



**Season Five: Episode One**  
**Investing in Affordable Homes for Healthier Communities**  
**Launch Date: October 8, 2024**

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**Hillary Ribaldo:** Right where the Bronx River opens up into the East River, sits Soundview Park.

It's a scenic waterfront green space speckled with playgrounds, walking paths, and picnic areas. Families gather for cookouts when the weather's nice, and neighbors grow fresh produce to distribute year-round from their community garden.

Take a short walk across the park, and you'll find the Lafayette-Boynton Apartments—an affordable housing complex located in the Bronx. It includes four 19-story buildings built in 1971— that today, look like what you'd expect at a luxury property. This is thanks to the over 25 million dollars invested in renovating not just the apartments, but the whole complex.

**Jasmine Richards:** We saw a world-class gym in the building, a health and wellness center that's offered to the tenants at very attractive prices.

**Hillary:** And at a moment when New York City is going through the worst housing shortage since the late 1960s, having a stable and affordable place to live in a thriving community like Soundview, seems almost too good to be true.

**Jasmine:** You know, there was a parking development on the property and if anyone has lived in New York, you know how valuable it could be to have covered parking in New York City.

**Hillary:** The Lafayette-Boynton Apartment complex is home to over a thousand residents across its 972 mixed-income housing units. Of those apartments, half are reserved for households making between 30 and 60 percent of the Area Median Income, or AMI. And the other half are for moderate-income households that make 80 to 95 percent of the AMI.

And this is made possible by a joint venture between the property's longtime manager, The Nelson Management Company, and a private equity firm called The Vistria Group.

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**Margaret Anadu:** The Vistria group is founded on a somewhat simple but incredibly ambitious idea that the power of private capital can be incredibly consequential in some of the greatest social challenges that we face in the United States.

**Hillary:** Margaret Anadu is a senior partner at the Vistria Group where she leads the firm's real estate investing practice. Vistria is a mission-driven private equity firm operating at the intersection of purpose and profit. And for Margaret and her team, the link between housing and health is clear.

**Margaret:** One of our co-founders loves to say that we just need everyone to be healthy, wealthy, and wise. And so my role in that is that you can't really be healthy, wealthy, or wise without a quality, safe, affordable place to live.

**Hillary:** Last season, we learned about biotech advancements improving patient outcomes and paving the way for a healthier future.

This season, we're continuing that theme of health care innovation, but with our eye on another angle --- how does *equity* factor into the equation?

And in each episode, we'll hear from the investors and leaders who can help us answer that very question.

I'm Hillary Ribuado and this is Unseen Upside by Cambridge Associates, where we explore investments beyond their returns.

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**Hillary:** The Center for Disease Control defines “health equity” as the state in which everyone has a fair and just opportunity to attain their highest level of health. Social determinants of health, like where you were born and the environment you were raised in, are some of the non-medical factors that influence health outcomes and equity.

And one of the most fundamental social determinants of health is access to safe and high-quality housing.

**Margaret:** I think of housing as a very significant input into health.

**Hillary:** According to a 2024 study from Harvard University's Joint Center for Housing Studies, half of all renters in the United States are cost-burdened, and a record number of people are experiencing homelessness. On top of that, there's a shortage of both homes and affordable housing, and things have only gotten worse with rising rent prices and job losses over the last few years.

**Margaret:** There's not a single county in the entire United States that has sufficient housing for our extremely low-income Americans.

**Hillary:** Each year, 100,000 affordable housing units are built in the United States, but that's just a drop in the bucket against a deficit of an estimated 7 million units. The National Low Income Housing Coalition reports that extremely low-income renters in the U.S. are currently facing a shortage of 7.3 million affordable and available rental homes. That means that nearly two thirds of extremely low-income renters in this country do not have access to affordable homes.

**Margaret:** And so the absence of affordable housing, if you are rent-burdened, which means you're spending over 30 percent of your income on rent or severely rent burdened, so spending over 50 percent of your income on your household expenses, once you're in one of those two camps the opportunity for health equity is all but lost.

**Hillary:** And having a roof over your head is only scratching the surface. If you're spending a significant chunk of your income on housing costs, your capacity to invest in other necessities for a healthy life narrows even further.

**Margaret:** Low-income households that spend over 50 percent of their income on housing spend 53 percent less on food, on healthcare, on transportation, compared to folks who are in that affordable category again, spending 30 percent or less. When you start to unpack all that, when you're not getting to your dentist appointments, when

you're not able to buy your prescription medication, where you're not able to have the time to invest in all the things that we do for our health care that's preventative, it's a direct impact.

