



# Sustainability & Scale Organizational Building Blocks for Healthy Communities

Federal Reserve Bank of San Francisco  
Los Angeles Branch  
July 27, 2011

# Agenda

- **Welcome**

- Melody Nava, FRBSF
- Julie Friedman, Iris Cantor - UCLA Women's Health Education & Resource Center

- **Opening Remarks: Intersection of Health & Community Development**

- David Erickson, FRBSF

- **Sustainability & Scale: the Organizational Building Blocks for Healthy Communities**

- Facilitated discussion with Lisa Richter, GPS Capital Partners

- **Next Steps**

# Context

- **Why**

- U.S. health care costs unsustainable
- Inadequate health or job creation value
- Spending mismatches and disparity effects

- **What**

- Build Healthy Communities
- Advance toward Healthy People 2020
- “Health in all policies” -- “Make healthy choice the easy choice”

- **Who & How**

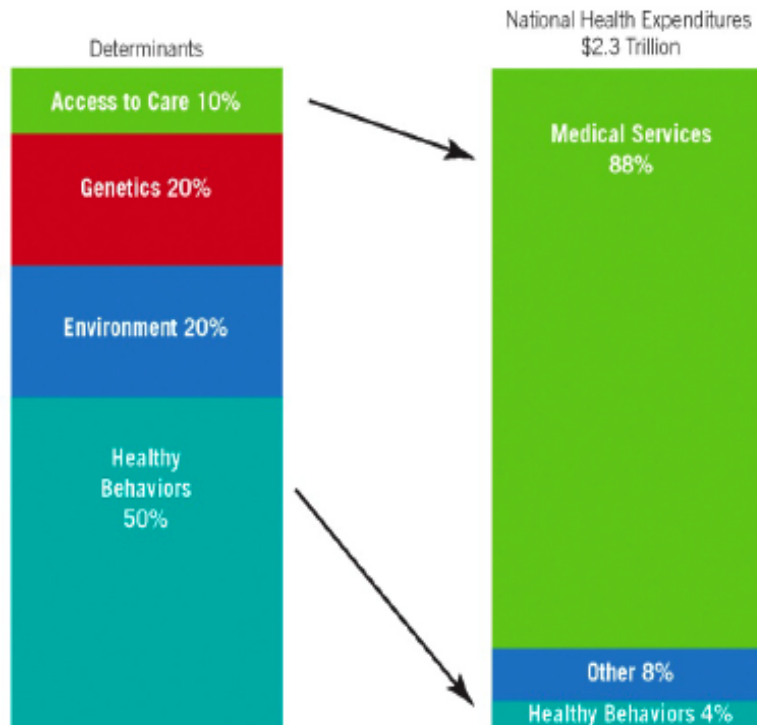
- Public sector, private sector, philanthropy, households
- Building blocks:
  - Organizational sustainability, collaboration, accountability
  - Investment and scale as appropriate



# Context – Status Quo Unsustainable

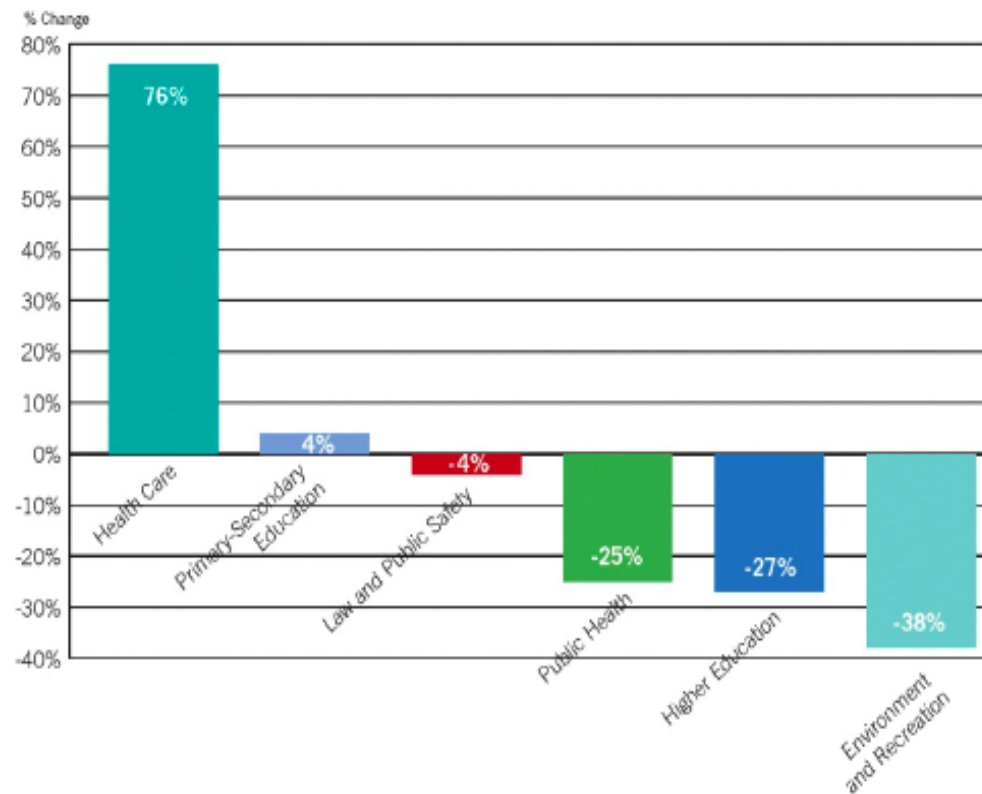
## A Spending Mismatch / A Fiscal Crowd Out

