

On Community Reinvestment

Brian Hollenback

President/CEO

Economic Growth Corporation

The History

Mission Driven for over 30 Years



In the 1980's, one of Rock Island's major employers, International Harvester, closed its doors resulting in a loss of 5,000 jobs.

Rock Island's population dropped over 20%, and a common bumper sticker read "If you are the last one to leave, please turn out the lights."

The Results

Mission Driven for over 30 Years



Instead of giving up, the **community joined together** to seek ways to promote new development, new housing, new businesses, expansion of current businesses and to improve the overall quality of life in Rock Island.

The renaissance began and GROWTH was birthed, serving as a catalyst to spur the commitment and investment of public and private partners.

The "Early Years"

1992-1999



★ 1992: The Doris & Victor Day Foundation donated \$500,000 (2-year commitment) to kick start GROWTH's home renovation program in Rock Island.



★ 1993: Completion of four homes in one of Rock Island's oldest, historic neighborhoods

★ 1996: HOME Purchase Renovation Program begins as a pilot initiative in Rock Island



★ 1998: GROWTH and Breachmenders capitalized on the strengths of each entity and combined into one nonprofit housing organization.

★ 1999: GROWTH was designated as a Community Housing Development Organization (CHDO) by HUD. CHDOs qualify for a special set aside for funding, technical assistance and pre-development dollars.

The rapid "growth" of GROWTH

2010-2012



2010: GROWTH as lead organization of the Northwestern Illinois Housing Coalition was awarded \$18.5 million Neighborhood Stabilization Program 2 and will administrate the program for the City of Rock Island, City of Moline, and the City of Sterling.



★ 2012: Amended bylaws to become a national non-profit, community based organization focused on enhance the overall image and economic vitality of low-income communities.

NSP 1 (\$3.1 million) was successfully closed out in partnership with the City of Rock Island.



Central States Development Partners, GROWTH's CDE, closed on its first New Market Tax Credits Transaction This \$10 million transaction allowed Central States Development Partners to build capacity as a CDE and generated non-restricted income to be invested in Rock Island.

GROWTH Today

2019





2017: Nationally recognized, award winning non-profit organization

\$80 Million multi faceted organization

\$65.2 Million total investment in NW Illinois through NSP 1 / NSP 2 / IL Attorney General National Foreclosure Settlement

Awarded \$100 Million in New Market Tax Credit Authority

\$300 million in leveraged resources

National Non-Profit

Assisted 760 homebuyers with more than \$14.9 Million in assistance

Over 1,200 homes impacted – 318 multifamily units

1998:

3 employees \$1 Million balance sheet



2019:

23 Total Employees \$80 Million Balance Sheet

Andrew Fisher

Construction

Director

Executive Board

Brian Hollenback President/CEO

Carey Jorgensen Director of Property

Karen Hartzell Property Manager

Christie Gibson Property Manager

Sheila Dimke Prop. Mgr/ Maint.

Marshall Koehler Maint. Tech

> Rodney Maint. Tech

Frank Ramirez PT- Maint. Tech

Holly Hoggatt PT- Janitor

> **Billy White** PT- Janitor

Jon Davidshofer Director of Development

Sam Odeyemi Officer

Jeremy Crafton Project Manager

Cindy Berg Chief Financial Officer

Kate Lackey

Stockwell

James Jones

Alex

Joan Fiame

Assistant to the President/CEO Administration Director

Kerry Mangelsdorf

Manager/IT **Ashley**

Ramos Administrative

Erik Reader Beth Payne DARI Program Support

(contract)

Erik Hansen DARI Ambassador

37 years

Remaining true to our original mission

The growth of GROWTH:

How a Little Housing Organization grew to be a regional play with a national reputation



Affordable Housing Development for over 30 years

760 families assisted in home purchase \$67 Million in home sales \$14.91 in grants and assistance

126 homeowners with repairs to their homes. \$3.79 Million invested to address aging housing stock

1,339 total housing units created/and or impacted

Includes developing 318 multifamily housing units and 38 new construction single family homes

1,886 individuals successfully completed HUD-approved housing education course.

How is it done?

