Investing in the building blocks of healthy communities in Massachusetts
HNEF Mission

• The Fund will invest in high-impact real estate projects that have potential to:
  - Transform neighborhoods
  - Strengthen community and environmental health
  - Promote regional equity
  - Provide attractive risk-adjusted returns for investors

• The Fund will provide patient capital for catalytic residential, commercial, and mixed-use projects with demonstrated community support.
HNEF Impact: More than Financial Returns

- Access to jobs and economic mobility
- Safer, more walkable neighborhoods
- Quality housing for all income levels
- Improved health and well-being
- Increased real estate values
- Improved tax base
- Lower healthcare costs
- Increased transit ridership
- Reduced GHG emissions
- Reduced VMT

+ Economic + Environmental + Community Returns =

Healthy Communities

quality housing for all income levels
Fund Sponsors

• Massachusetts Housing Investment Corporation (MHIC) and Conservation Law Foundation (CLF) bring 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 market opportunities.
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.

HNEF Health Impact Assessment

• The Mass. Dept. of Public Health sponsored a Health Impact Assessment (HIA) to examine the potential health impacts that could result from investments made by the Fund.

• The HIA examined twelve factors, called determinants, that can affect health outcomes and chronic conditions such as obesity, stress, mental health, cardiovascular disease, respiratory disease, injuries, and premature death.

• The study identified relevant health-related metrics, provided methodologies for how to model or predict future health impacts from land-use decisions, and offered specific recommendations to improve each health determinant.
<table>
<thead>
<tr>
<th><strong>Walkability / Active Transport</strong></th>
<th><strong>Safety from Traffic</strong></th>
<th><strong>Green Housing</strong></th>
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<tbody>
<tr>
<td>Create a more walkable environment, increase access to destinations, and improve State of Place score.</td>
<td>Increase traffic by bringing more people into the area.</td>
<td>Add new green housing units.</td>
</tr>
<tr>
<td><strong>Safety from Crime</strong></td>
<td><strong>Affordable Housing</strong></td>
<td><strong>Green Space</strong></td>
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<tr>
<td>Reduce crime by bringing well-lit mixed-used developments and new commuters, residents, and employees to the area.</td>
<td>Add new income-restricted affordable units.</td>
<td>Add trees, green and public space.</td>
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<tr>
<td><strong>Food Access</strong></td>
<td><strong>Gentrification / Displacement</strong></td>
<td><strong>Social Cohesion</strong></td>
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<tr>
<td>Increase the area's access to healthy affordable foods.</td>
<td>Possible risk of displacement particularly with low-income or cost-burdened households.</td>
<td>Add space for social interactions.</td>
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<tr>
<td><strong>Air Quality</strong></td>
<td><strong>Economic Opportunity</strong></td>
<td><strong>Environmental Contamination</strong></td>
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<tr>
<td>Increase air pollution with the increased traffic.</td>
<td>Expand economic opportunity by creating temporary jobs and permanent new jobs in a transit-accessible location.</td>
<td>Remediation and mitigation of opportunities for environmental exposures should be conducted to prevent future environmental exposures to residents, workers, and visitors, although proper remediation may actually decrease opportunities for exposure.</td>
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</tbody>
</table>
## Neighborhood Health Determinants

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

Source: Healthy Neighborhoods Equity Fund Health Impact Assessment: Metropolitan Area Planning Council, 2013
HealthScore Rating System

• A project’s HealthScore is a weighted average of the neighborhood score (25%) and project score (75%).

• Neighborhood criteria reflect the Fund’s commitment to investing in communities that have demonstrated both the potential and the desire for growth, and where these investments will deliver the greatest benefits to health and well-being for the people who live there.

• Project criteria reflect the degree of impact on various pathways (identified through the HIA) that link TOD to health and health-related outcomes.
The Change is Measurable

Healthy Neighborhoods Equity Fund | Roxbury State of Place™ Analysis (beta)

Neighborhood Analysis: Roxbury
future walkability rating (SoP score) 40
+6 points (18%)

Proposed TOD Developments
- current conditions
- One Roxbury Crossing
- Bartlett Place
- Parcel 10 / Tropical Foods

State of Place scale
0 100

Parcel 10
Tropical Foods
Bartlett Place

One Roxbury Crossing

+5 points (15%)
+11 points (34%)
+2 points (6%)
Walkability = Market Value

ASSET VALUE

DENSITY of buildings
PROXIMITY of uses
CONNECTIVITY between places
FORM of streets & sidewalks
PARKS & PUBLIC SPACE
PEDESTRIAN amenities
PERSONAL safety
TRAFFIC management
AESTHETICS
RECREATIONAL uses

STATE OF PLACE™ SCORE
(LEVEL 1-5)

STATE OF PLACE™ DRIVES ASSET VALUES

A Brookings study found the following premiums for each level increase in the State of Place™ score:

+ $9/sf office rents
+ $7/sf retail rents
+ 80% retail revenues
+ $300/unit residential rent
+ $81/sf for sale residential value

STATE OF PLACE™ is a place rating and walkability diagnostic tool that quantifies the economic impact of targeted real estate investments.

Source: Walk this Way 2012, Brookings Institution
Conclusion

• HNEF will provide capital for high-impact projects with demonstrated potential to:
  – drive neighborhood transformation
  – improve health outcomes
  – reduce the burden of health care costs

• HNEF is a nation-leading effort to use health metrics to support impact investing.
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