Improving Health and Environment Through Place-Based Investing: The Healthy Neighborhoods Equity Fund

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Introduction

Healthy Neighborhoods Equity Fund (HNEF) is a pioneering $22 million private equity fund for Transit-Oriented Development (TOD) in Massachusetts. TOD is a type of community development that includes a mixture of housing, office, retail, and/or other amenities integrated into a walkable neighborhood and located within a half-mile of quality public transportation. Some of the benefits of TOD include:

- Reduced driving and, therefore, lowered regional congestion, air pollution, and greenhouse gas emissions.
- Walkable communities that accommodate active and healthy lifestyles.
- Increased transit ridership and fare revenue.
- Potential for added value through increased and/or sustained property values where transit investments have occurred.
- Increased access to jobs and economic opportunity for low-income people and working families.
- Expanded mobility choices that reduce dependence on automobiles, reduce transportation costs, and free up household income for other purposes.[1]

MetroFuture, Greater Boston's regional growth plan through 2030 developed by the Metropolitan Area Planning Council (MAPC), identified TOD as a key ingredient for a sustainable, equitable, and prosperous region. In 2012, MAPC estimated that transit station areas could accommodate more than 76,000 new housing units and space for more than 130,000 new jobs by 2035.[2] Achieving this level of growth would yield substantial

1. Reconnecting America, *What is TOD?*, http://reconnectingamerica.org/what-we-do/what-is-tod/ (last visited May 15, 2018).
2. Metropolitan Area Planning Council, *Growing Station Areas, The Variety and Potential of Transit Oriented Development in Metro Boston*, http://www.mapc.org/wp-content/uploads/2017/10/MAPC-TOD-Report-FINAL-web-reduced-size.pdf.

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benefits as compared to a more dispersed growth scenario, including fewer vehicle miles traveled, lower housing and transportation costs, increased economic vitality, and higher transit ridership. Between 2000 and 2010, the region added more than 15,000 new housing units near transit.[3] MAPC estimated that the rate of housing development needed to double in order to achieve the full potential of TOD in the region.[4] A further study commissioned by MAPC identified financing, particularly long-term patient equity, as a key barrier to achieving TOD build-out targets.[5]

HNEF is meeting this need by providing patient, low-cost capital for mixed-income, mixed-use projects near public transportation that have demonstrated potential to improve environmental and community health, while also providing attractive risk-adjusted financial returns to investors. HNEF has attracted a mix of public, private, and philanthropic investors, including state and federal agencies; foundations; banks; and a local hospital, Boston Medical Center. The fund uses an innovative investment screening tool that integrates over fifty qualitative and quantitative measures to assess the likely impact of the project on environmental and community health and tracks neighborhood-level change over the ten-year investment period. To date, HNEF has approved and/or closed $19.36 million in investments in seven projects, leveraging an additional $131 million in financing and supporting the creation of 552 new units of mixed-income housing and 138,000 square feet of new retail and commercial space. Together, these projects will create more than 1,260 construction jobs and 150 permanent jobs in low- and moderate-income neighborhoods.

HNEF Sponsors

HNEF was launched in 2014 through a unique partnership between the Conservation Law Foundation (CLF) and the Massachusetts Housing Investment Corporation (MHIC). MHIC has 27 years of experience investing in low-income neighborhoods through multiple investment funds, and CLF has decades of experience advocating for healthy communities and environmental justice across New England. CLF and MHIC are joint sponsors of HNEF, and each organization brings specific skills, strength, and expertise to the table.

CLF is New England's oldest and largest environmental advocacy organization. CLF's mission is to protect New England's environment for

3. *Id.*
4. *Id.*
5. Metropolitan Area Planning Council, *GAP Analysis for TOD Financing* (Dec. 2012), http://www.mapc.org/wp-content/uploads/2017/10/MAPC_TOD_Finance_Gap_Analysis.pdf.

the benefit of all people. CLF uses the law, science, and the market to create solutions that preserve natural resources, build healthy communities, and sustain a vibrant economy. Whether it's cleaning up polluted land and water, improving transit access, or reducing greenhouse gas emissions, CLF's work creates lasting benefits for people and communities. At the same time, CLF recognizes that environmental policy has a powerful effect on markets, shaping incentives, risks, and rewards. The markets program has long served as an incubator of solutions that integrate research, assessment, community outreach, and investment. Program scope and efficacy are guided and assessed using carefully designed metrics to document performance, improve program and market design, and ensure complementary deployment of market-based and more traditional policy and regulatory approaches.