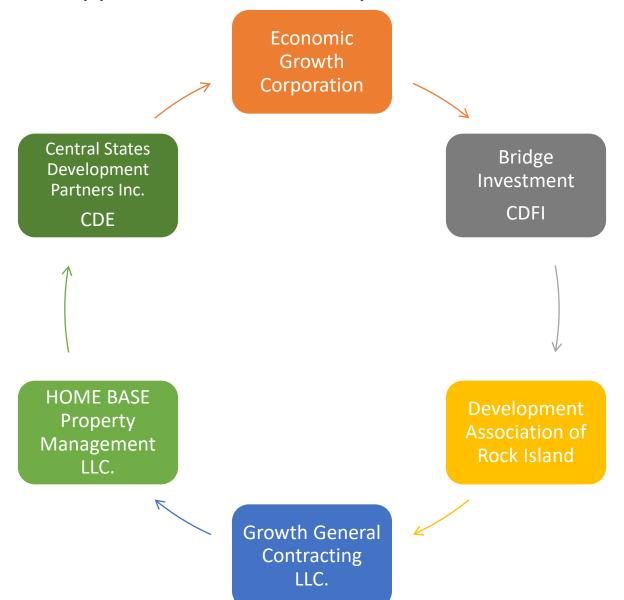
Board of Directors Visionary Leadership & Unwavering Support





Diversified Business Model

Comprehensive Approach to Community Revitalization



Diversified Business Model

Continuing to meet needs of distressed communities and underserved people

Economic Growth Corporation

Economic Growth Corporation (GROWTH) is a national 501(c) 3 non-profit organization dedicated to enhancing the overall image and economic vitality of low-income and underserved communities by improving housing market dynamics, increasing housing access, encouraging home ownership, providing homeownership counseling, foreclosure prevention & intervention counseling, creating jobs, and growing the tax base. With \$200 million in leveraged resources, GROWTH is regarded as a national leader in developing innovative housing opportunities and commercial developments by facilitating community partnerships

Central
States
Development
Partners,
Inc.

serves as a Community Development Entity to access and deploy New Market Tax Credits (NMTC).

HOME BASE Property Management LLC

serves as the property management company for all residential and commercial properties owned by GROWTH.

GROWTH General Contracting, LLC

serves as the general contracting company for smaller construction projects developed by the company.

Various LLC's

Created for purposes of multifamily, residential housing and mixed-use developments.

Bridge Investment

Community
Development
Financial
Institution, assists
emerging
economic needs of
low-and-moderate
income

Partners (to name a few)

Expert in Public-Private Partnerships

















Northwestern Illinois Housing Coalition
6 municipalities and
3 non-profits

Strategic Partnerships Strong Public-Private Partnerships are key



Strategic Partnerships Strong Public-Private Partnerships are key

Mayfest plans return in 2019- to campus locale

Jan 31, 2019



latest news

- . Good Sam plans blood drive
- MC Rotary plans dinner-dance
- MC reclaims low temp
- Mayfest plans return in 2019- to campus locale
- TLP auditions Feb. 3
- Old Man Winter takes control
- Carroll County Toys for Tots 2018 year-end totals released
- Relay Kick-off

Strategic Partnerships Strong Public-Private Partnerships are key



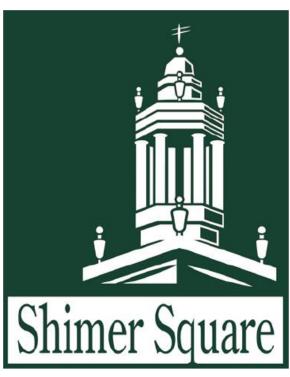
Affordable Housing Development

Creating market-driven housing that is affordable

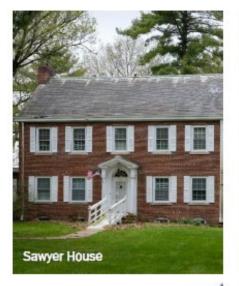
Shimer Square

Mt. Carroll, IL

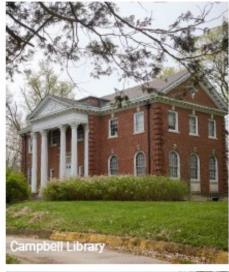




Shimer Square













Involving the Community

TOP STOR

Economic Growth plans to revitalize Campbell Center

Dec 12, 2018



latest news

- Economic Growth pla
 Center
- WC Alumni Tourney .
- TLP Christmas Show
- Right Steps Family ha
- . Story Time at the Mou

Photo courtesy of Carroll Co.



is Colorate Chronic Contraction Administration Beach Sign. Rept. the result of the color treat hydroxy Standard in the color of the Colorador Col

Photo courtesy of Carroll County Mirror-Democrat

Multi-Year Redevelopment \$60 Million investment



Phase 1 (Blue) Phase 2 (continued) Phase 4 (Green)

Mixed-Use Development in Downtown Springfield









Centre @ 501 "How to get Tough Deals Done"

New Market Tax Credits:	\$2,100,000
Federal Historic Tax Credits:	\$1,200,000
• Illinois Housing Development Authority, State Donation Tax Credits:	\$1,400,000
• The City of Springfield, Tax Increment Financing (TIF):	\$1,600,000
Debt, Illinois National Bank:	\$1,600,000
Developer contribution:	<u>\$520,000</u>

• <u>Total</u> \$8,600,000

Renaissance Lofts & Goldman Lofts

First multifamily development project in the region, 15 years later, exits out of tax credit compliance and enters new ownership structure with new investment planned in 2020

Goldman Lofts



The process begins with decision of a property owner to donate a white elephant structure to a local not-for-profit.

