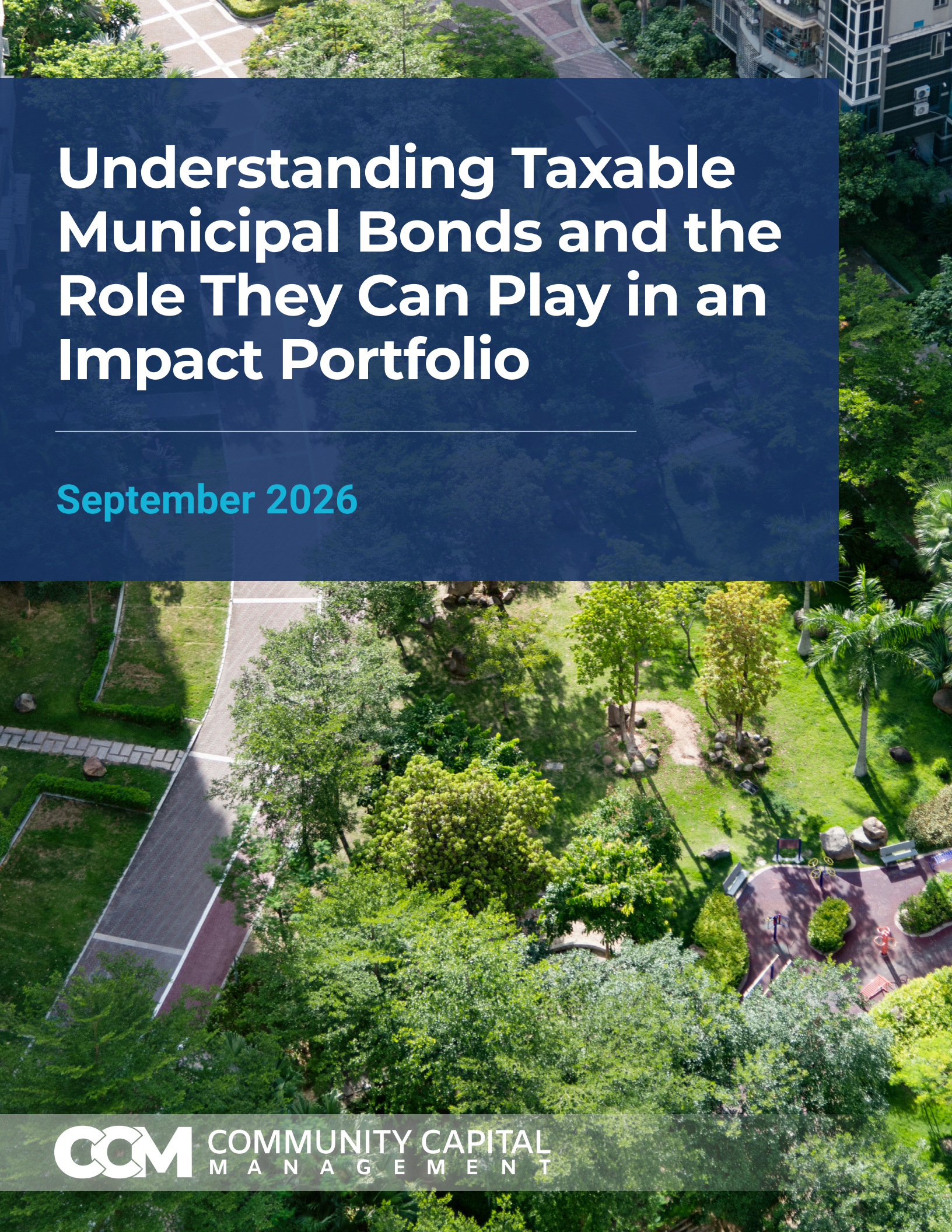


An aerial photograph of a park. In the top right corner, a multi-story apartment building is visible. The park features a paved basketball court on the left, a large area of green grass in the center, and a red-surfaced playground with various equipment on the right. Numerous trees of different species are scattered throughout the park, casting shadows on the ground.

Understanding Taxable Municipal Bonds and the Role They Can Play in an Impact Portfolio

September 2026

Understanding Taxable Municipal Bonds and the Role They Can Play in an Impact Portfolio

This report looks at:

- The taxable municipal bond market
- Key considerations of taxable and tax-exempt municipal bonds
- Role of taxable municipal bonds in an impact portfolio
- Case studies of how taxable municipal bonds can have positive societal impacts

For mission-driven institutional investors, taxable municipals can serve as a liquid component of a portfolio that seeks to advance both financial and impact objectives. These securities can offer investors a way to invest in their communities while maintaining the risk and return characteristics expected from a core fixed income allocation. Taxable municipal bonds may be particularly relevant for foundations and other mission-driven investors that do not benefit from the tax-exemption associated with traditional municipal bonds, while still offering the opportunity to pursue place-based and thematic impact objectives.

