

Impact Evaluation Lab

Impact Authenticity Score: Performance Report

ProActive Realty Group – ProActive Realty Income Fund II - ProActive Sustainable Bonds

June 2025



Firm name:	The ProActive Realty Group, LLC	Fund name:	ProActive Sustainable Bonds <ul style="list-style-type: none"> • ProActive Realty Income Fund II, LLC • Rancho Affordable Living, LLC
Asset classes:	<ul style="list-style-type: none"> • Fixed Income • Real Assets • Private Equity 	Total AUM (fund):	\$18.25M
Impact Themes:	<ul style="list-style-type: none"> • Affordable Housing • Equity & Inclusion • Underserved Populations • Clean Water & Sanitation • Community Development 	UN Sustainable Development Goals (SDGs):	SDG 1. No Poverty SDG 6. Clean Water & Sanitation SDG 7. Affordable & Clean Energy SDG 10. Reduced Inequalities SDG 11. Sustainable Cities & Communities
Impact objectives:	<p>ProActive Realty offers social impact investment vehicles focused on addressing housing insecurity in underserved U.S. communities. Through the acquisition, redevelopment, and operation of residential properties—including manufactured housing communities, multifamily complexes, and single-room occupancy (SRO) units—the fund seeks to expand access to affordable, stable housing for historically excluded populations.</p> <p>A core objective of the fund is to reduce housing costs for residents, targeting estimated monthly savings of 20–30% for renters and prospective homeowners. In addition to expanding access to shelter, the fund supports long-term community revitalization through value-add acquisitions, essential property renovations, the procurement of new manufactured homes, and potential development of new housing communities. These efforts are aligned with multiple UN Sustainable Development Goals (SDGs), with particular emphasis on SDG 10: Reduced Inequalities and SDG 11: Sustainable Cities and Communities.</p>		

Scoring Category	Response	Summary
Mission Authenticity	57	<p>ProActive Realty Income Fund II demonstrates strong alignment between its stated impact mission and its investment strategy. The fund is purpose-built to expand access to affordable housing in underserved communities, with a clear focus on populations often excluded from stable housing opportunities—including low-income renters, homeless veterans, and Section 8 tenants. This alignment is reflected in the types of properties targeted, the geographies served, and the inclusion of tenant-focused services across its portfolio.</p> <p>While the fund's intent and operational model are meaningfully rooted in impact, the formalization of its impact framework could be further strengthened. Standardizing how impact considerations are applied across all investment decisions—particularly through codified screening criteria, investment committee practices, and structured impact diligence—would enhance consistency and accountability. Expanding documentation of the impact thesis at the fund level, and integrating impact performance into quarterly reviews, could also bolster transparency and signal deeper alignment to third-party stakeholders.</p>
Integrity of Mission		
<i>Intentionality & Alignment</i>		
Does your investment strategy align with your stated impact objectives?	Yes	ProActive Realty Income Fund II demonstrates a clear and credible alignment between its stated impact objectives and investment strategy. The fund has a well-articulated impact thesis that frames affordable housing as a mechanism to address systemic housing insecurity and support underserved populations, including low-income renters, Section 8 recipients, and homeless veterans.
Are potential investments pre-screened for positive impact which is consistent with stated mission?	Yes	Potential investments are actively screened for alignment with the fund's mission, with emphasis on tenant affordability and community need. This includes an intentional focus on who will benefit from each property—such as second-chance tenants or those transitioning out of homelessness—and how much they are likely to benefit, particularly through estimated monthly cost savings of 20–30%. This upfront screening serves as a gatekeeping mechanism to ensure that only deals meeting the fund's social impact criteria proceed to underwriting.
Are investments that generate negative outcomes considered?	Yes	