Goldman Lofts



501 c3 status allowed tax benefits to exceed probable cash sale proceeds.

Goldman Lofts



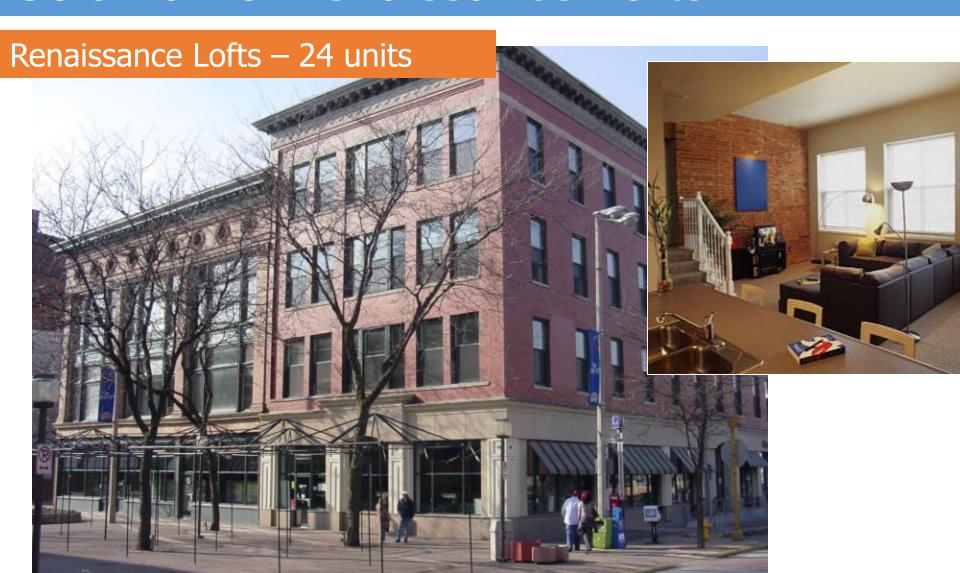
Splitting the parcel, the former annex became the (former) offices of Renaissance Rock Island. Sold in 2016 providing new resources for reinvestment.

Goldman & Renaissance Lofts



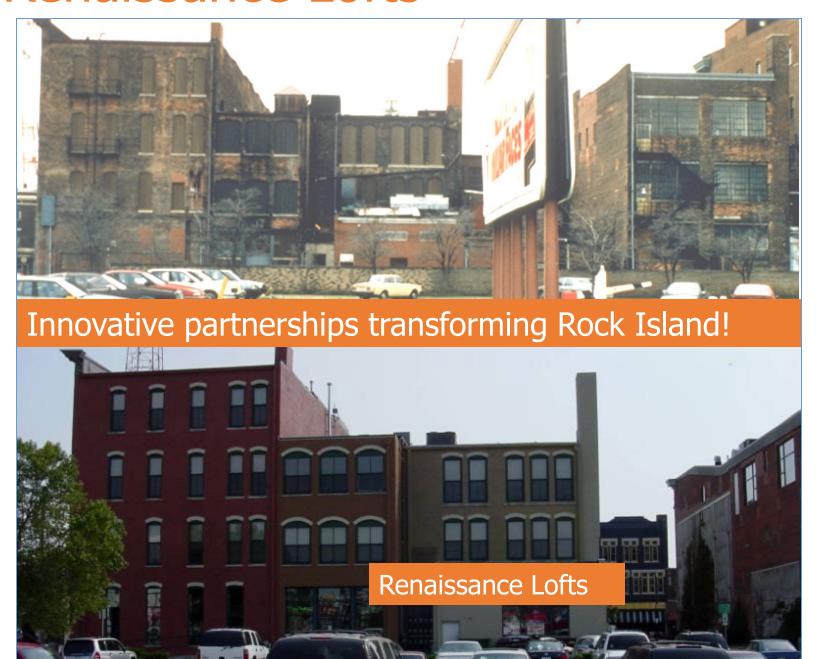
In one project two white elephants were converted to 52 units of loft housing.

Goldman & Renaissance Lofts



\$6.3 million development employed 100 workers through various trades. An additional 40 persons were utilized in peripheral positions.

Renaissance Lofts



Goldman & Renaissance Lofts



Units are attractive to retirees and young professionals.

