

CALIFORNIA ORGANIZED
INVESTMENT NETWORK

Insurers investing in a better California

DECEMBER 2021

Overview of COIN



The California Organized Investment Network (COIN) was established in 1996 within the California Department of Insurance (CDI) to guide insurers on making financially sound investments that yield environmental benefits throughout California and/or social benefits within the State's underserved communities.

COIN partners with organizations to source and structure investments promoting social and environmental investments in the state, and then solicits these investments to insurance companies.

Insurance Commissioner Ricardo Lara has prioritized COIN investments which drive affordable housing, support small businesses, especially during this pandemic, combat climate change, and encourage investors to utilize diverse investment managers more.

COIN-qualified investments provide benefits including affordable housing, homeless shelters, jobs and education training, care facilities, as well as renewable energy investments, such as wind, solar, and geothermal projects.

COIN-qualified capital is allocated to investments in communities traditionally underserved by the financial markets, and to environmental projects promoting sustainability in California.

2021 COIN Community Investment Survey (CIS) Data Call

COIN conducted the 2021 Community Investment Survey (CIS) Data Call to make transparent the amount of capital that insurers held in California community development and green investments between 2016 and 2020. This analysis highlights major trends in insurers' COIN qualified investment holdings and methods employed by COIN to facilitate greater insurer investment into California's underserved communities.

High-Level Findings

248
Insurance
Companies

100%
Response Rate

67%
Insurers hold
COIN-qualified
Investments
(End of 2020)

48,145
Investments
Qualified

Total COIN qualified investment holdings increased approximately 75% from \$22 billion in 2016 to \$38 billion in 2020. High Impact Investment holdings increased by 38% from \$6 billion in 2015 to \$8 billion in 2020. Green investment holdings increased by 48% from \$8 billion in 2015 to \$12 billion in 2020.

Insurer Recognition



New York Life recently announced a \$1 billion impact investment initiative with the aim to address the racial wealth gap by investing in underserved and undercapitalized communities over the next three years with a focus on supporting small businesses, affordable housing, and community development. The company has partnered with Impact Community Capital (ICC), a

California COIN certified Community Development Financial Institution (CDFI). ICC recently assisted in the preservation of a 95 unit senior housing complex in La Puente, CA. New York Life has collaborated with Fairview Capital to commit \$150 million to invest in diverse and emerging fund managers. Through this collaboration, the company expects to make 15 venture capital and growth equity limited partnership commitments over the next three years. Each commitment would support dozens of businesses, resulting in several hundred businesses impacted overall. To oversee the company's impact investment focus, New York Life has appointed Managing Director Martin King as head of impact investments. Mr. King will continue to oversee \$70 billion of investment grade fixed income assets and will add the impact investing responsibilities to his existing role.



Increased Insurer Investment Holdings, 2016-2020

In July 2018, COIN launched its Impact Investment Marketplace, an online portal to help facilitate high impact investments in underserved communities and environmental projects in California. The marketplace links those seeking capital for community development investments with insurers looking to make COIN qualified investments at competitive financial returns in numerous ways, including Investment Bulletins. This led to an increased number of approved COIN investment bulletins across a broader set of asset classes. To improve investor relations, COIN also instituted a series of marketing trips throughout the United States beginning in the Fall of 2018, to market the COIN program to investors, insurers, and asset managers.

Prior to 2018, on average, COIN approved about 6 bulletins per year, which in total raised about \$40 million from insurers each year. Under the leadership and direction of Commissioner Lara, the COIN Program in 2019 was able to establish and improve relationships with insurers that directly led to a significant increase in insurer participation in the COIN Program.

