Momentum

Report on Activities

2010 | 2011

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Trinita Logue | President

Joe Neri | CEO

Carl Jenkins | Chair

Letter from the Chair, Carl Jenkins

The two years covered by this report have been years of extraordinary success and growth at IFF coupled with the implementation of our succession plan for the Chief Executive Officer position. The role of a Board of Directors is never more important or more tested than when faced with change. And the selection of a CEO is the single most important responsibility of any Board. IFF's board has tackled this change and more over the past two years.

The move from our founding CEO, Trinita Logue, to Joe Neri, who assumed the position of CEO on January 1, 2011, was well-planned and well-executed, thanks to these two extraordinary leaders, who have worked as partners for 16 years, and who both have far-sighted vision for IFF. One of the many things they have in common is they like to carefully plan to achieve that vision. Trinita and Joe, we salute you!

The succession process involved the entire board of directors over the terms of three board chairs—I joined Tom Kim and Marty Sinnott in leading this important event. David Crawford, chair of the Governance Committee, and Michael Shindler, who chaired the Financial Strategy Committee in 2010, played key roles, as did many others.

It is easy to talk about partnership, as an idea and an over-used term for so many relationships. Similar words are communication and trust—easy to say; often hard to do. A succession process is an opportunity to learn what those words really mean—and what they can mean—to experience first hand the satisfying value of getting it right. Clarity about the issue at hand and its strategic importance to IFF's future were the only focus for the board. This enabled the board members to focus on the right decisions for the future.

The importance of a board structure to support this discipline is even clearer to us now as we look back over the last few years and realize that we had the highest level of thinking about the needs of IFF from members who have now moved on.

We said farewell to Thomas Kim, Raul Raymundo, Michael Shindler, and Marty Sinnott. And we welcome new members: Ramon Cepeda, Rodney Tyson, and Diane Williams.

Succession planning was our most important job but it was not a distraction from our other responsibilities. We came through a recession and portfolio challenges, and have emerged stronger than ever and keenly aware of our responsibility to society. This report reflects the energy that has been dedicated to new solutions, new partners, and a broader role for IFF.

Together we have launched several new initiatives that bring significant change to IFF's historic mission: housing ownership and lending to retail community businesses that will increase access to healthy foods in high need areas. This report details additional programs and products that extend our reach in our ongoing service to nonprofits and community businesses, reflecting the critical needs of low-income communities. IFF's reputation and success have meant that new funding and investment have been available to support this growth. Our succession plan enhanced our reputation, and Joe Neri's energy and commitment have already accelerated IFF's growth. The partnerships continue.

Letter from Trinita Logue

Fifteen years ago when Joe Neri joined IFF, a partnership began that led to his appointment as CEO on January 1, 2011. IFF had been on a consistent growth trajectory for almost a decade, when Joe joined IFF to establish our real estate consulting and development as a business unit. In 2003 he became Vice President of Lending, and led the regional expansion strategic plan as well as the move into affordable housing. In 2009 Joe was appointed Executive Vice President.

Colleagues, investors and funders alike have asked about our partnership. We know what the word means. It is a serious word that carries serious responsibilities. And our partnership and the resulting succession plan would not have been possible without an environment around us that also understood the meaning of the word. Committed board members supported us as we created that environment. The benefit—now obvious—is the security of IFF's future. IFF now includes succession planning done right as one of its achievements.

Over these years we built—with a talented board and an exceptional staff—an organization that was well positioned to act on the opportunities of the last two years that came our way—unprecedented and somewhat unexpected opportunities.

Private sector financial institutions have always appreciated the value of the CDFI model, but the consistent growth and excellent performance of IFF and other large CDFIs led to significantly larger investments in 2010 and 2011. Likewise, the federal government understands the value of the CDFI model, and Congress has held steady—across the aisle—on appropriations for CDFIs so we can maintain and build our core net assets.
It would be reasonable to express surprise that we have so much growth opportunity during these challenging economic times, but these partners—financial institutions and the federal government—still have a job to do in assisting low-income communities. CDFIs are the right partner for them to accomplish this.

In the fall of December 2010 President Obama signed the Small Business Jobs Act, which contained a number of programs and regulatory changes to support CDFIs' ability to grow and lend. Several of these are open to IFF—the Small Business Loan Fund provided an infusion of capital in 2011 from the Treasury at very low rates, which bolsters our financial stability. The second program—the CDFI Bond Program—will enable IFF to apply to issue long-term bonds guaranteed by the federal government. This unprecedented opportunity will change IFF forever, in scale and in influence. We are now an entity with the capacity and opportunity to address all financing needs in low-income communities, at every scale.

Nonetheless, we write this report at a time of uncertainty and turmoil as society at large struggles with its priorities for education, health care and support for the disadvantaged. These important decisions will set the next policy context for IFF to respond with strategic support for the nonprofit sector, community businesses, and disadvantaged individuals. And our own decisions will again define the meaning of partnership.

Letter from the CEO, Joe Neri

My first letter as Chief Executive Officer is a report rich with new programs and initiatives that IFF has been developing and planning for, in some cases, years. Like many financial institutions, IFF moved into 2010 shaken from the effect of the global economic crisis on our investors and our customers. IFF consistently stretched to meet the capital needs of nonprofits as they valiantly fought to continue their services and programs with dwindling public and private support, even as investor resources to IFF tightened. These short-lived events now seem ancient history as we review the achievements of 2010 and 2011—achievements that have built a solid foundation for the coming years.

IFF was founded with the belief that nonprofits are our society's greatest engine of change and by providing capital, technical expertise and knowledge to create strong nonprofits, we, in turn, build strong communities. This mission has never been more relevant as IFF's work with and for nonprofits is at the center of many of the nation's most pressing challenges: health care reform, urban education, affordable and foreclosed housing, and housing for persons with disabilities. But as IFF has grown so has its scope and responsibility to provide solutions to challenges, such as the need for healthy and fresh foods, sustainable communities, or transit-oriented development, where nonprofit agencies are only part of the solution and overcoming capital barriers for the private sector is essential to creating healthier communities. The programs and initiatives documented in this report mark a significant broadening of our scope and our responsibility, encompassing a comprehensive definition of community development.

Implementing public policy initiatives is not always just about capital, it is also about technical expertise to overcome development barriers and create efficiencies. It is also about knowledge to better understand the challenges at hand and to expend limited resources wisely with the right strategy. For the past 15 years IFF has been a national leader in assisting charter schools with capital, real estate development and research.

In the past couple of years, with support from Walton Family Foundation, IFF employed all of our tools and took our charter school work to another level to greatly influence the charter school landscape in Milwaukee and St. Louis.

In just three years, that work, coupled with tremendous local efforts, has greatly changed the trajectory of the charter school movement in those communities and has already resulted in over 3,500 new seats in charter schools, with more to come. To support these efforts our research division continues to add to the list of school districts for which we have completed a documentation of the unequal distribution of performing schools—of all types. We have completed St. Louis, Milwaukee, Chicago, and Kansas City in our region, and we have expanded that work to include Denver and Washington DC, with several others in discussion.

As the nation's health care system continues to evolve under the 2011 Affordable Care Act, IFF launched Health Centers for Healthy Communities with funding from the Citi Foundation.

Community Health Centers provide vital support for low-income urban, rural and Native American communities and reduce the use of emergency rooms for primary care. IFF's response to new public policy is to provide a comprehensive approach to design, construction, and low-cost financing to streamline development of large new community health centers, throughout our five state region. The Kresge Foundation has added funding and programs to strengthen management capacity in community health centers in Wisconsin and Indiana.

IFF is also launching two other major initiatives to address limited access to fresh foods and to provide housing for persons with disabilities: the Healthy Food Access Initiative and Home First Illinois. The Illinois Fresh Food Fund represents another welcome new area of community development—lending to retail grocery stores in high-need communities.

After years of involvement in the Illinois Food Marketing Task Force, in 2010 IFF was selected to lead the financing component of this important new state priority—bringing new retail grocery stores into high need areas. A state grant of $10 million will seed a fund to attract a variety of investors and outreach to grocers interested in connecting with public health and nutrition education. A similar model will be developed in IFF's other states, thanks to a federal grant from the President's Healthy Foods Finance Initiative. Initial applications from Des Moines, St. Louis and Milwaukee are an early signal that this program must be prepared to respond quickly to demand when it is launched in early 2012.