Goldman & Renaissance Lofts



Goldman & Renaissance Lofts Commercial Space Lease Back

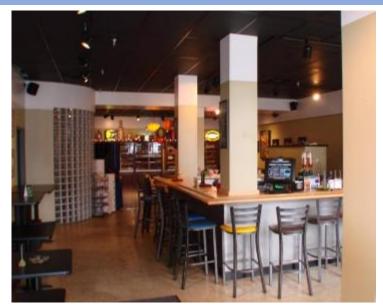
The Development Association of Rock Island (DARI) long term lease to maintain first floor commercial space.

\$1 Million initial investment: Commercial buildout

\$1.00 per year + pro rata share of taxes, insurance & maintenance.

Sublease income pays for commercial build out costs then becomes an annuity for the not-for-profit.

Gives flexibility for income or retail development.





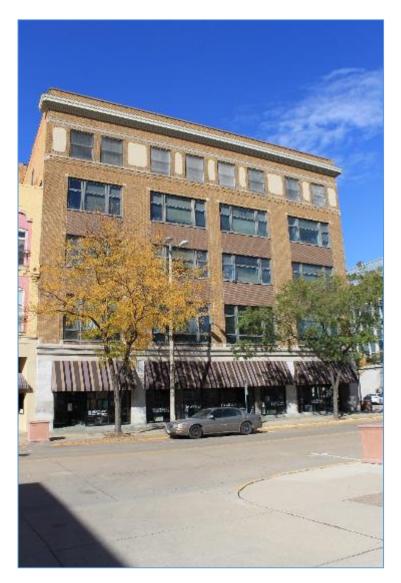
Renaissance Lofts: Business Incubator

Activity Generator for Downtown



Goldman Lofts: Business Incubator

Supporting Arts, Wellness, & Entrepreneurs









Renaissance Lofts & Goldman Lofts: Refinance End of 15-year tax credit compliance period





New Ownership Structure

\$4.5 Million Refinance

\$2 Million New Investment

Aligned to Community Plans, years in the making

2008: Identified as priority project in 2010 Downtown Strategic Plan

2009: Predevelopment identified as a 72-unit LIHTC development



2011: Mixed Use development consisting of 30 residential units + commercial space with the help of Neighborhood Stabilization Program 2



2012: Completion of \$8.8 Million Adaptive Reuse Development



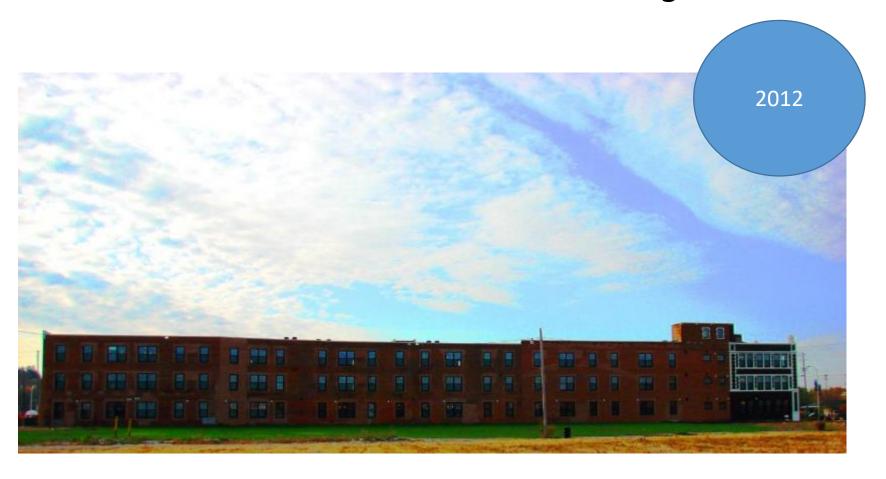
Sources of Funding:	
Neighborhood Stabilization Program 2	\$5,908,898
MWA Bank	\$1,305,000
City of Rock Island TIF	\$740,000
US EPA	\$300,000
State Donation Tax Credits	\$318,200
DCEO	\$36,000
Total Project Cost	\$8,831,087

51 Full Time Jobs Created

Consistent with the Downtown Strategic Plan



Consistent with the Downtown Strategic Plan



Have a plan... work your plan... aligning with community goals

Garden District

Capitalizing on the success of Jackson Square and the Arsenal Gateway Plan



Garden District

\$2.1 Million Single Family Development







Garden District

Nearly \$20 Million of business growth, expansion, and investment as part of Arsenal Gateway Plan



Quad City Botanical Center's **new Children's Garden**, built on newly cleared land near the Botanical Center north of Jackson Square and the Garden District.