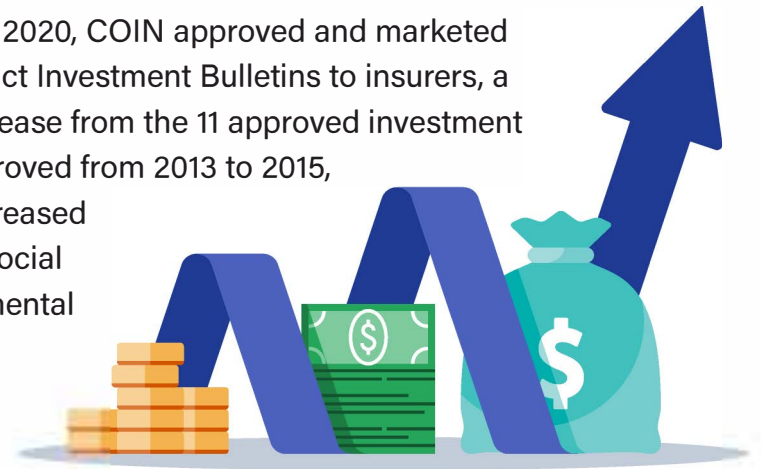


High Impact Investments

High Impact Investments are innovative, responsive to community needs, not routinely provided by insurers, or have a high degree of positive impact on the economic welfare of low-to-moderate income (LMI) households or areas in California.

From 2016 to 2020, COIN approved and marketed 49 High Impact Investment Bulletins to insurers, a dramatic increase from the 11 approved investment bulletins approved from 2013 to 2015, driven by increased outreach to social and environmental investment managers, and the launch of the COIN Impact

Investment Marketplace online portal in July 2018, which streamlined the COIN Investment Bulletin application process. Insurer high impact investment holdings have increased by 38% since 2015.

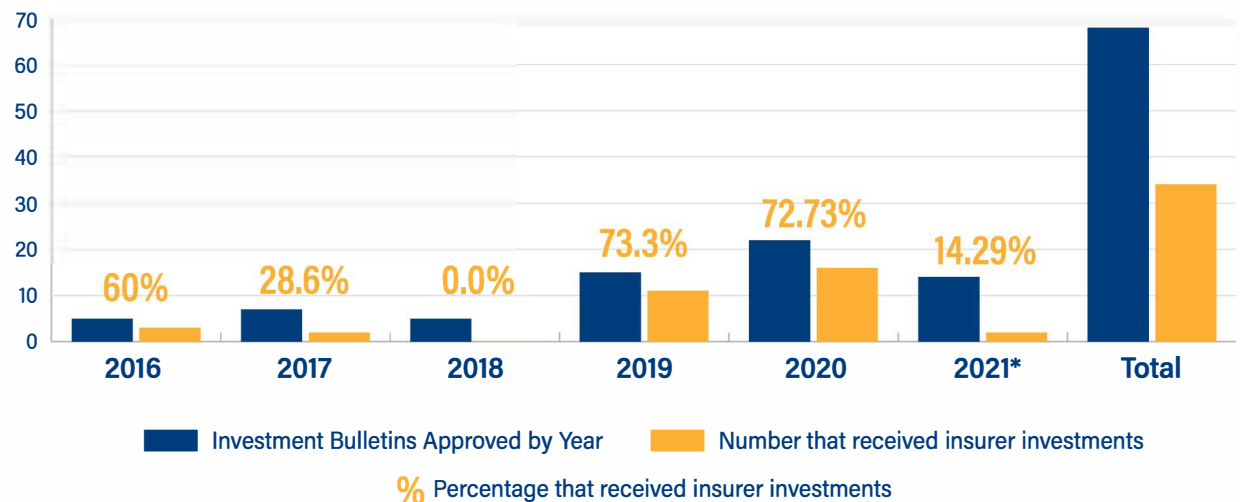


COIN Investment Bulletins & CDFIs

COIN approves Investment Bulletins and CDFIs to help insurers identify investments that have a high degree of social and/or environmental benefit in the State of California.

Investment Bulletins are investments that COIN investment officers have vetted for their social or environmental impact and will provide competitive financial returns. COIN notifies insurers of bulletins and sends them email reminders of remaining investment availability.

