

Affordable Housing: Philadelphia's Next Healthcare Frontier

Executive Summary

Homelessness exacerbates chronic health issues and increases healthcare costs in U.S. cities. Without access to health insurance or regularly offered healthcare services, individuals experiencing homelessness often rely on emergency departments for health services, which commonly incur high bills on patients and fail to address the root causes of illness. In Philadelphia in particular, the homelessness rate has increased in recent years, reflecting trends in low housing affordability and low incomes. Philadelphia is also home to several health systems, including Penn Medicine, Jefferson, Trinity, and Temple Health Systems. Similar health systems across the U.S. have successfully addressed homelessness and high healthcare costs by contributing to the creation of affordable housing units through investment and development. The following sections aim to outline how health systems can collaborate with state agencies and private foundations to mitigate the homelessness crisis, an endeavor that is in health systems' best financial interest. This report proposes that health systems in Philadelphia contribute land, loans, and capital toward developing affordable housing units as a means to lower healthcare costs for both the city and for the individual, effectively serving as a return on investment that lowers Philadelphia's homelessness rate while improving its health outcomes.

Introduction

In its most recent homelessness assessment, the United States saw its greatest recorded increase in the rate of homelessness at over 120,000 additional unhoused people per year, with a total of over 700,000 individuals having no fixed nighttime residence in 2024. Homelessness most severely affects vulnerable populations: these include people who are 55 and older, in families with children, and who identify as Black or African American¹.

Philadelphia is among the nation's poorest metropolises, with over 10% of the population surviving on incomes less than fifty percent of the federal poverty limit. Nearly half of all Philadelphia residents pay over thirty percent of their income on rent, reflecting the coupling of low incomes and unaffordable housing for many of the city's individuals². The point-in-time count for homelessness in Philadelphia, which measures the number of sheltered and unsheltered individuals at any given moment, is over five thousand, many fold higher than the national city average of 1,600^{3,4}.

In addition to its homelessness rate, Philadelphia's worsening rate of chronic illnesses, including heart disease and diabetes, and high opioid overdose rates, afflict the city with some of the worst health outcomes in the country⁵. Individuals who experience homelessness are particularly susceptible to negative health conditions and outcomes and also face healthcare costs up to six times higher than those of housed individuals⁶. For example, utilization of high-cost health interventions is higher among homeless individuals due to exposure, mental health challenges, and an evolving street drug supply⁷. Moreover, homeless individuals are frequent visitors to emergency departments, whose expenditure exacts billions from Medicaid and hospital systems annually⁸.

Philadelphia's health and housing crises compound at a precarious time for low-income individuals who are at risk of homelessness. The recent dismantling of Philadelphia's University City Townhomes, for which former residents were granted Section 8 housing vouchers, reflects the volatility of affordable housing contracts and the real risk of displacement⁹.

There is an evident need to address the dual challenges of low housing affordability and poor health outcomes affecting Philadelphia's homeless population. Philadelphia's health systems have historically contributed health services, such as case work and care communication, that are conducive to affordable housing. For example, the Children's Hospital of Philadelphia launched the Community Asthma Prevention Program Plus (CAPP+) program in partnership with Rebuilding Together Philadelphia to and minority-owned business owners to remove mold, mildew, and other asthmatic triggers from the homes of

¹ Tanya de Sousa and Meghan Henry, *The 2024 Annual Homelessness Assessment Report (AHAR to Congress) Part 1: Point-In-Time Estimates of Homelessness*, December 2024, December 2024.

² *Philadelphia 2023 The State of the City* (The Pew Charitable Trusts, 2023), 111.

³ *City of Philadelphia Point-In-Time Homeless Count* (Philadelphia Office of Homeless Services, 2024), 9.

⁴ *2024 Point-In-Time Homeless Count Estimate by CoC* (National Homeless Information Project, n.d.).

⁵ Thomas Farley et al., *2017 Health of the City* (Philadelphia Department of Public Health, n.d.).

