

The Sapelo Foundation

Savannah, GA | Private Foundation [Family]

FOUNDED
1949

ASSET SIZE
\$35M

GEOGRAPHIC FOCUS
Rural Georgia

STAFF SIZE
2 FTEs

IMPACT INVESTING SINCE
2020

STRATEGY
Local Impact Investing [PRIs]

What Motivated This Foundation to Become an Impact Investor?

- ▶ Acknowledging that grant dollars alone cannot accomplish systemic change in rural Georgia communities
- ▶ Tapping into the interest and expertise of board champions who understood impact investing
- ▶ Desire to leverage limited foundation resources for greater community impact
- ▶ Recognition that CDFIs and community lenders needed patient capital to serve rural areas

Where Does the Capital Come From?

The foundation carved out **\$600,000 from its endowment** specifically for Program-Related Investments (PRIs). The investment parameters include:

- ▶ Maximum loan amount: \$100,000 per investment
- ▶ Standard term: 3 years
- ▶ Interest rate: 1% (below market to provide subsidy)
- ▶ Focus on CDFI partnerships that serve rural Georgia

What Types of Investments Are They Making?

Sapelo Foundation has focused on CDFI partnerships to deploy capital into underserved rural communities:

ORGANIZATION	TYPE	FOCUS AREA
ACE (Atlanta Center for Economic Development)	CDFI	Small Business Lending
Albany Community Together	CDFI	Community Development
Capital Good Fund	CDFI	Consumer Lending
Georgia Micro Enterprise Network	CDFI	Microenterprise
NeighborWorks Columbus	CDFI	Affordable Housing
Working Farms Fund	CDFI	Agricultural Lending

Case Study: Albany Community Together

Catalytic Capital in Action

Sapelo Foundation provided a **\$100,000 PRI to Albany Community Together**, a CDFI serving Southwest Georgia. This investment helped ACT secure an additional **\$2.1 million in investment capital** from other sources. The foundation's early commitment signaled confidence to other investors and helped ACT expand its community development lending in one of Georgia's most underserved regions.

How Are Investment Decisions Made?

Investment decisions are guided by alignment with the foundation's mission and geographic focus. The process involves:

- ▶ Staff identification of potential CDFI partners serving rural Georgia
- ▶ Due diligence on CDFI financial health and community impact
- ▶ Board review and approval of individual PRIs
- ▶ Ongoing monitoring through CDFI reporting requirements

Important Lessons Learned

Managing OCIO Expectations

Working with the Outside Chief Investment Officer (OCIO) required clear communication about the purpose and expected returns of PRIs. Education about how impact investments differ from market-rate investments was essential.

Right-Sizing Guardrails

Setting appropriate parameters (max loan size, term, rate) helped manage risk while still providing meaningful capital. Starting small allowed the foundation to build confidence and expertise.

Growing the Ecosystem

Foundation investments can catalyze additional capital. The Albany Community Together example shows how a \$100K PRI helped unlock over \$2M in additional investment from other sources.

Community Foundation for Greater Atlanta

Atlanta, GA | Community Foundation

FOUNDED

1951

ASSET SIZE

\$1.2B

GEOGRAPHIC FOCUS

Metro Atlanta

STAFF SIZE

59 FTEs

IMPACT INVESTING SINCE

2018

STRATEGY

Local Impact; Socially Responsible

What Motivated This Foundation to Become an Impact Investor?

- ▶ Recognition that grants are a different tool than investments for addressing community issues
- ▶ Growing discretionary capital that could be deployed for mission alongside grants
- ▶ Increasing donor interest in impact investing options for their DAFs
- ▶ Desire to model innovation and demonstrate what's possible for other foundations

Where Does the Capital Come From?

GoATL Fund Evolution — Total committed: **\$14.325 million**

- ▶ **\$10 million** from CFGA discretionary capital (endowment and operating reserves)
- ▶ **\$4.325 million** from Donor-Advised Funds (DAFs) whose holders elected impact investing

The foundation created two distinct funds to serve different community needs:

What Types of Investments Are They Making?

