting hospital community benefit obligations. Thus some hospitals are reluctant to invest in the social determinants of health. Greater clarity would give confidence to these institutions and their leaders that they are investing in worthwhile projects, even if they're not within their traditional funding spheres, while also meeting their IRS requirements.

6. ***Developing Shared Measurement Practices:*** Similar to the importance of developing a common language, identifying agreed-upon metrics to measure collective performance and outcomes will be important. How will partnerships know that they have addressed their common aims? By holding the group accountable through measuring success and addressing challenges, it will strengthen the sense of shared ownership of the process and outcomes, as well as provide assurances that the group is moving forward together.

7. ***Creating a Learning Community:*** The fields of community development and health are constantly evolving. New research and on-the-ground models are constantly informing these fields. Keeping each other abreast of, and involved with, each other's updated strategic plans, promising practices, and evidence-based strategies will serve to lift up what works and illuminate how resources can more efficiently and effectively be allocated across sectors to build healthier communities.

Conclusion

With economic and health disparities continuing to take their societal tolls, we have to devise smarter ways to invest human and financial capital to realize social progress. Solutions will include collective institutional planning that meaningfully involves the voices of community members, aggregating capital from various sources to leverage impactful interventions, using evidence and data to scale up what works, innovating to test out promising ideas, and evaluating progress. A marketplace which brings together community desires with the variety of institutions that have access to capital can not only improve the health and welfare of vulnerable communities, but can also reap returns on investment to the business and health care sectors. The need is urgent; the time has come.

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