



Social Impact at NCCLF

Northern California Community Loan Fund (NCCLF) has worked since 1987 to promote economic justice and alleviate poverty by increasing the financial resilience and sustainability of community-based nonprofits and enterprises. Through flexible financial products and sound advice, we create opportunities to make socially responsible investments that revitalize low-income communities in the 46 northernmost counties of California.

The fiscal year ending September 30, 2014 was a period of exceptional achievement for NCCLF. As Table 1 shows, we closed 17 new loans, totaling \$6.5 million, to benefit projects serving low-income residents of seven counties. The projects financed by these loans created or preserved 821 jobs, 104 affordable housing units, and 48,954 square feet of community facility space. These included a \$1.4 million loan for a new facility for Women's Audio Mission, a \$400,000 working capital loan to Project Inform to help it run the AIDS Walk, and a \$520,000 affordable housing acquisition loan enhanced by a grant from our Greater Oakland Fund.

We also deployed \$14 million in New Market Tax Credits (NMTC) from our \$20 million allocation from 2013. We provided \$8.5 million in NMTCs for the East Oakland Youth Development Center, a nonprofit youth center that offers a range of education, health, and arts programs for low-income youth. And for the West Hills Community College Farm of the Future project in Coalinga, we provided another \$5.5 million. In 2014, the Treasury Department's CDFI Fund awarded NCCLF a \$33 million NMTC allocation which we committed to four projects before our fiscal year end, all four of which are expected to close by the end of the calendar year.



Students learn valuable audio engineering skills at Women's Audio Mission in San Francisco, CA.

Our Consulting and Training Department completed 35 engagements and 17 workshops, reaching 144 nonprofit organizations in Northern California. Our NMTC consultation to First 5 Fresno led to the financing and groundbreaking of their new \$16 million multitenant center, Lighthouse for Children. Our staff organized and led the third Community Facilities Challenge, a real estate feasibility competition for students at the California State University, Fresno. Our Consulting team also focused on the Central Market district of San Francisco, where rapid commercial development is squeezing out the nonprofits that serve neighborhoods with high levels of poverty. We continue to consult for the Community Arts Stabilization Trust (CAST), an innovative structure with the purpose of creating permanent spaces for community serving nonprofit arts organizations in San Francisco. Along with two other organizations, NCCLF was awarded a contract from the City of San Francisco to administer the Nonprofit Displacement Mitigation Program. The program will provide \$4.5 million in technical and financial assistance for San Francisco nonprofits at risk of displacement which provide arts and cultural programs and/or social services.

NCCLF joined ReFresh™, a national initiative designed to improve access to healthy foods in urban and rural communities across the U.S. At year end, our loan fund totaled \$46.7 million including 239 investments totaling \$34.8 million. These included 172 investments by individuals, the average size of which increased to \$42,221, a new high. The impact of our lending, NMTC, consulting, and investment activities is described in detail below.

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Table 1: NCCLF's Social Impact in FY2014

Lending Impact	FY2014	Life to date (through end of FY2014)
Total number of loans closed	17	331
Total dollar amount of loans closed	\$6,513,610	\$111,521,095
Facility square feet created or preserved	48,954	1,693,840
Housing units created or preserved	104	6,324
Permanent and construction jobs created or preserved	821	15,436
Individuals served by these projects	64,381	847,337
Total other financing dollars leveraged	\$33,480,083	\$1,263,596,425
New Market Tax Credits Impact	FY2014	Life to date (through end of FY2014)
Total number of NMTC projects closed	2	8
NMTC allocation awarded	\$33,000,000	\$113,000,000
NMTC allocation deployed	\$14,000,000	\$80,000,000
Facility square feet created or preserved	45,000	232,000
Permanent and construction jobs created or preserved	195	3,039
Individuals served by these projects	13,000	199,316
Total other financing dollars leveraged	\$11,000,000	\$145,066,382
Total community investment (loan fund lending plus NMTC financing closed)	\$20,513,610	\$191,521,095
Consulting Impact	FY2014	Life to date (through end of FY2014)
Number of consultations completed	35	385
Financial management consultations	6	191
Real estate consultations	18	183
Financial-Real Estate Joint Consultations	11	11
Workshops held	17	147
Workshop participants	199	1,952
Organizations reached by workshops	144	1,564
Grantmaking Impact – Amount distributed	\$500,000	\$9,306,178
Investor Impact	FY2014	Life to date (through end of FY2014)
Investments closed	87	1,231
Renewal rate	92%	76%
Average size of investment/individual	\$ 42,221	\$ 25,104
Average size of investment/organization	\$410,637	\$273,293
Amount of investor capital lost	\$0	\$0

