

Leveraging Anchor Institutions to Foster Healthy Communities in the Region

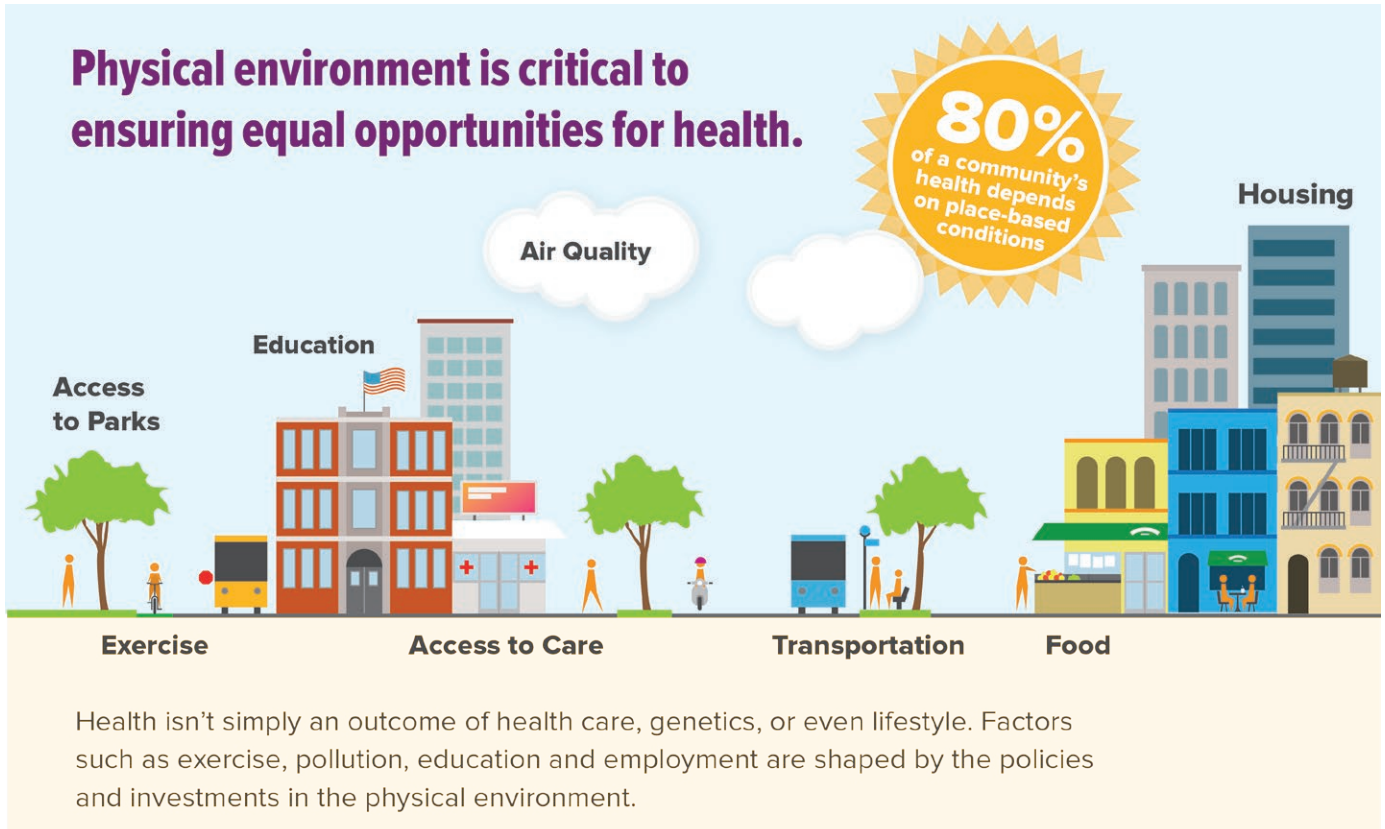


A generation from now, the New York-New Jersey-Connecticut metropolitan area could be a place that fulfills its promise of opportunity and equality for all races, ethnicities, incomes, ages and abilities; a coastal region that shows the rest of the world how to adapt and prosper in an age of rising seas and temperatures; and a global hub that harnesses its immense resources and innovative talent to make this fast-paced, expensive metropolis an easier, healthier and more affordable place to live and work.

