

Northern California Community Loan Fund

WPRAC



Social Impact Report

Fiscal Year 2015

Investing in Opportunity, Together



Social Impact at the Northern California Community Loan Fund

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 non-profits and enterprises. Through flexible financial products and sound advice, we create opportunities to make socially responsible investments that revitalize low-income communities in California.

The fiscal year ending September 30, 2015 was a period of exceptional impact for NCCLF. As Table 1 shows, we closed 37 new loans, totaling \$18.6 million, to benefit projects serving low-income residents of 12 counties. The projects financed by these loans either created or preserved 1,188 jobs, 272 affordable housing units, and 287,513 square feet of community facility space. These included a \$2.8 million loan to the Open Door Community Health Centers to expand its health clinics in Humboldt and Del Norte counties, and two loans totaling over \$2 million to the Visionary Home Builders to develop affordable housing in Stockton.

We also deployed \$33 million of New Market Tax Credits (NMTC), our entire 2013 allocation. This amount included \$7.5 million to the San Pablo Economic Development Corporation for the construction of a sports complex on a 4.5-acre former Brownfield site; \$8.6 million to Salud Para La Gente, a Federally Qualified Health Center based in Watsonville; \$8.6 million to Community Arts Stabilization Trust (CAST) to finance the renovation of two community arts facilities in San Francisco; and \$8.3 million to Family House to purchase land and build a 32,000 square foot facility that will provide temporary housing and a supportive community for families with children undergoing treatment at USCF Benioff Children's Hospital.

Our Consulting and Training Department completed 58 consultations and 16 workshops, reaching over 300 nonprofit organizations. We worked with the City of San Francisco to launch the Nonprofit Displacement Mitigation Program, which will provide \$4.5 million in technical and financial assistance for cultural and social service nonprofits at risk of displacement. In 2015, we provided \$1M in grants and technical assistance, so that 16 nonprofits could avoid displacement in San Francisco. Throughout Northern California, we provided technical assistance to a number of other community service organizations including McKinleyville Family Resource Center, which hosts a food pantry and provides a variety of family services in a rural section of Humboldt County; Merced Lao Family Community, which serves the Southeast Asian immigrant individuals and family groups in Merced County; and Friends of Peralta Hacienda Historical Park, which runs a six-acre cultural and community center park in Oakland's Fruitvale neighborhood.

At the end of FY2015, our loan fund totaled \$51.3 million, including 264 investments totaling \$39.3 million. These included 189 investments by individuals, the average of which reached \$42,000. Several businesses offered a notable infusion of capital: Citibank, a \$1,000,000 grant; Metlife, a \$3,000,000 investment; and Wells Fargo, a \$1,000,000 investment. These funds allow us to increase impact in multiple communities. In addition, NCCLF is one of only six CDFIs in the country to receive AERIS's highest rating, "AAA+1," for financial strength, policy advocacy, and social impact.

Table 1: NCCLF's Social Impact in FY2015

Lending Impact	FY2015	Life to date (through end of FY2015)
Total number of loans closed	37	368
Total dollar amount of loans closed	\$18,582,278	\$130,103,373
Facility square feet created or preserved	287,513	1,981,353
Housing units created or preserved	272	6,596
Permanent and construction jobs created or preserved	1,188	16,624
Individuals served by these projects	274,955	1,122,292
Total other financing dollars leveraged	\$115,602,665	\$1,378,799,090
New Market Tax Credits Impact	FY2015	Life to date (through end of FY2015)
Total number of NMTC projects closed	4	12
NMTC allocation awarded	\$45,000,000	\$158,000,000
NMTC allocation deployed	\$33,000,000	\$113,000,000
Facility square feet created or preserved	149,350	381,350
Permanent and construction jobs created or preserved	488	3,527
Individuals served by these projects	134,000	333,316
Total other financing dollars leveraged	\$36,105,798	\$181,172,180
Total community investment (loan fund lending plus NMTC financing closed)	\$51,582,278	\$243,103,373
Consulting Impact	FY2015	Life to date (through end of FY2015)
Number of consultations completed	58	443
Financial management consultations	11	202
Real estate consultations	42	225
Financial-Real Estate Joint Consultations	5	16
Workshops held	16	163
Workshop participants	382	2,808
Organizations reached by workshops	301	2,153
Grantmaking Impact – Amount distributed	\$1,044,591	\$ 10,400,769
Investor Impact	FY2015	Life to date (through end of FY2015)
Investments closed	68	1,299
Renewal rate	73%	77%
Average size of investment/individual	\$41,979	\$ 26,448
Average size of investment/organization	\$417,867	\$284,324
Amount of investor capital lost	\$0	\$0

