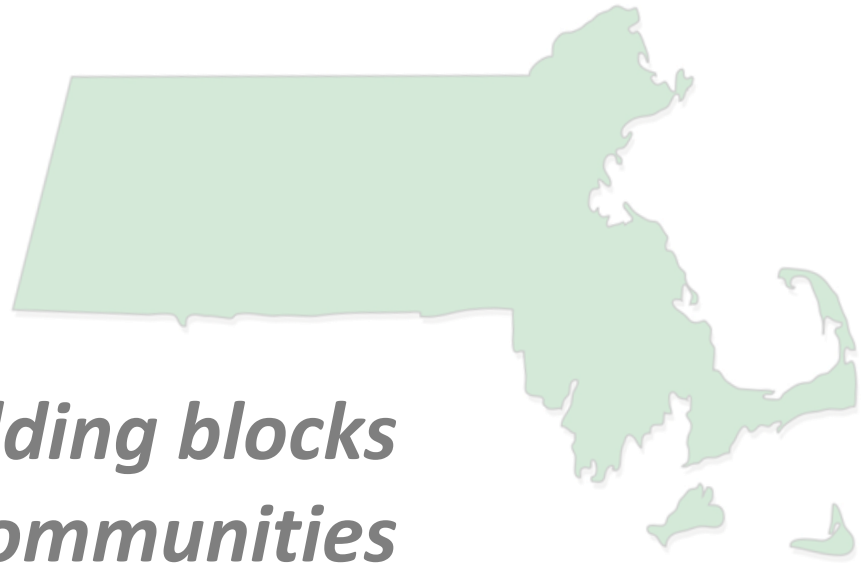

Healthy Neighborhoods Equity Fund

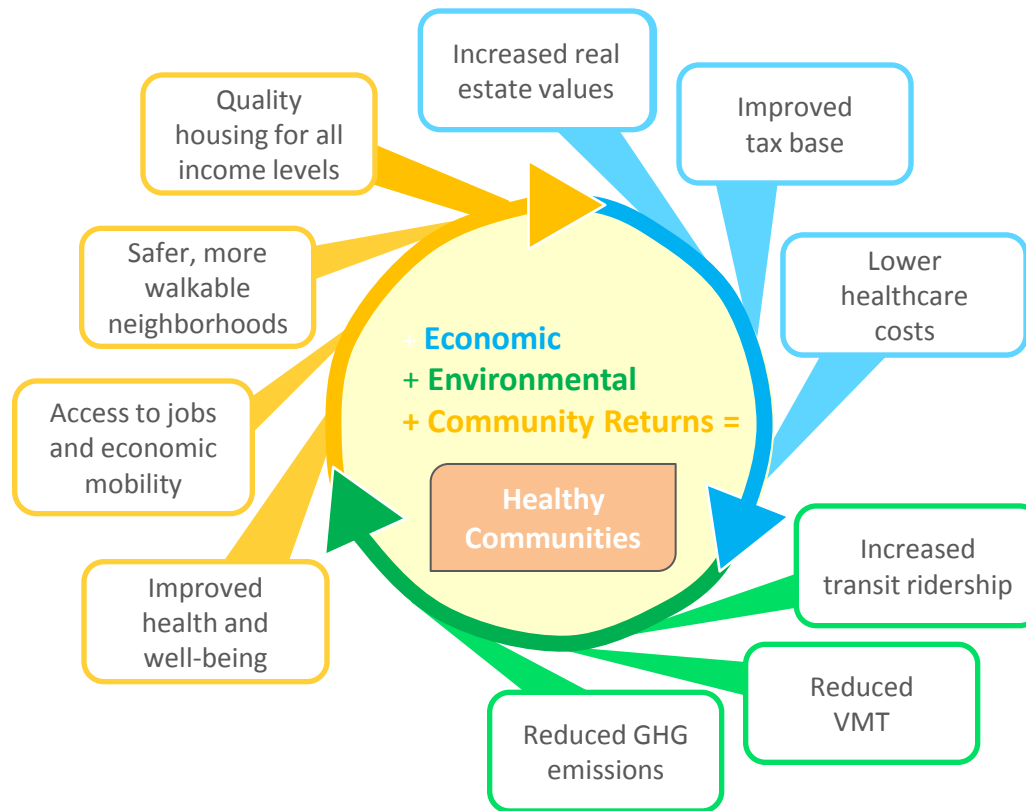
*Investing in the building blocks
of healthy communities*



