San Joaquin Valley Impact Investment Fund. Focused in nine counties - Fresno, Kern, Kings, Madera, Mariposa, Merced, San Joaquin, Stanislaus and Tulare – the mission of the San Joaquin Valley Impact Investment Fund (SJVIIF) is to make the San Joaquin Valley a healthier place to live, work and prosper by investing in organizations and entrepreneurs whose activities promote community health and wellbeing for all.

The SJVIIF will sustain and scale efforts of the existing, San Joaquin Valley Health Fund (SJVHF), a grantmaker partnership managed by The Center at Sierra Health Foundation that since 2015 has advanced small grants to community-based organizations, cluster grants to coordinated regional initiatives and an I.H.E.E.L. policy platform (Immigration, Health, Education, Environment and Land Use) to enable access for all of the SJV’s diverse residents to quality health care and education, a safe environment, and equitable land use including affordable housing and green space. Responding to limited local philanthropic resources, the SJVHF serves as a conduit for grant support from the Sierra Health Foundation, Blue Shield of California Foundation, California Wellness Foundation, Dignity Health, Hellman Foundation, James Irvine Foundation, Rosenberg Foundation, The California Endowment, Tides, W.K. Kellogg Foundation, and Wallace H. Coulter Foundation and Convergence Partnership.

The SJVIIF will build upon the SJVHF’s success by harnessing investment capital to unlock opportunity for underserved communities. Dignity Health and Sierra Health Foundation will serve as lead investors, joining SJVHF funders, other foundations, banks, health systems and socially motivated households and organizations to invest in the region.

Emerging Opportunity, Persistent Need. Among the world’s most productive agricultural regions, the SJV’s population of four million residents exceeds 24 states and is expected to double to over eight million by 2060. Though slated for billions in public and private investment, persistent disparity in the region takes a human and economic toll, with many SJV families and businesses faring worse than their counterparts in the state and nation (see sidebar, next page).

These conditions create the need for targeted investment along with grant and policy efforts. Often, financing partners exist and simply need capital to expand their efforts in the region. In rural communities, access to capital is typically lower than for urban areas. Even among the SJV’s strong Community Development Financial Institutions (CDFIs), per capita loans are much lower in the state’s urban versus rural areas (see chart).

San Joaquin Valley Impact Investment Fund (in organization). The $25 million SJVIIF will invest through committed and innovative CDFIs, funds and development partners, increasing access to:

- **Affordable and supportive housing** for SJV urban and rural communities
- **Clean water** systems in unincorporated areas
- **Healthy and fresh food** access through enterprises and farms that produce, process and distribute healthy regional food
- **Economic development** based on sustainable and equitable land use, including micro, small, and growth enterprises and farms led by entrepreneurs of color, who are most likely to hire a diverse workforce
- **Education** solutions, from quality childcare and K12 education, to youth development and post-secondary options for students and adults, including veterans and those returning from the criminal justice system
- **Immigrant integration services**, including connections to housing, education, employment and entrepreneurial activity
- **Asset building financial services**, including savings, transaction services and loans for households, businesses, farms and nonprofit organizations.

**Source:** Opportunity Finance Network
San Joaquin Valley Impact Investment Fund Highlights

**Lead Investors:** Sierra Health Foundation via The Center and Dignity Health, which provided lead support for SJVIIF design.

**Amount:** $25,000,000

**Asset Class:** Seven-year flexible debt yielding 1 – 2% interest. *The SJVIIF can extend maturity for up to three, one-year terms.*

**Use of Proceeds:** The SJVIIF will invest primarily in debt to capitalize proven and innovative CDFIs, funds and development organizations in a nine-county SJV region. *Up to 10% of SJVIIF capital may be invested in mission-aligned venture capital funds.*

**Bank & Credit Union Partnership Program:** The SJVIIF will partner with high performing CDFI banks and credit unions in the SJV to help households, small businesses and organizations find asset building savings, financial and credit services.

**Investor Reporting:** The SJVIIF will provide quarterly financial and social reports and a live annual meeting for all stakeholders.

**Structure:** The SJVIIF will be structured as a Limited Liability Company and subsidiary of The Center at Sierra Health Foundation, a 501© (3) nonprofit organization created and controlled by Sierra Health Foundation to bring people, ideas and infrastructure together to help communities access proven practices for creating healthier communities, while tapping into their existing resources, knowledge and creativity. With offices in Sacramento and Fresno, The Center was developed at a time when nonprofits and public agencies throughout California faced diminishing resources and rapidly increasing needs.

**Next Steps:** SJVIIF implementation coordinates three tasks:

1. **SJVIIF Impact Investing Learning Network.** The SJVIIF invites interested impact investors to join interactive webinars and events on the SJVIIF strategy and implementation.

2. **Raise capital for the SJVIIF.** Lead investors Sierra Health Foundation and Dignity Health are raising capital among SJVHF funders, health systems, banks and other partners.

3. **Continue building the SJVIIF deal pipeline** to prepare for Fund launch and initial deals.

**SJVIIF Consultant:** Avivar Capital, an SEC-registered investment advisor and impact investing specialist.

**Further Information.** To learn more about the SJVIIF and SJVIIF Impact Investing Learning Network, contact Gil Alvarado, Senior Vice President, Finance and Administration, Sierra Health Foundation, galvarado@sierrahealth.org, or Lisa Richter and Tina Castro, Avivar Capital, lrichter@avivarcapital.com and tcastro@avivarcapital.com.

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**San Joaquin Valley Impact Investment Fund Leveraging Local Partners to Address Financing Needs**

- SJV poverty and unemployment levels are higher than others in the state, while business ownership rates are disproportionately lower among entrepreneurs of color – many of whom are interested in creating jobs. Regional CDFIs and funds are increasing access to financing to grow businesses, nonprofit organizations and environmentally sustainable farms that create jobs and offer needed goods and services, including enterprises that are early stage and/or owned by people of color and farms reducing water use and flows of agricultural waste into regional water supplies.

- Life expectancy varies by as much as 21 years by SJV zip code—from 69 years in some areas to 90 years or more in others. While obesity, diabetes, heart disease and childhood asthma levels are among the worst in the state, access to quality healthcare is limited. CDFIs are financing community health clinics and culturally competent community health workers to address care needs; they are poised to expand with additional capital.

- Affordable housing remains challenging, with many families paying well over 30% of their incomes for substandard and unhealthy housing. The SJV is home to highly effective affordable housing developers, who with additional capital can provide a range of housing types across the region’s rural and urban areas.

- More than 30% of SJV population lives in unincorporated areas with limited infrastructure for clean drinking water and other services. Families travel to fill containers with filtered water and may spend 10% or more of their income on safe drinking water. Increased financing for local water systems can help to address this problem.

- Despite the region’s agricultural abundance, many low-income communities lack access to healthy food. Increased financing for enterprises in the regional food value chain can help to address this need.

- The Environmental Protection Agency describes SJV air quality as the worst in the country, estimated to cause hundreds of premature deaths per year, an asthma epidemic and over a billion in health care expense. Proven financing programs need additional capital to accelerate green vehicle upgrades and sustainable agriculture practices including reduced toxic pesticide use to help reduce air and water pollution health risks.

- Some 30% of the region’s adults lack a high school diploma, while area youth urgently need education linked to job opportunities. Increased investments in evidence-based approaches to childcare, education and workforce development over the life course can improve education, employment and health outcomes.

**Disclaimer:** Nothing in this communication should be construed as an offer to sell, or a solicitation of an offer to buy, any security or investment product.