

Disaster Recovery, Resilience, and Remediation

Throughout our 25 years working in impact investing, we have developed a series of impact themes in which one or more themes aligns with each of our investments.¹ Themes are evaluated individually for alignment based on each investment's use of or intent of proceeds.

Common Characteristics in CCM's Impact

- Each theme strives to have positive societal outcomes because of capital provided by our investors.
- We look for high credit quality, liquid investment opportunities that contribute to the portfolio's overall risk/return and align with at least one impact theme.
- We must be able to measure, monitor, and track the expected positive outcome(s) to maintain transparency in our client impact reporting.
- We must believe that market-rate opportunities exist so that client commitments to individual themes can be fulfilled over time.

Opportunity Set and Impact Themes

Our investment opportunity set includes securities that are liquid, financially sound, and that meet our impact criteria. We have found such securities in the following fixed income sectors: asset-backed securities, agency commercial mortgage-backed securities (CMBS), agency mortgage-backed security (MBS), corporate bonds, and taxable municipals.

Impact Themes		ABS	Agency CMBS	Agency MBS	Corporate Bonds	Taxable Municipals
Affordable Health and Rehabilitation Care		•	•		•	•
Affordable Housing		•	•	•	•	•
Arts, Culture, and the Creative Economy			•		•	•
Disaster Recovery, Resilience, and Remediation			•	•	•	•
Education and Childcare		•	•		•	•
Enterprise Development and Jobs		•	•		•	•
Environmental Sustainability		•	•	•	•	•
Gender Lens		•	•	•	•	•
Human Empowerment		•	•		•	•
Minority Advancement		•	•	•	•	•
Poverty Alleviation		•	•	•	•	•
Rural Community Development		•	•	•		•
Seniors, Veterans, and People with Disabilities		•	•		•	•
Sustainable Communities		•	•	•	•	•

Impact Theme Description:

Disaster Recovery, Resilience, and Remediation

Investments aligned with this theme support economic development activities in federally designated disaster areas and physical and civic infrastructure to better prepare communities from natural disasters and widespread health emergencies. It also includes investments helping to stimulate community and economic development and build strong infrastructure.

Examples of bond financing activities in alignment with this theme (this list is not exhaustive):

- Projects to provide relief in federally designated disaster areas.
- Projects to provide relief from the impacts of the COVID-19 pandemic, including medical, economic, and educational impacts.
- Projects that provide on-site energy during power outages.
- Risk-reduction infrastructure for disaster resilience such as flood prevention, flood defense, or stormwater management.
- Funding for habitat destruction mitigation.
- Helping meet the lending needs of recovering communities by supporting Community Development Financial Institutions (CDFIs).

Case Studies: Disaster Recovery, Resilience, and Remediation

We believe real-world examples are one of the most powerful ways to demonstrate how a bond aligns with a specific impact theme. This perspective highlights two impact investments that exemplify the impact theme of **Disaster Recovery, Resilience, and Remediation**.

For details on our impact in this theme or to see additional examples, please email us at info@ccminvests.com.

Texas Water Financial Assistance Bonds

Texas | Taxable Municipal

Created in 1957, the Texas Water Development Board (TWDB) works to ensure Texans have access to sufficient, clean, and affordable water supplies that foster a healthy economy and environment. TWDB's key responsibilities are threefold: collecting and disseminating water-related data; assisting with regional water supply and flood planning that contributes to preparing the state water plan and state flood plan; and administering cost-effective financial programs for constructing water supply, wastewater treatment, flood control, and agricultural water conservation projects.

Texas issued its Water Financial Assistance Bonds to conserve and develop its water resources. Specifically, the 2023 Series D Water Financial Assistance Bonds are synonymous with the Economically Distressed Areas Program (EDAP) Bonds, which finance water and wastewater projects in economically distressed areas where the area median income is 75% or less. EDAP provides financial assistance in the form of grants and loans for water and wastewater projects in economically distressed areas where service is unavailable or inadequate to meet state standards.