But unless things change, a child born in 2017 faces a far different future. One in five children will grow up poor and most will never make it to the middle class. These children, the majority of them black, Hispanic or Asian, will be far more likely to attend failing schools, suffer from obesity and asthma, live in unsafe neighborhoods, and experience homelessness. If current trends continue, the average family a generation from now will earn less and spend more on housing and transportation. Many roads and trains will become impossibly congested and getting to work, school and medical care will take longer and be more stressful. By 2050 more than two million residents will live in danger of repeated storms and flooding and three million more elderly residents will live in hotter, more congested and more polluted cities.

The Fourth Regional Plan offers a vision and strategies for achieving a more prosperous, equitable and resilient future. The Plan is intended to generate dialogue, encourage collaboration and promote action to make this vision a reality.

Physical environment is critical to ensuring equal opportunities for health.



Leveraging the capital and human resources and economic output of anchor institutions presents a significant opportunity to advance the Fourth Plan's goals of equity, health, prosperity and sustainability by addressing some of the most persistent socioeconomic challenges that perpetuate poverty and inequality across our region: access to jobs, quality housing and healthy neighborhoods. RPA's research shows that 80 percent of a community's health is shaped not by health care, but by socioeconomic and environmental factors strongly affected by planning and public policy. Creating a cohesive anchor strategy for the region together with partners on the ground in New York, New Jersey and Connecticut has the potential to become a powerful driver for improving community health and access to opportunity in under-served communities across our region.

This policy brief describes the mutual benefit accrued to both anchor institutions and their local communities when meaningful dialogue and strong partnerships are formed and sustained. It outlines a framework for collaboration between anchors, municipal government and local communities and provides an implementation strategy for institutionalizing this collaboration.

Background

Anchor institutions are large nonprofit or public institutions that are rooted in place and, because of their ownership, customer base and missions, are unlikely to move to another location. These institutions have a vested stake in local communities by virtue of their land holdings, capital and physical investments and historic ties. Over time, many anchor institutions have grown to become the largest employers in their communities and have substantial economic footprints in terms of their hiring and purchasing power.

However, this economic footprint has not always translated to economic improvement for their surrounding communities. Many institutions have historically been inward facing, physically and operationally disconnected from their neighbors. Often they have thought of their business functions as separate from their missions rather than potential assets that could be leveraged for the mutual benefit of both the institution and the surrounding community. In many cases the neighborhoods surrounding anchor institutions face physical, economic, and social disinvestment, and residents and businesses have limited relationships with the institution. This disconnect is a missed opportunity for both anchors and neighborhoods.

Engaging large, mission-aligned employers with community and municipal leaders provides an alternative to traditional attraction-based approaches to economic development. It unlocks the creative problem solving potential of these institutions and their local government and civic leaders to address growing disparities in health and well-being, wealth and income, environmental quality, education, and other quality of life disparities between communities and populations that are often only a few miles apart. By supporting access to affordable housing, inclusive business ownership, and other wealth building opportunities, anchors can foster healthy communities, complementing their existing community benefit efforts and deepening the social and economic impact of their other investments.

The economic output and human capital resources of anchor institutions and their local communities represent critical and often untapped local assets that can be leveraged to sustainably and equitably address both community and anchor needs. There is significant opportunity to further engage anchor institutions around how their core business operations, capital investments, and other internal assets can be connected to their long-term strategic planning and overall missions to improve community well-being. By connecting the people, knowledge, physical spaces, and economies of anchors and local communities to one another, there is a clear opportunity to establish a mutually beneficial and self-sustaining local ecosystem.

Across the country, many anchor institutions are moving in this direction and working to shift their hiring, purchasing, and investment practices to better meet the needs of community members in their surrounding neighborhoods. By linking available jobs and existing procurement opportunities to nearby residents and businesses, they are strengthening the local economy and increasing the economic multiplier of limited dollars, a benefit for all parties¹.