Beginning* in 2019, the COIN program tripled the number of bulletins approved to 15 compared to 5 bulletins approved in the previous year of 2018. In addition, approximately 3 out of every 4 bulletins approved in 2019 and 2020 received insurer investments. Along with focusing his attention towards climate change, Commissioner Lara and his current administration have made the advancement of the COIN program a top priority in order to aid California's underserved low-to-moderate income individuals and families.

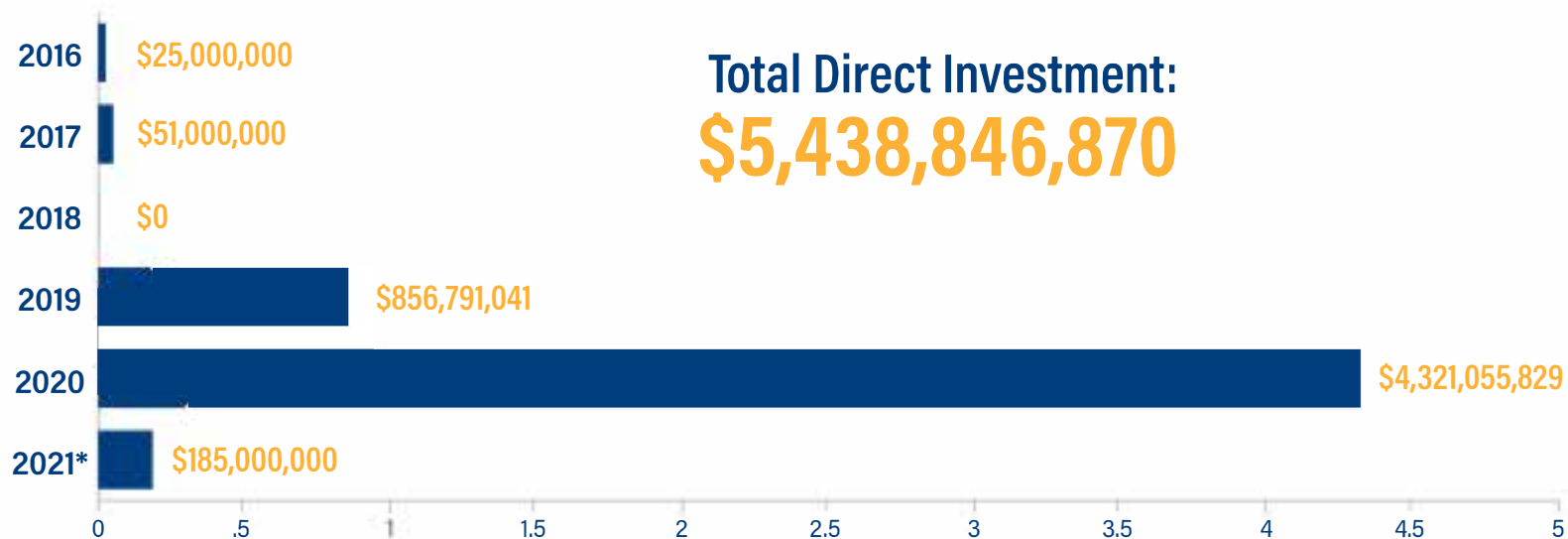


**Please note data collection for 2021 is as of June 1st so only one half of 2021 is being captured. Investment bulletins in 2021 are still in the process of capital seeking and can take anywhere from 12 to 18 months to complete the capital raising process. The number and amount of insurers' investments is subject to change and will most likely increase.*

Direct Investments Through COIN Program

Over the past six years from 2016 to 2021, the COIN program has facilitated \$5.4 billion in impact investments from insurers that will benefit either renewable energy projects or programs geared towards assisting low-to-moderate income individuals and families in California. The programs that assist low-to-moderate income individuals and families range anywhere from assisted living, affordable housing and medical, to small business

loans. Of the \$5.4 billion invested by insurers from 2016 to 2021, 99% was raised from 2019 to 2021 which is a direct reflection of Commissioner Lara and his focus to expand the COIN program. Over the past three years, COIN has averaged investments of \$1.8 billion per year which is an increase of roughly 71x in comparison to the previous three-year period average of \$25.3 million from 2016 to 2018.



