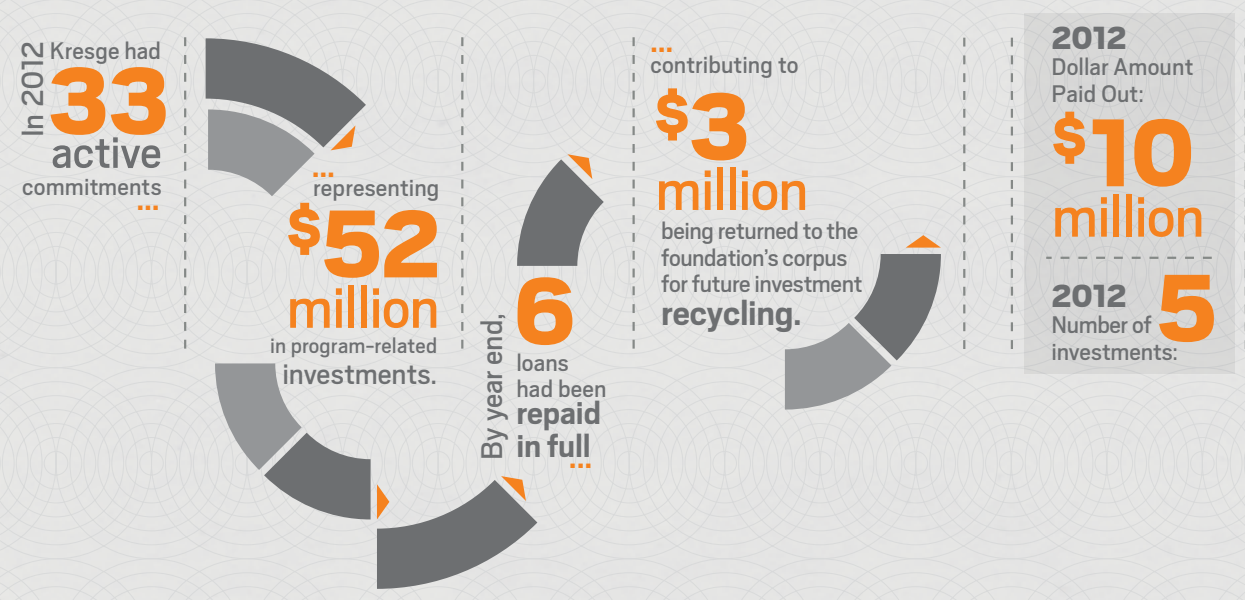


Social Investment Practice

Active commitments



New commitments

The Social Investment Practice closed on the following five investments in 2012:

Healthy Futures Fund New York

\$6 million loan / A \$100 million investment fund, established by Kresge, Morgan Stanley and the Local Initiatives Support Corporation (LISC), utilizes Low Income Housing Tax Credits and New Market Tax Credits to expand access to health care and affordable housing for low-income residents. (See description on opposite page.)

IFF Chicago

\$5 million loan / IFF is a regional community development financial institution that provides loans and real estate consulting to nonprofits serving low-income communities in the Midwest. This 10-year, low-interest loan enables IFF to respond to the increased demand for loan financing from community health centers in Indiana and Wisconsin.

Invest Detroit Foundation Detroit

\$1 million loan / This 10-year, low-interest loan to Invest Detroit Foundation, a community development financial institution, provides financing for downtown and midtown businesses in the city that are unable to access traditional bank credit and helps spur growth in these fledgling commercial centers.

Low Income Investment Fund and The Reinvestment Fund San Francisco and Philadelphia

\$5 million guaranty / This guaranty supports a \$25 million demonstration pilot, underwritten jointly by the Low Income Investment Fund and The Reinvestment Fund, to make financial capital available to community health centers serving low-income individuals and to create more standardized, scalable lending products for the sector.

Opportunity Finance Network Philadelphia

\$10 million loan / Opportunity Finance Network is a national network of community development financial institutions. This 10-year, low-interest loan helps fund the NEXT Awards, providing capital to high-performance CDFIs which, in turn, lend to small businesses and nonprofit organizations in low- and moderate-income communities.

Affordable housing and access to health services are in short supply for many low-income individuals in the United States – a critical circumstance our Health Program team is working to change.

To complement Health Program grantmaking efforts, our Social Investment Practice recommended a multipartner program-related investment that would attack both problems at once.

The result is the Healthy Futures Fund, a \$100 million investment fund created by Kresge, Morgan Stanley and the Local Initiatives Support Corp. The fund will support the construction of 500 affordable housing units with integrated health services as well as eight federally qualified health centers that will serve an estimated 75,000 people.

In addition, the fund will foster collaboration between affordable housing developers and health-care providers, constituencies that often work side-by-side in low-income neighborhoods but rarely in a coordinated way.

Morgan Stanley is investing \$63 million in equity through federal Low Income Housing Tax Credits and New Markets Tax Credits. Kresge, along with Local Initiatives Support Corp. and Morgan Stanley, is providing another \$37 million in loan and grant capital for the projects.

“This is the painful reality: low-income people generally experience higher levels of sickness and disease and have lower life expectancies,” says Michael Rubinger, president and CEO of the Local Initiatives Support Corp. “With this fund, we can help move families from deteriorating apartments into quality, affordable homes and provide them with first-rate health care. That can be life-changing.”

For Tony Ancors, 77, his affordable apartment has proven life-changing. When he had a stroke, he had to move to a nursing home. He would still be there if it weren't for National Church Residences, a developer and operator of affordable housing and skilled nursing-care facilities in Ohio and a Kresge grantee. The nonprofit is just the sort of organization the Healthy Futures Fund seeks to support.

Former nursing home resident Tony Ancors lives at a National Church Residences property outside Columbus.

Photo by Lon Horwedel