For HNEF, CLF worked closely with MHIC on raising capital, fund structuring, and pipeline development, and took the lead in developing HealthScore, the HNEF impact scorecard. CLF is also responsible for reviewing pipeline projects for conformance with HNEF's healthy community goals and monitoring health outcomes and other community and environmental impacts over the ten-year life of the fund. In addition, CLF is leading an independent longitudinal research study exploring the relationship between neighborhood development and health in nine communities in eastern Massachusetts in collaboration with numerous public, non-profit, academic, and community partners, with support from the Robert Wood Johnson Foundation.

MHIC was founded as a non-profit organization in 1990 by a consortium of banks to fill a critical gap in meeting the credit needs of affordable housing developers at a time when the real estate market was in turmoil. MHIC's mission is to be an innovative private financier of affordable housing and community development, providing financing that would not otherwise be available and extending the impact of that financing to ensure the broadest possible benefit. In fulfilling this mission, MHIC has provided over $2.6 billion of financing throughout New England to help build and sustain healthy communities. This financing has helped create or preserve over 22,000 affordable housing units and over 5 million square feet of commercial space in low-income communities.

MHIC's financing programs are designed to build and sustain healthy communities. The organization's initial focus was on meeting the critical financing needs for affordable housing. In 2003, MHIC initiated its New Market Tax Credit (NMTC) program to address the broader unmet needs of low-income communities, providing financing for health care facilities, non-profit organizations providing critical services such as childcare and workforce development, business expansion, and neighborhood revitalization. In 2008, MHIC launched the Neighborhood Stabilization Loan Fund (NSLF) to prevent deterioration of neighborhoods hardest hit by the foreclosure crisis. The HNEF product was a natural progression for MHIC, developed in partnership with CLF in response to an unmet need for patient capital for TOD projects in transitional real estate markets.

For HNEF, MHIC took the lead on capital raising and fund structuring, creation of legal documents, financial modeling, and project pipeline development. MHIC currently manages HNEF and leads project underwriting, while its HNEF Committee reviews project recommendations jointly made by MHIC and CLF and recommends the final selection of investments to the MHIC Board of Directors. MHIC is responsible for closing and managing approved investments. MHIC's asset management department (with over $1.2 billion in assets currently under management) works to ensure the long-term success of HNEF investments.

Regional Context

Massachusetts is characterized by a strong regional economy and real estate market, but is also marked by pockets of intense poverty and a high degree of racial and income segregation. Since 1990, the number of poor people in Massachusetts has grown by one-fifth, while the number of Massachusetts residents living in high-poverty neighborhoods has increased by nearly one-third.[6] Furthermore, between 2000 and 2009–2013, the share of renter-occupied households spending more than 30 percent of their income on rent increased from 39.2 percent to 50.6 percent in greater Boston.[7] This has become an urgent economic development issue, threatening the state's competitiveness as growing numbers of individuals and families are unable to afford the combined costs of housing and transportation.

In addition to economic concerns, Massachusetts faces significant environmental challenges related to land use, transportation, and Greenhouse Gas (GHG) emissions. In 2014, the transportation sector was the largest single contributor to GHG emissions, representing 39 percent of total emissions. While Massachusetts has made significant progress over the past decade, transportation has now surpassed power plants as the state's largest source of GHG emissions. For these reasons, the future environmental health of the region will be determined in part by the extent to which new development occurs in neighborhoods with access to transit, jobs and services that allow people to walk and bike more and drive less.

6. Benjamin Forman & Caroline Koch, *Geographic Segregation: The Role of Income Inequality*, Federal Reserve Bank of Boston (Aug. 6, 2012), https://www.bostonfed.org/publications/communities-and-banking/2012/fall/geographic-segregation-the-role-of-income-inequality.aspx.

