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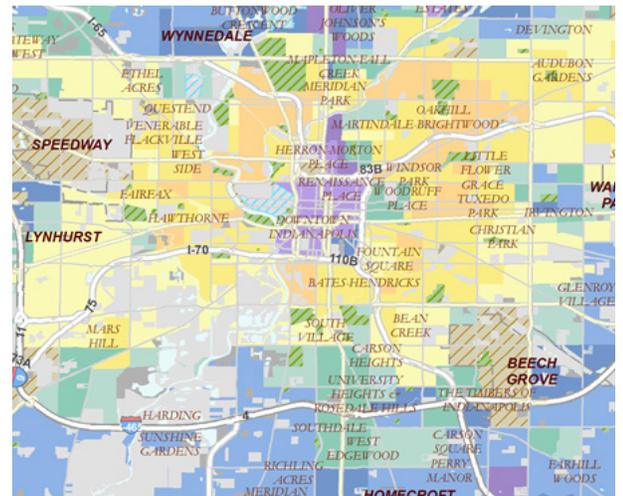


## Summary Report

# Community of Practice

Prepared by **REINVESTMENT FUND**

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## 2019 COP Participants

Akron, OH	Memphis, TN	Richmond Memorial Health Foundation
Baltimore, MD	Milwaukee, WI	St Louis, MO
Bethlehem, PA	National Development Council	State of Delaware
Council Bluffs, IA	Neighborhood Development Center – MN	Truman Medical Center
Dallas, TX	New Orleans, LA	Wells Fargo Foundation
Indianapolis, IN	Northampton County, PA	Wells Fargo Regional Foundation
Jacksonville, FL	Nowak Metro Finance Lab, Drexel University	Wilmington, DE
JP Morgan Chase Foundation	Philadelphia, PA	
Kansas City, KS	Pittsburgh, PA	
Kansas City, MO	PolicyMap	
Lehigh Valley Planning Commission, PA		

On April 9 – 10, Reinvestment Fund and the City of Kansas City, Missouri hosted the second Market Value Analysis Community of Practice (COP) convening. The COP brought together representatives from cities and organizations from around the country who use Reinvestment Fund’s Market Value Analysis (MVA) to inform community and economic development activities in their communities. The COP is a unique opportunity for public servants and community development practitioners to network, learn from each other and share their best practices using data to drive their community and economic development efforts. Participants ranged from City Planners and Directors of Community and Economic Development to senior staff within municipal Redevelopment Authorities. Cities represented at the event ranged in size from Dallas, TX and Philadelphia, PA to Kansas City, KS and Bethlehem, PA.

#### About the MVA

The MVA is a data-based tool created by Reinvestment Fund to inform community revitalization efforts and manage / measure neighborhood change. The MVA uses field-validated, administrative data to identify different types of markets, and those places where strategic intervention can stimulate private market activity or capitalize on larger trends. Reinvestment Fund created the MVA nearly 20 years ago, and over the years we have completed MVAs in more than 35 cities – in some cities, every three years.

The first COP convening was held in Milwaukee, WI in 2015. Following the format of the inaugural event, the Kansas City COP was designed with the input of participating cities to highlight pressing issues and activities they face and the steps COP participants are taking to address them. This year’s agenda included discussions of the implementation challenges inherent in adopting citywide investment strategies, initiatives to address the connections between health and housing, and a discussion of the various ways that philanthropic actors can support data-informed community development.

Bruce Katz, Co-Founder and Director of the Nowak Metro Finance Lab at Drexel University delivered a keynote address on Opportunity Zones, outlining the ways cities can organize themselves to attract this new, and potentially transformative, capital source.

In his welcoming remarks to attendees, Mayor Sly James credited the commitment and talent of his staff with the ongoing revitalization of Kansas City. Building out from a revitalizing downtown into the neighborhoods represents a generational project for the City in support of equitable growth and an ongoing reckoning with Kansas City’s legacy of racial inequity and segregation. Like the Milwaukee COP event, this year’s convening also provided a guided tour of different neighborhoods throughout Kansas City to highlight the successes and ongoing challenges facing the city.

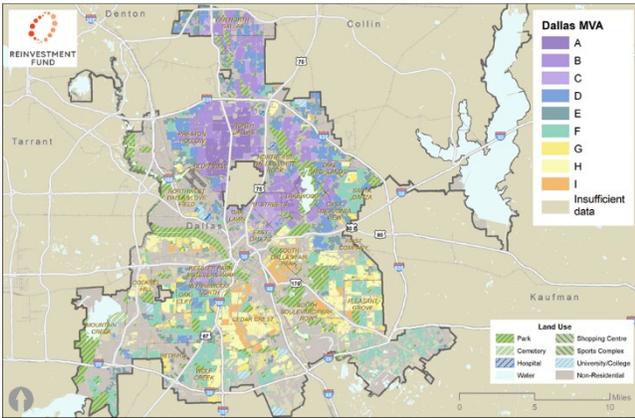
The 2019 COP convening was made possible by generous support from the Wells Fargo Foundation, the JP Morgan Chase Foundation, the Ewing Marion Kauffman Foundation, and the Federal Reserve Bank of Kansas City. This brief presents a summary of the panels, discussions, and key learnings from the event.

# IMPLEMENTING CITYWIDE INVESTMENT STRATEGIES

Many cities are interested in finding more efficient and transparent ways to allocate their limited community development resources. In a number of cities, the Market Value Analysis (MVA) process becomes the basis for creating community-informed comprehensive strategies to prioritize activities and allocate scarce resources.

In Dallas, Indianapolis, and New Orleans, stakeholders used the MVA process to catalyze a cross-sectoral conversation about community development and housing strategies that ultimately resulted in the development of comprehensive citywide plans. Although each city took a different path to get there, the process through which each developed and implemented their comprehensive strategy provides important lessons for other cities interested in undertaking this work.