NCCLF Project Financing Closed Since 2002 (by fiscal year)

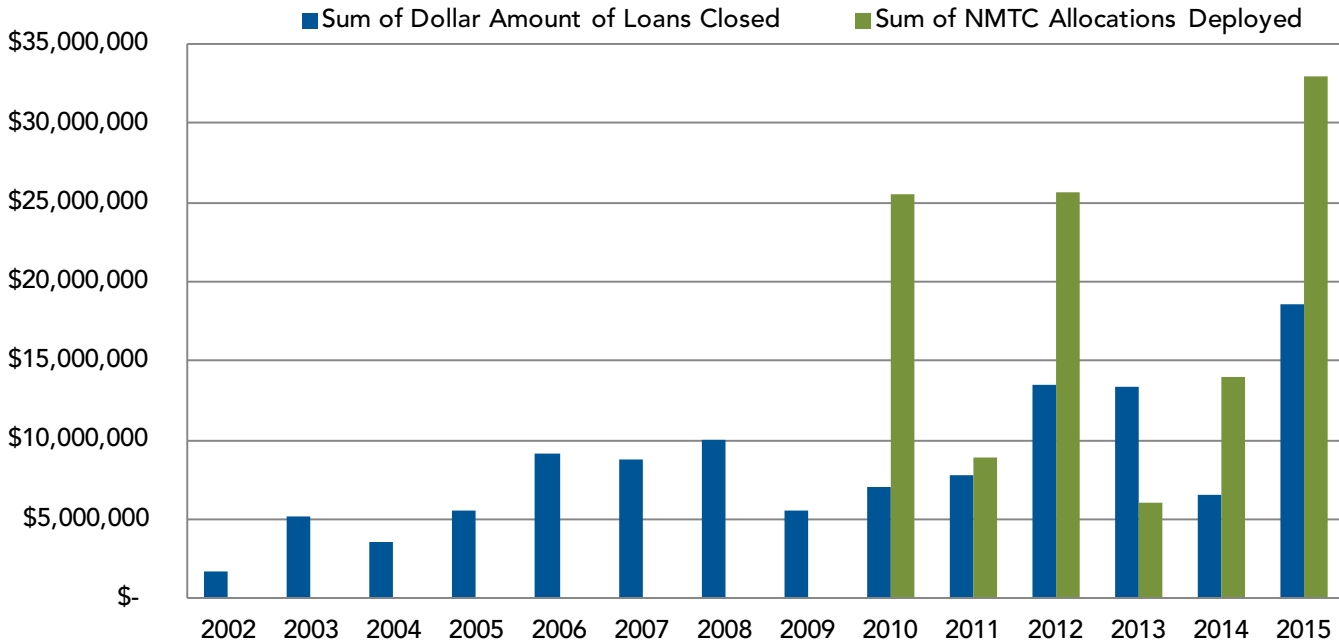


Figure 1: Total Project Financing Closed by Fiscal Year since 2002.

Program Outcomes for California Communities

California’s cultural and economic success depends on the success of all its communities, including its many vibrant low-income communities. For over 25 years, NCCLF has partnered with impact investors and mission-driven organizations to support the fundamental needs of these communities. Our deep commitment to the regions we serve and our expertise in community development allow us to tailor our approach to meet our clients’ needs. We identify exceptional social organizations working in the fields of housing, education, health, food, and employment and provide loans and/or consulting to them. We work as partners to help our clients achieve their missions and positively affect their communities. And we provide impact investors the significant and sustainable social and economic returns they seek. We focus on areas of importance in guiding our work as determined in our FY2014-2018 Strategic Plan. Table 2 below outlines our key areas of focus.