⁶ Lucie Richard et al., "Disparities in Healthcare Costs of People Experiencing Homelessness in Toronto, Canada in the Post COVID-19 Pandemic Era: A Matched Cohort Study," *BMC Health Services Research* 24, no. 1 (2024): 1074, <https://doi.org/10.1186/s12913-024-11501-2>; Committee on Health Care for Homeless People, *Homelessness, Health, and Human Needs* (National Academies Press, 1988).

⁷ Stephen R. Poulin et al., *Service Use and Costs for Persons Experiencing Chronic Homelessness in Philadelphia: A Population-Based Study*, 61, no. 11 (2010).

⁸ Eric C. Reese, *Compassionate Crusade: The Role of Healthcare in Addressing Homelessness*, February 29, 2024.

⁹ Ann de Forest, *The Origins and End of University City Townhomes*, (Philadelphia), July 14, 2023.

its asthma patients¹⁰. Since 2019, CAPP+ has repaired 140 homes in West and Southwest Philadelphia, simultaneously helping to prevent families at risk of eviction from losing housing. Similarly, to reduce its emergency room admission burden, Temple Medicine launched the Housing Smart initiative, which works with Keystone First and Health Partners Insurance Plans to identify frequent users of emergency room services as well as Resources for Human Development to connect patients to housing support and specialty health services¹¹. As of 2022, the Housing Smart initiative reduced emergency department visits by 75%. While these initiatives are steps in the right direction, vulnerable populations are still exposed to rising costs of living and limited affordable housing supply. Beyond providing healthcare services, health systems may turn to direct financial involvement in affordable housing markets to address this compounding problem.

The Role of Health Systems in Addressing Housing Insecurity

Health systems around the U.S. stand to benefit immensely through proactive investments in affordable housing. For instance, Denver Health spends up to \$200,000 per homeless patient on average, but could house a patient for just \$10,000 per year¹². Capital that would otherwise be diverted toward housing patients in hospital beds could instead be spent on more effective care delivery. Benefits are not just monetary. Low-income individuals who have housing needs covered have more to spend on essential health services, and having the benefit of a stable home also helps stave off chronic conditions that are especially difficult to manage¹³. A Health Affairs study estimated that Bon Secours, a former health system that invested in affordable housing through its Housing for Health program, generated between \$1.30 and \$1.92 in social return for every dollar it spent on operating costs¹⁴. Furthermore, investing in affordable housing makes health systems more robust by improving clinical outcomes: housed patients exhibit more effective management of chronic diseases and greater adherence to medical care¹⁵. Investing in affordable housing generates several positive externalities that allow both patients and health systems to thrive.

Around the U.S., several case studies of health system investments in affordable housing highlight how health and housing can be synergized through new or rehabilitated developments. These examples demonstrate that supporting affordable housing development is a feasible measure and an effective preventative approach for health systems to adopt. Furthermore, health and housing projects have tangible local benefits: in developments like Philadelphia's University City Townhomes, which was located only one mile away from Penn Medicine, longitudinal health system investments would lower low-income patients' healthcare costs and extend affordability guarantees in the long term. This white paper recommends specific actions to facilitate health-housing partnerships in Philadelphia. With new state contributions and built-in incentives centered around tax credits, now is the opportune moment for Philadelphia's health sector to invest in housing as essential infrastructure for a healthier city.

¹⁰ "Creating Healthy Homes," *Creating Healthy Homes*, November 1, 2022.

¹¹ "Housing Smart," *Resources for Human Development*, January 24, 2022.

¹² Gabrielle Masson, *Denver Health to Offer Transitional Housing for Homeless Patients*, October 2, 2019.

¹³ Megan Sandel, "Investing in Housing for Health Improves Both Mission and Margin," *JAMA Network*, ahead of print, December 19, 2017, <https://doi.org/doi:10.1001/jama.2017.15771>.

