



Religious Communities
Investment Fund

2010 Annual Report



**Cultivating
a Legacy**

Mission & Focus

Mission of the Fund

The Religious Communities Investment Fund is a coordinated effort of various Catholic Religious Congregations who believe, as Gospel people, that they are called to use their financial resources as a ministry to assist in overcoming social and environmental inequities.

The Congregations pool their individual assets to support the mission of promoting economic justice through investments in low-income communities worldwide. By investing in nonprofit organizations that address the economic inequalities in low-income communities, the Fund seeks to promote an economy of solidarity and reflect the Gospel values of economic justice, compassion, human dignity and environmental stewardship.

Focus

The Fund is a portfolio of debt and equity investments in projects consistent with the Gospel mission of economic justice for all. The investments benefit the economically poor; especially women and children, concentrating on those who are unserved or poorly served through traditional financial sources. The funding recipients, usually intermediary agencies, are those seeking ways to give beneficiaries an effective voice in the planning and implementation of the given projects, as well as those who address the multi-cultural reality of our society. Investment returns are expected to slightly outpace inflation.

The Farmworker Housing Development Corporation's Nuevo Amanecer ("New Dawn") multi-phase project encompasses 90 units of affordable housing for farmworkers and their families in Woodburn, Oregon. Here, four young girls enjoy the playground. RCIF borrower Housing Development Corporation in Portland, Oregon, provides finance and construction management assistance on the project.



Cultivating Our Organization

Dear Sponsors and Supporters:



Corinne Florek, OP

We have just completed our first full year of operation and we are delighted with all that we have achieved. We have established a solid foundation for the Religious Communities Investment Fund.

We began with a conversation about collaboration. Each of our founding religious communities was committed to the ministry of community development investing. At the same time, doing this work as individual communities was becoming difficult. We developed the vision of a pooled loan fund in 2007, incorporated in 2008 and began lending in 2009. In that short time, the RCIF has grown to \$3.7 million in assets. Since we incorporated, we also established policies and procedures, renewed seven loans and approved 15 new loans, received a clean audit and published our first two electronic newsletters on our website!



Margaret Diener, OP

We encountered a major challenge when we learned that we could not invest in one international fund because, with less than \$5 million in assets, we were not considered an “accredited” investor. We then realized this applies to a number of domestic and international funds that accept loan capital. Because of this challenge, we are more determined than ever to increase the fund to \$5 million in assets so that as an accredited investor we can invest in projects that fulfill our mission. We will be reaching out to other religious congregations as well as asking you, our current Sponsors and supporters, to help us reach that goal.

When we began RCIF we promised that we would create a fund that would exemplify the values of effectiveness, efficiency and prophetic ministry. To date we have been able to minimize costs while financing some very innovative organizations that are making a significant impact in distressed and vulnerable communities. We thank you for your investments and ask your continued support as we enhance the Fund.

Through RCIF, we are committed to creating a legacy of gospel service that touches the most vulnerable among us. We depend upon you to help us sustain this prophetic work and we promise to maintain it efficiently and effectively in your names.

Sincerely yours,

A handwritten signature in cursive script that reads "Corinne M. Florek, OP".