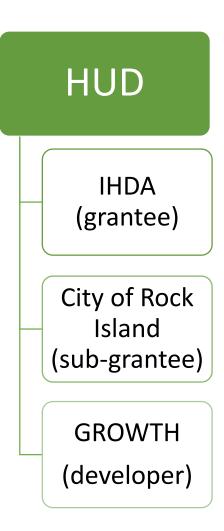
Neighborhood Stabilization Program 1 & 2

Direct Allocatee of \$18,500,000 Neighborhood Stabilization Program

Neighborhood Stabilization Program-NSP 1

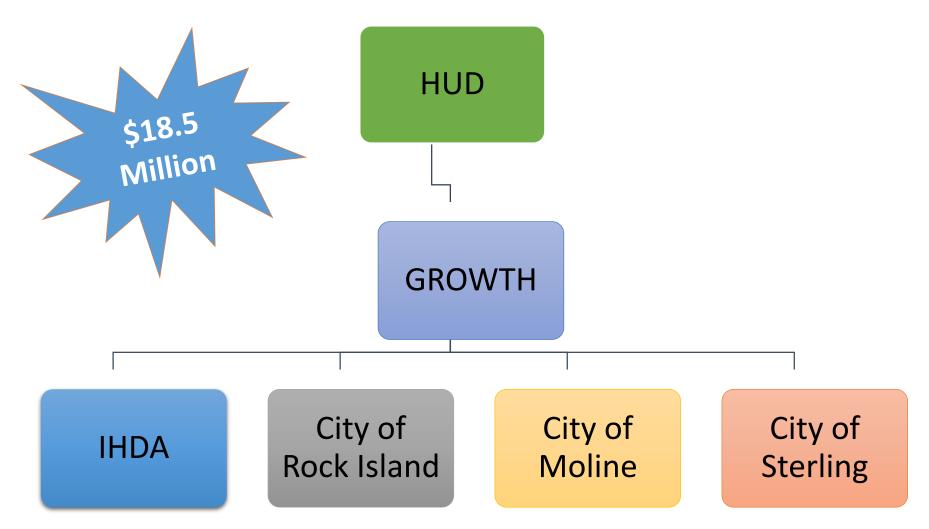
GROWTH was the Developer utilizing NSP1 funds through the City of Rock Island and IHDA





Neighborhood Stabilization Program 2

• GROWTH was the <u>direct HUD recipient</u> for NSP2 and serves as Lead Entity for the Northwestern Illinois Housing Coalition.



New Infill Broadway Historic District







New Infill Homes: New Old Chicago Redevelopment Subdivision









WELLS FARGO

New Old Chicago Redevelopments Subdivision

Demolition of Blight (2), New Construction (8), Rehabilitation (1) & Façade Improvement (1)





New Old Chicago Redevelopment Subdivision

Phase 1

 NSP 2
 \$820,727

 Wells Fargo Foundation
 \$ 75,000

 Private Debt
 \$236,800

 DECO
 \$ 8,000

 Total Phase 1
 \$1,167,527

Wells Fargo
"Leading the Way
Home"
Grant Recipient
2012 & 2013

Phase 2

NSP 2, Program Income \$208,002
Wells Fargo Foundation: \$100,000
Private Debt: \$278,000
IHDA, State Donation Tax Credits \$173,926
Total Phase 2: \$754,928





Total:

\$1,922,455

CHDO Pilot Program











Designated CHDO in 1999

5 homes

City Wide Program

\$800,000 awarded to Community Housing Development Agencies

GROWTH was second highest award recipient due to past performance

Neighborhood Stabilization Program Resilience Report

Neighborhood Stabilization Program **\$44 million invested**

\$18.5 million grant: \$25.5 million leveraged















































Neighborhood Stabilization Program Resilience Report

\$44 MILLION TOTAL INVESTMENT

- \$21 Million in NSP 1 & NSP 2
- \$22.8 Leverage

\$8.6 MILLION GENERATED in local, state, and federal taxes*

236 JOBS CREATED

208 HOUSING UNITS IMPACTED

147 HOUSEHOLDS ASSISTED

*NAHB Model local impact for job creation and taxes generated

Impact- Housing Activity

IMPACT – Single Family

\$30,217 in Government Revenue is generated for every \$100,000 in remodeling.

Social Security Taxes = 8,124

Income Taxes paid by Businesses & Employees

= 14,756

Taxes on Production & Imports

= \$776

Federal Revenue Generated

= \$23,656

Taxes paid by Businesses

= \$2288

Taxes paid by Employees

= \$1116

Sales Tax \$1,908 Permit hookup Fees

=\$1250

State Revenue Generated =\$6,651

^{*} Based on a Model Developed by the National Association of Homebuilders

Community Benefit Agreements *Realized*

Employer Assisted Housing Program

14 Year Community Benefit Agreement

- Created in 2003 after the City of Rock Island was declared a "Live-Work Community"
- Serves as a national model for live-work housing
- Phase 10 recently awarded by the Illinois Housing
 Development Authority

358

Employees purchased homes in Rock Island since 2003 \$1.9 Million

downpayment and closing cost assistance since 2003

\$33.6 Million

generated in Rock Island real estate transactions since 2003

Employer Assisted Housing Program

Top Participating Employers













Employer Assisted Housing Program

2019 YTD

14 Employees \$1.2 Million generated in real estate transactions

\$59,440 downpayment and closing cost assistance Mission Driven Organization: National companies investing in hometown



National companies investing in hometown

2008

GROWTH Board made a bold decision to become a Community Development Entity to bring additional resources back to Rock Island for investment.

