

Pathways Ahead 2
 Welcome and Thank You 3
 Fund at a Glance 4
 Take Action 4

Around the Neighborhood

Borrower Profile

Renovations Bring New Life to Affordable Housing Units

When Community Services Programs, Inc. purchased a neglected 36-unit apartment complex in Chester, New York to preserve affordable rental housing, the non-profit agency anticipated extensive renovations to the buildings.

Staff mulled over different "how to" scenarios, given that all but six apartments were occupied by tenants. The agency could either tackle the vacant apartments and do the remaining units in sections, or temporarily relocate all the tenants and complete the work in one sweep.

CSP knew it would be daunting, and recognized the inconvenience it would mean for the tenants. But the planned renovations to the buildings' interior and exterior held the promise of a real upgrade in the quality of life in the Green Meadows Apartments.

The Leviticus Fund provided \$525,000 in pre-development financing

to CSP in late 2008, which the agency split between the Green Meadows project and a proposed new senior housing facility in the neighboring county of Ulster.

Without the financing, Green Meadows was destined to become market rate housing. The building was built by a private developer in 1983 using a 50-year, 1% U.S. Department of Agriculture 515 mortgage. Under the agreement, the apartments were to be rented only to low-income residents for at minimum 20 years.

In 2006 the building's owner asked to "opt out" of the contract, but a USDA analysis showed the mortgage pay off would adversely impact the residents. Instead the owner was required to first offer it for sale to a non-profit. If no viable offer was made, the owner could pay off the mortgage and be released from the affordable housing rent clause.

Continued on page 2



Students at Georgian Court University display community service projects with Invisible Children Club that helps identify missing children.

Investor Profile

Georgian Court University: Changing the Future Today

Georgian Court University is a private university in Lakewood, New Jersey that was founded by the Sisters of Mercy of the Americas more than 100 years ago. With 1,369 students in its Women's College, and more than 1,500 women and men enrolled in its University College, Georgian Court provides a values-based education that prepares students not only for multidisciplinary fields but for life. The GCU community, guided by the Mercy core values of respect, integrity, justice, compassion, and service, promotes individual leadership and collective activism.

When Georgian Court joined as a Member Investor in the Leviticus Fund in 2007, that decision too drew on the Sisters of Mercy's guiding principles and their long-standing commitment to both socially responsible and community development investing.

The congregation was one of 27 religious institutions that founded Leviticus in 1983, and one of its members, Sister Patricia Wolf, RSM, served as board president for nine years. Current GCU President Rosemary

Continued on page 3



Community Services Programs Inc. completed top-to-bottom renovations at Green Meadows Apartments that transformed and preserved 36 units of affordable housing in Chester, New York.

Renovations Bring New Life

CSP met the owner's sale price and in doing so prevented the almost doubling of rent fees for the existing tenants.

"If you look at Chester, especially where Green Meadows is, you can see all the McMansions around it," explained Peg O'Leary, CSP's Executive Director. "What would have happened if 36 households were permanently displaced? They had no advocates, no representation. Some of the tenants who live there have lived there since it was built."

With a tight schedule of 12- to 16 weeks, a moving company, and what must have seemed like a ton of moving boxes, CSP staff coordinated the transfer of the tenants' household items to storage and their temporary move to the Holiday Inn Express in Chester so they could remain close to work and school.

"What would have happened if 36 households were permanently displaced?"

Peg O'Leary
Executive Director
Community Services Programs

"The renovations were extensive. We put on a new roof, new exterior siding, resurfaced sidewalks and the parking lot. We put in all new windows, new appliances in the kitchen, dishwashers and upgraded refrigerators," explained Betsy Riess, Development Associate for CSP. "We redid all the bathrooms and put in mold-resistant sheetrock and installed fans. We also completely redid the five handicap units to bring them up to code."

"They were in the hotel from Memorial Day, and the first group moved back in mid-August and the last group moved back in mid-September," she added. "It was a really quick, quick project, with the contractor working very, very hard to get everyone back in prior to the school year beginning for the kids."

The Green Meadows pre-development financing was Leviticus' second loan to CSP, which has an affiliate – Hudson Valley Housing Development Fund, Inc. The two entities are based in Wappingers Falls and serve the mid-Hudson Valley region of New York.

Continued from page 1

The combined housing portfolio for both agencies is 340 units of affordable rental and homeownership housing, including larger-scale multi-family and senior housing projects serving low and very-low income residents. DiMarco Place I and II are 64-units exclusively for low-income seniors in Wappingers Falls; Meadow Ridge I and II are 54 units for low-income families and 52 units for seniors in Beacon; plus 28 affordable homeownership units for first-time homebuyers in Wappingers Falls and Beacon.

CSP has also worked on several economic development projects in the Hudson Valley area, including a municipal parking lot, a child care facility and restoration of two historic buildings. In 2008, Leviticus provided \$600,000 in bridge financing to CSP to upgrade its own offices, plus facility space it rents to another non-profit serving autistic adults and children.