### Spending for Health Determinants and Health Expenditures



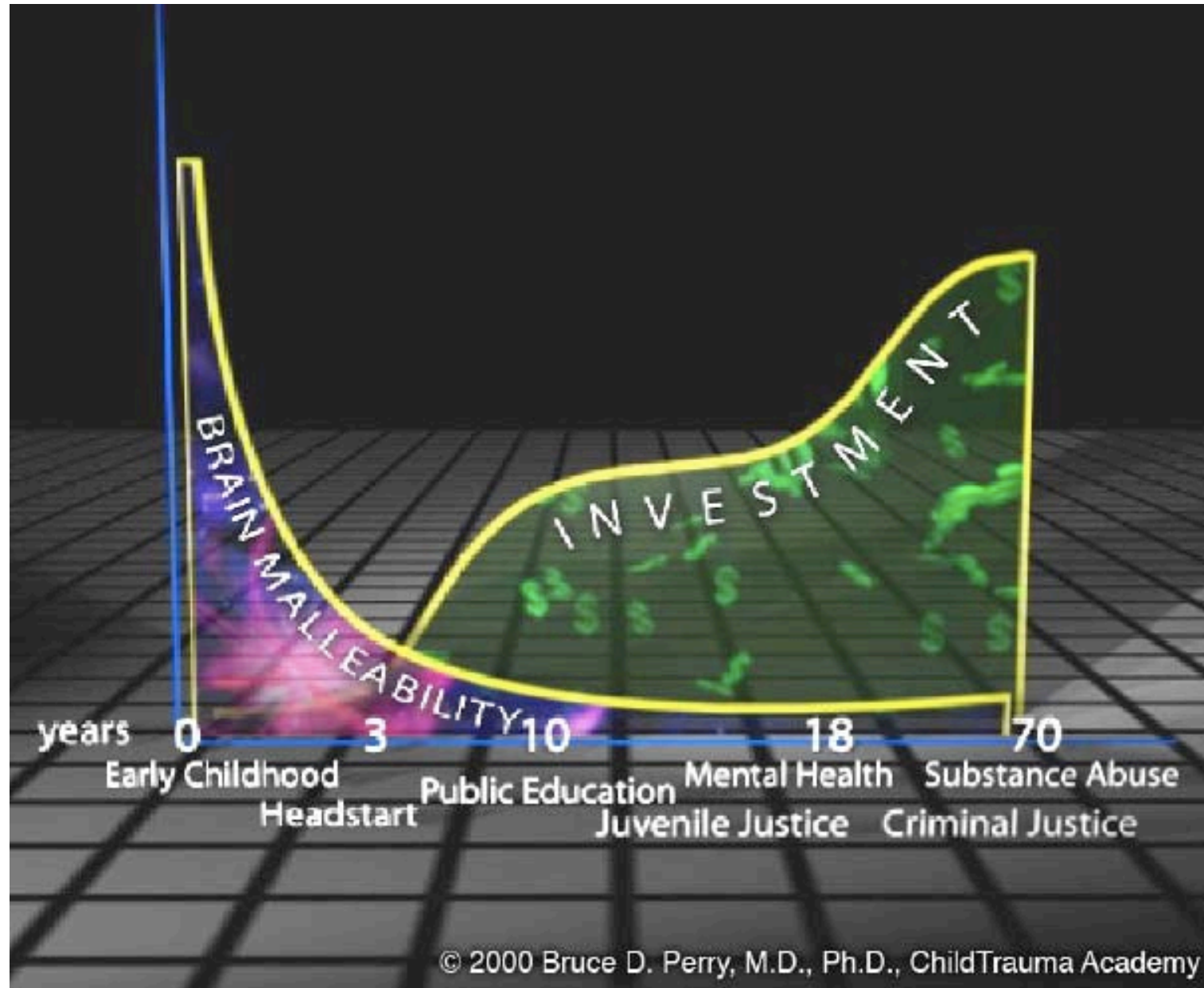
### Massachusetts State Spending Imbalance, Net Change, Fiscal Years 2001-2011

Adjusted for Inflation



Source: Grogan, Paul, Exploring the Intersection of Community Development and Health, Speech, Federal Reserve Bank of Boston, April 20, 2011.

