



# Program Related Investments at the California Community Foundation

Investing with Impact Conference  
Federal Reserve Bank  
February 19, 2009  
Los Angeles, CA

*Presented by  
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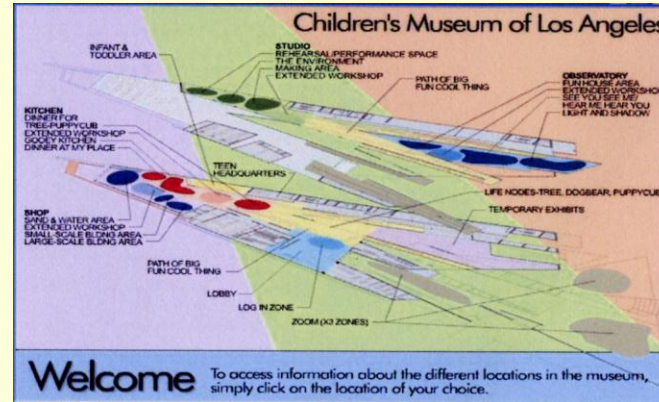
# Background on PRI Program

<b><i>Year Founded</i></b>	<ul style="list-style-type: none"> <li>• 1915</li> </ul>
<b><i>First PRI</i></b>	<ul style="list-style-type: none"> <li>• Began lending in 1983</li> <li>• Current program established March, 2000</li> </ul>
<b><i>Recipients</i></b>	<ul style="list-style-type: none"> <li>• Community Development Corporations</li> <li>• Charter schools, health clinics, housing development organizations, arts and culture groups, and multiservice agencies</li> </ul>
<b><i>Typical Structure</i></b>	<ul style="list-style-type: none"> <li>• Real estate loans with annual interest of 3% to Prime + 2%</li> <li>• \$1300 - \$2 million (Avg. amount = \$244K)</li> <li>• 6 months - 3 years (Avg. duration = 18 months)</li> <li>• Guarantees</li> </ul>
<b><i>Cumulative Activity and Outcomes—through March, 2007</i></b>	<ul style="list-style-type: none"> <li>• \$21.6 million (loans)</li> <li>• \$2.8 million (loan guarantees)</li> <li>• 4,507 units of affordable housing, for low- income families, homeless men and women, veterans, HIV/AIDS and developmentally disabled adults</li> <li>• More than 300,000 square feet of community facility space</li> </ul>

# Examples of Loans



East LA Community Corporation  
Las Casita Housing Project,  
Boyle Heights, CA



Children's Museum of Los Angeles



Mercado la Paloma, Los Angeles, CA

# New PRI Program

<b>Current Assets</b>	<ul style="list-style-type: none"> <li>• \$900 million</li> </ul>
<b>Goals</b>	<ul style="list-style-type: none"> <li>• Align PRIs with CCF’s strategic and programmatic goals</li> <li>• Support the emergence and scalability of community financing markets related to and thus serving CCF Programs</li> <li>• Leverage the experience, capacity, ad capital of other established intermediary/alternative lenders, such as LIIF, LISC or Enterprise. Enables CCF to: <ul style="list-style-type: none"> <li>Combine multiple sources of capital</li> <li>Use others to operate the initiative</li> <li>Expanded reach and market awareness</li> <li>Reduced risk</li> </ul> </li> </ul>
<b>Guiding Principles</b>	<ul style="list-style-type: none"> <li>• Direct link to Program priorities and CFLT</li> <li>• No duplication of existing market resources</li> <li>• High leverage of private capital, and tool to move the market in order to: <ul style="list-style-type: none"> <li>Build capacity of grantees/nonprofits, intermediaries, and lenders</li> <li>Mobilize foundation and financial services support for LA County</li> </ul> </li> <li>• Risk management and preservation/recycling of capital</li> <li>• Continued innovation and leadership within the foundation community nationally</li> <li>• Meaningful commitment to targeted arena(s)</li> </ul>
<b>Pool</b>	<ul style="list-style-type: none"> <li>• 10% of unrestricted assets</li> </ul>
<b>Recipients</b>	<ul style="list-style-type: none"> <li>• CDFIs involved in financing affordable housing, early childhood education, health care and nonprofit organizational sustainability</li> </ul>
<b>Structure</b>	<ul style="list-style-type: none"> <li>• Various rates; 8 – 10 year terms</li> </ul>
<b>Performance Metrics</b>	<ul style="list-style-type: none"> <li>• Amount of new capital raised;</li> <li>• Ratio of CCF PRI capital to new capital leveraged; and</li> <li>• % distribution of PRI capital by intermediaries</li> </ul>

# Examples of Loans under New Structure

## Loans-to-Lenders

NEW GENERATION FUND LLC



*Gateway Apartments*



*Child Care Facility*

## Health Care Facilities



## Nonprofit Sustainability



Nonprofit Finance Fund