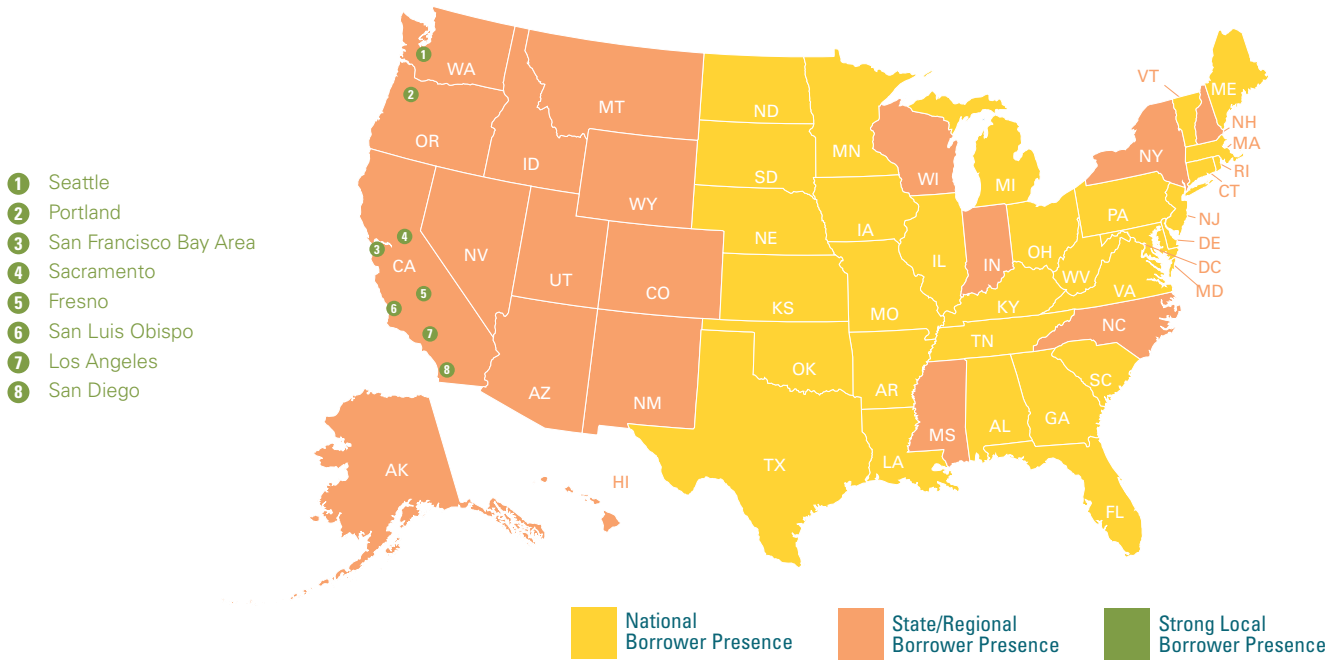
Corinne Florek, OP
Executive Director

A handwritten signature in cursive script that reads "Margaret M. Diener, OP".

Margaret Diener, OP
Board Chair

Cultivating Our Reach

Through our collaboration with intermediary lenders, the impact of RCIF's loans reaches across the United States. Some borrowers, such as Mercy Loan Fund and Partners for the Common Good, have a national presence. Other organizations lend throughout states or regions. RCIF's direct loans and partnerships with organizations based in California, Washington and Oregon create a strong presence in the Western states as well as vulnerable urban areas up and down the West Coast.



U.S. Borrowers

Community Development Loan Funds

- Forward Community Investments
- Homewise, Inc.
- Low Income Investment Fund
- Mercy Loan Fund
- Nehemiah Community Reinvestment Fund
- Northern California Community Loan Fund
- Partners for the Common Good
- Rural Community Assistance Corporation

Credit Unions and Community Banks

- Hope Credit Union
- Latino Credit Union
- Neighborhood National Bank
- Self-Help Credit Union
- Shorebank Pacific

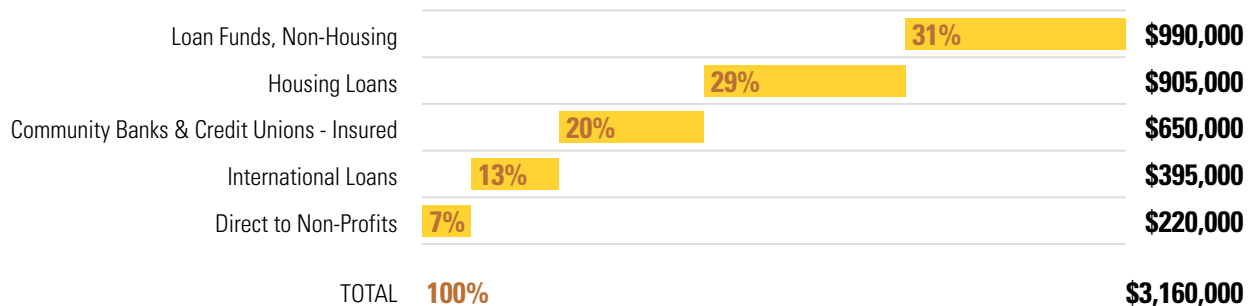
Non-Profit Organizations

- CAP
- Mission Neighborhood Centers

Non-Profit Housing Developers

- Housing Development Center
- Portland Youthbuilders
- Proud Ground
- Renew
- Resources for Community Development

Types of Loans 2010



International Lending

RCIF targets 30% of its assets for international lending which extends our reach across the globe. International loan funds leverage our investment to provide the ultimate beneficiaries with access to capital and clean energy in every corner of the world.

