



A GENERATION OF CHANGE

2017 REPORT ON ACTIVITIES • 30 YEARS OF PROGRESS • THE NEXT STRATEGIC VISION

FF Strengthening
nonprofits and
the communities
they serve.

Sharing a mission of change
SINCE 1988 CELEBRATING 30 YEARS

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From IFF’s CEO and Board Chair



CELEBRATING 30 YEARS OF CHANGE

As we close the books on last year and look to the future, we have much to celebrate.

First, 2017 was a great year for IFF. Our team of finance and real estate professionals delivered on over 200 community development projects across the Midwest. Together, our core business group:

- Closed 133 loans for \$85.6 million, growing our managed loan portfolio to \$485.6 million
- Consulted on 113 real estate projects, helping nonprofits to plan and build essential facilities
- Led the development of high-impact projects, such as an incubator for food businesses on Chicago’s West Side and dozens of affordable homes for persons with disabilities in Illinois
- Provided or sourced new markets tax credits for critical nonprofit projects, such as a state-of-the-art early childhood education center for children affected by the Flint water crisis
- Leveraged \$262 million in total capital investment for communities

Our research and program staff had a big impact, too. Their studies and local engagement informed school improvement discussions in Detroit, Illinois, Indianapolis, and Kansas City, as well as efforts to increase quality early childhood education in both Grand Rapids and southeast Michigan. Good data and hands-on engagement are more important than ever to our work.

These results were made possible by the dedication of our core operations team, which set a high standard for IFF’s financial and operational performance — achieving a surplus of \$1.8 million in 2017 and keeping delinquencies and net charge-offs to record low levels for the third year in a row.

Second, we embraced a bold new strategic vision for 2018-2022: *Accelerating Social Impact*. Under the plan, we will grow and deepen our impact by ensuring that the suite of tools we offer is calibrated to meet the needs of nonprofits in our individual markets and — through our Social Impact Accelerator — focused on system change and the long-term, equitable development of communities. Our formal partnership with the Foundation for Homan Square in Chicago represents the first such effort.

Third, as we turn 30, IFF’s model remains as powerful as ever. IFF was founded in 1988 on the simple but profound idea that, with the right type of capital and technical expertise, nonprofits providing essential health and human services could build well-designed facilities, become financially stronger, serve more people with the dignity they deserve, and anchor and revitalize communities. Thirty years later, this fundamental belief still guides everything we do — and, importantly, has led to \$2.5 billion in overall community investment.

On behalf of all these nonprofits and the communities they serve, we thank you for making a generation of change a reality.



JOE NERI
CEO



JOHN SASSARIS
BOARD CHAIR

30 Years of Impact Across IFF

SECTORS	IFF Loans		IFF-Deployed New Markets Tax Credits		IFF-Managed Construction Projects	
	2017	30-year	2017	30-year	2017	30-year
 REAL ESTATE DEVELOPED	2,400,000 square feet	21,000,000 square feet	289,000 square feet	954,000 square feet	265,000 square feet	3,342,000 square feet
 NEW PATIENT VISITS	23,679	277,116	--	3,100	--	78,296
 STUDENT SLOTS CREATED	2,828	47,801	485	1,977	480	11,417
 CHILD CARE SLOTS CREATED	759	6,133	220	220	--	4,543
 HOUSING UNITS CREATED/ PRESERVED	986	8,956	25	25	52	381
 CAPITAL LEVERAGED	2017: \$262,000,000		30-Year: \$2,550,000,000			

Impact data reported by IFF clients at the time of their loan application or during project construction.

Spotlight: ‘The Hatchery’ incubates new food businesses on Chicago’s west side

This 67,000-square-foot, \$34 million complex on Chicago’s west side aims to provide incubator spaces and services for about 100 start-up and early-stage food businesses.

The ambitious project — expected to create up to 900 jobs over 5 years — is the result of a partnership between IFF, Accion Chicago, and Industrial Council of Northwest Chicago. IFF served as lead developer, pulling together financing and parcels of land to bring the project to fruition.

Construction broke ground in October 2017, and the project is expected to open in 2018.



THE PROJECT
The Hatchery Chicago is a nonprofit that incubates businesses. Its mission is to enable local food-and-beverage entrepreneurs to build successful businesses and, in turn, create jobs and economic growth.

Specific impact goals include 900 jobs over 5 years — with 150 coming in the first year — as well as 25 new companies and 100 new food concepts created each year. To reach these goals, The Hatchery offers food business entrepreneurs access to low-cost resources, including 56 private food-grade production spaces, cold/dry storage, loading docks, food truck allocation, shared kitchens, ideation and event spaces, and on-site service providers.

Emerging food entrepreneurs will also be connected with established industry leaders from the 4,500 food-and-beverage companies based in Chicago — a two-way exchange that provides a path to success for the start-ups and on-the-ground consumer insights for larger companies.