## Dallas, TX (2018)

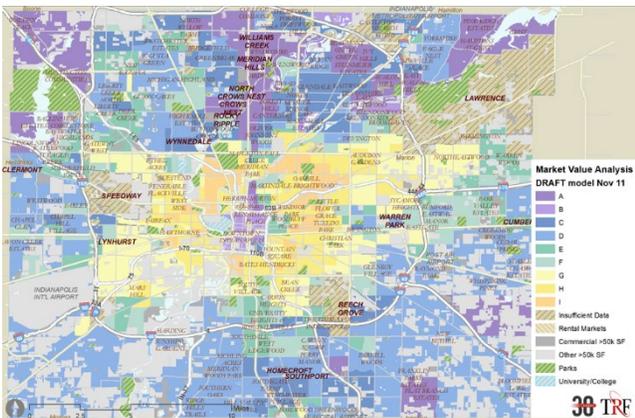


## Dallas, Cluster Characteristics

\*Household Density was not included in the MVA model and is included here for descriptive purposes.

	Median Sales Price	Variation Sales Price	Household Density*	Percent Owner Occupied	Pct. New Construction Units	Pct. Rehab. Permits	Percent Subsidized Households	Percent Code Violations	Percent Vacant Homes	Percent Foreclosure Filings
A (29)	\$1,073,300	0.57	3.0	81%	2.6%	3.6%	1%	1%	2.4%	>1%
B (97)	\$463,900	0.48	3.7	85%	1.2%	4.4%	2%	>1%	1.2%	>1%
C (87)	\$390,500	0.40	8.5	31%	1.8%	1.2%	4%	1%	1.7%	1%
D (99)	\$267,100	0.42	4.9	69%	0.5%	2.9%	4%	1%	1.8%	>1%
E (233)	\$140,300	0.32	15.6	13%	1.1%	0.3%	13%	2%	2.3%	3%
F (128)	\$117,600	0.44	5.0	73%	0.3%	1.5%	8%	2%	1.8%	3%
G (61)	\$91,300	0.41	12.3	26%	0.4%	0.6%	63%	4%	3.8%	7%
H (126)	\$72,400	0.55	5.7	60%	0.4%	1.3%	8%	6%	3.7%	4%
I (48)	\$41,500	0.76	7.1	46%	0.7%	1.0%	17%	21%	7.5%	5%
Avg. Dallas Block Group	\$133,300	0.44	8.5	48%	0.9%	1.6%	12%	3%	2.6%	1%

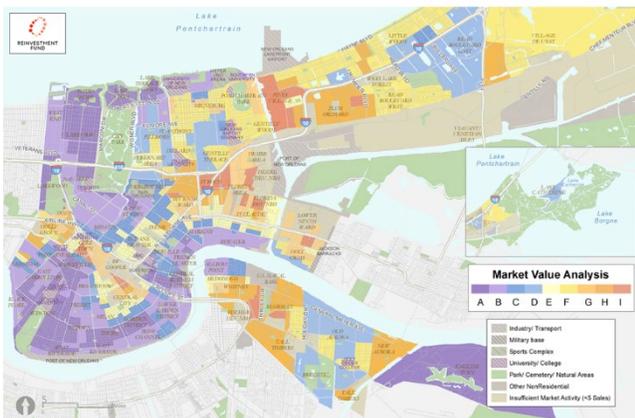
## Indianapolis, IN (2016)



## Indianapolis, Cluster Characteristics

	Median Sales Price	Median Sales Price Alt, Cond	Percent Owner Occupied	Percent Distressed Sales	Percent with Permits	Percent Built 2008-2015	Percent Subsidized Rentals	Percent Stressed Properties	Residential Density
A (50)	\$247,218	\$268,198	83.3%	22.2%	17.1%	2.6%	3.0%	0.9%	2,159
B (12)	\$232,349	\$292,287	16.8%	10.2%	14.6%	4.4%	2.4%	0.4%	22,173
C (60)	\$136,034	\$143,205	40.6%	26.9%	12.7%	1.8%	3.4%	1.1%	4,267
D (104)	\$116,361	\$119,298	67.8%	19.9%	13.2%	2.3%	8.9%	2.3%	2,133
E (58)	\$72,676	\$76,195	31.3%	19.6%	9.3%	1.1%	10.7%	2.1%	5,294
F (55)	\$67,721	\$68,434	73.2%	22.4%	11.1%	0.8%	13.4%	5.2%	2,909
G (97)	\$34,180	\$34,603	50.1%	18.3%	9.0%	1.0%	20.6%	8.1%	5,244
H (89)	\$18,733	\$18,765	44.6%	16.0%	9.3%	1.0%	18.9%	17.2%	6,423
I (41)	\$9,534	\$9,534	42.4%	18.4%	10.0%	1.4%	16.5%	28.8%	6,397

## New Orleans, LA (2018)



## New Orleans, Cluster Characteristics

	Median Sales Price	Coefficient of Variance	Share of Home Owners	Renovation/Construction Permits	Vacant Unblighted Land	Vacant But Habitable Homes	Code Violation	Foreclosures	Subsidy Usage	Sales of Vacant Land	Short Term Rental Licenses
A (67)	\$510,584	0.50	65.2%	7.6%	1.6%	1.6%	0.8%	0.5%	1.4%	2.5%	1.6%
B (89)	\$348,335	0.47	43.4%	7.4%	2.0%	2.9%	2.4%	1.0%	6.0%	1.6%	3.5%
C (53)	\$215,278	0.59	31.8%	8.4%	4.5%	4.2%	5.3%	3.0%	15.2%	5.7%	4.1%
D (35)	\$191,765	0.46	81.0%	5.0%	3.7%	2.4%	3.7%	2.4%	33.1%	6.1%	0.9%
E (42)	\$131,708	0.69	26.8%	7.6%	10.6%	7.0%	11.3%	8.4%	30.0%	17.9%	2.2%
F (64)	\$124,348	0.51	52.7%	5.4%	5.7%	2.5%	5.1%	3.2%	45.3%	8.5%	0.6%
G (37)	\$75,830	0.73	42.3%	4.7%	18.6%	5.4%	11.8%	5.0%	40.4%	28.9%	0.9%
H (42)	\$68,844	0.67	45.5%	3.8%	8.0%	4.7%	6.2%	3.8%	47.1%	7.3%	0.5%
I (17)	\$26,626	0.97	46.5%	3.3%	20.4%	3.7%	9.9%	3.3%	50.2%	25.4%	0.4%

