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Benefit Chicago Fund Announces First Round of Impact Investments

\$12 million committed to diverse projects across Chicago area

May 16, 2017 (Chicago, IL) – The for-profit subsidiary of a West Side nonprofit that provides transitional jobs for the formerly incarcerated in its production of local honey and honey-infused skincare products; a company that employs adults with autism founded by the father of an affected child; a collaborative created to renew a corridor that was once the heart of entertainment and shopping on Chicago’s south and southwest side – these are three of the beneficiaries of the first loans to be made by the impact investment fund established for Benefit Chicago.

A collaboration of The Chicago Community Trust, the John D. and Catherine T. MacArthur Foundation, and Calvert Foundation, Benefit Chicago was created to expand the pool of loans and investments available to mission-directed for- and nonprofit entities, which, due to the communities or populations they serve, often find it difficult to access capital from commercial sources.

Benefit Chicago Executive Director William Towns today announced loans totaling \$12 million to six Chicago area organizations: AutonomyWorks, Chicago Neighborhood Initiatives (CNI), Garfield Produce Company, IFF, the Southwest Corridor Collaborative of LISC Chicago, and Sweet Beginnings, the for-profit subsidiary of the North Lawndale Employment Network.

“We are excited by the diversity of the borrowers and the initiatives they submitted for financing,” Towns said. “Some are established, well-known organizations; others relatively new, but all represent the opportunities for and commitment to development in every part of Chicago and to the well-being of residents.” Towns stressed that the announcement today is just the first of many loans to come over the next months. “We’ve already received more than 80 applications. While not all can or will be financed, they underscore the creativity and energy of organizations throughout the region.”

“The loans announced today confirm recent research and our own experience,” said Julia Stasch, President of the MacArthur Foundation. “Our region benefits from the great diversity of organizations that generate jobs and provide essential services and from the broad range of

individual and institutional investors eager to help facilitate their growth and ensure their success.”

“The history of our three organizations is rooted in connecting financial resources to the causes and places people care about,” said Terry Mazany, President and CEO of The Chicago Community Trust. “Through Benefit Chicago, we’ve combined forces to help bring needed financial capital to organizations that are poised to innovate, expand, and grow. Investors in donor advised funds at The Chicago Community Trust are among those who are eager to help our neighborhoods and their residents thrive.”

Towns went on to describe the distinctive way the initiative works. “Through the investment fund created by the MacArthur Foundation, we benefit from individuals with significant experience investing in Chicago’s rich and diverse community of nonprofits. Through the Trust, we tap into deep concern for the vitality of the Chicago region and Chicago’s generous philanthropic community. And, Calvert Foundation’s Community Investment Note makes it easy for investors—large and small—to put their money to work for the benefit of the city that they love.”

Through Calvert Foundation, Towns explains, individuals, corporations, and institutions are able to buy Community Investment Notes that support making impact investments in Chicago. MacArthur has committed \$50 million of its own assets to the fund, and The Chicago Community Trust has purchased a \$15 million Community Investment Note. Individual and institutional investors have purchased an additional \$12 million in Notes, with other potential investors eager to see the kinds of investments the fund will make.

“Through our Community Investment Note, investors of all stripes have been able to participate in making impact investments in Chicago,” said Calvert Foundation President and CEO Jennifer Pryce. “From individuals investing only \$20 online, to institutional investors placing \$2 million with us, our investors have expressed strong interest in supporting Chicago. We think this can serve as a model for impact investing in other cities.”

Towns stressed that, while many applications remain in the Benefit Chicago pipeline, the application and lending processes are ongoing, and new applications are encouraged. With guidance from a Community Advisory Council, Benefit Chicago representatives will also engage in strategic outreach to identify potential borrowers in specific communities or sectors. All applicants must meet eligibility requirements that include serving a community of need, providing metrics for measurable outcomes, and demonstrating the ability to repay the loan or provide a return of capital, as well as other standard loan terms. The loans announced today are expected to be documented and closed within the next few weeks.

Towns said that while Benefit Chicago has already raised \$77 million of the anticipated \$100 million fund, he encourages investors and donors, large and small, to learn about the opportunities to invest. “Whatever the size, all are expressions of a commitment to Chicago, our neighborhoods, and our people,” Towns said.

Individuals, institutions, or organizations interested in purchasing Notes, or organizations interested in applying for financing should visit www.BenefitChi.org . Benefit Chicago accepts investments and loan applications on an on-going basis.

More about the Borrowers:

[AutonomyWorks](#) is a for-profit social enterprise that provides meaningful employment for adults with autism. The organization contracts with national and international marketing organizations that need detail- and task-oriented employees to effectively support their digital and online marketing efforts. The \$600,000 loan will be used to expand marketing and training activities to increase the number of people hired

[CNI](#) is a Community Development Corporation (CDC) and certified Community Development Financial Institution (CDFI) that engages in comprehensive revitalization work in Chicago’s economically challenged neighborhoods. CNI is best known for its multifaceted redevelopment efforts in the Pullman community. Proceeds from the \$2 million loan will be used in part to facilitate the completion of the 111th Street Retail Gateway in Pullman, which is currently under construction.

[Garfield Produce Company](#) is an indoor, vertical hydroponic vegetable farm that creates sustainable local employment and generates wealth in disinvested neighborhoods through the production and sale of high quality fresh produce year-round. Garfield Produce will use its \$500,000 loan to expand production capacity and hire additional employees.

[IFF](#) is a mission-driven lender, real estate consultant, and developer, which finances a variety of nonprofit sponsored community facilities projects that range from affordable housing and schools to community centers and commercial buildings. The \$5 million loan will help finance a variety of projects, including a children’s theatre in the Near West Side neighborhood, a child care and family services facility in Humboldt Park, and a youth sports and education facility in Bronzeville.

[LISC Chicago](#) is a leading national community development intermediary, raising funds that are invested through community-based organizations throughout Chicago. LISC Chicago will use the \$3.5 million loan to support the Southwest Corridor Collaborative (SWCC), a new community partnership focused on revitalizing the 63rd Street corridor from Cottage Grove Avenue to Pulaski Road and on Halsted from 63rd through 79th Street.

[Sweet Beginnings](#), a wholly owned for-profit subsidiary of the North Lawndale Employment Network, uses the production of beelove™ – a line of honey-based products – to provide job training to community residents who, due to former incarceration or other circumstances, have found it difficult to procure gainful employment. The \$500,000 loan will be used to expand production and sales, which will make it possible to increase the number of individuals served and their length of employment.

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