7. Barry Bluestone et al., *Greater Boston Housing Report Card 2015* (Dukakis Center for Urban and Regional Policy Nov. 2015), http://www.northeastern.edu/dukakiscenter/wp-content/uploads/2015/11/HousingReportCardFinalFinal.pdf.

Finally, Massachusetts faces considerable challenges with respect to preventable chronic disease and health disparities that are driven in part by neighborhood conditions. In spite of Greater Boston's status as a world leader in health services and research, the state has seen an alarming rise in obesity and chronic disease over the past several decades. According to *The State of Obesity: Better Policies for a Healthier America*, released in August 2017, Massachusetts's adult obesity rate is currently 23.6 percent, up from 15.3 percent in 2000 and from 10.1 percent in 1990.[8] In 2010 alone, Massachusetts spent $30.9 billion on chronic disease.[9]

These impacts are especially acute in low-income neighborhoods and communities of color. A 2017 study by the Massachusetts Department of Public Health found that Black non-Hispanics had nearly five times the rate of diabetes-related emergency department visits compared to white, non-Hispanics; similarly, Massachusetts adults with an annual household income of less than $25,000 have three times the prevalence of diabetes as compared to those with an annual household income more than $75,000.[10] The study further noted that

> the conditions in which people live, learn, work, and play do not offer equal access or opportunity. . . . For example, a history of policies rooted in structural racism have resulted in environments in which there are inequities in access to healthy foods, safe spaces for physical activity, walkable communities, quality education, housing, employment, and health care services. The health implications of this are evident in the fact that Black and Hispanic residents of Massachusetts are consistently and disproportionately impacted by prevalence of all chronic disease, as well as the related deaths and high acute care utilization. Healthy people cannot exist in unhealthy environments.[11]

These kinds of health disparities, driven in part by neighborhood conditions, have resulted in a shocking 33.5-year difference in life expectancy at birth between residents of two nearby census tracts in Boston.[12] These data underscore the urgency of financing solutions that are explicitly aimed at addressing health disparities through investment in healthy neighborhoods.

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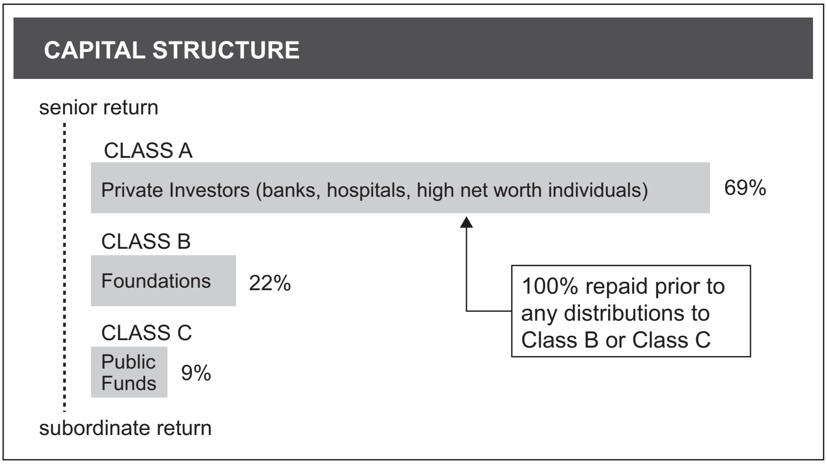
8. *The State of Obesity in Massachusetts*, *https://stateofobesity.org/states/ma* (last visited May 15, 2018).

9. Massachusetts Department of Public Health, *2017 State Health Assessment* (Oct. 2017), https://www.mass.gov/service-details/2017-state-health-assessment.

10. *Id.*

11. *Id.*

12. *Social Capital and Health Outcomes Technical Report* (Center on Human Needs, Virginia Commonwealth Univ. Sept. 2012).