<p>Is potential impact measured in terms of depth of impact (intensity) or breadth of impact (reach) or both for each potential investment?</p>	<p>Both depth & breadth of impact</p>	<p>To further strengthen intentionality, the fund could consider embedding formalized tools—such as an impact screening rubric or decision memo template—into its investment committee process. Doing so would help systematize alignment checks and enable clearer documentation of mission consistency across the investment lifecycle.</p>
<p>Are potential outcomes assessed relative to a counterfactual?</p>	<p>Yes</p>	
<p>Cogency of Mission</p>		
<p>Are Impact objectives of potential investments aligned with stated portfolio mission objectives?</p>	<p>Yes</p>	<p>The fund's investments reflect a coherent connection to its stated mission of expanding access to affordable housing and supporting underserved populations. The social impact objectives—such as providing housing for low-income tenants, veterans, and Section 8 recipients—are clearly articulated and regularly referenced in fund materials and investment decisions.</p>
<p>Are Impact objectives of potential portfolio companies assessed consistently across mission-aligned objectives? (Is there a process that is consistently applied?)</p>	<p>No</p>	<p>However, while the fund has identified relevant environmental, social, and governance (ESG) considerations in some cases, it has not yet adopted a consistently applied ESG or impact management and measurement (IMM) framework across all investment opportunities. As a result, while mission alignment is conceptually strong and directionally consistent, the absence of a formalized approach may limit the ability to assess and compare potential investments with uniform criteria.</p>
<p>Do you have an ESG framework that informs your investment decisions prior to final decision?</p>	<p>No</p>	<p>Introducing a standardized IMM or ESG framework—such as a checklist, rubric, or alignment tool—could enhance the consistency, transparency, and strategic coherence of impact across the portfolio. Doing so would also support clearer communication with investors and stakeholders about how each investment supports the fund's overarching goals.</p>

Integration of Mission Across Platform		
Internal question: Has the investment processes produced a portfolio of investments that are aligned with the impact objectives of the fund?	Yes	<p>Professionals across the firm demonstrate a clear and consistent understanding of the fund's impact mission, which focuses on expanding access to affordable housing in underserved communities. This shared commitment is evident in internal communications and investment decision-making processes.</p> <p>The investment strategy is closely tied to the fund's impact objectives. Capital is only deployed when opportunities offer a meaningful benefit to residents, typically in the form of significant monthly cost savings compared to local market rates. This intentional alignment ensures that mission-related outcomes—such as housing affordability, stability, and access—are not secondary to financial performance, but embedded into the fund's core investment logic.</p>
Are professionals (across the organization) aligned in their description of the impact mission? (staff level)	Yes	<p>While mission integration is strong at both the leadership and operational levels, the firm could benefit from more formalized documentation of how mission alignment is assessed and maintained throughout the investment lifecycle. Clearer articulation of decision criteria, internal checkpoints, or impact gates could further strengthen accountability and consistency across the portfolio.</p>
Does your firm link compensation to impact performance?	Yes	
Firm Capacity		
Team Experience - Impact Management & Measurement Experience		
Does the firm have its own IMM team? Or is someone on the team dedicated to IMM?	No	<p>ProActive Realty Group operates with a lean team and has historically had limited internal capacity dedicated to formal impact measurement and management (IMM). While the firm brings strong sector experience in affordable housing development and management, IMM is a relatively new area of focus.</p> <p>However, recent efforts signal a growing commitment to building this capability. The fund has implemented a more rigorous IMM framework to better assess, track, and report its social outcomes—particularly related to cost savings for residents and</p>

Average years of impact measurement and management experience amongst the fund team.	Less than 5 years of experience	<p>service to underserved populations. This framework includes both quantitative and qualitative indicators and is supported by quarterly data collection efforts.</p> <p>To further strengthen capacity, the firm may benefit from additional dedicated IMM personnel or partnerships with third-party evaluators to support consistent application of the framework across the portfolio and ensure alignment with best practices.</p>
Team Experience - Asset Management & Impact Investing Experience		
Average years of impact investment experience amongst investment team	Less than 5 years of experience	While ProActive Realty Group has limited prior experience in formal impact investing, the team brings deep expertise in real estate investment, asset management, and affordable housing development. The firm's leadership—particularly Managing Partner Dr. Canaan V. Williams—has over two decades of experience in structuring, acquiring, and operating residential properties in underserved U.S. markets, with a focus on manufactured housing and multifamily developments.
Average years of impact investment experience on your investment committee and/or advisory board	More than 10 years of experience	This foundational sector experience provides a strong base for impact-aligned execution, particularly in sourcing value-add properties, managing tenant relationships, and executing property upgrades that meet both livability and financial goals. The team's direct operating model, including in-house property management and resident engagement, enables tight control over outcomes at the asset level.
Average years of general investment experience on investment team	More than 10 years of experience	Although the firm's track record in IMM is still developing, recent implementation of a structured impact framework reflects its commitment to advancing capabilities in this area. The team is actively integrating social impact considerations into underwriting, asset selection, and performance tracking, signaling an intentional evolution toward becoming a credible impact investment manager.
Average years of general investment experience on your investment committee and/or advisory board	More than 10 years of experience	

