



CALIFORNIA ORGANIZED
INVESTMENT NETWORK
Insurers investing in a better California

AUGUST 2024

TABLE OF CONTENTS

- COIN Update - Letter from the Chief 3
- COIN Program Overview 4
- COIN Advisory Board: New Member Appointments 5
- COIN Advisory Board – Chair Election 6
- TC Wilson: InsuranceAUM.com Podcast 7
- Impact Metrics Survey Results 8-9
- 2023 Approved COIN Investment Bulletins 10
- COIN Spotlight – R4 Capital 11-14
- COIN Contact 15

COIN UPDATE — Letter from the Chief:

Dear COIN Impact Investment Partners,

I am pleased to provide our latest Newsletter on the California Organized Investment Network (COIN) program. As the Chief of COIN, I am proud to highlight our continued commitment to fostering sustainable and impactful investments throughout the state of California.

COIN has a clear mission: to drive private capital into historically underserved communities, promote economic vitality, and enhance social equity. Our COIN Network serves as a bridge, connecting investors with opportunities that yield both financial returns and significant social and environmental benefits.

We recognize the critical role that insurers and institutional investors play in achieving these objectives. Their expertise, resources, and innovative approaches are invaluable to our shared goal of building a more inclusive and resilient economy. Therefore, we are eager to explore potential collaboration opportunities that align with our mutual interests and values.

COIN has made significant strides in several key areas:

1) Community Development Investments: From 2019 to 2022, we have facilitated over \$8 billion in investments across 71 individual COIN Investment Bulletin opportunities in affordable housing, small business development, healthcare, and other essential community services.

- 2) Green Financing and Sustainable Projects:** COIN has supported numerous environmentally friendly initiatives in partnership with various stakeholders, contributing to California's leadership in combating climate change.
- 3) Impact Measurement and Reporting:** Our robust impact assessment frameworks ensure transparency and accountability, giving our investors detailed insights into their investments' social and economic outcomes.

As we look to the future, we are excited about the potential to scale our impact even further. We believe that leveraging our collective strengths can unlock new opportunities for growth and innovation. As always, we are open to new ideas on strategic initiatives and exploring ways to deepen our partnerships. Should you wish to engage with the COIN program on any of our shared endeavors, please do not hesitate to reach out to our COIN Team at: COIN@insurance.ca.gov

Thank you for your continued support and dedication to making a difference in our communities. We look forward to your positive contributions and to working together toward a brighter, more equitable future for all Californians.

Warm regards,

Sukh Randhawa

Chief, California Organized Investment Network (COIN)

Overview of COIN



The California Organized Investment Network (COIN) was established in 1996 by the California Department of Insurance (CDI) to guide insurers in making financially sound investments that yield environmental benefits throughout California and 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 that drive affordable housing and health care to underserved and rural areas, combat climate change, and encourage investors to utilize diverse investment managers.

COIN-qualified investments provide notable benefits, including affordable housing, homeless shelters, jobs, education training, care facilities, and 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 environmental projects promoting sustainability in California.

COIN ADVISORY BOARD:

New Member Appointments

Welcome to two new COIN Advisory Board Members:



Gina Zapanta

Gina Zapanta is the founder and CEO of Z.A. Lawyers, a law firm that specializes in Worker's Compensation, personal injury, and employment. She served two terms on Los Angeles County Employees Retirement Association (LACERA) Board of Retirement and focuses

her career on serving the community by creating access to opportunity and education. She recently expanded her law firm to Louisiana, where her family has a ranch, was nominated President of the Hispanic Lawyers Association of Louisiana and is mom to six kids through a modern family. She also founded the Empowered with Gina women's platform which focuses on cultivating female empowerment along with business and wealth building.



Vanessa Delgado

Vanessa Delgado is the daughter of Mexican immigrants and grew up in Boyle Heights. She received her undergraduate education at Stanford University and then completed a Master of Public Administration at the University of Southern California. Vanessa

is now the founder and President of Azure Development. Azure creates, designs, and builds exceptional affordable housing communities and commercial projects in California. Vanessa pursued her passion for public service work and was elected to the City Council of the City of Montebello in November 2015. In 2018, she was elected to serve as a State Senator for District 32 and completed a short-term. Senator (Ret.) Vanessa Delgado was appointed to the South Coast Air Quality Management District (AQMD) Governing Board in May 2019 and currently is the Agency's first Latina Board Chair.

COIN ADVISORY BOARD:

Chair Election

TC Wilson

COIN Advisory Board Chair

TC Wilson, Chief Investment Officer of The Doctors Company, part of TDC Group, has been elected COIN Advisory Board Chair.

“ I am honored to be selected as Chair of the COIN Advisory Board and allowed to continue the previous leaders' growth and success. Because I work for a mission-based company, I fully understand and support the mission of COIN, which is to seek prudent investments that yield social and environmental benefits to have an impact on underserved communities.”