Benefits

Collaboration between anchors and neighborhoods not only helps stabilize and revitalize local communities, but also creates tangible benefits to anchor institutions. Forg-

ing stronger ties between them is a win/win proposition that can improve economic, physical, and social conditions in low-income communities in five key areas:

1. Hiring and Workforce Development

Partnering with existing workforce intermediaries and community-based organizations to train local and diverse residents for existing employment opportunities not only benefits those hired, but also benefits the institutions by allowing them to leverage existing public resources and community infrastructure to creating a diverse, local and culturally competent workforce. Additionally, hiring locally reduces transportation costs for employees and minimizes tardiness that can result from long commutes.

Further, strategic partnerships and investments in front-line employees helps improve employee morale and employee retention.

2. Inclusive, Local Purchasing

Healthcare and higher education institutions have tremendous purchasing power. Keeping money spent by institutions in the local neighborhood provides critical support to and growth opportunities for neighborhood businesses and strengthens the local economy. By supporting diverse and locally owned vendors and helping to incubate new community enterprises to fill supply chain gaps, institutions can leverage existing resources to drive local economic growth.

3. Place-based Impact Investing

Healthcare and higher education institutions can earn a financial return on their investments while producing a positive social, economic, or environmental impact within their geographical service areas. In doing so, institutions face a range of high-impact opportunities across asset classes, themes, sectors, and risk/return profiles. They can begin with something as simple as shifting deposits of cash and cash equivalents to local community banks and credit unions, or they can invest in low-risk fixed income products offered by community development financial intermediaries that provide key financial services and resources to underserved communities.

4. Coordinated Capital Investments

Institutions can also leverage their capital assets and investments to improve community well-being. Capital investments in streetscapes and public spaces are a key element of neighborhood revitalization. Coordination and leveraging of anchor and municipal capital investments can increase the impact accrued to both parties. A safe and attractive neighborhood is a healthy community

¹ Purchasing at locally owned businesses has a multiplier effect for local economic activity. Dollars spent at locally owned businesses recirculate in the community at a greater rate than money spent at national chains and absentee-owned businesses. See: American Independent Business Alliance, "The Multiplier Effect of Local Independent Businesses," accessed July 7, 2016, www.amiba.net/resources/multiplier-effect

for residents and helps anchors retain and attract talent. Moreover, these investments benefit those who have traditionally been underserved and excluded by investment, reversing patterns of disinvestment and disparities between communities.

5. Increased Access to Quality Housing

Ensuring a quality, mixed income housing stock in the local community creates a healthy and socially diverse neighborhood where people at multiple income levels can live and work in the local neighborhood, whether they are doctors or technicians. Quality housing improves health outcomes for children, families and individuals, and well maintained homes and streets have the added benefit of improving neighborhood safety and security. In addition, anchors can help support access to homeownership opportunities, a critical vehicle to help employees and local residents build wealth.

6. Mission Alignment

Non-profit and public institutions bring expertise to local communities in areas such as healthcare, education and arts and culture. Working with local residents to tackle persistent community challenges and address social determinants of health in these areas not only benefits local neighborhoods, but also helps institutions advance their core missions and values.

Policy Recommendations

Growing partnerships between public and nonprofit anchor institutions, community-based organizations and other intermediaries exist across the country and in our region in places like West Philadelphia, Baltimore, Cleveland, the Bronx, Newark and Stamford. Alignment of institutional assets with opportunities for community economic development is beginning to reverse decades of disinvestment in many neighborhoods and equitably benefit long-term residents. **The question is why aren't these synergies taking hold organically and with greater frequency in more places in our region?** This is largely due to two central challenges:

- ▶ The historic culture and inward facing orientation of anchor institutions; and
- ▶ The absence of formal mechanisms for incentivizing collaborative relationships between municipalities, neighborhoods and anchors.

Addressing these challenges will require fostering dialogue and engagement between local municipalities, anchor neighborhoods and anchor institutions and effectively communicating the benefits of partnership to these parties, as follows:

1. Foster Ongoing Collaboration

While collaboration begins with an agreement to share information and coordinate projects, for it to be meaningful and sustainable anchor institutions and local governments must commit to learning about and implementing best practices to advance collaborative economic development strategies. This approach requires openness and creativity by both institutions and municipal governments as well as a commitment to advancing a culture of collaboration and developing a structure that facilitates interdepartmental cooperation.