HNEF Overview

- \$30 million Triple/Quadruple Bottom Line (T/QBL) Fund
- HNEF will invest patient capital in transformative mixed-income, mixed-use real estate projects in emerging markets in Massachusetts
- Projects, on average, expected to provide 8% return
- Accelerate financing by bringing future value forward and providing 5-25% of overall project financing
- Blended capital stack of public, institutional, PRIs and private equity impact investors

HNEF Impact: More than Financial Returns



Neighborhoods Matter for Health

- Health outcomes—including life expectancy—vary sharply by neighborhood.
- Between 2003 and 2007, life expectancy varied by as much as 33 years between census tracts in Boston.
- The census tract with the lowest life expectancy (in Roxbury, 58.9 years) is shorter than the life expectancy of Cambodia, Gambia, and Iraq.

Source: Center on Human Needs, Virginia Commonwealth University, September 2012



Census tracts with the longest and shortest life expectancies are in Back Bay and Roxbury respectively.

Neighborhood Health Determinants

Breadth of Impact ↑

Health Determinant	Health Outcomes
Walkability/Active Transport	Physical activity, mental health, chronic disease
Safety from Crime	Injury, physical activity, mental health, real and perceived safety
Economic Opportunity	Economic stability
Food Access	Nutrition, chronic disease
Safety from Traffic	Injury, air quality, real and perceived safety
Affordable Housing	Economic stability
Green Housing	Exposure to environmental contaminants, chronic disease
Green Space	Physical activity, mental health, air quality
Social Cohesion	Mental health
Displacement/ Gentrification	Mental health, economic stability
Air Quality	Air quality
Environmental Contamination	Exposure to environmental contaminants

Metrics Overview

- The Fund will use a Triple/Quadruple Bottom Line (T/QBL) approach to evaluate projects which includes a consideration of community, environmental, and health impacts in addition to financial returns.
- The Fund will consider the extent to which projects will:
 - (i) create dense, mixed-use, walkable neighborhoods that promote active living, increase transit use, and reduce Vehicle Miles Traveled (VMTs);*
 - (ii) create new economic opportunities, especially for lower-income residents;*
 - (iii) create a healthy and safe environment.*

