



Massachusetts
**Housing
Investment
Corporation**



Healthy Neighborhoods Equity Fund announces closing of HNEF I

*– Private equity fund focuses on real estate projects that help
build healthy communities –*

BOSTON, July 26, 2017 – The [Massachusetts Housing Investment Corporation](#) (MHIC) and the [Conservation Law Foundation](#) (CLF), co-founders of the [Healthy Neighborhoods Equity Fund](#) (HNEF), announced today the closing of HNEF I at \$22.35 million.

HNEF is a private equity fund created to finance transformative, transit-oriented development projects in Boston and gateway cities in Massachusetts. Transit-oriented development (TOD) includes a mixture of housing, office, retail, and other amenities integrated into a walkable neighborhood and located within a quarter to a half-mile of public transportation.

Launched in 2015, HNEF invests in mixed-use, mixed-income real estate projects in neighborhoods that are in the early stages of transformational change. Projects must have strong potential to strengthen community and environmental health and promote regional equity while providing a reasonable rate of return for investors.

Funding for HNEF has come from a unique blend of public, major foundation and private sector funds. Among its institutional investors are: the Boston Foundation, the Northern Trust Company, the Robert Wood Johnson Foundation, The Kresge Foundation and Boston Medical Center. Significant funding was raised from Santander Bank, Citizens Bank, U.S. Bancorp Community Development Corporation, TD Bank, N.A., Brookline Bank, Cambridge Savings Bank, Eastern Bank, People’s United Bank, N.A. and Boston Private Bank. Individual impact investors have also participated in the Fund.

Santander Bank’s \$5 million investment in HNEF I will assist in providing approximately 528 housing units, of which 140 are affordable, and 106,635 square feet of commercial space.

“By developing more affordable housing units with easy access to retail stores and public transportation, HNEF is creating innovative solutions and improving the quality of life for residents in cities throughout Massachusetts,” said Gwen Robinson, Director of Corporate Social Responsibility at Santander Bank. “HNEF shares our values of supporting the communities where we live and work and we are proud to play a role in contributing to the positive transformation of neighborhoods across the Commonwealth.”

Since its inception, HNEF has closed five investments to finance projects in Boston (2), Chelsea, Braintree, and Beverly, for a total investment of \$14.2 million. HNEF will soon

close on another Boston project, bringing total investments to \$17.7 million.

Commenting on the Fund closing, MHIC President and CEO Joe Flatley said, “This successful fund is a testament to the strong need for innovative financing for TOD projects, and the critical role that private equity, alongside public policy and public funding, can play in making these projects come to fruition.”

Creation of HNEF as a new tool for financing TOD projects was influenced by studies showing that safe and walkable neighborhoods with quality housing, transportation, healthy food choices, green space and recreation have major, positive impacts on residents’ health. In Massachusetts, health outcomes – including life expectancy – vary sharply by neighborhood. Life expectancy differs by as many as 33 years between census tracts in Boston located only two miles apart on either side of the Longwood Medical Area and Boston Medical Center. HNEF is using this type of information to select neighborhoods and projects for investment.

Bradley Campbell, President of CLF, said, “Community health is vitally dependent on neighborhood design and smart investment, which is why CLF is proud to partner with MHIC on projects researched and designed to promote affordability, mobility, and better health outcomes.”

One of HNEF’s investors, the Robert Wood Johnson Foundation (RWJF), provided a \$500,000 research grant to CLF to facilitate understanding of the impact of Fund investments. This longitudinal research study will track connections between the built environment and health outcomes before and after investments are made in targeted Massachusetts communities. The study team includes community partners and residents who are working side by side with academic researchers to better understand how changes in neighborhood conditions impact health and well-being.

“As the nation’s largest health foundation, we are excited to be working alongside finance and community development partners on health-promoting real estate investments,” said Donald Schwarz, MD, MPH, MBA, Vice President, Program, at Robert Wood Johnson Foundation. “By including a consideration of health impacts - such as walkability, safety, and access to healthy food and economic opportunity - in investment decisions, we hope to see meaningful health improvements in these communities over time.”

