

DOUBLE BOTTOM LINE SUMMARY SHEET

Compiled by Sean Sacks on 11/9/04

1. OVERALL CONCEPT OF DOUBLE BOTTOM LINE

- Idea of investing to achieve social and/or environmental impact as well as financial return.
- Folks like Jeff Levy CRE 2004 have even taken the concept a step further to introduce the triple bottom line model where all three returns are synergistic and emphasized.

2. CURRENT STATE OF DOUBLE BOTTOM LINE CAPITAL MARKET

- The double bottom line private equity investing market is a subset of the private equity and nonprofit capital markets.
- According to Research Initiative on Social Entrepreneurship (RISE) at Columbia Business School, this market comprises at least 59 funds with over \$2.6 billion under management. Funds must invest at least 1% of their assets through private equity.
- Funds still expect a reasonable financial return for their investors. These are definitely not charity or foundation funds!
- Growing number of funds just focused on real estate and urban revitalization often with names like Smart Growth or Urban Initiatives Funds (UIFs)

3. FOCUS ON DOUBLE BOTTOM LINE REAL ESTATE FUNDS

- This is a very very recent phenomenon. Bay Area Smart Growth Fund, considered a pioneer in this space was only founded in 2002.
- Many of the initial DBL real estate have been based in California such as the Bay Area Smart Growth Fund and South California Smart Growth Fund.
- New ones cropping up in New Mexico and Florida.
- These funds are not small. Bay Area and South California are both \$100 million of private **equity**.
- Highlight on Bay Area Fund:
 - Sponsored by Bay Area Council of top 275 businesses
 - Expected financial returns of mid to high teens
 - Chartered to invest in retail, office, commercial, industrial, multi-family and select single-family housing opportunities that may make a measurable impact on the economic and social revitalization of neighborhoods in the 46 targeted communities in the San Francisco Bay Area.

4. SOCIAL AND ENVIRONMENTAL MEASUREMENT TOOLS

- Leverage existing social benefit tools used for New Markets Tax Credits and other tax incentive programs.
- Dow Jones Sustainability Indexes - <http://www.sustainability-indexes.com>
- RISE Report – <http://www.riseproject.org>
 - You can measure items like:
 - Increase in jobs
 - Decrease in housing service dollars
 - Increased access to technology
 - Decrease in transportation times and congestion
 - Increase in educational opportunities and attainment

5. ADDITIONAL LINKS

Funds:

Bay Area Smart Growth Fund
<http://www.basgf.com/>

Nehemiah Sacramento Valley Fund
http://www.nehemiahcorp.org/pr/pr_011503.htm

Southern California Smart Growth Fund
<http://www.insurance.ca.gov/COIN/Bulletins/Bulletin53.htm>

American Ventures New Mexico and Florida funds
<http://www.newurbannews.com/FundsSep04.html>

Portland Family of Funds
<http://www.portlandfunds.com>

Events:

Double Bottom Line Conference 11/04
http://www.novoco.com/Events/SF_CBI_conf_2004.shtml