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Jobs Created Through the COIN Program

\$5.4 BILLION
IN INVESTMENT

62,497 JOBS

Of the total \$5.4 billion in investments received from insurers from 2019 to 2021, 63% was invested in green projects, followed by affordable housing 22%, mixed use 10%, small business funding 4%, and health 1%. During that same period, over 62,000 jobs were created with 50%—or one out of every two jobs—coming from green projects. 28% of newly created jobs came from affordable housing, 13% of jobs came from mixed use projects, 8% came from small business funding, and 2% came from health.

Investments and Jobs Created by Year and Sector

	TOTAL INVESTMENT (\$ RECEIVED)	TOTAL JOBS CREATED BY SECTOR
2019	856,791,041	
Affordable Housing	773,765,514	11,707
Green	11,000,000	101
Healthcare	24,170,716	555
Mixed Use	22,854,811	349
Small Business Funding	25,000,000	510
2020	4,321,055,829	
Affordable Housing	380,140,000	5,752
Green	3,372,483,435	30,926
Healthcare	37,911,870	620
Mixed Use	500,520,524	7,640
Small Business Funding	30,000,000	612
2021*	185,000,000	
Mixed Use	10,000,000	153
Small Business Funding	175,000,000	3,572
Grand Total	5,362,846,870	62,497

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Diverse Investment Manager Program

Less than 1.3% of the investment industry's \$70 Trillion in assets under management are managed by women and people from historically underrepresented communities.

In 2020, Commissioner Lara launched "Invest in Our Diverse Communities", an initiative to identify diverse woman-, veteran-, LGBTQ+-, Latino/Latinx, Asian Pacific Islander, Black, and Native American-owned investment managers who can guide investments made by insurance companies into capital-ready socially responsible affordable housing and environmental projects across California. With the U.S. insurance industry commanding \$7 trillion in investible assets, the new Invest in Our Diverse Communities Initiative identifies investments managed or owned by diverse investment leaders to fund targeted projects with social benefits in the state. Since the launch of the Diverse Investment Manager program, COIN has approved 12 investment bulletins and of those 12 bulletins, over 40% have received insurer investments bringing total invested in the program to over \$600 million.



DIM Investment Bulletins Approved by Year

YEAR	NUMBER OF INVESTMENT BULLETINS	NUMBER THAT RECEIVED INSURER INVESTMENTS	PERCENTAGE THAT RECEIVED INSURER INVESTMENTS
2020	6	4	66.67%
2021*	6	1	16.67%
Grand Total	12	5	41.67%

**Please note data collection for 2021 is as of June 1st so only one half of 2021 is being captured. Investment bulletins in 2021 are still in the process of capital seeking and can take anywhere from 12 to 18 months to complete the capital raising process. The number and amount of insurers' investments is subject to change and will most likely increase.*

Creating Impact Throughout California

Below is a sample of COIN qualified investment projects in California

Hatchet Ridge Wind Farm, Shasta County

Blue Forest Conservation, Yuba and Sierra Counties

Dutton Flats, Santa Rosa

Florin Meadows Apartments, Sacramento

Joshua Tree Home, Inc., Novato

Brilliant Corners, Byron

Alicia's Tamales Los Mayas, Hayward

California Health Facilities Financing Authority, No Place Like Home Program

Bay Area Housing Corporation, Watsonville

Alta Wind Energy Center, Tehachapi, Kern County

Normandie Lofts, Los Angeles

Sunny Garden, La Puente

Reimagine, Santa Ana

Jordan Downs Phase S3, Los Angeles

Genesis Solar Energy Center, Riverside County

Sutton Irvine Residence, Inc., Irvine

New Light (Irvine & Huntington Beach)

Mount Signal Solar Project, Imperial County

First Fuel, Newport Beach

City Scene Apartments, San Diego

INVESTMENT EXAMPLES

Individual COIN-qualified Investment Projects:

Clearinghouse CDFI: \$622,100 Loan Creates Affordable Group Home for Developmentally Disabled Individuals

Bay Area Housing Corporation, Watsonville, CA



Bay Area Housing Corporation (BAHC) is a nonprofit organization serving individuals with intellectual/developmental disabilities (I/DD) and their families. Clearinghouse CDFI financed a loan for BAHC to acquire a single-family home that will function as a group home for individuals with severe I/DD. The new group home will serve residents requiring 24-hour, non-medical health care.