HNEF Mission and Capital Structure

In response to the challenges outlined above, HNEF is designed to support mixed-income, mixed-use TOD projects in historically disinvested neighborhoods, where access to conventional private equity investment is limited or non-existent. The fund provides low-cost capital for projects with demonstrated potential to deliver economic, environmental, community, and health returns. The HNEF capital stack includes a blend of public, philanthropic, and private investors. This allows HNEF to provide patient lower-cost equity to high-impact projects, while also providing substantial risk protection and attractive risk-adjusted returns to private investors.

- Class C: Publicly sourced funds, which do not have any return requirements, make up 9 percent of the fund ($2,000,000). This includes $1,000,000 from the Commonwealth of Massachusetts of Affordable Housing Trust Funds which had initially capitalized MHIC's NSLF program (see above) as top-loss funds, but which were not required to be tapped due to that program's success. The Commonwealth agreed that MHIC could transfer those funds to HNEF as a Class C investment. The balance of the Class C funds was sourced from a Financial Assistance Award MHIC received from the Community Development Financial Institutions (CDFI) Fund. The Class C funds are top-loss funds that require no return.
- Class B: Investments by MHIC, backed by program-related investments (PRIs) and guarantees from foundations, make up 22 percent of the fund ($5,000,000) and have modest return expectations of 2 percent, with some upside potential. MHIC's Class B investment was sourced from a $1,000,000 PRI from the Boston Foundation, a $3,600,000 PRI from Northern Trust, and $400,000 of MHIC's capital.

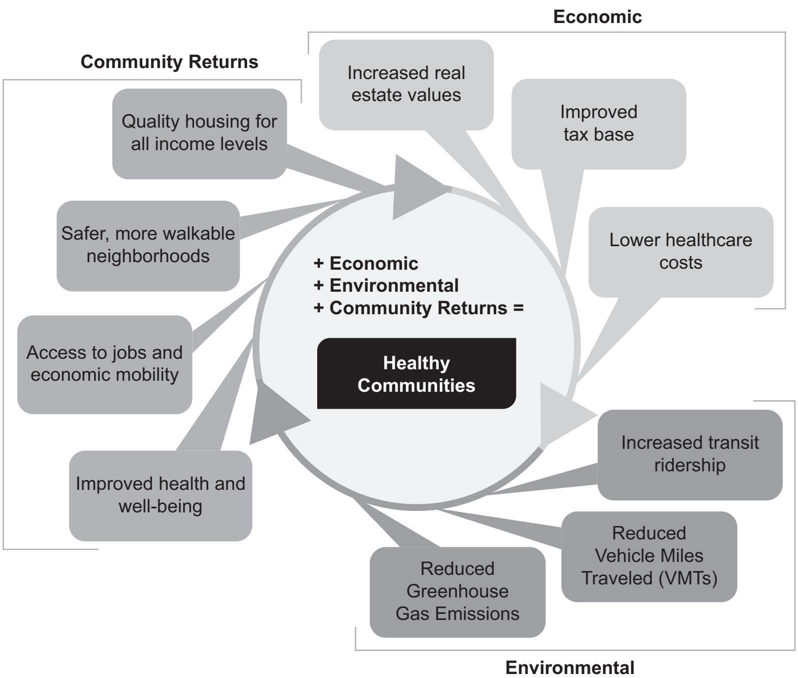
The Robert Wood Johnson Foundation and Kresge Foundation each provided a $1,800,000 guaranty of the Class B investment.

- Class A: Socially motivated economic investors make up the balance of the fund ($15.35 million) and have a higher target return of 8 percent and upside potential. These investors include banks; high net worth impact investors; and one local hospital, Boston Medical Center. The public and foundation funds provide substantial downside risk protection to Class A investors, allowing the fund to invest in neighborhoods where the market is not yet proven, but where community impacts will be the greatest.

