

# Affordable Housing

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 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:

#### Affordable Housing

Investments aligned with this theme finance affordable homeownership to low- and moderate-income (LMI) and/or workforce borrowers, including down payment assistance and first-time homebuyer programs, promoting wealth creation. It also includes financing and/or preservation of affordable rental housing properties to LMI and/or workforce residents.

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

- Mortgage loans, first-time homebuyer programs, or down payment assistance programs for LMI and workforce borrowers.
- Preservation of affordable rental housing units or programs specifically reserved for LMI residents.
- Transitional housing and services to families facing homelessness.
- Construction of new multifamily housing units with affordable rents and/or under programs to ensure long-term affordability for LMI individuals and families.
- Repair and/or rehabilitation of affordable rental housing properties and units, preserving long-term affordability and enhancing the residence experience.

## Case Studies: Affordable Housing

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 **Affordable Housing**.

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

### Century Housing Corporation

Los Angeles, CA | Corporate Bonds

The Century Housing Corporation is a California nonprofit public benefit corporation headquartered in the Los Angeles metropolitan area and certified as a CDFI by the U.S. Department of the Treasury and the California Organized Investment Network. CDFI certification is the U.S. Department of the Treasury's recognition of specialized financial institutions serving low low-income communities. Century was established as a nonprofit in 1995 as the successor successor-in -interest to a housing program formerly administered by the state of California.

Century Housing finances, builds, and operates affordable housing throughout California. Its mission is to provide exceptional housing so that the people it serves may have a dignified home, a healthy and hopeful future, and attain economic independence. In total, the organization has invested more than \$2.77 billion to create and preserve 58,000 homes and thousands of construction jobs. Century Housing Corporation is California's highest highest-volume CDFI in affordable housing with a total loan portfolio of \$445 million supporting affordable and workforce housing development as of December 31, 2023.

In August 2024, Century Housing issued a \$150 million Sustainability Bond to support its work in affordable housing, energy-efficient building, and transit transit-oriented development. Proceeds of the impact notes will finance and refinance loans for the development of environmentally sustainable, affordable multifamily rental housing in underserved neighborhoods for low- and moderate-income households.

Century's lending includes the financing of veteran housing, senior housing, farmworker housing, and workforce housing. In line with its mission and its lending policy, the organization only considers projects that result in the creation or preservation of affordable housing. It gives special attention to projects that will provide the greatest social benefit, which is assessed by a review of the number of homes created or preserved, their affordability based on the percentage of area median income (AMI), the economic conditions of the population served, and the environmental attributes of the project.







A majority of the affordable housing developments to which Century provides early stage funding will ultimately be financed with Low Income Housing Tax Credits (LIHTCs), which are administered in California by the California Tax Credit Allocation Committee (CTCAC). CTCAC building requirements encompass developments' energy and water systems, electricity usage, landscaping, roofs, doors, window coverings, floor coverings, appliances, insulation, and water heating. CTCAC awards points to developments built to any of nine nationally recognized green building standards, and awards points for projects that include solar energy generation and water efficiency systems. In addition to LIHTC environmental requirements, all buildings Century finances are subject to California's green building standards and the California Energy Code, which is the strictest of its kind in the United States. Beginning in 2020, new residential construction is required to meet extremely low or net zero energy requirements.

Commuting to work in most of California is a major source of traffic congestion and pollution. Lower income populations may have to drive as much as two hours in each direction from areas where affordable housing is available to areas where better paying jobs are available. Considering this, Century continually searches for opportunities to finance transit-oriented developments (TODs) adjacent to public transportation lines and corridors, with the goal of reducing workforce commute time and expense, traffic congestion, and the considerable environmental impact of commuting in population centers.

Century's core focus has always been increasing the supply of quality affordable housing. It also focuses on community revitalization, job creation, and improving health outcomes for populations impacted by both low income and environmental degradation. It believes that safe, well maintained, and stable housing is the foundation of healthy, sustainable communities, providing a secure base from which individuals and families can improve their education, employment, and health outcomes.



#### Impact Themes

-  Affordable Housing
-  Enterprise Development and Jobs
-  Environmental Sustainability
-  Minority Advancement
-  Poverty Alleviation
-  Seniors, Veterans, and People with Disabilities

#### Impact Designations

N/A

#### Walk, Bike, Transit Scores®

N/A

# Georgia Housing and Finance Authority

## Georgia | Taxable Muni

The Georgia Housing and Finance Authority (GHFA) will use proceeds of its 2024 Series D Single Family Mortgage Bonds to finance mortgage loans and down payment assistance loans for single-family residential housing primarily under the Georgia Dream Peach Plus loan program. If available, proceeds may also finance loans under the traditional Georgia Dream loan program and the Peach Select Veterans Assistance loan program. GHFA is a state agency created to provide financing and financial assistance for safe, decent, energy-efficient, appropriate, and affordable housing for people with low- and moderate-incomes within the state.

Launched in April 2024, the Georgia Dream Peach Plus program aims to help borrowers who do not meet the eligibility requirements of GHFA's traditional Georgia Dream loan program but who still face barriers to homeownership. Peach Plus expands access to affordable homeownership opportunities by serving a wider range of borrowers with down payment assistance (DPA). Homebuyers who meet income limits and credit requirements and whose liquid assets do not exceed 20% of the purchase price or \$20,000 are eligible for DPA. DPA loans under the program are non-amortizing loans with 0% interest rates. All eligible homebuyers may qualify for a standard DPA loan of the lesser of 3.5% of the purchase price or \$10,000. Eligible homebuyers who are public protectors, educators, or healthcare providers or active military personnel may access Protectors, Educators, and Nurses (PEN) DPA loans of the lesser of 4% of the purchase price or \$12,500. Eligible homebuyers who have a family member with a disability may qualify for the 4% or \$12,500 DPA loan under the CHOICE option in the program.

The Georgia Dream Homeownership Program provides assistance and funding for low low-and moderate moderate-income first first-time homebuyers and for homebuyers purchasing homes in Targeted Areas. For DPA under this program, borrowers are eligible for the lesser of 5% of the purchase price or \$10,000. Eligible protectors, educators, healthcare workers, active military personnel, and borrowers who have a family member with a disability can apply for DPA of the lesser of 6% of the purchase price or \$12,500.

The Georgia Dream Peach Select Veteran Assistance program offers 30-year fixed low low-interest rate mortgages to qualified military veterans who meet household income and credit requirements. The program offers low interest rates; currently, the initial interest rate is set to 5.0%. The first-time homebuyer requirement is waived for this program.

Borrowers participating in any of these three GHFA programs must complete either a homebuyer education workshop, individual housing counseling sessions, or an online homebuyer education course. In Georgia, a Targeted Area is an entire county or a census tract in which at least 70% of households have an annual household income that is 80% or less of the statewide median family income or that the state has designated as an area of chronic economic distress.



### Impact Themes

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

### Impact Designations

N/A

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

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

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. 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 and equity by combining the positive societal outcomes of impact investing with rigorous financial analysis, an inherent focus on risk management, and transparent research. Bonds are subject to interest rate risk and will decline in value as interest rates rise. Stocks will fluctuate in response to factors that may affect a single company, industry, sector, or the market as a whole and may perform worse than the market. 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. A sustainable 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. Any of the securities identified and described herein are for illustrative purposes only. Their selection was based upon nonperformance-based objective criteria, including, but not limited to, the security's social and/or environmental attributes. It should not be assumed that the recommendations made in the future will be profitable or will equal the performance of the securities identified. Impact figures mentioned are approximate values. For a full list of relevant disclosures, please visit <https://www.ccminvests.com/regulatory-disclosures>.