

Press statement

File : Land Trust OR
Retirement Board

Wednesday, April 8 1987

The City of Burlington is very happy to announce today one of the most exciting projects that we have entered into in many years.

We are announcing today that the City of Burlington's Retirement System, which in the last 6 years has grown from about \$10 million to approximately \$28 million, has agreed to provide a \$1 million line of credit to the Burlington Community Land Trust for mortgages to enable that non-profit organization to provide affordable housing to people in our area.

While it is impossible at this point to estimate how many units of affordable housing this action will result in, I think it's fair to say that at least 30 new units will be created or maintained.

All over the U.S. there has been widespread discussion about the question of socially responsible investment of retirement funds and about the investment portfolios of large non-profit institutions. In fact, in the U.S. today, tens of billions of dollars are held in union retirement funds, in university endowment funds, and so on.

The essential issue being debated is whether or not the owners or controllers of those funds should target that money towards socially valuable projects that conventional investment policy might not gravitate towards.

I am very happy to announce that after lengthy discussion and negotiations the City's Retirement Board has agreed to invest \$1 million in affordable housing here in Burlington, clearly an area of major social need.

Not only will this money improve our housing stock, in terms of affordable housing, but it will also improve our local economy through the creation of new jobs in the construction area. Correctly, as is their fiduciary responsibility, the Retirement Board will be receiving a fair rate of return on this loan, which certainly is a concept we strongly support.

The fact that the Retirement Board is working with the Community Land Trust is a doubly exciting concept, because the Land Trust has shown itself to be an innovative method of helping us protect affordable housing. Last year, the Burlington Community Land Trust received an award from the United Nations for its innovative approaches to the crisis in affordable housing. At present, the Land Trust has under its control or management 27 units of housing.

Let me conclude by thanking the Retirement Board members for their efforts. This year, not only has the Retirement Board worked to withdraw its investments in South Africa, but it has begun the process of investing in our own community. We want to thank the members very much for working on these important issues.