¹⁴ Emmanuel Fulgence Drabo et al., "A Social-Return-On-Investment Analysis Of Bon Secours Hospital's 'Housing For Health' Affordable Housing Program: Study Evaluates the Broader Social, Environmental, and Economic Benefits of Bon Secours Hospital's Housing for Health Program.," *Health Affairs* 40, no. 3 (2021): 513–20, <https://doi.org/10.1377/hlthaff.2020.00998>.

¹⁵ Josh Serchen et al., "Meeting the Health and Social Needs of America's Unhoused and Housing-Unstable Populations: A Position Paper From the American College of Physicians," *Annals of Internal Medicine*, February 27, 2024.

Housing and Health Investment Categories

We focus on three types of investments health systems make to support affordable housing initiatives: loans, cash donations, and real estate. These investments, in partnership with developers and foundations, allow health systems to supply affordable housing projects with startup funds and land while endowing residents with proximity to essential healthcare services. In addition, health systems can deliberate with developers to designate affordable housing units to certain vulnerable populations such as individuals simultaneously experiencing financial hardship and physical disability or psychological distress, allowing health and housing services to be distributed equitably.

Loans

Housing development loans or loan funding pools loans are a low-risk, accessible form of funds that health systems and developers can use to spur affordable housing developments. Many systems have established or joined affordable housing loan pools—specialized investment funds that provide low-interest, long-term capital to bridge the gap between development costs and traditional financing.

Health systems typically contribute a portion of their long-term investment portfolios or cash reserves to these pools, often managed by Community Development Financial Institutions (CDFIs). These funds support the "capital stack" in critical ways:

- **Gap Financing:** Affordable housing often faces a funding shortfall because the projected rents (subsidized for low-income tenants) cannot support the high debt of a standard commercial loan. Health systems provide "subordinate debt" with below-market interest rates, making the project financially viable.
- **Pre-development Loans:** Systems provide early-stage capital for land acquisition and architectural fees—high-risk phases where traditional banks are often hesitant to lend.
- **Construction and Renovation Loans:** Systems provide the large, short-term capital needed to actually build the structure, which is later "taken out" (repaid) by long-term permanent financing once the building is occupied.

In the following examples, health systems collaborated with local foundations to issue low-interest loans to affordable housing developers or pool financial resources in sustainable loan funds. In the cases presented below, funds set aside for loans were a subset of larger investments in various development initiatives.

Table 1: Health System Loans for Affordable Housing

Name	Boston Acquisition Fund ¹⁶	Upper Valley Loan Fund ¹⁷
Number of Units	300	243

¹⁶ “Mayor Michelle Wu Announces New Publicly-Privately Supported Housing Acquisition Fund to Acquire and Preserve Affordable Housing and Combat Displacement,” City of Boston, December 13, 2024.

¹⁷ Lisa Patlis, “Evernorth Creates Workforce Housing Loan Fund for Upper Valley,” *Evernorth*, September 22, 2022.

Funding	\$13M	\$10.45M
Contributors	Mass General Brigham, Boston Children's Hospital, Boston Medical Center, Dana-Farber Cancer Institute Tufts Medicine, Beth Israel Deaconess Medical Center, City of Boston	Bar Harbor Bank, Citizens Bank, Dartmouth College, Dartmouth Health, Hanover Co-op Food Stores, Hypertherm, King Arthur Baking, Mascoma Bank
Description	By reinvesting repaid low-interest loans into preserving affordable housing units, the revolving Boston Acquisition Fund acts as an accessible, sustainable source of credit for affordable housing developers. Recognizing that lack of housing is linked to chronic diseases, health systems across and surrounding Boston contributed \$8M to the loan fund. The City of Boston contributed an additional \$5M match. Loans are administered by the Massachusetts Housing Investment Corporation to assist affordable housing developers purchase properties up for sale, promising to prevent the displacement of 1,500 Boston residents.	Evernorth, a pharmacy benefit manager and health solutions company, assembled the Upper Valley Loan Fund by leveraging contributions from eight employers in New Hampshire and Vermont, including Dartmouth Health. Over the course of two to three years at a rate of two to four transactions per year, the Upper Valley Loan Fund will increase the area's supply of affordable homes by 60%. Though not a revolving loan fund, Evernorth's initiative will serve the Upper Valley's workforce in need of affordable housing.