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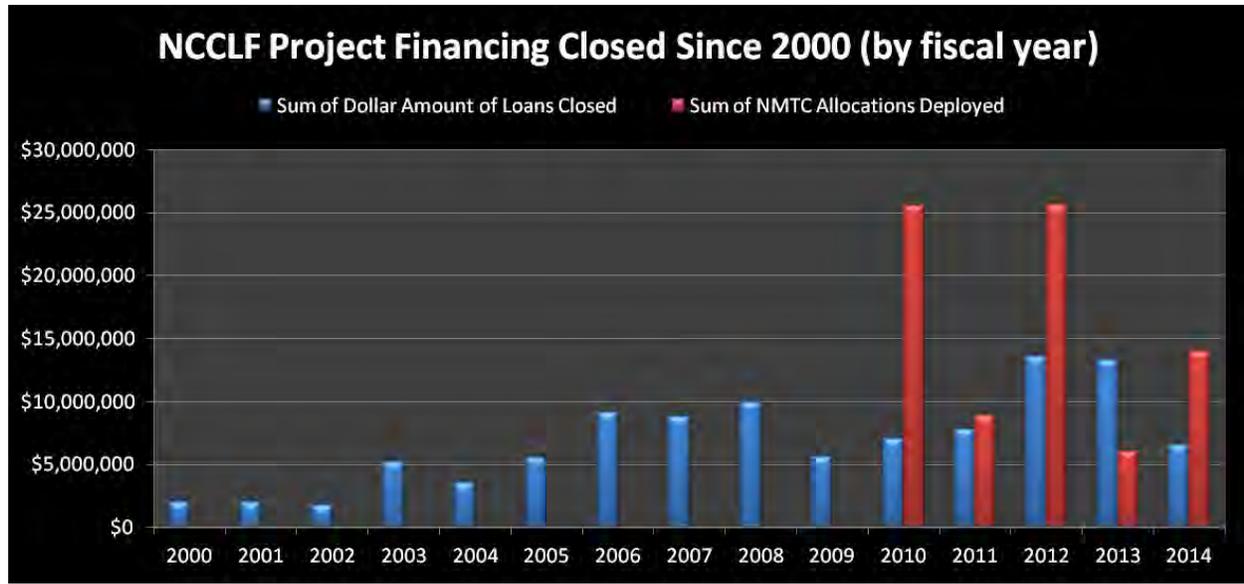


Figure 1: Total Project Financing Closed by Fiscal Year since 2000.

Lending Outcomes

NCCLF’s lending program closed \$6,513,610 in loans during FY2014 (see Figure 1). In total, NCCLF closed 17 loans in seven counties -- four community facilities loans, three affordable housing loans, and 10 business (working capital) loans. Please refer to Table 2 for a summary breakdown.

Table 2: Impact of Loans Closed in FY2014

Organization Name	Project County	Amount	Total Development Cost	Amount Leveraged	Commercial Square Feet	Total Housing Units	Clients Served	Total Permanent Jobs	Total Construction Jobs
Community Facility Loans									
East Oakland Youth Development Center	Alameda	\$ 1,999,917	\$ 9,400,000	\$ 7,400,083	30,000	-	3,000	21	26
West Contra Costa Youth Services Bureau	Contra Costa	\$ 420,000	\$ 470,000	\$ 50,000	4,496	-	-	-	-
West Contra Costa Youth Services Bureau	Contra Costa	\$ 375,740	\$ 375,740	\$ -	3,958	-	730	52	-
Women’s Audio Mission	San Francisco	\$ 1,400,000	\$ 1,400,000	\$ -	2,300	-	7,600	6	-
Total		\$ 4,195,657	\$ 11,645,740	\$ 7,450,083	40,754	-	11,330	79	26
Housing Loans									
Innovative Development & Living Solutions of CA	Fresno	\$ 50,000	\$ 8,000,000	\$ 7,950,000		48	48	23	-
Satellite Affordable Housing Associates (SAHA)	Alameda	\$ 520,000	\$ 18,600,000	\$ 18,080,000	8,200	48	200	170	160
SHELTER, Inc. of Contra Costa County	Contra Costa	\$ 77,953	\$ 77,953	\$ -		8	10	-	-
Total		\$ 647,953	\$ 26,677,953	\$ 26,030,000	8,200	104	258	193	160
Business Loans									
As You Sow	San Francisco	\$ 100,000	\$ 100,000	\$ -	-	-	-	10	-
Baker Places, Inc.	San Francisco	\$ 350,000	\$ 350,000	\$ -	-	-	1,500	199	-
Breathe California	San Mateo	\$ 130,000	\$ 130,000	\$ -	-	-	-	8	-
Coastal Health Alliance	Marin	\$ 240,000	\$ 240,000	\$ -	-	-	17,000	43	-
Family Violence Law Center	Alameda	\$ 100,000	\$ 100,000	\$ -	-	-	2,738	16	-
Housing California	Sacramento	\$ 100,000	\$ 100,000	\$ -	-	-	1,200	7	-
Mental Health Association of San Francisco	San Francisco	\$ 100,000	\$ 100,000	\$ -	-	-	255	47	-
Project Inform	San Francisco	\$ 400,000	\$ 400,000	\$ -	-	-	16,000	9	-
Sacramento Self Help Housing, Inc. (SSHH)	Sacramento	\$ 50,000	\$ 50,000	\$ -	-	-	2,500	12	-
San Francisco Arts Education Project	San Francisco	\$ 100,000	\$ 100,000	\$ -	-	-	11,600	12	-
Total		\$ 1,670,000	\$ 1,670,000	\$ -	-	-	52,793	363	-
Grand Total		6,513,610	39,993,693	33,480,083	48,954	104	64,381	635	186