What are Taxable Municipal Bonds?

Issuers can use taxable municipal bonds when they want to broaden the pool of potential investors beyond traditional U.S. tax-exempt municipal bond buyers. This can be especially important for large, capital-intensive projects where maximizing demand and accessing additional sources of capital can help improve financing terms.

Taxable municipal bonds are state and local government or conduit-borrower debt whose interest is federally taxable, unlike traditional tax-exempt municipals whose interest is exempt from federal gross income under Section 103. Issuers use taxable bonds when projects or structures do not qualify for tax exemption, when they want to reach taxable buyers such as pensions, insurers, and foreign investors, or when tax law makes taxable issuance a practical substitute for tax-exempt refunding. Some tax-exempt issuers run into volume caps and federal constraints that force them to use the taxable municipal bond market.

Issuance is the broad term for selling new municipal bonds to investors. The proceeds can finance a new project, refinance existing debt, or serve another permitted purpose.

Refunding specifically means issuing new bonds to pay off or replace outstanding bonds, typically to achieve a lower interest cost, modify debt terms, or restructure the issuer's debt.



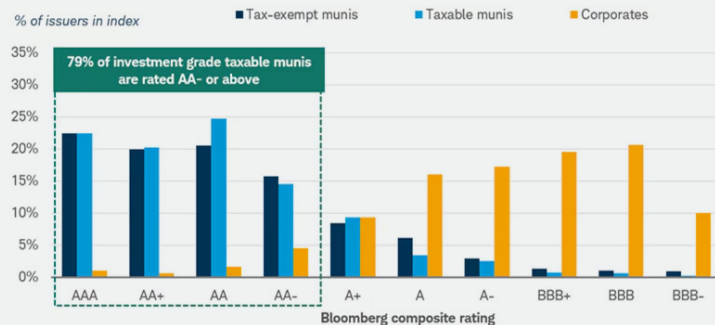
Key Considerations: Taxable vs. Tax-Exempt Municipal Bonds

Feature	Taxable Municipal Bonds	Tax-Exempt Municipal Bonds
Federal Tax Treatment	Interest is subject to federal income tax.	Interest is generally exempt from federal income tax under Section 103 of the Internal Revenue Code.
Typical Investor Base	Pension funds, insurance companies, endowments, foundations, and foreign investors.	High net worth individuals and investors seeking tax-advantaged income.
Why Issuers Typically Use Them	For projects that do not qualify for tax-exempt financing, taxable refundings, pension obligations, certain economic development projects, or to broaden the investor base.	For traditional public-purpose projects that meet tax-exempt requirements.
Market Size	Smaller segment of the municipal market; approximately \$366 billion. ¹	Represents the vast majority of the \$4.5 trillion municipal market. ²
Credit Quality	Generally high quality	Generally high quality
Yield Characteristics	Typically offer a higher yield, or rate of return, over tax-exempt with similar features and risks. ³	Typically offer a lower yield than taxable municipals.
Duration Profile	Often longer duration and attractive to liability-driven institutional investors.	Available across the maturity spectrum but often purchased for tax-efficient income.
Role Sought in Institutional Portfolios	Diversification, high-quality duration exposure, liability matching, and impact investing opportunities.	Tax-efficient income and capital preservation.
Impact Investing Potential	Often used in support of projects and programs with impact features.	Can also support impact objectives but is more commonly held by tax-sensitive investors.

Taxable municipal bonds are generally higher in credit quality than tax-exempt municipal bonds

Tax-exempt municipal bonds are represented by the Bloomberg Municipal Bond Index, taxable municipal bonds are represented by the Bloomberg Municipal Index Taxable Bonds Index, and corporates are represented by the Bloomberg US Corporate Bond Index. Based on the number of issuers in each index. Indexes are unmanaged, do not incur management fees, costs and expenses and cannot be invested in directly. For illustrative purposes only.⁴

Source: Bloomberg, as of 3/26/2026



Taxable municipal bonds yield about 1.6% more than tax-exempt municipals bonds looking at data from 2011 to 2026.