HNEF Investment Terms

HNEF is designed to provide patient gap financing for transformative transit-oriented development projects that promote economic, environmental, and community health improvements. Because many of the communities in which HNEF invests are in the early stages of transformation, it is critical that the investment is more patient than traditional development equity, which typically requires a 15 percent to 20 percent return within 3–5 years. HNEF equity can be invested for up to 10 years and targets a 10 percent Internal Rate of Return (IRR) from projects. While each project is somewhat different, approximately one-third of HNEF's return is expected to be generated from annual cash flow distributions, with the balance of the return from the residual value when HNEF exits the deal, either at sale, refinancing, or via a put and call arrangement with the developer. Project sponsors must have a defined plan to take out HNEF equity at the end of the investment period. Investments will typically be made at construction loan closing and, as mentioned, can have a term of up to 10 years. HNEF will typically take an ownership position in the project partnership as a limited partner or investor member, though it also has the flexibility to provide funding through other structures, for example, as a mezzanine debt lender.

HNEF will only invest in projects with strong community and public sector support. Because HNEF relies to a large extent on neighborhood transformation for its returns, projects will typically be part of a larger neighborhood revitalization plan that has garnered substantial community input and support. HNEF capital is flexible in terms of project type (residential, commercial, industrial), though it is not designed to fund projects that are solely deed-restricted affordable housing. HNEF often invests in one phase of a multi-phase project that also includes a phase with low-income housing tax credit (LIHTC) financing. HNEF projects have total development costs of at least $5,000,000 and the Fund targets investments of $1,000,000 or more, though it has invested smaller amounts in two projects to date. HNEF equity can finance 5 percent to 25 percent of total development costs. This range reflects the differing ability of project sponsors to: (1) obtain public subsidies or philanthropic resources to fund the project; and/or (2) invest their own equity. It also reflects projects' varying degrees of upside potential. HNEF expects project developers to provide at least 10 percent of the total equity required by the project. For non-profit sponsors that have projects with substantial public subsidy, the public funds secured by the project may be considered the sponsor's equity contribution. Leverage is limited to no more than 75 percent.



Measuring Impact

In addition to financial underwriting, projects seeking an investment from HNEF are evaluated for impact using a weighted index of neighborhood and project-level metrics. This scoring system is managed by the Conservation Law Foundation and is intended to ensure a high level of consistency, transparency, and accountability to investors and other stakeholders.

Candidate projects for investment are evaluated based on a set of measures related to the project and its neighborhood context. The HealthScore for any individual project is a weighted average of the neighborhood score (representing 25 percent of the total) and the project score (representing 75 percent of the total). The neighborhood score measures the *need and opportunity* for healthy development, and the project score measures *how well the project meets the need and captures the opportunity*. The neighborhood and project scores are both based on a weighted index of measures. The weighting of neighborhood criteria reflects the Fund's commitment to investing in communities that have demonstrated both the potential and the desire for growth and where these investments will deliver the greatest benefits to health and well-being of the people who live there. The weighting of project criteria reflects the degree of impact on pathways that link TOD to health and health-related outcomes, such as obesity, stress, cardiovascular disease, respiratory disease, injuries, and premature mortality. The pathways, which were identified in a HNEF Health Impact Assessment[13] commissioned by CLF, include walkability/active transport, safety from crime, economic opportunity, displacement/gentrification, affordable housing, green housing, social cohesion, green space, access to healthy food, safety from traffic, air quality, and environmental contamination. The project screening process will also generate a comprehensive set of baseline measures for projects that receive an HNEF investment. A subset of these measures will be monitored and reported at the midpoint and end of the investment period to provide a detailed view of project impact and neighborhood-scale change relative to the baseline.

HNEF Impact and Leverage

To date, six HNEF projects have closed with a total of $18.1 million of HNEF equity, with one additional project approved and in the closing process for an investment of $1.3 million in equity. This $19.4 million of HNEF equity has supported $150 million of total development costs. The projects are concentrated in Boston, with some projects in downtown areas and around commuter rail stops in smaller cities and towns in the metro area. The majority of projects are mixed-income, mixed-use development with retail and office uses on the lower floors and housing above. The first HNEF investment of $894,500 in the Chelsea Flats project was closed in December 2014. In 2016, two investments were closed: $5,000,000 in Braintree and $486,130 in Dorchester. Three additional projects in Roxbury, Dorchester, and Beverly totaling $11.7 million closed in 2017. In May 2018, a $1.3 million investment in the City of Haverhill was approved. Overall, the closed and approved projects are expected to create 552 new housing units, 25 percent of which are affordable to households at or below 80 percent Area Median Income (AMI). Starting market rate rents range from 74 percent to 120 percent of the 2017 AMI, affordable to working families. The projects will also create nearly 138,000 square feet of commercial space, including neighborhood serving retail, office, and social service space. In total, HNEF's closed and approved projects are expected to create over 1,260 construction jobs and