Team Representation		
Are key decision-makers representative of the targeted beneficiaries and regions?	20% - 50% of team	<p>The ProActive Realty Group team brings substantial experience in affordable housing acquisition, development, and management, with a particular focus on underserved markets and tenant populations. While not formally diverse across all demographic categories, the leadership team reflects lived experience and regional expertise that informs their investment approach.</p> <p>Led by Dr. Canaan V. Williams, the firm combines academic, professional, and community-based perspectives to guide its work in housing access and affordability. The team's operational presence in target communities and direct engagement with residents enhances its ability to understand and respond to local needs—particularly among low-income, veteran, and second-chance tenant populations.</p> <p>As the firm grows, there may be opportunities to further strengthen team representation through recruitment strategies that deepen lived experience, demographic diversity, and IMM expertise.</p>
Does the IMM and investment team bring expertise in the funds social and/or environmental focus?	More than 50% of team	
Institutional Resilience & Key Person Risk		
Is there currently an intended 2nd in the PM team?	No	<p>The fund benefits significantly from the leadership of Dr. Canaan Van Williams, who serves as the fund's Principal and Managing Partner of ProActive Realty Group. His deep expertise in affordable housing, direct community relationships, and hands-on property sourcing play a pivotal role in both investment execution and impact delivery.</p>
Is there a strong bench of individuals with IMM experience on the PM team?	No	<p>However, the fund's operations and strategy remain heavily reliant on Dr. Williams' involvement, indicating a potential key person risk. While he is supported by a lean operational team, the current structure does not yet demonstrate a broader institutional framework capable of sustaining operations and growth independent of his leadership.</p>
Is there a strong bench of individuals with impact investing experience on the PM team?	No	<p>To enhance institutional resilience, the firm may consider developing succession planning, expanding senior leadership capacity, and further systematizing its investment and impact processes. These steps could help ensure the long-term durability of the fund and its mission beyond the contributions of any single individual.</p>

Governance and Regulatory Risk		
Are your operations segmented from your portfolio management process?	Yes	ProActive Realty Group maintains a dedicated operations team that functions independently from portfolio management, supporting strong internal controls and clear delineation of responsibilities. The firm upholds a formal code of conduct to ensure ethical standards and accountability among employees.
Does your firm have a code of conduct and do you hold your employees accountable?	Yes	As a Rule 506(c) private placement under SEC Regulation D, the fund is structured in compliance with relevant securities laws for accredited investors. It issues secured notes backed by real estate assets, offering transparency around collateral and payment terms. While the firm has not pursued third-party regulatory certifications or governance ratings, its structural separation of duties and legal adherence to offering requirements help mitigate governance and compliance risks.
Is the fund registered in Europe, if so, was it evaluated under SFDR regulations with Article 8 or 9 status?	N/A	
Do you integrate ESG factors throughout your firm's operations?	Yes	Continued maturation of compliance processes, documentation of board-level oversight (if any), and increased transparency around decision-making protocols could further enhance governance resilience as the firm grows.
Participation in Impact Community		
Framework Integrity Relating to Standards		
Is the team's IMM framework consistent with current best practices?	No	The fund does not yet have a fully developed or consistently applied IMM (Impact Measurement and Management) framework, nor is it currently aligned with the Operating Principles for Impact Management (OPIM), which emphasize the integration of impact throughout the investment lifecycle. However, the fund applies a consistent initial screen: only properties that offer the potential for substantial monthly cost savings to residents are considered. This primary impact metric—monthly housing cost reduction—is widely recognized within the affordable housing sector as a key indicator of financial relief for underserved populations.
Does the fund's investment process align with OPIM?	No	
Is the fund a signatory of OPIM?	No	
Has the fund been independently verified for alignment with OPIM?	No	
Does the fund use impact metrics from broadly accepted metric catalogs?	Yes	The fund has expressed a clear intention to formalize its IMM approach in the coming year. Plans include developing a proprietary IMM framework tailored to its housing-focused strategy and pursuing third-party verification of alignment with OPIM