**Hillary:** And the quality of housing has a direct impact on health as well.

**Margaret:** You have families who are living in overcrowded conditions due to lack of affordable housing, living in substandard conditions...

**Hillary:** And unsafe and unstable housing conditions have lasting consequences on the overall health of the most vulnerable.

**Margaret:** It is not a rare situation to have low-income families who are raised in places with lead exposure, with mold, with vermin. And you have children in those environments who are significantly less likely to meet their developmental milestones.

**Hillary:** Plus, children who move homes five times or more during their childhood are three times more likely to experience mental health problems. And frequent moves make it nearly impossible for them to integrate into a community with vital resources and support.

**Margaret:** As I think about it from the community level, and really just the built environment level, it's so many things.

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**Hillary:** Investing at the community level is part of the Vistria Group's approach, and that's reflected in projects like the Lafayette-Boynton housing complex in the Bronx.

**Jasmine:** At Cambridge, we have been fortunate to work with Vistria across their traditional flagship private equity, and so when they launched an affordable housing strategy, of course, it was one of the funds that we wanted to look at.

**Hillary:** Jasmine Richards, who you heard at the top of the episode, is the Head of Diverse Manager Research at Cambridge Associates.

**Jasmine:** And so having the strategy first led by Margaret Anadu, who had been investing in this space for far longer than most in this sector before affordable housing really became in vogue, over 20 years of experience, they were executing on this strategy in a differentiated way.

**Hillary:** When Jasmine had a chance to visit the Lafayette-Boynton housing complex, she saw for herself how Vistria had found an innovative and effective way to tackle the affordable housing crisis.

**Jasmine:** So thinking about ways that they can work with different municipalities to build properties that are beneficial to the community, where they're working on not only building new housing, but also thinking about ways that they can preserve existing housing, restore dilapidated properties — Those are all outcomes that we want to see in a community, but also thinking about what are ways that they can just improve the quality of housing that they're delivering to those tenants.

**Hillary:** We'll come back to Vistria's investment strategy a little later in the episode, but before we get there, I think it's helpful to understand how the affordable housing landscape has evolved over the years.

Here's Margaret.

**Margaret:** There are many programs at the federal level, so low-income housing tax credits, you have a project-based Section 8, you have Section 8 vouchers. There are lots of long standing 20, 30, even 40 year old federal programs that have existed to encourage and sustain and provide affordable housing for some time.

**Hillary:** And though these programs continue to offer relief in the housing crisis, it's not enough to make up for the supply demand imbalance of that 7-million-unit deficit.

But there is a larger shift for the better at play.

**Margaret:** One of the changes that I've seen over the last, I wouldn't even say 10, 20 years, I'd say really almost say even in the last five to six years and with more momentum every day, is how much I see our city and state public sector partners really stepping up to be part of the solutions.

**Jasmine:** Real estate and affordable housing in general, I think has evolved from an area of investment that the market has thought of as concessionary to an area where you can invest in real estate but really deliver competitive returns.

**Hillary:** And here is where Vistria Group has found their niche and is seeing a real impact.

**Margaret:** You can take the perspective of strong investment acumen but also marry that with the expertise of really operating businesses and real estate assets. And then bring in that third perspective of policy, policy makers being on the right side and a real partner to our public sector service and government. You can not only generate phenomenal returns for our investors, but we can also make a difference on individuals and families and society as a whole.

**Hillary:** The Vistria Group focuses their efforts in four key areas: healthcare, financial services, education, and real estate.

And within their housing work, they first identify neighborhoods where affordable housing is a need. And then importantly, where there's an opportunity for them to work together with the public sector.

**Margaret:** We're looking for places where we have partners in local, state, and at the federal government, we can work with to solve those challenges.

And so whether it's leveraging the California welfare tax exemption or the affordable Illinois program, which is relatively new. It's really going to those places where we know that we're going to have a partnership in the public sector to actually do something about it.

**Hillary:** Vistria does something about it in three ways. One is through preservation.

**Margaret:** We buy existing affordable housing that is in really good shape. And we ensure that it stays that way. We introduce really strong property management. We introduce residential services, whether that be different healthcare innovations we're thinking about in people's homes, things that we do to really bolster and sustain people's financial wellness.

On that side, things that so many of us take for granted, making sure that our residents have affordable broadband, just, benefiting from all the connectivity that we all use every second of every day, like on this podcast.