13. Pew Charitable Trusts, *Healthy Neighborhood Equity Fund HIA*, http://www.pewtrusts.org/en/research-and-analysis/data-visualizations/2015/hia-map/state/massachusetts/healthy-neighborhood-equity-fund-hia.

150 permanent jobs in low- and moderate-income neighborhoods and catalyze significant additional public and private investment.

Case Study: Bartlett Station

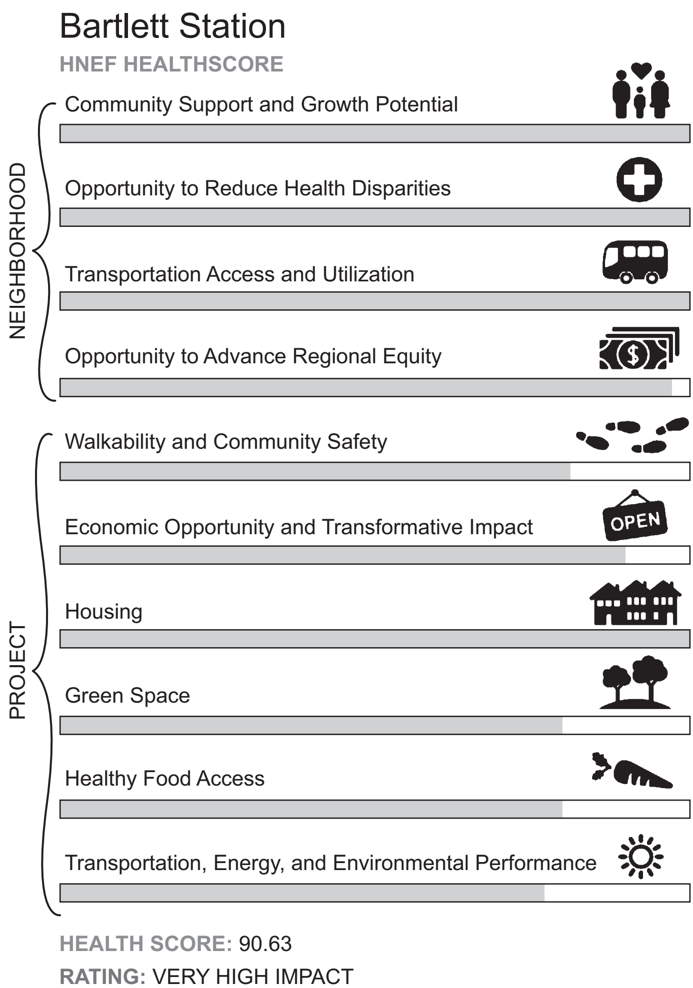
For the past 30 years, the City of Boston, community-based organizations, and their partners have worked to revitalize Dudley Square. MHIC alone has invested $116 million from its various financing programs in 14 different projects. In 2007, the Dudley Square Vision Plan was unveiled to direct these efforts. The plan, a collaboration between the City and the Dudley Vision Advisory Task Force, charted a road map for the transformation of Dudley Square into a major commercial hub for the predominantly low-income neighborhoods of Roxbury, Dorchester, and Jamaica Plain. One of the plan's linchpins, to create a "government services hub" in Dudley Square, was achieved after many years of delay with the opening of the 206,000 square foot Bolling Municipal Center to house 500 employees from the city's school department and provide 20,000 square feet of retail space opposite the Dudley Square Station, a bus hub that includes access to the Silver Line, a regional Bus Rapid Transit service. Other important recent projects include the new Tropical Foods store a few blocks outside the square and the 135-room Melnea Marriot Residence Inn and the adjacent Melnea Residences, a 50-unit, mixed-income, mixed-use project also financed in part by HNEF.

