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Homelessness is spiking in several high-cost West Coast cities, like Portland, Oregon. // Ted S. Warren/AP

A Healthcare Giant Enters the Battle for Cheaper Housing

KRISTON CAPPS / BENJAMIN SCHNEIDER MAY 21, 2018

Housing is healthcare. That's a common refrain among leaders working on public health issues that range from substance abuse to food insecurity. Fighting poverty and homelessness, and treating the many negative health outcomes associated with living outside shelter, starts with helping people secure safe, affordable housing. It's the bedrock tenet of the "housing first" movement.

This intersectional approach to public health can be witnessed in dozens of cities across the country. But the country as a whole has yet to develop the structures or resources to support or expand the most successful programs. That's a goal for Mayors & CEOs for U.S. Housing Investment, a coalition that has partnered with the National League of Cities to push the federal government to answer the affordable housing crisis. The organization has several strategies in mind to put healthcare and housing to work to combat homelessness and chronic mental health challenges.

"Having a roof over your head is essential," said Eve Maldonado O'Toole,* senior policy advisor for Holland & Knight and the campaign manager for Mayors & CEOs. "But for the most part, this has been a metro-page issue. We want to ensure that this is on the front page and foremost on people's minds."

On Friday, the organization made a play for some national headlines, especially in cities battling high rates of homelessness: The healthcare giant Kaiser Permanente, a member of the Mayors & CEOs coalition, has pledged to invest \$200 million in affordable housing and homelessness over the next two to three years. Oakland Mayor Libby Schaaf encouraged Kaiser, which is headquartered in Oakland, to make the commitment, says Brooks Rainwater, director for the National League of Cities' Center for City Solutions (and an occasional CityLab contributor).

"Our goal is that other corporations will see this and really think hard about how affordable housing and homelessness is impacting cities nationwide and their own individual businesses," Rainwater said.

Kaiser will spend the \$200 million in the eight states (plus the District of Columbia) where it operates. The funds will be part of Kaiser's impact investment fund, meaning they will be expected to generate a return so that the fund can continue to make new investments in the future. This could be accomplished through residential developments that mix homeless services and market-rate housing, according to Rainwater.

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Kaiser's entry into the national housing issue makes sense: Its coverage area is a who's-who of America's most expensive regions, including California, Oregon, and Washington State, and the Washington, D.C., area. These are areas where housing affordability has begun to make an impact on healthcare outcomes.

"Many of the communities we serve are grappling with some of the highest rates of housing insecurity and homelessness in the United States," said Dr. Bechara Choucair, Kaiser's chief community health officer, in a press statement. "As a family physician, I've provided medical care to the homeless, and have seen first-hand the impact that living without a home can have on someone's health."

The benefits of combining housing and healthcare to treat chronic homelessness are abundant. Philadelphia offers an example. The consolidated city–county established a single-payer system for public behavioral healthcare. The city’s Department of Behavioral Health and Intellectual Disability Services receives some \$800 million in funds through Medicaid. The agency administers the city’s permanent supportive housing initiative, and because most of the people who come through Philadelphia’s housing-first program are eligible for Medicaid coverage, Medicaid pays for the healthcare and recovery sources they receive.

According to the Kaiser Foundation, of the roughly 1,200 chronically homeless people who entered into Philadelphia’s permanent supportive housing between 2009 and 2017, 89 percent of them remain in stable housing. That reduces both the cost and strain on other resources, including emergency rooms and jails.

“Everything is interconnected,” said Sunia Zaterman, executive director for the Council of Large Public Housing Authorities. “We have emerging research that is telling us about social determinants of health. We have research that tell us that housing instability has a very negative impact on educational achievement. We know that housing instability has negative effects on job readiness and employability. We understand how fundamental stable housing is.”

Developing holistic interventions that combine housing and healthcare resources requires cooperation between local, state, and federal agencies—which means a lot of obstacles. Not only are there logistical challenges that vary from place to place, the regulatory regimes associated with housing and health are often mismatched, Zaterman says.

That’s why Mayors & CEOs aims to push Congress to develop a funding stream that can press past all these barriers. The group is proposing a joint voucher between the U.S. Department of Housing and Urban Development and the Department of Health and Human Services. There’s a model for a HUD-HHS voucher: the successful HUD-Veterans Affairs Supportive Housing voucher for reducing homelessness among veterans. Since the program’s launch in 2008, more than 90,000 HUD-VASH vouchers have been awarded.

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Mayors & CEOs has only just begun to outline how a HUD-HHS voucher would address substance abuse and mental health disorders among the chronically homeless. But the group hopes to introduce legislation before the August recess. It isn't clear whether either cabinet agency would support such a joint effort, and building a voucher program means getting these departments to speak the same language. That's a tall order, but the success of city-level housing-as-healthcare efforts shows how effective the model can be.

"In terms of the policy initiatives we're putting forward, cities know that it works," said O'Toole. "They have proven initiatives and programs on the local level. Hence we're calling for a federal partnership on this, and national attention."

