



For Immediate Release  
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## The Boston Foundation boosts Healthy Neighborhoods Equity Fund with \$1 million investment

Boston – The Boston Foundation’s \$1 million investment was announced today by the sponsors of the Healthy Neighborhoods Equity Fund (HNEF) – a \$30 million private equity fund created to finance transformative, transit-oriented development (TOD) in Boston and gateway cities in Massachusetts.

The announcement was made by the Massachusetts Housing Investment Corporation (MHIC) and the Conservation Law Foundation (CLF), which teamed up to address an issue of growing interest locally and nationally – mounting evidence that the built environment greatly impacts health outcomes or, simply put, *neighborhoods matter for health*.

“The Boston Foundation has long been a proponent of neighborhood development with health and wellness in mind,” said Paul S. Grogan, President and CEO of the foundation. “We have demonstrated our support through millions of dollars of investment in the Fairmount Corridor and Dudley Square neighborhoods. This investment of \$1 million should enhance the already important work of the Massachusetts Housing Investment Corporation and the Conservation Law Foundation to create more transit-oriented developments in Boston and across the Commonwealth.”

Launched in 2014, HNEF invests in mixed-use, mixed-income 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 competitive rate of return for investors.

As a new tool for financing TOD projects, HNEF was influenced by studies showing that improving the built environment in targeted neighborhoods enables healthier, safer living conditions, which positively impacts population health. The lack of healthy, walkable neighborhoods with quality housing, healthy food choices, and green space and recreation, has proven to have major, negative impacts on residents’ health. One study in Massachusetts showed that health outcomes – including life expectancy – vary sharply by neighborhood. Life expectancy varied by as many as 33 years between census tracts in Boston located only two miles apart.

According to MHIC President Joe Flatley, many developers want to build mixed-use,

mixed-income TOD projects in Massachusetts, but face the hurdle of filling the funding gaps that cannot be carried by traditional debt. Developers agree that equity funding provided by HNEF can really make or break a project. Flatley said that HNEF seeks to fill that gap for qualifying projects.

“We are grateful for the Boston Foundation’s program-related investment. It speaks to their confidence in our mission and ability to make targeted investments that will help positively transform neighborhoods and promote regional equity,” said Flatley. “And it is pivotal to our goal of raising capital among all classes of investors.”

The Boston Foundation’s \$1 million investment is consistent with its strong track record of supporting neighborhoods and housing, and its demonstrated concern for housing development’s correlation to improving the lives of low-income families.

So far, HNEF has closed project investments in Chelsea, Braintree, and Boston, and expects to close another investment in Roxbury in early 2017.

To date, HNEF has attracted \$7 million in subordinate capital from public and philanthropic sources, including The Kresge Foundation, the Robert Wood Johnson Foundation and now the Boston Foundation, which will unlock an additional \$23 million in private capital. Through this blended capital structure, the fund sponsors hope to demonstrate the ability to achieve both financial returns as well as environmental and community benefits.

“We have so many neighborhoods throughout Massachusetts on the brink of transformational change, and all they need is the right investment to ignite that spark,” said Bradley Campbell, President of Conservation Law Foundation. “That’s what this project is all about, and thanks to the generous contribution of the Boston Foundation, we will be able to renew our promising neighborhoods as true centers of commerce with affordable housing, healthy food and job opportunities for thousands more.”

The concept of the interconnection between community development and community health, and of promoting TOD, has been gaining major policy traction both locally and nationally. As this trend accelerates, Massachusetts is uniquely positioned to be a national leader with its many transit-oriented cities, its capacity for new, creative solutions, and its high level of public support. HNEF was developed to provide a source of funding to bring action to the concept and play a significant role in helping to build healthy and sustainable communities in Massachusetts.

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More about HNEF sponsors and the Boston Foundation

[Massachusetts Housing Investment Corporation](#) is a leading private lender and investor specializing in innovative financing solutions for the development of healthy, sustainable communities. It was founded in 1990 by a consortium of banks and other corporate investors to fill a critical gap in meeting the credit needs of developers who could not get financing for certain projects from traditional lenders. MHIC now offers a variety of debt and equity products for affordable housing, community facilities, and commercial development, and is nationally known for its ability to craft unique financing structures and to see the most complex projects through to successful completion. In its 25 years of operation, MHIC has provided more than \$2.4 billion in financing for the preservation or creation of more than 20,300 housing units and 4.5 million square feet of commercial space throughout New England.

[Conservation Law Foundation](#) 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.

[The Boston Foundation](#), Greater Boston's community foundation, is one of the largest community foundations in the nation, with net assets of over some \$1 billion. In 2015, the Foundation and its donors paid \$135 million in grants to nonprofit organizations and received gifts of \$123 million. In celebration of its Centennial in 2015, the Boston Foundation launched the Campaign for Boston to strengthen the Permanent Fund for Boston, the only endowment fund focused on the most pressing needs of Greater Boston. The Foundation is proud to be a partner in philanthropy, with more than 1,000 separate charitable funds established by donors either for the general benefit of the community or for special purposes. The Boston Foundation also serves as a major civic leader, think tank and advocacy organization, commissioning research into the most critical issues of our time and helping to shape public policy designed to advance opportunity for everyone in Greater Boston. The Philanthropic Initiative (TPI), an operating unit of the Foundation, designs and implements customized philanthropic strategies for families, foundations and corporations around the globe.

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