



# CNOTE

CDFI Industry Overview and Opportunities

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## ABOUT CNOTE

- **WOMEN-LED IMPACT INVESTMENT PLATFORM, B-CORP**
- **MISSION: TO CLOSE THE WEALTH GAP IN THE U.S. THROUGH FINANCIAL INNOVATION**
- **OVER 50 YEARS OF COLLECTIVE CDFI EXPERTISE**
- **SERVING A NETWORK OF CDFIS ACROSS ALL 50 STATES**
- **SUPPORT INSTITUTIONS ON THEIR JOURNEY TO IDENTIFY, INVEST AND REPORT ON COMMUNITY INVESTMENT**
- **MEANINGFUL, MEASURABLE PLACE-BASED SOCIAL IMPACT**



**Kiplinger**

Private Debt  
Investor



**InvestmentNews**



**Forbes**

IMPACT **ALPHA**  
INVESTMENT AHEAD FOR A SUSTAINABLE EDGE

# WHAT ARE CDFIS?

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (**CDFIS**) SHARE A COMMON GOAL OF EXPANDING ECONOMIC OPPORTUNITY IN LOW-INCOME COMMUNITIES BY PROVIDING ACCESS TO FINANCIAL PRODUCTS AND SERVICES FOR LOCAL RESIDENTS AND BUSINESSES.



Source CDFI Fund

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## UNDERSTANDING THE CDFI MARKET

- **U.S. TREASURY CERTIFIED COMMUNITY LENDERS**
- **40+ YEAR TRACK RECORD**
- **MARKET SIZE OVER \$220 BILLION**
- **OVER 1,000 FEDERALLY CERTIFIED CDFIS**
- **FOUR TYPES: BANKS, LOAN FUNDS, CREDIT UNIONS, AND VENTURE CAPITAL FUNDS**



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# WHY CDFIS? (FINANCIAL)

- **FINANCIAL PERFORMANCE**

Historic charge-off rates on par with FDIC institutions.

- **NEW YIELD OPPORTUNITY**

Non-concessionary opportunities

- **DIVERSIFICATION**

- **CAPITAL PRESERVATION**

Conservative stewards of capital, strong performance even during '08-09.

- **PLACE-BASED, LOCALLY FOCUSED**

Embedded in the communities they serve, which improves underwriting and outcomes.

- **PROVEN ASSET CLASS**



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# WHY CDFIS? (IMPACT)

- **DELIVER FINANCIAL RESOURCES TO UNDER-SERVED COMMUNITIES**

- **ACCESS TO AFFORDABLE HOUSING, SMALL BUSINESS SUPPORT, EDUCATION**

- **TECHNICAL ASSISTANCE**

- **MEANS TO CLOSE THE WEALTH GAP**

- **RELEVANCY: RACIAL EQUITY, BLACK-LED BUSINESSES, DIVERSITY & INCLUSION, WOMEN'S EMPOWERMENT, CLIMATE**



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# REAL IMPACT: REAL STORIES



- **JAMINE MOTON, FIRST-TIME ENTREPRENEUR AND A “BULLY'S BULLY”**
- **RECEIVED HER FIRST LOAN FROM A CDFI**
- **TRANSFORMED HER BUSINESS AND HER LIFE**
- **TRACKING TO OVER \$1M IN REVENUE AND LEADING FIRM IN ATLANTA**



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# CDFI INVESTMENTS: WHY NOW



## PROVEN CAPITAL PRESERVATION

Return Spectrum: 1-5%  
Maturity 90-day to 5+ Years  
Investments & FDIC Opportunities



## DIRECT & MEASURABLE IMPACT

Direct Project Output: Affordable Housing, Jobs, Schools  
Easy to Quantify & Human-Centered Stories



## OPPORTUNITY FOR PLACE & CUSTOM INVESTMENTS

Invest by City, State or Region  
Themes Ranging from Racial Equity to Climate to Gender Lens



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# CDFI LANDSCAPE IN LA

- **LOS ANGELES IS ONE OF THE MOST ETHNICALLY DIVERSE METROPOLITAN AREAS IN THE COUNTRY, WITH ONE OF THE HIGHEST POVERTY RATES**
- **THE GREATER LOS ANGELES AREA IS SERVED BY OVER 30 CDFIS**
- **RANGE FROM SMALL ORGANIZATIONS FOCUSED ON ONE NEIGHBORHOOD TO LARGE STATEWIDE AND EVEN NATIONAL INSTITUTIONS**
- **DATA FROM THE CDFI FUND SHOW THAT LOS ANGELES COUNTY RECEIVES LESS CDFI INVESTMENT ACTIVITY PER PERSON IN POVERTY AS COMPARED TO OTHER LARGE METRO AREAS ACROSS THE U.S.**
- **FOCUSED LENDING**
  - **Affordable Housing** (Century Housing Corporation, Low Income Investment Fund LA)
  - **Small Business, Micro-Business, and Minority Owned Business Lending** (Valley Economic Development Center, Genesis LA)
  - **Financial Education and Counseling** (Inclusive Action, First Choice Bank)



