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****PRESS RELEASE****

Home Funders Partnership To Raise The Roof For Families Announced \$15.5 million Raised Toward Goal of \$26 Million; Issued \$5 Million Challenge to Philanthropic and Business Communities

BOSTON — Home Funders, a new partnership of public and private funders, today announced it has raised \$15.5 million in loans and \$800,000 in grants towards its goal of \$26 million to create a revolving loan fund to increase the supply of housing for extremely low-income families in Massachusetts.

In addition, two of the founding partners, The Paul and Phyllis Fireman Charitable Foundation and the Highland Street Connection, issued a challenge to the business and philanthropic communities, pledging an additional \$5 million available for immediate use when matched by a new \$5 million commitment.

Home Funders will invest in the production of 4,000 affordable units, 1,000 of which will be affordable for extremely low-income families. "Providing affordable housing has been one of my top priorities as Mayor, and Home Funders is an essential partner in achieving that goal," said Thomas M. Menino, Mayor of Boston. "I see working families every day that are struggling to pay sky high rents--and every affordable unit in every Boston neighborhood counts."

Eleven Home Funders projects are already underway, projects that will provide nearly 500 affordable housing units, 125 of which will house extremely low-income families in the Boston and Greater Boston areas, including Cambridge, Chelsea, Lawrence, Brookline and New Bedford. "We're fully committed to this effort," said Paul Fireman, co-founder of The Paul and Phyllis Fireman Charitable Foundation. "We will do everything we can to address this critical need and hope that the matching pledge encourages other potential investors to jump on board."

"The shortage of affordable housing has reached such a breaking point that we just cannot do business as usual," said Holly McGrath, trustee of the Highland Street Connection. "It's time we roll up our sleeves and build. And that's exactly what Home Funders is doing."

Through the use of low-interest loan products, Home Funders hopes to create an incentive for developers to include additional units for extremely low-income families while accessing existing financing programs. Most of the funding arrives from low-interest loans in the form of program-related investments (PRIs) of 1 percent interest over 10 to 20 years.

"Program-related investments are an important way for foundations to multiply the impact of their resources and to make investments that are consistent with their missions and program goals," added Beth Smith, Executive Director of the Hyams Foundation. "For Hyams, this commitment also goes well beyond our normal level of grant making."

"This fund was initiated by a collaborative of local private funders who agreed that the crisis in family housing merits an unprecedented commitment of assets in the form of very low-interest loans and grants," said Paul Grogan, President and CEO of The Boston Foundation, "We hope to build a ground-breaking

national model that shows how, with the right mix of resources, focus and will, a community can find solutions to the difficult problem of financing housing for very low-income families."

In Massachusetts, 10,000 families with more than 20,000 children lack permanent housing. As many as one-third of people in shelters are working families.

"The demand for very affordable housing is staggering," said Evelyn Friedman, Executive Director of Nuestra Comunidad Development Corporation, "Home Funders has given us a new resource that is available immediately, is flexible and specifically addresses very affordable housing for extremely low-income families."

Home Funders is working with two intermediaries, the Community Economic Development Assistance Corporation (CEDAC) and the Massachusetts Housing Partnership (MHP), to manage the loans. CEDAC and MHP have made it possible for \$10.5 million of Home Funders' investments to go to work in the community immediately.

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Home Funders is a collaboration of public and private funders who have rallied to address the unprecedented shortage of low-income housing units in Massachusetts. Founders of the collaboration include The Paul and Phyllis Fireman Charitable Foundation, The Highland Street Connection, The Hyams Foundation, The Boston Foundation, and Mellon Charitable Giving Program/Peter E. Strauss Trust. Home Funders partners to date include The Vincent Mulford Foundation, The Lynch Foundation, the City of Boston, FleetBoston Financial, the Commonwealth of Massachusetts, The Morris & Esther Horowitz Family Foundation, Kenneth Novack and Nixon Peabody LLP.