**CORRECTION: An earlier version of this story misspelled Eve Maldonado O'Toole's name. It has been updated.*

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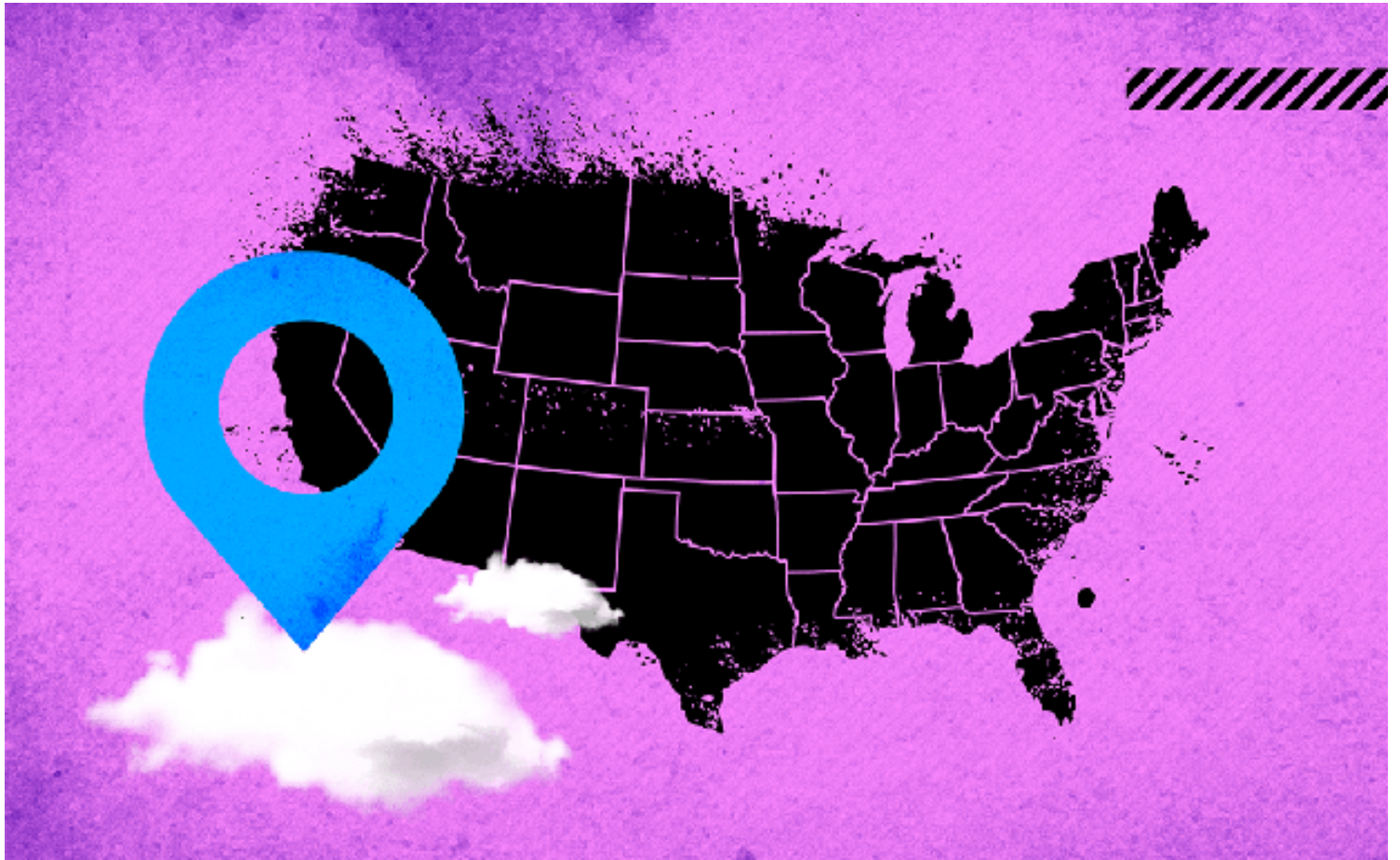
Kriston Capps is a staff writer for *CityLab* covering housing, architecture, and politics. He previously worked as a senior editor for *Architect* magazine.



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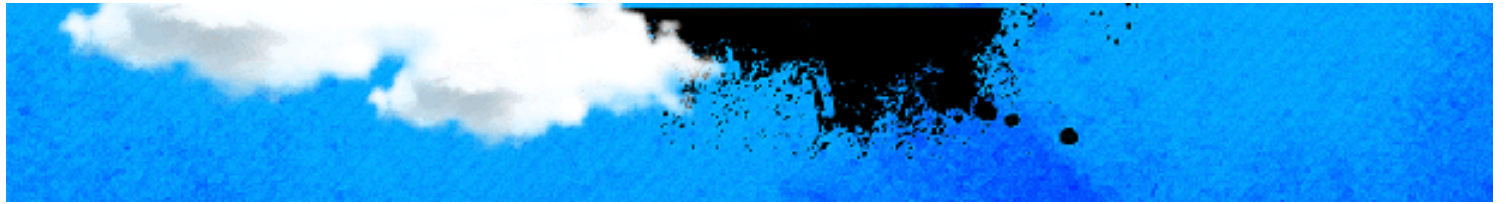
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