CSP marked its 35th anniversary in 2010. With \$55 million in funding and financing invested in its projects from public and private sources, the agency has much to show for its hard work. O'Leary explained that CSP has "a full plate" of deals in the pipeline, and more importantly sees their work filling a growing, critical void of affordable housing in the Hudson Valley region of New York.

A tri-county regional assessment for Dutchess, Orange and Ulster reported the need for 13,179 affordable rental units serving residents under 50% of area median income (AMI) spanning to 2020. In the current market for these three counties, tenants at 50% AMI would pay rents in the range of \$583 to \$750 per month.

"If anything I see more of a need for the housing that we do because so many people are unemployed and so many households are living on one income as opposed to two," O'Leary explained. ■



Pathways Ahead

In February, 2011, Leviticus received an AA2 rating from the CDFI Assessment and Ratings System (CARS), an independent project of the Opportunity Finance Network.



The letter rating is for Social Impact and the number rating is for Financial Strength and Performance.

In both cases, Leviticus received just below the top rating, but a rating that indicates solid performance.

For instance, in Financial Strength and Performance, only 6% of CDFI's in the country have received a "1" rating. So Leviticus' "2" rating is quite strong indeed.

The ratings were issued after a lengthy and thorough review and analysis of Leviticus' operations by the CARS staff.

Board Changes

Four new members joined the Leviticus Board of Directors in 2010:

Salvatore Del Bene is a retired banker who has served on the Leviticus Loan Committee for many years.

Richard O'Brien is Vice President, Residential Mortgage Administration, and Community Reinvestment Officer at Apple Bank for Savings in New York.

Cathy Rowan is a consultant to several Leviticus Members on issues of Corporate Social Responsibility.

Justin Towey is a partner in the Morse, Towey and White Group at Hightower Advisors.

Changing the Future Today Continued from page 1

Jeffries, Ph.D., RSM, also served a four-year term on the Leviticus board.

Georgian Court offers 31 undergraduate majors and 10 graduate programs through two distinct colleges: University College, which admits women and men for evening undergraduate, graduate and certificate studies; and the Women's College, which is geared to female undergraduates.

One of the university's signature programs, Women in Leadership Development (WILD), reflects GCU's commitment to cultivating strong leadership skills and teaching women to translate concern for social justice into action. WILD, which has won national awards for its strong curriculum and unique four-year program, empowers women in their professional and personal lives.

Students must apply to participate and are expected to meet - and learn from - experienced women in business, science, government, journalism, and other fields. Students regularly take advantage of mentoring opportunities, seminars and theme-based, off-campus retreats. WILD members are also expected to give back to the community, and experienced members must eventually become mentors themselves in their senior year.

Sister Suzanne Elliott, RSM, who joined GCU as Vice President of Mission and Business Affairs in 2010, explains why WILD—and other GCU programs—are so important.

"WILD is about leadership, but it's also about giving women the knowledge, skills, and values they need for effective and engaged citizenship," says Sr. Suzanne. "We've always believed that

women have the ability to change the world for the better. At GCU, we give them the tools they need to do so."

The university's emphasis on serving others is evident. More than 80 GCU classes tie service learning to academics, and often, students take what they learn in class into the community.

Sociology and psychology students regularly visit local homeless residents and gather donated items on their behalf.



Participants in Women in Leadership Development (WILD) also value peer-to-peer mentoring.

Others work with affordable housing advocates to support research and analysis efforts. And there are those who literally roll up their sleeves, assisting the poor and elderly with home-building and home improvement projects.

In 2010 alone, GCU students logged 13,995 volunteer hours, working with non-profit groups in Peru, Ecuador, New Orleans and New Jersey.

While Georgian Court largely draws students from New Jersey, it also attracts those from across the United States—and as far away as Kosovo, Croatia, and the Caribbean, especially

for GCU's eight NCAA Division II athletic programs.

In academics, GCU operates three distinct schools: the School of Arts and Sciences, the GCU School of Business and the School of Education, each of which benefits from GCU's fundraising efforts. In 2008, GCU ended its capital campaign that generated \$17.2 million to support endowments, new construction, renovations, new programs and faculty development.

One outcome from that campaign was GCU's new Wellness Center, which supports its new science, wellness and sports major and the university's new dance major. GCU has also recently added a four-year B.S.N program in nursing; a new Saturdays-only M.B.A. program; a Master of Science degree in Homeland Security; and several new PreK-to-3rd programs for early childhood educators.

"Our nation faces serious challenges on almost every front," says Sr. Suzanne. "But both our academic offerings and the GCU culture help ensure that we will meet those challenges head-on. There's a certain service ethic here that propels us into the future and ensures that the less advantaged of today are not left behind tomorrow."