Table 2: NCCLF’s Key Areas of Focus

NCCLF’s Key Areas of Focus
1. Central Valley Initiatives and Healthy Food Financing
2. Stabilizing Nonprofits to Strengthen Communities
3. Healthcare
4. Affordable Housing
5. Human and Social Services
6. Community Arts
7. Public Policy
8. Impact Investing

1. Central Valley Initiatives and Healthy Food Financing

Food presents enormous challenges and opportunities for communities in the Central Valley. Despite an extremely high agricultural output (around \$26B in 2010), Central Valley agriculture and food enterprises export nearly all of their production to other parts of the country and world, leaving many residents without access to fresh, healthy foods. Nearly 40% of the population is food insecure which contributes to many diet-related diseases. In addition, the prevalence of low-skilled agricultural jobs, many with large agribusinesses, has resulted in high rates of poverty. While unemployment rates for the Central Valley have decreased in recent years, key areas such as Fresno and Merced continue to have some of the highest unemployment rates in the country.

In recognition of the important role food and agriculture businesses play in rural communities in both the Central Valley and Central Coast, this year NCCLF launched a new food lending initiative to provide capital to food enterprises that increase the income and/or assets of low-income people: job opportunities; a sustainable local food system; access to healthy and affordable foods .

Several of our borrowers took significant steps to increase opportunities in the Central Valley during the year:

- Ag Link, an aggregator and distributor of local produce and dairy in Merced and Stanislaus Counties, borrowed \$457,000 to build a food hub facility to expand its farm-to-school food services program and put more local, nutritious ingredients into students' breakfasts and lunches.

- The Yolo Food Bank, which distributes donated food to 47,000 low-income Yolo County residents each month, borrowed \$314,000 to begin renovation of a recently-purchased warehouse – ultimately a \$7.4 million project that is expected to double its impact by 2020. NCCLF also provided a grant of \$15,000 and a forgivable loan of \$60,000 to facilitate the earliest stages of this project.

- The Farmworker Institute of Education and Leadership Development (FIELD) builds opportunity in the Central Valley, by offering basic education and skills upgrade training to immigrants, farm workers, and low-skilled workers in rural communities. FIELD obtained a \$200,000 line of credit.

- NCCLF made its first-ever loans to agricultural producers during the year, in partnership with California FarmLink, a nonprofit that supports beginning, limited-resource, immigrant, and other underserved farmers with capital, land access, and technical assistance. Together we lent \$387,000 to four small farms, primarily in Monterey County. We plan to extend this partnership and the financing model to Central Valley farmers in upcoming years.



2. Stabilizing Nonprofits to Strengthen Communities

NCCLF's headquarters on Market Street in San Francisco borders the city's Central Market District, long a planning and development puzzle both for city government and for nonprofits located there. The District includes the commercial Market Street corridor and the public Civic Center and United Nations plazas. It also borders the Tenderloin and South Market communities, whose residents, housed and homeless, bear the highest concentrated poverty rate and exhibit the greatest need for social services in the city. At the same time, the recent tech boom has led to an increase of commercial property rents of over 80% in just four years, leading to displacement issues for many community-serving nonprofits.

NCCLF has been financing affordable housing and community facility projects in the District for nearly twenty years, and consulting with nonprofits located there for nearly fifteen years. Our involvement deepened when the city launched the Central Market Partnership in 2010 to coordinate revitalization efforts while avoiding runaway gentrification. In the most recent census, the poverty rate hovered over 30% in the neighborhood, well over double the city as a whole. As an active member of the Partnership during the last five years, we have assisted over 40 arts and human services organizations in financial management and real estate consultations within the District and closed loans to seven organizations totaling \$3.3 million.

This year, we brought our Central Market impact to a new level in two ways. First, we closed an \$8.6 million NMTC deal with the Community Arts Stabilization Trust (CAST), an innovative initiative NCCLF helped create to assist arts organizations in owning their facilities, despite soaring real estate costs. With our financing, CAST purchased two buildings that house a gallery and a performance space. CAST will lease these facilities to community arts organizations while helping them build capacity to purchase their buildings from CAST, at below-market rates, at the end of the seven-year New Markets financing period.

Second, we partnered with the city to launch the San Francisco Nonprofit Displacement Mitigation Program, a \$4.5 million effort to help arts and social service nonprofits stay and continue to serve San Franciscans despite the city's challenging real estate market. Over three years, these organizations may apply to the program for technical assistance and/or grant relief, if they are at risk of permanent displacement due to increasing rents or have recently been burdened with a substantially more costly lease. The city chose NCCLF to implement the program, provide the technical assistance, and administer the grants. By the end of our fiscal year, we had reached 52 nonprofits with grant or technical assistance to help them thrive and stay located in San Francisco.