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# LISC LA - METRO AFFORDABLE TRANSIT CONNECTED HOUSING



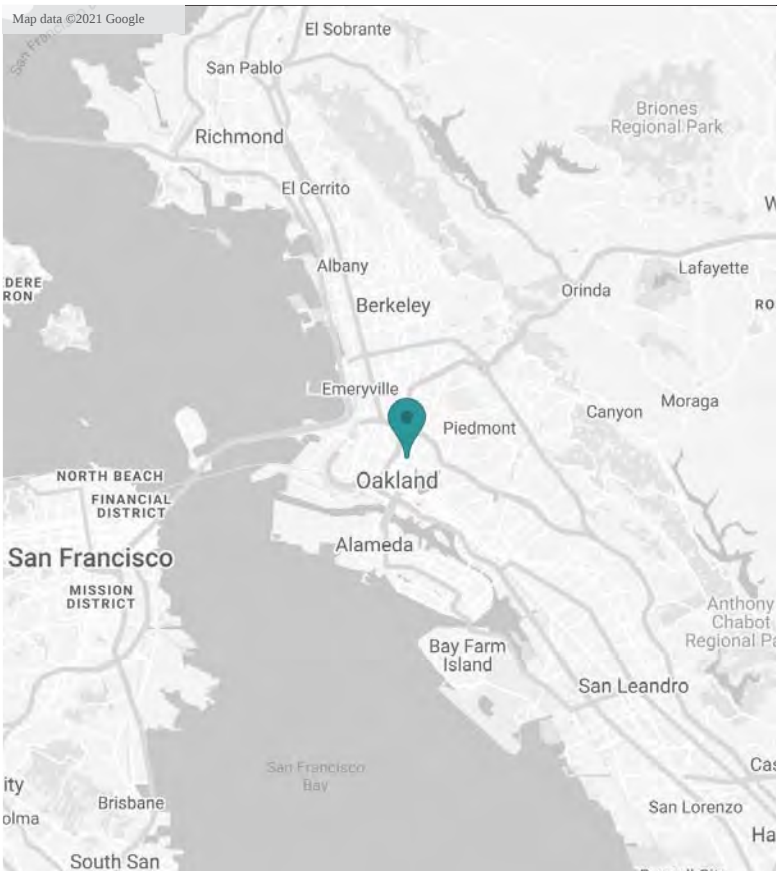
- **MATCH PROGRAM IS AN AFFORDABLE HOUSING LOAN PROGRAM FOR LOS ANGELES COUNTY**
- **WILL BRING AN ESTIMATED \$75 MILLION FOR ACQUISITION AND PREDEVELOPMENT FINANCING TO PRESERVE AND EXPAND AFFORDABLE HOMES NEAR HIGH QUALITY TRANSIT**
- **STRUCTURED TO HELP DEVELOPERS ACQUIRE EXISTING LOW-RENT APARTMENTS NEAR TRANSIT, TO HELP STABILIZE NEIGHBORHOODS AND EXISTING RESIDENTS WHILE PREPARING FOR FUTURE GROWTH**
- **PUBLIC & PRIVATE BLENDED CAPITAL FOR COMMUNITY DEVELOPMENT**



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# RESOURCES

- **FIND WHAT CDFIS ARE WORKING IN YOUR NEIGHBORHOOD:**  
[HTTPS://OFN.ORG/CDFI-LOCATOR](https://ofn.org/cdfi-locator)
- **BLACK LED CDFIS ACROSS THE COUNTRY:**  
[HTTPS://WWW.MYCNOTE.COM/BLACK-LED-COMMUNITY-FINANCE-ORGS/](https://www.mycnote.com/black-led-community-finance-orgs/)
- **LISC CDFI INDUSTRY WHITE PAPER, “CDFIS AND IMPACT INVESTING:AN INDUSTRY REVIEW”:**  
[HTTPS://WWW.LISC.ORG/MEDIA/FILER\\_PUBLIC/8F/21/8F21577D-BCF1-4B23-A180-F59A581558B0/011118\\_RESOURCE\\_REPORT\\_CDFI\\_IMPACT\\_INVESTING\\_FINAL.PDF](https://www.lisc.org/media/filer_public/8f/21/8f21577d-bcf1-4b23-a180-f59a581558b0/011118_resource_report_cdfi_impact_investing_final.pdf)




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