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Healthy Futures Fund doubles commitment to disadvantaged areas with \$100 million in new funding for affordable housing, health care

WASHINGTON, D.C. (November 3, 2015)— A unique financial collaboration is deploying \$100 million in new capital to improve health and expand housing opportunities in low-income communities.

The Healthy Futures Fund—a joint effort of the Local Initiatives Support Corporation (LISC), Morgan Stanley and The Kresge Foundation—announced today that it has fully invested the \$100 million pilot fund it launched in 2013 and is now set to roll out an additional \$100 million to finance affordable housing developments, community health centers and local services that address the social determinants of health in high-poverty areas.

To date, the fund has helped local providers extend health services to 40,000 people while also supporting more than 400 new apartments that are affordable to low-income families.. Even before the new capital was announced, the partners had more than \$25 million in new projects lined up.

The fund is distinct for its community development approach to health. Key goals include expanding access to primary care and other health programs, revitalizing commercial corridors and creating jobs in blighted areas, and developing efficient ways to finance neighborhood revitalization plans. The goal is to enable residents to find quality affordable housing and to access the kind of lifestyle choices that contribute to better health.

“At its core, the Healthy Futures Fund is a common sense plan to address staggering problems,” said Emily Chen, LISC’s program director for the Healthy Futures Fund. “Families need a decent place to live. They need access to health care and fresh food. They need strong schools and good jobs and safe streets. This is about rebuilding the economic infrastructure of distressed neighborhoods and helping residents live longer and healthier in the process.”

Investments to date have been innovative and varied.

- In Brockton, Mass., a city, south of Boston with a high poverty rate, the fund supported development of a new community health center attached to a new grocery store—the two working together on programs that tackle chronic rates of diabetes, while also revitalizing a long-abandoned commercial site.
- In Washington, D.C. the fund is supporting a \$90 million project that is transforming a blighted, vacant corner into hundreds of units of affordable housing, with an on-site health clinic, a job training center and retail.
- In Omak, Wash., the fund’s first-ever investment helped bring a state-of-the-art health center to a rural county with large low-income and migrant worker populations.

“We are pleased to join with our partners a second time to make an additional \$100 million available to help underserved communities and establish strong connections between affordable housing and access to critical health care services,” said Audrey Choi, managing director and head of Morgan Stanley Global Sustainable Finance. “The Healthy Futures Fund has achieved much in the communities it has already touched, and we look forward to doing more transformative work in the years ahead.”

“Through this fund, families gain access to housing they can afford and to the health care needed to live full, productive lives,” said Kimberlee Cornett, managing director of the Kresge Foundation’s Social Investment Practice. “We at Kresge are pleased to see this fund expand and additional capital be put to work to improve the lives of people struggling to get by in our nation’s cities.”

The fund relies on two federal programs to support local efforts—the Low Income Housing Tax Credit and New Markets Tax Credit. Both help attract billions of dollars in private capital to disadvantaged areas each year and are time-tested bedrocks of community development. The fund leverages the credits to attract the capital needed to finance housing and health centers and supplements that with grants and loans to support important services.

In addition, a strong team of nonprofit partners has been integral to the fund’s success. These partners are contributing their health and housing expertise as well as financial resources to the collaboration. They include Capital Impact Partners, Capital Link, Corporation for Supportive Housing, Dignity Health, Mercy Loan Fund, National Development Council, Opportunity Finance Network and Primary Care Development Corporation.

For more information on the Healthy Futures Fund visit www.healthyfuturesfund.org.

About LISC

LISC equips struggling communities with the capital, program strategy, and know-how to become places where people can thrive. It combines corporate, government and philanthropic resources. Since 1980, LISC has invested \$14.7 billion to build or rehab 330,000 affordable homes and apartments and develop 53 million square feet of retail, community and educational space. For more, visit www.lisc.org.

About The Kresge Foundation

The Kresge Foundation is a \$3.5 billion private, national foundation that works to expand opportunities in America’s cities through grantmaking and investing in arts and culture, education, environment, health, human services, community development in Detroit. In 2014, the Board of Trustees approved 408 awards totaling \$242.5 million. That included a \$100 million award to the Foundation for Detroit’s Future, a fund created to soften the impact of the city’s bankruptcy on pensioners and safeguard cultural assets at the Detroit Institute of Arts. A total of \$138.1 million was paid out to grantees over the course of the year. In addition, our Social Investment Practice made commitments totaling \$20.4 million in 2014.

About Morgan Stanley

Morgan Stanley (NYSE: MS) is a leading global financial services firm providing a wide range of investment banking, securities, wealth management and investment management services. With offices in more than 43 countries, the Firm's employees serve clients worldwide including corporations, governments, institutions and individuals. Since 2006, Morgan Stanley has executed more than \$9 billion in investments to strengthen underserved communities. For further information, visit www.morganstanley.com.