<p>Has the fund been approved on a recommended list by traditional consultants such as: Aksia, Cambridge Associates, NEPC, Mercer or others?</p>	<p>No</p>	<p>in 2025. These efforts would represent a meaningful step toward full alignment with industry best practices and greater transparency in impact reporting.</p> <p>While the fund is not yet active in formal impact networks (e.g., GIIN, Impact Frontiers), its stated objectives and use of recognized affordability metrics reflect alignment with emerging norms in the impact investing community.</p>
<p>Contribution to the Impact Sector</p>		
<p>Has the fund or firm published articles and/or research advancing the field of impact investing and/or impact management or measurement?</p>	<p>Yes</p>	<p>ProActive Realty Group is an emerging voice in the affordable housing impact space. Its work has been featured in publications such as the SVX Newsletter, which spotlighted the firm's mission-driven approach to expanding access to affordable housing in underserved U.S. communities.</p>
<p>Has the firm won any industry awards?</p>	<p>No</p>	<p>While the firm is not yet widely recognized across the broader impact investing ecosystem, it demonstrates a growing commitment to advancing discourse around the intersection of financial return and housing justice. Its innovative use of secured note structures to finance value-add housing projects—coupled with a clear affordability metric—positions it as a practical example of real estate impact investing at work.</p> <p>As ProActive continues to build its track record, its stated plans to formalize its IMM framework and pursue OPIM alignment suggest potential for increased engagement with the impact investing field, including knowledge-sharing and broader participation in networks focused on real asset and community-driven impact strategies.</p>

<p>Impact Execution</p>	<p>80</p>	<p>ProActive Realty Group consistently collects and monitors impact data across its investment properties, tracking core metrics such as the number of households gaining access to affordable housing and estimated monthly cost savings per property. These figures provide direct evidence of the fund's ability to deliver on its affordability objectives and support the credibility of its impact claims.</p> <p>The firm also demonstrates a willingness to engage with and report negative outcomes. For example, it tracks and discloses evictions that occur despite multiple attempts at remediation—a transparency practice not commonly seen among peer funds in the real estate impact space.</p> <p>However, the fund does not yet produce an annual impact report or provide portfolio-level outcome summaries. Additionally, it has not implemented a formal impact risk review process to proactively identify and mitigate risks to intended outcomes. Establishing these practices would strengthen accountability, enhance transparency for investors, and reinforce the fund's stated commitment to measurable and managed impact.</p>
<p>Methodological Rigor</p>		
<p>Collection Process</p>		
<p>Do you use a results framework to monitor progress towards achieving impact against predetermined impact targets?</p>	<p>Yes</p>	<p>The fund applies a consistent approach to measuring affordability by tracking two core metrics across its portfolio: 1) the number of households gaining access to affordable housing and 2) estimated monthly cost savings per property. Cost savings are calculated by comparing actual property rents to prevailing market rents in the property's geographic area—providing a clear, quantifiable measure of financial benefit to tenants.</p>
<p>Do you collect impact data (KPI) from portfolio companies to track impact performance?</p>	<p>Yes, portfolio companies are contractually obligated to report Impact KPIs</p>	<p>While this methodology offers credible evidence of impact, the fund currently limits its measurement to breadth indicators. There is an opportunity to further strengthen methodological rigor by incorporating depth-oriented metrics, such as duration of tenancy or tenant financial resilience, and by formalizing the use of secondary data benchmarks to validate assumptions.</p>
<p>Is achieved impact measured in terms of depth of impact (intensity) or breadth of impact (reach) or both for each portfolio company?</p>	<p>Both depth & breadth of impact</p>	<p>While this methodology offers credible evidence of impact, the fund currently limits its measurement to breadth indicators. There is an opportunity to further strengthen methodological rigor by incorporating depth-oriented metrics, such as duration of tenancy or tenant financial resilience, and by formalizing the use of secondary data benchmarks to validate assumptions.</p>

Are portfolio company's impact performance metrics benchmarked against data from secondary sources?	Yes, use published statistics that are updated frequently	
What is the frequency with which impact KPIs from portfolio companies are reported?	At least annually	
Do you have impact risk reviews?	Only in rare cases	
Results & Validation		
Additionality		
Does the fund track how much of the measured impact is attributed to the firm's investment?	N/A	ProActive Realty Group demonstrates additionality by ensuring that its capital directly enables physical and operational improvements across its residential portfolio. The fund tracks property-level enhancements—such as building retrofits and the integration of low-carbon, renewable energy systems—which contribute not only to improved livability but also to broader community and environmental benefits.
Does the fund track investor contribution of portfolio companies to assess the fund's financial and non-financial engagement?	Yes	In addition, the firm maintains a mission-aligned exit strategy. Upon disposition, it seeks to transfer assets only to buyers who share its commitment to affordability and community stability. This helps preserve long-term impact beyond the fund's direct ownership period.
When conducting an exit, does the fund consider the effect which the timing, structure, and process of its exit will have on the sustainability of the investment's social or environmental impact?	Yes	While these practices support a strong additionality narrative, there remains an opportunity to strengthen the fund's framework by quantifying the degree to which outcomes are attributable specifically to its investment—such as through contribution analysis or structured counterfactual assessments.

