



IFF

The Midwest's Leading Community Development
Financial Institution (CDFI)

Prepared for:
East St. Louis, Illinois Regional Economic Resilience Forum

May 20, 2015

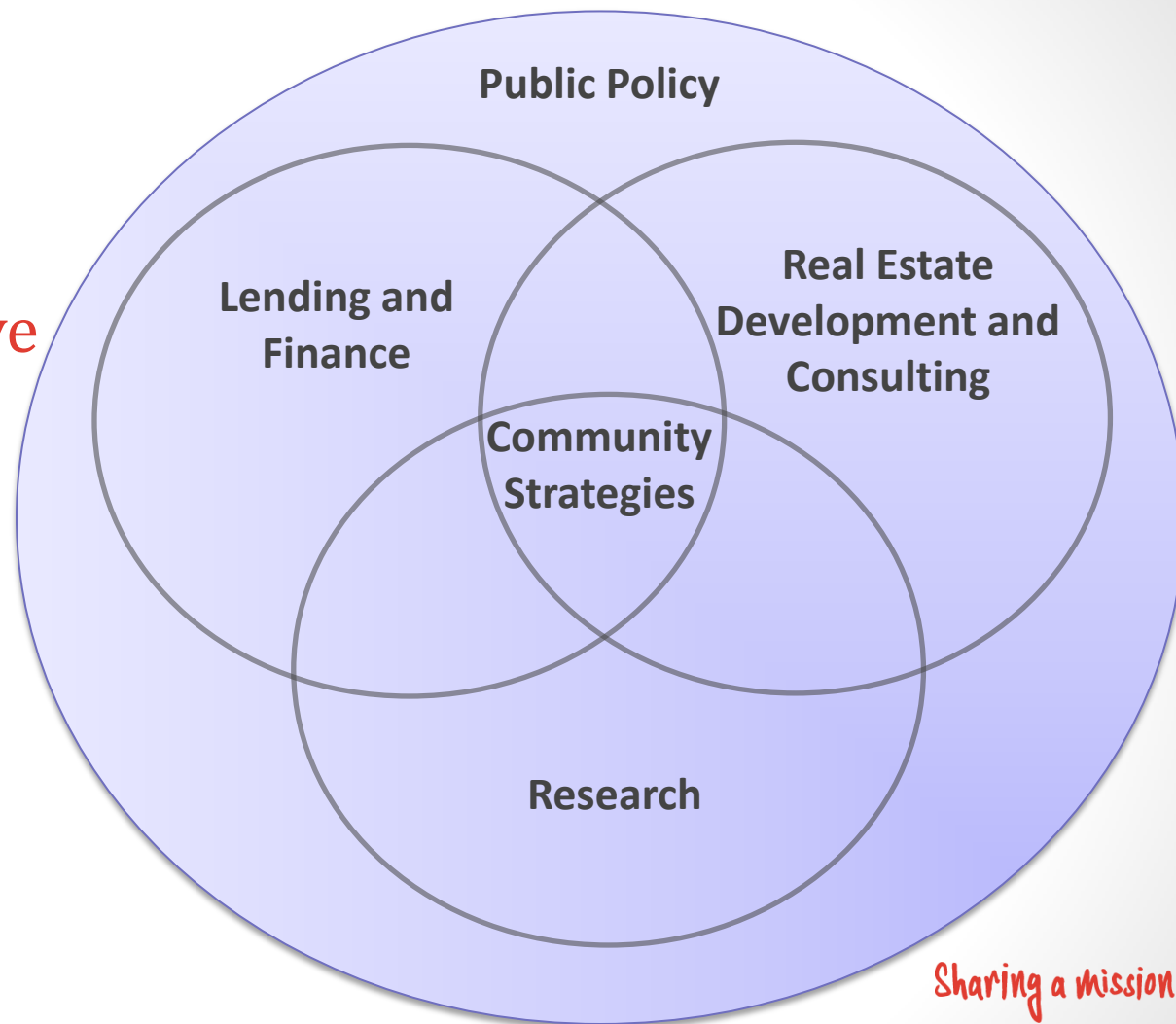


Sharing a mission of change

At IFF, we believe that every person has the right to a good education, fresh food, health care, and affordable housing, and to grow up in a safe environment, regardless of income level. And we are here to provide you and your organization with the tools and resources to help your community thrive for years to come.

