



# RAINMAKERS

INVESTMENT COLLABORATIVE

**A Program-Related Investment Opportunity for  
Foundations and Private Investors**

Philanthropic Collaboration Coordinated by:



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*“At Confluence we see social investors traveling the world over in pursuit of ‘impact’. Yet those same investors can make a big impact right here, in Native American communities. The Rainmakers Investment Collaborative provides an easy, affordable, high-impact investment opportunity for foundations and institutional investors that want to support healthy, sustainable Native communities in the United States. We are delighted to be able to contribute to this truly collaborative effort.”*

- Dana Lanza, CEO  
Confluence Philanthropy

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## The Need

There is a staggering need for investment in Native communities. Safe affordable housing and public infrastructure is essential to healthy communities. But with limited access to community development finance, Native residents face some of the worst housing and living conditions in the United States. Statistics have also shown that Native communities have lower incomes and experience higher rates of unemployment and poverty than non-Native communities.

Native entrepreneurs are poised to improve living conditions and stimulate economic growth in their communities. However, they lack access to credit and capital in the traditional financial market. According to Annie Donovan, Director of the U.S. Department of the Treasury's Community Development Financial Institutions Fund,



*"The lack of access to capital and credit has been a significant constraint on economic development in Native Communities."*

As Native communities strengthen their governing institutions and build local economies, access to capital is essential. Grant funding alone is not sufficient to promote the health and livelihood of Native communities; tribal leaders need access to capital to improve housing and infrastructure and build sustainable local economies.

## The Opportunity

In response to this chronic underinvestment, and in partnership with Native leaders and entrepreneurs, the Rainmakers Investment Collaborative was established by Confluence Philanthropy and its members. The Collaborative is a coordinated group of mission-related investors committed to increasing access to capital in Native communities in the Southwest. The Collaborative was launched in 2017 as a program-related investment initiative with the following goals:

- Provide vital community development finance in Native communities in New Mexico and Arizona. *The Collaborative provides patient, community-driven capital for affordable housing, public infrastructure and community facilities, sustainable agriculture, Native-owned small businesses and mission-driven social enterprises.*
- Grow the capacity of Native-led Community Development Financial Institutions (CDFIs) and Native economic development organizations to lend capital, attract investments in their focus area and service debt. *Native-led CDFIs are essential to the economic ecosystem of tribal communities, but they are under-resourced and under-capitalized. The Collaborative partners with Native-led CDFIs to ensure deal flow and build the capacity of these institutions.*
- Provide a space for mission-aligned investors to collaborate and share lessons learned about investing in Native communities.

# Our Partners

After a competitive process, the Collaborative selected Rural Community Assistance Corporation (RCAC) as the intermediary. As a regional CDFI, RCAC can engage with mission-related investors and has a long history of successful loans in rural and Native communities. RCAC invests concessionary-rate capital committed by the Collaborative members, providing fund management, reporting, documentation, disbursement and accounting services.

A Native-led local investment partner is essential for building relationships with tribal leaders and entrepreneurs and identifying viable projects that are likely to succeed in their communities. These partners identify and nurture investment opportunities and ensure deal flow for the Collaborative. By sourcing and participating in the loans, the local partner also builds their capacity to attract and lend capital. The founding local investment partner is Native Capital Access (NCA), a Native Community Development Finance Institution.

## Intermediary



Founded in 1978, RCAC provides training, technical and financial resources and advocacy so rural communities can achieve their goals. Since 1978, RCAC's dedicated staff and active board, have helped effect positive change in rural communities across the West. RCAC's key values are: leadership, collaboration, commitment, quality and integrity. RCAC's work includes environmental infrastructure (water, wastewater and solid waste facilities); affordable housing development; economic and leadership development; and community development finance. These services are available to communities with populations of fewer than 50,000, other nonprofit groups, Tribal organizations, farmworkers, colonias and other specific populations. Headquartered in West Sacramento, California, RCAC's employees serve rural communities in 13 western states and the Pacific islands.

RCAC's Loan Fund is a financial resource for rural communities. The Loan Fund fills financing gaps and serves in areas that conventional markets traditionally neglect. RCAC offers loans for affordable housing development, environmental infrastructure, community facilities and small businesses in rural locations. RCAC is a certified CDFI, with an AERIS rating of 4 Stars AA plus Policy Plus.

## Local Investment Partners



Native Capital Access partners with Tribes and Native entrepreneurs to access private and public sector capital. NCA offers a bridge between historically underutilized capital resources and Tribal projects and businesses in Indian Country. NCA is an approved lender through the Bureau of Indian Affairs Loan Guarantee and Loan Insurance programs. NCA makes loans to Tribes, developers, and individual Tribal Members to stimulate and accelerate economic, community, and small business development that benefits Indian Country. In addition to direct lending, NCA leverages strategic partnerships that link Tribes to several large-scale capital resources through our technical assistance and brokering services.

Learn more about Native Capital Access:  
[www.nativecap.org](http://www.nativecap.org)

# Investment Opportunity

The Collaborative was designed to create an easy and affordable investment opportunity for a diverse group of mission-aligned investors. Collaborative members coordinate their investments in alignment with the stated goals, and use the common terms and conditions below as a starting point. Each investor maintains the ability to set unique terms and restrictions in negotiating their investment directly with RCAC.