Fifteen of these at-risk organizations were located in or moved to the Central Market District. One of these is Root Division, a nonprofit that provides studio space to artists at below-market rates. In exchange the artists teach free art classes in after-school programs, creating a link between practicing artists and public schools.

When Root Division faced displacement, we helped it evaluate its financial capacity to take on additional facility costs and locate a temporary space. We also helped the organization negotiate a fifteen-year lease on a larger facility in the Central Market District where it can house more artists, who will reach an additional 300 students every year. Root Division applied for and was awarded a \$100,000 Displacement Mitigation Grant to help finance its transition. Finally, we provided a \$75,000 loan to help Root Division pay for improvements to its new facility.

3. Healthcare

California is witnessing health insurance expansion under the Patient Protection and Affordable Care Act, the most significant addition to the social safety net since Medicare and Medicaid. As we completed our strategic plan, enrollments in new “health insurance exchanges” began, and our state’s version – the Covered California exchange -- is considered a standout success. Covered California has enrolled 1.3 million residents since it launched, lowering the uninsured rate from 19% to 15%. Uninsured rates have fallen dramatically in lower-income communities. Whereas 30% of residents in the Fresno-Visalia area were uninsured, that rate has now dropped to 22%. As Covered California reaches more Californians, demand for health care services is increasing. In 2015, NCCLF fulfilled goals outlined in our strategic plan, as we provided financing for numerous healthcare projects.

We provided \$8.6 million in NMTC financing and a \$1.3 million bridge loan to Salud Para La Gente, a Federally Qualified Health Center based in Watsonville, to renovate and expand its main clinic, which serves over 15,000 patients, primarily low-income Latino farm workers. The new clinic will serve an additional 3,500 patients per year and offer integrated behavioral health services.

We allocated \$8.3 million in NMTCs to Family House to purchase land and build a 32,000 square foot temporary housing facility which serves as a supportive community for families with children undergoing treatment at nearby USCF Benioff Children’s Hospital in San Francisco. Family House offers an array of services to help ease the financial and emotional burden of temporarily living away from home. It provides food, transportation, counseling services, and additional support for families with children who are struggling with life-threatening illnesses. The project will allow up to 80 families to stay and receive services on any given night.

Founded in 1971, Open Door Community Health Centers operates nine health clinics throughout Humboldt and Del Norte counties in Northern California. It serves approximately 45,000 patients a year and employs over 400 members of the community. NCCLF loaned to Open Door \$5.6 million with NFF as a participant (with each lender contributing \$2.8 million), to refinance acquisition and construction debt on their recently completed Eureka Community Health Center and to help realize its plan to develop a new clinic in nearby Fortuna.

NCCLF loaned Project Inform \$350,000 to help it manage costs associated with the San Francisco 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. On July 19 2015, over 20,000 people joined the annual walk, raising \$2.5 million for AIDS research, advocacy, and patient care. This annual event benefits 28 Bay Area organizations that offer care and services for people living with HIV and AIDS.



4. Affordable Housing

California is in the midst of a housing crisis, and housing costs have skyrocketed in many regions. About 75% of low-income people now spend more than 50% of their income on rent, making other necessities difficult to afford. According to a recent report from California Housing Partnership Corporation, California has the highest poverty rate in the nation, 22%, when housing costs are taken into account. California also has the highest number of homeless people of any state, exacerbated by a dearth of affordable housing. The study estimates California faces a shortfall of 1.5 million affordable homes.

Conventional sources of capital often find the complexities and risks associated with financing affordable housing to be outside of their core competence. NCCLF understands nonprofit housing nonprofit developers, and shares their view that affordable housing is critical to maintaining vital communities. We have always been eager to participate and have been successful in this financing. In fact, over half of our lending between 1987 and 2011 supported affordable housing projects.