Columbia Park Plan specifically sited as a reason to become a CDE.

Renaissance Rock Island Newsletter

Development Association of Rock Island (DARI) Rock Island Economic Growth Corporation (GROWTH) The Downtown Rock Island Arts & Entertainment District (The District)

GROWTH to Become a Community Development Entity

At the September GROWTH Board meeting, the Board members voted to approve becoming a Community Development Entity (CDE) and expand its service area. This big, bold move for GROWTH will lead the organization into new endeavors that will benefit Rook Island.

A CDE is an entity created to participate in the New Markets Tax Credits Program. It must have a primary mission of serving low income people or communities.

New Markets Tax Credits are designed to be used as a catalyst in underserved markets. It is an opportunity to bring capital for economic development and job creation. A 39% federal income tax credit is provided. This could be combined with a 20% historic tax credit, making it even more attractive in Rock Island.

A national approach was approved by the Board in order to afford the most opportunities possible when creating this new entity.

Service will be targeted in the states of illinois, lowa, Wisconsin, Indiana, Alabama, Louisiana, and Mississippi. The seven states were chosen because of existing relationships staff has in those communities.

As required by law, a CDE must have a governing or advisory board made up of not less than 20% of low-income community representatives. Currently 52% of GROWTH's Board resides or works in qualifying census tracts.

In order to fulfill our commitment to a national representation, Shelly Sheshy has joined the advisory board. Shelly serves as a board member for the National Community Reinvestment Coalition.

Subsidiary CDE entities will be created for future developments to isolate risk and provided an entity to "park" the investment, generating income for reinvestment in Rock Island.

New Markets Tax Credits could assist with a perject in

y. investment opportunities for sid in the states consin, Indiana, and Mississippi.

GROWTH is

excited to

become a

providing even

CDE.

Example of a New Markets Tax Credit Deal

Job-based project.

Minimum project size = \$5 million (net allocation)

Targeted Development Mix 30% income from commercial tenants.

Retail on first floor.

Community facilities such as medical, art space, theater, museum, library, charter school, day care, or cultural awareness and learning are elicible.

Rental housing on upper stories with 20% of the units at 80% area median income.

Owner occupied "Live Work"
housing, providing a great way
for investors to demonstrate
lin leveraged funds.





2012:

DOT Foods: \$10 Million NMTC







2012: Hill & Valley: \$10 Million NMTC facilitation



2016: \$45 Million NMTC Allocation





Halo Branded Solutions- \$9 Million NMTC Allocation
Sprung out of 10-year relationship working with the City of Sterling

2017:\$20 Million NMTC Allocation



OrthoIndy Foundation- \$8 Million NMTC Allocation First Veteran-Centric YMCA in the Country

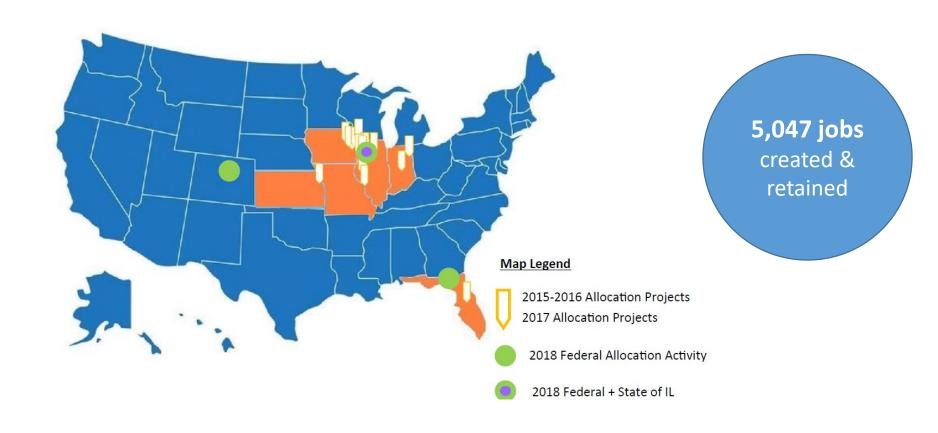
2018: \$35 Million NMTC Allocation





TruStile Doors, \$5 Million NMTC Allocation Adams County, CO

\$100 Million Back-to-Back New Market Tax Credit Allocation Awards



State of IL New Market Tax Credit Development Program Allocate: \$4.3 Million

4,179 JOBS



HALO- Sterling, IL

Closed March 31, 2017

NMTC Allocation
\$9 Million

Total Project Cost \$19 Million

Jobs Created 250





\$100,000 CAPITAL INVESTMENT







Mission: Provide fair and equal access to critical housing resources for underserved populations in an effort to promote wealth-building opportunities.

