



BOSTON COMMUNITY CAPITAL

Investing in Community Development

Federal Reserve Bank of Boston

May 16, 2008

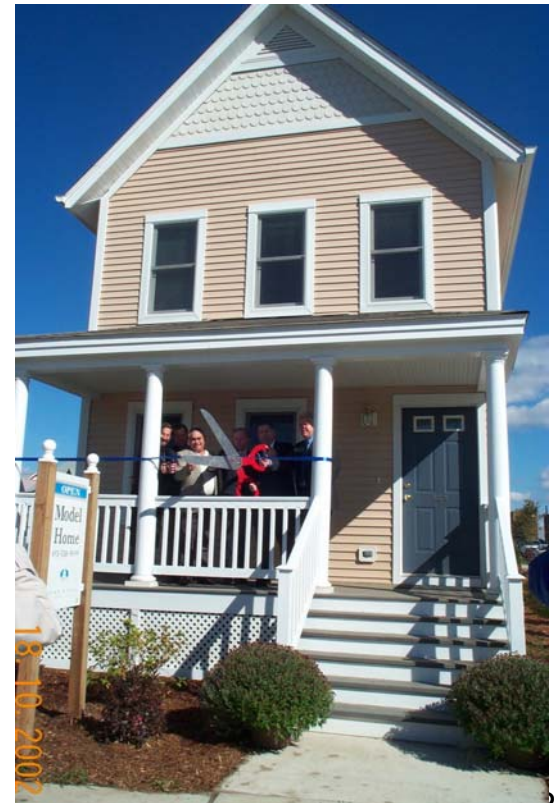


Rebecca L. Regan, COO
Loan Fund President

Mission

Boston Community Capital's mission is to build healthy communities where low-income people live and work.

- Finance affordable housing, child care facilities, arts programs, schools, health clinics, youth programs and community services.
- Invest equity dollars into businesses that create social and financial returns.
- Develop new financial tools that connect low-income communities to mainstream financial markets.
- Educate future homeowners about mortgage process and help them own a home they can afford



History

- Founded in 1985 by socially responsible investors
- Create and preserve affordable housing in MA
- Demonstrate that loans in low-income communities would be repaid, allowing investors to tap savings and endowment funds for community investments



Today

BCC and Affiliates invested more than \$350 million in LICs:

- **Boston Community Loan Fund** lends money to community projects such as affordable housing, child care and community facilities that might not otherwise be financed
- **Boston Community Venture Fund** makes equity investments in emerging and existing businesses provide jobs or services for LICs
- **Boston Community Managed Assets** develops new initiatives and funding vehicles for low-income individuals and communities
- **Aura Mortgage Advisors** helps future homeowners understand the mortgage process and own a home they can afford



Vision and Values

- Isolation is the hallmark of unhealthy communities and organizations.
- Low-income communities and residents need and are entitled to the same expertise and expectations of excellence available to their wealthier neighbors.
- We stand at the intersection of many communities and constituencies, reduce silos, and break down the barriers that create economic, social and civic isolation.



Vision and Values (cont)

“We must become the change we want to see in the world.”

– Mahatma Gandhi

- We serve as a vehicle for a wide range of investors, including individuals, faith-based organizations and corporations.
- Working together, we achieve cost-effective access to capital that is critical to building healthy communities.



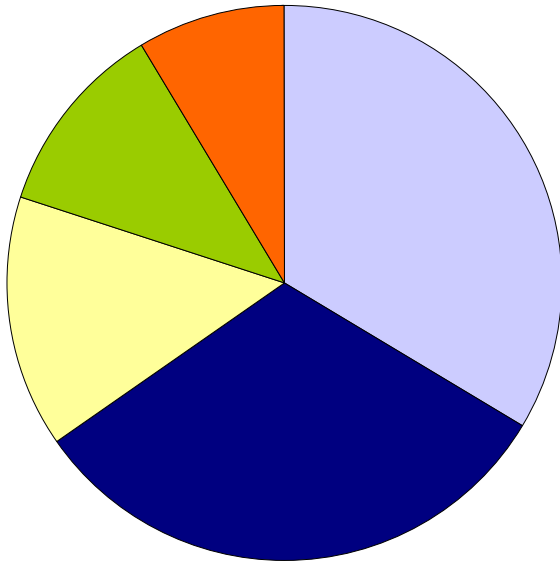
Loan Fund Impact

- Over \$250 million in loans in low-income communities
 - Financing creation and preservation of affordable homes for 8,500 individuals and families
 - Strengthening more than 200 nonprofit organizations
 - Supporting child care facilities and schools serving more than 1,300 children
- Loan losses totaling less than 1/20 of 1%
- All investors have been repaid on time and in full



Loan Fund Impact

Boston Community Loan Fund Cumulative Loans by Type 1985-2007



	Affordable Homeownership	\$97,492,926	41%
	Affordable Rental Housing	\$68,495,549	28%
	Supportive Housing & Shelters	\$23,126,070	10%
	Child Care, Schools and Youth	\$32,245,617	13%
	Community Facilities & Commercial Real Estate	\$20,013,535	8%
	Total	\$241,373,697	100%



