

# INVESTING FOR IMPACT: THE MICHIGAN COLLABORATIVE

*Advancing social outcomes for Michigan impact investments*



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## INITIATIVE

Investing for Impact: The Michigan Collaborative (The Michigan Collaborative) offers foundations and other institutional investors the ability to invest in targeted fixed income investments in specific geographies within the State through an institutional, publicly-traded mutual fund providing daily liquidity and a market rate return.

## STRUCTURE

The Michigan Collaborative is managed by Community Capital Management (CCM), a leader in fixed income impact investments since 1999. Fixed income impact investing is CCM's core specialty. The Michigan Collaborative utilizes the institutional share class of CCM's publicly traded mutual fund – the CRA Qualified Investment Fund (“the CRA Fund”). CCM invests each participant's capital in social impact focused market rate securities and further provides tailored matching to the investor's desired geographies or specific impact themes. The CRA Fund offers diversification by investing across various subsectors of the bond market including, but not limited to, agency CMBS (commercial mortgage-backed securities), single family agency MBS (mortgage-backed securities), taxable municipals, and asset-backed securities. Available exclusively to members of the Council of Michigan Foundations, Investing for Impact: The Michigan Collaborative differs from other available investments in the following ways:

THE MICHIGAN COLLABORATIVE	STANDARD
<b>LOWER ENTRY:</b> \$100,000 minimum investment	\$500,000 minimum investment
<b>LOWER THRESHOLD:</b> Target 100% of your investments to specific geographies, down to the county level	Geography targeting begins at \$500,000 and often doesn't target to the county level
<b>IMPACT ASSESSMENT SERVICES:</b> The Impact Investing Committee, comprised of Council of Michigan Foundations members, providing counsel to advance standardized outcomes reporting for the field	Impact reporting limited to outputs over outcomes.

## REPORTING

Participants in the Michigan Impact Investment Initiative receive financial and impact reports.

### Financial

- Quarterly financial performance of the CRA Fund
- Quarterly commentary for the CRA Fund
- CRA Fund prospectus

### Impact

- **Participant Reports:** customized impact reports for all earmarked investments detailing the use of bond proceeds and the multiple positive-based outcomes for each security earmarked to each participation
- **Investing for Impact: The Michigan Collaborative Report:** customized impact report in aggregate of all the participants' geographic targets within Michigan
- **Impact Report for the CRA Fund:** customized impact report in aggregate of all of the CRA Fund's investors nationally

## IMPLEMENTATION

Participants in The Michigan Collaborative have the ability to invest in the institutional share class of the CRA Fund (ticker: CRANX) with a total annual operating expense of 0.46%. If you'd like to learn more, have specific questions or are ready to invest, we're here to help. Please contact David Sand at CCM at 617.308.4729 or via email at [dsand@ccminvests.com](mailto:dsand@ccminvests.com).

# MICHIGAN IMPACT & EXPERIENCE

## TRACK RECORD OF MICHIGAN IMPACT

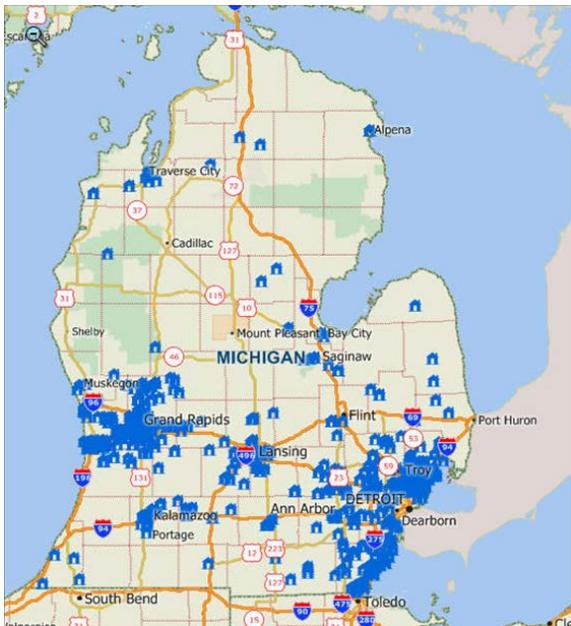
As of 3/31/17, CCM has invested approximately **\$170 million** in **environmental and social initiatives** in Michigan, generating results that make a powerful impact:

- 6,800 affordable rental housing units
- 800 home mortgages for low- to moderate-income families
- \$10 million in economic development (e.g., environmentally sustainable initiatives and neighborhood revitalization activities)
- \$36 million in statewide homeownership and down payment assistance programs
- \$4 million in job creation and small business development



## MICHIGAN STATEWIDE HOUSING INVESTMENTS

Single Family Affordable Housing



Multifamily Affordable Housing



CCM purchases single family agency MBS and agency CMBS whose proceeds finance single family properties for low- and moderate-income residents and multifamily properties, respectively, throughout the state of Michigan. Data shown as of 3/31/17.