Clearinghouse CDFI addresses unmet credit needs of low-income and distressed communities nationwide including individuals that live in tribal lands, which are often overlooked, through direct lending, equity investments, and financial assistance.

Clearinghouse CDFI: \$820,200 Loan Helps Create Affordable Housing with Enhanced Behavioral Support Services for Children

Brilliant Corners, Byron, CA



Brilliant Corners is a nonprofit organization that creates access to affordable, supportive housing for individuals with developmental disabilities and other special needs. This housing offers a safe space for these vulnerable individuals, including those affected by homelessness or low-income situations. Clearinghouse CDFI provided financing for Brilliant Corners to acquire and modify a single-family home in Byron, CA into an affordable, enhanced behavioral support facility. The remodeled facility will offer 24-hour, non-medical care in a home-like setting for children with behavioral impairments, mental illness, or substance abuse issues.

INVESTMENT EXAMPLES

Individual COIN-qualified Investment Projects:

Clearinghouse CDFI: \$468,000 Loan Creates Affordable Homes with Supportive Services for Four Low-Income, Developmentally Disabled Children

Brilliant Corners, Sacramento, CA



Clearinghouse CDFI provided a loan for Brilliant Corners to acquire and transform a single-family home in Sacramento, CA into an enhanced behavioral support facility. The newly modified home will provide a safe and service-enriched environment serving low-income children with developmental disabilities and severe behavioral issues.

Clearinghouse CDFI: \$432,000 Loan Helps Create Service-Enriched Group Home with 24/7 Care for Developmentally Disabled Individuals

Joshua Tree Home, Inc., Novato, CA



Joshua Tree Home, Inc. (JTH) develops and manages assisted enhanced behavioral support homes through the California Community Placement Program (CPP) for developmentally disabled adults. Clearinghouse CDFI financed a loan for JTH to purchase and rehabilitate a single-family home into a group home for adults with severe developmental disabilities.

Grant funds were also provided through the CPP. This project will create a service-enriched living environment for low-income, developmentally disabled individuals.

Clearinghouse CDFI: \$10 Million in Financing Supports Collaborative Expansion of Critical Disability Services in Southern California

Reimagine, Santa Ana, CA



Reimagine—formally the Rehabilitation Institute of Southern California—is a nonprofit dedicated to assisting individuals with disabilities. First established in 1950, Reimagine has served Orange County for 70 years. It provides opportunities for lifelong growth and achievement through child development, continued learning, and health and wellness services. Clearinghouse CDFI provided financing for Reimagine to purchase and rehabilitate the former Goodwill of Orange County Fitness Center and its surrounding building into a new headquarters. The new facility will serve 500 people daily and offer additional programs for children with disabilities. Reimagine's expansion is part of a larger collaboration with Goodwill of Orange County and Riverside Charitable Corporation, a local nonprofit housing developer. This partnership aims to increase and improve overall disability services throughout Southern California.

INVESTMENT EXAMPLES

Individual COIN-qualified Investment Projects:

Clearinghouse CDFI: \$514,000 Loan Helps Elderly & Developmentally Disabled Individuals Thrive in Service-Enriched Environment

Sutton Irvine Residence, Inc., Irvine, CA



Sutton Irvine Residences (SIR) is a nonprofit offering low-cost residency for elderly and developmentally disabled individuals. Facilitated through the Sutton Foundation, Inc., SIR provides cleaning, cooking, transportation, and other supportive services for residents in single-family homes. Clearinghouse CDFI (CCDFI) provided financing for SIR to pay off existing debt and achieve compliance with HUD regulations. CCDFI's loan, along with SIR's retention of a new HUD-approved managing agent, will strengthen the nonprofit's ongoing operations and ensure HUD regulatory compliance. SIR will continue providing critical housing and support for low-income individuals—the majority of whom earn below 50% of area median income.