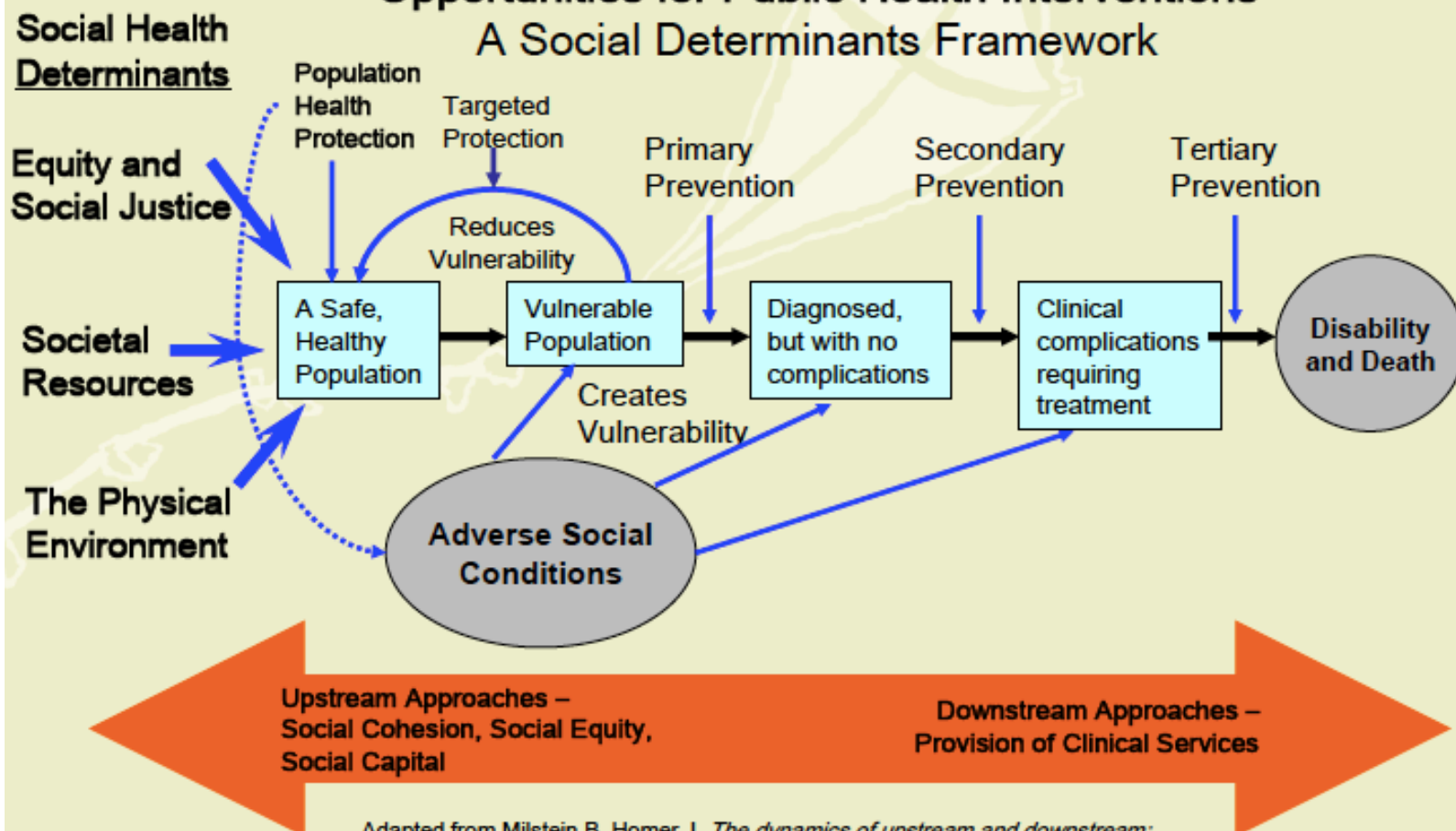
# Context – Status Quo Unsustainable



# Context: Status Quo Unsustainable

## Kaiser Permanente Community Fund At the Northwest Health Foundation

### Opportunities for Public Health Interventions A Social Determinants Framework



Adapted from Milstein B, Homer J. *The dynamics of upstream and downstream: why is it so hard for the health system to work upstream, and what can be done about it?* CDC Health Systems Workgroup; Atlanta, 2003.