— TC Wilson

TC WILSON

Podcast with InsuranceAUM.com



InsuranceAUM.com

TC recently participated in a podcast with InsuranceAUM.com:

"The COIN Impact Investment Marketplace has expanded far from just municipal bonds and loans to underserved communities. It includes public and private equity, public and private debt, green bonds, infrastructure, renewables, and small business loans. At our recent COIN Advisory Board Meeting, we heard a presentation on forest conservation, which was quite fascinating to hear. They also have a breakout for Diverse Investment Manager-qualified firms. The breadth of offerings is quite impressive, and it's a vast improvement from what COIN offered just a few years ago."

"The good news is that the work COIN has done to expand the offerings and identify prudent investments has really made it easier for us to do the right thing, invest in COIN, support its mission in everything that it's looking to improve, but also fulfill our fiduciary obligation to our shareholders. We're working hard to get that message out and attract new capital. I will continue to do that at least as long as I'm a part of the COIN Advisory Board."

Link to podcast:

[Investing Opportunities in COIN with TC Wilson of The Doctors Company](#)



Impact Metrics Survey Results

COIN's Investment Bulletin Program and Impact Investment Marketplace further enhance discussions with insurance companies and asset managers.

COIN conducts an Impact Metrics Survey, which mandates all approved investment bulletin managers to submit the total amount of funding raised to get a better idea of the impact of the COIN Bulletin program. This annual questionnaire measures bulletin investments' social and environmental impact and collected data on insurers who have invested in the Bulletin Program. COIN publishes its findings in the aggregate, as detailed at right:

The COIN Impact Metrics Survey of 2024:

In 2022, a total of 31 COIN investment bulletin applications were reviewed.

- Of those 31, 24 investment bulletins have been approved, and the other seven were denied as they did not align with COIN's vision or have the necessary social/environmental impact.
- Of the 24 bulletins that were approved, 11 of them were diverse investment managers.
- These 24 investments have raised over \$1 billion of insurer investments in California.

BULLETIN TRACKING SUMMARY					
Year	Bulletins (#)	Diverse Investment Managers (#)	Insurer Investments (#)	Percent that Received Insurer Investments	Total Insurer Investment (\$)
2016	5	N/A	3	60%	\$25,000,000
2017	7	N/A	2	29%	\$51,000,000
2018	5	N/A	0	0%	\$0
2019	10	N/A	7	70%	\$856,791,041
2020	22	8	16	73%	\$4,321,055,829
2021	15	6	11	73%	\$2,081,000,000
2022	24	11	12	50%	\$1,003,550,000
2023	19	7	*	*	*
2016-2022	88	25	51	58%	\$8,338,396,870

** 2023 bulletins continue to raise capital in 2024. Therefore, total insurer investment numbers for 2023 are not yet available.*

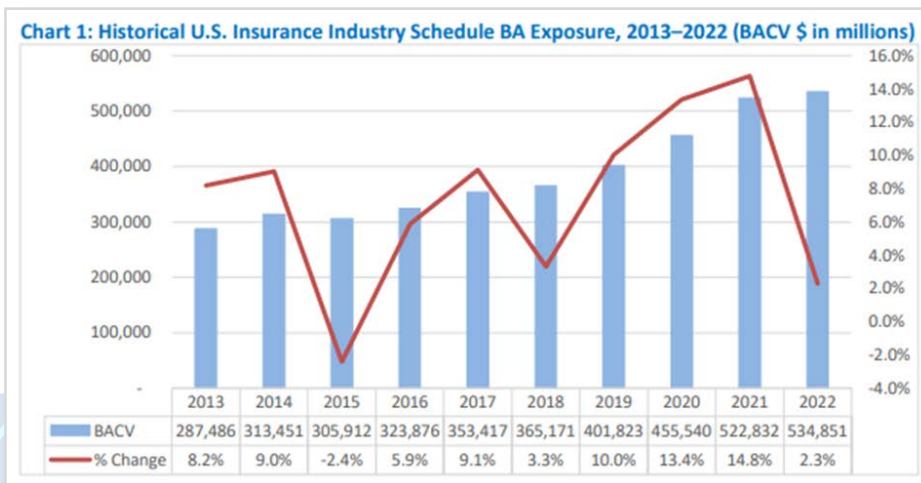
Impact Metrics Survey Results

Continued

2022 Investment Bulletins: Type of Benefits & Jobs Created

TYPE OF BENEFIT:	TOTAL INSURER INVESTMENTS:	JOBS CREATED
Affordable Housing	\$85,000,000	442
Community Development	\$300,000,000	1,560
Educational Facilities	\$30,000,000	156
Green Financing	\$45,000,000	234
Healthcare	\$30,000,000	156
Infrastructure	\$497,550,000	2,587
Small Business Loans	\$16,000,000	83
Total	\$1,003,550,000	5,218

An elevated interest rate environment has led to increased allocations from insurance companies into traditional investment-grade fixed income securities, offset by reduced investments in Schedule BA investments, which represent the majority of COIN Investment Bulletin investments. Due to this industry-wide shift in investment strategy, COIN Investment Bulletins also saw reduced insurer investments in 2022, despite a similar quantity of approved bulletins.



