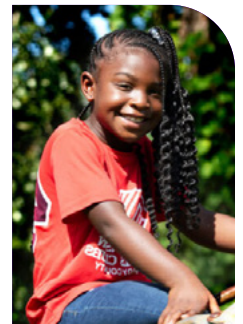




Investing in Community

IMPACT INVESTING REPORT | JUNE 2024



Innovation and Collaboration

[Georgia Health Initiative](#) is a non-profit, private foundation whose mission is to inspire and promote collective action that advances health equity for all Georgians. Initially known as Healthcare Georgia Foundation when founded, for nearly 25 years our organization has partnered with individuals and entities across sectors to create a Georgia in which all people share the opportunity to attain their fullest potential for health. The Initiative stewards all of our resources—our finances, personnel expertise, and partnership engagements—to improve the health of the 11 million Georgians across 696 zip codes and within 159 counties.

While our underlying values of courageous leadership, trust, equity, and partnership remain steady constants in how we approach our work, we consistently strive to identify and pursue innovative strategies as a part of our ongoing evolution as an organization. To that end, in 2015, our organization’s Board and Staff began investigating ways to harness our finances beyond traditional grantmaking. Those investigations eventually led to the launch of a seven-year social impact investment initiative. Social impact investing speaks to a practice that entails a foundation investing a portion of its endowment to achieve social benefits that generate modest financial returns and preserving principal for future investment.



Teaming up with CDFIs

In launching our seven-year social impact investment effort, Georgia Health Initiative developed an approach that entailed co-creating a brighter future through partnerships with community development financial institutions (CDFIs) throughout the state. CDFIs are entities that provide financial services in communities comprised of households living at lower-incomes and who accordingly may experience more limited access to financing from traditional lenders.

CDFIs are unique in that they see themselves as a part of the community they serve. In addition, a compelling attribute of CDFIs is the way they increasingly are working to address and strengthen social determinants of health (see sidebar, right). Social determinants of health are the nonmedical factors that influence health outcomes, such as housing, education, employment opportunities, and other conditions. As such, addressing these factors is critical to improving health and advancing health equity. Through this partnership, the Initiative provided grants or program-related investment (PRI) loans to the CDFIs, who in turn provided low-interest loans or other financial assistance to individuals and entities in addressing one or more of the social determinants of health.

Each story that follows introduces one of our partner CDFIs, their strategic area of investment within their community, and the sparks of positive change that already have begun to emerge.

While each approach is unique—just as every community in Georgia is unique—what is consistent across all strategies is that these innovative approaches are contributing to positive solutions across our state.



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Social Determinants of Health

The following determinants dramatically influence health inequities within and between communities or individuals.



Racism and discrimination



Income and poverty



Housing quality and affordability



Access to transportation



Education



Access to health care services



Employment and financial opportunities



Social support



Availability of safe streets and green space



Access to nutritious foods

*Source: Centers for Disease Control and Prevention



Serving 100 counties in Georgia, [Access to Capital for Entrepreneurs \(ACE\)](#) offers affordable loans to small and medium-sized businesses to help them stay afloat by providing capital, coaching, and connections.

Since 1993, ACE aims to close the gender and racial wealth gaps, particularly for African American and Latinx communities and has primarily served women, minorities, and businesses in low-income and underserved communities.

In 2023, ACE disbursed more than \$35 million in loans – 89% going to underserved communities, 80% being deployed to BIPOC entrepreneurs, and 50% to women business owners.

For more than 20 years the organization has given \$200 million in loans and created more than 21,000 job opportunities.

In 2023, ACE was listed as the Atlanta’s Business Chronicle’s 57th largest nonprofit.

Learn more about ACE:

aceloans.org/organization-overview
678-335-5600



Access to Capital for Entrepreneurs Strengthens Woman-Owned Sports Training Business

Alisha Lee, owner of DASH Performance in Lawrenceville, GA, has utilized many of ACE’s small business tools.