## METRICS

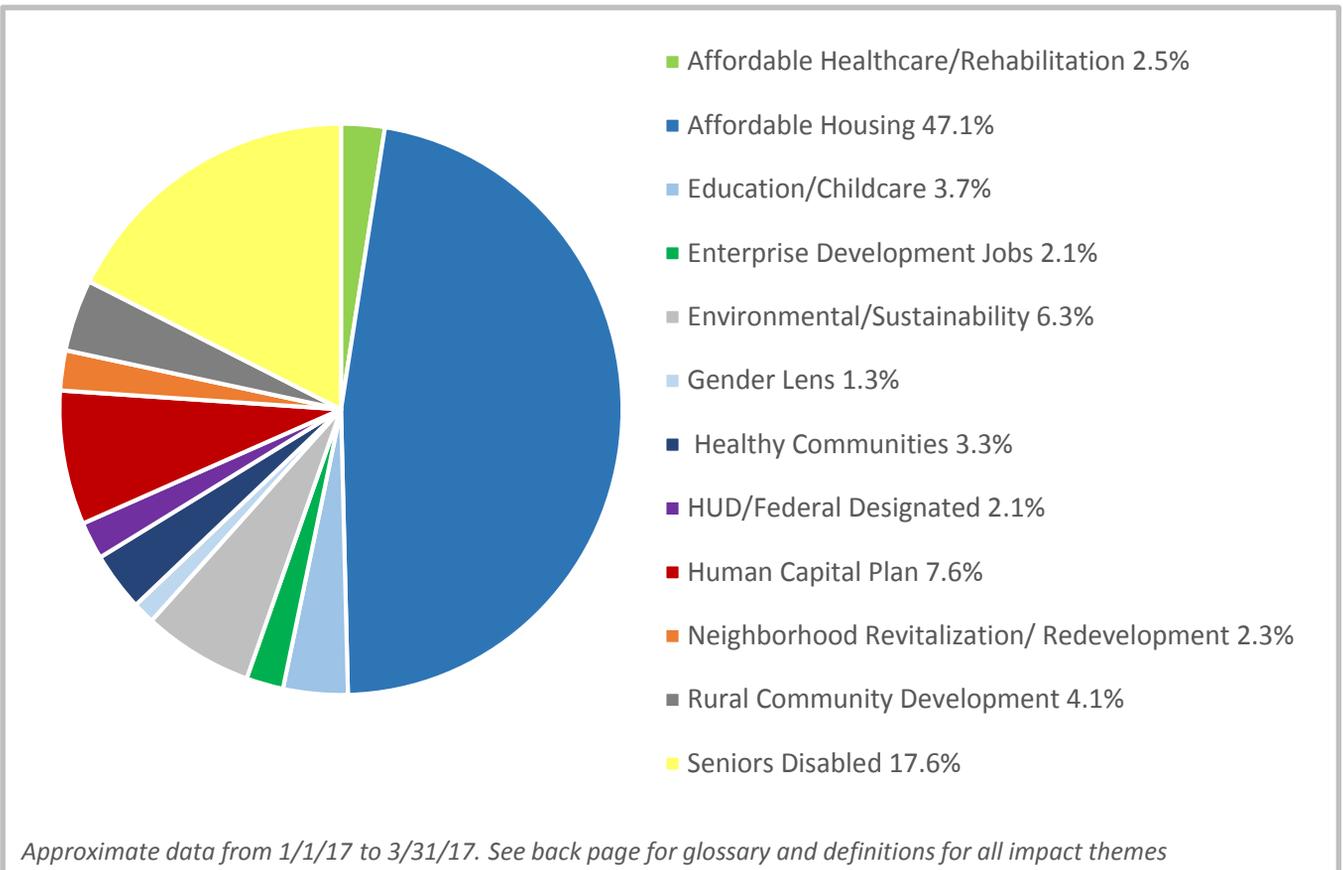
Since inception (8/30/99), CCM has invested **\$7.7 billion** in impact investments on behalf of its clients with the following impact metrics:

### INVESTMENTS SINCE INCEPTION:

1. Affordable rental housing	\$3,600,000,000
2. Home mortgages for low- and moderate-income borrowers	\$2,400,000,000
3. Affordable healthcare and rehabilitation facilities	\$33,000,000
4. Enterprise development and job creation	\$330,000,000
5. Statewide homeownership and down payment assistance programs	\$866,000,000
6. Economic development (i.e., environmental sustainability, neighborhood revitalization, healthy communities)	\$400,000,000
<b>Total Investment:</b>	<b>\$7,700,000,000</b>

*Approximate data from 8/30/99 to 3/31/17.*

### FIRST QUARTER 2017: INVESTMENTS BY THEME



# SAMPLE MICHIGAN INVESTMENT SPOTLIGHTS

## Grange Acres Apartments

Haslett, Michigan

### IMPACT THEMES



**AFFORDABLE  
HOUSING**



**ENVIRONMENTAL  
SUSTAINABILITY**



**SENIORS/  
DISABLED**

Grange Acres is an affordable rental property for low-income seniors located in the heart of Haslett in Ingham County, Michigan. The apartment community was built in 1981 and has 362 units. Rental rates are based on 30% of adjusted annual incomes and all of the property's 81 units receive Section 8 assistance. Grange Acres Apartments are located within walking distance to Lake Lansing and close to shopping, restaurants, banks and public transportation. Community features include, but are not limited to, meal service, social events, and fitness plans.