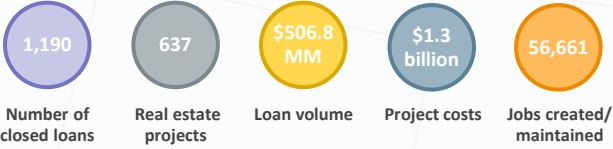
Joe Neri, IFF CEO

Leading
comprehensive
community
development



A focus on low-income communities & special needs populations throughout the Midwest

IFF overall performance

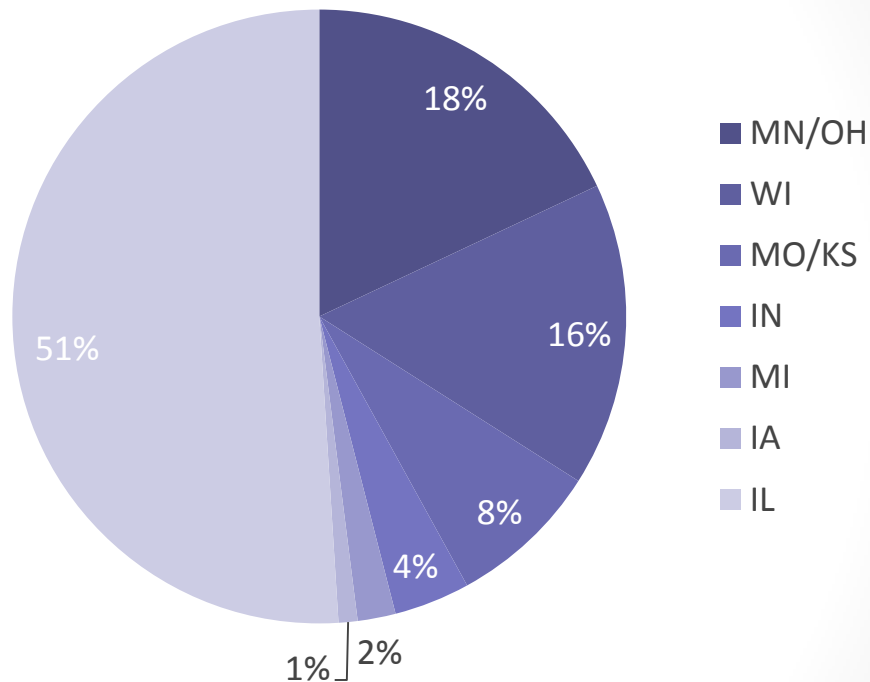


Sharing a mission of change

Total portfolio by state

(based in \$volume)

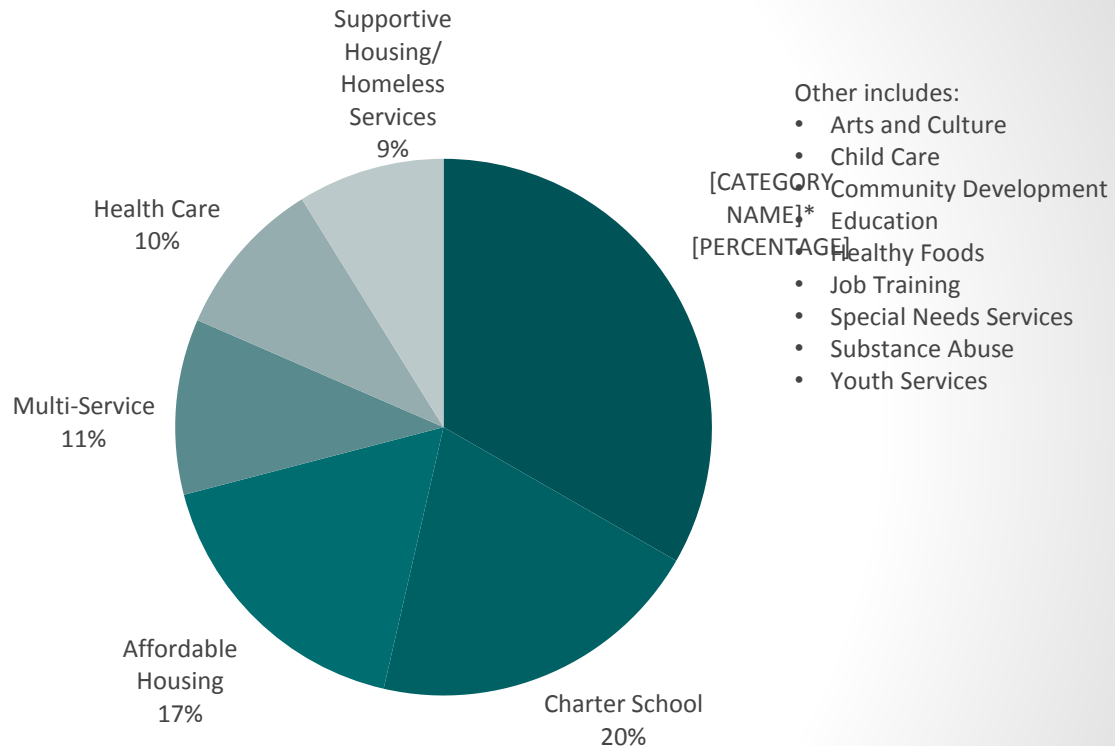
The loan portfolio is increasingly diversified by geography, as we expanded into Michigan and formed lending partnerships with CDFIs in Minnesota and Cincinnati, Ohio.



