

Impact Finance Helping Communities Grow



One Rochester Area Foundation initiative helps people in seven local counties afford home ownership. Impact Finance, a Community Development Financial Institution formerly known as Rochester Community Finance (RCF), helps communities grow by providing down payment assistance lending so low- and moderate-income families can attain affordable housing. It also provides technical assistance to nonprofit organizations, helping them grow organizational capacity and increase their ability to serve clients. Both growth strategies, down payment assistance and technical assistance to nonprofits, support communities and help them become sustainable, thriving places where people *want* to be.

To help individuals realize their dreams of homeownership through down payment assistance lending, Impact Finance works with local community banks to identify families that would benefit from the service. The partnership with community banks is critical to the ability to serve multiple communities in multiple counties. "Our partners know that neighborhoods benefit when homes are occupied. Evidence shows that children learn better when they are able to stay in the same school, and communities prosper when people are proud to live within them," says Ann Fahy Gust, Grants and Donor Services Manager for the Rochester Area Foundation, and the lead staff member for Impact Finance.

The loan program, coupled with technical assistance in budgeting and planning, helps individuals manage their money better, save for the future, and repay the lending

opportunity they receive through it. As loans are repaid, Impact Finance re-lends to other families seeking to realize their dreams. The opportunity is multiplied.

Likewise, nonprofit organizations can realize their dreams by increasing their capacities to serve constituents through technical assistance, support, and education. Impact Finance offers seminars and training sessions for sharing best practices across a wide range of nonprofit organizations, one-on-one technical assistance and mentoring with professionals in specific fields who teach organizational effectiveness skills, and a cadre of volunteer professionals who assist with organizational change to generate sustainability. "We believe that strong nonprofits support local communities, provide jobs for individuals, support those who use their services and enable them to live fuller more productive lives, which, in turn, support community growth," says Fahy-Gust.



Ann Fahy-Gust
Grants and Impact Officer

What is a CDFI?

Community Development Financial Institutions (CDFIs) were created by the Riegle-Neal Act of 1994 that expanded the Community Reinvestment Act legislation to act as financial aids to develop low- and moderate-income areas and financial tools for underserved individuals. CDFIs are certified by the United States Treasury every five years and must prove they follow the primary mission of serving low- and moderate-income target areas and individuals. CDFIs are nonprofit and non-governmental financial entities that can partner with traditional banking institutions to support community development. Impact Finance serves a designated target market of the seven counties surrounding and including Olmsted County. It is designed to support down payment assistance lending for affordable housing and nonprofit capacity building through technical assistance organizational growth development.