CFGA operates two GoATL funds with different focuses:

Feature	GoATL Community Capacity Fund	GoATL Affordable Housing Fund
Focus	Nonprofit working capital and bridge loans	Affordable housing development
Investment Type	Loans to CDFIs for on-lending	Direct loans to housing developers
Target Return	1-3% annually	2-4% annually
Typical Terms	3-5 years	2-7 years (project-based)
Risk Level	Lower (CDFI intermediation)	Moderate (secured by real estate)

Case Study: Cityscape Housing Investment (November 2024)

Affordable Housing in Action

In November 2024, the GoATL Affordable Housing Fund made a significant investment in a Cityscape Development project to create affordable housing units in a high-opportunity neighborhood. The investment provided critical gap financing that allowed the project to move forward, demonstrating how foundation capital can fill gaps that traditional financing cannot address.

How Are Investment Decisions Made?

CFGA has developed a rigorous, cross-functional process:

- ▶ Investment Committee reviews all potential deals against criteria
- ▶ Program staff assess mission alignment and community impact
- ▶ Finance team conducts financial due diligence
- ▶ Legal review of all investment structures and documentation
- ▶ Board approval required for investments above certain thresholds

Important Lessons Learned

Cross-Functional Team Preparation

Success required building internal capacity across multiple departments—program, finance, legal, and leadership all needed to understand impact investing and their respective roles.

Iterating Based on Market Needs

The foundation started with one fund and evolved to two as they learned more about community needs. Being willing to adapt strategy based on experience and market feedback was essential.

Agreement Templates Save Time

Developing standardized legal templates for different investment types reduced transaction costs and time-to-close for subsequent investments significantly.

Codifying Everything

Documenting policies, procedures, and decision criteria created institutional knowledge that survives staff transitions and enables consistent decision-making over time.

Bradley-Turner Foundation

Columbus, GA | Private Foundation [Family]

FOUNDED

1943

ASSET SIZE

\$105M

GEOGRAPHIC FOCUS

Chattahoochee Valley

STAFF SIZE

1 FTE

IMPACT INVESTING SINCE

2016

STRATEGY

Local Impact Investing
[PRIs]

What Motivated This Foundation to Become an Impact Investor?

The Columbus affordable housing crisis was the primary driver:

Columbus Housing Crisis by the Numbers

- ▶ **16,246 unit shortage** of affordable housing in the region
- ▶ **80% of extremely low-income households** are cost-burdened (paying >30% of income for housing)
- ▶ Limited CDFI presence in the Chattahoochee Valley region
- ▶ Traditional financing insufficient to address the scale of the problem

Where Does the Capital Come From?

The foundation took a **pilot approach** to impact investing:

- ▶ Carved out **up to 5% of endowment** for potential PRIs
- ▶ Started with smaller investments to test the approach
- ▶ Focused exclusively on affordable housing given the acute local need
- ▶ Used success of early investments to build board confidence for larger commitments

What Types of Investments Are They Making?

Bradley-Turner has focused on affordable housing through two significant PRIs:

INVESTMENT	AMOUNT	YEAR	PURPOSE
Historic Columbus Foundation	\$500,000	2016	Historic preservation and affordable housing
NeighborWorks Columbus - Elliott's Walk	\$2,000,000	2021	Affordable homeownership development

Case Study: Elliott's Walk Development

\$2 Million PRI for Affordable Homeownership

In 2021, Bradley-Turner Foundation provided a **\$2 million PRI to NeighborWorks Columbus** for the Elliott's Walk development project. This investment helped finance the construction of affordable single-family homes for purchase by low- and moderate-income families. The PRI provided patient capital at below-market rates, allowing NeighborWorks to keep home prices accessible while maintaining quality construction standards.

How Are Investment Decisions Made?