Difference in yield-to-worst between the Bloomberg Municipal Index Taxable Bonds Intermediate-term Index and the Bloomberg Municipal Bond 7 Year (6-8) Index. Past performance is no guarantee of future results. Indexes are unmanaged, do not incur management fees, costs and expenses and cannot be invested in directly. For illustrative purposes only.⁵

Source: Bloomberg, weekly data from 2/17/2011 to 3/26/2026



Market Overview

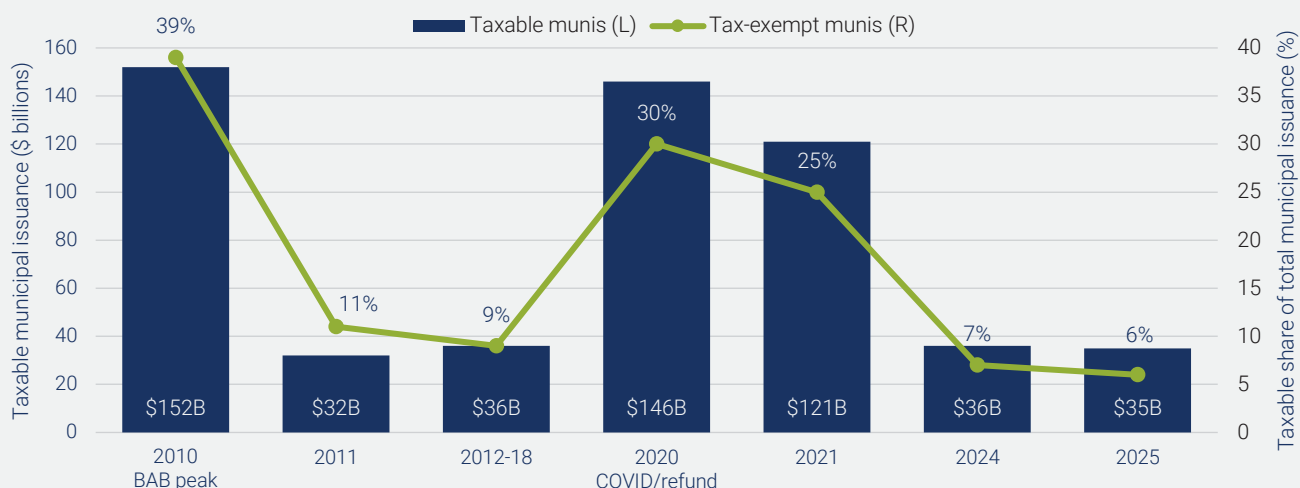
Although taxable municipal bonds represent a relatively small segment of the broader \$4.5 trillion municipal bond market,⁶ they have become an increasingly important source of financing for state and local governments and a compelling investment opportunity for institutional investors.

Taxable municipal issuance expanded dramatically during the Build America Bonds (BABs) program in 2009-2010, re-emerged as a financing tool following the elimination of tax-exempt advance refundings under the Tax Cuts and Jobs Act of 2017, and experienced another surge during the COVID-era low-rate environment of 2020-2021. While issuance has moderated in recent years, taxable municipals continue to play a vital role in financing public infrastructure, affordable housing, healthcare facilities, educational institutions, transportation systems, and climate resilience projects.

For institutional investors, the asset class can offer a variety of financial benefits such as high credit quality, diversification from other sectors of the bond market, and maturity options. It also offers the opportunity to finance specific positive community outcomes. As a result, taxable municipal bonds have emerged as an opportunity set for impact-oriented fixed income portfolios seeking to align investment objectives with measurable societal benefits.

Taxable municipal issuance: boom years and normalization

Selected annual volumes and period averages; taxable share reflects percent of total muni issuance



Selected taxable municipal issuance data show the BAB-era peak, pandemic/refunding surge, and normalization as tax-exempt new-money issuance again dominated the market.⁷

Sources: MSRB Overview of the Taxable Municipal Bond Market (2026); MSRB 2024 Municipal Market Year in Review

The International Capital Markets Association (ICMA) tends to be the most widely recognized framework for labeled bonds. ICMA develops the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines.

Role in an Impact Portfolio

Taxable municipals can serve impact portfolios in a variety of ways. They can finance or refinance public-purpose capital projects whose outputs can be measured, such as affordable housing units preserved, school facilities modernized, water systems upgraded, or other environmentally friendly initiatives. Their taxable status can expand the buyer base beyond traditional tax-exempt buyers, which is relevant for institutional investors whose tax profile makes tax exemption less valuable. Labeled green, social, sustainability, or impact bonds typically impose a clearer use-of-proceeds and reporting discipline.⁸

Transparency and Measurability

One of the distinguishing characteristics of taxable municipal bonds is the high degree of transparency they can provide to impact investors. Unlike many asset classes where proceeds may support broad corporate activities, municipal bond issuers typically disclose how funds are allocated, the projects being financed, and the communities expected to benefit. This transparency can offer investors a better understanding into the connection between their capital and real-world outcomes.