## SUMMARY OF COMMON TERMS AND CONDITIONS

<b>Borrower:</b>	Rural Community Assistance Corporation (RCAC), a California-based nonprofit corporation, is a regional intermediary and Community Development Financial Institution (CDFI) that supports rural communities in 13 western states (Alaska, Arizona, California, Colorado, Hawaii and other Pacific islands, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming).
<b>Investors</b>	Foundations, family offices, private investors, and other entities motivated by the goals of the Collaborative.
<b>Use of Proceeds:</b>	The capital invested in the Collaborative, more fully described in related legal documents, will provide community development loans that promote the environmental, social and/ or economic sustainability of Federally or state recognized American Indian tribes or tribal entities in New Mexico and Arizona. Projects eligible for funding include: energy efficient affordable housing, community infrastructure and facilities, sustainable agriculture, Native-owned social enterprises, and nonprofits working in Native communities.
<b>Term:</b>	Ten-year term. Funds drawn as needed for specific projects. Principal to be repaid at the end of the term.
<b>Interest Rate:</b>	The principal amount drawn and outstanding on the Notes shall bear interest at an amount chosen by each investor, up to a maximum of 2.0% per annum.
<b>Loss Reserve:</b>	Loan Loss Allowance. RCAC loan fund policies will apply. RCAC and local investment partners will utilize public loan guarantee programs such as USDA, HUD and BIA, to the extent possible.
<b>Amount:</b>	\$250,000 minimum. No maximum, unless one identified by RCAC.
<b>Intermediary:</b>	RCAC will receive investment capital from investors, conduct day-to-day operations, and lend money to borrowers, in accordance with the investor's wishes based on the executed note(s). A thorough process was conducted with extensive due diligence to select the intermediary. Investors are encouraged to conduct their own due diligence to ensure comfort with the intermediary. RCAC will work with local investment partners, primarily Native-led CDFIs, to source deals and jointly underwrite underlying transactions.
<b>Governing Law:</b>	California



## Our Impact

### MAJOR MARKET ON THE PUEBLO OF ZUNI

**Brief Description:**

A family team who are Zuni Tribe members own and operate Major Market, Inc. The small business is located on the Zuni Pueblo, a rural community about 150 miles west of Albuquerque. Major Market is a fresh food deli and market that will offer natural and organic foods. Major Market will partner with local food suppliers to advance a farm to table model.

Zuni Pueblo has about 6,300 residents, and approximately 97 percent of the population is Native American. The Zuni community has most essential community services and facilities, and a substantial array of Tribal government programs to assist Tribal members. The Zuni CDP's Median Household Income (MHI) is \$34,479, compared to New Mexico's \$44,968 statewide MHI.

With grocery shopping in the community limited to traditional convenience stores, access to healthy food is limited. The owners see an opportunity to support tribal health initiatives by promoting healthy eating habits and providing access to fresh meat and produce. Family members, one of whom is a chef, will run Major Market. The project is expected to create six full-time and three part-time jobs, and the owners plan to hire Tribal members. Major Market is one of only three Native-led businesses on the Zuni Pueblo.

**Project Type:**

Business Loan

**Use of Proceeds:**

The borrower will use a \$544,000 loan to establish a new organic grocery store, including \$52,250 to purchase equipment for the project.

**Recourse:**

Applicable

**Collateral:**

Collateral will consist of a leasehold mortgage on the principal's interest in the real property and a UCC General Business filing and Security Agreement on all business assets.

**Value Assessment:**

Community (social) value: Borrower plans to offer a variety of fresh foods for retail sale. This will be a much-desired benefit for the community as it seeks healthier foods that are not now being offered locally. Also, borrower will be the only local and Native American owned grocery store in the community.

Economic value: This loan will allow a solid business proposal to proceed to fill a void in the local economy for grocery availability, particularly for fresh and healthier foods.



## Our Members

(Founding steering committee members, pictured from left to right: Loe Marcoline, Dana Lanza, Brandy Davis, Joohee Rand, Alvin Warren)

Members of the Collaborative have invested in this initiative through a program-related investment (PRI) and/or grant funding. Confluence Philanthropy facilitates collaboration and information sharing among investors, and convenes a Steering Committee which plays a governing role in the initiative. Investors are invited, but not required, to participate in the Steering Committee.

Confluence Philanthropy extends a special thanks to the founding members of the Steering Committee:

**Loe Marcoline**  
The Womadix Fund

**Joohee Rand**  
Santa Fe Community Foundation

**Alvin Warren**  
The W.K. Kellogg Foundation



*“WKKF is proud to invest in the Rainmakers Investment Collaborative because tribal communities and Native American entrepreneurs deserve equitable access to impact investing capital. The Collaborative’s innovative partnerships offer investors and grantmakers a unique way to ensure that their interest in supporting indigenous peoples translates into direct impact and also begins to transform how resources can be made more accessible to underinvested communities.”*

-The W.K. Kellogg Foundation



To learn more and get involved, contact Brandy Davis, Investor Program Director, at [brandy@confluencephilanthropy.org](mailto:brandy@confluencephilanthropy.org)



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