## Developing a Comprehensive Housing Policy for the City of Dallas:

The development of the first Dallas MVA in 2018 was intended to help the city better understand the role that the private market could play in the creation and preservation of affordable housing. The city's first [Comprehensive Housing Policy](#), adopted in May 2018, uses the MVA to identify three types of markets where different housing programs and tools are prioritized:

- **Redevelopment Areas** – Areas of moderate market strength where catalytic projects are scheduled to occur.
- **Stabilization Areas** – Distressed housing markets adjacent to strong areas where residents may be at risk of future displacement.
- **Emerging Markets** – Areas where private market activity is nascent, but where public investments in infrastructure and environmental enhancement can spur neighborhood revitalization.

Link: <https://bit.ly/2IBI3Xa>

# Recap of the Comprehensive Housing Policy

## Geographic Focus

### Redevelopment Areas (4)

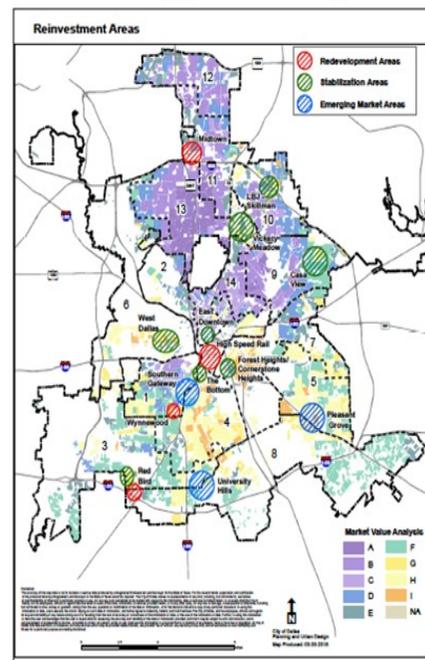
- Catalytic project scheduled to occur within the next 12 months that is supported by a third-party, independent market analysis. Project must include new housing production with affordable units offered for sale or rent to a mix of income bands.

### Stabilization Areas (8)

- Weaker real estate markets (G,H,I) surrounded by stronger markets (A-E), and, as such, are at risk of displacement based on market conditions and scheduled redevelopment projects. New development and preservation of existing housing stock is prioritized.

### Emerging Market Areas (3)

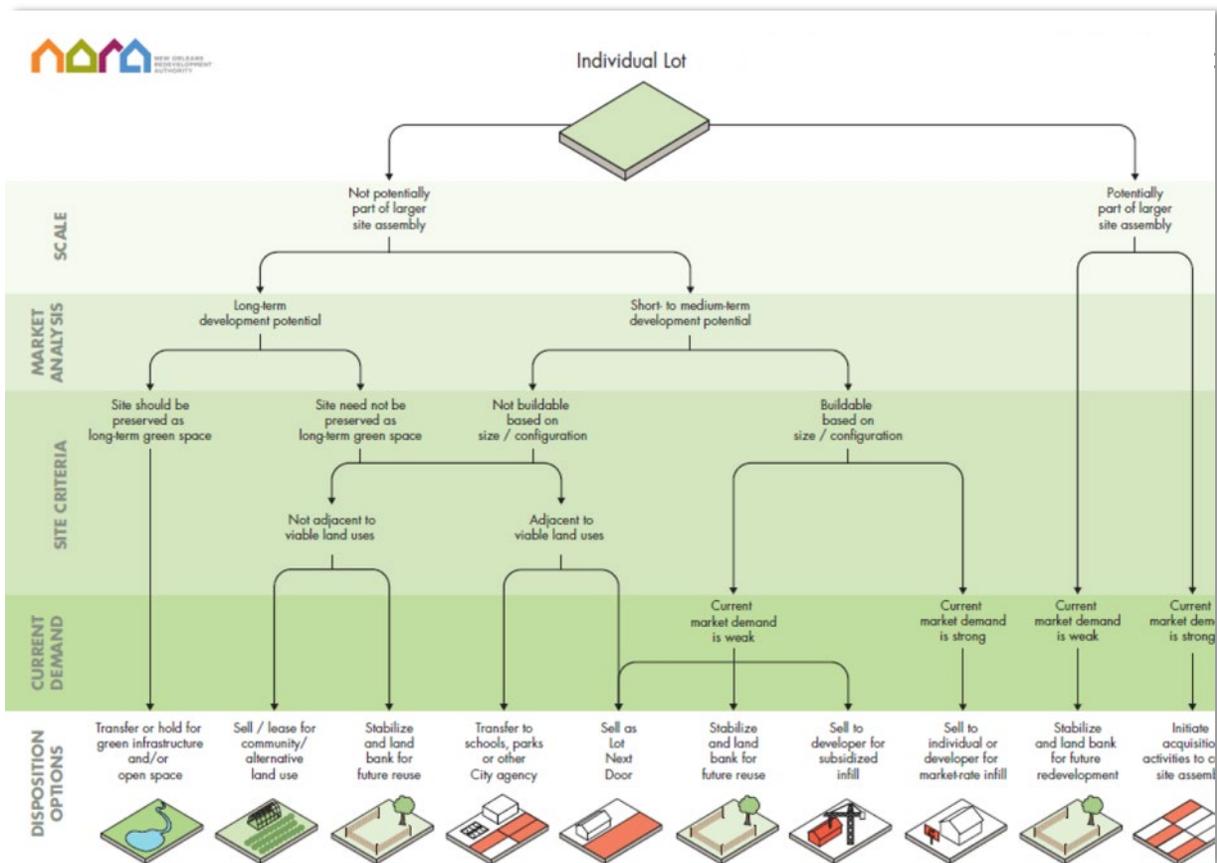
- A blend of middle markets (C,D,E) with mostly G,H,I markets. Needs intensive environmental enhancements, public infrastructure assessments and corrective plans, code enforcement, master planning and formalized neighborhood organizations to be prepared for real estate investment. Preservation of existing housing stock is prioritized.