NORTHWEST HEALTH  
FOUNDATION

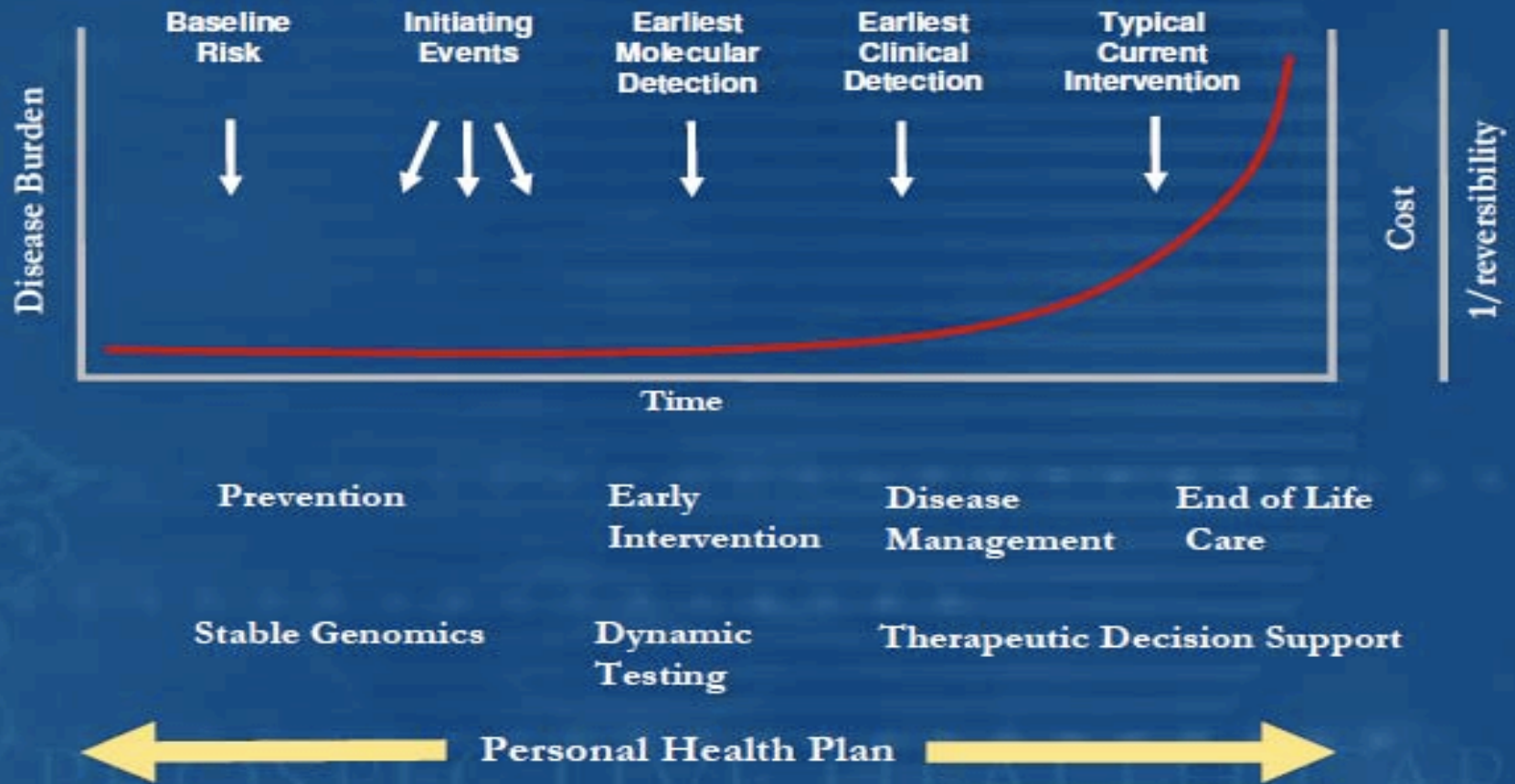
The Community's Partner for Better Health

May 5, 2010



# Context: Status Quo Unsustainable

## Personalized, Predictive Prevention

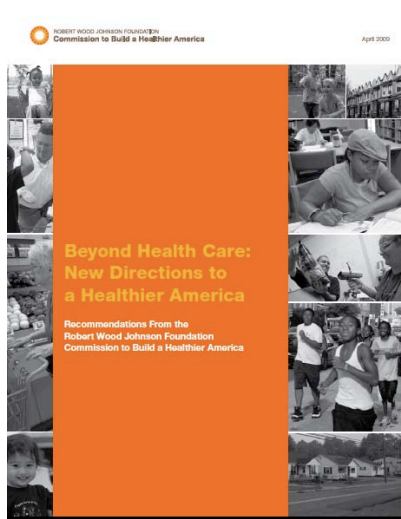


# Context: Evolving Policy

- Patient Protection and Affordable Care Act, March 2010
- The U.S. Department of Health and Human Services (HHS) Healthy People 2020 goals call for the nation to:
  - Attain high quality, longer lives free of preventable disease, disability, injury, and premature death.
  - Achieve health equity, eliminate disparities, and improve the health of all groups.
  - Create social and physical environments that promote good health for all.
  - Promote quality of life, healthy development and healthy behaviors across all life stages.
- Aligned Federal Programs: Communities Putting Prevention to Work, Community Transformation Grant, Promise Neighborhoods, Choice Neighborhoods, Sustainable Communities, Healthy Food Financing Initiative, CDFI Fund.
- Further Federal, State & Local alignment needed



# Context – Community Development Call to Action



*Robert Wood Johnson Foundation  
Commission to Build a Healthier  
America, 2009.*

**“Building a healthier nation** will require substantial collaboration among leaders across all sectors, including...child care, education, housing, urban planning and transportation—who may not fully comprehend the importance of their roles in improving health.”

“...The Commission identified a range of successful ways to improve health at the local, state and federal levels—practical, feasible and effective solutions **often hiding in plain sight**. But too often, they exist in isolation.... **To be fully effective, these programs need greater scale and geographic spread.**”

# Context – Community Development Call to Action

“.....Health care is not sufficient to ensure good health. **We need to cultivate a national culture infused with health and wellness—among individuals and families and in communities, schools and workplaces. And we must ensure that all Americans—including those who face the greatest obstacles—can share in that culture...**”

“....we suggest that the field of public health adapt a “culture of community development finance” as an essential component of scaling successful models of community, school, and workplace health promotion...”