THE WEST SIDE
The new facility is expected to be an anchor institution on the West Side — and the neighborhood of East Garfield Park in particular — as the area undergoes major changes. The neighborhood has become a target of

investments from the City of Chicago, Elevated Chicago, Rush University Medical Center, West Side Total Health Collaborative, and others, with major corporations like Google and McDonald’s moving offices nearby. Some of IFF’s first loans were made on the West Side, where we’ve invested almost \$52 million since 1988.

Through a partnership with Garfield Park Community Council, The Hatchery hopes to offer some of its spaces and services to West Side residents at a significantly discounted rate. The Hatchery will also host Chef Rick Bayless’ culinary training program for students from low-income households.

THE PARTNERSHIP
“The developer role for this kind of marquee project is critical — and IFF was uniquely suited to play it,” said Joe Neri, IFF CEO. “Someone had to step in and assume some risk with the pre-development loan and pound the pavement to marshal cooperation and resources from countless partners — the city, neighborhood groups, bank investors, tax credit sources. We bridged the gap between the community’s need and a traditional developer’s reach because we knew this project could produce huge impact — and because we knew we had strong partners in ICNC and Accion.”

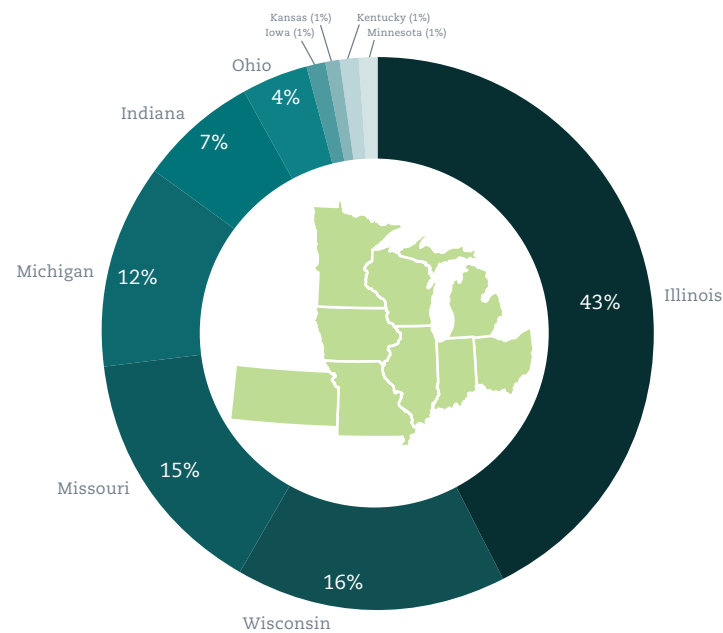
Industrial Council of Northwest Chicago (ICNC) and Accion Chicago will be equal partners in the ownership and management of The Hatchery. ICNC has 30 years of experience owning and managing one of the world’s largest business incubators, and they have been hosting The Hatchery’s current operations. Accion Chicago is a small business lender that coaches underserved entrepreneurs, many of whom are food and beverage businesses. They will offer the food start-ups access to loan capital as well as serve as an anchor tenant in the new building.

“We’re getting the dream off the ground, but ICNC and Accion will carry the dream forward,” Neri said. “This partnership is a true collaboration.”

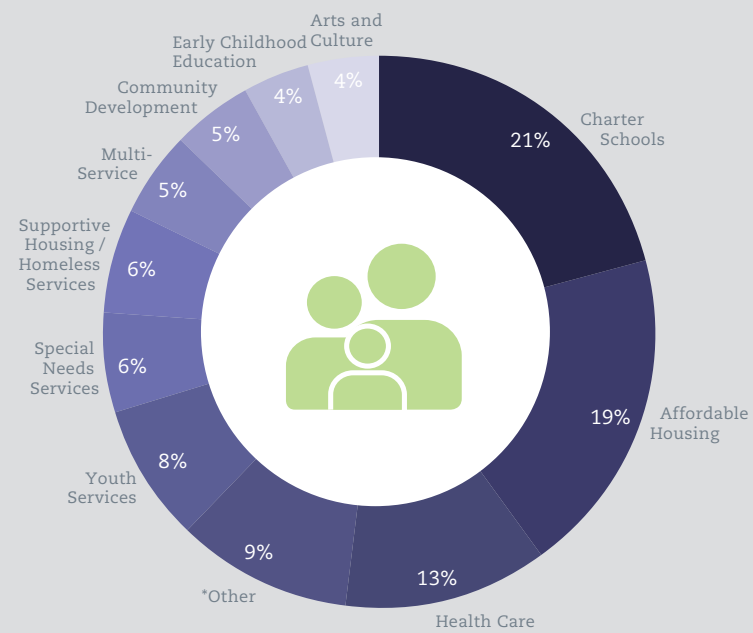
THE FINANCING
Support for the project includes more than \$30 million in New Markets Tax Credits allocation (approximately \$10 million in equity); more than \$7 million in Tax Increment Financing; additional financing from IFF, MB Financial, and other lenders; funding from Kellogg Co., ConAgra Foods, Walton Family Foundation, and others; and the \$1 sale of 12 vacant city-owned lots.