## Supporting a Data-Driven Recovery in New Orleans:

The original New Orleans MVA was developed to inform the city's ongoing recovery and rebuilding efforts after the devastation of Hurricane Katrina. By 2012, the city's Redevelopment Authority, NORA, had found itself in possession of a growing number of vacant and abandoned properties. To help policymakers move away from a binary understanding of the city's housing landscape—which areas flooded, and which were dry—stakeholders looked to the MVA as a way to understand where market forces were beginning to emerge. The MVA provided a data-informed strategy for prioritizing the disposition of properties and allocation of resources to address blight.

Link: <https://bit.ly/2Kfk5XH>



## Designing a Holistic Neighborhood Investment Strategy in Indianapolis:

The Indianapolis MVA provided an opportunity to coordinate public, private, philanthropic, and non-profit community development investments. The MVA served as the foundation for a new approach to guide the city's community development activities, codified in the city's Neighborhood Investment Strategy (NIS), launched in 2017. The NIS combines multiple measures of neighborhood opportunity—housing, workforce, health, and social cohesion—to identify 12 distinct types of neighborhoods. For each neighborhood type, the plan identifies a set of people and place-based activities that can leverage the greatest impact from the community's limited resources. As a measure of market strength, the Indianapolis MVA is a critical component of the city's strategy to identify areas where private market activity can support the city's revitalization goals.

Link: <https://bit.ly/2J1baCR>

### INTRODUCTION TO THE NEIGHBORHOOD INVESTMENT STRATEGY TOOLBOX

While the City and its partners have a much larger toolbox to draw from, an effective toolbox should be tactical and targeted. First, the priority tools attempt to address the underlying issues of the typology's population and their physical surroundings. Secondly, the priority tools take into account opportunities, both people and place, that can be leveraged to achieve greater returns on public and private investments. The toolbox, which is a selection of tools from the larger toolbox, represents a summary of the priority tools and interventions needed in each typology that could effect change over the next twenty-four months. However, some priority tools may not be applicable in every neighborhood in a typology while other areas may benefit from a tool not listed as one of the six priority tools. Neighborhood-based partners remain the experts on what will be needed in specific areas.

Each typology follows the same format, an overview of which can be found below.



### ACTION TYPE BY TYPOLOGY

Different neighborhood needs require a different set of goals and tools. The neighborhood typologies have been categorized based upon the goals of the tools assigned to each typology and, where appropriate, subdivided into sub-types for a more targeted assignment of tools. A brief description of the six categories can be found below:



## Important Lessons and Takeaways:

### 1. **The MVA process presents an opportunity to disrupt ‘business as usual’ in a city’s community development conversations and activities.**

**Dallas:** Affordable housing policies in the city of Dallas developed out of the city’s legacy of racial segregation and discrimination. With the majority of the city’s housing resources concentrated in highly distressed and economically disadvantaged communities, the city was interested in developing a new housing plan designed to promote greater fair housing choices and overcome historic patterns of segregation and concentrations of poverty. With data from the MVA, the city was able to consider new ways to allocate and leverage resources to develop affordable housing in areas of opportunity.

**Indianapolis:** Over the last decade or so, many public officials and major funders in Indianapolis have focused on improving conditions in the downtown core and adjacent neighborhoods. As the downtown thrived, other neighborhoods lagged as resources for community development dwindled, leaving stakeholders searching for a new approach. As an objective measure of market conditions, the MVA provided an organizing principle around which conversations about where and how to reallocate resources could occur.

### 2. **The MVA process engages a broad cross-section of stakeholders who don’t typically coordinate their community development activities.**

**New Orleans:** Now in its third iteration, the New Orleans MVA has evolved to inform multiple community development strategies from code enforcement to affordable housing development. The stakeholder group that convenes for each MVA update has grown to include representatives from different city agencies to help build buy-in for the tool from stakeholders across city government. Each successive analysis helps to spark conversations within the city about new ways to use the tool.

**Indianapolis:** Like the New Orleans and Dallas MVA stakeholder processes, the NIS was developed as a vehicle to convene multiple stakeholders, each bringing unique knowledge and expertise to the project. Many elements of the plan were developed with the city in mind, such as the creation of a framework for the city to prioritize the allocation of its CDBG and HOME funds. At the same time, other elements were designed to guide the activities of organizations in the non-profit and philanthropic sectors. In addition to specifying what the city can do in each type of neighborhood, the NIS also identifies best practices that can be implemented by organizations outside of government.

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“Once we had the typologies, we did best practice research and spoke with local partners to understand what these places needed. It gave us a tool kit of strategies, some from city government and some from nonprofit partners, designed to address the needs of each area. It goes back to Maslow’s hierarchy of needs. Every neighborhood is at a different place and we have to meet places where they’re at in order to have impact. Some neighborhoods don’t even have the most basic things so you have to address those first.” —Brad Beaubien, *City of Indianapolis*

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**3. The MVA process levels the informational playing field for diverse parties working towards community development goals across the city.**

**Dallas:** Changing the ways in which the city allocated its housing resources initially faced significant resistance from local stakeholders who were the recipients of funding under the previous system. Assuming that the results of the MVA analysis were likely to be controversial, officials in Dallas worked to ensure that the MVA stakeholder group would include participants who were likely to voice opposition to the tool or the implications of data-informed decisions. By engaging these voices early, the city was able to hear and address their critiques as the analysis progressed. The process of reviewing data gathered for the development of the MVA helped “level-set” among the participants and ultimately provided a common understanding of the forces shaping the strength of the real estate market in Dallas.