International Loan Funds

Calvert	RCIF loan targeted to Cambodia, Kenya and Bosnia-Herzegovina
E&Co.....	Clean energy projects in 20 countries in Central and South America, Africa and Asia
Katalysis Bootstrap Fund.....	Central America
Oikocredit.....	Access to capital and microfinance in 70 countries across the globe
Pro Mujer.....	South and Central America
Root Capital	Africa, South America and Central America
Shared Interest.....	South Africa

Sisters of the Holy Family, Fremont, CA

“We can do more together than we can do separately,” said Gladys Guenther, SHF, president of the Holy Family Sisters in Fremont, California. So the congregation’s decisions to become founding members of the Religious Communities Investment Fund (RCIF) in 2007, and to significantly increase their financial commitment in 2009, were, as Sr. Gladys described it, “kind of a no-brainer.”

“Our mission statement is ‘to seek out and advocate for families, especially poor families, for the kingdom of God,’” said Sr. Gladys. “As we have fewer sisters in direct advocacy roles, our desire to advocate through RCIF increases.” When RCIF was forming, it presented the Holy Family Sisters with a unique opportunity for collaboration and high impact. Judeana Davidson, SHF, who serves on RCIF’s board of directors, noted, “The benefits are in terms of helping those where we have target areas: women, the poor, and in particular housing issues.” Said Sr. Gladys, “RCIF enables us to be present on a national scale. We appreciate RCIF’s allocation approach of 30 percent West, 30 percent national and 30 percent international.”

“There are two challenges,” noted Sr. Judeana. “One is the international part. RCIF needs to reach five million dollars in assets to be certified for certain international investments. We are motivated to be part of that growth.” In the past year, the Holy Family Sisters added to their commitment by tithing some large bequests they had received. “It’s important to have goals,” said Sr. Gladys, “and one we have dreamed about is to have one million dollars in alternative investments with RCIF. With that in mind, we are looking to make another infusion of funds after we sell some property this fall.” The other area for growth, said Sr. Judeana, is in encouraging other religious congregations to join RCIF. “Even though the founding members invested a higher minimum amount,” she explained, “communities can become a participant in RCIF with only a small investment of \$25,000.” The effects of any investment are exponential, she stressed. “We are so impressed with the investments RCIF has made in such a short amount of time. RCIF expands our horizons.”

Cultivating Our Investments

Housing Development Center, Portland, OR

Human Solutions, Inc. (HSI), in Portland, Or., works to help families avoid homelessness by building affordable housing. HSI recently broke ground for the Rockwood Building, which will add 47 apartments in a neighborhood with the highest concentration of poverty in the metropolitan area. Targeting residents who earn less than 60 percent of the area median income, HSI will designate 15 units for homeless families. A multi-service center will house HSI's resident services and employment program offices and other non-profit partners: among them Headstart classrooms, a program for Latino youth, a medical clinic, and Loaves and Fishes, a meal program for low-income seniors.

The project could have come to a halt early on. It took a short-term, low-interest loan from a new Community Development Finance Institution (CDFI) – the Housing Development Center's (HDC) Community Fund – to keep it on track. The Religious Communities Investment Fund was one of the first investors in the new CDFI, a commitment that will ensure ongoing support for cash-strapped non-profit housing organizations.

Up-front development costs are not covered by construction financing, explained HDC Executive Director Robin Boyce. The two-month, \$75,000 loan from the HDC Community Fund gave HSI the cash flow to pay architects for the plans required for building permits. Taking on the role of lender is a new approach for HDC, which since 1993 had built a solid reputation providing consultation,

training and asset management to non-profit housing organizations. "The issue is always affordability," said Boyce, "so that people don't have to spend more than 30 percent of their income on housing." In pursuit of that goal, HDC has helped develop and maintain thousands of units. But in recent years, Boyce explained, HDC's staff and board saw financial challenges for their clients mushroom, and realized they could do more. "There were small clients who just could not access the capital to start new projects or keep existing projects in good shape," said Boyce. "We needed to increase our ability to help them ourselves."