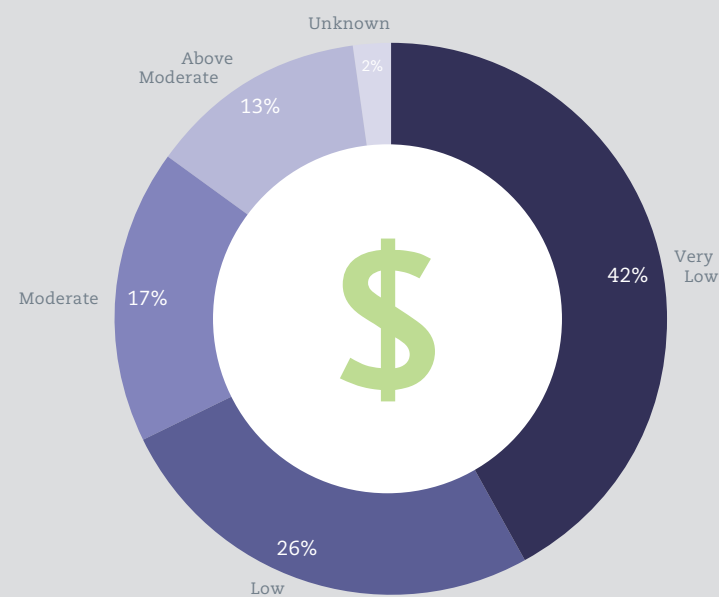
CURRENT PORTFOLIO BY STATE



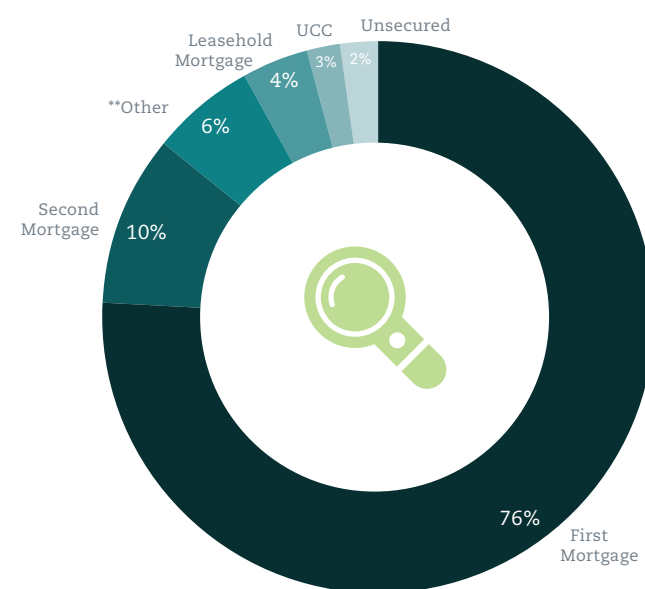
CURRENT PORTFOLIO BY SECTOR



CURRENT PORTFOLIO BY TRACT INCOME LEVEL



CURRENT PORTFOLIO BY COLLATERAL TYPE



Graphs reflect percent of dollars in IFF's portfolio of loans, including our New Markets Tax Credits Small Project Loan Fund. As of Dec. 31, 2017, this portfolio consisted of 688 loans worth \$312,647,578.

*Other sectors include job training, healthy foods, and education-related programs.

**Other collateral types include deposit accounts and capital campaign proceeds.

“It’s been a long time since I’ve worked with people who have the kind of passion and commitment to the community that IFF has shown. It’s refreshing. I was an engineer for 20 years, so I enjoy working with people who know what they’re doing. We could not have done this project without IFF.”

PASTOR JOHN WHITE
GREATER GALILEE COMMUNITY
DEVELOPMENT CORPORATION, MILWAUKEE, WI

2017 LENDING HIGHLIGHTS



133 LOANS CLOSED



\$85.6 MILLION LOANS CLOSED



95 NONPROFITS, AFFORDABLE HOUSING DEVELOPERS, AND GROCERS SERVED



582,277 CLIENTS SERVED DIRECTLY BY IFF BORROWERS



2,968 JOBS CREATED OR MAINTAINED

Lending highlights focus on IFF loans, including those offered through our New Markets Tax Credits Small Project Fund.



ILLINOIS

IN 2017, IFF CLOSED 52 LOANS
TOTALING MORE THAN \$37 MILLION.