Total portfolio by sector

(in dollars)

IFF's portfolio reflects
diversification by sectors



Sample List of Investors and Funders

34+ Financial Institutions including:

- Bank of America
- BMO Harris Bank
- Northern Trust
- JP Morgan Chase
- PNC
- The Private Bank
- Citibank

13 Religious Institutions including:

- Adrian Dominican Sisters
- Catholic Health Initiatives
- Mercy Investment Services
- Religious Communities Investment Fund
- Trinity Health

26 Foundations including:

- The Skillman Foundation
- The Kresge Foundation
- The W.K. Kellogg Foundation
- John D. and Catherine T. MacArthur Foundation

Historical loan information and financial impact

Historical loan information	Current year	Cumulative from 1990
Number of loans closed	87	1,190
Average closed loan amount	\$631,712	\$425,924
Total closed loan amount	\$54,958,961	\$506,850,653
Financial impact	Current year	Cumulative from 1990
Total capital leveraged by IFF financing	\$205,624,436	\$1,595,347,439
Capital leverage ratio	3.74	3.15
Facility capital leveraged by IFF financing	\$147,822,166	\$1,320,499,740
Facility capital leverage ratio	3.89	3.36
Facility capital leverage Ratio excludes refinancing, equipment, working capital, and predevelopment loans.		



Metro East Region

BLACKENSEMBLE

Investing in Metro East and Southern Illinois

City	Loans (#)	Loans (\$M)	Rate Range	Terms
Alton	4	\$0.96	5% to 6%	1 to 15 yrs
Belleville	9	\$3.60	3% to 6%	5 to 22 yrs
East St. Louis	6	\$3.90	3% to 6%	5 to 15 yrs
Cahokia, Centerville, Granite City	3	\$1.63	4.5% to 6%	5 to 15 yrs
Jerseyville	4	\$2.05	5% to 6.5%	5 to 15 yrs
Lebanon	2	\$1.19	5% to 5.5%	10 to 15 yrs
Total	28 Loans	\$13.3 M	3% to 6.5%	1 to 22 yrs

Borrowers:	Since	Purpose of Loan(s)
Alton Day Care and Learning Center	2000	Rehab of Leased Property
Alton Square Apartments, LP	2014	Refinance
Area Agency on Aging of Southwestern Illinois	1999	Acquisition and Rehab
Caritas Family Solutions	1991	Rehab, Refinance
First United Methodist Church of Jerseyville	2003	Rehab, Refinance
Good Samaritan House of Granite City, Inc.	2005	Rehab of Owned Property
Land of Lincoln Legal Assistance Foundation, Inc.	2006	Acquisition and Rehab
Lessie Bates Davis Neighborhood House	2010	Working Capital
Local Union No. 101	2009	Acquisition and New Construction
New Life in Christ Interdenominational Church	2009	Acquisition, Construction, Refinance
Power of Change Christian Center, Inc.	2004	Refinance
Rise	2011	Predevelopment
Save-a-lot in East St. Louis	2015	New Construction
St. Clair Associated Vocational Enterprises, Inc.	2010	Refinance
The Sinai Family Life Center	2003	Acquisition and Rehab, Equipment
Touchette Regional Hospital, Inc.	2012	Rehab of Owned Property
Vincent Gray Academy	2009	Acquisition and Rehab
Violence Prevention Center of Southwestern Illinois	2000	Rehab of Owned Property





Case Studies

Development and Financing:

New
Construction of
Food Desert
Grocery Stores



Save-a-lot Grocery Stores East St. Louis, IL and Rockford, IL

- Used IFFF and HFFI Funds
- Developed and own the Rockford store
- +55 jobs

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Financing:

New
Construction of
Food Desert
Grocery Store



Harvest Market Grocery Store East St. Louis, IL

Community Partnership:

- Harvest Market
- City of East St. Louis and Community Residents
- Lessie Bates Davis Neighborhood House
- Twain Financial
- IFF and Associated Bank

Financing:

Leasehold Improvement and Acquisition



Carondelet Leadership Academy Charter School St. Louis, MO

- \$725 leasehold improvement loan
- Approved a \$3.3M loan for building purchase (CDFI Bond Guarantee)

Financing:

New Construction



Local 101 Plumbers and Pipefitters Training Facility Belleville, IL

- Deal with Commerce Bank under appraised (2009)
- IFF “plugged gap” with \$910K
- Deal structured to repay Commerce in 3 years (IFF in 15)
- Deal was successful and paid off early



IFF Services

Capital Solutions



- Loans for nonprofits, affordable housing and grocery stores
- 95% loan to cost
- Loans from \$10,000 to \$2 million
- 5- to 15-year loans @ 5% to 6%
- No fees or operating covenants
- First mortgage, leasehold, UCC, other

Technical Assistance



Strengthening nonprofits and the communities they serve
Illinois • Indiana • Iowa • Missouri • Wisconsin

IFF's LOAN READINESS INDICATORS for Nonprofit Organizations

Though not the right solution for every situation, taking on debt can allow organizations to build net assets, plan for growth, and control cash flow—strategic use of debt can be a highly effective financial management tool. When managed carefully, project loans enable organizations to reserve cash for operations and programs or can act as a bridge during a fundraising cycle.

Lenders will evaluate many aspects of your organization, including the strength of your board and leadership team. The following are just a few indicators of loan "readiness" that give lenders confidence that your organization has the financial capacity to service debt.

For more helpful financial and real estate planning resources for nonprofit organizations, please visit iff.org or call (866) 629-0060.

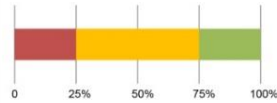
LIQUIDITY/CASH RESERVES (MONTHS)



WORKING CAPITAL (MONTHS)



NET ASSET RATIO



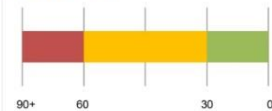
DEBT COVERAGE RATIO



DAYS RECEIVABLE



DAYS PAYABLE



LEGEND:

- Weak
- Acceptable
- Strong

Credit criteria vary by lender. Any lender commitment would be subject to a completed application, full underwriting, and appropriate approval.

New Market Tax Credits

2002	\$10M
2012	\$25M
2013	\$43M

St. Louis Area Clients:

- Arts and Education Council LOAN
- Beyond Housing LOAN
- City Garden Montessori Charter STRUCTURING / LOAN
- F2F, LLC Food Hub LOAN
- Greenstreet Sav-A-Lot LOAN
- Grand Center LOAN POOL
- Paraquad LOAN POOL
- SouthSide Early Childhood Center STRUCTURING
- St. Louis Language Immersion Schools LOAN POOL



Real Estate Services



- Financial Feasibility
- Site Search and Due Diligence
- Strategic Facilities Planning
- Facilities Assessment
- Owner's Rep Services
- Construction Management
- Housing Development Management