Community Facilities Lending

NCCLF closed four loans totaling nearly \$4.2 million to finance community facilities projects, leveraging over \$11.6 million in additional financing. The projects will create or preserve 79 permanent jobs and will develop or preserve over 40,000 square feet of facility space, while providing over 11,000 low-income people with much needed services. Here are some highlights:

- In conjunction with its NMTC allocation, NCCLF has provided East Oakland Youth Development Center (EOYDC) a loan to bridge a capital campaign in progress for the major renovation and expansion of its headquarter and program space in Oakland. This Center offers a range of education, health and arts programs for youths aged six to 18. Situated in an area with high crime, school dropout rates, poverty, and drug addiction, EOYDC's programs provide a refuge for youths to gain skills and confidence to escape life on the streets. NCCLF has signed on to the OFN Youth Opportunity Pledge, and this project to EOYDC, with a clientele of mostly African American and Latino youth, is a prime example of our work to fulfill that commitment.
- NCCLF provided two loans to West Contra Costa Youth Service Bureau (WCCYSB) totaling \$795,740. Founded in 1985, the WCCYSB is a nonprofit that works to strengthen families by creating caring, stable, and supportive environments. Working out of several locations in Contra Costa County, each of its programs takes a collaborative approach and incorporates the expertise of skilled mental health providers, school professionals, social service providers, and child welfare and juvenile justice departments. Serving primarily African-American and Latino communities, WCCYSB's programs reach nearly 600 people annually and promote self-sufficiency and independence with services ranging from primary prevention and intervention to intensive home support and clinic services. As WCCYSB had to vacate one of its leased facilities, NCCLF is providing the organization with a \$420,000 loan to purchase new space within walking distance of its headquarters and a \$375,740 loan to refinance a high-interest loan used to renovate its headquarters. The combined loans will save the organization over \$10,000 per year by lowering its debt service.
- NCCLF provided a \$1,400,000 loan to help Women's Audio Mission (WAM) purchase a professional recording studio, which will allow the organization to greatly expand its program services. Women's Audio Mission is a San Francisco-based nonprofit organization dedicated to advancing women in the music production and the recording industry, where women are critically underrepresented. Founded in 2003, WAM provides access and training to low-income women and girls in the techniques and technologies used in the recording arts, serving more than 850 Bay Area women and girls annually. Its programs have been recognized by the White House Office of Social Innovation. For the last two years NCCLF's Consulting and Training Department provided a wide range of technical assistance in the areas of financial management, board training and facility strategic planning to help WAM prepare for acquiring its own facility.



Students learning about healthy air at Breathe California. NCCLF provided the organization a loan to help with cash flow.

Affordable Housing Lending

Affordable housing development in California suffered a setback in 2012 as the state eliminated redevelopment agencies, which had been a primary source of funding. In FY 2014, NCCLF closed three housing loans totaling \$647,000 and leveraged an additional \$26 million in other financing. Combined, these loans created or preserved a total of 104 units of low-income housing. NCCLF is committed to affordable housing in Northern California, and we continue to work with our partners to find other ways to finance new projects.

