

SHARED INTEREST

Donna Katzin recalls the end of apartheid in South Africa, when the famed civil rights activist Desmond Tutu said it was only the beginning. To make South Africa succeed, he said, investments need to be made. "We took him literally," said Katzin, CEO of Shared Interest.

Shared Interest is based in New York City, but the lives it touches - in person - are a half world away. "Since South Africa became democratic in 1994, we've been working to develop an economic democracy, which did not happen when apartheid was abolished. We've been doing it for 23 years, and our driving force is to move South Africa banks to lend to those they wouldn't - small and growing black-owned business, farms, primarily benefiting women. Our strategy is to use guarantees to move local banks and other commercial lenders to lend to their own people."

Shared Interest concentrates on farming and women, Katzin said. Farming because that is what the majority of people do in South Africa and women because they are the ones who grow the vast majority of food.

When men leave home to work in factories and mines," Katzin said. "Women are left on the front lines of feeding their families."

And the issue is not just centered on South Africa. Shared Interest has expanded in recent years to working in Mozambique and Swaziland, and it is preparing to expand in the future to Tanzania, Zambia and Malawi. "South Africa cannot succeed as an island of wealth in a sea of poverty," she said. "The entire region needs to rise."

RCIF has been working with Shared Interest since 2009 and has loaned the organization \$250,000 over two loans. "Their commitment has been invaluable to us and played a real role in helping more than 2 million people," Katzin said. "What distinguishes RCIF is its unwavering commitment to justice. They are truly, truly motivated to help eliminate poverty and empower women."



Zanele Mkokelli at Rietkloof Farm

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INVESTING IN SOUTHERN AFRICA'S FUTURE

COASTAL ENTERPRISES, INC. OF MAINE

Going where traditional lenders don't or won't. It's not the official motto of Maine's Coastal Enterprises, Inc. (CEI) - but it could be.

"Agriculture, food, fishing - these aren't always attractive to traditional lending institutions, particularly because those businesses are often seasonal," said Keith Bisson, president of CEI. "We might help a small business get off the ground but when the only collateral is fish or seaweed out in the ocean, which poses a problem for traditional lenders."

Since 1977, CEI has been a mission-based investor focused on rural economic development, people with low incomes, and communities primarily in Maine.

Specifically, the organization provides direct loans to start-ups, existing and growing small businesses in Maine and beyond, in amounts ranging from \$5,000 to \$3 million. It also provides venture capital investments to small businesses from under \$500,000 to over \$1 million.

"Maine is a small business state," said Bisson. "And as our state transitions away from legacy manufacturing, we see new opportunities to diversify our economy by encouraging the activity driven by small businesses, which also have the potential to grow and influence new industries in their own right."

Bisson cites Gelato Fiasco, a Brunswick-based, internationally-acclaimed gelato maker, which sources ingredients almost entirely from Maine. Over the course of ten years, CEI has provided business advice, multiple loans, and equity investments at critical moments when traditional investors deemed the business to be too risky. Gelato Fiasco now employs nearly 100 people and sells its product in grocery stores nationwide.

RCIF loaned Coastal Enterprises \$250,000 in 2015.

"We greatly appreciate RCIF's investment and trust in us," Bisson said. "They keep us on our toes by asking thorough questions about our mission impact and financial management."

Bisson said RCIF is an important part of the community investment field, and cited RCIF's executive director, Sr. Corinne Florek, in particular.

"Relationships are really important in our work," he said. "Sister Corinne is a legend, and part of our history. I'll never forget her site visit several years ago." She said, "I know the work is difficult, but just remember that there are nuns praying for you every day."



Capital for Opportunity and Change



The group shot: Staff members from CEI helping to scoop and eat gelato at Gelato Fiasco for a fundraiser for People Plus, a Brunswick-based center for older adults and the community. On the right: Mary Montalvo, a new employee giving a dish in Portland

HOUSING TRUST SILICON VALLEY

Kevin Zwick tells the story of a developer who recently told him about finishing an affordable housing complex of 50 units. “Eight-thousand people applied,” said Zwick, the CEO of the Housing Trust Silicon Valley.

Zwick and his organization face a daunting challenge, to say the least - helping to provide affordable housing in one of the most affluent and expensive places in America.

While the Silicon Valley added 500,000 new jobs from 2008-14, only 70,000 affordable homes were added, Zwick said.

The jobs/housing imbalance exists, Zwick said, because cities are not building enough affordable housing. “That says cities have done a tremendous job harnessing the interest of corporations to locate and expand here,” he said. “But every city has pointed to another city as the ones who should be building housing.”

To help provide much-needed housing in an area where the median home price now tops \$1 million, the Housing Trust Silicon Valley has been working since 2000 with low- and moderate-income homeowners to provide low-interest second loans and down payment assistance. The organization also provides loans to nonprofit developers that are constructing or rehabilitating affordable multifamily rental housing.

Over the years, the Housing Trust has invested \$130 million helping 26,000 people. But much of that might not have happened, Zwick said, without longtime partner RCIF, which most recently loaned the group \$200,000 in 2015.

“RCIF was one of early pioneers showing a new way forward for groups like us,” Zwick said. “We would never have looked into foundations as a source without RCIF. They (RCIF) and other religious groups were on the vanguard of this kind of investing even 20 or 25 years ago when (this kind of lending) was nascent. It was the religious orders that were the first ones to see this as a kind of work to do as an extension of their mission to support the poor. If not for them, none of the rest of the (lending to non-profit helping organizations) industry would have come next.”



Photo top/right is of the Franklin Street Apartments - ROEM [Developer]. Other photos: clients of Housing Trust.