Formerly an 8.76-acre Massachusetts Bay Transportation Authority (MBTA) bus yard, Bartlett Yard had been vacant since 1994. Nuestra Comunidad, a local Community Development Corporation, has been working on its redevelopment since 2006. Nuestra participated in a years-long community process that shaped the multi-phase redevelopment plan. In particular, the community wanted market-rate and homeownership units, rather than solely LIHTC housing, in the first phases. When fully built out, the new Bartlett Station will be a transformative, mixed-use, mixed-income development bringing 323 homes and apartments to Dudley Square, 46,000 square feet of retail and commercial space, an estimated 100 new jobs, and a public plaza with a wide range of programming emphasizing the arts and fresh, local food. Nuestra acquired Bartlett Yard from the MBTA, remediated the site, cleared the site, and built the public infrastructure (sidewalks, lighting, street trees, benches, parking) with the help of MassDevelopment; the U.S. Environmental Protection Agency; a Massworks infrastructure grant from the Commonwealth; and grants and loans from Neighborworks, LISC, Boston Community Loan Fund, and others.

The first phase of the Bartlett Yards transformation, known as Bartlett Building B, involves the new construction of an 80,000 square foot 5-story, 60-unit building split into two condominiums:

- LIHTC condo: 32 units of affordable housing financed through the low-income housing tax credit program and a 15,500 square foot public plaza.

- NMTC condo: 28 units of market (22 units) and moderate (6 units) rate housing, 48 structured parking spaces, and 12,000 square feet of ground floor retail financed with new markets tax credits and HNEF equity.



HNEF provided $2.9 million of the total $17.05 million of project financing for the Bartlett Building B NMTC condo project, structured as: (1) a $2,040,000 leveraged loan to the NMTC investment fund; (2) a $495,000 loan to the Qualified Low-Income Community Business (QALICB, i.e., the single purpose entity formed to own the NMTC condo); and (3) $365,000 loan to Nuestra CDC, the sponsor and master tenant of the ground floor retail space. While the combination of NMTC, LIHTC, and HNEF certainly complicated the structure of the transaction, the flexibility of HNEF allowed MHIC to design a structure that could generate returns for the fund, while honoring the constraints on the project imposed by the federal tax credit programs. In the underwriting, MHIC acknowledged that this project was the most at risk of not delivering the target IRR of 10 percent to HNEF, however, given the "Very High Impact" rating the project received (see below) and the presence of stronger performing projects in the fund, MHIC was comfortable recommending the project for investment. The investment closed in March of 2017 and was 61.6 percent complete as of March 31, 2018, with substantial completion anticipated in November 2018.

As noted above, the Bartlett Station project received a Very High Impact rating with a HealthScore of 90.63—the highest scoring project in the portfolio to date. This high score is a result of many factors, including strong community support and growth potential; the opportunity to reduce health disparities and advance regional equity; and the provision of healthy, energy efficient, mixed-income housing, a full service grocery store, and a public plaza with arts and cultural programming on a formerly vacant and contaminated site close to public transit. All of these amenities and opportunities are important drivers of health and well-being for the people who live, work, and move through the neighborhood. Specific highlights from the HealthScore review and rating process include the following:

I. Neighborhood Criteria

Community Support and Growth Potential:

- The site went through an extensive design charrette process with community residents and leaders to develop a plan and a set of priorities for Bartlett Station. The project development process is being guided by the Roxbury Strategic Master Plan Oversight Committee and a sub-committee specifically formed for Bartlett Station called the Project Review Committee (PRC), also comprised of Roxbury residents and community leaders.

Opportunity to Reduce Health Disparities:

As documented in the HNEF Health Impact Assessment, many elements of TOD can positively influence health outcomes, including chronic disease, mental health, and safety from traffic.[14] HNEF seeks to invest in communities with significant health disparities where impact will be the greatest.

14. Metropolitan Area Planning Council, *Transit-Oriented Development and Health: A Health Impact Assessment to Inform the Healthy Neighborhoods Equity Fund* (Sept. 27, 2013), http://www.mapc.org/wp-content/uploads/2017/11/HNEF-HIA-Report-v5_0.pdf.