Housing lending highlights:

- NCCLF provided Satellite Affordable Housing Associates a \$520,000 loan to acquire a building in the Lower San Antonio area of Oakland, which is adjacent to its existing mixed-use project, Eastside Arts. The new Eastside Arts II acquisition provides an opportunity to refinance and upgrade the existing building, create an additional 32 units, as well as expand commercial space and shared project amenities on the 23rd Ave parcel. The combined project will provide 48 affordable rental apartments for families and individuals with incomes between 30% and 55% of the area median income. The 100% loan-to-value ratio for the loan was made possible by a subsidy from the Greater Oakland Fund fund managed by NCCLF.
- NCCLF provided a loan to SHELTER Inc. of Contra Costa County to refinance debt on its low-income housing facility called The Landings. Headquartered in Martinez, SHELTER's mission focuses on preventing homelessness, promoting self-sufficiency, and providing affordable permanent housing for County's low-income residents. It owns, operates, or master-leases nearly 200 units of housing spread throughout the County, though mainly concentrated in Richmond, Martinez, Pittsburg, Concord, and Antioch. Four of the units at the Landings are reserved for very-low and low-income—at or below 50% and 80% Area Median Income (AMI), respectively—persons diagnosed with HIV/AIDS, and the other four units—which SHELTER reserves for formerly homeless individuals with a mental health diagnosis.
- NCCLF provided a \$50,000 predevelopment loan for 48 units of assisted living to Innovative Development and Living Solutions of California. The organization is a public benefit corporation created specifically to develop and operate an assisted living community where 60% of residents are low-income seniors. The project will be built according to the Green House model and will include a cluster of four one-story, 12-unit residential buildings, each with its own self-managed care staff. Since the first Green House homes opened ten years ago, the concept has spread through the country and is transforming senior housing by producing better health outcomes.

Business Lending

NCCLF's business lending helps nonprofits manage their cash flow and provides working capital for expanding services and new projects. We closed 10 business loans in FY2014 totaling \$1.67 million (Table 2). These include:

- NCCLF provided Project Inform a \$400,000 loan to assist in paying for costs associated with the AIDS walk. Project Inform provides health care services and medication to patients suffering from AIDS. The organization was awarded the hosting duties of SF's AIDS Walk, a regional fundraising platform for AIDS research and care. In 2013, 25,000 people joined the walk, raising \$2.5 million for Aids research, advocacy, and patient care. This landmark event benefits 28 Bay Area organizations that provide care and services for people living with HIV and AIDS.
- A \$160,000 line of credit to the Coastal Health Alliance, which provides primary healthcare services to underserved populations in the West Marin area, regardless of patients' ability to pay. Coastal Health Alliance operates clinics in Point Reyes Station, Stinson Beach, and Bolinas. It receives about 17,000 patient visits annually, and nearly 40 percent of its patients lack insurance.

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- A \$100,000 line of credit to As You Sow, an organization that promotes environmental and social corporate responsibility through shareholder advocacy and coalition building. As You Sow used the loan to manage cash flow while awaiting receipt of a three-year grant.
- A \$50,000 line of credit to Sacramento Self Help Housing to help manage its cash flow. Self Help Housing is a nonprofit organization that helps individuals and families who are homeless or in crisis secure affordable housing in the Sacramento area.

Together, these business loans support projects that are expected to create or preserve 635 permanent jobs and help these organizations continue to serve over 64,000 clients annually.

New Markets Tax Credits Outcomes

The Treasury Department's CDFI Fund annually allocates New Market Tax Credits (NMTCs) to help finance community development projects in low-income census tracts. The cumulative social impact of our NMTC projects is summarized above in Table 1. In early FY2014, we deployed \$14 million from our \$20 million allocation from 2013 on two projects.

First, we provided \$8.5 million of NMTCs to the East Oakland Youth Development Center (EOYDC) for the major renovation and expansion of its headquarter and program space in Oakland. EOYDC offers a range of education, health, and arts programs for youths aged 6-18. Situated in an area with high crime, school dropout rates, poverty, and drug addiction, EOYDC's programs provide a refuge for youths to gain skills and confidence to escape life on the streets. NCCLF has signed on to the OFN Youth Opportunity Pledge. And this project with EOYDC, with a clientele of mostly African American and Latino youth, is a prime example of our work to fulfill that commitment. The project is expected to create 73 construction and permanent jobs.



A rendering of the expanded and updated East Oakland Youth Development Center.

