

# The Correlation of Affordable Housing and Health

When most people think of affordable housing, they think of a roof over someone's head and the stability of a place to call home. While the correlated relationship between affordable housing and health (including mental, physical, and academic well-being) is generally less well-known, strong evidence shows housing's relationship to health. In fact, housing stability, quality, safety, and affordability all affect health outcomes, as do physical and social characteristics of neighborhoods.<sup>1</sup>

## Social Determinants of Health

The Commission on Social Determinants of Health (SDOH) was established by the World Health Organization (WHO) in March 2005 to support countries and global health partners in addressing the social factors leading to ill health and health inequities. SDOH are the conditions in the environments where people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks. SDOH are grouped into 5 domains: Economic Stability, Education Access and Quality, Health Care Access and Quality, Neighborhood and Built Environment, and Social and Community Context.<sup>2</sup>



SDOH have a major impact on people's health, well-being, and quality of life. Examples of SDOH include:

- Safe housing, transportation, and neighborhoods
- Access to nutritious foods and physical activity opportunities
- Racism, discrimination, and violence
- Polluted air and water
- Education, job opportunities, and income
- Language and literacy skills

**Housing is one of the best researched SDOH, and selected housing interventions for low-income people have been found to improve health outcomes and decrease health care costs.**

## Affordable Housing and Health

Stable and affordable housing supports a variety of positive health outcomes. From limiting stressors related to financial burden or frequent moves to offering an escape from an abusive home environment, affordable housing can have mental health benefits by offering homeowners control over their environment.<sup>3</sup> The stability of an affordable mortgage also can have profound effects on childhood development and school performance and can serve as a platform for providing supportive services to improve the health of vulnerable populations, including the elderly, disabled, and homeless. Additionally, it can provide household resources to pay for health care and healthy food and limit exposure to environmental toxins that impact health.<sup>4</sup> Stable and affordable housing is a foundation for well-being. It can improve the quality of life for residents by leading to better health, adequate jobs, financial stability, security, and population diversity. The effects of affordable housing are capable of transforming communities.

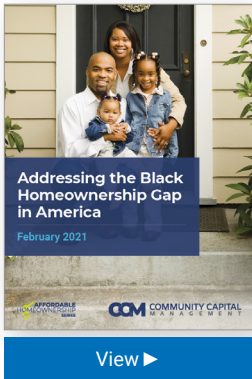
### Studies show that quality affordable housing has multiple positive effects on people's health and well-being by:

- Freeing up financial resources for health care and nutritious food
- Providing residential stability
- Allowing families to manage their day-to-day lives
- Relieving stress and improving mental health
- Reducing health risks associated with poor quality housing
- Facilitating ongoing delivery of health care services
- Decreasing exposure to infectious diseases
- Promoting social networks and community involvement
- Fostering greater self-esteem through home ownership
- Increasing a sense of security

<https://www.alvarezdiazvillalon.com/5-reasons-affordable-housing-creates-better-world/>

## The Ongoing Need for Affordable Housing

Sadly, the supply of affordable housing is getting worse in the U.S., and it was getting worse even before the pandemic struck and eviscerated jobs and income.<sup>5</sup> In 2019, 37.1 million households were “housing cost burdened,” spending 30% or more of their income on housing. This represented 30.2% of all households nationwide. One in 7 households — 17.6 million in total — were “severely cost burdened,” spending half or more of their income on housing. Renters were more cost burdened than homeowners, with 46% of renters cost burdened compared to 21% of homeowners. Cost burdens were greatest among lower-income households.<sup>6</sup> Our recent report, “[Addressing the Black Homeownership Gap in America](#),” points out how this disparity is worse for Black Americans. In 1960, there was a 27-point gap between Black homeownership (38%) and white homeownership (65%); in 2019, there was a 30-point gap.



A recent 60 minutes segment, “Black Americans more prone to health issues because of racism,” mentioned a study where African Americans who lived in public housing were randomly chosen (by the flip of a coin) to either remain in public housing or be provided with a voucher for housing in a better neighborhood. After ten to 15 years, research showed that those African Americans who moved to a better neighborhood had lower rates of obesity and lower diabetes risk with no health intervention. **All that was changed was their neighborhood.** To watch the full segment, click [here](#).

## Everyone Can Play a Role

The economic fallout of the pandemic stands to exacerbate the nation’s sizable affordable housing shortage and crisis. The nation is short more than 7 million homes for extremely low-income renters, per the National Low Income Housing Coalition (NLIHC). That gap between the affordable housing we have and what we need is poised to grow, through a slowdown of new housing production and the loss of existing homes and apartments, just as it is needed most.<sup>7</sup>

The lack of affordable housing combined with the evidence on the relationship between housing and health should be compelling enough for all types of organizations and investors to want to make a change. Many health systems and hospitals realize the benefits of increasing access to affordable housing. The public and private sectors can play a variety of roles in increasing the supply of affordable housing. Banks have long invested in affordable housing as part of their obligations under the Community Reinvestment Act (CRA) of 1977. Community Development Financial Institutions (CDFIs) have a track record of investing in housing as part of comprehensive neighborhood development.<sup>8</sup> And impact investors can invest in products and strategies financing affordable housing initiatives. Everyone can play a role.