Loan Fund Impact (thru Dec 2007)

People living in BCLF-financed housing	23,235
Low-income children in child care	3,976
Students in schools	1,431
Revenue generated for child care facilities	\$78.7 million
Household equity created for first-time homeowners	\$116.4 million
Rent saved for low-income families	\$598.1 million



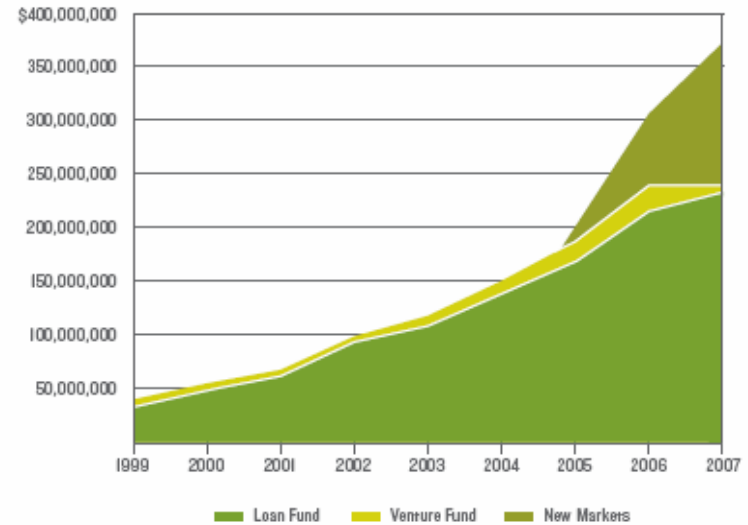
Loan Fund Financials

- Auditors opinion is unqualified, reflecting the continued soundness of our financial management systems and practices
- Strong balance sheet: \$69.1 million in assets
- Loan Fund meets and exceeds industry standards for loan loss reserves, net assets, portfolio performance
- AAA+2 CARS Rating – one of the highest in the country

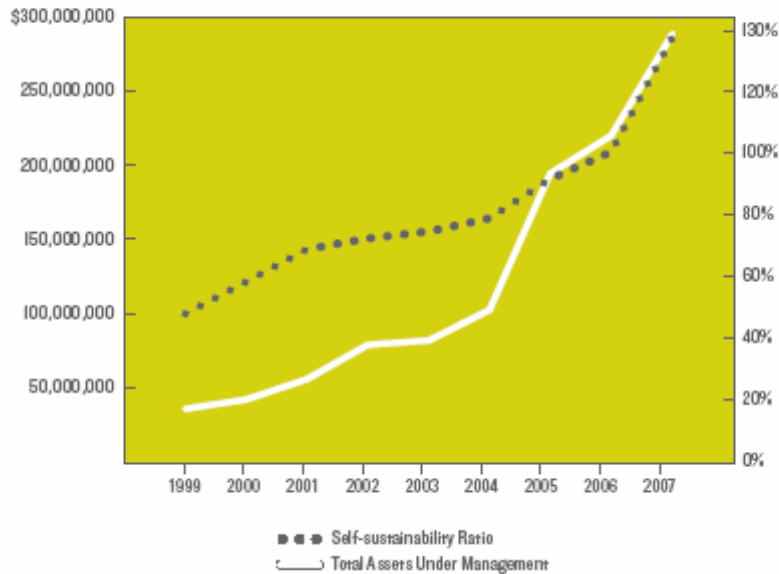


Financial Performance

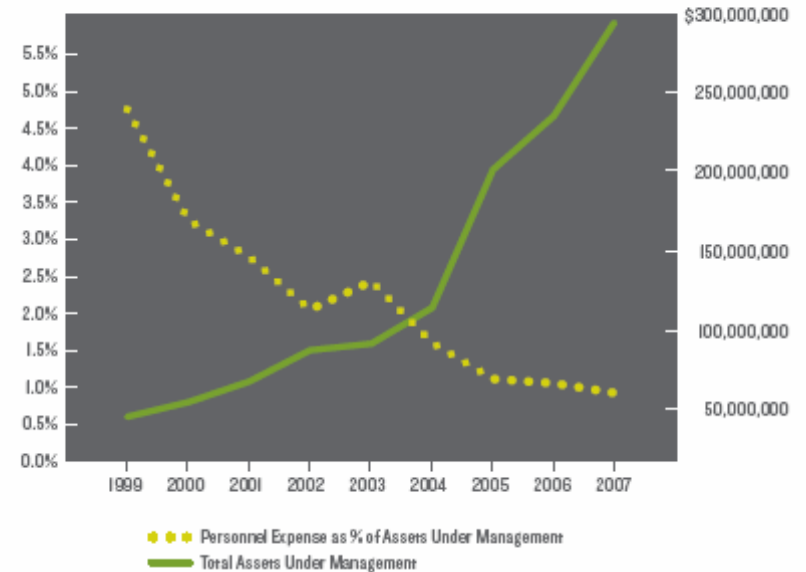
CUMULATIVE DOLLARS INVESTED (as of 12/31/2007)



