

PRESS RELEASE

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HARVARD AND LISC BOSTON RENEW \$10 MILLION AFFORDABLE HOUSING INVESTMENT

HARVARD'S INVESTMENT DEMONSTRATES AN IMPACTFUL WAY ANCHOR INSTITUTIONS AND BUSINESS LEADERS CAN RESPOND TO OUR HOUSING AFFORDABILITY CRISIS

BOSTON, MA – *Harvard's flexible, low-cost \$10 million investment with Local Initiatives Support Corporation twenty years ago contributed to the creation or preservation of 3,108 units of diverse affordable housing in its host communities of Boston and Cambridge. Harvard and LISC have renewed the partnership for another 20 years at a time when investment and leadership by anchor institutions is increasingly critical to our region's response to a mounting housing affordability crisis.*

Nearly twenty years ago, Harvard University made a long-term commitment of funds to LISC Boston to be used to seed and support the creation and preservation of affordable housing, predominantly in its host communities of Boston and Cambridge. The low-cost revolving fund investment has proved impactful, with the \$10 million invested at low rates in 65 affordable housing developments, creating or preserving more than 3,100 homes that have long-term use restrictions requiring them to be affordable to low-income households.

Harvard recently announced a renewal of its funding commitment with LISC for another 20 years, as well as its parallel investments with two other affordable housing lenders. Continuation of this private, low-cost investment is important at a time when rent levels are unsustainable for increasingly more residents, many renters risk displacement, there are few affordable homeownership opportunities, and housing production is far short of demand. Harvard's 20-year investment demonstrates the potential for this type of investment to leverage impact and bring awareness and leadership to our housing affordability crisis.

The LISC investment was part of a \$20 million investment made by Harvard through LISC and two other intermediaries. All three investments have been renewed as the Harvard Local Housing Collaborative. "Harvard is pleased to renew the Harvard Local Housing Collaborative. We are proud to be part of a community where partners from across Greater Boston come together to strengthen the region and address the urgent need for quality, affordable housing," said Harvard President Larry Bacow. "We are grateful to all of our partners for their support and their efforts to increase access to homeownership and promote fair and equitable access to housing."

Karen Kelleher, LISC Boston's Executive Director, credits Harvard's leadership and believes its investment is a model that could be leveraged at scale by other anchor institutions and business leaders to move the dial meaningfully on our region's affordable housing crisis. "Harvard has been a supportive housing partner to LISC for two decades, and we are thrilled to renew our partnership. It takes a civic partner who is invested in our communities to make flexible funds available at low cost on a long-term basis to drive housing affordability. Our region's income disparity and housing affordability challenges have grown to crisis levels since our partnership began twenty years ago. We need the engagement and investment of anchor institutions like Harvard and other business leaders to take our response to this crisis to another level," said Kelleher.

THE IMPACT OF THE INVESTMENT

Harvard's investment was made on very patient and flexible terms, enabling LISC to finance a wide range of affordable and mixed-income housing developments using a range of lending types. Seventy-two loans were made to 65 developments, with some developments receiving both an acquisition or predevelopment loan and a permanent loan. A total of 3,108 affordable homes have been financed to date. The mixed-income projects include an additional 292 middle income or market-rate homes, which create diversity and sometimes generate revenue that subsidizes affordable units. The financed projects created or will create approximately 2,500 newly-constructed housing units, but will also ensure the continuing affordability of nearly 1,000 existing affordable homes.

The projects LISC has supported using Harvard's investment range from small-scale developments to large, multi-phase developments designed to transform neighborhoods, like Roxbury's Bartlett Yards. While the majority of units financed through the fund are rental housing, 430 homeownership units were or will be created, of which 245 will be affordable to low-income households. Loans were made in many Boston and Cambridge neighborhoods, with the highest concentration of investment in Dorchester and Roxbury.

Many of the projects financed by LISC were developed by community-based nonprofit organizations whose missions are to support the needs and aspirations of the communities where they work. Accordingly, many of the developments were sited to provide easy access to transit, or to include commercial and community space – 174,000 square feet in total – where neighbors connect, and where businesses and nonprofit organizations produce jobs. Many also include green space and energy efficient or resiliency features that support their long-term viability. LISC is particularly proud to have supported 18 community development corporations, housing authorities and other nonprofit developers with the Harvard funding.

Many developments that received LISC/Harvard loans also received additional investments from LISC and its affiliates in the form of other loan funds grants, tax credits and equity investments. The National Equity Fund and New Markets Support Corporation, LISC's sister organizations which serve as national syndicators for Low-Income Housing Tax Credits (LIHTC) and New Markets Tax Credits (NMTC), respectively, provided over \$42 million in equity investments to the 72 developments. LISC also invested \$11.5 of other debt capital in these developments, and provided energy efficiency grants to 15 of the participating developers. As with all restricted affordable housing in our high cost market, public subsidies and other sources of funding must be leveraged for feasibility. The developments financed by LISC/Harvard funds leveraged more

than \$805 million of other funding.

CELEBRATING TRANSFORMATIONAL COMMUNITY DEVELOPMENT

Representatives from LISC Boston, Harvard, and others involved in the Harvard Local Housing Collaborative will be on site celebrating our community partner and loan recipient Nuestra Comunidad Development Corporation's ribbon-cutting for Building B at Bartlett Station in Roxbury on Thursday, August 15th at 10:00 a.m.

Bartlett Station in Roxbury is a transformational redevelopment of an 8.5 acre former MBTA bus depot into a mixed-use 323 unit project. The 323 units are to include rental and homeownership housing options across low-, moderate-, and market income tiers. Nuestra Comunidad, a Roxbury community development corporation, is the developer of Bartlett Station. Bartlett Station is one 12 Roxbury developments financed by LISC with Harvard's investment.

The Harvard Local Housing Collaborative Harvard University recently announced it would recommit \$20 million to an initiative aimed at increasing the amount of affordable housing in Greater Boston. Through the Harvard Local Housing Collaborative, the University has partnered with three local nonprofit community developer lenders, Local Initiatives Support Corporation, Cambridge Affordable Housing Trust, and BlueHub Capital, to create and preserve affordable housing, build and revitalize healthy communities, and create economic opportunities for low- and middle- income residents throughout the region. Harvard's initiative, formerly known as 20/20/2000, was first launched in 2000 and committed \$20 million in low-interest, flexible loans. Since then, the fund has revolved more than two times, and its impact can be felt throughout the region. It has helped leverage more than \$1.3 billion in housing developments with more than 5,500 affordable units in Boston and more than 1,600 affordable units in Cambridge. The crucial recommitment ensures that this integral funding continues for at least the next two decades.

LISC (Local Initiatives Support Corporation) – LISC is an investor, capacity builder, advisor, convener and an innovator. With residents and partners, LISC forges resilient and inclusive communities of opportunity across America – great places to live, work, visit, do business and raise families. LISC is the largest community development financial institution in the country, but has deep roots locally. Since 1981, LISC Boston has worked with local leaders to invest in housing, health, education, public safety, and employment in the Commonwealth. For more, visit www.lisc.org/Boston

Next Level Housing Solutions – For more about the Commonwealth's affordable housing crisis and how LISC and its partners are responding, visit www.bit.ly/nextlevelhousingsolutions. Next Level Housing Solutions, a discussion series co-hosted by LISC Boston, The Boston Foundation and Citizens Housing and Planning Association (CHAPA), is a call to action to Massachusetts leaders to take our collective responses to the housing crisis to the next level. Discussion topics include policy and financing strategies, income inequality and racial equity, cross-sector collaboration and building political will to address the root causes of the crisis.

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