Mayor Michelle Wu Announces New Publicly-Privately Supported Housing Acquisition Fund to Acquire and Preserve Affordable Housing and Combat Displacement. December 13, 2024. City of Boston. Permissions granted.

Cash Donations

Cash donations are another accessible form of investment that health systems can leverage alongside partner foundations in affordable housing developments. Unlike loans, these contributions do not have to be repaid by developers. Furthermore, cash donations are unique because they are often paired with low income housing tax credits (LIHTCs) in affordable housing developments. LIHTCs (4% or 9%) are supplied by the federal government to state financing agencies, which accept competitive applications by developers and subsidize housing projects under the condition that they are designated as affordable housing for ten years. Developers can then sell tax credits to banks, which supply cash to fund the affordable housing developments in exchange for the right to claim the credits for these ten years¹⁸. However, because of the limited lifespan of the affordable housing designation, owners of units initially supported by LIHTCs can convert their developments back to market rate, thereby restricting low-income residents' housing options. Indeed, as many as 845,000 units may lose their status as affordable housing in the next decade¹⁹.

Given their cost-effectiveness, LIHTC-supported developments must be prime targets for health system cash investments to accelerate affordable housing unit creation in upcoming years. Developers applying for LIHTCs in fact need to prove existing sources of funding and credible partnerships, both of which may be supplied by health systems in a cash donation model. Moreover, the full potential of the LIHTC program has yet to be realized: housing projects have often overlooked 4% LIHTCs due to their lower compensation compared to 9% LIHTCs, leaving untapped equity on the table²⁰. State organizations that match partner cash contributions to promote less saturated 4% LIHTC projects further enrich available funding pools. The following health system investments thus represent a favorable opportunity to expand the affordable housing supply while enhancing the health of communities.

Table 2: Health System Cash Donations in Affordable Housing

Name	Bon Secours Gibbons Apartments ²¹	Nationwide Children's Hospital ^{22,23}
Number of Units	80	331
Funding	\$19.5M	\$25.6M
Contributors	Bon Secours, Baltimore HOME Investment Partnerships Program, Federal Home Loan Bank of Atlanta's Affordable Housing Program	Nationwide Children's Hospital, Community Development For All People, Woda Cooper Companies, Ohio Capital Finance Corporation, United Way

¹⁸ Aram Yang, "The Low-Income Housing Tax Credit Program, Explained," *Rice University Kinder Institute for Urban Research*, April 10, 2025.

¹⁹ Dustin Ingram and Maxwell Jaffe, "LIHTC Affordability Requirement Expirations and Their Implications on the Supply of Guaranteed Affordable Housing," *FedCommunities*, June 23, 2025.

²⁰ Ben Barker, "Understanding 4% vs. 9% LIHTC—and Why Bonds and Recycling Matter More Than Ever," *California Council for Affordable Housing*, August 22, 2025.

²¹ "Bon Secours Builds Gibbons Apartments to Provide Safe and Healthy Housing in Southwest Baltimore," Office of Policy Development and Research, n.d.

²² "Affordable Housing," *Nationwide Children's*, n.d.; "How Tax Credits Can Help a Hospital Finance Affordable Housing," *The Collaboratory for Kids and Community Health*, 2021.

²³ "How Tax Credits Can Help a Hospital Finance Affordable Housing."

