

NEF, Fifth Third close out \$25M Opportunity Zones fund to expand workforce and low-income rental housing

Impact-focused investments will fuel community gains in Chicago, Cincinnati and Kalamazoo

CHICAGO (Sept. 23, 2020)—National Equity Fund, Inc. (NEF) and Fifth Third Bank have closed on \$25 million in Opportunity Zone investments to support development of nearly 300 rental homes for low- and moderate-income families, as well as commercial space and jobs to expand economic opportunity for the communities where they are built.

The fund, which was announced earlier this year and fully deployed over the summer, offers a model for how Opportunity Zones capital can help meet the nation’s growing demand for affordable housing at a time when there is not enough conventional financing available to scale up construction and preservation efforts.

“Because of the Opportunity Zones initiative, we were able to expand our total community investment activity and help respond to this critical need,” noted Catherine Cawthon, president of Fifth Third Community Development Corporation. “Good housing is really at the heart of our communities. That’s why we were so intent on using this new form of financing to help more families build financial security and help communities increase local economic activity and growth.”

Byna Elliott, chief enterprise responsibility officer at Fifth Third, echoed that sentiment, pointing to Opportunity Zones as part of the bank’s larger strategy to drive progress in its markets. “For us, building affordable and middle-income housing, connecting small businesses to the capital they need, and investing in programs focused on jobs are all part of a strategy to catalyze opportunities for families and communities,” she said. “These investments illustrate the impact we can have when we collaborate with strong partners to focus on impact.”

Developments supported by the NEF Fifth Third Opportunity Zones Fund include [Willkommen](#), in Cincinnati, a multi-phase residential and commercial development sponsored by The Model Group and the Cincinnati Center City Development Corp. When completed, apartments will be affordable for families with low-to-moderate incomes in the historic Over-the-Rhine neighborhood, and new commercial space will serve meet the needs of entrepreneurs, with a particular focus on attracting minority-led businesses.

Harrison Circle, in Kalamazoo, Mich., is also a mixed-income family development with an additional focus on businesses and jobs. It is helping transform an aging industrial area known as the Rivers Edge District into a residential, cultural and commercial center of activity in walking distance to downtown Kalamazoo. Development work is led by NoMi Developers and PS Equities.

And Hope Manor Village is a supportive housing project that the Volunteers of America is developing in Chicago's Englewood neighborhood, with a particular focus on the needs of homeless veterans.

"These are tremendous projects that will not only offer a good quality of life to residents but also make a positive contribution to their surrounding communities," said Matt Reilein, president and CEO of NEF, a national nonprofit that has invested \$17 billion in affordable housing.

"What's more, these investments illustrate how Opportunity Zones financing can expand the range of affordability within a community," he continued. "That is especially important right now, as millions of American families deal with economic uncertainty and income loss caused by COVID-19, and worry about their long-term ability to pay the rent."

As such, NEF is working with other intermediaries to help them structure their Opportunity Zones investments to fuel workforce housing.

"Over the last year, there have been a lot of questions raised about whether the Opportunity Zones initiative can truly benefit the residents of disinvested communities," noted Karen Przepyszny, NEF managing director – special initiatives, who leads the company's Opportunity Zones work.

"The Fifth Third fund proves that it can be done when all the partners prioritize impact," she stressed. "It's not realistic to expect maximized returns that might be available with a conventional investment when what we are really trying to do is fill a gap that the mainstream market cannot address on its own. That's what Fifth Third did with its Opportunity Zones investment, making sure that people can find a quality place to call home, and it's what other investors can do as well."

The projects supported by the NEF Fifth Third Opportunity Zone Fund will be largely completed in 2021 and early 2022.

About NEF

National Equity Fund, Inc., based in Chicago, is a leading nonprofit investor in affordable housing and one of the nation's largest syndicators of federal Low Income Housing Tax Credits. Since 1987, NEF has invested \$17 billion in 2,800 developments, supporting more than 187,000 affordable homes and fueling more than 228,400 jobs nationwide. NEF is an affiliate of the nonprofit Local Initiatives Support Corporation (LISC) and has made more than \$180 million in grants to support LISC's broad-based community investment efforts throughout the country. For more information, visit www.nefinc.org.

About Fifth Third

Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio and the indirect parent company of Fifth Third Bank, National Association, a federally chartered

institution. As of June 30, 2020, Fifth Third had \$203 billion in assets and operated 1,122 full-service banking centers and 2,456 ATMs with Fifth Third branding in Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, West Virginia, Georgia and North Carolina. In total, Fifth Third provides its customers with access to approximately 53,000 fee-free ATMs across the United States. Fifth Third operates four main businesses: Commercial Banking, Branch Banking, Consumer Lending and Wealth & Asset Management. Fifth Third is among the largest money managers in the Midwest and, as of June 30, 2020, had \$405 billion in assets under care, of which it managed \$49 billion for individuals, corporations and not-for-profit organizations through its Trust and Registered Investment Advisory businesses. Investor information and press releases can be viewed at www.53.com. Fifth Third's common stock is traded on the Nasdaq® Global Select Market under the symbol "FITB." Fifth Third Bank was established in 1858. Deposit and Credit products are offered by Fifth Third Bank, National Association. Member FDIC.