**Hillary:** The second strategy is improving what's already there.

**Margaret:** We're taking affordable assets again, existing, but really working deeply on the sustainability of those assets. So many of the affordable housing communities around the country are older vintage, and so they don't benefit from so many of the innovations that we've created over the last couple decades in terms of more efficient boilers, LED lighting, more efficient appliances in the kitchen. All things that just with the right intention and thoughtfulness, we can really bring to bear in some of these older assets.

**Hillary:** A third piece of the puzzle is relying on key industry relationships.

Here's Jasmine.

**Jasmine:** If we think specifically about what you want to see in an affordable housing strategy, you have to have a team that has the ability and the network and experience to navigate municipalities, right? Like it's one of the areas of finance that depends on these public private partnerships. And so having a team that is extremely experienced, but also extremely well regarded and well connected add to their ability to deliver returns.

**Hillary:** And not only are these strategies delivering returns, but they also offer sustainable solutions for the long term that meet the holistic needs of the community.

Just take this example where Vistria did something really cool at the Lafayette-Boynton apartments.

**Margaret:** Over time you just have underutilized space, something that was supposed to have one use 20 years ago and all of a sudden it has 75 rakes from 1947 collecting dust.

**Hillary:** And instead of letting that extra storage space continue to go to waste, they recognized the room was big enough to fill a very critical need.

**Margaret:** And so we've been able to actually bring childcare into the housing community itself, and the joy and benefit that we see our families have when they know that they can actually go literally downstairs to a childcare facility that they trust, that is local and just that comfort about where their children are and what they're learning, but also the flexibility that it provides to then again go pursue employment or further their education, it has such an incredible impact.

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**Hillary:** That joy and relief tenants feel is health equity in action. Success stories like the Lafayette-Boynton housing complex show that solutions are possible through creative partnerships and investment—even in places hardest hit by the housing crisis.

But New York City is not alone. Los Angeles is just behind them with the second largest overall housing shortage in the entire country.

**Jasmine:** Now seeing the housing crisis in California and Los Angeles, specifically, we want to make sure that we are investing in ways that can be supportive of solving those hard problems.

**Hillary:** One nonprofit organization working toward solving those problems, including the affordable housing shortage in Los Angeles, is called the Weingart Foundation.

**Tim Ortez:** If you look at the disparities in health, the disparities in education, the disparities in housing, everything sort of boils down to the common denominator of the wealth gap.

**Hillary:** Tim Ortez is Chief Financial Officer for the Weingart Foundation.

**Tim:** I think the numbers 35 trillion dollars in assets, and less than 1.4% of that is managed by women and people of color. Turn that over, that means 98.6% is managed by white males, so then you look at wealth gap by race, and you say well how do we change that? How do we make opportunity for more equity in health, more equity in housing, more equity in education? How do we turn that around?

**Hillary:** The Weingart Foundation supports nonprofit organizations, collaboratives, and coalitions that provide critical services in communities and are working toward systemic change. And the foundation has deep ties to housing that go all the way back to its founder's story.

**Tim:** Ben Weingart, our benefactor, actually came to Los Angeles around the turn of the twentieth century. He had humble beginnings. He came to Los Angeles and started a laundry business. During the course of the business, he became acquainted with hotel operators, and they saw this business acumen that he possessed, and they ended up turning to him to ask him for advice, and, you know, running their business more properly, more efficiently. And over time, he started to develop interest in these properties.

**Hillary:** He owned over 250 properties in and around Los Angeles.

**Tim:** The foundation has a legacy in housing because Ben used to own residential or multi-family properties in Los Angeles, and then he was also one of the people responsible for the development of the city of Lakewood.

**Hillary:** Sometimes called the “archetype of the American suburb”, Lakewood was one of the country’s first planned housing developments and the largest in the nation in 1950. There’s another piece of the story that often gets overlooked...

**Tim:** There was also a history of redlining. It was one of the first classic cases of redlining in California.

**Hillary:** The term redlining goes back to the 1930s, and it relates to government homeownership programs established through the New Deal. As these programs developed, the government set new criteria for evaluating properties and determining which homeowners would be eligible for loans.

They created these color-coded maps to assess the loan risk of neighborhoods all across the U.S.; red being the most “risky” investments. And this led to redlining, or the discriminatory practice of denying or limiting services like loans, insurance, and mortgages, based on the racial or ethnic composition of a given neighborhood.