In the last few years, the apartment units underwent extensive renovations as the project was awarded grants under the American Recovery and Reinvestment Act's Multifamily Green Retrofit Program for energy efficient upgrades that creates green collar jobs, reduces utility expenses, and benefits resident's environment. Grants and loans in the Program are made for eligible property owners to make energy and green retrofit investments in the property, to ensure the maintenance and preservation of the property, the continued operation and maintenance of energy efficiency technologies, and the timely expenditure of funds.

## OI Metro Froyo

Harrison Township, Michigan

### IMPACT THEMES



**ENTERPRISE  
DEVELOPMENT/JOB**



**HUD/  
FEDERAL DESIGNATED**

OI Metro Froyo is a small business operating in the yogurt desserts, frozen business/industry within the food and kindred products sector. The business has one employee and is located in a moderate-income census tract as well as a Historically Underutilized Business (HUB) Zone. The HUBZone program promotes job growth, capital investment, and economic development to historically underutilized business zones by providing contracting assistance to small businesses located in these economically distressed communities.

The loan to OI Metro Froyo was authorized through the Small Business Administration's (SBA) 7(a) program which was established to serve small business borrowers that cannot otherwise obtain private sector financing under suitable terms and conditions. The SBA 7(a) program is the SBA's primary vehicle for providing small businesses with access to credit.

# CCM: IMPACT THEME OVERVIEW



## Affordable Healthcare/Rehabilitation

Creating and retaining affordable healthcare and rehabilitation facilities and providing caring, affordable high quality healthcare and supportive services to low- and moderate-income and medically underserved persons.



## Affordable Housing

Affordable housing is comprised of home ownership for low- and moderate-income borrowers and affordable rental housing. A home often represents a family's primary asset and serves as a base to build wealth creation. Affordable rental housing should cost no more than 30% of a household's income, and can help a community maintain a stable population by supporting workforce housing, and housing for low-income families, the elderly and disabled.



## Disaster Recovery

Supporting various community development activities in federally-designated disaster areas by providing both preventive and recovery developments.



## Education/Childcare

Assisting the education and development of children and youth, with special emphasis on those who are educationally at risk.



## Enterprise Development/Jobs

Enterprise development includes providing small businesses with access to capital; job training for the un- and under-employed; and employment opportunities for low- and moderate-income persons and communities.



## Environmental Sustainability

Rehabilitation of existing buildings; adaptive reuse; meeting energy codes; using renewable, reused, or recycled materials; water conservation; wind farms; solar; access to transit; sustainable agriculture, brownfield development; LEED certification, and environmentally sustainable small businesses.



## Gender Lens

Benefiting women and girls, primarily those that are low- and moderate-income and/or located in low- and moderate-income communities.



## Healthy Communities

Establishing and maintaining effective population-based strategies that reduce the burden of chronic disease and achieve healthy equity.



## HUD/Federal Designated

Historically Underutilized Business Zone (HUBZone); Distressed/Underserved; Empowerment Zone; Enterprise Community; Renewal Community; Neighborhood Networks.



## Human Capital Plan

Human capital plans identify resident needs and resources that assist them in achieving personal goals, greater self-sufficiency and upward mobility. It also helps link residents with community opportunities and resources.



## Neighborhood Revitalization/Redevelopment

Transforming blighted neighborhoods into areas of opportunity; assisting in the revitalization of neighborhood facilities.



## Rural Community Development:

Investing in rural communities so they help alleviate poverty/create wealth and are self-sustaining, re-populating and thriving economically.



## Seniors/Disabled

Affordable living for seniors and/or disabled individuals; meeting the physical, social and psychological needs of seniors and/or the disabled.



## Sustainable Agriculture

Assisting in the art and science of growing plants and other crops and the raising of animals for food; supporting agriculturally-sustainable businesses.

## [WWW.CCMINVESTS.COM](http://WWW.CCMINVESTS.COM)

Community Capital Management, Inc. is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The securities identified and described herein are for illustrative purposes only and their selection was based upon non-performance criteria, such as the security's social and/or environmental attributes. Past performance does not guarantee future results. Market conditions can vary widely over time and can result in a loss of portfolio value.

The CRA Qualified Investment Fund is distributed by SEI Investments Distribution Co. (SIDCO), which is not affiliated with Community Capital Management, Inc.

Investing involves risk including loss of principal. Bonds and bond funds will decrease in value as interest rates rise. Carefully consider the Fund's investment objectives, risks, charges, and expenses. This and other information can be found in the Fund's prospectus, which can be obtained by calling 866.202.3573. Please read carefully before investing. The Fund is not diversified. For institutional use only – not for retail distribution.



**FOR MORE INFORMATION,  
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