We also provided an additional \$5.5 million to the West Hills Community College Farm of the Future project in Coalinga. West Hills Community College District (WHCCD) has been serving the post-secondary educational needs of San Joaquin Valley's west side for over seventy years. Since 2000, WHCCD has been developing a project known as the Farm of the Future on 213 acres of donated land. In an area with high poverty and unemployment rates, the Farm of the Future will provide crucial job training in agricultural sciences, as well as expansion of the community gardening program to educate the local community about healthy food diets and increase access to healthy foods. The current phase of the project includes a working farm, a 15,000 square foot Ag Science Building offering courses in heavy equipment operations, welding

technology, industrial maintenance mechanic, agriculture sciences, and a Photovoltaic Solar installation. NCCLF provided \$5.5 million toward a \$15.5 million New Markets Tax Credit transaction to finance this phase of the Farm of the Future project. The project is expected to create 100 construction and permanent jobs.

In addition, the CDFI Fund awarded NCCLF a \$33 million NMTC allocation in 2014, and shortly thereafter we committed those credits to four projects:

- \$7.4 million to the San Pablo Economic Development Corporation for the construction of a sports complex on a 4.5-acre Brownfield site in the City of San Pablo's most economically distressed neighborhood;
- \$8.4 million to Salud Para La Gente, a Federally Qualified Health Center based in Watsonville, CA, to renovate and expand its main clinic, which serves over 15,000 patients, many of them low-income Latino farm workers.
- \$9 million to Community Arts Stabilization Trust (CAST) to finance the renovation of two community arts facilities in San Francisco for the Luggage Store Gallery and CountPULSE, who have been engaged with the low-income community for over 15 years.
- \$8 million to Family House to purchase land and build a facility that will serve as a temporary housing complex providing temporary housing and a supportive community for families with a child who is undergoing treatment for life-threatening illnesses at nearby USCF Benioff Children's Hospital in San Francisco.

Consulting and Training Outcomes

NCCLF's Consulting and Training Department had a strong FY2014. We offer consulting services, in addition to lending, because providing organizations sound and expert advice about financial management and real estate issues improves their capacity to use capital effectively to serve low-income people and communities.

The department consists of a Financial Consulting Group and a Real Estate Consulting Group, each designed to help nonprofits use resources strategically. Through workshops and customized consultations, our financial consultants help nonprofits maximize the impact of every dollar by strengthening their financial management practices. Our financial consultants provide customized services from quick, inexpensive interventions to more in-depth capacity building. We help clients develop budgeting and financial management systems, prepare for audits, and understand their financial position to strategically plan for new ventures. We also offer workshops and webinars on financial statements, cash flow monitoring, and audit preparation. In 2014, we developed a new, integrated financial and space needs assessment product to better serve our clients.

Our real estate consultants give nonprofits the analysis and support they need to ensure that their facility plans fit their mission and their financial means. Our webinars and workshops teach organizations how to prepare and plan for a real estate project, understand how to lease a building, and take advantage of tax credit financing programs.

Our consulting staff collaborates with government agencies throughout California on various community initiatives, including the San Francisco Mayor's Office of Housing and Community Development, the San Francisco Office of Economic and Workforce Development, San Francisco Grants for the Arts, the City of Fresno Family and Children Commission, and the City of San Pablo.

Since inception, the Consulting and Training department has served 385 organizations through direct consulting engagements and has reached 1,500 more through workshops. We have also consulted on eight

NMTC projects resulting in \$75 in NMTC financing for our clients. In FY2014, our Consulting and Training Department accomplished the following:

- We completed 35 consultations: six on financial management projects, 18 on real estate issues, and 11 that covered both.
- We assisted an additional 21 organizations through third party-funded consultations
- We conducted 17 workshops serving 199 individuals from 144 nonprofit organizations.
- We created a new type of consultation, one that blends both financial management and real estate readiness, to better serve our clients.
- We conducted the third annual NCCLF Communities Facilities Challenge, a competition engaging five teams of students at California State University, Fresno to conduct real estate feasibility analyses for Central Valley nonprofits that serve low-income communities.
- We invested in product and relationship development in the Central Valley to identify and better meet the needs of organizations facing different challenges than their Bay Area counterparts.

Consulting and Training in FY2014: Highlights

Our Consulting and Training Department provided major consultations on two NMTC projects that closed and two others that were committed with expected closings in early FY2015.