- **Geographic specificity:** Taxable municipal bonds can offer investors the ability to direct capital toward specific regions. Issuers are typically state or regionally specific and operate within their defined jurisdictions. This geographic specificity can be particularly valuable for investors seeking to address local community needs, support low- and moderate-income (LMI) communities, or align investments with place-based impact objectives. Investors can often identify the exact communities benefiting from a bond issuance, making it easier to demonstrate how capital is being deployed in targeted areas.
- **Project-level accountability:** Many taxable municipal bonds are issued to finance clearly defined projects, such as affordable housing developments, healthcare facilities, public transportation systems, schools, water infrastructure, and community development initiatives. Because proceeds are typically tied to specific projects or programs, investors can evaluate the intended use of funds and monitor progress over time.
- **Opportunities for impact reporting:** The transparency associated with taxable municipal bonds can create meaningful opportunities for impact reporting. Investors can often track measurable outputs and outcomes, such as affordable housing units created or preserved, healthcare services expanded, or jobs supported in local communities. Reporting frameworks can be developed that demonstrate both financial performance and social impact, helping stakeholders better understand the tangible results generated by their investments.

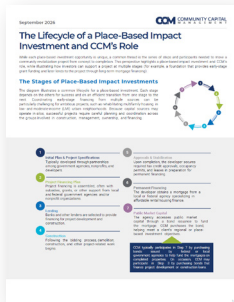


Alignment with Investor Values

For investors seeking to align their portfolios with specific values, missions, or community priorities, taxable municipal bonds can offer a compelling investment solution. Because proceeds are generally directed toward clearly identified projects, investors can gain greater visibility into where their capital is deployed and the communities it supports. This direct connection between investment dollars and measurable societal outcomes can make taxable municipal bonds an attractive option for investors looking to integrate both financial and impact objectives within a fixed income allocation.

CCM invests in bonds where the investment team has a high degree of confidence that the use of, or intent of, proceeds will generate positive societal outcomes aligned with one or more of our impact themes, or that the issuing entity supports at least one of these themes. CCM conducts ongoing monitoring to ensure a bond's stated impact remains aligned with its intended outcomes.

To learn more about the stages of a place-based impact investment, read our perspective, [The Lifecycle of a Place-Based Impact Investment and CCM's Role](#).



Place-based investing: Taxable municipal bonds are particularly well-suited for liquid place-based impact investing strategies that seek to drive positive outcomes in specific geographic areas. Investors can target regions helping to channel capital where it may be needed most.

Mission-driven portfolios: Mission-driven investors, including foundations, endowments, faith-based organizations, healthcare systems, and family offices, often seek investments that reinforce their broader organizational objectives. Taxable municipal bonds can further these goals by financing projects that address critical community needs while looking to maintain the risk and return characteristics expected of high-quality fixed income.

Questions mission-driven investors can ask when evaluating taxable municipal bonds:

- What community or impact priority does this bond support?
- Can the use of proceeds be clearly identified?
- Is the project tied to a specific place, population, or public benefit?
- What impact information can be reported over time?
- How does the credit quality, duration, and yield compare with the organization's current fixed income allocation?
- Does the investment fit within existing policy guidelines, or would a dedicated impact allocation be needed?

Case Studies

At Community Capital Management (CCM), we use taxable municipal bonds as an important tool for directing capital toward projects and communities that generate measurable societal benefits while seeking competitive risk-adjusted returns. CCM evaluates taxable municipal bonds through both an investment and impact lens. Our proprietary impact framework helps us identify where capital is being deployed and how each investment aligns with specific impact themes and outcomes. This section highlights three case studies of taxable municipal investments made on behalf of clients in response to their specific impact customization objectives.

Case Study #1: State of Oregon⁹

Location: OR • Sector: Taxable Municipals



Impact Themes

-  Affordable Health and Rehabilitation Care
-  Affordable Housing
-  Enterprise Development and Jobs
-  Environmental Sustainability
-  Human Empowerment
-  Minority Advancement
-  Poverty Alleviation
-  Rural Community Development
-  Seniors, Veterans, and People with Disabilities

Impact Designations

N/A

Walk, Bike, Transit Scores[®]

N/A

The State of Oregon will use proceeds of its 2026 Series B Sustainability Bonds to finance affordable housing projects, including the state's Permanent Supportive Housing Program (PSH) and Local Innovation and Fast Track Housing Program (LIFT). The state may substitute other authorized projects generally serving LMI Oregonians, historically underserved communities, rural communities, and people experiencing chronic homelessness.

Oregon Housing and Community Services (OHCS) is the state's housing finance agency, providing financial and program support to create and preserve opportunities for quality, affordable housing for Oregonians.