Developers lost a critical funding source – local Redevelopment Agencies – which were abolished from the state budget in 2011. And since then, real estate and construction costs have risen dramatically in many Northern California markets, especially in the Bay Area. Therefore, it has been far more difficult for our clients to move affordable housing projects forward in this climate

Despite these hurdles, we closed loans totaling \$3.8 million to finance five strong housing projects in 2015:

Two of these loans are for housing projects in the Central Valley city of Stockton. Visionary Home Builders used our \$1.7 loan to acquire a commercial building and vacant land on which to develop approximately 80 units of affordable housing – studios to four-bedroom units – for low-income veterans and their families. Visionary will partner with a local nonprofits to provide on-site supportive and health services. It plans to include 16 units targeting individuals and families at or below 30% area median income level (AMI), and 16 units targeting 40% AMI. The remaining 48 units will be available to individuals and families at or below 50-60% AMI, plus two units for resident managers.

Another loan of \$504,000 to Visionary funded its acquisition of a building in downtown Stockton that is currently a fully occupied 14-unit single-room-occupancy hotel with commercial space on the ground floor. Visionary will incorporate this property into a larger mixed-use affordable housing development spanning three adjacent properties. It plans to demolish the existing structures on all four properties and replace them with 108 units of affordable housing for low-income individuals and families at or below 30-60% AMI, with 26,000 sq. ft. of commercial and retail space on the ground floor.

In San Francisco, the Laurel Gardens housing development houses 52 Section 8-eligible families, many of whom have lived there since it was built in 1977. The building has not had significant improvements in over fifteen years. We lent its owner, Bethel AME Church, just over \$1 million to buy the limited partner's interest in the property and to carry out predevelopment activities in preparation for rehabilitation and refinance.

Another San Francisco housing loan went to the Central-Page Limited Equity Housing Cooperative (CPLEHC), a Mutual-Benefit Corporation formed in 1983 to facilitate collective ownership of an eight-unit housing cooperative. Shareholder members pay monthly rent to cover operating expenses, reserves, and mortgages. Their historic 1903 building, located in the expensive Upper Haight neighborhood, is an oasis of affordable housing because the cooperative is committed to maintaining low and equitable rents for all units -- so when a vacancy occurs, it is filled by a new shareholder-resident at the same rate. CPHELC sought financing to replace an aging roof and windows, but the conventional lenders they approached were unfamiliar with limited equity cooperatives and reluctant to proceed. Our experience working with cooperatives and our more flexible underwriting approach gave us the confidence to lend CPLEHC \$450,000 to finance these renovations.

Our final housing client of the year was Anka Behavioral Health, which provides an array of support services to clients who have serious and persistent mental illness. Anka received a \$1.75 million Mental Health Services Act award to purchase and renovate up to six single-family homes to be used as individual shared housing projects. These homes will be reserved for adults with serious mental health issues, who are either homeless or at risk of becoming homeless. In participation with the Golden State Acquisition Fund, NCCLF provided Anka with a \$390,000 acquisition loan for a house in Concord to bridge receipt of the award.

5. Human and Social Services

For over 28 years, NCCLF has provided lending and consulting services to mission-driven organizations which support the fundamental needs of low-income communities with essential human and social services. These organizations address a wide variety of the needs faced by people striving to rise from poverty, including job training, counseling, and other supportive services. NCCLF works with these organizations to create opportunities for all members of the community to improve their lives and become more financially secure. In 2015, we provided financing and technical assistance to a range of these organizations.

We provided \$7.5 million in NMTC allocation to the San Pablo Economic Development Corporation for the construction of a sports complex on a 4.5-acre former Brownfield site in the City of San Pablo's most economically challenged neighborhood. Our consulting team assembled the NMTC financing plan and supplied technical assistance through closing. In addition to the environmental benefit of remediation, the field is now a key center for community activity, hosting adult and children's soccer leagues as well as serving as a gathering place for families.

We also supplied loans and technical services to:

- North Beach Citizens serves homeless and low-income people in San Francisco's North Beach neighborhood through housing advocacy, funding for rental assistance and eviction prevention, mental and medical health benefits and treatment, weekly food distribution, transportation to and from appointments, and clothing and hygiene services. NCCLF loaned this organization \$1,255,000 to complete the renovations on its new Kearny Street headquarters so it can serve almost twice as many people, up to 600 homeless and underserved clients per year. Our loan also made it possible for North Beach Citizens to expand its staff and offer a higher level of clinical case management.