Description	Gibbons Apartments is located in Gibbons Commons, the site of the former Cardinal Gibbons High School which was bought by St. Agnes Healthcare. Bon Secours undertook the housing development, which benefits from valuable neighbors and employers including St. Agnes Healthcare itself. The apartments were supported with \$15M in 9% LIHTCs, which Capital One purchased using Enterprise Community Development as the syndicator. The Bon Secours subsidiary Unity Properties collaborated with the affordable housing developer Enterprise Homes to build the apartments. Gibbons Apartments' development has also been supported by a \$500,000 grant from the Maryland Department of Housing and Community Development Rental Housing Program and a \$750,000 grant from the HOME Investment Partnerships, among other undisclosed funding sources.	Since 2008, Nationwide Children's Hospital has provided funding for home repairs, renovations, and new affordable housing developments in collaboration with partners such as the Ohio Capital Finance Corporation and United Way. Its 60-unit Lockbourne Greene development leveraged 4% LIHTC in partnership with Woda Cooper Companies, an affordable housing developer. While Nationwide Children's Hospital was not involved in the development process itself, its presence lent credibility that attracted other investors and the influx of additional grant money.
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Bon Secours Gibbons MD. Moseley Designs. Permissions granted.

Real Estate

To overcome expensive land acquisition costs, health systems may also opt to contribute all or a portion of under-utilized property for affordable housing developments. In this model, health systems gain the unique opportunity to co-locate health services and improve access to care within developments. Health systems may donate vacant land to a housing developer or draw agreements with developers to incorporate affordable housing components into already-planned real estate expansion. Furthermore, real estate contributions can also be supported by government-based organizations like the Pennsylvania Housing Finance Agency (PHFA), which matches these contributions with 50% of the appraised land value at the time of contribution²⁴.

The following health systems demonstrate how under-utilized hospital property can be transformed into affordable housing projects with the help of local foundations and developers. These examples also highlight the unique role of health systems in providing co-located health services and serving specific patient populations in affordable housing developments.

Table 3: Health System Real Estate for Affordable Housing

Name	St. Joseph's Health ²⁵	St. Barnabas Health ²⁶
Number of Units	71	314
Funding	\$3.4M (toward \$20.3M project)	Undisclosed contribution toward \$156M project
Contributors	St. Joseph's Health, New Jersey Housing and Mortgage Finance Agency, New Jersey Community Capital, New Jersey Community Development Corporation	St. Barnabas Health, L+M Hornig Capital, New York State Medicaid Redesign Team, New York City Housing Preservation and Development Department
Description	St. Joseph's Health launched the first hospital-based supportive housing project in New Jersey, transforming vacant hospital land in Paterson into 71 affordable units at Barclay Street Housing. The development was constructed on hospital-owned land in a high-need neighborhood and includes on-site health and social	In the Bronx, St. Barnabas Hospital partnered with developers L+M Development and Hornig Capital to build affordable housing units on underused hospital-owned land. The development includes co-located services such as a primary care clinic and wellness center on-site, as well as a teaching kitchen and rooftop garden for healthy living programs. Apartments are reserved for low-income or formerly homeless households. Additional support from New

²⁴ Bryce Maretzki, "Health for Housing Investment Program: Latest Updates and New Developments," Pennsylvania Housing Finance Agency, 2024.

²⁵ "ST. Joseph's Health & NJCDC/NJCC," n.d.

²⁶ Keiko Morris, "Bronx Project Sees Health in Affordable Housing," The Wall Street Journal, July 10, 2016.

	services, including amenities for aging and special needs individuals. This project was built in partnership with the New Jersey Housing and Mortgage Finance Agency (NJFMA), leveraging 4% LIHTC and philanthropic support.	York State’s Medicaid Redesign Team, New York City’s Housing Preservation and Development Department, 4% LIHTC subsidies, and a mission-driven developer were key to its success ²⁷ . St. Barnabas’s contribution of land (and integration of its clinical services) was essential to making this large project feasible.
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Examples in Philadelphia

In Philadelphia, the Pennsylvania Housing Finance Agency (PHFA) has already begun encouraging health systems to support affordable housing projects with its Health for Housing Investment (HHI), which provides matching funds and guidance for health systems that take on affordable housing developments with LIHTCs²⁸. PHFA has already matched 9% LIHTC developments with up to \$2 million each, including projects sponsored by Temple Health, Penn Medicine, Jefferson Health, and AmeriHealth Caritas in July 2024. Furthermore, PHFA also offers up to \$1.5 million in matching funds for 4% LIHTC developments, an underutilized resource with readily available funding and few competitors²⁹.