Home First Illinois (HFI) is easily one of the most important initiatives that IFF has ever developed—the creation of a permanent subsidiary corporation to develop and own affordable housing for persons with disabilities. HFI was launched in late 2011 with generous grants from the State of Illinois, the JPMorgan Chase Foundation, and The Searle Funds at The Chicago Community Trust. HFI will focus its initial work on acquiring and developing units for persons with disabilities transitioning from inappropriate institutional living, once again working in concert with public policy as Illinois has settled three landmark court settlements.

Home First Illinois builds on a broad, evolving strategy to establish an affordable housing portfolio of lending and development programs that can respond to affordable housing needs on any scale. These efforts have included managing Neighborhood Stabilization Program projects on behalf of 12 human service agencies, with funds from the State of Illinois and separately from Cook County. IFF also staffs the West Cook County Housing Collaborative and has been successful in obtaining over $11 million in funding to complete vital affordable housing projects in the five communities. IFF also has built a growing affordable housing loan portfolio that includes housing loans in all five states and closed over $8.3 million in housing loans in 2011. IFF joined the Federal Home Loan Bank of Chicago in 2011, opening access to significant capital at affordable rates and excellent terms to meet the growing demand for our affordable housing loan products.

Finally, IFF's Loan Program and Real Estate Consulting division expanded their shared products with a package to support energy conservation in nonprofit-owned buildings. IFF launched the Energy Efficiency Program (E2P) to provide comprehensive energy retrofitting and financing for nonprofit organizations. With generous support from Bank of America and the Chicago Metropolitan Agency on Planning (CMAP), IFF will provide low-cost, energy retrofit loans with payments tied to energy savings.

Underlying the tremendous work delineated in this report is a remarkable and superb staff whose dedication to creating better communities is inspiring. This past year we said regretful farewells to members of our executive team, David Reynolds and Jose Cerda, but we welcomed Lloyd Shields as CFO, Terry Pieniazek, VP of Real Estate Services, and Jovita Baber, Director of Research.

Each of us in our professional lives inherits the work of our predecessors. I have been incredibly fortunate to assume the CEO role from a giant in the nonprofit and Community Development Financial Institution worlds, my colleague and friend Trinita Logue. As I stand on her shoulders I am humbled by the view. For 24 years, Trinita, with support of dozens of Board members, has methodically created the legacy that IFF is today. A young IFF staff member recently asked Trinita if she ever imagined 24 years ago that IFF would become what it is today. She quickly responded, "No," but after a pause she said, "but we always planned for it." IFF's work is always planned, with each new era building on the relationships from the past and looking forward to the future. Trinita, along with a dedicated Board of Directors, has been very much part of setting the stage for IFF's next phase. I could not be more excited about the work and opportunities ahead as I continue my partnership with Trinita, the Board, and IFF staff, and as I look to create new partnerships to expand upon our mission and vision.

Performance Highlights
Five Years and Projected 2012

The table below shows the effect of loan losses on IFF beginning in 2008, the year of the economic crisis. A record high in loans closed is shown for 2009 and 2010 as IFF responded to need from nonprofits no longer able to obtain commercial real estate loans from banks. This lending then returned to normal levels in 2011 as banks began lending again. IFF's traditional target market continues to suffer reduced revenues from government funds, so many capital projects remain on hold. This has been offset by new IFF programs in housing, lending to grocery stores and for energy efficiency projects, which create savings. Both Total Assets and Net Assets have grown over 2010 and 2011 as new programs were developed and new funders and investors joined IFF in achieving its mission and continuing its regional growth.

	2007	2008	2009	2010	2011	Projected 2012
Cumulative # Loans Closed since 1990	595	670	740	848	917	1,000
Net Loan Losses as % of Loans Outstanding	0.0%	1.5%	0.6%	0.6%	0.4%	0.4%
Total Loan Portfolio (In millions)	$89.1	$106.0	$133.7	$156.1	$159.5	$185.4
Total Assets	$128.2	$135.9	$165.9	$188.2	$220.0	$236.8
Secured Debt	$61.6	$62.4	$69.1	$65.8	$65.5	$67.9
Unsecured Debt	$20.5	$27.0	$51.3	$76.0	$94.3	$101.3
Net Assets	$43.6	$43.6	$42.5	$43.9	$56.4	$63.4
Unrestricted Net Assets	$11.6	$12.7	$12.8	$14.0	$18.5	$20.9
Net Loan Losses	—	$1.6	$.88	$.96	$.71	$.80

"As a community focused bank we are able to play a larger role through a relationship with IFF. IFF's mission is critical to keeping the nonprofit sector strong, at the same time their underwriting and financial performance are exceptional. We are proud to be a part of the Investor Consortium."

Armand Capanna
General Counsel,
First Savings Bank of Hegewisch

Greenway of Burlington Affordable Housing Development, Burlington, Iowa


John Pfeiffer, First Deputy Commissioner, City of Chicago Department of Family and Support Services


Vincent Lyles, President and CEO, The Boys and Girls Club of Greater Milwaukee


Kirby Burkholder, IFF Executive Director, Missouri

Asian Human Services Grand Opening, Chicago, Illinois

Joe Volk, Executive Director, Community Advocates, Inc. and IFF Vice President of Lending Lucy Tuck


Joe Neri, IFF CEO and John Lipscomb, Executive Director, Search Developmental Center


IFF's Lanie Wasserman at the Ribbon Cutting for Capuchin Apartments, Milwaukee, Wisconsin

UNO Charter School Veteran's Memorial Campus, Chicago, Illinois


Lisa Hall, President and CEO, The Calvert Foundation


Michelle Hoereth, IFF Director of Housing, and Emmanuel Camargo, Access Living


Chicago Mayor Rahm Emanuel at Instituto del Progreso Latino's Health Services Career Academy Opening

“The need for affordable housing continues to grow, and those with disabilities have never been properly served. IFF’s programs and the leadership role it has assumed are broader than any other entity’s.”

Juanita Irizarry
Senior Program Officer,
The Chicago Community Trust

Bold goals, strategic subsidy—building our investment capacity in affordable housing and meeting the needs for all

In early 2012, IFF began acquiring homes and apartments in the Chicago metro area, marking the initial investments in a new initiative—Home First Illinois (HFI). This unprecedented use of state government capital funds relies on IFF’s capacity and vision as well as its long standing relationship with Access Living. Combining policy, strategy, finance and a determination to create a new model with this tenacious partner, IFF will lead Home First Illinois as it provides homes for adults with disabilities, including veterans and individuals housed inappropriately in state-owned nursing homes and larger facilities.

Under the Home First Illinois initiative, IFF will develop, own and manage community integrated accessible homes that will remain permanently affordable to very low-income, disabled persons who rely on Social Security payments as their primary source of income. Access Living, a key advocate and partner in developing the vision for HFI, will provide referrals and help move physically disabled individuals from nursing homes and other institutions into newly-accessible community integrated homes across Illinois.

HFI, which is a wholly-owned subsidiary of IFF, is the latest addition to IFF’s portfolio of housing programs and has sparked a tremendous collaboration of nonprofit, public, private and philanthropic partners. The Chicago Community Trust, a significant supporter of IFF’s housing work for five years, stepped in early to make it possible to add staff expertise and build capacity. Under the leadership of Governor Quinn, the Illinois Housing Development Authority has committed to a capital grant of $15 million, which, in turn, leveraged an additional $4 million grant from JPMorgan Chase Foundation. The Chicago Housing Authority will provide rental assistance for tenants. Of course, much of this would not have been possible without the advocacy, vision and partnership of Access Living. As Joe Neri said, “HFI is public-private partnership at its best.”

HFI
HomeFirstIllinois

left
Illinois Governor Pat Quinn and Access Living CEO Marca Bristo at the Home First Illinois kickoff announcement.

IFF Housing

- IFF Response
- The Housing Environment

2007

IFF Housing formed to do: Lending; Development; and Consulting.