- First 5 Fresno County, along with several other agencies, created The Lighthouse for Children, a nonprofit organization that has set out to construct a facility housing a state of the art child care center, professional development center, community learning center, and First 5 Fresno County administrative offices. To achieve their large-scale goals, First 5 Fresno County and The Lighthouse for children asked NCCLF's consulting staff to assess the financial feasibility of the project and to explore the use of New Markets Tax Credits (NMTCs) as a funding source. With NCCLF's help negotiating the complicated New Markets process, the two organizations were able to secure \$5.2 million in NMTC funding along with \$11 million in Prop 10 funds to finance the \$16.2 million construction of a 43,288 square foot facility in downtown Fresno.
- We consulted with the East Bay Asian Local Development Corporation (EBALDC) for the rehabilitation of the historic Swan's Marketplace and a second commercial building for EBALDC's new headquarters and other businesses, both in Oakland. With NCCLF's assistance, EBALDC leveraged a \$15.6 million NMTC allocation from two CDEs to make the projects financially feasible.
- NCCLF developed an NMTC financial plan for the development of the City of San Pablo's "Healthy Eating, Active Living" soccer facility. The San Pablo Economic Development Corporation plans to develop Rumrill Park, a 4.5-acre sports park located on a cleaned up brownfield site located in the City's most economically distressed neighborhood. The plan includes three synthetic turf sports fields, a 62-space parking lot that would be used for a farmers market, and a concession stand to make healthy foods more accessible for youth. NCCLF subsequently committed \$7.4 million in NMTC allocations for the project.
- With funding from the Kenneth Rainin Foundation, NCCLF helped create the Community Arts Stabilization Trust (CAST) in 2013 to support the City of San Francisco's efforts to expand and



Groundbreaking at Lighthouse for Children. NCCLF provided an NMTC consultation to First 5 Fresno to structure financing.

provide long-term stability to arts groups in the Central Market and the Tenderloin neighborhoods as part of the city's Central Market Economic Strategy. In 2014, CAST purchased two buildings in the Central Market neighborhood, which will provide long-term, affordable space to the Luggage Store Gallery and CounterPULSE Theater, both of which are NCCLF consulting clients. The Central Market area is severely distressed with a median income 36% of AMI. The CAST project is supported by many neighborhood organizations and the City of San Francisco because it creates a way for community arts nonprofits to stay in the area. The first two organizations taking advantage of CAST operate community arts programs that provide local artists an affordable venue to present their works and engage local low-income residents in educational and cultural events. With a \$7.9M budget, CAST is renovating 15,000 square feet and the project will generate a number of jobs in the area. While CAST is a separate entity, NCCLF continues our deep involvement as consultants to the organization. We also committed \$9 million in NMTC toward the renovation.

Other consulting project highlights from FY2014 include:

- For the last two years NCCLF's Consulting Services department provided a wide range of technical assistance in the areas of financial management, board development and strategic planning to help Women's Audio Mission (WAM) prepare for acquiring its own facility. In anticipation of this acquisition, WAM started a capital campaign with a \$2 million goal. NCCLF then provided a \$1,400,000 loan to help WAM purchase a professional recording studio, which will allow the organization to greatly expand its program services.
- NCCLF provided a consultation for the 950 Center for Arts and Education, a multi-venue arts and education center, who contracted with NCCLF to review five proposed tenant organizations to determine each organization's capacity to re-locate and operate at the 950 Center. The analysis also determines minimum and ideal space needs and features for each organization's programmatic and organizational use, identification of spaces and services that it prefers to be shared among the 950 Center tenant organizations, and a schematic budget for the tenant improvements and operation of the space.
- We provided consultations to a number of arts organizations in San Francisco as part of the Central Market Initiative. Funded by San Francisco Grants for the Arts, NCCLF measured financial capacity and conducted needs assessments to assist in lease negotiations and to secure tenant improvement financing.
- NCCLF was awarded a contract by the City of San Francisco to administer the Nonprofit Displacement Mitigation Program in San Francisco along with two other organizations. The Program will include \$4.5 million in financial assistance grants for San Francisco nonprofits providing arts and cultural programs and/or social services and are at risk of displacement. The Nonprofit Displacement Mitigation Program provides services to support nonprofits facing permanent displacement to find appropriate and affordable office and program space. These technical assistance services and financial assistance grants are made possible through funding from the City and County of San Francisco, through the San Francisco Arts Commission and the Mayor's Office of Housing and Community Development.

Central Valley Initiatives

As part of our FY2014-2018 Strategic Plan, NCCLF committed itself to addressing the needs of low-income communities in California's Central Valley, with focus on the two main centers of activity located around Sacramento in the north Central Valley, and Fresno in the south Central Valley, also known as the San Joaquin Valley. Various departments continued to build commitments to clients and projects in California's Central Valley in a number of ways during the year:

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- We played crucial roles in three NMTC projects in the Central Valley in FY2014. We deployed \$8.5 million to the West Hills Community College project in Coalinga; we provided consulting services for the \$16 million First 5 Fresno center that closed financing and broke ground; and we committed an additional \$8.4 million to Salud Para La Gente, a Federally Qualified Health Center based in Watsonville, CA.
- We provided a \$50,000 predevelopment loan for a 48-unit senior affordable housing project in Fresno County.
- NCCLF joined ReFresh™, a national initiative of The Reinvestment Fund, designed to improve access to healthy foods in urban and rural communities across the U.S. NCCLF will focus its efforts on improving access to healthy foods throughout its 46 northern California counties, with special emphasis and resources going to help eradicate food deserts in the San Joaquin Valley.
- In conjunction with branches of the United Way in King and Tulare counties, we conducted a SMART financial workshop for United Way Kings and a three-part financial management workshop for Boards of Directors for United Way Tulare, reaching 20 organizations in the Central Valley.
- Working with the Federal Reserve Bank of San Francisco, we provided workshops on affordable housing for over 50 organizations in the Sacramento and Yolo County regions.
- We conducted the third annual Community Facilities Challenge at California State University, Fresno.

NCCLF Communities Facilities Challenge

NCCLF held its third annual Community Facilities Challenge in the spring of 2014. The Challenge, in partnership with California State University Fresno, gave students the opportunity to apply their educational skills and prepare a real estate feasibility analysis for a proposed community facility real estate project to benefit a low-income community in Fresno County. The Community Facilities Challenge's student teams were comprised of undergraduate students from Fresno State's Lyles College of Engineering, Craig School of Business and the Department of Art and Design. This year, we worked with two community institutions in the El Dorado Park neighborhood, adjacent to the University. The Wesley United Methodist Church hosts a variety of support services for individuals and families as well as a weekly dinner for the neighborhood residents. Wesley UMC was seeking development advice on how to renovate their buildings and use their space more efficiently. Stone Soup operates an early childhood education program and is proposing to expand their services into one of their underutilized buildings. Each student team conducted a feasibility analysis on one of the building projects for Wesley UMC or Stone Soup.

Policy Impact

NCCLF is committed to promoting policy at the federal, state, and local levels that supports both the CDFI industry and the low-income communities we serve. Effective policy and programs, including the Community Reinvestment Act, grants from the CDFI Fund, NMTCs, and the new CDFI Bond Fund, are essential components of the financial environment that allows CDFIs such as NCCLF to have more impact in the work that we do. Without these policies in place, we believe the impact of this organization, and the industry as a whole, would be significantly less than it has been. Therefore, we see the continued support of such policies, some of which need to be renewed on an annual basis, as a key part of the commitment we make to low-income communities.

Our policy work includes legislative visits, participation in hearings, and letter writing on behalf of bills that support low-income communities and the CDFI industry at the federal, state and local level. Policies supported nationally include funding for the CDFI Fund, NMTCs, and the CDFI Bond Fund.

In 2014, NCCLF spearheaded the creation of the California CDFI Policy Coalition to bring together CDFIs of all sizes throughout the state of California in order to bring a stronger, more unified voice. Key issues that we supported include: AB 1399 – creation of State NMTCs; AB 1999 – creation of State Historic Tax Credits; AB 2128 – extension for five years of COIN, the California Organized Investment Network which provides 0% capital for CDFIs; AB 2135 – creation of additional land for affordable housing projects; AB 391 - California Home and Jobs Act.

Other advocacy groups with which we have partnered included Opportunity Finance Network (with board representation by our President Mary Rogier), CDFI Coalition, CalNonprofits, Housing California, East Bay Housing Organization, and Nonprofit Housing Association of California, and Lenders Coalition for Community Health Centers.

Grand Opening, Destiny Arts Center

NCCLF finances and provides consulting services for projects that are often multi-year efforts and we therefore witness the final outcomes of our projects in years following the close of financing. In FY2014, we had several exciting groundbreaking and grand openings, including Destiny Art Center.

Destiny Arts Center – Destiny standing for De-Escalating Skills Training Inspiring Non-violence in Youth – is a nonprofit organization founded in 1988 that offers violence prevention and arts education through dance, theatre and martial arts. In 2009, Destiny began working with NCCLF’s Consulting Department to find a new facility that was financially feasible and could accommodate its programming needs. We conducted a financial assessment to determine their financial health and readiness to purchase a new facility.

Through a facility strategic planning process,

Destiny Arts refined its priorities for their new home. NCCLF provided two loans to Destiny Arts; a \$725,000 acquisition loan to finance a portion of the facility purchase and a \$200,000 construction loan to finance the renovation of the facility. In 2014, NCCLF helped Destiny celebrate the grand opening of its new facility.



Students dance at Destiny Arts in Oakland, CA. After a multi-year effort, NCCLF helped Destiny celebrate the grand opening of its new space in 2014.