The following PHFA-sponsored projects were made possible by health system cash contributions (requires minimum investment of \$250,000³⁰) in Philadelphia. Though they leverage only 9% LIHTC, these projects are a proof of concept for how Philadelphia health systems can support underrepresented 4% LIHTC projects.

Table 4: Precedents for Philadelphia Health System Investment in Affordable Housing

Name	Project HOME’s North Park Avenue Apartments ^{31,32}	17th Street Community Corridor ³²	St. Katherine Drexel Place ³²
Number of Units	45	40	48
Funding	\$600,000	\$300,000	\$100,000
Contributors	Penn Medicine, Jefferson Health, Temple Health, Prevention Point	Temple Health, Amerihealth Caritas, Pathways Housing Wellness Corporation	St. Katherine Drexel Place, Trinity Health

²⁷ “L+M, Hornig Capital Partner with St. Barnabas on Supportive Housing Project in the Bronx,” *The Real Deal Real Estate News*, July 12, 2016.

²⁸ “Tab 44 Health for Housing Investment,” Pennsylvania Housing Finance Agency, 2025.

²⁹ “2024 9% Low Income Housing Tax Credit Reservations,” July 11, 2024.

³⁰ *Mixed-Income Housing Zoning Bonus* (Philadelphia Department of Planning and Development, 2022).

³¹ Maretzki, “Health for Housing Investment Program: Latest Updates and New Developments”; “2024 9% Low Income Housing Tax Credit Reservations.”

³² “2024 9% Low Income Housing Tax Credit Reservations.”

Description	Led by Project HOME in Philadelphia, the development of North Park Avenue Apartments was jointly supported by cash contributions from Penn Medicine, Jefferson Health, and Temple Health and will preferentially house patients referred through these hospital systems. The facility will provide housing and rehabilitation for victims of opioid use disorder. This joint investment was matched by PHFI and supported with 9% LIHTC, and the project is set to finish in 2026.	The 17th Street Community Corridor in Philadelphia, developed under Pathways Housing Wellness Corporation, is jointly supported by Temple Health and Amerihealth Caritas, a Medicaid Managed Care Organization. These health systems' contributions were also matched by PHFI and supported by 9% LIHTC. This development demonstrates how hospitals and managed care organizations can co-invest in affordable housing projects.	This Philadelphia development arose from the transformation of an unused friary to an affordable senior housing complex. It was funded partially by Trinity Health with 9% LIHTC support and matching funds from PHFA. St. Katherine Drexel Place features co-location of aging and disability support services as well as case management.
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Policy and Funding Recommendations

Within financial contributions including loans, cash donations, real estate, and beyond, there exists considerable variability in funding mechanisms and included amenities that depend on contributing health systems' local circumstances. Drawing from nationwide and local examples of health system involvement in affordable housing projects, we lay out five policy recommendations:

1. **Loans: Engage private sector partners to establish health system funds for housing.** In Philadelphia, foundations like the Robert Wood Johnson Foundation³³, Reinvestment Fund³⁴, and Wells Fargo Regional Foundation³⁵ have funded affordable housing. Health systems should seek matching contributions from these foundations and design strategies for allocating funding. For example, following the model of the loan funds discussed above, Philadelphia's health systems could pool resources to create a dedicated housing investment fund managed by a community development finance institution or community development corporation. The fund could then provide low-interest loans to affordable housing developers, particularly for preservation of existing affordable units and creation of new units. The fund can revolve as loans are repaid, creating a cycle of sustainable impact³⁶. In addition, community development finance institutions and local developers can provide technical expertise for supporting projects. An example is the

³³ "Housing Policy and Practice," *Robert Wood Johnson Foundation*, n.d.

³⁴ "Housing Funding in Philadelphia: Evaluating the Impact of Public Spending," *Reinvestment Fund*, n.d.