Forming its own CDFI was a leap of faith for HDC. HDC's Board identified \$50,000 in organizational equity and designated a \$200,000 EQ2 loan to seed the fund. RCIF's \$100,000 loan along with a loan from the Mercy Partnership Fund brought the support of religious women into the equation. The lending chain – from RCIF, through HDC's Community Fund, to Human Solutions – illustrates the collaborative power and reach of community investing, said RCIF Executive Director Sr. Corinne Florek. Another loan helped the Columbia Cascade Housing Corporation preserve affordable housing for low-income workers in the pricey Hood River, Or., resort area. In Portland, a construction guarantee loan to Community Partners for Affordable Housing has kept a project for low-income seniors viable.

Without religious investors' faith in the new CDFI, said Boyce, "I don't know where else these organizations would have gotten the money."



"The lending chain – from RCIF, through HDC's Community Fund, to Human Solutions – illustrates the power of community investing."

Groundbreaking was a happy event at the Rockwood Building project in Gresham and Multnomah County, near Portland, Oregon. Human Solutions Board Chair Carla Piluso (third from left) was joined by local politicians and bankers for the ceremony.

Northern California Community Loan Fund

The St. Joseph's Affordable Family Apartments Complex will provide much-needed housing for low-income families and senior citizens in the Lower San Antonio neighborhood of Oakland, CA. Lower San Antonio is one of the poorest neighborhoods in the Bay area, and has been hard hit by foreclosures; 58 of the units are designated for families by the non-profit BRIDGE Housing Corporation. A second phase of the project will reclaim the historic St. Joseph's building – established by the Little Sisters of the Poor in the early 1900's as a home for senior citizens– and renovate the structure into 84 senior housing units.

The Northern California Community Loan Fund (NCCLF), an RCIF borrower, has been key to the success of the St. Joseph's project, providing an aptly-named bridge loan during the early phases of the project.

For RCIF Sponsors, the ties to NCCLF run deep. Many of the religious communities were direct investors in NCCLF prior to forming RCIF. "We've had such incredible support from religious communities," said NCCLF President Mary A. Rogier. When RCIF formed, existing loans were carefully folded into the new organization, ensuring that the level of support for NCCLF's work would remain constant.

"We know that the sisters are in this work with us from a mission standpoint," said Rogier. NCCLF's revolving loan fund is currently at about \$24 million. The funds are leveraged for social impact loans in four areas: affordable housing, community facilities, human services and economic development.

Said Rogier, "RCIF may be mission driven, but they are also numbers driven. They always want to know we have our ducks in a row, so they're not afraid to ask the tough questions, both mission and financial."

With a long history of partnership, NCCLF and RCIF are cultivating a legacy that will extend far beyond any one project. "The world for us – for all CDFIs – is changing, with bank mergers and the economy in general," said Rogier. "But even as banks stopped lending, the sisters remained committed. They don't ebb and flow the way banks do." From 1987, when religious women had the prophetic vision to support NCCLF's formation, all the way through to the present day, said Rogier, "We rely on their commitment."

"When RCIF formed, existing loans were carefully folded into the new organization, ensuring that the level of support for NCCLF's work would remain constant. We know that the sisters are in this work with us from a mission standpoint."

Cultivating Our Social Impact

Between January, 2009 and July 31, 2010, RCIF's \$220,000 invested with the NCCLF Loan Fund has had these exponential effects:

Affordable housing
created or preserved..... 642 units

Community facilities
space created..... 99,514 square feet

Job created or retained 592 jobs

Data courtesy of the Northern California Community Loan Fund



The historic St. Joseph's building in Oakland, California, first established as a home for senior citizens by the Little Sisters of the Poor, will soon house 84 affordable housing units for senior citizens.



RCIF SPONSORS

Dominican Sisters of San Rafael

Dominican Sisters of Mission San Jose

Presentation Sisters

Religious of the Sacred Heart of Mary

Sisters of the Holy Names of Jesus and Mary

Sisters of St. Francis of Penance and Christian Charity

Sisters of St. Louis, California Region

Sisters of the Holy Family

Sisters of St. Joseph of Carondelet, LA Province

Sisters of Notre Dame de Namur, California Province

Sisters of Notre Dame of Los Angeles

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Judeana Davidson, SHF

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Sr. Corinne Florek, OP, Executive Director

Religious Communities Investment Fund

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