As the mother of two former college athletes and the wife of a football coach, sports have long been interwoven into Alisha Lee’s life.

So, about a decade back, she figured why not make a career of it.

Lee did just that, launching DASH Performance, a 17,000 square foot training facility in Lawrenceville, GA, employing expert coaches to increase players’ strength, agility, and skill. Now in its ninth year, the business has nurtured professional athletes such as Arizona Cardinals linebacker Owen Pappoe, who trained at DASH in middle school.

“We start at elementary age really pouring into these kids,” Lee said. “We share what it takes to be a college athlete and a college student, with a heavy focus on character and academics because that is what will carry them.”

When Lee opened DASH, she was a first-time entrepreneur. She had the vision and drive for her business to succeed, but needed help when it came to funding the effort and effectively managing the business.

That’s where ACE (Access to Capital for Entrepreneurs) came in. ACE, a CDFI, bolsters small businesses in 100 Georgia counties with a focus on underserved entrepreneurs: people of color, women, and those with low incomes in communities who typically have less access to capital.

ACE was one of the CDFI’s that Georgia Health Initiative partnered with as part of their social impact investing initiative, providing funding via low-interest loans that go toward worthy projects such as DASH.

For Lee, the revenue and ongoing support from ACE helped her business survive through some daunting challenges.

Lee’s first loan with ACE carried her through a 60% loss in business due to COVID. With a second loan, she hired staff to position for growth and added a yoga studio to prioritize mental health.

ACE’s model is to add other funding sources, such as grants and donations, onto the PRI loan capital to offer a package of benefits for clients. It includes a lower-than-market interest rate, a partial loan forgiveness program, and business advisory services.

Lee finds ACE’s online small business tools invaluable. She utilized them to organize paperwork to both apply for capital and certify as a Woman-Owned Small Business.

Loan recipients also work closely with a business coach. Lee’s coach helped in a myriad of ways, educating her on everything from taking advantage of tax credits to marketing in the social media age.

On monthly calls, Lee got a different perspective into her business and was challenged to focus on its growth. That continues to motivate and inspire her; she is considering leasing an additional location to host basketball and volleyball tournaments and is in the early stages of researching how to franchise the DASH model.

“ACE has been a phenomenal resource for me as an entrepreneur,” she said.

In 2021-2023, ACE has closed 800 loans, deploying \$98 million in capital to Georgia small businesses like DASH Performance. These loans have helped create and retain 7,200 jobs. Underserved small business owners received 92% of these funds.

“Not all traditional foundations really get what we do,” ACE’s Jeff Moody said. “They are used to a nonprofit that is strictly funded through its grants and donations. Georgia Health Initiative really does act as partners. They have, over time, demonstrated sincere interest in our work and in the impact that we’re having.”



Neighborhood Lending Partners (NLP) first opened its doors in Tampa Bay, FL in 1993 with a mission to rebuild and revitalize communities with the greatest need for impact.

With a focus on making housing more affordable, NLP provides an array of services to improve the quality of life for everyone by investing in efforts that support the growth of the local economy.

Some services include providing rehabilitation loans, construction, and

permanent loans for residential and multi-family homes.

Now, with over 30 member banks, NLP has created more than 15,000 affordable housing units, facilitated over \$1 billion into underserved communities, and invested \$500 million in loans for affordable housing and community development.

Learn more about NLP:

www.nlp-inc.com/georgia
813.879.4524



Neighborhood Lending Partners Helping Seniors with Housing and Healthcare

In Gwinnett County, Ga. many older residents face challenges finding affordable housing and access to healthcare.

Neighborhood Lending Partners (NLP) is doing its part to be solution-seekers on both fronts – and potentially provide a blueprint for a more scalable solution there and in other communities.

NLP is funding a new 200-unit residential housing development designed to be the future home for low-income seniors. The development will also feature a free health clinic that will offer quality care.