³⁵ "Philadelphia Foundation Welcomes the Wells Fargo Regional Foundation in New Partnership," *Philadelphia Foundation*, December 18, 2020.

³⁶ "UPMC for You, The Heinz Endowments, Henry L. Hillman Foundation, and Cinnaire Lending Partner to Preserve 1,200 Affordable Housing Units," *UPMC Health Plan*, March 20, 2023.

Accelerating Investments for Healthy Communities initiative led by the Center for Community Investment, which has already worked with health systems like Bon Secours on housing investments [ref]. By participating, health systems effectively invest in a portfolio of housing projects without managing each one. Though they may earn modest returns, more importantly, they gain downstream cost savings from improved community health.

2. **Cash: Leverage matching capital and tax credit.** Health systems should take full advantage of PHFA's Health and Housing Investment (HHI) program and similar incentives. Applications for both 4% and 9% LIHTCs should be considered for affordable housing projects—though 4% LIHTCs offer smaller compensation, they are less competitive and can be applied for a range of new development or rehabilitation projects. Large insurers or for-profit hospital networks could directly purchase LIHTC equity in developments that align with their community needs, earning a financial return while building a relationship with the community. The PHFA, hospital finance officers, and community development finance institutions should convene to review how health entities can participate in LIHTC financing and demystify a process for bringing capital to affordable housing projects.
3. **Real Estate: Co-locate health services in affordable housing projects.** In Philadelphia, Paseo Verde Apartments established a rental development next to Temple University that incorporates an on-site health clinic and pharmacy with features of a federally qualified health center [ref]. The development serves the broader community and brings hospital services directly to its residents. The Children's Hospital of Philadelphia (CHOP) has spearheaded a similar co-location effort in the South Philadelphia Community Health and Literacy Center. The \$42M project includes a CHOP primary care center, Philadelphia Department of Health community center, recreational playground, and free library [ref]. While not an affordable housing project, this innovative center demonstrates the power of co-locating healthcare with community services in an accessible neighborhood setting nearby.
4. **Real Estate: Assess opportunities to develop under-utilized property.** City officials and health system executives should collaborate on identifying land suitable for housing. Hospitals often own surface parking lots, vacant buildings, or other underused properties. To incentivize land contributions, the City could provide incentives for health systems such zoning bonuses similar to those for developers who include affordable housing in city projects [ref]. St. Joseph and St. Barnabas among other health systems demonstrate that donating land significantly lowers development expenses and can make large projects viable. City government land can also be used in conjunction with health system properties for affordable housing development [ref].

Conclusion

Different types of health systems in various contexts can effectively contribute to affordable housing developments through conversion of property and creation of investment funds or loans in accordance with their strengths. Notably, health systems utilized different contribution types based on their capacity. Those with land in urban centers (St. Barnabas, St. Joseph's) allowed housing to be built on-site, conferring the additional benefit of proximity to crucial health services. Others with financial strength (Boston Acquisition and Upper Valley Loan participants) created loan or grant programs to empower community organizations. Large systems (Bon Secours) sponsored projects through direct development. Philadelphia can benefit from all of these funding strategies.

Multi-sector partnerships are crucial. Almost every project involving health systems was enabled by partnerships with experienced housing developers, city governments, and foundations. In addition, LIHTCs were a common factor among health-system-supported affordable housing developments. These tax credits offer lower interest on development financing and an additional source of equity that can attract investors. In Philadelphia, the PHFA HHI now provides a framework to leverage health funds alongside LIHTC. Health systems here should actively pursue these opportunities well beyond PHFA's pilot funding round.

Furthermore, the co-location of health services amplifies the impact of affordable housing projects. Several projects across the nation already include on-site health services. In Philadelphia, Paseo Verde and CHOP have demonstrated how housing developments can integrate key health services and established a precedent for health systems complementing community establishments with clinical care. By not just involving a health system partner but also designing housing and healthcare together, development initiatives address multiple needs efficiently.

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