

Cooperative Fund of New England Amherst, Massachusetts

The Cooperative Fund of New England (CFNE) was founded in 1975 to work for economic, social, and racial justice. CFNE advances community-based, cooperative, and democratically owned or managed enterprises, with a preference for assisting cooperatives in low-income communities by providing financial products at reasonable rates; developing business skills; and offering an investment opportunity that promotes socially conscious enterprise. CFNE borrowers are largely tenant-owned affordable housing, community-owned grocery retail, and worker-owned business across the economy.

Despite their critical role in meeting community economic needs, conventional lenders often misinterpret co-ops' shared ownership structure as a liability, which overlooks the power of community ownership and the need for co-op financing.

CFNE has met this need by leveraging \$10.6 million in CDFI Fund Financial Assistance (FA) Awards to disburse \$54 million in term loans and lines of credit to co-ops across New England and New York. While CFNE's loans average \$80,000, they range from \$10,000 to over \$1 million.

CDFI Fund awards were critical to CFNE's growth, from \$6.7 million in assets in 2009 to over \$30 million today. CFNE also offers technical assistance, largely around loan readiness, and has strong partnerships for referrals when needed. This work has created or preserved over 11,800 jobs and 5,800 affordable housing units largely in low-income communities.

Organization Highlights

- Timeframe/years for the organization data highlights: 2017
- Jobs created or retained: 747
- Businesses assisted: 37
- Housing units developed or low- to moderate income households: 183
- Total dollar amount loaned: \$5,049,827

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A Yard & A Half Landscaping



To understand CFNE's work, one only has to look at its partnership with A Yard & A Half Landscaping. The business founder was retiring after investing 26 years in the landscaping business. She employed 20 people, mostly Salvadoran immigrants, and had a loyal customer base. Ready for her next chapter, the owner wanted to sell her business, but without a ready, friendly, outside buyer, a co-op conversion (the sale of a business to a co-op) was the only way to save her legacy and her employees' jobs.

The CDFI Fund's FA awards grew CFNE's equity, which in turn has leveraged millions of dollars of private investment. This growth allowed CFNE to easily finance the A Yard & A Half transaction and provide a \$325,000 line of credit.

Those funds helped finance the co-op conversion, which not only saved the workers' livelihood, but also helped them achieve the American Dream of business ownership.

Since then, the co-op has expanded their loan to \$450,000, grown revenue by 82 percent, tripled net income, and hired eight more workers.

Project Highlights

- Median Income Compared to Area Median Income (AMI): 119.50%
- Unemployment Rate: 3.6%
- Poverty Rate: 10%
- Total Project Cost: \$ 635,000
- Jobs created or retained: 20