

The TCF Local Capital Pool seeks to expand our collective capacity to catalyze positive change in our communities and is intended for Fundholders interested in moving beyond traditional grantmaking. The Pool will make loans and equity investments in nonprofit organizations and for-profit social enterprises that aim to measurably improve access to affordable housing and equitably expand economic opportunity for marginalized residents of Northeast Florida.

The Pool is a portfolio of investments, designed to prioritize impact, preserve capital through high-quality investments, and generate treasury-like returns. Investees must be financially sound, the project financially feasible and one which would not happen, or would happen at a reduced scale, without funding from the Pool.

Early investments from the Pool will be with local Community Development Financial Institutions (CDFIs) - private financial institutions focused on personal lending and business development efforts in marginalized and underserved local communities. Investing through a CDFI both mitigates risk and serves to expand our impact.

## TCF LOCAL CAPITAL POOL FACTS

Eligible fund types   Minimum fund allocation	<p>Endowed Advised funds, from amounts available for grantmaking</p> <p>Non-endowed Advised funds of <b>\$100,000+</b></p> <p>\$25,000 minimum fund allocation</p>	<p><b>Investment Strategy:</b></p> <ul style="list-style-type: none"> <li>» Invest for measurable local impact, aligned with the following criteria: <ul style="list-style-type: none"> <li>▪ The project must fall within one of the Foundation's geographic areas.</li> <li>▪ Investees must be financially sound, and the project must be financially feasible, having a reasonable likelihood of repayment that can be projected with a designated cash stream.</li> <li>▪ The investee must have exhausted conventional sources of financing, including traditional grant funding, and identify that this project would not happen, or happen at a reduced scale, without investment from the Foundation.</li> <li>▪ The investee may be a nonprofit or for-profit entity.</li> </ul> </li> <li>» Structure investments for high social return, providing patient capital (average 5-year commitments) at concessionary rates (generally below-market).</li> <li>» Initially invest with local Community Development Financial Institutions (CDFIs) and other lenders, structured as debt obligations with these institutions.</li> <li>» Maintain a disciplined process, employing sound investment principles, to protect capital and ensure the long-term viability of invested assets.</li> </ul>
Investment time horizon	5 Year Lock-up period	
Targeted investments	<p>Initial investments of \$1.1M made in 4<sup>th</sup> Quarter 2022</p> <p>Committed cash held in money market accounts &amp; short-duration CDs with local Credit Unions and CDFIs until deployed</p>	
Investment oversight	Program Related Investment Committee and Staff	
Investment expenses	Direct costs to originate and monitor investments: estimated to be 1-2% of investments	

## Anticipated Performance

The Foundation seeks measurable local impact from its investments, and secondarily net annualized financial returns for the Pool benchmarked against the Bloomberg US Long Term Treasury Index, annualized over a rolling 5-year period.

For more information, contact:



**Grace M. Sacerdote, CPA**  
Executive Vice President  
& Chief Financial Officer  
(904) 356-4483  
gsacerdote@jaxcf.org



**Erin Broderick, MBA**  
Senior Director, Finance  
(904) 356-4483  
ebroderick@jaxcf.org



**James Coggin, MBA**  
Senior Director, Grantmaking and  
Impact Investing  
(904) 356-4483  
jcoggin@jaxcf.org

**The Community Foundation's  
Program Related Investment  
Committee:**

**Richard L. Sisisky, Chair**  
*President, The Shircliff & Sisisky Company*

**The Honorable Brian Davis**  
*U.S. District Court Judge, Board Chair*

**Robert Hill**  
*Community Volunteer*

**Michael Meyers**  
*Community Volunteer, Retired Attorney*

**Dan Rice**  
*Mayport Ventures*

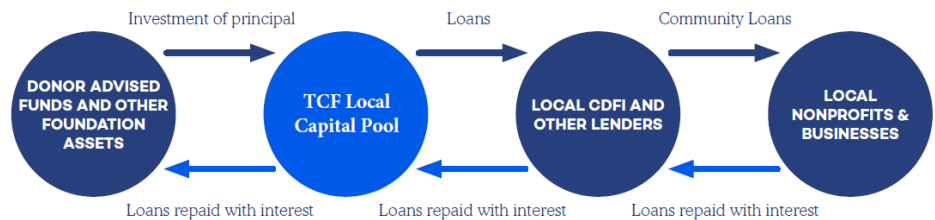
**Lauren Rueger**  
*Communications Consultant*

**Dori Walton, CFA**  
*Former Investment Banker, ING*

**Investment Oversight**

The Program Related Investment Committee has oversight responsibility for TCF Local Capital Pool investments. The Committee includes members from our Investment, Finance and Program & Initiatives committees, and past Trustees. Foundation Program, Finance and Development staff carry out the work, supported by third parties – consultants, attorneys, and intermediaries such as CDFIs – as needed to maximize the desired impact in our communities and mitigate investment risk.

**Capital Flow**



**Local Impact Focus**

The **TCF Local Capital Pool** will invest in nonprofit organizations and for-profit social enterprises that measurably improve access to affordable housing and equitably expand economic opportunity for marginalized residents of Northeast Florida.

What we know from estimates developed by the Florida Housing Coalition,

- » On average, every \$1M invested in affordable housing yields 37 units of housing
- » On average, every \$1M invested in affordable housing creates 89 jobs

In terms of supporting small businesses, which we can do with the **TCF Local Capital Pool**, we know jobs will be created and generational wealth will be enhanced.

**More About Community Development Financial Institutions**

Our early investments will be with local CDFIs – Community Development Financial Institutions – and other lenders.

CDFIs are private financial institutions whose primary focus is on personal lending and business development efforts in marginalized and underserved local communities. CDFIs can receive federal funding through the U.S. Department of the Treasury, as well as private sector sources such as individuals, corporations, and religious institutions. They originated as a direct result of the Community Reinvestment Act of 1977, drafted to address banking and economic development inequalities throughout communities in the U.S.

Working through CDFI's can provide an additional level of risk mitigation in the early stages of the Pool through the CDFIs internal capacity to underwrite and administer mission-aligned loan programs.