- The 3-year age-adjusted rate for diabetes in-patient hospitalizations in 2010–2012 in zip code 02119 was 1466 per 100,000 population, 10.7 times the state rate.[15]
- The 3-year age-adjusted rate for mental health Emergency Department visits in 2010–2012 in zip code 02119 was 40,235 per 100,000 population, 18.3 times the state rate.[16]

Transportation Access and Utilization:

- Dudley Station (bus hub) is 0.3 miles from the site.
- Current mode share for local residents for transit is 40.3 percent, walking is 13.6 percent, and biking is 2.9 percent.[17]

Opportunity to Advance Regional Equity:

- The poverty rate in Roxbury is 35.5 percent, 3.2 times the state rate.[18]
- Unemployment in Roxbury is 13 percent, 3.6 times the state rate.[19]
- Linguistic isolation in Roxbury is 12.3 percent, 2.9 times the state rate.[20]
- Population of color in Roxbury is 90.8 percent, 3.5 times the statewide rate.[21]

II. Project Criteria

Walkability and Community Safety:

- The project will produce an 8 percent increase in the State of Place index for the neighborhood and an 83 percent increase in the State of Place index for the project area.[22] The greatest gains are in personal safety, aesthetics, density, pedestrian amenities, parks and public spaces, and proximity.

Economic Opportunity and Transformative Impact:

- The project is expected to create a total of 400 construction jobs across all phases. The general contractor will be required to meet the City of Boston Residents Jobs Policy of 25 percent minority, 10 percent female, and 50 percent Boston residents. At full build-out, the project is expected to create 100 new permanent jobs.

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15. Center for Health Information Analysis (CHIA), Uniform Hospital Discharge Database System (UHDDS), Inpatient Hospitalization and Emergency Department Data, Calendar Year 2010–2012.
16. *Id.*
17. Metropolitan Area Planning Council, American Community Survey, 2009–2013.
18. *Id.*
19. *Id.*
20. *Id.*
21. Metropolitan Area Planning Council, 2010 U.S. Census.
22. For more information on the State of Place index and measurement tool, see www.stateofplace.com.

Housing:

- The project will provide a total of 323 residential units at full build-out. Phase 1 includes 32 LIHTC units, 6 units at 70 percent AMI and 22 market rate units. Starting rents for the market-rate units are 87 percent to 97 percent of 2016 AMI.

Green Space:

- The project will divide a large 8-acre superblock into several smaller blocks with new streets and buildings with a variety of scale, massing, and uses. The site also includes a new public plaza that is designed to create a focal point for the community with arts and cultural programming planned. These spaces will provide new opportunities for social interaction and physical activity and create a sense of place for both existing and new residents of the neighborhood.

Healthy Food Access:

- The new grocery store will create an 11 percent improvement in the Food Market Score for the 1-mile area around the project. This is the result of adding a new full-service grocery store in an area that currently has a high proportion of convenience stores and relatively fewer options for healthy, fresh, and affordable food.

Transportation, Energy, and Environmental Performance:

- Building energy models using ASHREA 90.1-2010 as the baseline show an energy use savings of greater than 40 percent and an energy cost savings of 22 percent.

Conclusion

Our journey to build and launch the Healthy Neighborhoods Equity Fund has yielded several important lessons. First, it is critically important to clearly define the problem you are trying to solve and the outcomes you are working to create at the beginning of the fund development process in order to attract impact investors and to build a strong project pipeline. Second, partnership is not only valuable but essential for data collection and analysis, as is research to support investment screening and impact measurement. Third, the use of a blended fund structure allows multiple investors with different risk/return requirements to co-invest, thereby creating a larger pool of capital and generating significant leverage on scarce public and philanthropic dollars. Finally, our most important lesson is that health is a critically important and compelling lens for strategic, community-driven, place-based investing. Aligning capital in support of healthy neighborhoods alongside supportive public policy and infrastructure investment is one of the most promising avenues for generating positive long-term economic, environmental, and community health impacts.