Phases of a Facility Project

Laying Groundwork

- Assessing Readiness
- Defining Project Parameters
- Evaluating Feasibility

Site Acquisition

- Site Search
- Site Due Diligence

Financing

- Structuring Financing/Funding Sources
- Applying for loans/grants

Predevelopment

- Project Team Assembly
- Design
- Permitting

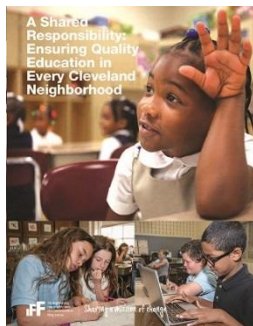
Closing

- Closing on financing

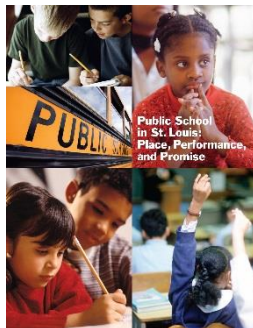
Construction

- Project Management

Research



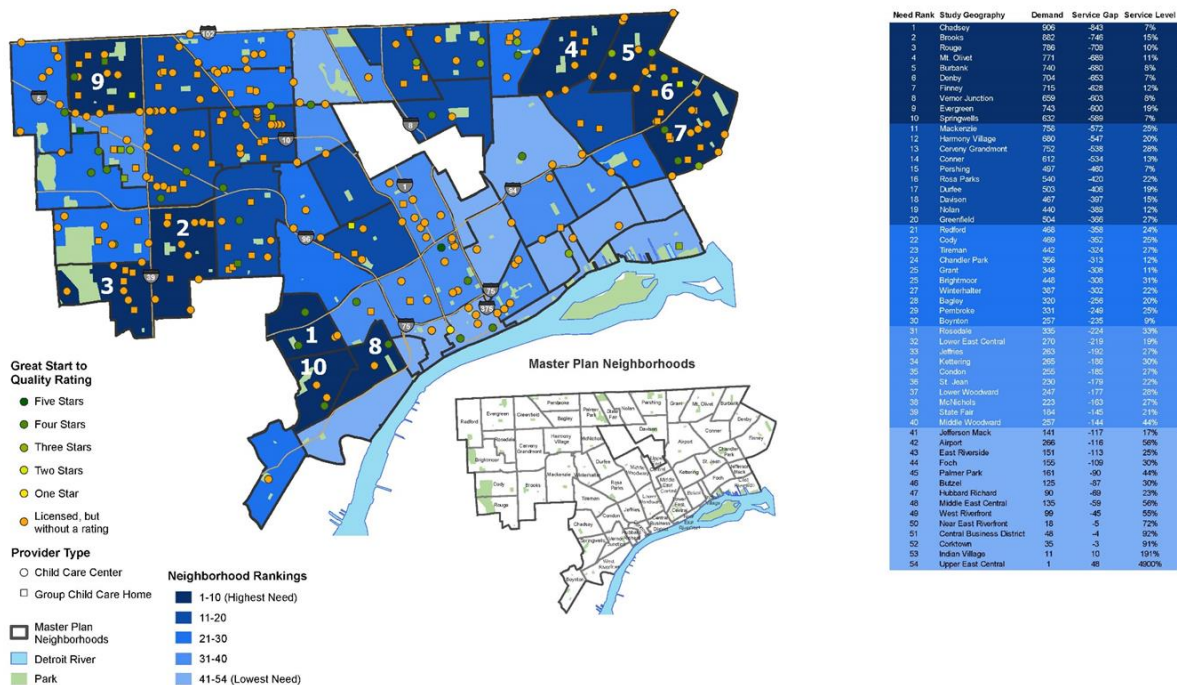
- Community investment analysis
- Supply and demand studies to measure need for quality schools and early childhood services
- Guidance on smart resource allocation



Service Gap for Children Ages 0-2 Years

Service Gap, Children Ages 0-2

Licensed Providers



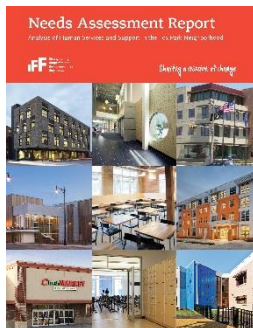
Sources: Eeri Single Year Age Data 2013. United States Census. United States Department of Health and Human Services. Michigan Department of Human Services. Michigan Department of Education. City of Detroit. Planning & Development Department.

IFF conducts independent research that enables nonprofit organizations, foundations, and government agencies to make informed decisions about resource allocation and policy initiatives. Please see www.iff.org/research for more information.

Prepared by



Community Strategies



- Proactive community development
- Short- and long-term real estate ownership
- Community conditions analysis
- Stakeholder engagement and relationship building
- Resource marshalling



Sharing a mission of change



Building stronger **schools**

Revitalizing communities through **affordable housing**

Improving **health care** facility design and finance

Providing **energy efficiency** solutions

Increasing access to **fresh, healthy food**

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Community Development Finance Institution (CDFIs)

Summary

- Designation under the US Department of Treasury
- Increased investment in low-income communities
- Financial and Technical Assistance

Pros

- Will often make riskier investments/loans
- Often more flexible and affordable terms
- Provide technical assistance
- Able to provide subordinate or gap financing behind commercial banks

Cons

- Smaller Financings
- Timing related to approval and closings

Affordable Housing Loans

- Typically first position debt, 30-yr amort. with 15-yr term
- LTV of 80% based on as-completed & stabilized value
- Loan amount up to \$1,500,000
- Reserve requirements vary on type
- 1% loan origination fee & no other fees

CDFI Bond Guarantee Program

- Bond Financing backed by Treasury Dept. guarantee
- Projects over \$1 million
- Low, tax-exempt, investment grade rates
- Terms up to 30 years
- Leased or owned spaces
- 100% financing
- Sponsored \$262 million for new/existing campuses