## CCM’s Role

Community Capital Management (CCM) manages market-rate fixed income impact investments, which are positively impacting affordable housing and its accompanying social and economic benefits. Investors have the opportunity to customize their bond portfolios to direct capital to specific geographies or to one or more of [18 impact themes](#), aligning their investments with their values. [Customization](#) can take place in our flagship mutual fund (CCM Community Impact Bond Fund (f/k/a the CRA Qualified Investment Fund)), in a separately managed account, or through one of our impact initiatives (Minority CARES and COVID-19 Relief).



As an investor of our clients’ capital, we are committed to verifying the intended environmental and social outcomes of every security prior to purchasing, monitoring the results on an ongoing basis, and providing our clients with detailed impact reporting. This transparency into the use of proceeds and measurement of their anticipated corresponding impact is a critical component of our investment process and helps us share details and data on the correlation of many of our impact themes including affordable housing and health-related outcomes. Health-related impact themes include affordable health and rehabilitation care, healthy communities, and neighborhood revitalization, among others.

**In December 2016**, leaders from 40 health systems across the U.S. gathered to explore how their systems could more fully harness their economic power to inclusively and sustainably benefit the long-term health and well-being of the communities they serve. This convening led to the launch of the Healthcare Anchor Network (HAN), representing a critical milestone in mobilizing the health care sector toward action and collaboration.

Since the launch of HAN, Kaiser Permanente announced in May 2018 that it would invest \$200 million to address housing instability and Bon Secours Mercy Health was one of 14 HAN members that announced commitments of over \$700 million in impact investing in November 2019. For the health sector, impact investing can enable non-profit hospitals and health systems to address SDOH while maintaining their financial bottom line.

## CCM Case Study: Affordable Housing and Health

Centennial Plaza is an affordable rental property in St. Louis, Missouri, in a majority-minority census tract where 66% of the population are minorities. All of the units receive Section 8 assistance. Centennial Plaza is a project of Lutheran Senior Services (LSS), a faith-based non-profit organization that provides a range of services to seniors in the St. Louis area, including affordable housing and health care. LSS seeks to provide socially vibrant communities for low-income seniors that foster intellectual, physical, and spiritual well-being by supporting residents with wellness resources and connecting them with friendly neighbors.



Image source: <https://google.com/maps>

professional rehabilitation and therapy services, personal caregivers, and faith-inspired end-of-life hospice care.

In 2012, LSS launched a program called Project Wellness, a free service available to all residents in its affordable housing communities. Project Wellness gives residents access to wellness and exercise programs and to telehealth wellness kiosks that provide immediate blood pressure, weight, blood glucose, and other biometric readings. On-site registered nurses help residents stay informed and make choices to improve their overall health and quality of life. Since LSS launched Project Wellness, hospitalization rates among participating seniors have decreased by more than a third and moves to higher levels of care have been reduced by 11%.

### IMPACT THEMES THIS INVESTMENT HELPED SUPPORT:



Affordable Health and Rehabilitation Care



Affordable Housing



Environmental Sustainability



Healthy Communities



Human Empowerment



Minority Advancement



Seniors and the Disabled

## About CCM

Community Capital Management, Inc. (CCM) is an investment adviser registered with the Securities and Exchange Commission. Headquartered in Fort Lauderdale with employees in Boston, Charlotte, the New York City area, and Southern California, CCM was founded in 1998 and manages over \$3 billion in assets. The firm believes a fully integrated portfolio — one that includes environmental, social, and governance (ESG) factors — can deliver strong financial performance while simultaneously having positive long-term economic and sustainable impact. CCM's strategies utilize an innovative approach to fixed income and equity investing by combining the positive outcomes of impact and ESG investing with rigorous financial analysis, an inherent focus on risk management, and transparent research. For more information, please visit: [www.ccminvests.com](http://www.ccminvests.com).

<sup>1</sup> <https://www.healthaffairs.org/doi/10.1377/hpb20180313.396577/full/>

<sup>2</sup> <https://health.gov/healthypeople/objectives-and-data/social-determinants-health>

<sup>3</sup> <https://www.rupco.org/wp-content/uploads/pdfs/The-Impacts-of-Affordable-Housing-on-Health-CenterforHousingPolicy-Maqbool.etal.pdf>

<sup>4</sup> [https://www.researchgate.net/publication/339366232\\_The\\_Impacts\\_of\\_Affordable\\_Housing\\_on\\_Health\\_A\\_Research\\_Summary](https://www.researchgate.net/publication/339366232_The_Impacts_of_Affordable_Housing_on_Health_A_Research_Summary)

<sup>5</sup> <https://phys.org/news/2020-06-lack-housing-worse.html#:~:text=Nearly%2075%20percent%20of%20poor,of%20income%20for%20housing%20too>

<sup>6</sup> <https://www.habitat.org/costofhome/2020-state-nations-housing-report-lack-affordable-housing>

<sup>7</sup> <https://www.bloomberg.com/news/articles/2020-07-30/the-u-s-affordable-housing-gap-is-getting-worse>

<sup>8</sup> Ibid

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