**Tim:** That was part of what contributed to the foundation’s wealth and their legacy.

**Hillary:** And it’s a history that Tim does not shy away from. In fact, he sees reckoning with the past as a reason for the Weingart Foundation’s mission today.

**Tim:** There’s a feeling of responsibility in trying to right that wrong, and that’s why we feel a particularly close commitment to housing justice. Hopefully, we can build a better future in that everybody has access to housing.

**Hillary:** For Tim, there's a throughline from what Ben set out to do with his life and the housing justice movement the Weingart Foundation is part of now.

**Tim:** During his lifetime, he really was focused on just building a better life, but in the end, he wanted his foundation to take care of employees that he was going to leave behind, that somebody was there to take care of those people that he was close to.

**Hillary:** And as a native of Los Angeles himself, Tim found some parallels to his own life in Ben's story.

**Tim:** I was born in the middle of Los Angeles. I was raised by a single mom, and I was steered on a productive path by a couple of key mentors in my life. One insisted that I made going to college a priority. And then when I was already in my professional career, finding somebody who believed in me and gave me a chance at managing their investment portfolio, and that probably put me on the path to where I am today.

**Hillary:** Giving people a chance at a better life was part of Ben's legacy that lives on in the foundation's impact. Since its creation in 1951, the foundation has provided more than 1 billion dollars in grants and loans to thousands of organizations across southern California. These organizations are doing work in human services, housing, health, education, and community power building.

And in recent years, the Weingart Foundation has taken their work even further by overhauling their investment strategy to better align with their mission. It's an effort Jasmine has been a part of since her first days at Cambridge Associates.

**Jasmine:** I love working with Tim and the Weingart Foundation. We both started working with Cambridge Associates at the same time.

**Hillary:** The Weingart Foundation became a client of Cambridge Associates in 2018, the same year that Jasmine joined as Head of Diverse Manager Research. And by that point, Weingart had already spent a couple of years thinking about how they could put equity at the forefront of their investment strategy.

**Tim:** At the time I was joining the foundation, we had made a commitment to advancing equity.

**Hillary:** And by 2016, when Tim took the role of CFO, the Weingart Foundation began an ambitious process of aligning its entire 850 million dollar investment portfolio with its mission to advance racial, social, and economic justice for all.

**Tim:** In the process of making that equity commitment, it was decided that we wanted to include all of our resources and policy decisions around advancing equity, and somebody raised the question “Well what about our investment portfolio?” And ultimately, we said, “Yep we mean the investments too.” I didn’t realize at the time that was going to be transformative in my role, but that was sort of handed off to me as my mandate that, well Tim you work with investments can you figure this out.

**Hillary:** And Jasmine was tapped to help figure out what that could look like and how to execute on Weingart’s vision.

**Jasmine:** The early conversations we had were very much so around exploring what our approach should be. What we find in those early conversations are that you can have everyone at the table that are aligned at a high level, but when you really start digging into the details of what does this look like to you, are we talking about new fund managers, established fund managers, are we talking specifically about diverse teams. When you start flushing out those details, you realize that there’s a lot of conversations to be had.

We were able to develop a framework that we would use to continually use to monitor their portfolio. We were able to speak with all the stakeholders across all the organization. Certainly, you know, Tim as the CFO was the head of our exploration there, but also working with the board, working with the president of the organization, and really understanding five years from now where do we want to be.

**Hillary:** One major way that the Weingart Foundation advances its commitment to equity is in their selection of diverse fund managers whose values align with their mission.

**Tim:** One of our managers focuses on providing housing for individuals that are currently homeless but holding housing vouchers. In the county of Los Angeles, in any given year, there's probably three to four thousand individuals that have housing vouchers but have nowhere to live.

**Hillary:** And Tim explains that this is because some landlords are reluctant to take vouchers, and other times, there's simply no availability at the properties.

**Tim:** This particular manager focuses on building from the ground up multi-family units that are basically underwritten for tenants holding housing vouchers.

**Hillary:** A typical project for this manager is anywhere between 80 and 100 units, which are often what's called "infill housing". If you've ever walked through a neighborhood and noticed an overgrown vacant lot between residential buildings, infill housing would be the new homes that are built on that lot. Another example of infill housing is the reuse of existing homes after major refurbishing. And in Tim's example, infill housing gave people who once found themselves on the streets with housing vouchers but no home a place to live.