Advancing Economic Growth
Corporation's efforts to reach
underserved people throughout
the region with innovative
housing and financial education
resources while providing
exceptional customer service.





Programs

Financial Education

Homeowner Assistance Programs Financial Literacy Counseling

Homebuyer
Downpayment
Assistance

Homebuyer Education

Housing Counseling Services

Residential Property Management

Commercial Property Management

Pre-Purchase & Post Purchase Counseling



Foreclosure Prevention Program +
Foreclosure Prevention Program Graduated+
Mon Valley

Foreclosure Prevention Program Grant:

Awarded \$92,500-- \$32,500 more than requested

Foreclosure Prevention Program- "Graduated"

Awarded \$100,000-- \$40,000 more than requested

- \$20,000 Marketing
- \$10,000 Capacity Building
- \$5,000 Staff Training

Mon Valley

\$20,000 grant to assist with Homebuyer & Financial Education (reimbursement basis)

\$192,500 toward financial and homebuyer education











A total of 14 Non-profits have benefited from CBA



Central States: Charitable Contributions

Charitable Contributions Provided by Central States Development Partners:

- 1. National YoungARTS Foundation
- 2. Quad City Arts
- 3. Native American Indian Center
- 4. Transitions for Mental Health











Community Benefit Agreements

Charitable Contributions made by National CDE to Non-Affiliated Non-Profits















Community Benefit Agreements

Charitable Contributions made by National CDE to Non-Affiliated Non-Profits









BRIDGE INVESTMENT

Community Development Corporation

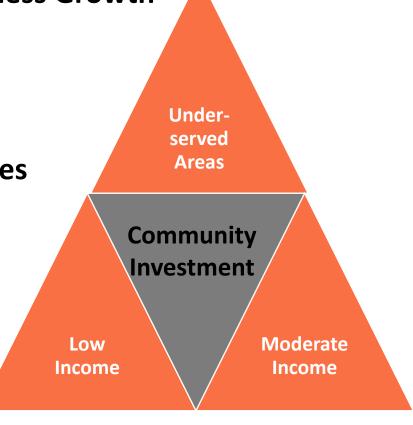




Small & Emerging CDFI

Supporting Job Creation and Business Growth

- Support for Urban and Rural Areas
- Revitalize and Stabilize Communities
 - LMI areas
 - Underserved Areas
 - Distressed Areas





About Bridge CDFI

- 501(c)3 national not-for-profit corporation.
- Focus on Iowa and Illinois.
- Seeks to empower individuals, businesses, and cities through its financial programs.
- Assists the **emerging economic needs** of communities.



Our Mission

Support job creation and economic growth in low and-moderate-income communities and underserved areas by:

- Providing community-based lending and investment;
- Leveraging public and private investment for economic and community development;
- Fostering the creation and preservation of lowand-moderate-income housing for low-andmoderate-income households.





Our Methods

- Provide Working Capital
 - To address working cash flow needs of existing and / or expanding businesses.
- Provide Patient Capital
 - To entities utilizing Development Agreements for the purpose of real estate transactions.
- Provide Short-term Gap Financing
 - To entities seeking to assist with predevelopment costs of businesses or real estate activities.



Bridge Investments

Impact

\$2,197,529

Total Loans
Originated
since
September
2016

957

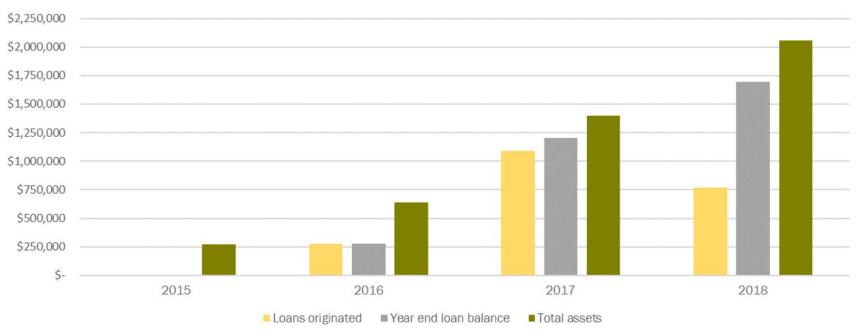
Jobs supported/retained

\$172,525,235

Leverage

4-Year Growth of a CDFI





Bridge Investments

\$2.1 Million in lending activity since September 2016



National 501c3 with a focus on Illinois and lowa



Emerging CDFI



Neighborhood Stabilization

BRIDGE INVESTMENT

Community Development Corporation



Creating affordable homeownership opportunities



Small Business Growtl

Community Benefit Agreements

SEED Rock Island



A streamlined approach to starting, building, and developing small business growth in Rock Island