As of June 30, 2025, Oregon's Sustainability Bond Annual Report shows that prior Sustainability Bond proceeds have been allocated across LIFT rental housing, LIFT homeownership, and PSH projects throughout the state. Reported projects generally serve renters earning 30% to 60% of the area median income (AMI), homeowners earning up to 80% AMI, and PSH residents earning 30% AMI, including families, seniors, wildfire survivors, veterans, refugees, people with disabilities, people with persistent mental illness, and people experiencing chronic homelessness.

The 2026 Series B Sustainability Bond proceeds are expected to provide \$232.5 million for the LIFT Affordable Rental Housing Program, \$50 million for the LIFT Homeownership Program, and \$40 million for the Permanent Supportive Housing Program. LIFT proceeds will support affordable multifamily rental housing with 30-year affordability restrictions and homeownership units with 20-year affordability restrictions. PSH proceeds will support affordable multifamily rental housing with 30-year affordability restrictions.

LIFT provides financing for new affordable housing in historically underserved communities and for households earning at or below 60% AMI for rental housing and 80% AMI for homeownership. LIFT has provided \$1.6 billion in financing to 11,524 units across 183 projects, with approximately 50% of funds supporting projects in rural areas. The 2026 Series B Bonds are expected to contribute funding to develop approximately 2,180 affordable housing units statewide.

OHCS and the Housing Stability Council select projects that promote LIFT goals of financing affordable housing units for low-income households, historically underserved communities with a focus on communities of color and rural communities, households receiving services from Oregon Department of Human Services child welfare or self-sufficiency programs, and affordable housing that results in cost-efficient design and expedient timelines for placement of the units in service.

PSH was created to provide financing for new affordable housing and operations, including rent assistance and tenancy support services, for households experiencing chronic homelessness. The state uses funds from other sources to pay for project-based rental assistance, making PSH units affordable at 27% of a tenant's income, and providing tenancy support services to assist tenants in maintaining housing. OHCS has previously allocated approximately \$180 million in PSH financing to 836 units across 23 projects. Together with other leveraged funding sources, PSH has provided low-cost financing for 1,386 units of affordable housing.

Approximately \$40 million of the 2026 Series B Bond proceeds are expected to finance new construction of affordable housing under PSH and develop approximately 180 affordable permanent supportive housing units for people experiencing chronic homelessness. Eligible PSH projects are selected to serve households with incomes at or below 60% AMI and people experiencing chronic homelessness.

PSH projects combine affordable housing with services designed to support long-term stability for residents with complex needs. PSH uses Housing First principles, providing housing access regardless of the complexity or severity of needs. Tenant support services may include financial counseling, case management, mental health services, health care, employment assistance, nutrition support, life skills training, transportation assistance, and educational programs.

Eligible LIFT and PSH projects financed with the 2026 Series B Bonds must be constructed in compliance with the State of Oregon's Energy Efficiency Specialty Code, which is based on the International Energy Conservation Code. New construction and major rehabilitation projects in both programs also must meet OHCS Sustainable Building Path requirements, and new housing units financed by the 2026 Series B Bonds are required to include air conditioning to support resident health during extreme heat events.



Case Study #2: Utah Housing Corporation¹⁰

Location: UT • Sector: Taxable Municipals



Utah Housing Corporation (UHC) will use proceeds of its 2026 Series E Single Family Mortgage Bonds to finance mortgage loans made under UHC single-family programs. All mortgage loans financed will be 30-year, fixed-rate loans and may be accompanied by down payment assistance (DPA) loans. At least 95% of the net proceeds of the bond are expected to finance single-family, owner-occupied homes for first-time homebuyers, with exceptions for qualified veterans, single-parent households, and for homes purchased in Targeted Areas (definition below).

UHC is a public corporation established to help create affordable housing opportunities for lower-income Utah households, primarily first-time homebuyers. From 1977 through December 31, 2025, UHC made 117,661 first mortgage loans to borrowers whose average household income was 76% of the area median income (AMI), with 59.4% of borrowers having incomes at or below 80% AMI. Just over 92% of borrowers were first-time homebuyers, 13.4% were single-parent households, and 32% of homes purchased were in Targeted Areas. UHC has made 114,103 single-family mortgage loans in all 29 of Utah's counties. The top five counties by number of loans are Salt Lake (42,430 loans), Utah (20,189), Weber (17,421), Davis (14,299), and Cache (4,071).

The 2026 Series E bonds will finance loans under UHC single-family programs including the FirstHome, FHA/VA Mortgage, and HFA Advantage programs. The FirstHome program is designed for households with lower incomes and credit scores of 660 or higher who are first-time homebuyers, single parents, or veterans. This program typically has lower purchase price and income limits and lower interest rates. The FHA/VA Mortgage program is for homebuyers with credit scores of 620 or higher who have previously owned a home or are first-time homebuyers, single parents, or veterans. The HFA Advantage program is for borrowers with credit scores of 700 or above who have previously owned a home or who are first-time homebuyers. This program may have a higher interest rate but lower mortgage insurance costs, resulting in a lower monthly payment. Homebuyer Education is required for the HFA Advantage program and recommended for the FirstHome and FHA/VA Mortgage programs.