Investing Impact

NCCLF is proud to provide an effective impact investment vehicle for our individual and institutional loan fund investors. CARS, the CDFI Assessment and Ratings System, is a comprehensive, third-party assessment of a CDFI’s financial strength and performance and, most importantly, level of community impact. NCCLF is one of only six CDFIs to receive its highest rating, “AAA1,” for financial strength and social impact. This

rating signifies that we are recognized by CARS as an effective, regionally focused community investment vehicle.

The loan fund received strong support from investors during FY2014, and we reached a new high of \$46.7 million in lending capital. The renewal rate of maturing investments was 92%, well above our historical rate of 76%. In total, new or increased investments totaled over \$5.0 million, well exceeding the \$413,000 of maturing investments repaid. The cumulative loss rate of our fund over 27 years is 1.33%, and we have never lost a dollar of investor capital.

NCCLF joined ReFresh™, a national initiative designed to improve access to healthy foods in urban and rural communities across the U.S. As the initiative’s first investor, JP Morgan Chase has awarded TRF a \$2 million grant to launch new and expand existing food access financing efforts in targeted underserved communities.

As of September 30, 2014, NCCLF’s loan fund was composed of a diverse portfolio of 239 investments totaling \$34.8 million (Figure 2). The number of individual investors reached 172, the highest number ever. Their combined amount invested grew by \$1.1 million to \$7.3 million—yet another high in NCCLF’s history. The permanent portion of the fund increased to its highest level since inception at \$11.9 million, or 25% of the total \$46.7 million lending pool (Figure 2). A notable infusion of permanent capital was a \$500,000 donation converted from an investment from BBVA Compass. We also received a \$1,000,000 COIN investment from JPMorgan Chase. These funds allow us to make increasing impact in the communities we serve.

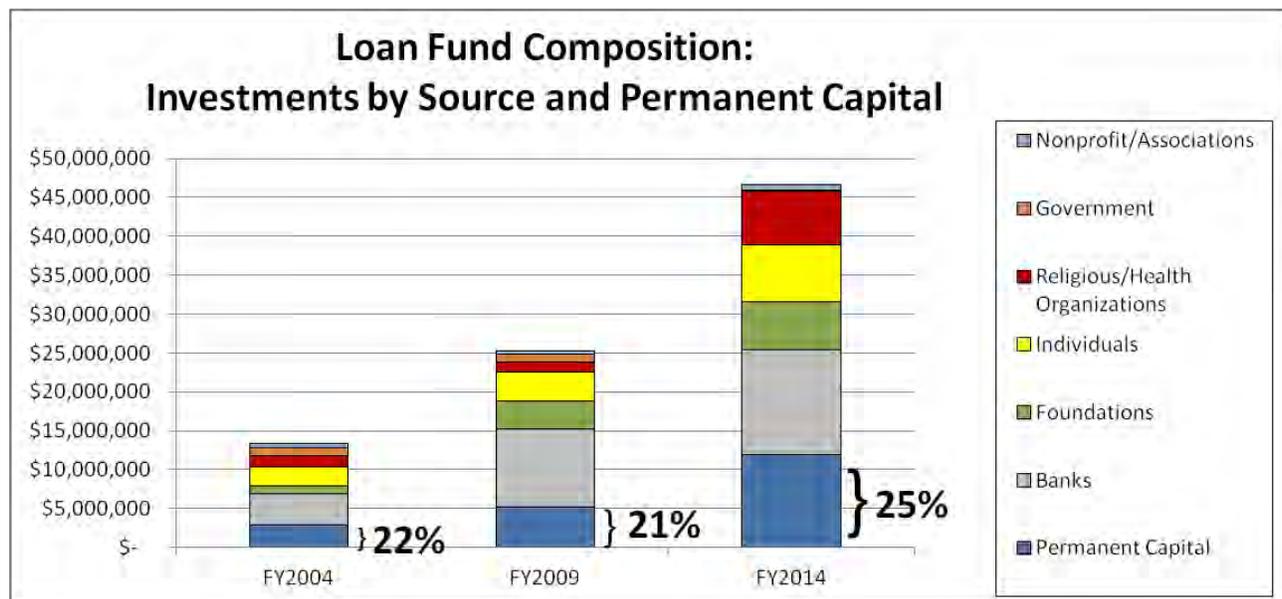


Figure 2: Loan Fund Composition: Investments by Source and Permanent Capital; percentages indicated are amount of loan fund that is permanent capital.

For more information, please visit our web site NCCLF.org or contact Mark Sutton at msutton@ncclf.org.



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