IFF awarded LIHTCs for Countryside Senior Apartments.

Economic crisis begins.

IFF adapts to focus on consulting rather than development due to economic crisis.

2008

Foreclosures on the rise.

IFF staffs West Cook County Housing Collaborative and is awarded $7 million from NSP to redevelop 26 rental units in Maywood, 3 single-family homes in Bellwood, a community facility in Ford Heights, and 24 units in Riverdale.

IFF designs Home First Illinois to meet needs of physically disabled, in partnership with Access Living.

2009

IFF awarded $5 million from state NSP funds to assist 10 residential service providers to acquire 14 vacant or foreclosed homes.

Williams class action suit consent decree issued on behalf of people with mental illness.

2010

IFF completes Countryside Senior Apartments and turns over ownership to Mercy Housing.

Ligas class action suit consent decree issued on behalf of people with developmental disabilities.

IFF awarded $4.26 million from DCEO and $2.9 million from HUD for transit-oriented development in the western Chicago suburbs.

2011

Home First Illinois launched with grants of $5 million from State of Illinois and $4 million from Chase Foundation.

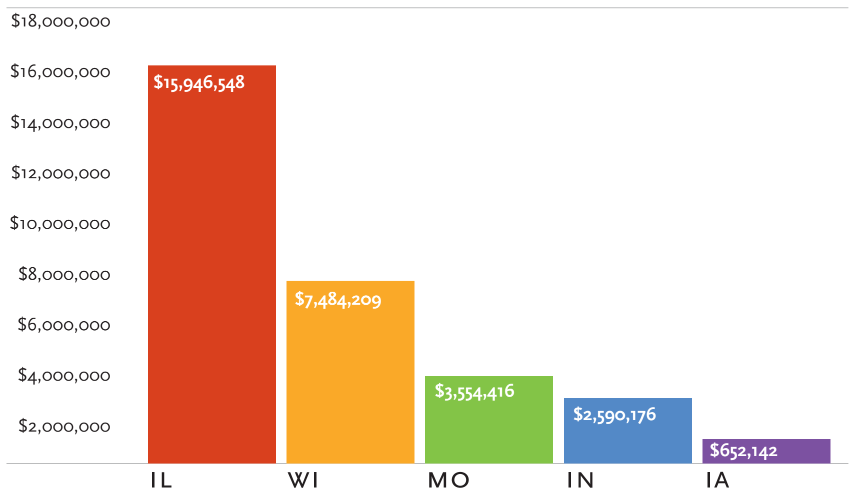
City of Chicago awards IFF $2.6 million in NSP funds for multi-family developments.

Colbert class action suit consent decree issued on behalf of people in Cook County nursing homes with physical and mental disabilities.

Growth of Housing Lending	2007	2008	2009	2010	2011
IFF Annual Loans	$ 41,810,773	$31,956,889	$55,112,276	$44,090,335	$38,838,914
Annual Supportive and Affordable Housing Loans	$7,758,816	$3,616,999	$7,725,702	$9,801,493	$8,390,665
# Loans	15	10	14	21	18

Housing Loan $ Outstanding by State

June 2005 through December 31, 2011



IFF Joins Federal Home Loan Bank of Chicago

In June of 2011, IFF joined the Federal Home Loan Bank (FHLBank) of Chicago as the first community loan fund member in this region since Congress allowed CDFIs to join the FHLBank as part of the Housing and Economic Recovery Act of 2008. As a member of the FHLBank of Chicago, IFF will have access to affordable capital, which will provide IFF increased liquidity and consistent capital to increase our lending to nonprofits serving low-income communities across the Midwest.

To take advantage of these funds, IFF has pledged first mortgage loans as collateral and made the required initial stock purchase in the FHLBank of Chicago.

“We believe that providing appropriate and affordable housing within our communities for those facing the challenges of permanent disabilities is the right thing to do socially and economically. Home First Illinois is an excellent example of the private and public sectors coming together as partners with creative, sustainable solutions to important issues facing our communities.”

Glenn Tilton
Chairman of the Midwest,
JPMorgan Chase

“Senate Bill 20 overrides current policy of Milwaukee Public Schools and opens the door for performing schools to gain access to vacant public school buildings. But SB 20 does more. It also creates an opportunity for the City of Milwaukee to take head-on the need for good schools that is concentrated in a relatively small number of areas.”

Heather Heaviland
Director of Real Estate Services, Wisconsin
Testimony before the Wisconsin Senate Committee on Education, regarding Senate Bill 20.
March 23, 2011

Supporting Parent Choice and School Districts with Policy, Research, Lending and Real Estate Strategies

The 2010 US Census shows that the industrial Midwest has lost population. Combined with a steady decline in the birth rate and underperforming schools, the urban areas served by IFF—including Kansas City, St. Louis, Milwaukee, Chicago, and Indianapolis—are faced with a serious need to reduce the number of publicly owned school and school administration buildings. These decisions must be made in the context of local policy and local factors, including the district’s long range plan for real estate, the value of real estate in residential communities, the appropriate distance for students to travel to school, and the maintenance of choices for students. In some cases a community will best be served by selling or leasing a closed public school facility to a choice or charter school, for a rapid change in the education environment in that particular community, even if the student population has decreased. Unfortunately, a Wisconsin state statute prohibited this type of transaction prior to the passage of Senate Bill 20.

Senate Bill 20 was prepared by Milwaukee Charter School Advocates, a group of civic and education leaders that met regularly to discuss strategies for improving both the performance and the opportunities for growth for charter schools. IFF’s Vice President of Public Policy and Communications, Jose Cerda, and IFF Director of Real Estate Services, Wisconsin, Heather Heaviland, helped shepherd in Senate Bill 20, which opened the door for some of Milwaukee’s best performing schools to gain access to vacant public school buildings. Prior to this change, school board approval was required, which almost always resulted in a denial to independent charter schools.

Since expanding to Wisconsin in 2009, IFF has helped 15 high performing charter and choice schools secure space so that they may focus on their primary mission of educating children.

Heather Heaviland, IFF Director of Real Estate Services, Wisconsin, conducting a technical assistance workshop.

IFF Initiatives and the Milwaukee Charter and Choice Environment

- IFF Actions
- IFF Loan and Real Estate Work
- Charter Management Organization Actions
- Advocate Actions
- Policy Changes

Cumulative Seats added through IFF Activities

2009
1,249 seats

2010
2,719 seats

2011
4,529 seats

2006

IFF launches in Milwaukee.

IFF loan to Seeds of Health Tenor and Veritas schools.

2007

IFF loan to Learn the Seas school.

2008

IFF loan to Seeds of Health Grandview school.

IFF establishes the Milwaukee Real Estate Services Division with support from the Walton Family Foundation.

2009

HOPE Fortis School opens.

La Causa Charter School expands.

Hmong American Peace Academy opens new location.

St. Anthony School expands.

IFF releases *Choosing Performance: An Analysis of School Location and Performance in Milwaukee*, highlighting the location and need for new, performing seats.

2010

Concept Schools applies to the City of Milwaukee with IFF's support.

Milwaukee Public Schools targets attraction of CMOs as a goal and uses facilities as leverage.

IFF leads facility/financing priority session for MCSA; identifies access to MPS facilities as a key.

Lighthouse Academies applies for a charter.

Schools That Can Milwaukee established; bases donor appeal on goal of 20,000 performing seats by 2020.

Highland Community School plans expansion.

National Heritage Academies applies for a charter citing IFF study as driving factor.

Milwaukee College Prep opens second campus.

Milwaukee Charter School Advocates (MCSA) formed.

Seeds of Health opens MC² School.

St. Marcus Lutheran School expands.

MCSA prioritizes access to MPS facilities on its legislative agenda. Schools That Can Milwaukee prioritizes attraction of outside operators; begins campaign to bring Rocketship Education to Milwaukee.

2011

IFF loan to Holy Redeemer Christian Academy.

SB 20 MPS Facilities Bill introduced.

IFF testifies on behalf of SB20.

Act 17, formerly SB 20, allowing non-MPS schools to lease or acquire vacant facilities signed into law.

HOPE Prima School expands and MCP opens third campus.

Child Development Center of St. Joseph plans expansion.

