



**More for Mission Conference Call December 3, 2010**

**Fixed income as a mission investment—structuring bonds with social and environmental goals—the “Human Capital Plan”**

- **Patricia Jennings Braynon, Director, Miami-Dade Housing Finance Authority**

Patricia Braynon is the Director of the Housing Finance Authority of Miami-Dade County and responsible for the administration of the County's \$2 billion bond financed housing programs. Patricia has brought Affordable Green building techniques to Miami-Dade County and single-handedly found a developer, partnered with the City of Miami Community Development Office, Miami-Dade County and the Miami Dade Affordable Housing Foundation to build the first affordable LEED - Leadership in Energy and Environmental Design - certified Green home in the State of Florida.

- **Gene Slater, Financial Advisor, CSG Advisors**

Gene Slater is a Financial Advisor and chairman of CSG Advisors, a leading independent national financial advisor to public agencies and non-profit organizations, and has advised on more than \$12 billion of affordable housing and community development financings. Gene is based in San Francisco, and the firm has offices in New York, Atlanta and Dallas.

- **Barbara VanScoy, Founder, Community Capital Management**

Barbara VanScoy is the Chair of the Board, Senior Portfolio Manager, and Founder of Community Capital Management, a fixed income fund manager. Barbara is responsible for fixed income and community development research and client portfolio management and has created an extensive network of mortgage originators and municipal underwriters to encourage the production of affordable housing, job training programs and healthcare facilities. Headquartered in Weston, Florida with an office in Charlotte, North Carolina, Community Capital manages \$1.3 billion as of September 30, 2010.

Discussion items:

- Bonds issued to fund the acquisition, construction, improvement, and renovation of blighted communities
- What is the role of the issuer, financial advisor, and fixed income manager – how do they differ and complement each other in achieving common goals?
- Structuring a bond issue to include language that ensures a vibrant community, quality jobs, environmental sustainability, and community building programs
- Creating bond issues that create capital in underserved communities and in mission/geographic areas of interest to mission-driven foundation investors

## Summary of Q&A:

**Doug Stamm (CEO, Meyer Memorial Trust) commented that for Meyer Memorial Trust's investment in Community Capital Management to be a true mission investment it needed a geographic focus in the state of Oregon and address the foundation's programmatic areas of affordable housing, community and economic development. Can you talk about how this was done for Meyer Memorial Trust or a similar client?**

Barbara VanScoy, Community Capital Management, referenced slide 27 on Sector Impact. Looking at the sector allocation, we are essentially replicating the Barclays Aggregate Bond Index to construct a portfolio targeting the State of Oregon and economic development activities in Oregon.

Single Family Agency MBS – targeted market rate home loans for low- and moderate-income borrowers. Our screening criteria includes looking at borrowers' loan-to-value ratios, debt-to-income ratios, and the loan amounts to verify the ability to repay the loan (responsible homeownership). For Meyer Memorial Trust, we custom create single family agency pools that target low- and moderate-income borrowers in Oregon

ABS – small business loans in low- and moderate-income communities. Many of the businesses within the Meyer Memorial Trust portfolio are located in historically underutilized business (HUB) zones or are women-owned businesses. All of them help to provide much needed jobs to low- and moderate-income communities in Oregon.

Multifamily Agency MBS – these bonds finance affordable rental housing which may include affordable housing for seniors.

Taxable municipal bonds – these bonds finance revitalization in Portland and other key initiatives supporting the development and redevelopment of areas within Meyer Memorial Trust's geographic footprint of the state of Oregon.

All within a market-rate, high credit quality bond portfolio.

**Vic DeLuca (President, Jessie Smith Noyes Foundation) if any of the presenters had a sense of what the new deficit reduction proposals would do to any of these products - for example on tax-exempt bonding?**

Gene Slater, CSG Advisors, commented that unlikely to happen on tax exempt bonding side, if it did the approach being discussed would mean municipalities would issue some or more of their bonds as taxable and there would be a federal subsidy to the locality so that the investor would be an investor in taxable bonds. Some of the bonds described in my presentation would now be all municipal bonds for a broader set. However, the likelihood of this happening is slim.

Barbara VanScoy, Community Capital Management, commented on how the Build America Bond Program may or may not be sunsetted at end of year. In one example, the Treasurer of Pennsylvania is concerned about the issuance of Build America bonds because of transparency issues and whether the bonds are really benefiting the commonwealth. Transparency is critical, it is important that more issuers and underwriters disclose the bond proceeds and what the projects are financing. This is a benefit for investors and especially mission-driven investors as it is critical they see and understand how the bonds are actually supporting investor's social objectives.