

# Minority Advancement

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:

#### Minority Advancement

Investments aligned with this theme support programs and initiatives that offer equal access to jobs, economic development, and affordable housing for ethnic minorities and minority communities. It also includes investments in majority-minority census tracts and high minority census tracts in addition to services beneficial to ethnic minorities and minority communities.

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

- Home loans for minority homebuyers or borrowers in a census tract where at least 50% of the population are minorities.
- Home loans or rental housing in a R/ECAP state, county, or census tract.
- Loans to minority-owned small businesses.
- Bonds whose book-runners include minority-owned companies.
- Investments that support the growth of minority institutions such as Historically Black Colleges and Universities (HBCUs).
- Projects or programs that support minority populations that are vulnerable, excluded, marginalized, or underserved.
- Social and wrap around services tailored towards minority populations that are provided in conjunction with affordable rental housing.
- Statewide homeownership programs where at least 50% of borrowers are minorities.
- Investments that support Community Development Financial Institutions (CDFIs) providing services to minority populations.

# Case Studies: Minority Advancement (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 **Minority Advancement**.

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

## New York City Housing Development Corporation

Statewide, MN | Taxable Muni

The New York City Housing Development Corporation's (NYCHDC) 2025 Series D Housing Impact Bonds will finance two mortgage loans for acquiring, rehabilitating, and equipping two affordable housing developments in Brooklyn, New York (Kings County) and Manhattan (New York County) under the Permanent Affordability Commitment Together (PACT) Program. The goal of the PACT program is to convert at least 62,000 public housing units to Section 8 assisted housing by the end of 2028. To date, NYCHA has converted approximately 27,130 units.

The properties included in this project are collectively known as the PACT Metro North White Houses (Metro North Development) and the PACT Ocean Hill/Stuyvesant Gardens (OHSG Development). Across both developments there will be a total of 1,443 units, and generally, newly admitted residents are to be very-low-income residents earning no more than 50% of the area median income (AMI) under Section 8 contracts. A portion of the units are currently occupied by households with incomes above 50% AMI; when those units become vacant, they will be set aside for households with incomes at or below 50% AMI.

For both developments, improvements and amenities for unit and common areas will include modern finishes, energy efficiency upgrades, building heating systems, new apartment windows, new bathrooms and kitchens, modern security system implementation, and renovations to roofs and facades. For the OHSG Development, there will also be 97 parking spaces available for residents and non-residents.

The rehabilitation of the Metro North Development in Manhattan is expected to be completed in approximately 36 months. Upon completion, the Metro North Development will contain a total of 516 units (including two non-revenue-generating units) across four residential buildings, and non-residential space. The rehabilitation of the OHSG Development in Brooklyn is expected to be completed in approximately 32 months. Upon completion, the OHSG Development will contain a total of 927 units (including four non-revenue-generating units) across 14 residential buildings, and non-residential space.

The OHSG Development will be managed by a joint venture between NYCHA PACT LLC, an affiliate of NYCHA, and Bed Stuy Collective, which is comprised of two affiliates, Kalel Ventures LLC (Kalel) and Dantes Partners, LLC. Kalel is a private real estate development firm specializing in the development and ownership of affordable multifamily housing throughout the New York metropolitan area. Kalel collaborates with non-profit and for-profit developers to deliver financial resources to transactions and beyond developing housing, prioritizing the delivery of social services through partnerships to equip residents with tools to combat socioeconomic challenges. Kalel is a certified Minority Business Enterprise (MBE) and maintains an ownership and economic interest in all properties it develops. Dantes Partners is a Black owned business striving to develop luxury affordable housing and community-focused real estate initiatives across the Mid-Atlantic. Dantes Partners has successfully financed, developed, and acquired over 8,000 units. ETC Companies LLC is the general contractor for the OHSG Development rehabilitation. ETC's partnering companies have a combined 60 plus years of experience with a focus on new construction and rehabilitation of multi-family affordable housing complexes.

PACT requires economic opportunities created through property conversions to be directed to residents through a federal program called Section 3. Development partners will offer long-term employment prospects, job training, and support for resident-owned businesses. Residents also have access to NYCHA's Office of Resident Economic & Employment Sustainability (REES), which connects them to local hiring events, job training, adult education programs, rent incentive programs, financial empowerment services for credit improvement or debt management, and resources to start or grow a business.

NYCHDC is a public benefit corporation created in 1971 to provide and encourage private capital investment in safe and sanitary housing for low-, moderate-, and middle-income people and families. In fiscal year 2024, NYCHDC issued \$2.3 billion in bonds and served more than 22,800 residents.



### Impact Themes

- Affordable Housing
- Education and Childcare
- Enterprise Development and Jobs
- Environmental Sustainability
- Human Empowerment
- Minority Advancement

### Impact Designations

N/A

### Walk, Bike, Transit Scores®

N/A

## Sycamore Glen

Morgan Hill, CA | Agency CMBS

Sycamore Glen is an affordable housing property for seniors in Morgan Hill, California (Santa Clara County). All 20 residential units receive Section 8 assistance under Section 8 contract CA39T861030 which was initiated May 1, 2020, and runs through April 30, 2040. The property is in Census Tract 5123.10, a majority-minority census tract where minorities comprise 71% of the population.

Sycamore Glen was originally constructed in 1989 and was recently renovated in 2021. Improvements through the renovation included new heating and cooling units, double-pane windows, appliances, drought-tolerant landscaping and installation of water efficient irrigation, exterior lighting, and parking lot upgrades. Failing pedestrian bridges were repaired and new stairs were created, in addition to upgrades to the small community room and general ADA upgrades throughout the building. Community gardening beds and outdoor furniture were also added to the property. Interior renovations for each unit included floors, paint, countertops, sinks, faucets, toilets, vanities, and lights.



The property is managed by Eden Housing. Eden Housing works to create and sustain high-quality affordable housing communities that advance opportunities for all. Eden Housing works with cities and local community partners to develop and acquire homes throughout California. Currently, Eden Housing manages more than 11,937 homes and serves a diverse population of 22,000 low-income residents from all cultures and backgrounds.



### Impact Themes

-  Affordable Housing
-  Environmental Sustainability
-  Minority Advancement
-  Seniors, Veterans, and People with Disabilities
-  Sustainable Communities

### Impact Designations

-  Low- or Moderate-Income Census Tract
-  Majority-Minority Census Tract

### Walk, Bike, Transit Scores®

- 87** Walk Score
- 84** Bike Score
- 36** 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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