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DUTTON FLATS
SANTA ANA, CALIFORNIA 92705

CONCEPTUAL DESIGN
APRIL 15, 2017

PERSPPECTIVE
UNOFFICIAL CONCEPT RENDERING

A6.0

Berkadia: Invests \$12.3 Million in New Affordable Housing in Santa Rosa

Dutton Flats, Santa Rosa, CA



Berkadia's Affordable Housing invested in Dutton Flats, a 100% affordable new construction development in Santa Rosa, California, where wildfires destroyed a number of the already inadequate affordable housing supply. Once complete, Dutton Flats will provide 40 units to households earning between 30%-60% of the area median income.

INVESTMENT EXAMPLES

Individual COIN-qualified Investment Projects:



Berkadia: Jordan Downs S3: Important new construction to replace public housing in the Watts neighborhood of L.A.

Jordan Downs Phase S3, Los Angeles, CA



Berkadia's Affordable Housing invested in Jordan Downs Phase S3, a new construction development in the Watts neighborhood of Los Angeles, California. Jordan Downs Phase S3 will provide 91 units to households earning between 30%-80% of the area median income. It is part of a transformative 70-acre multi-phase redevelopment effort, led by Michaels BRIDGE Housing, and The Housing Authority of the City of Los Angeles (HACLA). Once complete, the redevelopment will transform the 700 existing public housing units into a development comprising 1,400 units of housing and new community amenities for the Watts neighborhood.

INVESTMENT EXAMPLES

Individual COIN-qualified Investment Projects:

Blue Forest Conservation: Forest Resilience Bond

Yuba and Sierra Counties, CA



The Blue Forest Conservation Forest Resilience Bond (FRB) is an investment vehicle that will provide financing for forest restoration activities that mitigate wildfire risk and protect water resources. The FRB team raises capital from groups such as insurance companies, foundations, and other investors for the implementation of restoration treatments. The first bond provided \$4 million in capital from four investors to finance ecological restoration treatments across 15,000 acres of national forest in Sierra County, CA that encompasses Tahoe National Forest system lands within the Yuba River Watershed. The follow-up projects will complete 35,000+ acres of forest restoration treatments that reduce wildfire risk, protect watersheds, and promote ecosystem health. Blue Forest Conservation is also working with North Yuba Forest Partnership (NYFP), where their focus will be on protecting 275,000 acres on the North Yuba Watershed of the Tahoe National Forest.

California Rebuilding Fund: \$100,000 Small Business Loan through Pacific Community Ventures (PCV), a California-based CDFI.

Alicia's Tamales Los Mayas, Hayward, CA



Launched by Governor Newsom, the California Rebuilding Fund is a public-private partnership with California's Infrastructure and Economic Development Bank (IBank) to address the capital needs of California's small businesses as they reopen and recover from the COVID-19 health and economic crisis.

Alicia's Tamales Los Mayas is a Hayward-based restaurant, wholesaler, and catering company owned by Bay Area legend Alicia Villanueva. Alicia was born in the city of Mazatlan, located in the Northeastern part of the Mexican republic and in the state of Sinaloa. She has been stuffing tamales since she was a kid, with her mami and her abuelita. She began working for her dream as early as 2001, when, arriving in this "beautiful and blessed country" she was impressed to find the many cultures represented in everyday life. Immediately, Alicia thought of tamales as a way to connect her story to those of the people around her, and as a way to potentially make a living for her family. Alicia began selling tamales door to door, lovingly making up to 500 tamales in a single week. This garnered her the "Tamale Lady" nickname that first popularized her in San Francisco.