“I think anytime you can create affordable housing it can make a huge difference but then you add the benefit

of easy access to affordable health care and that really can have a significant impact,” said Debra Reyes, NLP’s president and CEO.

Residents will be eligible for annual physicals and preventative screenings for diabetes and hypertension and other conditions. Those needing additional care will get case management support and guidance navigating the often-confusing health system.

Mary Fellows, NLP’s executive vice president and chief operating officer, said that through its partnership with Georgia Health Initiative it gained a greater understanding of the link between affordable housing and the social determinants of health.

“We had not put the pieces together the way that Georgia Health Initiative put it together for us,” Fellows said. “We now include in all of our proposals that housing is a determinant of health and how important housing is.”

Moving forward, NLP is talking with the same developer of the senior housing project about a similar project that would benefit low-income families.

They also plan to further leverage the relationships they built through CDFI gatherings and learning sessions that were hosted by Georgia Health Initiative.

Those sessions proved particularly valuable for Neighborhood Lending Partners, which had expanded their operations into the state of Georgia shortly before the social impact investing initiative began.

“Connecting with other CDFI’s was incredibly valuable,” Fellows said. “It seems like CDFIs are sometimes kind of islands. There are no two that are exactly alike, but by getting together we could learn from each other, piggyback on ideas, and work together on some deals.”

CDFI Spotlight:

Albany Community Together



With a mission to build wealth and create economic opportunities in Georgia, [Albany Community Together, Inc. \(ACT\)](#) helps aspiring entrepreneurs and small businesses get access to affordable loans.

ACT has provided capital, coaching, and connections to support business owners, particularly BIPOC communities and low-income persons, in an effort to close financial gaps.

Serving over 30 counties, ACT became a CDFI in 2007. In 2012, it received a contract from the State to implement the Small Business Credit Initiative – which helps small business get access to capital – and was funded by the Department of Treasury.

Learn more about ACT:
albanycommunitytogether.com
229.420.4600



William Jones, owner of Big Willy's Seafood, is one of many small business owners who have benefited from support from ACT.

Albany Community Together Steps Up in a Time of Crisis

Albany Community Together (ACT) was born out of a crisis back in 1994 after a devastating flood inundated homes and businesses, causing millions of dollars in damages.

In response, the community and four local banks banded together to form ACT as a revolving loan fund to help Albany small businesses recover and rebuild.

Those flood waters have long since receded, but ACT has endured. The organization has evolved to become a CDFI, which today supports entrepreneurs in 38 rural southwest Georgia counties.

Albany was one of the hardest hit communities in the country during the early days of the COVID-19 Pandemic. More than half of ACT's borrowers found themselves unable to make their loan payments – an alarming trend that not only threatened individual businesses, but also the solvency of ACT itself.

“It was a really scary time, for me personally because I knew so many people fighting COVID, some of whom died,” said Thelma Johnson, ACT's executive director. “Meanwhile we have an organization in which half of our loan portfolio is not repaying.”

Fortunately, Georgia Health Initiative, which had issued grants to ACT previously, reached out to discuss ways they could offer support amid the crisis.

What emerged from the conversation was that it made more sense to make a grant than a low-interest loan to best equip ACT in responding to the urgency of the moment. The funds subsidized interest payments for borrowers who needed a reprieve due to COVID impacts.

The swift inflow of cash rescued business owners, while also helping ACT stabilize its loan portfolio. Further, the infusion of grant money had a multiplying effect, strengthening ACT's ability to apply for and receive numerous other grants during the twin crises of COVID-19 and the murder of George Floyd.

Benefiting from growing interest in equity and race-based initiatives, in 2020, the organization made 21 loans worth \$1.5 million -- the highest number ever in a year. Its assets grew from \$3 million to \$6 million.

“We saw that we were really beginning to grow, and we attribute that to the way we were positioned to receive funding with the help of Georgia Health Initiative,” said Johnson.