SELF-SUSTAINABILITY RATIO (as of 12/31/2007)



PERSONNEL EXPENSE AS PERCENTAGE OF ASSETS UNDER MANAGEMENT (as of 12/31/2007)



Loan Fund Snapshot*

(vs. Loan Funds with total capital > \$15 million)

*from CDFIs Side By Side 2006

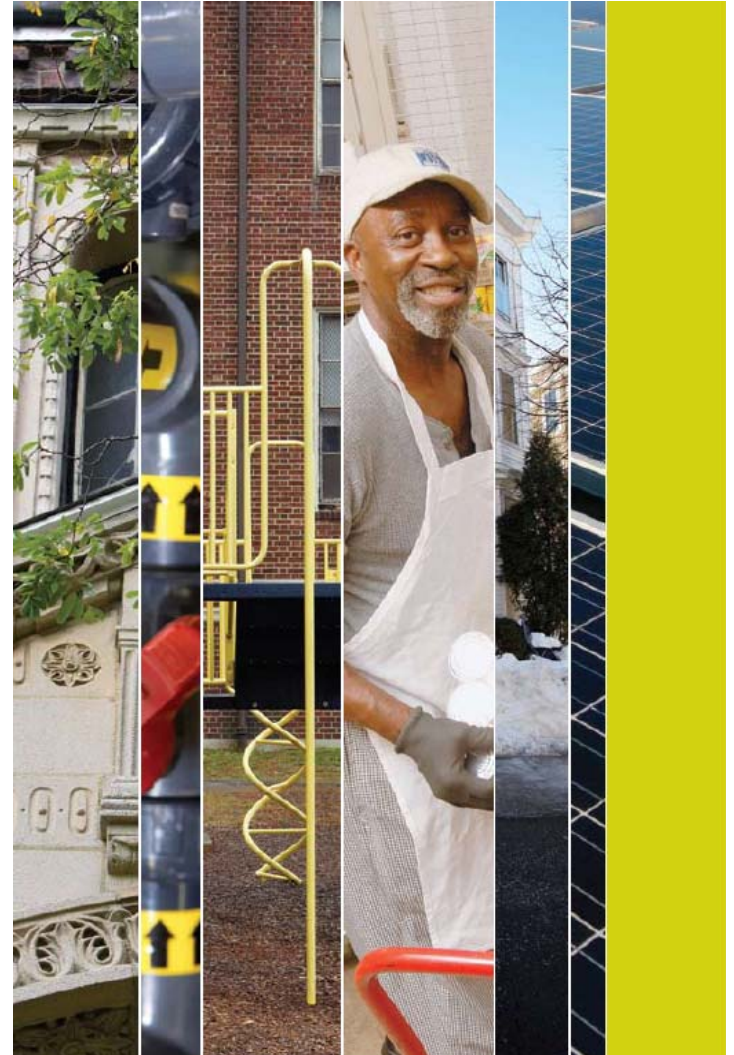
	BCLF	H3 Peer Group
Total Operating Expenses	\$3.9 million	\$9.2 million
Total Financing Outstanding	\$43.9 million	\$46.8 million
Direct Financing Closed	\$38.9 million	\$28.2 million
Total FTEs	13.0	51.5
Loans closed per FTE	\$8.5 million	\$2.8 million
Self-sufficiency ratio	225%	73.5%
Net Operating Income	\$7.5 million	\$1.4 million



* Peer group includes 15 CDFIs with total capital >\$15 million, including The Reinvestment Fund, Clearinghouse CDFI, Enterprise Housing Financial Services, LISC, Low Income Investment Fund, Mercy Loan Fund

2007 Lending Report

- 27 loans totaling \$47 million
- Launched Energy Advantage Program with MA Technology Collaborative and MHP
- Foreclosure work



Sample Loans

- **Community Servings:** \$750,000 loan to help nonprofit providing home-cooked meal delivery to critically ill individuals and their families renovate new facilities
- **Presentation School:** Loan helps community group purchase closed church property from Boston Archdiocese to re-open a beloved school and create new space for Allston-Brighton neighborhood groups
- **Holcroft Park Homes:** All-new construction creates 68 new units of affordable housing located minutes from mass transit



Portfolio Snapshot

- 107 loans totaling \$110 million
- Borrowers include community development corporations (CDCs), child care providers, nonprofit and private developers, schools, youth programs, shelters
- Loans for predevelopment, acquisition, construction, and rehabilitation; also operating lines of credit to nonprofit organizations



Investors Snapshot

- 323 investors
 - 195 individuals
 - 33 financial institutions
 - Remaining investors include foundations, religious organizations, nonprofit organizations, corporations and intermediaries
- Investors include Wainwright Bank, Bank of America, HSBC Harvard University, Calvert Foundation, Citizens Bank, Hyde Park Savings, Parnassus Funds, the F.B. Heron Foundation, Fidelity Management Trust, and the CDFI Fund of the U.S. Dept. of Treasury
- Loans range from \$1,000 - \$15 million



Partnership

- Loans to Revolving Loan Pool
- Equity Equivalent Investments
- Participation Agreements
- Deal referral