INVESTMENT EXAMPLES

Individual COIN-qualified Investment Projects:

But even though it felt like a lot, it was barely enough to cover the bills. Alicia is a long-time client of La Cocina (and featured in the We Are La Cocina cookbook) as well as Bay Area-based CDFIs MEDA and Opportunity Fund. Now, Alicia makes over 4,500 tamales a week! “When you eat one of our tamales, we want you to feel like a part of our family,” says Alicia.

Diverse Communities Impact Fund (DCIF):

New Light (Headquarters in Irvine & Plant in Huntington Beach)



Newlight converts greenhouse gas to regenerative materials that improve the world. Newlight is using microorganisms found in the ocean to convert air and greenhouse gas (CO₂e) into a natural biomaterial that they can melt and form into products. They produce this innovative product called AirCarbon which is a biomaterial that is carbon-negative. With AirCarbon, they have the opportunity to recycle how nature recycles: anaerobically digesting it into greenhouse gas, and using that gas to make new AirCarbon.



First Fuel (Headquarters in Newport Beach & Charging Stations throughout California State) Harnessing Hydrogen to Power Electric Vehicles



FirstElement Fuel, Inc. is making safe and reliable, retail hydrogen available with their True Zero brand for vehicles powered by fuel cells. True Zero is focused on eco-efficient automotive transportation through the development of a hydrogen fueling network that spans the state of California. Their goal is to increase the presence of easily accessible hydrogen stations to assist with the widespread adoption of electric fuel cell vehicles.

INVESTMENT EXAMPLES

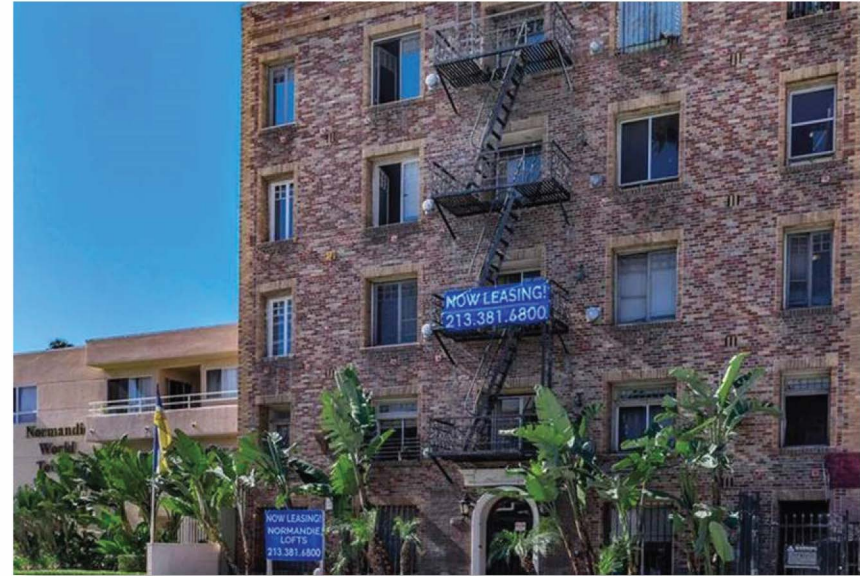
Individual COIN-qualified Investment Projects:



IMPACT Community Capital: Sunny Garden- La Puente, CA



Sunny Garden is a 95 unit senior housing complex in La Puente, CA. Through IMPACT's bridge loan strategy, they facilitated the purchase of the development by a local nonprofit developer, enabling them to preserve the development's affordable units for residents with 50%, 80% and 120% of area median income.



Normandie Lofts- Los Angeles, CA



Normandie Lofts provides 50 units of affordable and workforce housing in downtown Los Angeles. Additionally, 25 units in the property provide permanent supportive housing for the homeless. Through IMPACT's bridge loan strategy, the borrower was able to purchase the building and preserve the units as affordable while they apply for a new permanent mortgage. This property will house residents with an average area median income of 80%, in a community with a high demand for affordable housing.

