

**Morgan Stanley, Kresge Foundation and LISC  
Launch \$100 Million Investment Fund  
Linking Health Care and Affordable Housing in Low-Income Communities**

NEW YORK, NY and TROY, MI. January 14, 2013 – Morgan Stanley, The Kresge Foundation and the Local Initiatives Support Corporation (LISC) have launched a first-of-its kind \$100 million investment fund that is designed to expand access to health care and affordable housing for low-income residents and fund critical social services that help link the two in impoverished neighborhoods.

Called the Healthy Futures Fund, it is in part response to the Patient Protection and Affordable Care Act, and the 20 million new health care consumers that the legislation is likely to create.

The fund is being seeded with capital to build 500 housing units with integrated health services and to construct eight federally qualified health centers that will serve an estimated 75,000 people. It is designed to spur collaboration among health care providers and housing developers who do not often work together even when they operate in the same low-income neighborhoods and serve the same people.

“Connections between health and housing for low-income people need to be intentional. We can’t rely on serendipity to make this happen,” said Michael Rubinger, President and CEO of the LISC, a pioneering nonprofit that helps revive neighborhoods across the country.

“The collaboration among leading public policy programs, catalytic philanthropy, and private sector investment is critical to deliver robust, integrated solutions to improve the lives of low-income residents,” added Audrey Choi, Managing Director and Head of Global Sustainable Finance at Morgan Stanley. “Morgan Stanley’s investment in the Healthy Futures Fund reflects our continued commitment to building stronger, healthier communities.”

The fund is utilizing federal Low Income Housing Tax Credits, federal New Markets Tax Credits, grants, loans and guarantees to raise capital. Morgan Stanley is investing \$63 million in equity through the Low Income Housing and New Markets Tax credits. The Kresge Foundation, LISC and Morgan Stanley are providing another \$37 million in loan and grant capital for the projects.

The initial investments will fund projects that are expected to create 2,200 jobs in hard-hit communities.

“We can improve health outcomes for low-income housing residents by improving their access to care,” said Rip Rapson, President of The Kresge Foundation. “That’s what this fund is designed to do. It demonstrates the kind of leverage and innovation that can be brought to bear against large-scale social needs when the resources of the public, private and philanthropic sectors are creatively joined.”

LISC's affiliate, New Markets Support Company (NMSC), is managing the fund as part of its *Building Sustainable Communities* strategy to improve the quality of life in struggling, low-income neighborhoods. Both The Kresge Foundation and Morgan Stanley are long-time LISC partners, working together for many years to revitalize impoverished areas.

The fund expects to expand in the coming months with additional New Markets Tax Credits and lending capital from new partners. Organizations already signed on include National Development Council, NCB Capital Impact, Capital Link, Primary Care Development Corporation, Mercy Loan Fund and Opportunity Finance Network.

“This is the painful reality: low-income people generally experience higher levels of sickness and disease and have lower life expectancies,” said LISC’s Rubinger. “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.”

#### **About Morgan Stanley**

Morgan Stanley (NYSE: MS) is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 1,200 offices in 43 countries. Since 2006, Morgan Stanley has executed more than \$5 billion in investments to strengthen underserved communities. For further information, visit [www.morganstanley.com](http://www.morganstanley.com).

#### **About Kresge Foundation**

The Kresge Foundation is a \$3 billion private, national foundation that seeks to influence the quality of life for future generations by creating access and opportunity in underserved communities, improving the health of low-income people, supporting artistic expression, increasing college achievement, assisting in the revitalization of Detroit, and advancing methods for addressing climate change. The foundation works in seven program areas: [arts and culture](#), [community development](#), [Detroit](#), [education](#), the [environment](#), [health](#), and [human services](#). In 2011, the Board of Trustees approved 346 awards totaling \$170 million; \$140 million was paid out to grantees over the course of the year. For further information, visit [kresge.org](http://kresge.org).

#### **About LISC**

LISC combines corporate, government and philanthropic resources to help nonprofit community development corporations revitalize distressed neighborhoods. Since 1980, LISC has raised \$12 billion to build or rehab 289,000 affordable homes and develop 46 million square feet of retail, community and educational space nationwide. LISC support has leveraged nearly \$40 billion in total development activity. For further information, visit [www.lisc.org](http://www.lisc.org).

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