*SFFRB Review, 2010*



# CD Finance / Impact Investing Landscape

## Public

### Federal:

- HHS
- HUD
- Treasury
- Commerce
- Labor
- Agriculture
- Interior
- Education
- Transportation
- Energy
- Justice

### State, County, City:

- Agencies
- Loan Funds
- Investment Funds
- Bond Authorities
- Schools, Libraries

## Philanthropic

### Foundations:

- Independent
- Community

### High Net Worth Individuals

Charitable, below market-rate Program-Related investments (PRI) and market-rate mission-related investments (MRI).

### Health System

*Community Benefits*

## Private

### Mission-Driven

### Practitioners:

- NGOs
- Social Enterprises
- Faith-Based

### Financial Partners:

- **CDFIs**
- Funds
- Asset Managers

### Regulation/ CSR-Driven:

- Banks
- Insurance Cos.
- Pension Funds
- Health Systems

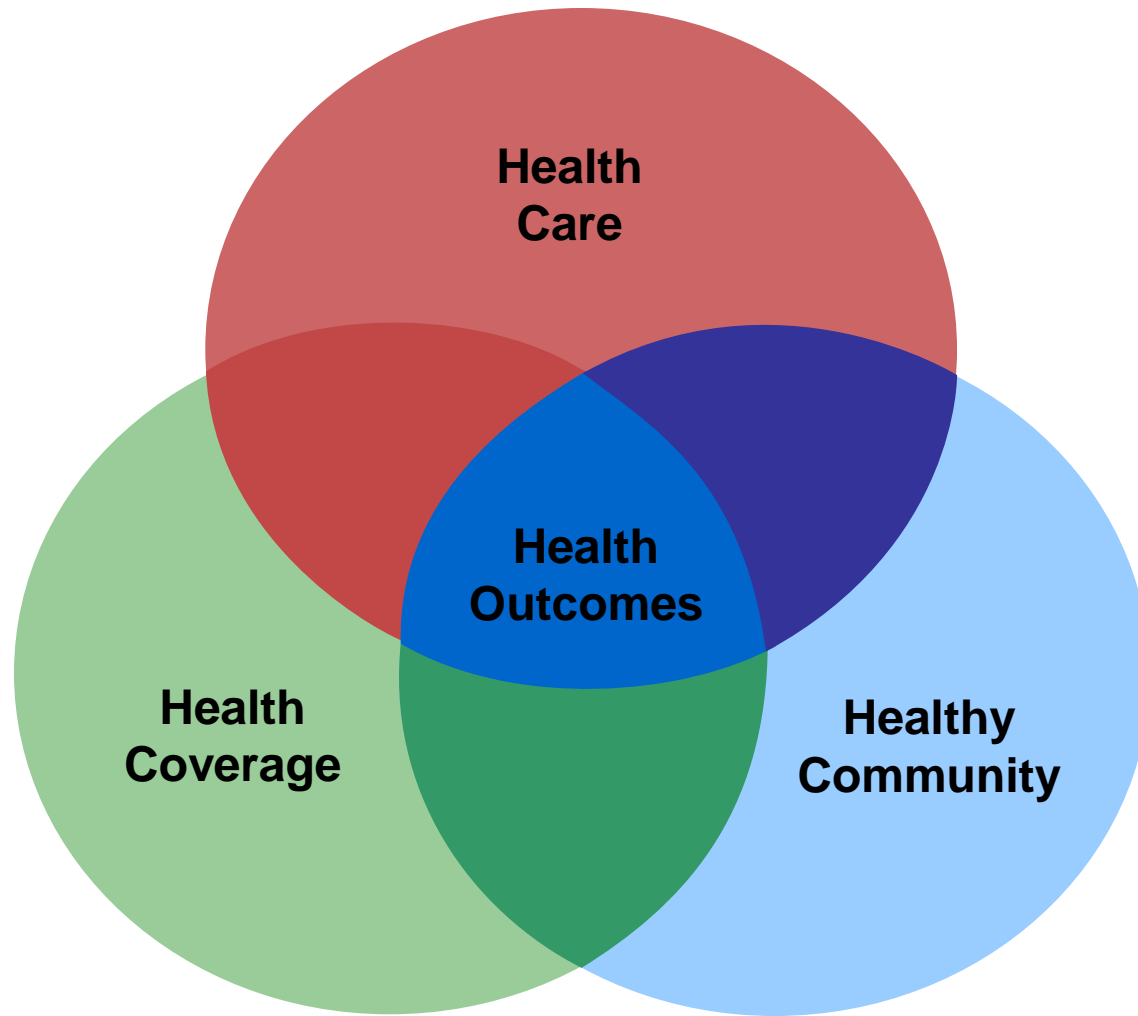
Revenue, Grants,  
Credit Enhancement

Grants; Impact  
Investments; Policy

Capital + TA  
enables Community  
Services & Health

# CD Finance / Impact Investing Landscape

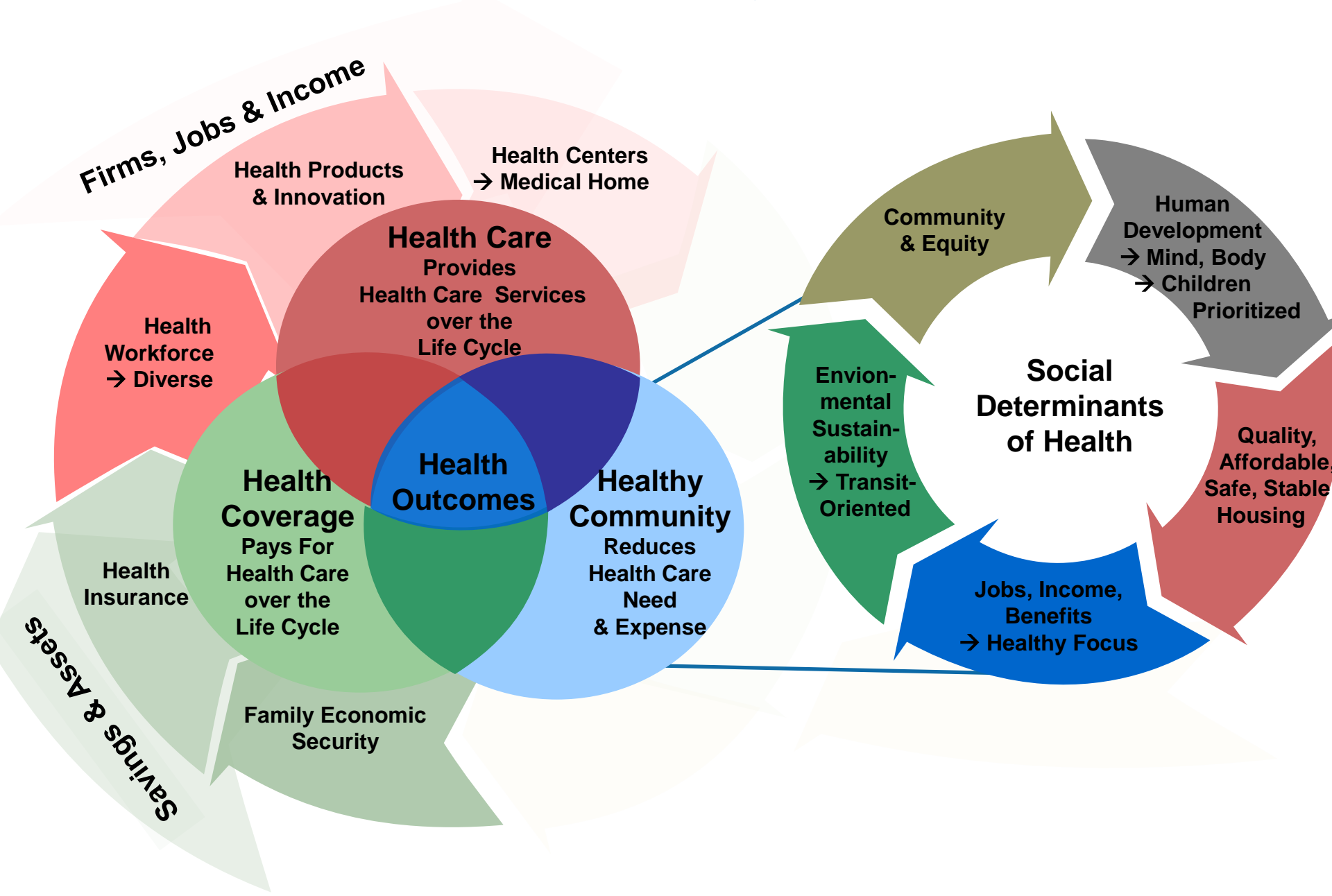
- How are CD Finance and impact investing connected to health?
- CDFIs & impact investors finance organizations & projects that improve health care, health coverage and healthy community





# Impact Investors Building Healthy Communities

## Direct & Secondary Impact





# Community Development Financial Institutions (CDFIs)

- What are CDFIs?
  - Financing entities with a primary mission of community development
- The **CDFI Fund**, an agency under the U.S. Department of Treasury, certifies as CDFIs meeting the following criteria:
  - Is a legal entity at the time of certification application;
  - Has a primary mission of promoting community development;
  - Is a financing entity;
  - Primarily serves one or more target markets;
  - Provides development (capacity building) services with its financing;
  - Maintains accountability to its defined target market; and
  - Is a non-government entity and not under control of any government entity (tribal governments excluded).





# CDFIs

- In fiscal year 2007, 508 CDFIs invested \$5.3 billion in low- to moderate income communities (LMI), including:
  - Created or maintained 34,276 jobs;
  - Financed the construction or renovation of 57,274 affordable housing units and 687 community facilities in disadvantaged communities;
  - Provided 15,546 responsible mortgages to first-time & other homebuyers;
  - Provided 14,480 alternatives to payday loans; and
  - Helped 7,706 low-income individuals open their first bank account (CDP Publication Committee 2007).