Neighborhood Screening Criteria

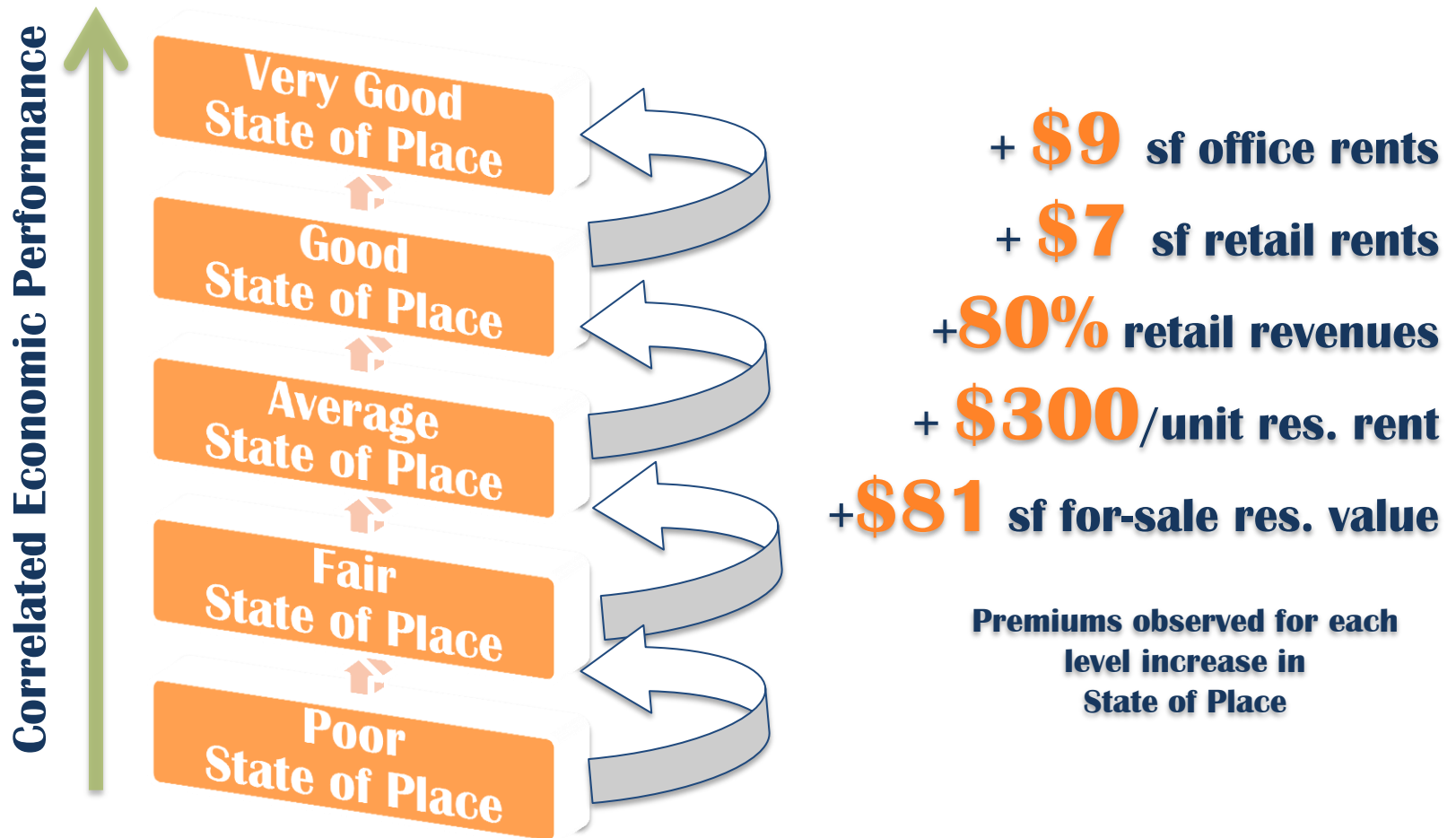
- ❖ Multi-modal transportation access
- ❖ Potential for long-term growth
- ❖ Community support for new development
- ❖ Opportunities to improve community health



Project Screening Criteria

- 1) Change in overall **walkability**;
- 2) Change in concentration of people living/working within ½ mile of **transit**;
- 3) Change in **employment** opportunities;
- 4) Improvements to the quality and diversity of the **housing** stock;
- 5) Improved access to fresh and **healthy food**;
- 6) Improved quality, quantity, and accessibility of **green space**;
- 7) Improved access to primary care and **community health facilities**;
- 8) Design/construction techniques that promote energy efficiency, minimize waste, and contribute to **cleaner air, water, and land**;
- 9) Design/construction techniques that improve **indoor air quality**;
- 10) Potential to catalyze additional **private and public investment**.