Cap on Milwaukee Parental Choice Program lifted and eligibilty expanded.

Wisconsin Community Services opens new school.

National Heritage Academies opens new school.

Rocketship Education submits and receives approval for eight campus charter.

Growth of School Lending	2006	2007	2008	2009	2010	2011
Total Wisconsin Lending	\$1,882,817	\$2,975,547	\$2,582,999	\$3,637,754	\$14,995,717	\$6,918,211
Milwaukee Choice and Charter School Loans	\$1,300,000	\$420,000	\$830,000	\$2,500,000	\$6,684,750	\$1,525,000
# Charter/Choice Loans	2	1	1	2	5	2

Ahead of the curve as we support new definitions of community health

Many Americans believe that the growth of community health centers is related only to the new Affordable Care Act. Health centers were founded in the mid-1960s and have grown steadily ever since. There are almost 900 community health center sites in IFF's five states, serving urban, rural and Native American communities. In 2001 Congress passed a five-year initiative to double patient volume at such centers, and in 2009 the Recovery Act dedicated $2 billion for their expansion. The Affordable Care Act of 2011 committed $11 billion so health center capacity can be doubled again, to 40 million patients by 2015.

In a 2009 speech President Barack Obama stated "health care isn't just about diagnosing patients and treating illness—it's about caring for people and promoting wellness. It's about emphasizing education and prevention, and helping people lead healthier lives so they don't get sick in the first place." With this guiding inspiration as our beacon, and after over 20 years of financing community health centers, IFF made a strategic decision to use its financing capabilities and its commitment to cutting edge and forward-thinking design for low-income communities to lead a new effort of development that will support the community health center of tomorrow.

The Citi Foundation has provided initial support fot this initiative through a two year operating grant. Additional funding has come from The Kresge Foundation, which is also funding management assistance directly to many community health centers in Indiana and Wisconsin.

Low-income communities and populations deserve the best design and the best thinking about the future demands on their facilities, due to changing populations, new technologies, rapidly changing government policies, and the demands of the wellness and prevention role.

IFF will support management and leadership training; help design new service models that incorporate wellness and prevention; streamline real estate development and finance; and assemble financing projects on an unprecedented scale, working with partners in all five states.

Rich Wallach, IFF Senior Project Manager (fourth from left) with staff and partners beginning the construction of McHenry Community Health Center.

New Partners Creating Long-Term Value for Missouri Nonprofits

IFF, Central Bank of Kansas City and the US Bancorp Community Development Corporation worked together to solve the needs of Missouri nonprofit corporations working to maintain financial stability in difficult economic times. The New Markets allocation of Central Bank was the impetus to help nonprofits retire existing expensive senior debt in seven years while continuing to make capital improvements—critical for facilities-intensive organizations. An $8 million pool provided fixed rates and interest-only payments to refinance other loans to nonprofits whose projects typically are too small to benefit from New Markets.

Cash flow savings will pay other debt, support new projects and even create cash reserves. The pool closed in November 2011 and the following projects received capital:

Grand Center Inc., a community arts development organization redeveloping the arts district in St. Louis, received $1.8 million to refinance three existing IFF loans into a single loan at six percent. As part of the terms, Grand Center will use 75 percent of the loan principal to pay down a bank loan with a higher interest rate. "It'll help us retire about an extra $60,000 per year on this debt," said Brenda Finke, Grand Center's chief operating officer. The interest-only payments allowed Grand Center to acquire and renovate new offices, purchase an additional building and develop an historic church and urban garden.

Paraquad Inc., an independent living center with more than 40 programs for individuals with disabilities, converted a $900,000 IFF loan to retire senior debt quickly thanks to the interest-only payments.

With a $1 million, second mortgage loan from IFF, **Grace Hill Settlement House** (GHSH), which coordinates and sponsors various neighborhood-oriented services including Head Start and affordable child care in St. Louis, was able to acquire two buildings to accommodate a 120-child Head Start facility and expand neighborhood service and economic development programs. The loan will be interest only for the first seven years and will allow GHSH to accelerate the retirement of the first mortgage and improve IFF's subordinate position.

St. Louis Language Immersion School (SLLIS), which teaches French and Spanish to kindergarten through third grade students, has recently experienced a significant increase in demand for enrollment. In order to help the school expand to meet the growing demand of students, IFF refinanced three previous equipment and facility IFF loans through the NMTC loan pool. The new structure and terms, seven-year interest-only, will allow the school to further stabilize its finances and grow its program in its existing facility. The refinance will also improve SLLIS's cash flow.

IFF Initiatives and the St. Louis Charter Environment

- IFF Actions
- IFF Loan and Real Estate Work
- Charter Management Organization Actions
- Advocate Actions
- Policy Changes

Cumulative Seats added through IFF Activities

2009
1,340 seats

2010
2,540 seats

2011
4,465 seats

2009

IFF establishes St. Louis office.

IFF establishes the St. Louis Real Estate Services Division with support from the Walton Family Foundation.

The Special Administrative Board of the St. Louis Public Schools (SLPS) votes to lift the 100-year deed restriction preventing the sale of shuttered SLPS buildings to charter schools. IFF supported this change.

IFF releases *Public School in St. Louis: Place, Performance, and Promise*, highlighting the need for performing seats. IFF recommends closure of underperforming charter schools.

Concept Schools applies to Lindenwood University to open first campus in St. Louis, citing IFF study as a driving factor.

Carondelet Leadership Academy contracts with American Quality Schools to manage its school.

Confluence Academy contracts with American Quality Schools to manage the Grand Center Arts Academy, the 5th charter school in the Confluence network, with IFF's support and encouragement.

St. Louis Language Immersion Campus opens.

KIPP Inspire Campus opens.

2010

IFF joins the Mayor's Charter Advisory Panel to assist in the application review for new charter school applicants.

IFF secures its first real estate contract with City Garden Montessori School.

Missouri Baptist University revokes charter for Ethel Hedgeman Lyle Academy; SLPS takes over management.

Missouri University of Science and Technology announces they will not renew charter for Paideia Academy.

Carondelet Leadership Academy opens.

Paideia campuses close for poor performance.

Missouri court upholds ruling by the Missouri State Board of Education for non-renewal of charter for Paideia Academy.

Gateway Science Academy opens.

2011

SLPS announces the district will actively seek sponsorship of charter schools.

City Garden Montessori expands.

IFF meets with SLPS Superintendent and Associate Superintendent, Innovative Services to develop potential partnership.

Grand Center Arts Academy opens under management by American Quality Schools.

South City Prep School opens.

Better Living Communities School opens.

Lighthouse submits successful bid to SLPS for Mitchell School with assistance from IFF.

Jamaa Learning Center School opens.

IFF secures its 2nd real estate contract with Lighthouse Academies, Inc.

Lighthouse executes purchase contract with SLPS for Mitchell School—the first to be secured by a charter school.

Hope Academies (EEI) selects St. Louis as next expansion city and secures start-up grant from the Lutheran Foundation.

Preclarus Mastery Academy opens.

SB 549 drafted, opening up vacant school buildings to charters.

Growth of School Lending	2007	2008	2009	2010	2011
Total Missouri Lending	$6,817,755	$3,397,781	$11,101,317	$4,016,867	$15,467,784
Missouri Charter School Loans	$437,000	$0	$3,715,742	$1,685,000	$2,592,740
# Charter School Loans	1	0	9	5	6

Expanding our definition of meeting health needs

In September of 2011, IFF received a $3 million grant from the federal Healthy Foods Finance Initiative. Building on loans to nonprofit corporations operating healthy food access and food-related programs, IFF will begin lending to for-profit retail grocery stores and businesses that support healthy foods access in low-income communities.

For example, in Saint Louis, IFF has recently approved an equipment loan for a full-service supermarket specializing in the sale of local foods located in a USDA designated food desert and in a census tract with an area median income of 53.8% and a poverty rate of 25.6%. The supermarket will provide healthy foods such as affordable locally grown fresh produce, meats, fish, dairy products, whole foods and baked goods. The store will benefit from proximity to a distribution center which will collect freshly grown and produced farm foods from a network of 200 farmers and consolidate the items for retail and wholesale to local schools, institutions, restaurants, and food service commissaries. The developers plan to use best efforts to hire from within the community as much as possible and target populations of need. The grocery store will add 35 full-time jobs and 15 part-time positions.