**4. The MVA process ensures that the results accurately reflect ‘conditions on the ground.’**

**New Orleans:** Although the MVA’s development was guided by NORA, the city’s housing advocates were an early source of support for the effort. These stakeholders understood that NORA’s disposition of vacant and abandoned properties provided an opportunity to promote equitable development in many different neighborhoods throughout the city. The validation process, driving the city to ensure the accuracy of the data, was critical for overcoming many advocates’ “data skepticism” and illustrating early on that NORA was committed to a transparent and strategic process.

**5. The MVA process presents an opportunity for cities to shift their development decisions from being reactive to being more proactive.**

**New Orleans:** Prior to the development of the MVA, the city’s work was primarily reactive to requests from the most engaged neighborhoods or developers. As the city has tracked its investments over time and observed successive changes in the market strength of neighborhoods (measured by the MVA) the city has grown more confident in its ability to act proactively to preserve opportunity and equity.

**Indianapolis:** A framework for matching tools to neighborhood needs has also helped the city move towards a more proactive approach to neighborhood stabilization, where agencies were looking for ways to collaborate to stabilize at-risk areas. In areas where the MVA indicated high levels of market distress, measures of social and economic characteristics have helped the city identify the types of social services and quality of life improvements that can help stabilize areas.

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“The most impactful piece is how this helps us be proactive. Historically we would have just reacted to complaints. But we’ve seen that if we can combine code enforcement and real estate disposition to address what the data are telling us we can be proactive and help to stabilize these areas.” —Brad Beaubien, *City of Indianapolis*

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KCMO Assistant City Manager, John Wood, highlighting redevelopment activities during COP attendees' tour of the city.

# SUPPORTING DATA-DRIVEN COMMUNITY DEVELOPMENT

Philanthropic resources are an important source of support for community development. In addition to supporting programs and services directly, philanthropy can also be an important source of support for the research and practices necessary to implement community revitalization strategies that are guided by data. The Wells Fargo Regional Foundation, JP Morgan Chase Foundation, Reinvestment Fund, and Richmond Memorial Health Foundation have each used their resources to support data-driven community redevelopment in a manner that is frequently complementary to public investments.

## Reinvestment Fund

Reinvestment Fund has evolved over time into a substantial grantor. Given the organization's genesis as a financial institution, philanthropy for Reinvestment Fund has become, to a degree, an underwriting endeavor. Reinvestment Fund's food lending and early childhood education programs each offer examples of how data and analytics can help inform grantmaking and lending. When designing initiatives with substantial grant components, Reinvestment Fund looks for ways to incorporate analytics to measure and evaluate impact. Reinvestment Fund's Limited Supermarket Analysis, for example, uses demographic and store location data to identify areas with inadequate and inequitable access to grocery options that can also support a full-service grocery store. Reinvestment Fund's childcare analytics help lenders and other funders identify areas with the greatest gaps between supply of and demand for high quality childcare that can benefit from investment.

### *Key Lessons*

- Strong data provides an infrastructure through which strategic lending and grantmaking can occur. In our increasingly high-tech economy, data and analytics pervade every sector and are as critical to our economic growth as are our roads, buildings, and water and power systems. Efforts to mobilize infrastructure investment must include a commitment to building a strong digital and data foundation.

## Wells Fargo Regional Foundation

The Wells Fargo Regional Foundation is committed to supporting resident-driven neighborhood planning. The Foundation supports neighborhood groups in the preparation and execution of resident-driven community plans through long-term grantmaking and commitments. At every stage of the process the Foundation works to ensure neighborhood groups have access and capacity to utilize neighborhood data that helps illuminate resident experiences and market conditions. Early in the process of neighborhood planning, the Foundation funds neighborhood groups to conduct a rigorously designed resident and property survey. Through the planning and implementation periods, grantees are provided with technical assistance that supports them as they access data and develop evaluation frameworks.

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“We fund neighborhoods to conduct resident surveys and we help them compare that to secondary data, and the MVA when we have it. We do a lot of myth-busting. You have to understand residents' perceptions, but those perceptions are not always backed by the data. Unless you understand the facts on the ground when the sea change comes, that's when you lose the neighborhood.” —Lois Greco, *Wells Fargo Regional Foundation*

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### *Key Lessons*

- An important role of data in developing community plans is “myth busting.” In many cases, fear of gentrification looms large, even when other concerns are much more pressing. Organizing and analyzing data with a community and using analytic tools like Reinvestment Fund’s Displacement Risk Ratio helps surface the most impactful challenges facing communities.
- At the community level, stakeholders need support in gathering their own data, but also in understanding how to use it. For each grantee funded to create a neighborhood plan, the Foundation contracts with providers like NeighborWorks, Community Wealth Partners, and Reinvestment Fund to provide technical assistance around the interpretation and use of community data.

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“We’re the first dollars in. I think of it as tilling the soil. We help them build a plan and then evaluate what they’ve done and accomplished. When national funders come in they can see there are people here with a plan.”

—Lois Greco, *Wells Fargo Regional Foundation*

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### *JP Morgan Chase Foundation*

The JP Morgan Chase Foundation supports the collection and use of data in community development through its grant competitions and direct support. Both the Foundation’s Advancing Cities and Pro-Neighborhoods initiatives were designed to encourage the creation of place-based collaboratives making impactful investments guided by data. In the Foundation’s work in the city of Detroit, Chase helped fund the creation of a resident-driven mapping tool that allows residents to map the location of blighted and vacant homes in their communities. The technology platform has since been exported and adopted in other cities including Cleveland, Columbus and Cincinnati.