The 2026 Series E bonds will also finance DPA loans, closing costs, and interest-rate buy-down assistance. UHC offers DPA with all its mortgage loan programs in the form of a 30-year amortizing loan of up to 6% of the purchase price to help families that do not have sufficient funds for down payment or closing costs. In FY2025, UHC invested \$52.7 million in DPA.

Impact Themes

-  Affordable Housing
-  Gender Lens
-  Human Empowerment
-  Poverty Alleviation
-  Seniors, Veterans, and People with Disabilities

Impact Designations

N/A

Walk, Bike, Transit Scores[®]

N/A

Illustrative purposes only; investments and impact outcomes may vary based on the types of securities purchased and client investment guidelines.

Since UHC's founding through December 31, 2025, 13.36% of all loans financed by UHC were made to single-parent households. According to the U.S. Census Bureau, nearly 70% of single-parent households in Utah were headed by single mothers in 2021, the latest year for which data is available. A research paper published in 2023 by the Utah Women and Leadership Project at Utah State University describes how single mothers may disproportionately face economic disadvantages, mental health concerns, education barriers, and work instability that can lead to poorer long-term outcomes for them and their children.

UHC provides exceptions to its first-time homebuyer requirement for single-parent households to increase their access to financial support for achieving homeownership. This exception is also extended to veteran homebuyers and to borrowers purchasing homes in Targeted Areas, which are census tracts in which 70% or more families have an income of 80% or less of the statewide median family income, or areas of chronic economic distress designated by the state and approved by federal government agencies. In 2025, 53% of the loans UHC financed were to buy a home in a Targeted Area.



Case Study #3: New York City Housing Development Corporation¹¹

Location: NY • Sector: Taxable Municipals



Impact Themes

-  Affordable Housing
-  Disaster Recovery, Resilience, and Remediation
-  Enterprise Development and Jobs
-  Environmental Sustainability
-  Gender Lens
-  Minority Advancement
-  Poverty Alleviation
-  Seniors, Veterans, and People with Disabilities
-  Sustainable Communities

Impact Designations

- ✓ First-Time Homebuyer
- ✓ High Poverty Census Tract
- ✓ Low- or Moderate-Income Census Tract
- ✓ Majority-Minority Census Tract
- ✓ Persistent Poverty County
- ✓ Racially or Ethnically Concentrated Areas of Poverty (R/ECAP)

Walk, Bike, Transit Scores®

N/A

The New York City Housing Development Corporation (NYCHDC) will use the proceeds of its 2026 Series F Sustainable Development Bonds for the construction and permanent financing of two new affordable multifamily rental properties, one in Queens and one in the Bronx. Together, these developments will provide 511 units of affordable housing, which will be subsidized under the city's Extremely-Low- and Low-Income Affordability program (ELLA) and are expected to qualify for Low-Income Housing Tax Credits (LIHTC). The affordable units at Willets Point Building 3 may also receive Section 8 assistance.

Both properties are being developed as part of large neighborhood revitalization projects, and both will be transit-oriented developments meeting green building standards for environmental sustainability.

1959 Jerome Avenue Apartments will provide 290 units of affordable housing in the Bronx, New York (Bronx County). All 290 residential units will be affordable to households earning at or below 80% of the AMI, with tiers of deeper affordability. The development will be a new construction 16-story mixed-use building creating 290 residential units, 43,000 square feet of community space, and 30,000 square feet of commercial space in the Morris Heights neighborhood of the Bronx. It will be in Census Tract 0217.00, a moderate-income, high-minority, high-poverty census tract where minorities comprise 98% of the population and 27% lives below the poverty line. It is also in a Persistent Poverty County.

The new tower at 1959 Jerome Avenue will replace an autobody shop that was demolished in 2023. The building permit for new construction was issued in February 2026; construction dates have not yet been set. When construction is complete, the commercial space is expected to become a Food Bazaar supermarket, which is projected to create 26.5 full-time-equivalent jobs with wages ranging from \$15 to \$25 per hour. The supermarket will participate in the Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). It will also offer a 10% discount for seniors and a 5% discount for IDNYC cardholders. IDNYC is a free municipal ID available to all New Yorkers regardless of immigration status; it especially benefits vulnerable populations such as unhoused people, youth, and formerly incarcerated people who may have difficulty obtaining other types of ID.