Another potential Healthy Foods project—located in the River Bend neighborhood in Des Moines and also a USDA designated food desert—is a full service retail grocery store with the potential to offer a broad product array with a special emphasis on international and multi-ethnic groceries to reflect the diversity of the neighborhood.

IFF is also working with the State of Illinois to design and launch a similar initiative in Illinois, with a strong emphasis on retail grocery stores that will participate with communities to influence good shopping habits, menu planning, and nutrition knowledge. Partners include Illinois Food Marketing Task Force, Illinois Food, Farms and Jobs Council, The Illinois Retail Merchants Association, and Voices for Illinois Children.

Save-A-Lot Foods, in St. Louis, Missouri, developed by Beyond Housing with a $1.2 million loan from IFF.

"There is a jobs emergency in the Midwest and now there is recognition that health and human services programs that serve low-income communities create jobs as well as provide services and programs. IFF received funds through our Create Jobs For USA partnership with Starbucks to continue lending to nonprofits that create and retain jobs—these jobs employ doctors, nurses, teachers, counselors, social workers, as well as hourly and part-time positions. Every job counts. We are pleased to support IFF's continued efforts and growth."

Mark Pinsky
CEO, Opportunity Finance Network

"IFF has been doing exceptional work in our communities, and we're supporting their continued innovation in helping improve building efficiency throughout the city. By increasing energy efficiency of the older building stock in our low-income communities, we're working together to increase affordability, reduce environmental impact and create jobs where they are needed most."

Tim Maloney
President,
Bank of America Illinois

E2P–IFF's comprehensive approach to help nonprofits conserve energy

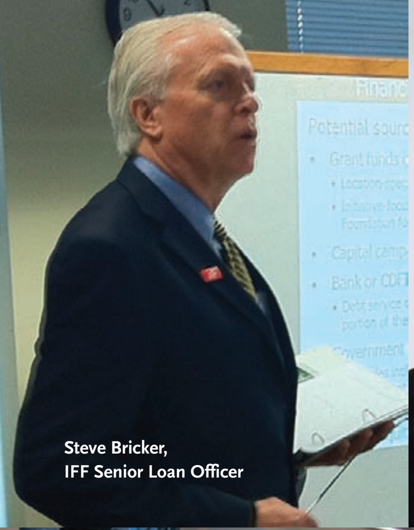
IFF loan and real estate departments worked together in 2010 and 2011 to design an energy reduction program that is affordable, accessible and effective—reducing energy costs by up to 25 percent through design improvements and retrofits. The Energy Efficiency Program (E2P), initially funded by a grant from the Illinois Clean Energy Community Foundation, and then supported by a $1 million grant from CMAP and a $5.5 million low-cost loan and operating grant from Bank of America, provides a comprehensive financing and project management package. IFF facilitates the completion of an energy audit—including financing upfront costs through grants or low-cost loans—and manages the retrofits and the improvements from start to finish. The resulting funds from energy savings can be used to offset loan payments and complete the energy work, with a payback period of less than seven years. After the loan is repaid, nonprofits will continue to benefit from the savings achieved through E2P, allowing them to channel more resources into the communities they serve.

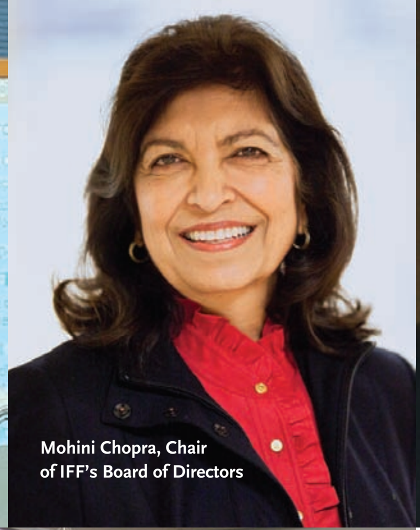
For example, IFF recently provided a below market loan of $1 million to the LEARN Charter School Network to make significant renovations to a vacant parochial school building that included several cost-saving energy efficient improvements such as HVAC and lighting systems upgrades, double pane windows, and roof insulation. Remote building system controls were also added to reduce energy use during periods of low occupancy, such as nights, weekends, and breaks.

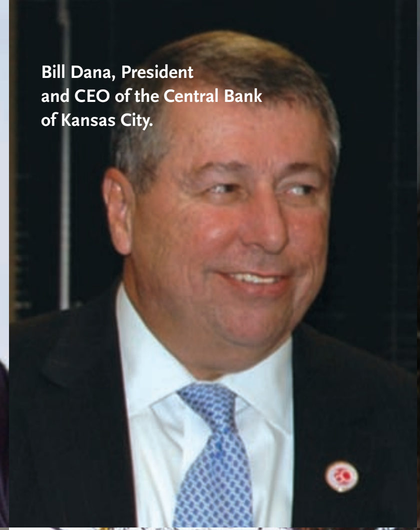
IFF Sustainable Solutions

Smart Choices | Informed Investments

LEARN Charter School, Chicago, Illinois


Steve Bricker,
IFF Senior Loan Officer


Mohini Chopra, Chair
of IFF's Board of Directors

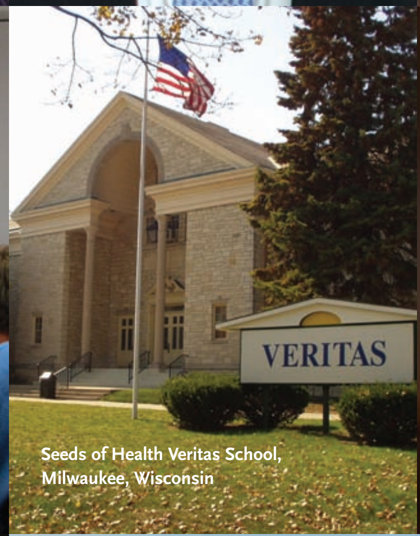

Bill Dana, President
and CEO of the Central Bank
of Kansas City.


Juanita Irizzary,
Senior Program Officer,
The Chicago Community Trust

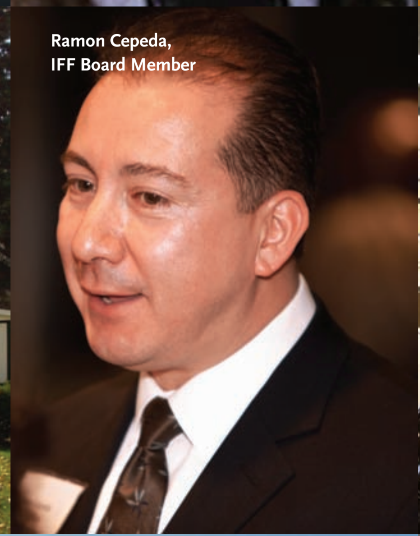

IFF Senior Staff—Lucy Tuck,
John Kuhnen, Joe Neri, Trinita Logue,
Lloyd Shields, Terry Pieniazek


Robbyn Wahby,
Deputy Chief of Staff
and Executive
Assistant to the
Mayor—Education,
City of St. Louis


IFF Vice President of Lending
Lucy Tuck and IFF CFO
Lloyd Shields with members of the
Community Advisory Committee.