2. Establish a Clear Line of Communication

In order to foster communication and collaborative planning between municipalities, local communities and anchor institutions, municipal governments should specifically task a senior staff member, such as the Mayor's Chief of Staff, the City/Town Manager or the Economic Development Director, with the responsibility of regularly communicating and liaising with the senior staff of their local anchor institution(s) such as the President, CEO, or Strategic Planning Director. A clear, direct and regular line of communication between municipal and institutional leadership is vital to establishing the relationships and trust necessary to advance an anchor strategy for community economic development and uncover the joint benefits of collaboration.

Regular leadership meetings are a critical first step in the process. They provide an opportunity to explore common interests and shared goals and also to uncover specific opportunities for municipalities and anchors to leverage one another's investments in areas such as capital improvements, housing preservation and development and education/job training. Moreover, leadership buy-in is a critical factor for the success of anchor strategies at a particular institution.

3. Initiate Joint Projects and Planning Efforts

Joint projects and planning efforts between anchor institutions, municipal government, and local communities can provide important opportunities to establish and grow partnerships, and determine points of common interest and benefit. New York, New Jersey, and Connecticut can incentivize this type of collaboration by providing grant funds to support joint projects and joint planning efforts;



Hire Newark Employment Ready Bootcamp
RWJBarnabas Health, Newark, NJ

and prioritizing infrastructure investment, housing subsidies, and economic development funds for implementation of such efforts.

The states should also explore leveraging federal programs, such as the Affordable Care Act's community-benefit requirement, to encourage healthcare and other institutions to implement joint projects and planning efforts in partnership with their local community and municipal government.

Outcomes

A successful collaborative planning process between anchor institutions, municipal leaders and local communities will result in an adopted Joint Comprehensive Community Development Plan that outlines clear strategies in the following key areas:

1. Local job training

Institutions can partner with other anchors such as public schools, community colleges and vocational training centers, as well as workforce intermediaries and other community-based organizations to connect residents to anchor jobs with clear career pathways. Anchor institutions can also work to expose community members--especially underrepresented populations--and students to anchor careers as early as primary or middle school and provide clear and accessible job pipelines to those opportunities.

Hire Newark Employment Ready Bootcamp program, a five-week intensive job readiness course designed to connect New Jersey employers with Newark residents. In Collaboration with Mayor Ras Baraka's Centers of Hope initiative, RWJBarnabas Health oversees the program which provides skills training, on-site job visits, mentoring, mock interviews, and more. Each Hire Newark participant can directly apply for a position across a number of partner companies. Fifty-six of the graduates have been hired locally by companies that partner with Newark Beth Israel.



Fairgate, Vita Health & Wellness District
Charter Oak Communities, Stamford, CT

A partnership of Charter Oak Communities, Stamford Hospital and the City of Stamford, the Vita Health & Wellness District is redefining health, housing and community in Stamford's West Side neighborhood.

Anchors should also partner with neighborhood organizations to inform residents about job opportunities and connect residents to applicable training programs.

2. Local procurement of goods and services

Anchors can develop mechanisms to facilitate purchasing from local, inclusive and sustainable businesses, like minority-, women- and employee-owned firms. In addition, they can work to increase the capacity of local businesses so that their goods and services meet the needs of anchor institutions. Strategies include establishing targets and incentives for procurement in these different categories, creating systems that allow multiple small businesses to provide bundled services to anchors, helping small businesses scale by connecting them to technical assistance and subcontracting opportunities, and addressing procurement barriers such as access to online hubs and contracting insurance and bonding requirements.

In addition, anchors should explore opportunities to partner with local community-based organizations (CBO) providing services that enhance or extend the anchor's core services. These partnerships can leverage CBO's expertise that further anchors' missions. At the same time they can create opportunities for CBOs to establish relationships with anchor institutions that potentially generate new referrals and funding streams for CBO services.