"Georgian Court University is Leviticus' first Member investor involved in higher education," explained David C. Raynor, the Fund's Executive Director. "Our hope is that as more colleges and universities become involved in socially responsible investments, there will also be an interest in supporting community investing that deeply impacts the quality of life for low-income residents." ■

Welcome, and Thank you to...

Members who increased their investments:

Brothers of the Christian Schools, DENA
Sisters of St. Ursula

Members who donated their investments to the Fund:

Daughters of Charity, Albany
New Associate Members:
Paul Dermody
William M. & Miriam F. Meehan Foundation
Catherine & Thomas Rowan
Elizabeth V. Soresé
Sisters of Charity, Nazareth, Kentucky

New Investors:

Seton Enablement Fund, Sisters of Charity of Cincinnati

Associate Members who increased their investments:

Katherine Elsner
Carole Kakos Trust
Associate Members who renewed their investments:
Jonathan D. Beard & Rachel Theilheimer
Janice & Jim Carroll

Bernadette Cronin Geller
Nancy & Joe Cruickshank
Victoria DiLucia
Sr. Marilyn Dunn, OP
Mary Cabrini Durkin

Katherine Elsner

John & RoseMary Hunt
Carole Kakos Trust

Alan J. Kidder
Ann W. LaValle
Elizabeth M. Leddy Trust
Eifiona Main & Charles Engel
Margaret A. Mariani
Angelo & Joan Nunez
Mary C. Oberc
Robert Strittmatter & Norine R. DiCarlo

Kathleen M. Worthington
Carmelite Communities
Associated
Catholic Health East
General Board of Global

Ministries

Leadership Conference of Women Religious, Region 2
School Sisters of Notre Dame, Atlantic-Midwest Province
School Sisters of St. Francis
Sisters of Charity of St. Elizabeth
Sisters of Charity of the Blessed Virgin Mary
Sisters of St. Francis of the Providence of God
Sisters of St. Joseph of Carondelet - Albany
Sisters of St. Joseph of Carondelet - St. Paul
Society of the Divine Word

Take Action!

Budget Bill Would Make Deep Cuts in Head Start and Child Care

Head Start is a cornerstone of our nation's commitment to give every child, regardless of circumstances at birth, an opportunity to succeed in school and in life. Children who have been through Head Start and Early Head Start are healthier, more academically accomplished, more likely to be employed, commit fewer crimes, and contribute more to society.

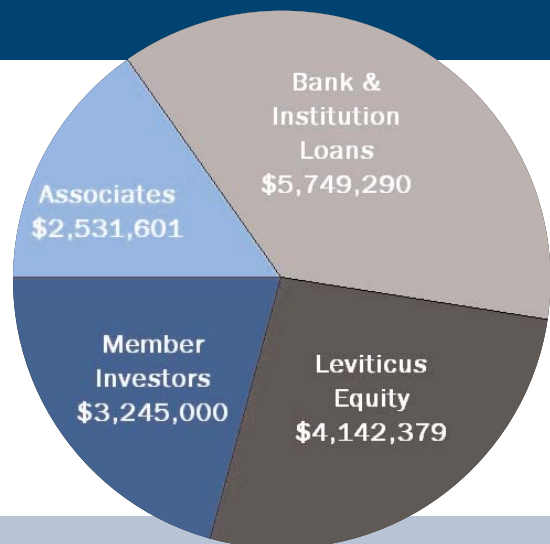
The United States Congress is currently struggling to fund the 2011 budget. Programs like Head Start are at risk of budget cuts. The National Head Start Association (NHSA) projects the total net classrooms lost from current enrollment levels if proposed cuts are approved: in Connecticut: 112; in New Jersey: 281; in New York State: 916.

Here is a sample Advocacy letter to Congress, provided by NHSA, at <http://www.supportheadstart.org>:

"As the battles over the Federal budget continue, I urge you to keep in mind that the future of more than one million Early Head Start and Head Start children ages 0-5 will be put at risk if funding for these programs is cut. In these difficult times, more than ever, we need investments in early childhood programs, like Head Start and Early Head Start, to create productive jobs and provide educational opportunity. Investments in our most vulnerable children will help ensure the future of our nation by building an educated workforce anchored by strong, healthy families. Please stand up for our children and the future of our nation."

Leviticus Fund... at a Glance [As of 2/28/11]

Loan Capital	\$15,490,270
Sources:	
76 Member Investors	\$3,345,000
69 Associates	\$2,353,601
12 Bank & Institution Loans	\$5,749,290
Leviticus Equity	\$4,142,379
Current Lending and Commitments	\$10,697,158
Sources:	
4 Loan Commitments	\$1,266,877
42 Loans	\$9,430,342



Since 1984		2010
1937	Number of Housing Units	12
153	Number of Housing Units with Energy Improvements	153
3458	Number of Children in Day Care	90
\$32,695,127	Cumulative Lending	\$1,850,000
\$225,044,092	Public and Private Dollars Leveraged	\$3,070,893