The Boston Foundation

Neighborhood Stabilization Loan Fund

Created: 2008
State agency partner: Massachusetts Department of Housing and Community Development
Nongovernmental partners: Massachusetts Housing Investment Corporation, Massachusetts Housing Partnership, The Hyams Foundation, Living Cities, local developers

The $22 million Neighborhood Stabilization Loan Fund (NSLF) is a statewide five-year public, private, and philanthropic partnership. It provides financing to acquire and rehabilitate foreclosed properties in distressed urban areas with high concentrations of foreclosures. The Massachusetts Housing Partnership (MHP) and the Massachusetts Housing Investment Corporation (MHIC) contributed $8.5 million each, and the Boston Foundation, the Hyams Foundation, and Living Cities made a total of $4 million in program-related investments. An additional $1 million in government capital came from the commonwealth's Affordable Housing Trust Fund.

The NSLF engaged municipal partners to streamline funding, permitting, and approval processes. City, state, and federal governments coordinated efforts to adjust policies to streamline the fund's disbursements. Funding from philanthropic partners provided critical grants to build local government, community, and developer capacity. The private sector provided needed capital to take these efforts to scale.

As of May 2012, NSLF had supported the acquisition of 468 foreclosed units in 137 buildings. NSLF has managed to retain 32 percent of units affordable to households with incomes up to 50 percent of area median income and 70 percent of units affordable to households up to 120 percent of area median income. The NSLF proves that sectors working together can deliver results even in the most difficult times.

The Boston Foundation Founded in 1915, the Boston Foundation serves as Greater Boston's community foundation. It devotes its resources to building and sustaining a vital, prosperous city and region, where justice and opportunity are extended to everyone.
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