- Northern California Indian Development Council promotes the social and economic well being of Native American people residing in its primary service area including Humboldt, Del Norte, Siskiyou, and Trinity counties. NCCLF loaned the Council \$2 million to rehabilitate the organization's headquarters, the Historic Carson Block building in Eureka. two loans, including \$222,000 to refinance high-interest debt and make needed renovations at two of its sites.

- Friends of Peralta Hacienda Historical Park are working to develop and maintain a safe public park in East Oakland. Opened to the public in 1996, this six-acre park is a cultural and community center that is located on the once vast Rancho San Antonio in Oakland's multi-cultural, low-income Fruitvale neighborhood. NCCLF supplied technical assistance including lease negotiations and a feasibility analysis for NMTC financing.

- The Center on Juvenile and Criminal Justice works to reduce the use of incarceration as a solution to social problems. NCCLF provided two loans, including a \$200,000 line of credit to support Cameo House, a supportive transitional housing program for formerly incarcerated homeless mothers in San Francisco. This program offers counseling, employment training, and group therapy. Clients can live in the facility with a maximum of two children for up to two years, while they complete their transition process.

- NCCLF loaned \$200,000 to Chamberlain Children's Center, a residential treatment center for children that have survived child abuse. Established in 1980, it operates four residential homes for up to 24 children ages 6-17 years, many of whom are diagnosed as Emotionally Disabled, and they cannot be placed in conventional foster care homes. Located in Hollister, the Center serves eleven counties including San Benito, Santa Clara, San Francisco, Sacramento, Monterey, and San Joaquin counties.

- The Family Violence Law Center provides free legal services and crisis interventions to survivors of domestic violence, stalking, and assault in Alameda County. It supports more than 2,500 people annually. NCCLF renewed the Center's \$100,000 line of credit to manage cash flow between reimbursements from government contracts and foundation funding.

- Bay Area Hispano Institute for Advancement offers families high quality, nurturing, bilingual learning environments, where children grow to become successful lifelong learners. NCCLF provided the organization two loans, including \$222,000 to refinance high-interest debt and make needed renovations at two of its sites.

- McKinleyville Family Resource Center, operating in a small unincorporated rural community in Humboldt County, hosts a food pantry, case management services, information and referral services, educational workshops and social activities. It serves approximately 945 clients annually. NCCLF worked with the Center as it embarked on a community planning process to discuss an integrated services project.

- Merced Lao Family Community serves Southeast Asian immigrant individuals and family groups in Merced County. Through its programs, it strives to assist this community in acquiring a balance between traditional Southeast Asian and contemporary American cultures. NCCLF analyzed the organization's financial performance and real estate capacity and recommended it strengthen its financial capacity before embarking on a community center project.

Community Catalyst Predevelopment Program

In 2015, NCCLF launched the Community Catalyst Predevelopment Program to provide early-stage funding to nonprofit organizations for affordable housing and community facility development projects in underserved communities in Northern California. We created this program to increase the capacity and scale of nonprofits to create or preserve affordable housing and community facilities and address unmet community needs. NCCLF provided two awards during the inaugural year of the program. The first consisted of a \$15,000 grant and \$75,000 forgivable loan to Friends of Peralta Hacienda Historical Park in Oakland. The second was a \$15,000 grant and \$75,000 forgivable loan to Rehabilitation Services of Northern California, which promotes the dignity and independence of people with disabilities and special needs.

6. Public Policy

NCCLF is committed to promoting federal, state, and local policy that supports both the CDFI industry and the low-income communities we serve. NCCLF, a CDFI, achieves broad impacts through effective policies and programs. These include Community Reinvestment Act, funding from the CDFI Fund, the New Market Tax Credit program, and the CDFI Bond Fund. These policies have made significant contributions to the success of CDFIs around the country, including NCCLF. 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. These policies supported nationally include funding for the CDFI Fund, federal allocations for NMTCs, funding for affordable housing, and the CDFI Bond Fund. In 2014, NCCLF spearheaded the creation of the California CDFI Policy Coalition to bring together CDFIs throughout the state of California and build a stronger, more unified voice. We built on this work in 2015, taking active positions on important issues in California. We supported important legislation that was signed into law this year, including AB 2 (Community Revitalization Investment Authorities), and AB 313 (Enhanced Infrastructure Districts), both aimed at replacing the funding void left by the closure of Redevelopment Agencies. We will continue to work with other CDFIs and policy makers in California to support key legislation that benefits low-income communities.

