

# Rural Community Development

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.<sup>1</sup> 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 is designed to encourage positive societal outcomes through capital allocation.
- 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:

#### Rural Community Development

Investments aligned with this theme help communities of stated persistent poverty. It also includes investments in initiatives that look to support people experiencing homelessness, eradicate or decrease the number of people in poverty, and those in a persistent poverty county.

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

- Home loans to LMI borrowers in rural areas outside of a metropolitan statistical area (MSA).
- Loans to small businesses in rural areas outside of an MSA.
- Affordable rental housing in rural areas outside of an MSA.
- Mortgage loan programs to assist borrowers buying a home in a rural area.
- Investments that support Community Development Financial Institutions (CDFIs) providing services in rural areas.
- Financing for community centers, workforce development programs or educational opportunities in rural areas.
- Programs or organizations providing equitable access to essential services in rural areas such as broadband, education, public transportation and healthcare.

## Case Studies: Rural Community Development (FOR ILLUSTRATION ONLY)

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 **Rural Community Development**.

For details on our impact in this theme or to see additional examples, please email us at [info@ccminvests.com](mailto:info@ccminvests.com).

### Oregon 2025 Series B Sustainability Bonds

Statewide, OR | Taxable Muni

The state of Oregon expects to use proceeds of its 2025 Series B Sustainability Bonds to finance the construction of 1,210 units of affordable housing under the state's Local Innovation and Fast Track (LIFT) and Permanent Supportive Housing (PSH) programs. LIFT serves communities of color with affordable rental and homeownership programs, and PSH provides affordable housing with services for people experiencing chronic homelessness.

The LIFT and PSH programs are both administered by Oregon Housing and Community Services (OHCS), the state's housing agency that provides financial and program support to create and preserve quality affordable housing for Oregonians of low and moderate income. The Oregon Housing Stability Council provides policy direction and approves certain programs or financing for OHCS.

The state expects to allocate \$260 million (86%) of the proceeds of the 2025 Series B notes to finance new construction of affordable housing under the LIFT program. Projects will be selected based on the highest priority needs and are expected to create approximately 910 units of affordable housing with the overall goal of increasing the supply of affordable housing in underserved communities, stimulating economic growth, and revitalizing communities. OHCS and the Housing Stability Council will select projects that promote LIFT goals of financing affordable housing units for one or more of the following: 1) Oregonian households with income at or below 60% of the area median income (AMI) for rental units and 80% AMI for homeownership units, 2) Historically underserved communities with focus on communities of color and rural communities, 3) Households that receive services from the Oregon Department of Human Services child welfare or self-sufficiency programs, or 4) Affordable housing that results in cost-efficient design and expedient timelines for placing the units in service.

The state expects to allocate \$40 million (13%) of the proceeds of the 2025 Series B notes to finance new construction of affordable housing under the PSH program. Projects will be funded based on the highest priority needs and are expected to develop approximately 300 units of affordable permanent supportive housing for people chronically experiencing homelessness. For these funds, OHCS and the Housing Stability Council selected projects that promote PSH goals of financing affordable housing units for Oregon households with incomes at or below 60% of AMI for rental units, people who are chronically experiencing homelessness, and affordable housing that results in cost-efficient design and expedient timelines for placing the units in service.

The Oregon legislature established the LIFT program in 2015. OHCS worked with the Housing Stability Council and stakeholders to develop a plan for the efficient and maximum use of funds to create a large number of new affordable housing units to serve low-income Oregonians, specifically for historically underserved communities, which the legislature defined as rural communities and communities of color. Since then, the LIFT program has financed 153 projects providing a total of 8,752 units of affordable housing with proceeds from Article XI-Q bonds. LIFT requires the state to have an ownership or operational interest in any real property developed. All LIFT projects are to serve communities of color, and 50% of LIFT funds are specifically for projects in rural communities. OHCS seeks to serve communities of color with meaningful engagement, project building design influenced and informed by the community the project is serving, ongoing service partnerships with culturally specific or culturally responsive organizations, agreements with local service providers to engage in culturally appropriate services for residents, and projects explicitly designed and located to address displacement of communities of color.

PSH is a proven model that pairs services with housing for people experiencing chronic homelessness and who may also have a disability. The program combines three elements: the development of permanent affordable housing, comprehensive tenancy support services, and project-based rental assistance. PSH projects must use project-based rental assistance to ensure PSH units are deeply and sustainably affordable for households with little to no income. By providing on-site, individualized services, PSH leads to long-term housing stability for vulnerable households as well as cost savings in public systems, particularly within healthcare and justice systems. In 2022, OHCS received an Award for Program Excellence for its PSH program from the National Council of State Housing Agencies, one of the highest honors in state housing finance.



#### Impact Themes

-  Affordable Health and Rehabilitative Care
-  Affordable Housing
-  Environmental Sustainability
-  Human Empowerment
-  Minority Advancement
-  Poverty Alleviation
-  Rural Community Development
-  Seniors, Veterans, and People with Disabilities
-  Sustainable Communities

#### Impact Designations

N/A

#### Walk, Bike, Transit Scores®

N/A

## Mira Verde

Labelle, FL | Agency CMBS

Mira Verde is a Low-Income Housing Tax Credit (LIHTC) property outside of a metropolitan statistical area in Labelle, Florida (Hendry County) with 140 units. To qualify for the LIHTC allocation, the property owner agreed to reserve all 140 units for low-income residents with incomes at or below 60% of the area median income for a period of 30 years. The property is in Census Tract 0003.00, a majority-minority, high-poverty census tract where minorities comprise 73% of the population and 33% lives below the poverty line.

Mira Verde offers two-, three-, and four-bedroom apartments located near dining, shopping, and local entertainment in Labelle. Community amenities include an on-site childcare center, clubhouse, business center, fitness center, laundry center, volleyball court, soccer field, resort-style pool, nature trail, car care center, playground, resident watch program, barbecue grills, and picnic areas. Additionally, the property management company offers a resident referral program, preferred employer program, and community social, recreational, and educational events.

Mira Verde's childcare center features a voluntary pre-kindergarten (VPK) program offered through the Redlands Christian Migrant Association (RCMA), a nonprofit organization that provides services to children of migrant farm workers and other rural, low-income families. The VPK program provides subsidized education services to improve reading readiness and early literacy skills for four-year-old children prior to kindergarten. RCMA is the largest single provider of childcare services in Florida, and most of the children enrolled in VPK are English language learners. Serving a large migrant population plus year-round farm and low-income families, RCMA offers the 540-hour VPK program option during the typical academic year and a more condensed, 300-hour summer program in June and July so that the program offers greater accessibility. The program provides a way for vulnerable families to get their children the education they need during crucial years of their development.



### Impact Themes

-  Affordable Housing
-  Education and Childcare
-  Human Empowerment
-  Minority Advancement
-  Poverty Alleviation
-  Rural Community Development
-  Sustainable Communities

### Impact Designations

-  Low- and Moderate-Income Census Tract
-  Majority-Minority Census Tract
-  Rural Census Tract

### Walk, Bike, Transit Scores®

-  Walk Score
-  Bike Score
-  Transit Score

**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](http://www.ccminvests.com).

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

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