

Arizona Rural Health


25 July 2017

Arizona Community Foundation

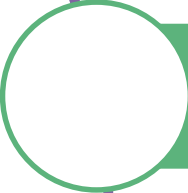
Community Impact Loan Fund

James Lincoln

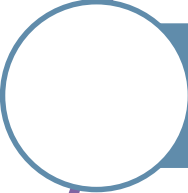
- **\$840 million** held in more than 1,700 funds, including donor advised funds, supporting organizations, nonprofit organizational funds and scholarship funds.
- In Fiscal Year 2016, ACF distributed over **\$55 million** in grants and scholarships in Arizona and across the country.
- Since its inception in 1978, ACF has invested over **\$600 million** back into the community through grants and scholarships.
- One of ACF's unique attributes is its **statewide network** of affiliated community foundations located in Cochise County, Flagstaff, the Gila Valley, Sedona, Yavapai County and Yuma. Affiliates are staffed by four regional offices located outside of Phoenix.



Aligned with mission: “Lead, serve and collaborate to **mobilize enduring philanthropy for a better Arizona.**”



Furtheres ACF Business Plan goal to: “Provide differentiated and creative social investment and funding options to suit the entrepreneurial donor, including program- and mission-related investments...”



Creative use of limited charitable capital to leverage greater funding, **making dollars go further.**



Achieves **both** a social return and a financial return.

History with Impact Investing

10 years of experience with Affordable Housing Fund:

- Leveraged over \$300mm in housing (>1,500 units)
- 49 zero-interest loans closed, totaling >\$3.0mm
- Funds for predevelopment costs
- Created >650 FTEs

Loan to build housing for seniors and disabled

By Jim Walsh
THE REPUBLIC (AZCENTRAL.COM)

An innovative philanthropic investment fund is making affordable housing for the disabled and senior citizens possible in Mesa and throughout the state.

...received loan grants from the foundation's fund to build a unit for the disabled... \$11 million that projects statewide included in 2007... Center design work in Mesa... "It's really a way to keep these families together and not have the pain of separation," Fox said.

...to serve as caregivers, said Kay Moore, Marc's chief operations officer. Disabled people with such conditions as cerebral palsy and Down syndrome wind up moving into group homes and spending less time with their parents.

...Marc's dream impressed Carol Parry Fox, a former New York banker and member of the Arizona Community Foundation's board of directors. Fox spearheaded the fund after using a similar funding mechanism for housing development in New York.

...she said only non-profit organizations such as Marc, with financial stability and a proven track record, were eligible for each of the grants when they obtain construction financing. The payments will allow the foundation to recycle money to more affordable housing can be built.

... "We are more like an investor in these projects. We take a hands-on approach. We want it back. We want it repaid," Fox said.

... Even before the recession, banks were unwilling to write loans for "pre-development" costs, such as design work the complicated application process required to obtain funding from HUD, said Teresa Rife, executive director of the Local Initiatives Support Corp and a former Mesa mayoral candidate.

... LISC administers the grants for the Arizona Community Foundation and helped Marc prepare its application for HUD funding, project manager Paul Harris said.

... He said Phase 1 will cost \$2.7 million and includes a community center, while Phase 2 costs \$1.8 million.

... With a lack of affordable housing available for seniors and the disabled, Fox said she saw the need for a fund that would finance start-up costs. The found-

THE ISSUE: ACF AFFORDABLE HOUSING FUND CREATIVE PROGRAM HELPS REJUVENATE ARIZ. COMMUNITIES

The goal now is to increase the Affordable Housing Fund by \$500,000 so worthy projects don't languish on a Donors shouldn't vest the money.

\$1 and get more in benefits - now, leverage... money is left out again, conditions swell of loans... LISC boosts the program success by providing low... The loans are up to \$5... pay for the early work, a... ginnering and architectural... if there are risks to the... financing.

As loans are paid back... success by providing low... LISC boosts the program... success by providing low... success by providing low... success by providing low...

The projects are repaid... by a non-profit using low... tax credits and conventions... financing.

... Valerie American Coun... recently broke ground on... Avenue in Phoenix for... housing near the light rail... will include 500 square... ground-level concrete at... again, it wouldn't have... without the fund.

... As a welcome side eff... project on Central called... project on Central called... project on Central called...

The goal now is to inc... Affordable Housing Fund... \$500,000 so worthy pro... languish on a waiting list... shouldn't hesitate to inv... money.

Who knows? This cou... model for how to meet e... kinds of community need... Arizona.

ACF fund leverages gifts to help make rentals affordable

REAGOR

Department of Housing... the Affordable Housing Fund... projects to make... affordable.

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Fund helps make rentals affordable

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- Commenced 2012
- \$13mm total pool
- 12 current loans totaling >\$7mm
- 3 Repaid in full
- No defaults to date
- Rural and urban

- Loans, not grants
- Loans to non-profits
- Social outcomes
 - Health Care Innovation
 - Education
 - Arts & Culture
 - Environment & Sustainability
 - Community Development

- \$100k - \$650k; ACF alone
- ACF can lead loan syndicates up to \$5mm
- 7 year term
- Price to cost, not risk

- Four level approval process
- 60-day turnaround
- 2 weeks documentation

Mariposa Community Health Center

- **Loan amount: \$500,000**
- **Program Area: Health Innovations**
- **Status: Repaid**

The Mariposa Pharmacy in Nogales serves moderate- to low-income individuals and families from an office on the Mariposa Community Health Center's Nogales campus. As a federally qualified healthcare center, Mariposa provides medically underserved areas and populations with pharmacy outreach, daily prescription deliveries to Rio Rico and Patagonia, and full-service medical and dental care. A loan from the Community Impact Loan Fund in partnership with Dignity Health allowed for expansion of the facility, a technology upgrade and increased capacity.



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Questions / Discussion