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JPMorgan Chase's New Endeavor, Led by Lionel Lynch, Will Help Finance Affordable Housing, Community Development

MARK O'MEARA, SENIOR COPY EDITOR, NOVOGRADAC

JPMorgan Chase, which is among the largest low-income housing tax credit (LIHTC) and new markets tax credit (NMTC) investors in the country, is broadening its community development business with the creation of its Community Development Banking Capital Solutions Group.



The group, which was established in October 2021 and is led by Lionel Lynch, has one goal: to provide debt to help fund new types of affordable, workforce and mixed-income housing as well as community development projects.

“I see this as an opportunity for the firm to grow its business and meet its mission,” said Lynch, director of Community Development Banking Capital Solutions at JPMorgan Chase. “We want this group to be a model for creating innovative housing and community facilities.”

The goal of this group is to develop financing options that are independent from LIHTC equity and other federal subsidies.

“We will provide debt for a range of projects that are not eligible for the LIHTC, those that are 80%-plus of the area median income,” said Lynch. “We want to build a platform to fill the significant gap between LIHTC and market-rate housing.”

Lynch said achieving this goal will take a group effort.

“We will leverage our relationships with equity investors, developers and the public sector to bring the pieces together,” said Lynch.

In addition to helping finance affordable housing, the Capital Solutions Group will also finance community development.

“Chase is a leading investor in new markets tax credits,” said Lynch. “We invest in community facilities, youth facilities, federally qualified health centers and grocery stores. We invest in NMTCs, but we [didn't traditionally] offer debt to those projects. We will now offer debt to these projects to fill out their capital needs.”

Impact and Outlook

What Lynch looks forward to most is seeing the impact this group will have across the country.

“I am most looking forward to seeing housing being built, seeing communities be able to have diverse economic composition, and bringing housing to a range of people through this initiative,” said Lynch.

Image: Courtesy of JPMorgan Chase
JPMorgan Chase's Community Development Banking Capital Solutions Group, which was established in October 2021, is led by Lionel Lynch.

While this group has ample opportunities, Lynch said there will also be hurdles.

“The biggest challenge is the biggest opportunity: it’s exciting to start something new and to be in front of the industry, to enable different parties to understand we can do these projects if we adjust the way we think and the way we underwrite,” said Lynch. “We are here to do more and to empower folks to do the same.”

Lynch’s focus now is building out a pipeline of developments to invest in.

“Building out our pipeline is going well,” said Lynch. “We are evaluating projects now and we are seeing a significant need in the market.”

Previous Work

Before taking on this new endeavor, Lynch held a few other positions at JPMorgan Chase, including executive director of community reinvestment strategy from 2018 to 2021 and executive director for home lending product management and strategy from 2017 to 2018. Before his time at JPMorgan Chase, Lynch was the vice president of strategic member solutions at the Mortgage Bankers Association from 2016 to 2017. Lynch has also worked for a real estate and economic

development consulting firm, the U.S. Department of Housing and Urban Development and a few other organizations.

“I’ve seen these developments from every angle,” said Lynch. “Now, I’m excited to bring capital solutions to the table in my new position.”

What drives Lynch is his passion for helping communities thrive.

“We are in [this industry] to provide affordable housing to individuals that need it, to be able to solve problems and change lives,” said Lynch.

Outside of the Office

In his free time, Lynch enjoys building LEGO with his two daughters, who he said are taking after his wife, who is an architect. In addition to spending quality time with his family, Lynch also has a passion for music. Before the pandemic, Lynch participated in choirs, musicals and jazz ensembles. “With COVID, I can’t do that,” said Lynch. As a result, Lynch found a new way to keep his passion for music alive during the pandemic. “During COVID, I’ve been creating music playlists for friends,” said Lynch. ♦

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