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

7. Impact Investing



NCCLF's individual and institutional loan fund investors serve as the cornerstone that allows us to support community-serving nonprofits in Northern California. We offer an effective impact investment vehicle for our investors. AERIS, 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 in the nation to receive its highest rating, "AAA+1," for financial strength,

policy advocacy, and social impact. This rating signifies that we are recognized by AERIS as a highly effective, regionally focused community investment vehicle.

NCCLF's loan fund received strong support from investors during FY2015, and we reached a new high of \$51.3 million in lending capital. New or increased investments totaled over \$8.5 million. The cumulative loss rate of our fund over 28 years is 1.61%, and we have never lost a dollar of investor capital.

As of September 30, 2015, NCCLF's loan fund was composed of a diverse portfolio of 264 investments totaling \$39.3 million (Figure 2). The number of individual investors reached 189, the highest number ever. The amount they invested grew by \$700,000 to \$7.9 million—yet another high in NCCLF's history. The permanent portion of the fund increased to its highest level since inception at \$12 million, or 24% of the total lending pool (Figure 2). In 2015, we received a \$1,000,000 grant from Citibank, a notable infusion.

NCCLF is a longtime supporter of and participant in the California Organized Investment Network (COIN) CDFI Tax Credit Program. COIN allocates a state tax credit of 20% on Qualified Investments (such as NCCLF's notes) of at least \$50,000 that are invested for no fewer than 60 consecutive months. In FY2015, we received a \$3,000,000 COIN investment from Metlife and an additional \$1,000,000 COIN investment from Wells Fargo. These funds are vital to allow us to make increasing impact in the communities we serve.

Loan Fund Composition: Investments by Source and Permanent Capital

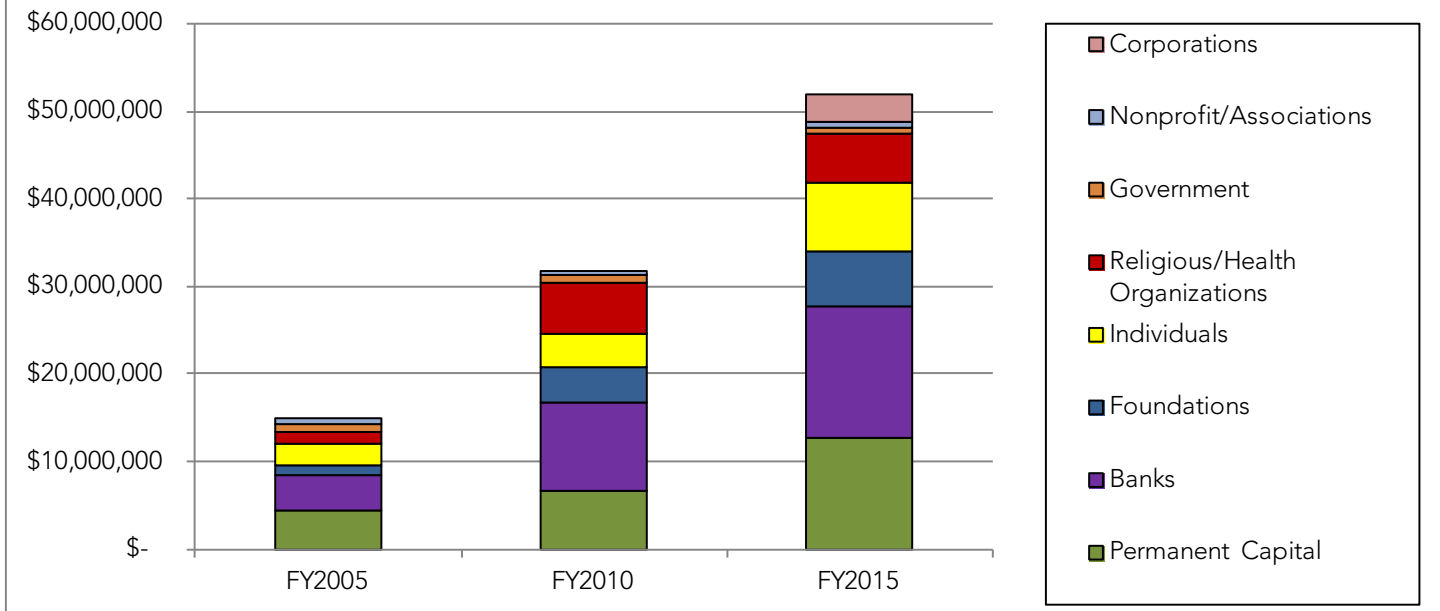


Figure 2: Loan Fund Composition: Investments by Source and Permanent Capital; percentages indicated are amount of loan fund that is permanent capital.