With only one FTE staff member, the foundation relies on a streamlined process:

- ▶ Executive Director identifies potential investments aligned with housing focus
- ▶ Initial due diligence conducted with support from NeighborWorks America resources
- ▶ Investment proposals presented to Board for review and approval
- ▶ Legal counsel engaged for documentation and structuring
- ▶ Ongoing monitoring through regular borrower reporting

Important Lessons Learned

Balance Learning-by-Doing with Institutionalization

Starting with a pilot approach allowed the foundation to learn and adapt. However, as investments grew larger, the need for formal policies and procedures became clear. Finding the right balance between flexibility and structure is essential for small foundations.

Deep Local Focus Creates Impact

By concentrating exclusively on affordable housing in the Chattahoochee Valley, the foundation developed deep expertise and strong partner relationships that amplified the impact of their investments.

Scale Up Based on Success

The progression from a \$500K investment in 2016 to a \$2M investment in 2021 shows how building a track record enables larger commitments over time as board confidence grows.

The Sapelo Foundation
\$35M Private Foundation | Rural Focus

Community Foundation for Greater Atlanta
\$1.2B Community Foundation | Metro Atlanta

Bradley-Turner Foundation
\$105M Private Foundation | Chattahoochee Valley

William Josef Foundation
\$48M Private Foundation | Metro Atlanta

William Josef Foundation

Atlanta, GA | Private Foundation

FOUNDED
2007

ASSET SIZE
\$48M

GEOGRAPHIC FOCUS
Metro Atlanta

STAFF SIZE
2 FTEs

IMPACT INVESTING SINCE
2020/2021

STRATEGY
Local Impact [PRIs & MRIs]

What Motivated This Foundation to Become an Impact Investor?

- Desire to steward assets in ways that maximize present value for mission, not just future grants
- Recognition that the foundation's endowment could work harder for community impact
- Board leadership with financial expertise who understood impact investing opportunities
- Alignment with foundation's focus on economic opportunity and community development

Where Does the Capital Come From?

William Josef Foundation took a comprehensive approach to impact investing capital:

- **Endowment reallocation** — shifted portion of investment portfolio to impact strategies
- **Formal PRI Policy** — developed and adopted policy framework to guide investments
- Uses both **PRIs** (Program-Related Investments counting toward payout) and **MRIs** (Mission-Related Investments from endowment)
- Capital allocated across multiple investment types to diversify risk and impact

What Types of Investments Are They Making?

William Josef has developed a diversified impact investing portfolio:

INVESTMENT TYPE	CLASSIFICATION	DESCRIPTION
CDFI Impact Notes	PRI	Below-market rate notes to CDFIs for community lending
Direct Bridge Loans to Nonprofits	PRI	Short-term capital to grantees for cash flow needs
Center Creek Housing Fund II	MRI	Market-rate investment in affordable housing fund

How Are Investment Decisions Made?

William Josef Foundation has developed a structured 5-step process led by the President, who brings in-house financial expertise:

- 1 Opportunity Identification**
President identifies potential investments through CDFI networks, peer foundations, and grantee relationships
- 2 Mission Alignment Assessment**
Evaluate fit with foundation's strategic priorities and geographic focus
- 3 Financial Due Diligence**
In-house analysis of borrower/fund financial health, track record, and risk factors
- 4 Board Review & Approval**
Investment memo presented to Board with recommendation; Board votes on approval
- 5 Documentation & Monitoring**
Legal documentation executed; ongoing monitoring through quarterly reporting

Important Lessons Learned

Document Goals & Guardrails Upfront

Taking time to develop a formal PRI policy before making investments created clarity for staff and board about what types of investments were appropriate and what criteria would be used for evaluation.

Revise Policy When Appropriate

As the foundation gained experience, they found their initial policy needed updates. Being willing to revise policies based on real-world learning—while maintaining core principles—enabled continuous improvement.

In-House Expertise is Valuable

Having a President with financial expertise allowed the foundation to conduct much of the due diligence in-house, reducing costs and building institutional knowledge about impact investing.

Mix PRIs and MRIs for Flexibility

Using both PRIs (which count toward payout) and MRIs (which don't) provides flexibility to structure investments appropriately based on risk, return, and mission alignment characteristics.