

## CASE EXAMPLE

### THE CLEVELAND FOUNDATION

INVESTOR	ASSET CLASS	AMOUNT	INVESTEES	INVESTMENT MADE DATE	INVESTMENT TERMINATION DATE
The Cleveland Foundation	Guarantee (cash deposit)	\$3,000,000	Living Cities Catalyst Fund	2012	2019

#### INTRODUCTION:

The Cleveland Foundation is coordinating the efforts of Living Cities' Cleveland Initiative. This program works to harness the power of anchor institutions to drive regional economic inclusion strategies that develop jobs and businesses in the region for the benefit of low-income residents. This initiative focuses on the development of a health tech corridor that offers growing companies access to trained employees in close proximity to anchor institutions.

#### BACKGROUND:

The Living Cities Catalyst Fund, launched in 2008, is utilized as a vehicle to pool invested capital to revitalize America's cities, with a focus on low-income populations. The Catalyst Fund provides below-market rate loans and guarantees to high-capacity organizations which connect underserved communities to mainstream markets by integrating previously isolated systems. The Integration Initiative has four goals: Buy Local, Hire Local, Live Local, Connect Residents. The Cleveland Foundation is coordinating the effort in partnership with the City of Cleveland, City of Youngstown, State of Ohio, Cleveland Clinic, The University Hospitals, Case Western Reserve University, National Development Council (NDC), BioEnterprise, the Evergreen Cooperative Corporation, Kelvin and Eleanor Smith Foundation, Kent H. Smith Charitable Trust, Minigowin Fund, and the Higley Fund.

#### PROCESS:

Living Cities offers three-year grants, ten-year PRIs, and intermediate commercial debt.

#### FINANCIAL IMPACT:

A cash deposit of \$3 million was made as a credit enhancement to back investments made in the Cleveland area. The deposit leveraged \$15 million in investments.

#### SOCIAL IMPACT:

Living Cities grant, PRI, and debt resources will help Cleveland create 800 new jobs in three years for residents from neighborhoods adjacent to the University Circle area by continuing to develop and scale new worker-owned cooperatives, and relocating or funding expansion of businesses in the Health Tech Corridor linked to anchor supply chain needs. Living Cities support will also help adapt the initiative for replication in Youngstown. Specifically, three-year grants, 10-year Program-Related Investments (PRIs) and intermediate term commercial debt will be awarded as follows:

## CASE EXAMPLE *continued*

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- PRIs and commercial debt to the National Development Council to finance commercial/industrial real estate in the Health Tech Corridor as well as loans to Evergreen Cooperatives and other suppliers to the anchor institutions
- Grant support to The Cleveland Foundation for initiative management, community engagement, development of the commercial land trust, and evaluation
- Grant support to Evergreen Business Services and Evergreen Cooperative Development fund for staffing, marketing and pre-development related to cooperative businesses and facilities
- Grant support to Policy Matters Ohio and the Democracy Collaborative for policy analysis and advocacy
- Grant support to the Youngstown Neighborhood Development Corporation to adapt and replicate Cleveland's model in Youngstown
- Grant support to BioEnterprise for development along the Health Tech Corridor

#### OUTCOMES:

The Catalyst Fund has made \$15 million in below-market rate loans to finance innovative efforts in the areas of neighborhood stabilization, energy efficiency retrofits, public education and access to fresh foods and health care. The Catalyst Fund provides below-market rate loans and guarantees to high-capacity organizations that connect underserved communities to mainstream markets by integrating previously isolated systems; leveraging existing institutions; unlocking substantial resources from public, private and social sector sources; and delivering high-impact programs at scale.

#### LINKS:

[Living Cities](#)

[Living Cities Integration Initiative's Cleveland Profile](#)

[Living Cities Catalyst Fund](#)

[The Cleveland Foundation](#)

[Mission Investors Exchange Investment Database record of this transaction](#), available for Mission Investors Exchange members only