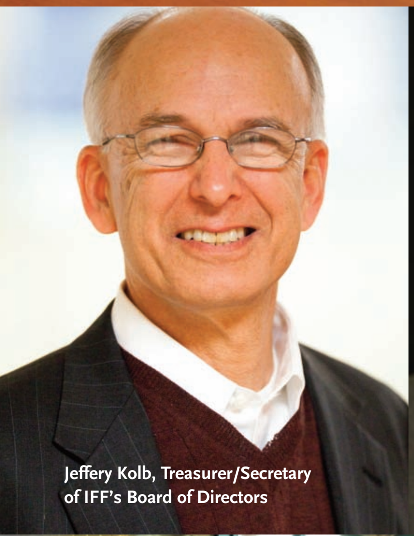
Seeds of Health Veritas School,
Milwaukee, Wisconsin


Ramon Cepeda,
IFF Board Member


Ayse Kalaycioglu, IFF Director
of Owner's Representative Services
with Mary Aguilar and Dr. Costello
of Erie Family Health


Cook County Board President
Toni Preckwinkle

ECHO Community Health Clinic,
Evansville, Indiana


Jeffery Kolb, Treasurer/Secretary
of IFF's Board of Directors

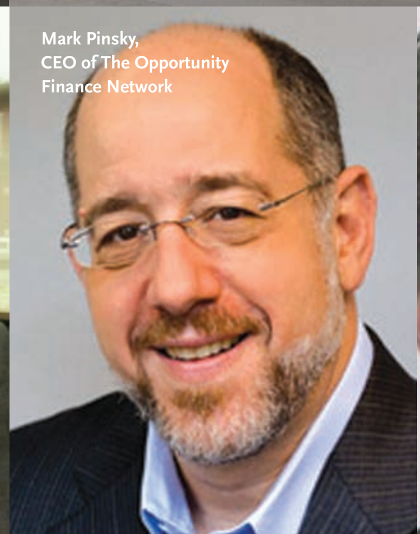

Vikram Pandit,
CEO of Citi


Black Ensemble Theater
Chicago, Illinois


Rex Reed,
Executive Director,
Youthbridge Community
Foundation


First Lady Michelle Obama
and IFF President Trinita Logue


IFF CEO
Joe Neri with
Senator
Richard Durbin


Mark Pinsky,
CEO of The Opportunity
Finance Network


Ruben Alonso,
Executive Director,
KCMO, CDE


Capuchin Apartments
Milwaukee, Wisconsin


Heather Heaviland, IFF Director of Real Estate
Services, Wisconsin, Andrea Underwood, Assistant
Director of School Services and Sherry Tolkan,
Seeds of Health's Veritas School Principal

Lutheran Social Services of Wisconsin and Upper Michigan Milwaukee, Wisconsin

Lutheran Social Services of Wisconsin and Upper Michigan (LSS) operates residential facilities for persons with disabilities, adoption and foster care services, mental health services and housing and caregiver support for older adults. LSS also provides alcohol and other drug abuse residential treatment for ex-offenders. LSS has built a solid reputation through its 46 years of business with stable sources of government, United Way, and congregational support. Last year it served over 30,000 adults, children, and seniors.

LSS operates 300 different sites and has a continued need for capital planning. In 2010, IFF provided a $1,348,000 loan to refinance three substance abuse treatment facilities that were acquired with a short-term line of credit. Through the IFF loan, LSS was able to free up capital and meet its short-term obligation with a more appropriate long-term solution at a favorable interest rate and terms, and reduce its use of the line of credit.

The solution contributed to the agency's overall financial health, ultimately ensuring the long-term sustainability of its programs.

The Parent Place, Inc Springfield, Illinois

The Parent Place is a child abuse prevention agency that conducts parenting classes and programs including support groups and professional workshops. It serves families with newborns, families in the midst of divorce or separation, and parents who want to enhance their skills. In 2010, The Parent Place served over 7,000 parents in central Illinois. The agency also provides a referral service to community resources and some child care services.

In 2003, The Parent Place rented administrative and program space from a church where they could only provide programs during the evening hours. Additional space at another location was rented for daytime programs. IFF provided a modest $123,500 loan to purchase and renovate a 2,400 square foot two-story brick building, allowing the agency to provide programs throughout the day and evening hours and eliminating the need for any rented space.

Moreover, after moving into the new larger space, the agency's services grew, including parent and child activities, daytime workshops, and support groups for parents. The new location is on a bus route and near the Illinois Department of Public Aid and other services important to parents.

Ownership of the new building led to an increase of 183% in assets by bringing all programs under one roof and eliminating the need for rental space. The Parent Place also experienced an increase in clients who could pay full cost, which increased revenues between 2003 and 2009. Thus, the agency experienced an increase of 81% in net assets while also increasing revenue and the capacity of their services.

	2002	2003	2005	2007	2009
Assets	$60,000	$170,000	$209,470	$224,114	$205,002
Liabilities	$20,000	$115,000	$125,117	$118,242	$105,533
Net Assets	$40,000	$55,000	$84,353	$105,872	$99,469
Revenue	$155,292	$140,110	$160,276	$222,650	$221,872
Expenses	$134,196	$125,930	$154,937	$215,530	$228,275
Surplus Deficit	$21,096	$14,180	$5,339	$7,120	($6,403)

Assets increased 183% in the year of the loan, and 21% between 2003 and 2009.

Net Assets grew 38% in the year of the loan, and 81% in the following years (2003-2009).

Revenue grew 58% between 2003 and 2009.

Shawnee Health Service and Development Corporation Carbondale, Illinois

Shawnee Health Service and Development Corporation provides affordable, accessible, quality health care to low-income populations. Through its 14 community health centers in southern Illinois and southwestern Indiana, individuals and families receive comprehensive medical, dental and behavioral health and social services. In addition, specialized medical and social services are available for pulmonary care, obstetrics and gynecology, chronic disease management, adolescent health, mental health and school-based health services.

Shawnee also maintains services to older adults that enable them to live in their own homes. Shawnee has served more than 22,000 individuals and employs 260 full-time and 60 part-time employees. In 2009, Shawnee received an IFF loan of $85,993 for facility acquisition and specialized equipment for a health center in Carbondale, Illinois where the median household income is slightly over $15,000.

The funds were used to expand the number of exam rooms. In 2010 IFF provided a second loan of $223,276 for permanent financing and specialized equipment for a second facility in Carbondale. With their first loan Shawnee built five new exam rooms, a pulmonary function testing room, an X-ray room, and a pulmonary rehab room. The second health center increased the number of patients served by approximately 6,000 people per year, with eight new exam rooms.

Veterans Manor Milwaukee, Wisconsin

Veterans Manor offers housing to low-income veterans and non-veterans who are unable to find or maintain employment.

The Center for Veterans Issues (CVI), a key partner in this development, provides supportive services for veterans, and will serve the residents of Veterans Manor. Among these services are case management, education, training, employment placing, volunteer program, and addiction therapy and counseling. Veterans Manor also has a commercial kitchen leased to and operated by the Milwaukee Center for Independence and a storefront bistro style “Troop Café” owned and operated by CVI. “Troop Café” serves affordable, high-quality meals to the community. Both the commercial kitchen and storefront café house a restaurant and hospitality food service vocational program coupled with a job placement and entrepreneurship incubator for low-income veterans.

IFF supported the project by providing predevelopment, construction, and permanent financing through two loans totaling $2 million, one in 2009 and one in 2010. The four story building meets Milwaukee’s “green” building standards and has 52 one-bedroom apartments. The building includes a fitness center, a library, and community dining. In addition, the location offers easy access to a nearby Veterans Affairs hospital.

Veterans Manor is the first veterans housing project in Milwaukee to accept Veterans Affairs Supportive Housing (VASH) vouchers, which provide rental assistance and clinical services for returning veterans.

Inspiration Corporation
Chicago, Illinois

In 1989 Lisa Nigro borrowed her nephew's red wagon and filled it with coffee and sandwiches. She pulled the wagon around the Uptown neighborhood offering food to the men and women she encountered. As her enterprise grew, Lisa used her SUV as a kitchen on wheels and then switched to a bus. In 1999 Lisa moved Inspiration Cafe into a permanent space in the Uptown community of Chicago, made possible by a loan of $139,000 from IFF. Men and women were encouraged to come to the cafe where they could sit down, choose their meal from a menu, and be served with dignity and respect by volunteer staff.

Over the years Inspiration Cafe expanded its services to include supportive services to reduce homelessness, case management, and a restaurant skills training program called Inspiration Kitchens.

Today Inspiration Corporation supports those who are affected by homelessness and poverty to improve their lives and increase self-sufficiency through the provision of social services, employment training and placement, and housing. At Inspiration Cafe in Uptown and The Living Room Cafe in the Woodlawn community, Inspiration Corporation serves nutritious meals and provides therapeutic services in a restaurant-style setting. Inspiration Corporation's employment services program offers tuition subsidies, training, employer outreach, and placement and retention services. Inspiration Kitchens is a job training program that prepares its graduates for employment in the food service industry. Inspiration Corporation's housing services rent subsidies and social services to help individuals and families find and keep permanent housing.