### *Key Lessons*

- Having the ability to illustrate a theory of change in a grant application with data that establishes needs in a way that logically leads to proscribed interventions is a critical skill for cities and other redevelopment actors seeking philanthropic support for their efforts. Stories and examples that connect data to the lives of residents are especially impactful.
- Philanthropic investments in community development can provide a strong signal to private-market actors that can help open markets to additional investments and resources.

### Richmond Memorial Health Foundation

The Richmond Memorial Health Foundation (RMHF) is a community health foundation located in Richmond, VA. The Foundation has traditionally focused on support for the delivery of health services to residents of the Richmond region. However, as the city has grown, racial equity and the preservation of communities have become central to the Foundation's focus. The development of the Richmond MVA in 2017 provided a catalyst for the Foundation to reexamine its role in the community. Community data collected for the MVA and related endeavors provided the Foundation with critical insights into the intersection of housing, community development, public health and racial and ethnic equity – insights that provide a crucial guide for their investment activities.

### *Key Lessons*

- The MVA's inclusive stakeholder process serves as an organizing vehicle to both: (a) bring new stakeholders to the table and (b) advance the Foundation's priority to connect health, housing and racial/health equity.
- Supporting communities to collect their own data outside of government can sometimes be the right approach. Grassroots efforts can change how governments do business and can persist beyond the terms of elected officials.



In Kansas City, tiny houses developed by the Veterans Community Project support veterans' reintegration into civilian life. This effort combines stable housing with wrap-around social and emotional support services.

# THE OPPORTUNITY ZONE INVESTMENT PROSPECTUS: EARLY OBSERVATIONS & NEXT STEPS

Opportunity Zones are potentially the single biggest subsidy for place-based development in the history of the United States. However, with 8,762 individual Opportunity Zones spread across the US, it will be critical for communities to work proactively to attract investments. Unfortunately, the existing capacity of the public finance sector in many parts of the country is low, and cities will need to invest in the infrastructure to support public sector actors as they seek to maximize the potential of Opportunity Zones.

One way that cities are beginning to meaningfully exert positive influence on this process is through the development of an investment prospectus. These documents offer a data-based description of their city and its Opportunity Zones to highlight and prioritize potential investments.

Cities around the nation are actively creating development prospectuses for Opportunity Zone investments. These local road maps must become living documents that evolve with changing market conditions in response to Opportunity Zone investments over time.

Bruce Katz shared five early lessons and next steps related to the development and use of an investment prospectus – observations he’s gleaned in helping over 30 cities around the country in this process:

1. The investment prospectus is a means for organizing stakeholders around a common vision and purpose. In developing a prospectus, the dialogue between investors and advocates around needs and opportunities can be especially illuminating.
2. Typologies of Opportunity Zones are emerging based on characteristics such as existing market strength and the ratio of jobs to residents. Simplifying the wealth of information available about these places, will help align them with appropriate investments.

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“There will be a ‘data dividend’ for cities that can collect and marshal data to unveil hidden market potential, catalyze private investment and drive inclusive growth.” —Bruce Katz, *Founding Director, Nowak Metro Finance Lab, Drexel University*

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3. The ideal prospectus identifies a pipeline of opportunities at various stages of development. While the prospectus itself may only present those projects that are “shovel-ready” to investors, behind the scenes cities and stakeholders should be working to actively curate a pipeline of projects. Helping to move projects through the development cycle towards “shovel-ready” is a critical role for cities. Doing so requires having a group of reliable and effective conveners such as philanthropy, CDFIs, local banks and trusted anchor institutions engaged in the Opportunity Zone deal development process.

## WHAT IS AN OPPORTUNITY ZONE?

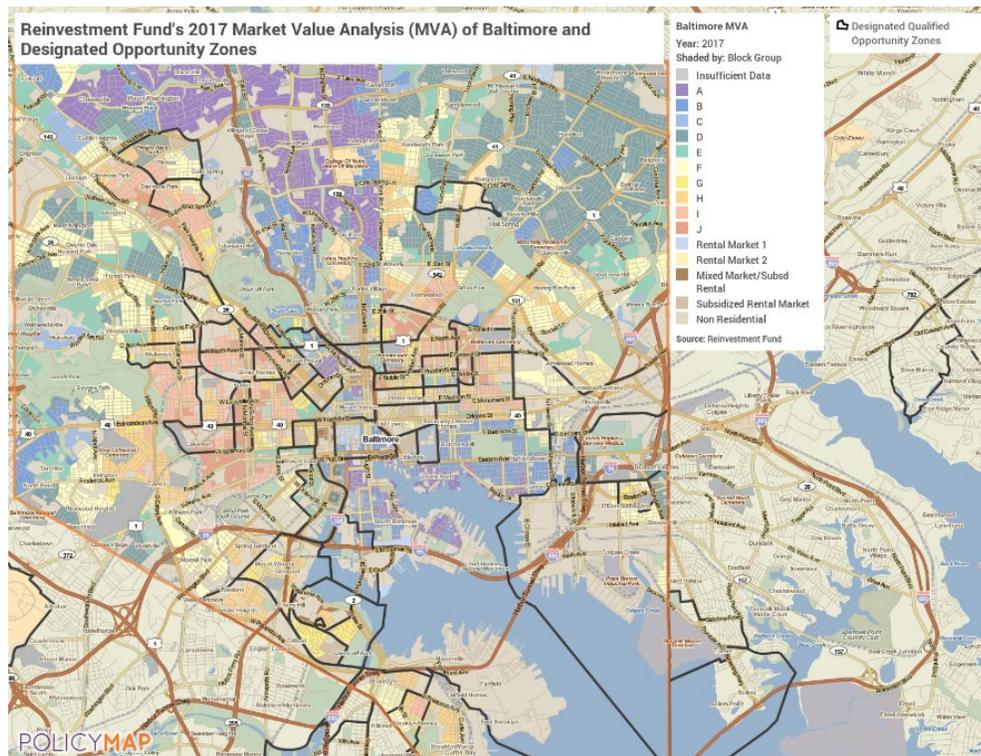
An Opportunity Zone is an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service.