Eligible applicants include political subdivisions, including cities, counties, and water districts, as well as nonprofit water supply corporations. Eligible products include planning, land acquisition, design, and construction for first-time water and wastewater service, water supply and/or treatment system improvements, and wastewater collection system and/or treatment works improvements. The 2023 Series D Bonds will likely fund the following four projects:

- (1) Southern Cameron County Water Line Rehabilitation Project: This project, for the Military Highway Water Supply Corporation (MHWSC), includes the replacement of 11,000 linear feet of eight-inch water lines and related appurtenances along Military Highway in the Las Rusias service area in Cameron County to increase the reliability of the main distribution line. Las Rusias (or Rucias) is a colonia—defined as a substandard housing development often found along the Texas-Mexico border where residents lack basic services such as drinking water, sewage treatment, and paved roads. Las Rusias is at the junction of U.S. Highway 281 and Farm Road 1479, nine miles southwest of Harlingen and one mile north of the Rio Grande in southwest Cameron County. Cameron County is a high-minority, high-poverty county where 22% of the population lives below the poverty line.
- (2) North Weslaco EDAP Phase 2 Sewer Service: This project for North Alamo Water Supply Corporation (NAWSC) provides first-time sewer service to two unincorporated subdivisions (Cielo Azul No. 5 and Mesquite Subdivision No. 1) in Hidalgo County with approximately 74 connections and an estimated population of 303. The project includes the construction of a collection system and a one-meter belt filter press at the wastewater treatment plant. NAWSC is a legally chartered corporation operating under the laws of the State of Texas to furnish potable water and wastewater utility services for rural residents of eastern Hidalgo County, Willacy County, and northwestern Cameron County. The system presently serves more than 44,900 meter connections, representing an estimated population of nearly 180,000. Hidalgo County is a high-minority, high-poverty county where 27% of the population lives below the poverty line.
- (3) North Donna Regional WWTP Phase 2 Sewer Service: This project for NAWSC will provide sewer service for the first time to nine subdivisions in Hidalgo County, which have approximately 419 connections and an estimated population of 1,634.
- (4) Lift Station Relocation: This project for Union Water Supply Corporation (UWSC) entails a wastewater treatment plant rehabilitation, a lift station relocation, and a lift station rehabilitation. The lift station relocation addresses odor and performance issues, and the lift station rehabilitation addresses concrete piping and electrical issues. UWSC strives to provide high-quality, reliable water services and wastewater collection systems in a responsive and efficient manner. They service residential and commercial communities in the Harris and Montgomery counties, encompassing over 18,000 connections. Harris County is a majority-minority county.

TWDB's 2022 State Water Plan outlines Texas' need for strategic water planning. The goal of the state's water planning process is to ensure adequate water supplies for all Texans during droughts. Texas has a long history of drought, and there is no indication of that pattern changing; in fact, recent droughts signal that more severe drought conditions are likely to continue.



Impact Themes

-  Disaster Recovery, Resilience, and Remediation
-  Environmental Sustainability
-  Minority Advancement
-  Poverty Alleviation
-  Sustainable Communities

Impact Designations

N/A

Walk, Bike, Transit Scores®

N/A

Villa Blanca Apartments

Caguas, Puerto Rico | Agency CMBS



In January 2018, widespread destruction from Hurricane Maria occurred in areas that are not connected to the U.S. mainland, including the U.S. Virgin Islands and Puerto Rico. CCM was able to help revitalize and stabilize areas of Puerto Rico through investments that helped refinance affordable multifamily properties in federally designated disaster areas. While altruistic efforts and aid are critical for all disasters, they typically take place immediately following the destruction, but most recovery efforts can take years, if not decades, to complete.

Villa Blanca Apartments is an affordable rental property for families in Caguas, Puerto Rico. The property consists of 54 two-bedroom and 46 three-bedroom units in eight, two- and three-story buildings across four and a half acres of land. All 100 units receive Section 8 assistance. Villa Blanca Apartments is in a high-minority and high-poverty census tract with most of the population residing in this census tract are minority households (99%) and 45% of the population live below the poverty line.



Caguas is about 20 miles from the capital city of San Juan in Puerto Rico. The town had no power or running water for months after the storm. Many residents were doing laundry by hand or washing their clothes in a small stream on the side of the road.



Impact Themes

-  Affordable Housing
-  Disaster Recovery, Resilience, and Remediation
-  Environmental Sustainability
-  Minority Advancement
-  Poverty Alleviation

Impact Designations

-  High Minority Census Tract
-  High Poverty Census Tract

Walk, Bike, Transit Scores®

N/A

About CCM: Founded in 1998, Community Capital Management, LLC (CCM) is an investment adviser registered with the Securities and Exchange Commission. The firm's mission seeks to deliver superior risk-adjusted returns through investment strategies that contribute to positive societal outcomes. For more information, please visit: www.ccminvests.com.

¹ Impact criteria exceptions are only applicable to transitional assets that are used for portfolio management purposes.

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