Another HNEF investor, Boston Medical Center (BMC) made a \$500,000 investment in the Fund. Consistent with BMC’s long-standing commitment to addressing the health needs of the community, their investment in HNEF will help finance new housing, retail, and job creation in neighborhoods where BMC patients live and work. This investment is notable as a recent study found that only a small group of health institutions are making financial investments in their communities to advance the social determinants of health, but have the potential to improve health outcomes in neighborhoods where patients and employees live and work.

Kate Walsh, President and CEO of BMC, said, “BMC’s investment in the Healthy Neighborhoods Equity Fund fits perfectly with our mission to help our patients and their

families live healthy, happy lives. At BMC, we see the direct link between stable housing and the health of our patients every day, and we commend the Massachusetts Housing Investment Corporation and the Conservation Law Foundation for taking this important step for our communities.”

Mr. Schwartz at RWJF added, “We applaud Boston Medical Center’s decision to invest in the Fund as we believe hospitals and health systems have an opportunity to provide leadership in these new strategies to improve health in our nation’s cities and communities.”

For more information about HNEF, see www.HNEFund.org.

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Sources available for further comment.

[About Massachusetts Housing Investment Corporation](#)

MHIC is a leading private lender and investor specializing in innovative financing solutions for the development of healthy, sustainable communities. Founded in 1990, MHIC offers a variety of debt and equity products for affordable housing, community facilities, and commercial development. In its 27 years of operation, MHIC has provided more than \$2.5 billion in financing for the preservation or creation of more than 21,000 housing units and 4.8 million square feet of commercial space throughout New England.

[About the Conservation Law Foundation](#)

CLF is New England’s premier environmental advocacy organization. For 50 years, CLF has taken on powerful opponents that threaten New England’s air, water, and natural resources. With deep local knowledge, legal acumen, policy expertise, and market strategies, CLF is a prime mover in building a clean energy future, countering climate change, safeguarding and creating healthy communities for the people of New England.

[About Santander Bank](#)

Santander Bank, N.A. is one of the country’s largest retail and commercial banks with more than \$83 billion in assets. With its corporate offices in Boston, the Bank’s 9,500 employees, 675 branches, 2,100 ATMs and 2.1 million customers are principally located in Massachusetts, New Hampshire, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania and Delaware. The Bank is a wholly-owned subsidiary of Madrid-based Banco Santander, S.A. (NYSE: SAN) , one of the most respected banking groups in the world with more than 125 million customers in the U.S., Europe, and Latin America. It is managed by Santander Holdings USA, Inc., Banco Santander’s intermediate holding company in the U.S. For more information on Santander Bank, please visit www.santanderbank.com.

[About the Robert Wood Johnson Foundation](#)

For more than 40 years the Robert Wood Johnson Foundation has worked to improve health and health care. We are working with others to build a national Culture of Health enabling everyone in America to live longer, healthier lives. For more information, visit

<http://www.rwjf.org>. Follow the Foundation on Twitter at <http://www.rwjf.org/twitter> or on Facebook at <http://www.facebook.com/RobertWoodJohnsonFoundation>.

[About Boston Medical Center](#)

Boston Medical Center is a private, not-for-profit, 487-bed, academic medical center that is the primary teaching affiliate of Boston University School of Medicine. It is the largest and busiest provider of trauma and emergency services in New England. It offers specialized care for complex health problems and is a leading research institution, receiving more than \$117 million in sponsored research funding in fiscal year 2016. It is the 13th largest recipient of funding in the U.S. from the National Institutes of Health among independent hospitals. In 1997, BMC founded Boston Medical Center Health Plan, Inc., now one of the top ranked Medicaid MCOs in the country, as a non-profit managed care organization. Boston Medical Center and Boston University School of Medicine are partners in the Boston HealthNet – 14 community health centers focused on providing exceptional health care to residents of Boston. For more information, please visit <http://www.bmc.org>.

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