IMPACT INVESTING

NONPROFIT LOAN PROGRAMS ADVANCE COMMUNITY PROJECTS STATEWIDE

The Arizona Community Foundation has been providing impact loans to support communities across the state for more than 15 years. We offer loans to qualifying nonprofits, schools, and municipal organizations to assist in completing essential projects that benefit our communities. These loans help organizations fill gaps where commercial lenders fall short, often serving as the catalyst to launch projects that serve the common good. As loans are repaid, funds become available for use with other projects, creating a continual recycling of charitable capital.

ACF offers impact loans in four specialized areas through funds that are supported by corporate and government partners. Collectively, these loan programs have distributed over $28.2 million in loans and capital support, enabling nonprofits to leverage additional capital from other lending sources.

Affordable Housing Predevelopment Loan Fund

This fund was established in 2007 to jump-start the development of affordable housing projects throughout Arizona. Loans from this fund primarily address obstacles faced by nonprofit developers in relation to up-front predevelopment costs that are necessary to secure permanent financing.

Metro Phoenix Affordable Housing Collaborative Fund

This fund was established in 2021 to bolster affordable housing projects across Metro Phoenix. Grants and loans from this fund benefit nonprofit housing developers that are producing and preserving affordable housing within Metro Phoenix.

Community Impact Loan Fund

This fund was established in 2012 to invest in innovative community projects by providing below market rate loans to eligible organizations to help with the cost of construction, renovation, and facility expansion. Loans from this fund provide charitable capital that creates both social and financial impact.

Rural Development Investment Fund

This fund was established in 2020 to assist rural communities with low-interest, short-term predevelopment financing for infrastructure projects that USDA Rural Development has committed to funding. Loans from this fund benefit water systems, schools, affordable housing, firehouses, museums, parks, and related needs in rural communities.

ACF's loan programs:

- Produce greater leverage and scale by using a small portion of assets as recyclable, low-interest, or market-rate loans across multiple nonprofit sectors.
- Introduce new and sophisticated financial tools to nonprofits, increasing organizational expertise and ultimately strengthening the nonprofit sector.
- Provide access to capital that may not be available or affordable to nonprofits through traditional lenders.
- Expand impact across the broader community.
- Attract new donors interested in achieving greater community impact.

	AFFORDABLE HOUSING PREDEVELOPMENT LOAN FUND	METRO PHOENIX AFFORDABLE HOUSING COLLABORATIVE FUND	COMMUNITY IMPACT LOAN FUND	RURAL DEVELOPMENT INVESTMENT FUND
Loan Minimum	$75,000	$75,000	$75,000	$75,000
Loan Maximum	$100,000 new borrower $200,000 successful borrower history	$130,000	$1,500,000	$1,200,000
Loan Term	24 months; with ability to request extension	24 months	TBD by ACF	9-24 months; 12-18 months is typical
Application Fee	-	-	TBD by ACF	-
Origination Fee	0%	0%	1%	1%
Interest Fee	0%	0%	4.5% - 5.5%	4.25%
Servicing Fee	-	-	0.5%	-
Other Requirements	-	Project must be in one of the 24 municipalities within Metro Phoenix	Organization must have available collateral to secure loan	Project must have documented commitment of funding from USDA
Additional Information	-	Grants are also available from this fund	May incur legal fees; typically less than $4,000	Must be in rural areas, as defined by the USDA

501(c)(3) nonprofit organizations, tribal entities, and government agencies are eligible to apply for loans.

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