



Bay Area Family of Funds Overview

The Bay Area Family of Funds is a regional effort developed by the Bay Area Council to attract private capital into low and moderate-income (LMI) neighborhoods. Investments through the funds aim to produce double bottom line (DBL) returns: market rates of financial return to the investors (the first bottom line) and significant economic, social, and environmental returns to the communities where investments are made (the second bottom line).

The Bay Area Family of Funds is a national model of regional DBL investing and has attracted over \$215 million in private equity. Fund investors consist of banks, foundations, a pension fund, insurance companies, individuals, and other corporations, and are expected to leverage \$1 billion of investment into Bay Area LMI neighborhoods over a ten-year period. As a sponsor of DBL private equity funds, the Bay Area Council receives management fees that are reinvested into the community through second bottom line programs.



The Bay Area Family of Funds includes:

- **Bay Area Smart Growth Fund I** is a \$66 million real estate private equity fund that invested in residential, retail, office, and industrial projects. BASGF I is fully invested in 14 deals, has had 12 liquidity events to date and has realized top quartile performance.
- **Bay Area Smart Growth Fund II** (BASGF II) is a \$125 million real estate private equity fund managed by Kennedy Wilson. BASGF II follows on the success of BASGF I and is similarly formed to invest in real estate opportunities in underserved neighborhoods in the nine-county Bay Area. BASGF II is a ten year double bottom line fund, providing market rate returns for its investors and significant economic, social, and environmental returns for community stakeholders. The Fund invests in a spectrum of real estate projects, including retail, office, industrial, and housing (for rental and sale), with an emphasis on mixed-use, urban infill, and transit-oriented projects.
- **Bay Area Equity Fund I** is a \$75 million venture capital fund managed by DBL Investors, a firm which completed its spinout from JPMorgan in January 2008. The Fund has a double bottom line investing approach: it invests in private growth companies that can deliver top-tier financial returns, and it actively works with these companies to implement programs that are strategic to the business while creating positive social, environmental and economic returns to the community. The Fund has made 18 investments to date in Clean Technology, Information Technology, Health Care and Consumer Products and is delivering top quartile financial returns to its limited partner investors - which include major banks and insurance companies, foundations, corporations and private individuals.
- **DBL Equity Fund** – BAEF II has the same double bottom line investing approach as the first Fund, with an expanded West Coast focus and a target size of \$150 million. DBL Investors has over 35 years of collective venture capital experience, and as a women-owned firm is promoting diversity in the entrepreneurial economy.





BAY AREA FAMILY OF FUNDS

Second Bottom Line Programs

Bay Area Ross Program in Real Estate

In partnership with the USC Lusk Center for Real Estate, the Family of Funds launched a successful new capacity building program for the Bay Area in the fall of 2007. This two-week executive training program is in its third year and provides urban developers from the nonprofit, private, and public sectors with the technical expertise and resources needed to collaborate and develop significant real estate projects in their communities. In addition to courses taught by USC faculty, over 60 Bay Area real estate industry leaders served as guest speakers. The Family of Funds provides partial and full scholarships based on demonstrated need. The 2009 Bay Area Ross Program will be held from November 16 – December 4.

Bay Area Council Scholarship Program

The Bay Area Council Scholarship Program supports students of exceptional ability from underserved neighborhoods in the Bay Area. Each year, ten incoming college freshmen are selected to receive financial scholarships for college. With the program in its third year, a total of 30 students have been named Bay Area Council Scholars. The Family of Funds has committed to providing scholarship funding each year, additionally, the program was awarded a two-year grant from the College Access Foundation in February 2008. The program seeks to address the low retention rates of underserved students by supporting them with financial resources and mentorship opportunities throughout their college careers.

Bay Area Capital Connections

This region-wide conference series delivers access to capital critical to minority entrepreneurs and business leaders interested in growing their businesses. The first conference in 2006 focused on African American entrepreneurs, the second conference in 2007 focused on Hispanic entrepreneurs and the 2008 conference focused on Asian entrepreneurs. The 2008 conference was held at the Computer History Museum in Mountain View and consisted of influential keynote speakers and topic-specific workshops throughout the day. The conference successfully brought together aspiring and successful entrepreneurs and venture capital, debt, and equity investors.



Bay Area Community Investment Network

(BACIN) This network of investors and capital providers (debt and equity) is gathered quarterly to consider pre-screened, pre-qualified real estate and business deals with DBL objectives. BACIN meetings are held in different Bay Area cities in partnership with local government agencies, highlighting each host city's investment infrastructure. With the success of this network, a spin-off was launched in 2008 called the Oakland Green Finance Network. In May 2008, BACIN partnered with Ladies Who Launch to feature women entrepreneurs in the Bay Area and in December, BACIN partnered with the East Bay Community Foundation to showcase East Bay companies.

The Bay Area Council is a business-sponsored, CEO-led, public-policy advocacy organization founded in 1945. Created as a way for the region's business community and like-minded individuals to coordinate their efforts, the Bay Area Council is widely respected by elected officials, policy makers and other civic leaders as the regional voice of business in the Bay Area.

Today, more than 275 of the largest employers in the region support the Bay Area Council as members and together focus on shaping public policy in areas such as transportation, housing, resources (energy, water, and environment), education, and business vitality.

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