3. Quality, mixed-income housing

Institutions should develop a portfolio of programs aimed at creating quality affordable and mixed income housing. This can include partnering with or creating a subsidiary community development corporation to develop affordable and mixed income housing and providing employer assisted housing programs including up-front (down payment, closing costs, etc.) and monthly carrying cost assistance (rent

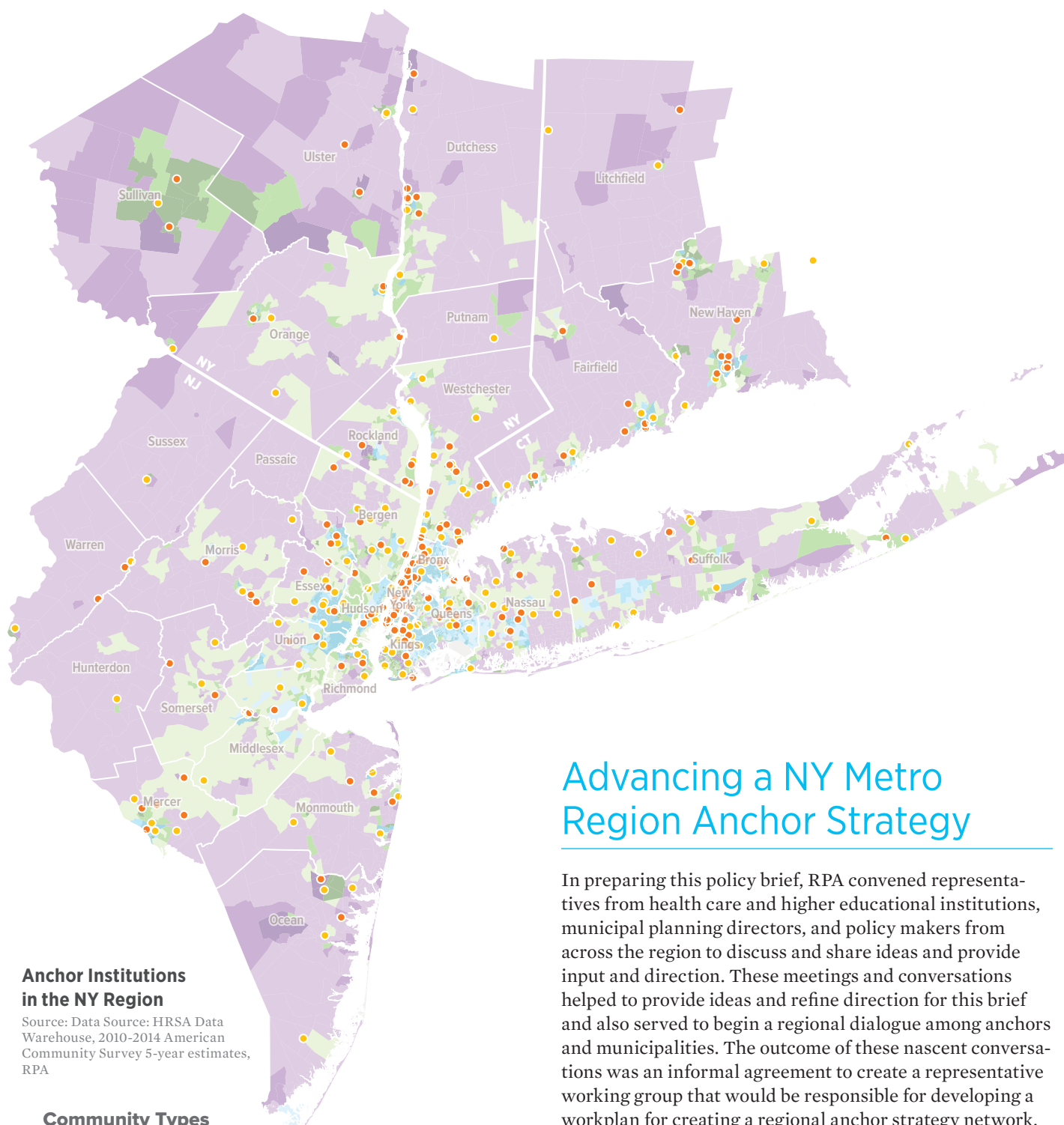
assistance, group mortgage insurance, etc). Institutions should also explore opportunities to repurpose unused space or buildings for affordable and/or supportive housing. Working with local community land trusts, or helping to facilitate the creation of a land trust, will help to ensure that such housing will remain affordable, and can help to counter displacement pressure as neighborhood development moves forward.

