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## **New PRI Opportunity Earns Flexible Capital for Award-Winning Community Development Corporations By Calvert Foundation**

<http://www.calvertfoundation.org/article.cgi?id=860;s=research;u=currencyinvestor;source=>

Calvert Foundation has created a well-structured program related investment (PRI) opportunity that for the first time allows funders to buy-into a PRI Offering, combining strong credit quality and convenience with significant community impact.

The first round of investment into the SEA Corp PRI placed over \$1.32 million of capital into ten Community Development Corporations (CDCs), recipients of the Fannie Mae Foundations' Sustained Excellence Award. Over the last three years, SEA Corp members generated more than 1500 units of affordable housing, bringing much needed housing and community facilities to families in disadvantaged neighborhoods.

In the fall of 2000 these award-winning CDCs joined together to launch a new nonprofit organization, the Sustained Excellence Alliance Corporation (SEA Corp). This grassroots initiative partners exemplary institutions that are committed to building affordable housing in the context of improving their entire community. Whether incorporating financial literacy training for youth in Washington, D.C.'s inner city (Manna), transitional jobs programs in Minneapolis (Project for Pride in Living) or childcare facilities in Los Angeles (NEW Economics for Women), the organizations fulfill a range of needs in their communities beyond affordable housing.

The SEA Corp PRI offering is structured to provide credit enhancements and portfolio diversification, while allowing participating investors to target their capital to one or more of the selected

organization. Calvert Foundation's aim has been to bolster investor confidence while make this type of PRI more accessible

"We hope to educate funders and other investors new to PRIs about how they can incorporate investments on softer, more flexible terms into their philanthropic strategy," says Shari Berenbach, Executive Director of the Calvert Foundation. "The strategy we used for SEA Corp PRI can now be replicated to raise funding for many other community development initiatives."

While program related investments (PRIs) have been around for more than thirty years, many foundations and high net worth individuals have not pursued this option given questions of credit quality and administrative burden. Calvert Foundation has paved the way for others to invest in high impact community development corporations by structuring this unique collaborative PRI offering.

The SEA Corp PRI raised, and continue to raise, pre-development capital for these ten organizations. This "seed" capital equips the CDC with the resources it needs to identify a project and incubate its development through to the construction phase. The availability of pre-development capital will significantly increase the capacity of the CDCs by allowing more effective planning and more timely procurement of properties.

George Rothman of Manna explains, "This new low interest money will provide Manna with working capital funds that cover pre-development work -architectural design, removal of hazardous materials, legal and engineering fees - for a 30-unit condominium for very low income folks in one of Washington's most distressed neighborhoods."

The organizations to place capital in the first round of the SEA Corp PRI include Valley National Bank, Deutsche Bank, F.B. Heron Foundation, State Farm Bank, the Needmor Fund, Calvert Foundation and Sisters of St Joseph Carondellet, Los Angeles. This group (banks, religious institutions and foundations) is representative of the diverse nature of institutions that can achieve their social impact goals through this unique PRI. Kathleen Starr of the F.B. Heron Foundation commended this initiative saying "We appreciated Calvert working to structure a deal that enables investors to work with these ten high-performing affordable housing groups in an efficient manner."

In addition to offering this combined PRI, SEA Corp creates a cooperative environment for the CDCs to share their experiences and knowledge to create synergies that can increase their overall community impact

The ten members of SEA Corp are [Abyssinian Development Corporation](#) (NY), [Asian Americans for Equality, Inc.](#) (NY), [Chinatown Community Development Center](#) (CA), [Kansas City Neighborhood Alliance](#) (MO), [Manna, Inc.](#) (DC), [New Economics for Women](#)(CA), [People's Self-Help Housing Corporation](#) (CA), [Project for Pride in Living, Inc.](#) (MN), [The Resurrection Project](#) (IL), [Southern Mutual Help Association](#) (LA).

SEA Corp continues to actively seek investments starting at a minimum of \$25,000. [Click here](#) for more details.

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