Healthcare-Oriented Housing Proposal Overview

The COVID-19 crisis has revealed an unacceptable fact: it is particularly devastating—even deadly—to those living in certain low-income areas, both urban and rural. As we learn more about the virus, we know age, compromised immune systems and co-morbidities are all factors which lead to disparate outcomes. We have also learned that Social Determinants of Health (SDOH) also contribute to the uneven COVID impact. While the medical responses are near term and well underway, a response to SDOH must also begin, even though the results will be realized over a longer time frame.

One place to start is by building on a number of successful projects piloted in several cities where affordable housing has been integrated with access to a variety of health services in the housing facilities themselves. Significant health systems and health insurers have created facilities to achieve these goals. They include Kaiser, United Healthcare, Bon Secours, MetroHealth in Cleveland, and others who have invested in a variety of affordable housing initiatives. These investments have allowed hospitals and healthcare systems to have a direct impact on affordable housing development—from the preliminary design to day-to-day operations. The Health and Housing projects created differ in approaches taken but all address the need for affordable housing while providing opportunities for hospitals to reach directly into low-income communities with vital healthcare education and interventions for some of the most at-risk communities in the country. The success of these undertakings is proven every day in their operations in select cities across the country. However, at the very time we need to double down on this unique approach, the economic impact of COVID has made financing these types of projects, with the added costs for additional facilities and operational capacity, much more challenging. Hospital and municipal budgets which have made them possible have been devastated, effectively ending prospects for getting the Health and Home integrated concept increased and more broadly distributed. To help finance and incentivize more healthcare-oriented housing, Congress should build onto the long-proven Low-Income Housing Tax Credit program with two policy solutions:

1. An additional $1 per capita of low-income housing tax credits ("LIHTC") should be allocated to every state specifically to be dedicated for healthcare-oriented housing projects to be constructed in the COVID response period of 2021, 2022, and 2023. In 2021, each state will currently receive $2.87 per capita in LIHTCs. Increasing state allocations to $3.87 per capita temporarily, specifically designated to healthcare-oriented housing projects, represents an increase of $983 million over three years.
2. From the increased allocation, an additional 50% "basis boost" should be applied to all LIHTC developments that qualify as healthcare-oriented housing and receive funds in 2021, 2022, and 2023.

This basis boost is necessary to provide the capital required for the increased cost of developing healthcare-oriented housing projects. The overall increased LIHTC allocation is needed to provide the funding source for the basis boost without drawing funds away from the traditional low-income housing tax credit projects which are desperately needed in all 50 states. In order to qualify as a healthcare-oriented housing development and be eligible to receive these additional funds, projects must meet at least 3 of the following 5 criteria:

1. **SDOH screenings:** Developer must partner with a healthcare institution (hospital or FQHC) to conduct SDOH screenings for each new resident upon move-in and then annually (residents can opt out of this if desired). SDOH screenings should have designated space in the multi-family building.
2. **Healthcare onsite:** Project must contain physical space and proper equipment for physicians to hold regular health screenings onsite. Health screenings should be available to both residents of the affordable apartments and individuals in the surrounding community. These healthcare services can include medical, dental, vision, mental health, or any other services provided by the healthcare partner.
3. **Telehealth Component:** Development contains broadband infrastructure and physical hardware sufficient to ensure that video conferencing capabilities for telehealth interactions will be available to residents. Healthcare partner must participate in telehealth outreach and interactions.
4. **Classroom and Kitchen:** Classroom space for a hospital partner to conduct community health and nutrition workshops and a demonstration kitchen to facilitate healthy cooking demonstrations must be included in the development and be open to the broader community.
5. **Healthcare Service Coordination:** There must be a part-time healthcare service coordinator onsite. Healthcare Service Coordinator should be a medical assistant or trained healthcare worker who can connect residents to both healthcare and community services.

Compliance and assurance that the physical space is built and well-maintained, and that programming/activities are executed effectively should be monitored by the State Housing Finance Agencies. Developers and owners who do not fulfill their selected criteria can face fines and/or an inability to be awarded tax credits in future allocation rounds. At the time of submitting a LIHTC application, developers and healthcare partners must collaborate to identify the metrics that will be used to measure the success of programs and submit those metrics with the LIHTC application. Developers must also include specific details for the frequency and funding sources of any proposed services within the LIHTC application. Each State Housing Finance Agency will be responsible for evaluating feasibility of costs and service plans.

These increased development of healthcare-oriented housing projects would provide an immediate economic stimulus to communities in need, and the resulting projects would provide critical community anchors to urban and rural areas across the country that can create opportunities for healthcare institutions to reach more people and address social determinants of health.