Inspiration Corporation's fourth site is located in the East Garfield Park neighborhood in Chicago. The facility opened in May 2011 and contains a 60 seat restaurant with an additional 20 seat area for private functions. In addition to serving the paying public, Inspiration Corporation estimates that the new restaurant will serve free meals to 3,500 low-income families and serve 100 individuals through its food service training program each year.

Two kitchens meet the needs of the training and serving kitchen and the catering business. The restaurant's training and serving kitchen provides a site for training and transitional jobs associated with Inspiration Corporation's award-winning Inspiration Kitchens food service training program, which has helped more than 500 homeless and low-income men and women gain the skills and experience they need to succeed in the food service industry. The second kitchen allowed Inspiration Corporation to expand the Inspiration Kitchens social enterprise, allowing for greatly expanded catering services which were limited at the Uptown site due to space constraints (the catering business had sales of $230,000 in 2010 from the Uptown location). Inspiration Kitchens earned $90,000 in its first year.

Participants in the program receive food services skills training and local residents now have access to a neighborhood restaurant where families will gather to enjoy nutritious meals in a welcoming environment. Meal "Guest Certificates" are distributed to working poor families through a network of community partners, including human service organizations, schools and religious congregations. These partners use the certificates as incentives, engagement tools, or to supplement their participants' personal budgets. Meals are also available to the general public.

The building at 3504-3512 W. Lake Street is a single-story brick industrial structure with 7,300 square feet, built in 1906.

IFF's Real Estate Services division was chosen to plan and function as project manager for the $2.4 million project.

	2003	2004	2006	2008	2010
Assets	$279,164	$383,350	$731,921	$673,460	$5,080,544
Liabilities	$255,852	$258,304	$597,261	$444,138	$391,955
Net Assets	$23,312	$125,046	$134,660	$229,322	$4,688,589
Revenue	$957,326	$1,725,631	$2,802,237	$3,511,160	$4,809,822
Expenses	$961,854	$1,699,232	$2,857,371	$3,453,684	$4,302,690
Surplus Deficit	($4,528)	$26,399	($55,134)	$57,476	$507,132

After the 2004 loan, assets increased by 37%. Between 2004 and 2010, assets have increased by 1225%.

In 7 years, liabilities have only increased by 53%.

Between 2003 and 2004, net assets increased by 436%.

In 2010, the agency's net assets are over 37 times larger than in 2004.

The acquisition was $460,000 and all-in construction costs were $1.945 million. IFF approved a 15-year loan of $520,000 in 2010. The loan has since been paid off.

Site renovations started in June 2010. The agency launched the training program in March 2011 and opened the restaurant to the public in May 2011.

One of Inspiration Corporation's and IFF's shared goals was to increase the building's energy efficiency beyond the Chicago Energy Conservation Code and achieve a LEED Gold rating. Building envelope improvements include energy-efficient walls which will provide a superior air, vapor, and thermal barrier. A super-insulated green roof is also part of the building's design. Energy efficient equipment, such as Energy Star refrigerators and freezers, a kitchen exhaust hood with variable speed fans and integral smoke and thermal sensors, and an energy-efficient HVAC system, will dramatically reduce energy use. The project seeks to incorporate renewable energy by using solar panels on the roof for hot water for the service and catering kitchens. Overall, water use has been reduced by at least 30% over standard performance for this type of use and size. The itemized incremental construction costs for these items totaled approximately $275,000.

Inspiration Corporation has five sites, 54 full-time and 32 part-time employees, and hired 10 new full-time employees as a result of the new Garfield Park site. The organization's annual operating budget in 2012 was $4.9 million and more than half of its annual income is from private sector contributions. Inspiration Corporation serves more than 3,000 Chicagoans each year.

Since 2004 Inspiration Corporation's assets have grown by 1,446 percent and the liabilities have increased only 85 percent. In addition, net assets in 2011 were 39 times larger than in 2004, demonstrating an aggressive and highly successful expansion, balanced by strategic use of short-term debt provided by IFF.

TouchPoint Autism Services
St. Louis, Missouri

TouchPoint Autism Services (TPA) provides comprehensive services for children and adults with autism throughout Missouri. In 2010, TPA provided services to over 2,700 individuals, 100% of whom are considered disabled.

Last year one of TPA's buildings dropped in value and the agency had to restructure longstanding debt with First National Bank. TouchPoint contacted IFF for assistance. Using two group homes that were not sufficient collateral for other lenders, IFF made a $300,000 loan that allowed TouchPoint to reduce the balances on its existing loans and comply with First National Bank's loan-to-value requirements, ultimately preserving its long-term banking relationship.

Programs are offered at two different locations in the St. Louis area and one location each in Columbia, Cape Girardeau, Poplar Bluff, Springfield, and Joplin. Because of the IFF loan, TouchPoint was able to address the long-term housing needs of a number of its clients with autism. Thanks to IFF's loan, TPA will end the year with a surplus as budgeted and restore a portion of the liquidity lost over the last two years. Going forward, TPA's primary goal is to re-establish financial reserves and to sustain and grow programs. Ultimately, IFF's loan helped TPA maintain financial stability.

"IFF stepped in and provided us with financing for two properties in our residential program at a time when traditional lenders were reluctant to help. As a result, we have been able to secure a more certain future for six of the people we serve with respect to their long-term housing needs. Kate, Kirby and Sara (at IFF) did a wonderful job of walking us through the application, approval and funding processes and made sure we received the funding we needed in a way that worked for us." **Mike Abfall, CFO.**

Funders and Investors

New initiatives and programs developed with funders and investors

The Walton Family Foundation provided a $600,000 grant to support IFF's financing, policy, and real estate development work with charter and choice schools in St. Louis and Milwaukee. The Walton Family Foundation also made $8 million in Program Related Investments to support charter school lending in Milwaukee, St. Louis, and Indianapolis.

The Calvert Foundation, in partnership with **Citi** and **Opportunity Finance Network,** funded IFF with a $20 million loan from the Communities at Work Fund. These funds will be used for IFF's loans to nonprofits located in or serving low-income communities or special populations.

The Illinois Clean Energy Community Foundation gave a $55,000 grant for the pilot of IFF's Energy Efficiency Program (E2P) launched in 2010.

The Chicago Metropolitan Agency for Planning (CMAP), northeastern Illinois' planning and transportation agency, provided IFF with $1 million to fund a loan loss reserve and create a loan program specific to energy efficiency retrofits in nonprofit commercial facilities, based on the E2P pilot.

Bank of America provided a $500,000 grant and a $5 million low-interest loan to support rapid expansion of the Energy Performance Program. The grant supports operations and a revolving fund for energy audits, and is aligned with the CMAP grant.

Citi provided a $200,000 grant to plan and develop Health Centers for Healthy Communities, a new IFF initiative focusing on community health centers and combining IFF's expertise in research, financing, and real estate development.

IFF received a $750,000 capital grant in 2010 and a $4.5 million capital grant in 2011 from the **CDFI Fund,** a division of the U.S. Department of Treasury. The majority of the 2011 grant ($3 million) will be used for lending to retail grocery stores in communities without access to fresh food through the Healthy Food Financing Initiative.

IFF received $8 million from the **Small Business Lending Fund,** a program of the U.S. Department of Treasury that encourages small business lending to create jobs and promote economic growth in local communities.

Starbucks, in partnership with **Opportunity Finance Network,** provided IFF with a $231,000 grant through Create Jobs for USA, an initiative to create and sustain jobs in underserved communities by supporting community development financial institutions.

JPMorgan Chase provided IFF with a $4 million grant to purchase properties for Home First Illinois.

The Illinois Department of Commerce and Economic Opportunity gave IFF a $4.2 million grant to purchase, renovate, and sell foreclosed housing units located near transit stations in five communities in West Cook County.

The Kresge Foundation provided a $600,000 grant and a $5 million Program Related Investment to support a program of capacity building, technical assistance, and financing for community health centers in Wisconsin and Indiana. The grant will support program-specific operations and IFF's net assets.