# CDFIs

- CDFIs serving Los Angeles County include:
  - Broadway Federal Bank
  - CFRC
  - Episcopal Community Federal Credit Union
  - Genesis LA Economic Growth Corporation
  - Local Initiatives Support Corporation
  - Low Income Investment Fund
  - NCB Capital Impact
  - NHS Neighborhood Lending Services
  - Nonprofit Finance Fund
  - TELACU Community Capital
- CDFIs provide technical assistance, as well as financing for qualifying organizations and/or projects with a reliable repayment stream, i.e. contracts, refinancing and/or well documented pledges.
- **Reflections from CDFIs**



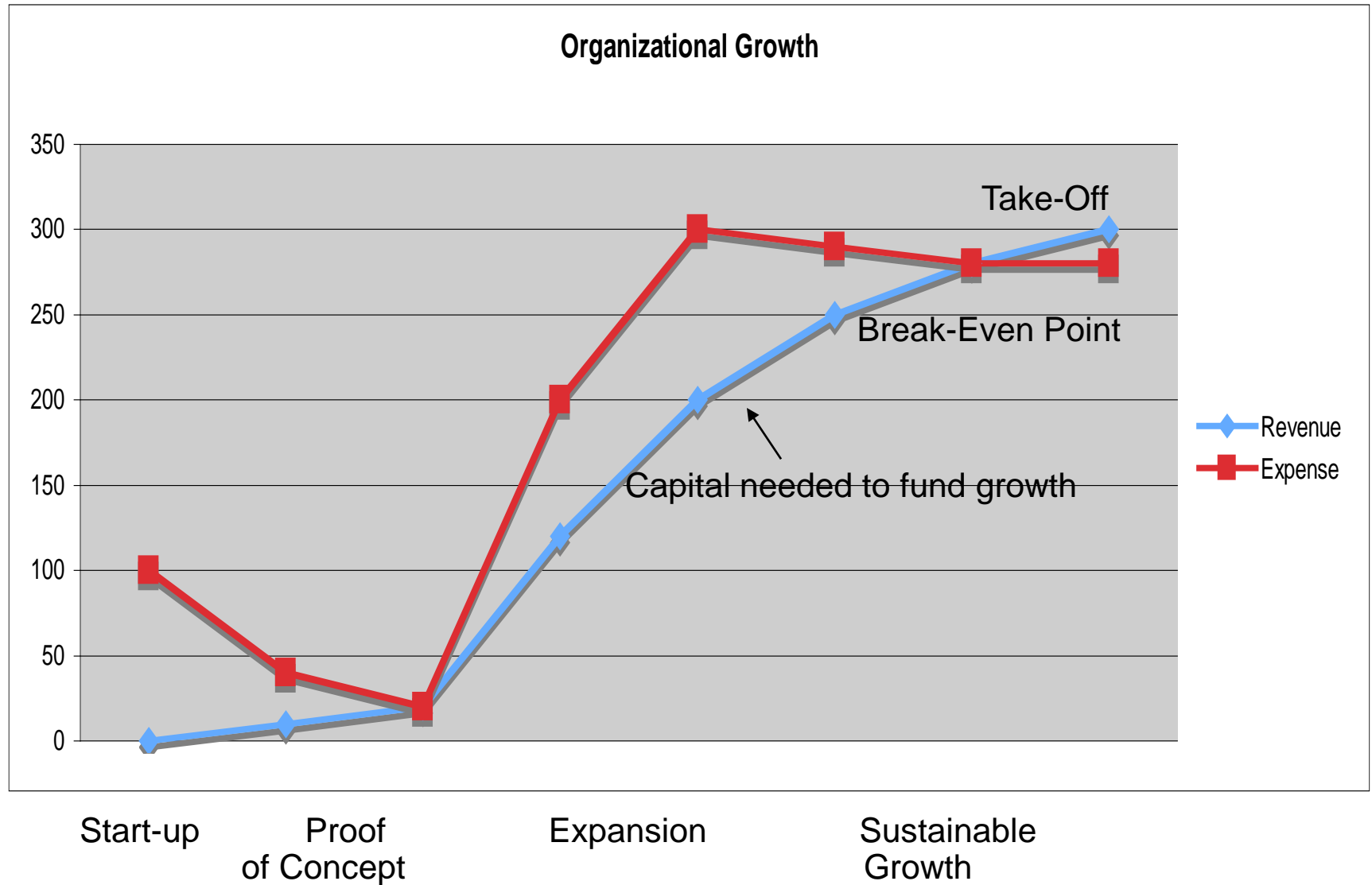
# Los Angeles County CDFIs



- Where does the CDFI provide financing?
- What types of projects does the CDFI finance?
- What projects has the CDFI financed in Los Angeles County?
- When is it appropriate for an organization or project to seek financing?
- How does an organization or project qualify for financing?
- What steps can an organization take to qualify for financing?