INVESTMENT EXAMPLES

Individual COIN-qualified Investment Projects:

California Health Facilities Financing Authority No Place Like Home Program



As of year-end 2020, insurance companies have invested over \$91 million into State of California municipal bonds supporting the No Place Like Home Program.

The program was established to provide permanent supportive housing for individuals who are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness, and individuals who need mental health services. In November 2018, California approved the No Place Like Home Act of 2018, which approved the issuance by the California Health Facilities Financing Authority of up to \$2 billion of bonds to finance awards by the Department of Housing and Community Development (HCD) to counties under the No Place Like Home Program. Counties in California are primarily responsible for providing mental health care for persons who lack private coverage. Counties provide psychiatric treatment, counseling, hospitalization, and other mental health services. Some counties also arrange other types of help for those with mental illnesses, such as housing, substance abuse treatment, and employment services.

City Scene Apartments San Diego, CA



Affordable Housing - Apartment Details (4105 Georgia St): City Scene Apartments is a Low-Income Housing Tax Credit apartment located San Diego, CA. The facility provides 30 one, two- and three-bedroom apartments for low-income individuals and families. The Life Insurance Company of the Southwest has invested over \$27 million in this project.

Florin Meadows Apartments Sacramento, CA



Affordable Housing - (7301 29th Street): Midland National Life Insurance Company, National Life Insurance, and North American Company invested \$28 million in Florin Meadows Apartments Sacramento, a Low-Income Housing Tax Credit apartment located Sacramento, CA. This complex provides 242 units of affordable housing for low-income individuals and families in the greater Sacramento area.

INVESTMENT EXAMPLES

Individual COIN-qualified Investment Projects:

Alta Wind Energy Center (aka Mojave Wind Farm) **Tehachapi, Kern County, CA**



The Mojave Wind Farm is California's largest wind energy project and the 2nd largest onshore wind farm in the world. As of year-end 2020, insurance companies held over \$467 million in investments in the Alta Wind Energy Center project. The project will supply 1,550 megawatts of clean renewable energy to Southern California Edison (SCE) for more than 25 years under a 3,000-megawatt wind power development initiative upon completion. The project comprises the installation of up to 600 wind turbines in addition to the construction of supporting facilities, service roads, and transmission lines.

Genesis Solar Energy Center **Riverside County, CA**



The original project financing raised \$660 million from nine insurance companies. Insurance companies currently hold approximately \$83 million in investments in the Genesis Solar Center. The 250-megawatt project opened in April 2014 as a subsidiary of NextEra Energy, which owns and operates the energy center. The energy center produces enough electricity to power 88,000 Californian households.

Hatchet Ridge Wind Farm **Shasta County, CA**



The 101-megawatt solar facility reached commercial operation in 2010. The wind farm consists of 44 American-made 2.3-megawatt turbines that sit atop towers manufactured in California. Pacific Gas & Electric Company purchases 100% of the electricity generated by Hatchet Ridge Wind. Hatchet Ridge is located in Burney, California between Mt. Shasta and Mt. Lassen. As of year-end 2020, insurance companies hold investments over \$61 million in Hatchet Ridge.

Mount Signal Solar Project **Imperial County, CA**



The Mount Signal Solar Project is located in Imperial County, California, approximately 100 miles east of San Diego. The project is comprised of three solar farms. At 800 megawatts, the project is the largest of its kind in the nation and one of the largest solar complexes in the world. Construction was completed in May 2014 and commercial operation began later in the year. It produces enough energy to power 72,000 homes in the San Diego Gas & Electric (SDG&E) service territory. As of year-end 2020, insurance companies hold investments totaling over \$208 million in Mount Signal Solar.

The background of the slide is a dark blue gradient. On the left side, there is a blurred image of a financial data screen. It shows various numbers in white and yellow, some of which are circled in yellow. A white line graph is visible at the bottom left, showing an upward trend. The overall aesthetic is professional and data-oriented.

**For more information
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