



## OUR MISSION

*To alleviate poverty by supporting financial, economic and social inclusion strategies that empower low-income people and strengthen communities.*

## OUR PRIORITIES, REGIONS & FOCAL AREAS

Sustainable Communities Fund (SCF), a 501(c)(3) nonprofit, started investing in 2011. We seek to have 100% of our corpus and portfolio *invested or loaned* as Program-Related Investments (PRI), Mission-Related Investments (MRI) or impact investments meeting the following priorities:

### ➤ SCF Provides Innovation Capital

SCF provides 'innovation capital': early stage seed capital to fund new, prototype loan and investment models that align with the outcomes we seek (See last section below). CDFIs, impact funds, or other nonprofit loan/investment programs make up our core borrowers/investees ("Partners"). Most often they are testing new loan/investment models addressing root contributors to poverty or inequality. We provide our financial Partners with the most difficult capital to secure: the early stage seed capital needed to test their prototype loan/investment program. Once their prototype is proven, and their new program has a track record, our Partners are well positioned to secure larger amounts of capital from institutions much larger than SCF. This is the goal behind our seed capital: to help our Partners build this critically needed track record so they can attract much larger levels of capital later.

### ➤ Geographic Focus

SCF concentrates its investments in the Great Lakes region and the South. However, SCF does invest in other areas nationally and internationally where a strong mission-alignment exist.

### ➤ Sought After Outcomes

SCF lends and invests with programs that seek the following outcomes for low-income individuals and communities:

- |                        |                       |
|------------------------|-----------------------|
| • Business Development | Economic Justice      |
| • Education            | Financial Inclusion   |
| • Housing              | Health/Wellness       |
| • Social Justice       | Environmental Justice |
| • Disaster Recovery    |                       |

**INNOVATIVE INVESTING FOR  
SUSTAINABLE COMMUNITIES**

## WHO WE FUND



*We were impressed with how quickly SCF was able to provide us with the funds we needed for our pilot lending program. Our ability to provide these early-stage African-American entrepreneurs with access to capital is central to our mission of reducing the racial wealth gap and creating economic opportunity for all.*

Annie McShiras  
Self Help Federal Credit Union  
Runway Project Investment Associate

- ✓ **ENTITIES:** For-profit and nonprofits
- ✓ **SIZE:** \$200,000-500,000
- ✓ **TERM:** Two to six years
- ✓ **CAPITAL:** Debt or equity
- ✓ **SOCIAL IMPACT:**  
Impacts on low- income or distressed communities and individuals
- ✓ **TECHNICAL ASSISTANCE:**  
Our borrowers provide financial, business and/or social support services to their clients



## OUR INVESTMENTS

SCF has made 16 investments into 12 of organizations. Our current portfolio of 10 investments is \$1,945,000.

### CURRENT INVESTMENTS

#### **BCL Of Texas: Diversity Fund \$350,000 (2018-2021)**

SCF is the first external funder to support BCL's newly launching Diversity Fund, targeted to serve women- and minority-run small businesses across Texas. The Fund uses flexible underwriting to target borrowers unable to secure funding currently from BCL or other sources.

#### **Native American Bank: \$300,000 (2018-2022)**

NAB is one of eight Native American serving financial institutions and the only one with a national footprint. NAB has a unique business model: mostly owned by and created to serve Native American tribal entities and people. SCF's capital supports NAB's efforts to diversify its funding sources and grow its lending capacity.

#### **Grameen America Social Business Fund: \$350,000 (2017-2022)**

SCF' capital is invested through Grameen's first-of-a-kind fund structure that streamlines large-scale capital raising for Grameen America Inc.'s (GAI) US micro-lending programs, to achieve 100% corporate- and branch-level financial sustainability by 2020. The \$11.5M fund allows GAI to significantly increase its lending to low-income, female small-business owners.

#### **Self Help Federal Credit Union: Runway Project – Oakland \$100,000 (2017-2022)**

The Runway Project addresses the "Friends & Family" seed funding gap for African American entrepreneurs. The Oakland project is the first of many planned Runway Projects. It provides early stage funding with flexible underwriting and holistic high-touch business support.

#### **LiftFund: Texas Small Business Rebuild Initiative \$100,000 (2017-2019)**

SCF was one of the first funders to support the newly launched Texas Small Business Rebuild Initiative to support business rebuilding and recovery efforts post Hurricane Harvey. Innovative structuring allowed for loan relief, rapid underwriting and deployment, and an interest-only repayment period.

#### **Hope Credit Union: \$250,000 (2017-2019)**

SCF's investment provides general support to the organization to grow its array of critical loan programs benefitting low-income and underserved populations across its four-state region (AL, LA, MS, TN) and persistent-poverty counties.

#### **Mercy Corps Northwest: \$120,000 (2016-2020)**

SCF's capital facilitates the growth of this small micro-loan fund to serve more low-income small-business owners within its service area of Seattle, Washington and Portland, Oregon.

#### **Self Help Federal Credit Union \$250,000 (2015-2020)**

Funds provide general support for the growth of Self Help's array of low-income serving programs.

#### **LiftFund: LiftUp and Promise Loan Programs \$200,000 (2015-2019)**

SCF's capital support LiftFund's "LiftUp" loan program which serves clients at income levels that LiftFund was previously unable to lend to under their other loan standards.

#### **Northern Initiatives: Regional Revolving Loan Fund \$120,000 (2014-2019)**

SCF's capital supported the newly created Regional Revolving Loan Fund that lends to low-to-moderate income small businesses in upstate, rural Michigan. SCF funds are paired, as needed, with CDBG funds from 12 rural Michigan counties to allow for greater flexibility in loan deployment than CDBG funds allow.

### PAST INVESTMENTS

#### **Oikocredit USA/International \$150,000 (2015-2016)**

SCF's loan to Oikocredit was used as loans to microfinance organizations, farming cooperatives or social enterprises within Oikocredit's 80-country service area.

#### **Habitat for Humanity Michigan Fund \$66,000 (2012-2016)**

SCF loan to Habitat was used in a new mortgage model serving low-income borrowers. SCF's capital seeded this new revolving mortgage fund which securitized the loans so that the capital would be recouped and 're-loaned' within as little as three months (compared to 20-30 years in traditional mortgage model).

#### **Accion Texas Inc. \$70,000 (2011-2014)**

SCF's two loans to Accion provided capital for them to expanded business lending to low-income small business owners San Antonio, New Orleans, and Shreveport.

#### **Finca International \$37,000 (2011-12)**

SCF's loan to Finca was used microfinance loans to small-businesses as part of the Haiti earthquake recovery efforts.

**CONTACT: Kim La Franchi (310) 914-5333 Ext. 205 or [kl@tsfund.org](mailto:kl@tsfund.org)**

**■ 1281 Westwood Blvd., Suite 200 ■ Los Angeles, CA 90024 ■ (p) 310.914.5333 ■ (f) 310.914.5337 ■ [www.tsfund.org](http://www.tsfund.org)**