1959 Jerome Avenue Apartments will be built to Enterprise Green Community (EGC) standards for environmental sustainability.

Illustrative purposes only; investments and impact outcomes may vary based on the types of securities purchased and client investment guidelines.

The site is among several transit-oriented infill projects along Jerome Avenue, which has an elevated subway line served by the 4 train and is within a few blocks of another train line and several city bus lines. It has a Transit Score from Walk Score of 100, which is considered a "rider's paradise" with world-class transportation. Its Walk Score of 91 is considered a "walker's paradise" where daily errands do not require a car, and a Bike Score of 72 is considered "very bikeable" where biking is convenient for most trips.

This development is part of the Jerome Avenue Neighborhood Plan, a project of the New York City Department of City Planning (DCP), which is working with community stakeholders to promote affordable housing, jobs and training, and coordinated infrastructure investments to support the area's long-term growth and sustainability. The plan includes the rezoning of 92 blocks spanning approximately 151 acres, which was approved by City Council in 2018. It is the largest rezoning project in the history of New York City and is expected to create thousands of new units of affordable housing in total. Among the goals of the Jerome Avenue Neighborhood Plan is to provide high-quality permanent affordable housing for tenants at a wide range of income levels and to create a walkable, inviting commercial corridor by promoting non-residential ground floor uses and diverse retail and services to support community needs. The plan will also facilitate the development of a new city park.

Willets Point Building 3 will provide 221 units of affordable housing for seniors in Corona, New York (Queens County). Building 3 will provide 220 studio and one-bedroom units designated for low-income seniors under the city's Senior Affordable Rental Apartments (SARA) program. Under this program, all 220 residential units will be reserved for households earning up to 60% of AMI.

In May 2026, the developers broke ground to begin construction of Building 3. It will share some amenities with Buildings 1 and 2, which are affordable housing properties for families. All residents will enjoy ground-level interior amenities, inner courtyards, children's play areas, outdoor green spaces, bicycle storage, and rooftop community gardens. The three buildings will be all-electric, LEED Gold certified, and feature high-efficiency systems.

The development of Building 3 is part of the Willets Point Transformation, a new 23-acre neighborhood being built from the ground up, transforming a derelict patchwork of junkyards in northern Queens into a master planned, fully resilient, interconnected neighborhood. It is New York City's largest 100% affordable housing development in 40 years. The master plan will create new streets and make significant infrastructure investments including new sidewalks, curbs, signage, trees, lights, stormwater management, water mains, hydrants, sewer systems, and utilities.

Because Willets Point is in a flood-prone area, the new streets and buildings will be raised out of the 100-year floodplain to protect them from future storms. The developers will seek to achieve high standards of environmental sustainability through either LEED Gold or Enterprise Green Communities certification. The area currently has little infrastructure for walking or bicycling, but it has a Transit Score of 95 from Walk Score, which is considered a "rider's paradise" with world-class public transportation.

The development is being designed using pedestrian-centric urban planning principles. Once completed, it will deliver 2,500 affordable homes, a new 650-seat public school, some 115,000 square feet of new public open space, significant infrastructure upgrades, over 20,000 square feet of retail space, a new 250-key hotel, and a 25,000-seat soccer stadium that will be the permanent home of the New York City Football Club (NYCFC).

The stadium will be privately financed and built with union labor. When the development is complete, the NYC Football Club will offer free soccer programming for local youth and will partner with other organizations to provide year-round community activities, events, and programming in and around the stadium.

The Willets Point Transformation project is being developed with cooperation between Queens Community Boards 3, 4, and 7; the New York City Economic Development Corporation (NYCEDC); the NYC Football Club; and the Queens Development Group, a joint venture by Related Companies and Sterling Equities. In 2024, the developers signed a project labor agreement (PLA) with the city committing to hiring minority- and women-owned business enterprises (M/WBEs) to develop and build Willets Point and to use union labor.



They are also participating in the HireNYC program to connect Queens residents to job opportunities with the development, and they are incorporating Community Hiring goals to ensure that job and apprenticeship opportunities are available to workers living in New York City Housing Authority (NYCHA) housing or in a ZIP code where at least 15% of the population lives below the federal poverty threshold. The project is projected to generate \$6.1 billion in economic impact over the next 30 years, creating 1,550 permanent jobs and 14,200 construction jobs.

NYCHDC is a public benefit corporation whose mission is to provide financing to increase the city's supply of multifamily housing, stimulate economic growth, and revitalize neighborhoods through the creation and preservation of affordable housing for low-, moderate-, and middle-income city residents. It seeks to foster thriving, diverse, and sustainable neighborhoods; finance new construction for residents of a

mix of incomes; preserve affordability within existing housing stock; and protect the city's most vulnerable residents through supportive housing development.