ROCK START: Start Up Grants

R: Incubate

riGROW: Microloan Program

Loan Amount

From \$500 to \$10,000

Eligible Uses:

- Working capital
- Inventory
- Equipment
- Machinery
- Staffing

Flexible Terms:

8 months to 36 months

Interest Rate:

Lower than traditional rates

Microloan Application

Bridge Investment Community Development Corporation

What is a microloan? It is a short-term loan with a low-interest rate that is offered to self-employed individuals, new startUps or small businesses with only a few employees. Use a microloan to solve the small issues that will help you do big things.

We're here to help local, small businesses get growing.

Loan Amount

Borrow amounts from \$500 Up to \$10,000 for working capital, purchasing inventory, buying equipment, machinery and hiring needs.

Term Length

Repayment terms vary based on amount, needs of borrower and Use of fUnds. Typical periods range from 8 months to 36 months.

Interest Rate

Microloans offer interest rates that are lower than traditional lenders average market rate.

Find out if you meet eligibility by speaking to one of our small business specialists today!

Bridge Investment Community Development Corporation 100 18th Street, Suite 109 Rock Island, IL 81201 (309) 794-8711 bridge investmentack.org



SEED Rock Island
Wake Brewing: \$10,000

Funding provided will assist the new brewery with its first months in protecting the business cash flow and operation expenses.





Discounted Furniture: \$10,000

The owners of the furniture store are seeking to increase their market potential with the addition of a custom mattress line that will help separate their business from others in the area.

With the funding, they will be able to purchase new inventory and being marketing the product to the region.



SEED Rock Island

Gentry Boutique: \$4,600

Courtney Loftin was looking to transform her women's clothing boutique into a yoga lifestyle boutique with apparel, equipment and a space for practicing yoga. As her brand transforms, she is sought funding for new inventory, storefront improvements and marketing needs.



Pitch. Connect. Fund.

Development Forum to Grow Illinois and Iowa

Pitch. Connect. Fund.

Learn & Meet:

New Market Tax Credit Investors Historic Tax Credit Investors Opportunity Zone Investors Loan Funds

Pitch your Deal:

15 minutes pitching your deal, why it matters, how quickly its set to close, and why it should be funded.

Register to attend:

EconomicGrowthCorporation.com/ Register

Submit your Pitch:

EconomicGrowthCorporation.com/Pitch



Please join Central States Development Partners, The Business Valued Advisor Fund, Midwest Industrial Red evelopment Fund, CIDC, US Bancorp Community Development Corporation, the National Trust Community Investment Corporation, Bracket Partners, Bridge Investment COPI, and Appligate & Thome-Thomsen to learn how you can gain access to low-cost accurace of capital to solve a portion of your capital needs while creating algorithms to community and economic impact in distressed ervess.

Learn about opportunities available through national Community Development Entitles, Opportunity Zone Investors, and Community Development Financial Investigations

This is a must-extend event if you have a pending deal in lows or Illinois. Network and pitch your deal to acme of the nation's top aconomic development professionals. You will be aligned with some of the nation's top performing. Community Development Enthes, Equity and OZ Investors, and Community Development Financial Institutions. You will receive one-on-one opportunities to pitch your deal, why it matters, how quickly it's set to close, and why it should be funded.

DETAILS

Wednesday, November 53 Introduction: 5:30-2:00 p.m.

Programming 2:00-8:00 p.m.

Plick 9:00-4:00 p.m. Reception: 4:00-5:00 p.m.

REGISTER

Online at www.<u>Boonomic@rowthCorporation.com.</u>or via email events@growthcorp.org to register

PITCH

Submit your project https://

easy accomming method more from com/olich-sour-feet inter-

LOCATION

Holdey Inn - Rock Island 220 17th Street Rock Island, IL 61201



















"Times institutions are squar coperating Promotes. Typic need an Interpreter, temestatin, materials in internate formats or other accommodations to access this program, preser contact us at least three business days prior to the meeting.

In Conclusion....

GROWTH will continue to grow and evolve in order to meet its mission and the needs of the communities it serves.

To learn more and how to partner with us to benefit our communities...

Contact



Brian Hollenback

President & CEO

Economic Growth Corporation

309-794-6711 100 19th Street Rock Island, IL 61201

Question & Answer