Diversity in Lending

NCCLF maintains a commitment to organizations who serve California's diverse low-income communities. Table 3 shows reported data on the clients of borrowers. As a part of our mission, NCCLF has tracked the demographic of our borrowing organizations since 1987.

Table 3: FY2015 Diversity Data

Clients of Loan Recipients*	FY2015		Since 2008	
	Percentage	Count	Percentage	Count
Asian	8%	20,131	10%	78,754
African American	4%	10,493	21%	159,777
Latino/a	33%	84,506	26%	206,624
Native American	6%	15,685	4%	29,787
White	42%	108,383	33%	256,574
Other	8%	19,702	6%	49,891
Total	100%	258,903	100%	781,248
Women	53%**	70,886	55%**	347,794

* Some borrowers did not provide diversity data about their clients.

** Percentage based on borrowers that provided client gender data.

Grand Openings

NCCLF finances and provides consulting services for projects that are often take several years to complete. We are gratified to witness to final outcomes of our projects in the years following the completion of our work. In FY2015, we celebrated several exciting grand openings, including First 5 Fresno and East Oakland Youth Development Center (EOYDC).

First 5 Fresno County - Fresno, CA

First 5 Fresno County, along with several other agencies, created The Lighthouse for Children, a nonprofit organization that set out to construct a facility housing a state-of-the-art child care center, a professional development center, a community learning center, and the First 5 Fresno County administrative offices. To achieve its large-scale goals, First 5 Fresno County and The Lighthouse for children asked NCCLF's consulting staff to assess the financial feasibility of their 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. "NCCLF was the guiding light that helped navigate us through the NMTC maze," said Kendra Rogers, Executive Director at First 5 Fresno County. Celebrating its grand opening in 2015, the Lighthouse for Children facility operates a child care center for up to 90 children ages 0-5, utilizing a blended funding model of Early Head Start, Head Start, state subsidized child care and preschool, and private pay funds. This comprehensive program promotes diversity, improves the quality of care for children, and serves as a model for other communities both within Fresno County and elsewhere. The community learning and professional development centers will create a well-designed space housing an array of vital services and organizations related to child care, child development, and community involvement. These services make it easier for families to meet their needs in one convenient location and for providers to reach children and families in need.



East Oakland Youth Development Center - Oakland, CA

EOYDC is a nonprofit youth center offering a range of education, health, and arts programs for youths aged 6-18. Of its 2,000 youths served each year, 70% are African-American and 20% are Latino. Situated in an area with high crime and dropout rates, persistent poverty, and drug addiction, EOYDC's programs offer young people a refuge to gain skills and confidence to escape life on the streets. Working with the organization over several years, NCCLF provided EOYDC with \$8.5 million of NMTCs toward a total project budget of \$9.75 million to finance the renovation and expansion of its program and headquarters space. In addition, NCCLF collaborated with Partners for the Common Good to provide \$2.85 million in NMTC leverage debt to the project.

The hard work came to fruition at the ribbon cutting ceremony on September 29, 2015. Oakland Mayor Libby Schaaf assisted EOYDC's Regina Jackson in unveiling a number of new resources now available at the center. These include the following: a computer lab, a kitchen, exercise space, and upgraded classrooms. The expansion will allow EOYDC to serve an additional 2,000 kids each year and has created 73 construction and 10 permanent jobs.



MISSION

We 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 Northern and Central California communities.

VISION

We envision financially strong and culturally vibrant communities where each person has access to decent jobs, homes, health care, education, and economic opportunities. We work in partnership with individuals and organizations who share our vision of sustainable communities and social and economic justice.

OUR CYCLE OF CHANGE



NORTHERN
CALIFORNIA

COMMUNITY
LOAN FUND

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