NYHDC's Sustainable Development Bonds (SDBs) allow for direct investment in financing socially beneficial projects. The agency introduced this category of bonds in 2019 to align with global standards for green and social bonds. For example, SDBs are consistent with UN Sustainable Development Goals for ending poverty in all its forms everywhere, and for making cities and human settlements inclusive, safe, resilient, and sustainable. The SDBs allow investors to invest directly in bonds that finance the new construction and preservation of affordable housing projects that stimulate economic growth and contribute to the stability and revitalization of neighborhoods across New York City.

Conclusion

As investors seek opportunities to align their portfolios with both financial objectives and measurable societal outcomes, taxable municipal bonds have emerged as a compelling liquid solution. They offer investors the opportunity to support tangible and meaningful improvements in communities while pursuing competitive risk-adjusted returns.

For foundations and other mission-driven institutional investors, taxable municipal bonds can offer exposure to high-quality public-purpose projects, provide visibility into where capital is deployed, and support reporting that connects investment activity to community outcomes. A practical next step is to review your organization's current fixed income allocation, identify priority impact themes or geographies, and evaluate whether taxable municipals could help advance those priorities within the portfolio's risk and return objectives.



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 competitive risk-adjusted returns through investment strategies that contribute to positive societal outcomes. For more information, please visit: www.ccminvests.com.

Footnotes

- ¹ <https://www.schwab.com/learn/story/5-things-to-consider-about-taxable-municipal-bonds>; Bloomberg as of 3/26/2026
- ² <https://www.sifma.org/research/statistics/us-municipal-bonds-statistics>
- ³ <https://www.msrb.org/Understanding-Taxable-Municipal-Bonds>
- ⁴ <https://www.schwab.com/learn/story/5-things-to-consider-about-taxable-municipal-bonds>
- ⁵ <https://www.schwab.com/learn/story/5-things-to-consider-about-taxable-municipal-bonds>
- ⁶ <https://www.sifma.org/research/statistics/us-municipal-bonds-statistics>
- ⁷ <https://www.msrb.org/sites/default/files/2026-05/Overview-of-the-Taxable-Municipal-Bond-Market-2026.pdf> ;
<https://www.msrb.org/sites/default/files/2025-01/MSRB-2024-Municipal-Market-Year-in-Review.pdf>
- ⁸ <https://www.epa.gov/statelocalenergy/municipal-bonds-and-green-bonds>
- ⁹ <https://www.buyoregonbonds.com/state-of-oregon-or/about/esg-program/i45>
- ¹⁰ <https://utahhousingcorp.org/>
- ¹¹ <https://www.nychdc.com/debt-issuance>

Community Capital Management, LLC (CCM) is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply a certain level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the adviser. Past performance is not indicative of future results. Any performance information, case studies, examples, or securities identified and described are for illustrative purposes only and do not guarantee future results or outcomes. Security selection was based upon nonperformance-based objective criteria, including, but not limited to, the security's social attributes and the examples presented are not intended to be indicative of typical investments or outcomes. It should not be assumed that the recommendations made in the future will be profitable or will equal the performance of the securities identified. CCM has distinct investment processes and procedures relating to the management of investment portfolios for institutional clients. The firm's strategies are customized, rather than model-based, and utilize an innovative approach to fixed income investing, integrating impact-driven outcomes with disciplined financial analysis, risk management, and transparent research. Bonds are subject to interest rate risk and will decline in value as interest rates rise. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. Investments selected based on impact criteria may result in a portfolio that is less diversified and may be subject to greater volatility or risk. There is no guarantee that any impact objectives will be achieved, and measurement of impact may be subject to limitations or inaccuracies. Certain securities or strategies may be subject to liquidity risk, and the universe of eligible investments may be more limited than in non-impact strategies. An investment strategy that incorporates impact criteria may result in lower or higher returns than an investment strategy that does not include such criteria. Impact figures mentioned are approximate values. Opinions, estimates, forecasts, and statements of market trends are based on current market conditions and are subject to change without notice. Third party links, trademarks, service marks, logos, and trade names included in this content are the property of their respective owners. The inclusion of a third party link is provided for reference and does not imply an endorsement or association with, or adoption of the site or party by us. Acceptance of this material constitutes your acknowledgement and agreement that the Advisor does not make any express or implied representation or warranty as to the accuracy or completeness of the information contained herein and shall have no liability to the recipient or its representatives relating to or arising from the use of the information contained herein or any omissions there from. For a full list of relevant disclosures, please visit <https://www.ccminvests.com/regulatory-disclosures>.

Copyright © 2026 Community Capital Management. All Rights Reserved.