State of Place is tied to Economic Value

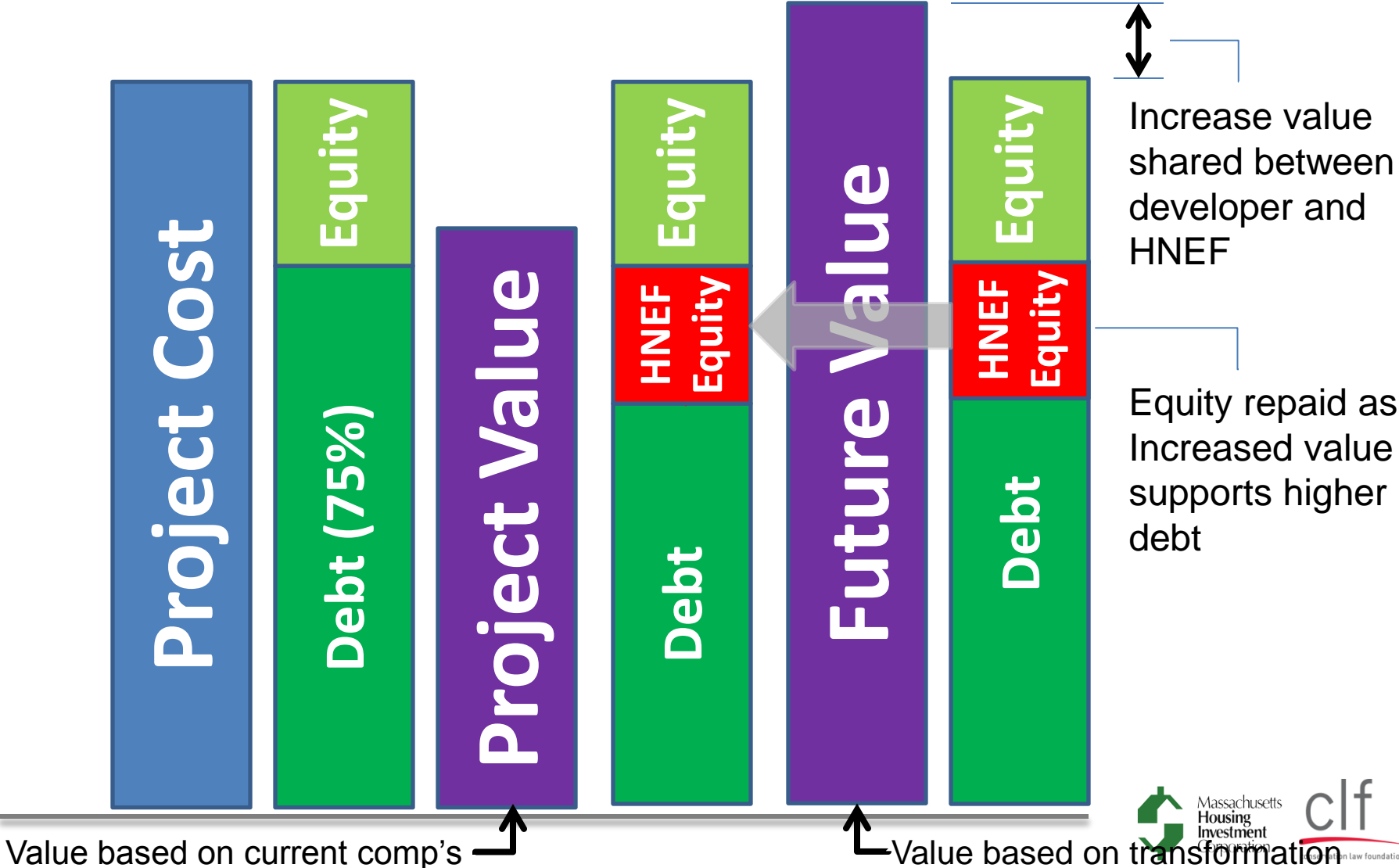


From Brookings Institution report, "Walk this Way"

HNEF Geographic Focus

- **Focus on urban core and “Gateway” cities throughout Massachusetts**
- **HNEF will help to achieve statewide goals:**
 - ✓ Commonwealth of MA: 10,000 new multi-family residential units/year
 - ✓ HNEF project criteria are consistent with Commonwealth “Compact Neighborhoods” principles
- **HNEF will help to achieve regional goals:**
 - ✓ Transit-accessible neighborhoods in greater Boston have the potential to accommodate 76,000 new housing units and 133,000 new jobs over the next 25 years (source: MAPC MetroFuture)

Gap Financing



HNEF Projected Returns

- Risk is mitigated by a public “top loss” investor
- Mission-driven investments (PRIs) from foundations will accept lower returns
- HNEF will deliver a blended return to private investors of 6-8 percent
- Impact metrics demonstrate additional returns in community, environment and health improvements

The MHIC/CLF Advantage

- Fund management team brings a combined total of **36 years experience** working in the New England real estate market
- Deep knowledge of local neighborhoods, market dynamics, and developers allows the team to accurately **pinpoint emerging market opportunities**.
- **Synergy with other investments** supports an active and steady pipeline of projects

HNEF is a Flexible Financing Tool for Community Development

- The Fund will provide flexible, patient capital for high-impact real estate projects that have demonstrated potential to drive neighborhood transformation, improve health outcomes, and reduce the burden of health care costs.
- The HNEF is a leading effort nationally to bring new sources of private capital to emerging markets while supporting T/QBL outcomes.