Source: National Association of Insurance Commissioners (NAIC) Capital Markets: Growth in U.S. Insurers' Schedule BA Assets Slows at Year-End 2022 – February 7, 2024

BACV = book/adjusted carrying value

2023 Approved COIN Investment Bulletins

	MANAGEMENT COMPANY	INVESTMENT	TYPE OF BENEFIT
1	TPG	The Rise Fund III, L.P.	Green Finance
2	Bridge Investment Group	Solar Energy Dev. Fund LP	Green Finance
3	Global Investment Company	ESG Balanced Growth Strategy	Community Development
4	Bancroft Capital	California Veterans Bonds	Affordable Housing
5	Wellington Management Company, LLP	Venture Investments I, LP	Small Business Loans
6	LS Power	LS Power Equity Advisors V	Green Finance
7	DWS	Xtrackers Municipal Infrastructure Revenue Bond ETF	Community Development
8	Blue Forest	California Wildfire Innovation Fund	Green Finance
9	BlackRock	Global Infrastructure Fund IV	Green Finance
10	Impact Community Capital	Multifamily Debt Fund	Affordable Housing
11	ICV Partners	ICV Growth, L.P.	Mixed Use
12	Community Development Fund	The Community Development Fund	Community Development
13	StepStone Group	Accelerate Diversity Fund, L.P.	Mixed Use
14	R4 Capital	California Housing Partners VIII, LP	Affordable Housing
15	StepStone Group	Climate Fund	Green Finance
16	Primestor	The Urban Vision Fund I	Affordable Housing
17	Big Idea Adventures	Generation Food Rural Partners I, L.P.	Healthy Foods
18	New Energy Capital	NEC Fund VI, LP	Green Finance
19	Amet Partners LP	California Carbon Allowance Fund	Green Finance

COIN SPOTLIGHT

R4 Capital

COIN would like to recognize COIN Investment Bulletin manager, R4 Capital, for raising a combined \$450 million across two Low Income Housing Tax Credit (LIHTC) funds that invested in the development of 12 affordable housing projects in California.

R4 Capital – LIHTC Affordable Housing Funds



R4 Housing Partners XVIII LP sold out, with nearly \$320 million of gross equity from 24 investor partners.

Fund XVIII is a national multi-investor LIHTC equity fund that features four California properties:

- Marina Village (Suisun City, CA)
- North Creek Crossings Phase II (Chico, CA)
- Table Mountain Apartments (Oroville, CA)
- Gloria Drive Apartments (Sacramento, CA)



R4 California Housing Partners VII LP sold out, with nearly \$130 million of gross equity from 12 investor partners.

Cal VII is a California-only multi-investor LIHTC equity fund that features all eight properties in California:

- Centennial Gardens (Santa Maria, CA)
- Westview House (Santa Ana, CA)



Marina Village

- Village at Madrone (Morgan Hill, CA)
- Serenity (formerly Southside Seniors) (Los Angeles, CA)
- McDaniel House (Los Angeles, CA)
- Harvard and Adams Apartments (Los Angeles, CA)
- Villa Verde Apartments (Santa Fe Springs, CA)
- Sonora Garden Apartments (Sonora, CA)

COIN SPOTLIGHT

R4 Capital



Marina Village



Gloria Drive Apartments



North Creek Crossings Phase II



Centennial Gardens

COIN SPOTLIGHT

R4 Capital



Westview House



Serenity (formerly Southside Seniors)



Westview House



Serenity (formerly Southside Seniors)

COIN SPOTLIGHT

R4 Capital



Adams Apartments



Villa Verde Apartments



Harvard Apartments

The background of the slide features a blue-toned image of financial data. On the left side, there is a vertical list of numbers, some of which are highlighted with a light blue glow. These numbers include 47,30, 99,00, 374,00, 154,50, 73,25, 53,25, 110,50, 91,50, 239,95, and 137,00. Below the numbers, there is a line graph with a white line showing an upward trend, overlaid on a grid of dashed lines. The overall aesthetic is professional and data-oriented.

**For more information
contact:**

**California Organized Investment
Network (COIN)**
California Department of Insurance
300 Capitol Mall, Suite 1700
Sacramento, CA 95814
COIN@Insurance.ca.gov
www.insurance.ca.gov/COIN