4. Capital investments

These investments include removing physical barriers between anchors and neighborhoods, such as walls, fences, and other physical barriers, and intentionally connecting campuses to local streets with signage and uniform streetscapes as well as shared public and open spaces. Infrastructure investments such as an accessible broadband network that spans both the anchor and the local neighborhood and expanded transit access for residents and employees can help bridge the gap between anchors and communities and can help to maximize the impact of other investments, such as business development.

5. Aligning around shared values

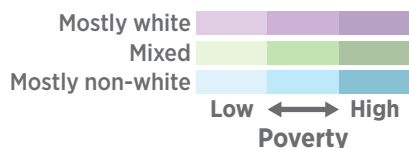
Determining the areas in which an anchor's core mission aligns with local community needs and where local expertise can be leveraged to address an anchor's challenges is critical to sustaining meaningful partnerships over the long term. Through community needs and asset assessments, anchors and communities can uncover shared values that can drive partnerships that leverage anchor expertise to address local challenges.



Anchor Institutions in the NY Region

Source: Data Source: HRSA Data Warehouse, 2010-2014 American Community Survey 5-year estimates, RPA

Community Types



Institutions

- Hospitals
- Colleges and Universities



Advancing a NY Metro Region Anchor Strategy

In preparing this policy brief, RPA convened representatives from health care and higher educational institutions, municipal planning directors, and policy makers from across the region to discuss and share ideas and provide input and direction. These meetings and conversations helped to provide ideas and refine direction for this brief and also served to begin a regional dialogue among anchors and municipalities. The outcome of these nascent conversations was an informal agreement to create a representative working group that would be responsible for developing a workplan for creating a regional anchor strategy network. This group will include representative anchors, planning directors and grassroots organizations who will be charged with developing a mission and core value statement, an action agenda, intended outcomes and performance measures that can be shared and discussed with the broader network group. The objective of this working group is to produce a workplan that will serve as a guide for a regional network charged with advancing an anchor strategy for the New York-New Jersey-Connecticut region.

Additional Resources

Interactive mapping of RPA region anchor institution

https://rpa.carto.com/viz/500f3df4-b888-4ede-83d6-388ff2e7e401/public_map

Publications

- ▶ Tyler Norris and Ted Howard, Can Hospitals Heal America's Communities? "All in for Mission" is the Emerging Model for Impact (Takoma Park, MD: The Democracy Collaborative, 2015), <http://democracycollaborative.org/content/can-hospitals-heal-americas-communities-0>
- ▶ Farzana Serang, J. Phillip Thompson and Ted Howard, The Anchor Mission: Leveraging the Power of Anchor Institutions to Build Community Wealth, (College Park, MD: The Democracy Collaborative, February 2013), <http://community-wealth.org/content/anchor-mission-leveraging-power-anchor-institutions-build-community-wealth>
- ▶ Walter Wright, Kathryn W. Hexter and Nick Downer, "Cleveland's Greater University Circle Initiative: An Anchor-Based Strategy for Change," (Washington, DC: The Democracy Collaborative, May, 2016). <http://democracycollaborative.org/greater-university-circle-initiative>
- ▶ David Zuckerman and Katie Parker, Hospitals Aligned for Healthy Communities, (Washington, DC: The Democracy Collaborative, January 2017), <http://hospitaltoolkits.org>

This report highlights key recommendations from RPA's Fourth Regional Plan for the New York-New Jersey-Connecticut metropolitan area.

View the full plan at fourthplan.org

Acknowledgments

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We are enormously thankful to the partners who have worked with us to develop and refine the ideas and recommendations of this report.

For your thoughtful comments and edits, a special thanks to

David Zuckerman, Democracy Collaborative

David Maurrasse, Marga Incorporated

Nathan Myers, United Hospital Fund

Dr. Kim Libman and David Siscovick, New York Academy of Medicine

And to our roundtable contributors

Luiz Aragon, City of New Rochelle, NY

David Berman, Mount Sinai Health System

Ralph Blessing, City of Stamford, CT

Jason Caraballo, Montefiore Health System

Annisia Cialone, City of Jersey City, NJ

Nancy Copperman, Northwell Health

Deyanira Del Rio, New Economy Project

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