ACT also leverages other tools to further support struggling entrepreneurs. They created a working capital flex program, available to established businesses. Payment is based on revenues, and owners don't pledge collateral or need strong credit scores to qualify.

Further, ACT brings in experts in a variety of areas – finance, taxes, operational management – to provide one-on-one technical assistance. Comprehensive analysis of cash and operational flows reveals how entrepreneurs can better operate in the current economy and present to funders in a professional manner.

“Throughout our relationship with Georgia Health Initiative, we always spotlight that CDFIs don't just provide access to capital, but also access to a holistic quality of life,” Johnson said. “If we can strengthen a business owner, that business owner then is able to access health care and health insurance, and a better life through homeownership. We are addressing the social determinants of health without really putting it in the center of our mission statement.”



[The Community Health Center Capital Fund](#) supports community health centers across the country by providing loans that support facility and equipment projects and leverages its relationships with other organizations to ensure that financial resources are available when needed.

Capital Fund provides an array of products and programs, such as direct loans, underwriting services, and solar installation lending opportunities.

Since its inception in 1994, Capital Fund has made a total of \$107 million in loans, which will allow health centers to build 1 million square feet of space in communities with the greatest need and create 2,500 construction-related jobs.

Learn more about The Community Health Center Capital Fund:
chc-capitalfund.org/who-we-are
617.988.2265



Brandon Boyle, Senior Director of Loan Programs at The Community Health Center Capital Fund

Providing a financial lifeline for FQHCs

Federally qualified health centers (FQHCs) represent a vital safety net in America's complex healthcare system, offering medical care to individuals, regardless of their ability to pay or immigration status.

Yet FQHCs face persistent financial and operational challenges, often dealing with cash-flow pressures and the need to create greater efficiencies to control costs as they strive to serve as many patients as possible.

Recognizing the essential role these centers play in communities, one pillar of Georgia Health Initiative's social impact investing strategy has focused on finding ways to support some of Georgia's 34 FQHCs.

To achieve that, the Initiative forged a partnership with Community Health Center Capital Fund, a traditional CDFI that focuses on making loans with interest rates typically lower than those offered by banks. A related entity, Capital Link, provides technical assistance to health centers.

Brandon Boyle, senior director of loan programs for Capital Fund, said FQHCs frequently face cash crunches that can limit their ability to provide services or fund expansions.

"We recently made two loans in recent years to health centers in Georgia, both of which were dealing with cash flow shortages at the time," Boyle said. "One had been turned

down by their long-serving local bank, so we stepped in to help them with loans that offered better rates and terms than a traditional bank loan would. The result was both centers were able to stabilize their finances and continue serving the community."

Boyle said as a result of the partnership with Georgia Health Initiative, Capital Fund has more commitments in Georgia than any other state except California.

"We're now underwriting four loans in Georgia, and that, for us, is an unmatched level in the state," Boyle said. "Georgia Health Initiative has really been a catalyst for us staying involved in Georgia. And it's to the point now where several other foundations have reached out to us because they are seeing what we are doing with Georgia Health Initiative."

When it comes to Capital Link, the focus is on providing health centers with information and tools that help them operate more effectively.

A good example of that is a performance evaluation report (PEP). Capital Link maintains roughly 90 percent of financial audits of the 1,400 health centers around the country and also collects a lot of the reporting health centers are required to track.

"With these benchmarks we can pull a report and do an analysis on a health center that provides great information on how they can run themselves better or refine their processes for capital planning and project planning," Boyle said.

Ultimately, the partnership with Georgia Health Initiative has been key to stabilizing health centers that have struggled financially in the post-pandemic environment.

"Our ability to provide financing at reasonable rates has had a big impact," Boyle said. "A CEO from one of the centers we provided a loan to shared something I'll never forget. She said: 'I was sitting in a parking lot in my car thinking about how we might have to close down. Then your financing came quickly and was big enough that I could make payroll and stay open. You literally saved our organization.' Hearing something like that is incredibly rewarding."