# Organizational Sustainability & Scale Growth Capital Continuum





- Mission: To unite the county, city and community to create sustainable change for families by promoting and strengthening individual, family and neighborhood protective factors through increasing social connectedness, community mobilization and access to needed services.
- Sustainability Advantages: Co-location of services, networks to deliver services



- Onsite Services

- Health and dental clinic
- Public benefits screening, enrollment, problem-solving Job support
- Preschool
- Banking & financial guidance
- Legal
- ESL
- Mommy & Me classes
- Counseling
- Library, Children's Nature programming, Tai Kwon Do, other family "social edutainment"
- Referral

- Offsite / Community Network Site Services

- Referral
- Community Action groups (NACs, Ambassadors, others)
- Domestic violence support
- Specialized counseling (addictions, etc.)
- Religion-affiliated services
- Full services to meet clients' needs/aspirations





- Population Served:
  - Primary focus is on children 0-5 and their families.
  - Almost all participants low income or in poverty; 73% are Latino, 13% Korean, and 14% African American/ Caucasian/ Other.
- Funding:
  - Each partner has own funding, streams including foundation, government, individual donor, corporate, revenue generation, etc.
  - Network is largely a 'value add' to existing funded work
  - Children's Bureau covers some network infrastructure
  - LA County covers some technology and infrastructure, particularly relating to referral and onsite help desk area.



- Mission: to provide working poor families, as well as homeless men, women and children of all ages, with the inner resources and tools to become productive, stable, and self-supporting members of the community.
- Sustainability Advantages: Co-location of programs, Bread & Roses Café, Thrift Store (revenue generating social enterprises)



- Comprehensive Case Management Services:
  - **Intervention Services**
    - Homeless Service Center
    - Chronic Homeless Initiatives
    - Housing Services
    - Senior Services
    - Bread and Roses Café
    - Thrift store in Santa Monica
  - **Prevention and Education Services**
    - Family Center and Food Pantry
    - Veterans Representative Payee Program
    - Culinary Training Program
    -



- Population:
  - Over 6000 clients per year, all age groups, working poor > disabled.
  - The Center's sites are located in Venice and at the WLA VA Campus
- Funding:
  - 40% Private foundation/donors, social enterprises; 60% Government



- Mission: Achieving healthy pregnancies and births in LA County by providing the infrastructure, programs, advocacy and support to increase the capacity of community partners to succeed in these efforts.
- Sustainability Advantage: Co-location, networks to deliver services



- Strategies and Services:
  - Caring for mothers-to-be
  - Improving the Quality of Perinatal Care
  - Creating a network of caregivers and advocates
  - Sharing Knowledge and Resources
  - Advancing policies for healthy births





- Population Served:
  - Pregnant women & new mothers in LA County living on incomes below 300% of the federal poverty level
  - Pregnant teens and teen mothers
    - Dependent on public health providers
    - Covered by Medi-Cal
    - Often limited English speaking with low health literacy and
    - Overwhelming economic and societal barriers to quality prenatal care and support
- Funding: Foundations, government and corporation grants

# Discussion & Next Steps

- Q & A
- Next Steps
  - Mapping
  - Issues Briefs
  - Convening TBD
- Other to discuss

# Resources

- Organizations with Mission / Impact Investing Focus

*Impact Investing Associations and Agencies:*

[www.moreformission.org](http://www.moreformission.org)

[www.primakers.net](http://www.primakers.net)

[www.globalimpactinvestingnetwork.org](http://www.globalimpactinvestingnetwork.org)

[www.socialinvest.org](http://www.socialinvest.org)

[www.communityinvest.org](http://www.communityinvest.org)

<http://www.iccr.org>

[www.cdfifund.gov](http://www.cdfifund.gov)

*Example Intermediaries:*

<http://www.liifund.org>

<http://www.lisc.org/>

[www.ncbcapitalimpact.org](http://www.ncbcapitalimpact.org)

[www.nonprofitfinancefund.org](http://www.nonprofitfinancefund.org)

- Foundations with impact investing Programs

<http://www.calendow.org/Article.aspx?id=4005> (background and presentations from July 1, 2009

Mission Investing Forum: Building Healthy Communities)

[www.aecf.org](http://www.aecf.org)

[www.calfund.org/receive/program\\_investments.php](http://www.calfund.org/receive/program_investments.php)

[www.fordfound.org](http://www.fordfound.org)

[www.heronfdn.org](http://www.heronfdn.org)

[www.kresge.org](http://www.kresge.org)

[www.macfound.org](http://www.macfound.org)

[www.mmt.org](http://www.mmt.org)

[www.packard.org](http://www.packard.org)

[www.rwjf.org](http://www.rwjf.org)

[www.wkkf.org](http://www.wkkf.org)

- Other

<http://www.frbsf.org/cdinvestments/conferences/hc/> (Federal Reserve, San Francisco Fed & Robert Wood Johnson Foundation Healthy Communities Conference, July 2010)

[www.gih.org](http://www.gih.org) (Grantmakers In Health, GIH Guide to Impact Investing)

<http://www.healthypeople.gov/hp2020/> - Healthy People 2020

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