Searle Funds at The Chicago Community Trust provided $250,000 of critical operating funding for IFF's affordable housing program and IFF's new housing initiative, Home First Illinois, which will acquire, renovate, and own affordable units for very low-income individuals with disabilities. The Trust also gave a $50,000 grant for IFF to develop a business plan for the Grocery Access Finance Program.

The Joyce Foundation and the **Walton Family Foundation** jointly funded a $100,000 schools needs assessment in Indianapolis.

IFF received a $70,000 grant from the **Polk Bros. Foundation** to subsidize real estate consulting services for nonprofit agencies and to support sustainability-related professional development for staff.

IFF, in partnership with the West Cook County Housing Collaborative, was awarded a $3 million Challenge Grant from the **U.S. Department of Housing and Urban Development** to manage a revolving loan fund for housing projects located near transit stations.

Pierce and Associates gave a $100,000 capital grant to build equity that allowed IFF to join the Federal Home Loan Bank.

The John D. and Catherine T. MacArthur Foundation converted $2.7 million in PRIs into an Equity Equivalent Investment supporting IFF's Federal Home Loan Bank membership.

Investors

Investor Consortium
American Chartered Bank
Bank of America
BMO Harris Bank
Busey Bank
Charter One Bank
Cole Taylor Bank
FDIC (formerly Midwest Bank and Trust)
FDIC (formerly Park National Bank and Trust)
First Bank
First Savings Bank of Hegewisch
First Bank and Trust
First Midwest Bank
Jacksonville Savings Bank
M&I Bank
MB Financial
Northern Trust
The PrivateBank
US Bank
Wintrust Financial Group of Banks

Note Program
Financial Institutions
Allstate Insurance
Bank of America
BMO Harris Bank
Busey Bank
Cathay Bank
Chicago Federal Home Loan Bank
Citibank
First Bank
FirstMerit Bank
First United Bank
M&I Bank
Marquette Bank
Northern Trust
PNC
State Farm Bank
Wells Fargo Bank

Foundations
Blowitz Ridgeway Foundation
Calvert Foundation
Catholic Health Initiatives
Community Memorial Foundation
The Kresge Foundation
John D. and Catherine T. MacArthur Foundation
Monarch Community Fund
Opportunity Finance Network
Trinity Health
The Walton Family Foundation

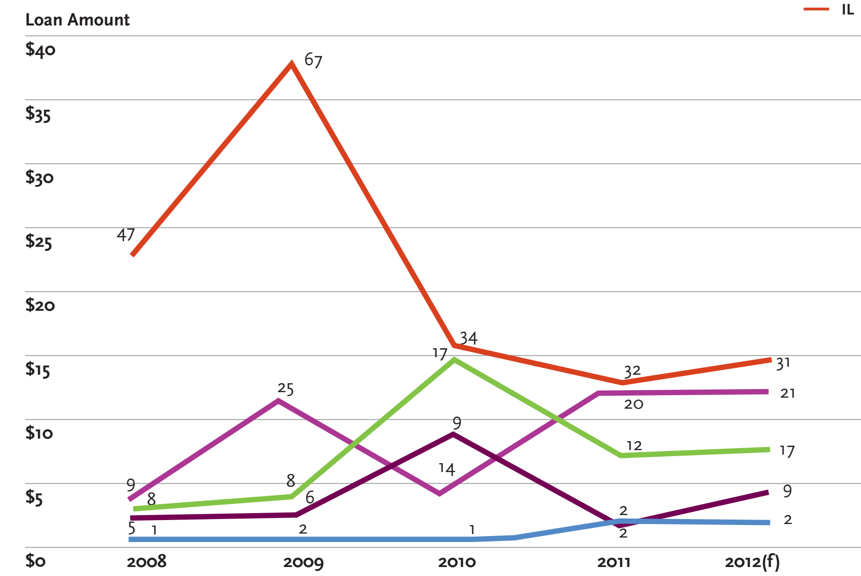
Funders
Bank of America
BMO Harris Bank
The Lynde and Harry Bradley Foundation
Searle Funds at The Chicago Community Trust
Chicago Metropolitan Agency for Planning
Citibank
Cole Taylor Bank
Crown Family Philanthropies
Enterprise Rent-A-Car
FirstMerit Bank
Greater Milwaukee Foundation
Helen Bader Foundation
Illinois Clean Energy Community Foundation
Incarnate Word Foundation
The Joyce Foundation
JP Morgan Chase
The Ewing Marion Kauffman Foundation
The Kresge Foundation
Lake County Community Foundation
Missouri Foundation for Health
Northern Trust
Opportunity Finance Network
Pierce and Associates
Polk Bros. Foundation
The PrivateBank
The Walton Family Foundation
Wisconsin Preservation Fund

Government
Chicago Public Schools
Illinois Department of Commerce & Economic Opportunity
Illinois Finance Authority
Illinois Housing Development Authority
US Department of Education
US Department of Housing and Urban Development
US Department of Treasury–CDFI Fund
US Department of Treasury–Small Business Loan Fund

New Market Tax Credits
Bank of America
BMO Harris Bank
Central Bank of Kansas City
JP Morgan Chase
PNC

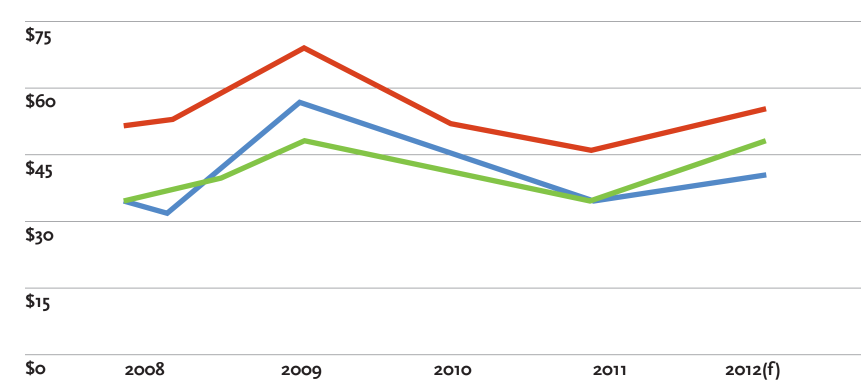
Loan Closings by State

as of December 31, 2011 ($ millions)



Annual Loan Activity

as of December 31, 2011 ($ millions)



($ millions)	2008	2009	2010	2011	2012(f)
Approved	51	68	51	46	53
Closed	32	56	44	36	41
Disbursed	35	49	41	35	45

Real Estate Services Cumulative Impact

as of December 31, 2011

IFF Impact[1]

Real Estate Services	
Total RES Projects	425
Total Development Costs	$225.6 million
Renovated/Constructed Space (sq ft)	1.61 million
Cost Savings for Clients[2]	$15.9 million

Community Impact[3]

Child Care	
New slots created	3,830
Total square feet renovated or constructed	531,268
Charter Schools	
New student seats	5,110
Total square feet renovated or constructed	715,382
Health Care	
New patients served	48,540
Total square feet renovated or constructed	85,500
Housing[4]	
Units created	71
Beds created	39
Total square feet renovated or constructed	75,877

1 Real Estate Services cumulative since 1997 excluding Cost Savings which is cumulative since 2000.

2 Discount to market fees for Real Estate Services. Updated as of prior year end.

3 Real Estate Services impact counts new and renovated units.

4 Includes both affordable and supportive/special needs housing.

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The Resurrection Project

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Chris Bzdon
Executive Director,
Child Care Resource & Referral
Joliet, IL

Robert Dougherty
Executive Director,
St. Leonard's Ministries
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Economic Development
Director,
Justine Petersen
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Flint Fowler
President,
Herbert Hoover Boys
and Girls
St. Louis, MO

Dr. Tito Izard
President/CEO,
Milwaukee Health Services
Milwaukee, WI

James Maloney
Chairman,
Mitchell Bank
Milwaukee, WI

Judy McGonigle Akers
Executive Vice President,
Della Lamb
Community Services
Kansas City, MO

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Neighborhood Finance
Corporation
Des Moines, IA

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