Reporting Practices & Transparency		
Do you produce an annual impact report that is published and publicly available?	No	<p>While ProActive Realty Group systematically collects impact data at the property level, it does not yet produce an annual impact report that consolidates and communicates outcomes across its full investment portfolio. The absence of a portfolio-wide impact summary may limit external visibility into the fund's overall performance and progress toward its mission.</p> <p>However, the fund does demonstrate transparency by tracking and reporting negative outcomes—such as tenant evictions or delays in renovation timelines—to its limited partners. This level of candor strengthens investor trust and accountability.</p> <p>The team also incorporates lessons learned from prior investments into future decision-making, contributing to continuous improvement across both financial and impact dimensions. As the fund matures, formalizing its impact reporting practices would further enhance transparency and position it as a more visible participant in the broader impact investing ecosystem.</p>
Do you report negative outcomes and underperformance of impact and/or negative impact and mitigants against the negative impacts to your LPs?	Yes	
With your investments, do you monitor ESG data/risk as a source of potential negative impact outcomes?	No	
Does the fund report impact achievement (e.g., outputs or outcomes) for the whole portfolio?	Yes	
Do you ensure that lessons learned from impact performance reviews are systematically integrated into your decision-making and operations?	Yes	
When conducting an exit, does the fund review and document the impact performance of the investment, compare the expected and actual impact, and other positive and negative impacts?	Yes	

Financial Performance			
Performance Targets			Financial Structure & Overview
Return target/benchmark	15-18% annually		<p>ProActive Realty Group offers social impact-focused investment vehicles seeking to acquire, renovate, and operate affordable housing communities across underserved U.S. regions—accelerating access to housing with a particular emphasis on reducing inequality and building sustainable communities.</p> <p>The fund is privately held and offers multiple investment vehicles under Proactive Realty Income Fund II:</p> <ul style="list-style-type: none"> • Rapid Housing Sustainable Bond: A 2-year bond offering targeting a total return of 30%. • Tiered Sustainable Bond Offerings: Bonds targeting annualized returns between 9-15.5%, structured with 2-to-10 year capital deployment timelines. • Equity Units (Shares): A 6-year term investment with an annual target return of 3%, plus a potential pro rata final distribution of up to 7.25%. The minimum investment is \$15,000 (equivalent to 15 units priced at \$1,000 each). • Fixed-Term Notes (legacy offering): 5-year debt notes for accredited investors, offering a 5.65% fixed annual return (option for quarterly payments or accrual). <p>The minimum investment for the current active offerings is \$20,000 for accredited investors. The fund targets underserved populations, including low-income households, undocumented individuals, veterans, and people with disabilities, through investments in manufactured home communities, SROs, and multi-family properties. Sustainability measures such as energy retrofits and water conservation are also integrated across the portfolio.</p>
Public v private fund	Private		
Absolute return v index	Absolute return		
Historical Financial Performance			
1 Year (actual)	Achieved (+) 15%		The fund targets an absolute return of 15–18% annually and does not benchmark performance against public market indices.
1 Year (Benchmark)	9%		Reported financial performance has met or exceeded internal return targets across 1-, 3-, and 5-year periods. These outcomes are driven by a vertically integrated operating model that emphasizes direct property acquisition, renovation, and management. Operational practices such as rapid unit turnover, direct tenant engagement, and disciplined cost control have contributed to income generation and portfolio value appreciation.

3 Year (actual)	Achieved (+) 35%	The addition of new investment instruments in 2024 reflects the fund's continued efforts to diversify its capital base and meet the needs of a broader range of investors. By aligning financial structures with long-term affordability and community resilience goals, the fund aims to scale its long-term social impact objectives while maintaining disciplined return expectations.
3 Year (Benchmark)	9% with a 15% IRR	
5 Year (actual)	Achieved (+)	
5 Year (Benchmark)	9% with a 15% IRR	