



INSIGHT AT  
PACIFIC COMMUNITY VENTURES

# California Organized Investment Network Impact Report

JUNE 2016

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EXAMINING INVESTMENTS MADE IN  
CALIFORNIA FROM 2011 THROUGH 2015



# CASE STUDY: CLEARINGHOUSE CDFI

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**Background:** Clearinghouse CDFI invests in small businesses, affordable housing, community facilities, and commercial real estate located within underserved communities in California and throughout the Western United States. The firm has grown rapidly in recent years, increasing total assets and net worth from \$75 million and \$7 million in 2006 to over \$360 million and \$50 million in 2016 respectively.

**COIN's Support:** Jay Harrison, Clearinghouse CDFI's Chief Investment Officer, emphasized the instrumental role that COIN played in supporting Clearinghouse CDFI's growth and success.

"COIN has been a great partner of ours, particularly by effectively encouraging investors to make Class A stock investments which are critical to our growth. In the absence of COIN, we would certainly be a smaller institution. We would have made fewer and smaller loans, and as result we would have achieved less positive impact in the communities we serve throughout California."

Indeed, a majority of the equity (\$5.3 million out of \$10.4 million) raised by Clearinghouse CDFI over the last five years were COIN-facilitated investments, which leveraged or facilitated the investment of an estimated \$160 million to organizations in low-income or underserved communities. While some of Clearinghouse's equity investors would have invested even without support from COIN, many would have perceived the investment opportunity as too risky. "In

## Educating homeless children at Monarch Schools, supported by Clearinghouse CDFI



many cases that I've seen, the existence of the CDFI tax credit makes the difference between an investor saying yes or no to an equity investment opportunity in Clearinghouse CDFI. And these investments are critical to our success."

**Borrower Profile:** Monarch Schools, based in San Diego, is a K-12 comprehensive school designed to educate homeless youth and provide specialized social services that help keep at-risk students in school. Clearinghouse CDFI provided a loan to Monarch Schools so that it could move from a 2,500 to a 50,000 square foot facility, enabling the school's expansion while dramatically improving the quality of resources available and services provided to students. When Monarch Schools was unable to obtain a loan from traditional lenders, Clearinghouse CDFI approved a loan to Monarch Schools based on future expected revenues: Monarch intended to launch a capital campaign that would be used as a primary source of repayment for Clearinghouse's loan. Exceeding Clearinghouse's expectations, Monarch was able to repay Clearinghouse CDFI's loan before its maturation due to the success of the school's capital campaign.