



LIVING CITIES CATALYST FUND

CATALYST FUND PORTFOLIO

BORROWER:	Neighborhood Stabilization Loan Fund, LLC
AMOUNT:	\$1 million
CLOSING DATE:	April 2009
LOAN TERM:	5 years

PROGRAM OVERVIEW: The Neighborhood Stabilization Loan Fund, LLC (NSLF) was established in 2008 as a limited liability corporation to address foreclosure problems throughout the Commonwealth of Massachusetts. NSLF is managed by the Massachusetts Housing Investment Corporation (MHIC), a nationally recognized and well-regarded community development intermediary with nearly two decades of experience working in Massachusetts.

NSLF will combine the Catalyst Fund's \$1 million in patient capital with \$21 million from other philanthropic, governmental and private sources to support community development corporations and/or respected private developers that are acquiring and rehabilitating distressed properties in neighborhoods affected by high foreclosure rates.

PROGRAMMATIC SIGNIFICANCE: NSLF received a \$500,000 Living Cities grant as part of the organization's program to support the subprime mitigation work of local partners in 10 cities around the country. NSLF is one of only two of these local partners to have received both a Living Cities grant and Catalyst Fund financing.

Unlike the other foreclosure mitigation strategies that Living Cities has supported, NSLF will make funding available statewide. Geographic target cities include Boston, Brockton, Chelsea, Lawrence, Lowell, New Bedford, Springfield and Worcester. Through its support of NSLF, Living Cities is extending the reach of its subprime initiative beyond the largest cities to include smaller industrial cities destabilized by foreclosures.

Many of the properties that NSLF will work with in the program are "triple-deckers." The foreclosure of these properties affects both the owner-occupants and the tenants.

In addition, this transaction has enabled Living Cities to combine its "green" agenda with its subprime mitigation work. With Living Cities' encouragement, MHIC revised its original program to include green rehab targets.

NSLF has attracted the support of local foundations and not-for-profits as well as government agencies. This cooperative approach is a cornerstone of Living Cities' integrative approach to urban revitalization.

ADDITIONAL FUNDERS:

- Boston Foundation
- Hyams Foundation
- Massachusetts Affordable Housing Trust
- Massachusetts Housing Partnership
- Massachusetts Housing Investment Corporation

DESCRIPTION OF THE LOAN: The \$1 million Catalyst loan is part of a \$4 million subordinated term loan that will be combined with senior debt and a loss-buffer loan to enable NSLF to support the acquisition and rehabilitation of distressed properties throughout the Commonwealth of Massachusetts. Senior debt is being provided by the Massachusetts Housing Investment Corporation and the Massachusetts Housing Partnership. The Massachusetts Affordable Housing Trust is providing the loss-buffer loan.

LEVERAGE: \$1 million from the Catalyst Fund is leveraging \$21 million from other sources.