Source: [www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions](http://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions)

4. Within distressed areas, one promising approach is to help create nodes of strength within Opportunity Zones that can radiate out into the broader neighborhood. One such approach follows the “Street Corner Thesis” – where communities identify street corners with a “dense ecosystem of businesses, properties and residences” to form a node of strength that can anchor local small businesses, incubate entrepreneurs, and attract local residents. Co-locating diverse amenities is critical and an approach that can work in many different kinds of areas.
  
5. It will be critical for cities to manage investor expectations related to potential returns. Investors need to understand that most returns on capital will be modest, but there is the potential for significant social impact.

## ADDITIONAL OPPORTUNITY ZONE RESOURCES

- Katz, Jacobs, Thomas. (2019) “The Opportunity Zone Investment Prospectus: Early Observations & Next Steps” Nowak Metro Finance Lab. <https://bit.ly/2V3y61P>
  
- Katz and Weiss. (2019) “From Transactions to Transformations: How Cities Can Maximize Opportunity Zones” Nowak Metro Finance Lab. <https://bit.ly/2vsPs2M>
  
- Katz and Baird. (2019) “Towards a New System of Community Development” The New Localism. <https://bit.ly/2tYYOSX>
  
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The background of the page is a dark gray color with a faint, light gray map of the United States. Overlaid on the map is a white grid pattern, resembling a city street layout or a coordinate system. The grid lines are thin and spaced evenly across the map.

# RESIDENT HEALTH & HOUSING: INTERSECTIONS AND OPPORTUNITIES FOR DEVELOPMENT

There is growing interest in the ways that housing and neighborhood revitalization activities can influence resident health. Truman Medical Center in Kansas City, MO, Nationwide Children's Hospital in Columbus, OH, and Richmond Memorial Health Foundation, in Richmond, VA are each working to integrate housing, health and community development.

#### Truman Medical Center

As one of Kansas City's largest safety net providers, Truman Medical Center has a long history supporting the city's most vulnerable residents. The hospital's foray into housing development came from a realization that housing itself was an intervention as well as an outcome. The hospital's "500 in 5 Plan," based on experience and community input, is intended to create 500 units of housing for clients in five years. In the initial phase of the plan, the hospital worked with the local landlords housing their patients. As their experience with housing has matured, the hospital is looking to develop its own units.

#### Nationwide Children's Hospital

Nationwide Children's Hospital partnered with a local CDC working in the neighborhood surrounding the hospital to address housing quality in the community. As the area has stabilized, the hospital is now looking for ways to preserve affordability for residents. In partnership with the JP Morgan Chase Foundation, the hospital and CDC are investing \$20M to develop 170 units of new affordable housing for residents.

#### Richmond Memorial Health Foundation

The Richmond Memorial Health Foundation (RMHF) was created from the sale of a public hospital system in Richmond, Virginia. Although the Foundation was originally focused on access to health services, it started to focus more on equity as the Foundation's Trustees began to understand the importance of the social determinants of health. In May 2016, RMHF joined a citywide collaborative to participate in Invest Health, a national Robert Wood Johnson Foundation initiative to bring together leaders from mid-sized cities to develop new strategies to address barriers to better health. Since helping create the first Richmond MVA, RMHF has been looking for ways to understand the role that housing can play to promote social inclusion and prevent displacement.

## Important Lessons and Takeaways:

### **1. Housing is a critical dimension within national conversations related to the social determinants of health.**

1. Housing plays a role in many different social determinants of health. Directly through the environment where individuals live, but also through the social connections and networks that individuals rely on in their community. For RMHF, preserving these social networks was a critical motivator for becoming involved in work to prevent residential displacement.
2. For Truman, the “ah-ha” moment came when doctors began to see that recovery happened outside of the hospital, but that when patients left their facility, they had very little understanding of where patients were going.

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“Do you know where people are living when they leave the four walls of the hospital?” —Robbie Phillips, *Truman Medical Center*

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### **2. Bringing hospitals and health systems into the community development space requires new ways of thinking for both sectors.**

1. RMHF saw their role as a convener. Housing is a fundamental element of so many different activities happening in a city.

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“Housing really provides the thread through all of the different pieces of your work.” —Michael Norton, *Reinvestment Fund*

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2. Both Truman and Nationwide Children’s Hospital originally had no experience working with housing. Early on, partnerships with other organizations were critical for entering the space.
  - For Nationwide Children’s Hospital, the first partnership was with a local CDC working in their surrounding community. Although the hospital was committed to working on housing issues, there was initially resistance to the idea of owning properties. The two organizations created a joint LLC to address housing conditions in the local area, with the hospital providing resources and the CDC providing real estate expertise.
  - For Truman the first partnerships were with local landlords who were housing formerly homeless patients and those with substance abuse issues. Outreach

focused on ways that the hospital, through caseworkers, could act as a mediator between tenants and landlords to help resolve issues and prevent evictions.

**3. Brokered matchmaking by a trusted intermediary can play a critical role in bringing hospitals into community development conversations.**

1. The city of Columbus played a critical role in brokering the partnership between Nationwide Children’s Hospital and the local CDC. Acting initially as an intermediary, the city was also able to marshal federal resources to help capitalize the new joint partnership LLC. By investing city bond resources into the neighborhood alongside the resources committed by the hospital, the city was able to illustrate its commitment and priorities.