**Tim:** The thought of there being three to four thousand people that actually are holding a government-backed housing voucher with no place to live... it's just really an unacceptable solution; however, units are commonly costing somewhere between 850,000 to one million dollars per unit, and that's really just not sustainable.

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**Hillary:** To put this into perspective, in Los Angeles County, there are over 70,000 unhoused people. Tim says that for the current unhoused population, you'd need 70 billion dollars to fix that problem, so creative and cost-effective solutions are vital and urgently needed.

**Tim:** This particular manager, their strategy is to not use government funding to use all private funding, so when they started back in 2019, they were building units you know for less than two hundred thousand dollars a unit. Now, because of the rise in interest rates and increase in the cost of raw materials, they're closer to 225 to 250 thousand dollars a unit, but it's still a quarter of what it's costing government sources to build the same type of units for these individuals.

**Hillary:** The Weingart Foundation was one of the first investors in that fund, and it proved to not only be a smart financial choice but a transformative one in the housing sector.

**Tim:** That was helpful for a couple of reasons, not just for our capital but because of our endorsement of the strategy. We were able to attract some other foundations and some key investors such as Bank of America, Apple, and the Kaiser Permanente Foundation to join us, and I think other asset managers are looking at that model to look at what's possible to get more of a market rate return for capital and, at the same time, serve a public good.

**Hillary:** It's been eight years since the Weingart Foundation began their journey to align each investment in their portfolio with their mission, and today, with over 60% alignment, they're a great example of how foundations can leverage their financial assets to drive systemic change. And Jasmine continues to work closely with Weingart as they implement their manager evaluation framework and look towards the future.

**Jasmine:** At our most recent meeting, we talked about how do we continue to push even further, right. What do we want to see in the next five years? And so having a client that not only is comfortable with where they are now but wants to continually evolve is a tremendous honor and privilege really to be able to work with them.

**Hillary:** And Jasmine explains why for some mission driven organizations, it makes sense to do the tedious work of reevaluating their investment strategy to elevate their impact and ultimately do more for the communities they serve.

**Jasmine:** What Weingart has been doing is just fundamentally good investing. There is still this perception that exists in the market that to have a portfolio that is impactful, you inherently have to give away returns.

And what I think is the powerful part of the Weingart example is that not only are they building a portfolio that they're proud of, that we're proud of, and I think can be an example to peers... What you're doing is building competitive returns where you're mitigating different types of risk, but fundamentally, you're challenging yourself just to do more work and find differentiated opportunities, which is precisely what we're here to do.

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**Hillary:** It's easy to get discouraged by the sheer scale of the affordable housing shortage. But investors like the Weingart Foundation and the Vistria Group are not losing sight of the big picture — they're offering models for change and a vision for how to solve some of the most complex social challenges we face.

And when speaking with the very people rolling up their sleeves to get more people housed and healthy against an overwhelming deficit, I hear a common sentiment: There's opportunity if you know where to look.

**Margaret:** Part of the Inflation Reduction Act was something called the Greenhouse Gas Reduction Fund, and it provides grants and low-interest loans for any project activity or technology that reduces or avoids greenhouse gas emissions.

**Hillary:** One of the bigger producers of greenhouse gas emissions is actually commercial real estate, especially older vintage residential units. Just think of old homes that rely on heating systems like oil furnaces, which are less efficient than modern options.

**Margaret:** That's an opportunity to take a large federal initiative that comes with real resources and support and deploy it and invest it across as many older vintage affordable housing as we can to really increase their sustainability. Both for its environmental benefits, but also as they're more environmentally sustainable, they are operating more efficiently, and that allows the preservation of the affordability to be much simpler.

**Hillary:** Another opportunity she sees is simply to increase awareness around affordable housing. And it's a shift she's already observing and hopes will inspire investment and work towards a future where everyone has an equal chance to be healthy, wealthy, and wise.

**Margaret:** I noticed during COVID even the topic of affordable housing being much more mainstream than I've ever witnessed in my career, and people's real genuine understanding of the challenge of affordable housing, even if it's not something they're directly facing in their family or amongst their friends. To know that their New York neighbors are really struggling or their California neighbors, I think is also important for us to all think about what we can be doing as part of the solution, whether it's how we invest our capital or how we vote.

I think that the awareness is an opportunity in and of itself.

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**Hillary:** If you want to learn more, please visit us at [cambridgeassociates.com/unseenupside](https://cambridgeassociates.com/unseenupside) or check out the show notes. And if you like what you're hearing, leave us a review and tell your friends and colleagues.

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