**4. A sustained data-based commitment by hospitals and health systems to community development is a capital and labor-intensive endeavor that can lead to substantially healthier populations requiring lower healthcare expenditures.**

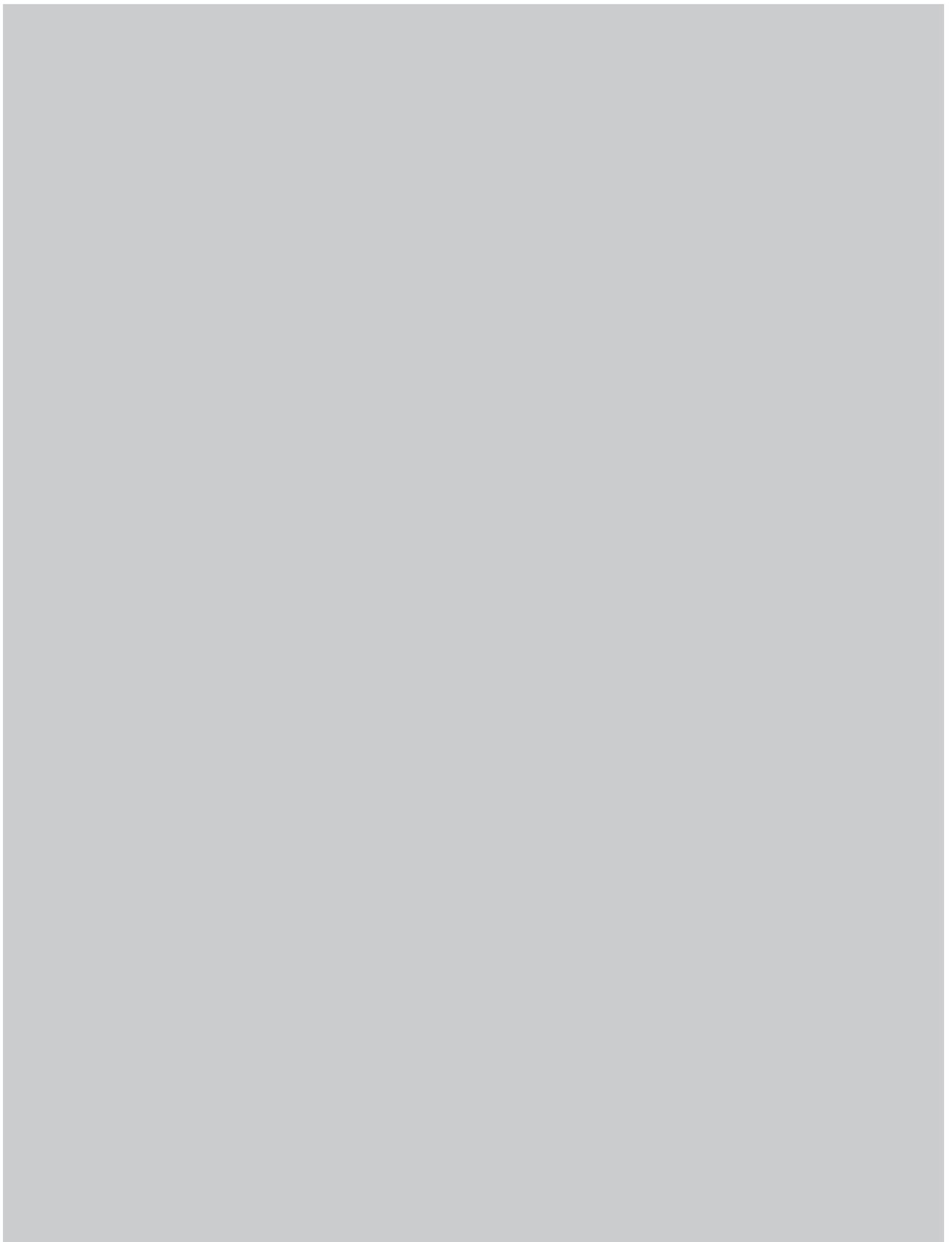
1. For Truman Medical Center, initial work is already starting to pay dividends. In the six-months following the hospital’s initial pilot, the hospital saved an average of \$150k per patient on reduced ER and inpatient visits.
2. For Nationwide Children’s Hospital, as the organization’s initial work has begun to take hold, the local neighborhood has begun to stabilize and attract market rate development, shifting the partnership’s focus to preservation and affordable housing. But these activities are capital intensive. Moving quickly in a changing area requires capital. The partnership worked with JPMC to raise \$20M to develop 170 affordable housing units, but the scale of need is even larger.
3. RMHF released an RFP for \$350,000 (1-year grants between \$10,000 and \$50,000) for “Housing and Racial Equity in the Built Environment”. It is an RFP designed to support novel efforts that will address the social, economic and structural conditions that adversely impact health. The RFP was explicit in its requirement that proposed work address racial and ethnic inequity.



# SUMMARY

The 2019 COP convening was a unique opportunity for community development practitioners – in the public and private sectors – to meet, build relationships and discuss their work outside the context of their individual cities. A common theme emerged throughout the panel discussions and in conversations with COP attendees that points to a paradigm shift in decision making when cities start using data to inform their community and economic development activities. Whereas city officials have historically created strategies by looking retrospectively at prior successes and failures, developers tend to look prospectively to guide their decisions about the future. Using data to inform policy making and development decisions is helping cities re-orient their thinking to maximize opportunities going forward.

The cities and organizations represented at the COP are nationally on the leading edge in using data to inform public policy to drive community and economic development efforts in their cities – they are curious, creative, and committed to their cities in a way that inspires optimism amidst some very challenging circumstances. The opportunity to come together with peers from other cities is not only a great way to learn from one another, but it also provides a sense of reassurance that they are part of a broader community of practitioners who are collectively working to make all the neighborhoods in our cities places where people want to live, work and raise their families.



Reinvestment Fund has published a range of reports addressing critical public policy issues. The highlighted reports below represent recent research projects. For details, please visit our Policy Publications site:

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2017

## Evictions in Philadelphia



2017

## Philadelphia's Middle Neighborhoods: Demographic and Market Differences by Race, Ethnicity, and Nation of Origin



2017

## Assessing the Relationship Between School Quality and Home Prices Across the Keystone State



2018

## Bethlehem Blight Betterment Initiative



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