• **Austin Coming Together:** During this umbrella group's six-year tenure, its members increased from 10 to 60, its staff tripled, and its budget grew by a factor of ten. With help from a \$192,000 IFF loan, ACT moved from being a renter to an owner at its West Side headquarters — a space that functions as a central hub for member groups to network, share workspace, and host events.

• **Brainerd Park Apartments:** A \$1.3 million IFF loan helped finance 36 new one- to four-bedroom affordable apartments, providing families with quality housing in an amenity-rich location on Chicago's South Side. The development will serve families with a wide range of incomes and those transitioning from homelessness.

• **Suburban & Downstate Projects:** IFF also closed on over \$5.8 million in total loans to homeless shelters in Aurora, Crest Hill, and Elk Grove Village; affordable housing developments in Champaign, Galesburg, and South Elgin; and a youth services organization in Ottawa.



INDIANA

IN 2017, IFF CLOSED 6 LOANS
TOTALING MORE THAN \$4 MILLION.

• **King Park Development Corporation:** Indianapolis' King Park neighborhoods are experiencing a surge in popularity — and cost of living. KPDC is working to preserve affordable housing options, including an historic bungalow known as The Gramse. Initial attempts to re-develop the building fell flat during the housing crisis, but KPDC and IFF worked together to create a long-term financing solution for the project. With help from a \$600,000 IFF loan, the building will provide affordable housing for the community for the next 15 years.

• **Midtown Indianapolis:** This community development nonprofit closed on a \$584,000 loan from IFF to re-develop a vacant 17,000-square-foot commercial space for new businesses and nonprofit groups.

• **Indiana Guide Right Foundation:** A \$988,000 loan from IFF is enabling this foundation to acquire new headquarters and expand its programming for children, adults, and families. The facility will also house its partner, Capital City Family Education Services, which provides a variety of counseling and treatment services.



MICHIGAN

IN 2017, IFF CLOSED 22 LOANS
TOTALING ALMOST \$10 MILLION.

• **Mack Avenue Community Church:** IFF's \$458,000 loan was the last piece of the puzzle for MACC Development's biggest project: transforming a vacant, 12,000-square-foot former warehouse into a bustling community hub. The new facility houses MACC headquarters, the only coffee shop within a 1-mile radius, the only laundromat within a 3-mile radius, and public meeting spaces.

• **Ruth Ellis Health & Wellness Center:** This fully integrated primary care and behavioral health center targets LGBTQ youth experiencing barriers to housing and wellness in the Detroit area. The facility opened Feb. 9 amid a \$1.5 million capital campaign; IFF provided an \$850,000 bridge loan.

• **Cole Academy:** One of the highest-rated schools in Lansing and in Michigan, Cole Academy replicated its successful elementary program in a second location with the help of a \$1 million loan from IFF. The first phase of development, completed in 2017, included nine new classrooms for K-3 students, as well as a gymnasium, library, school office, and art room. The expansion created 228 new quality school seats.





MISSOURI

IN 2017, IFF CLOSED 14 LOANS
TOTALING ALMOST \$10 MILLION.

- **Meet the Need:** What started out in 2004 with \$40 and a modest goal to help neighbors through tough times has blossomed into a successful social enterprise that has assisted more than 11,000 individuals over the last 5 years. IFF played a key role in three major facility milestones for this volunteer-driven organization outside Kansas City: building acquisition in 2009, rebuilding after a fire in 2010, and expansion in 2017. The 17,000-square-foot building was purchased in 2009 for \$309,000; today, it's worth more than \$1.2 million.
- **Synergy Services:** This western Missouri nonprofit provided emergency shelter to more than 5,500 homeless youth in 2016, but it still turned away about 250 kids because it didn't have enough space. IFF provided \$831,000 in loans toward Synergy's new 11,000-square-foot center, doubling its capacity.
- **Hawthorn Leadership School for Girls:** Women are underrepresented in STEM fields, which is why Hawthorn opened the first single-sex charter school in Missouri. The school opened two years ago with the help of a \$1.5 million loan from IFF. This year, IFF provided a \$600,000 loan to help the school expand to accommodate its first high school class.



OHIO

IN 2017, IFF CLOSED 15 LOANS
TOTALING MORE THAN \$6 MILLION.

- **Lower Lights Christian Health Center:** This federally qualified health center that serves central Ohio noticed a trend: patients without access to healthy foods have a hard time leading healthy lives. With no interest from large grocery chains, Lower Lights took matters into its own hands, using \$2.3 million in IFF financing to open a 5,000-square-foot grocery store adjacent to its health care center.
- **Community Treatment and Correction Center:** CTCC is the only halfway house for adult male ex-offenders in Stark County. For decades, it worked out of two spaces — one that housed clients, and one that housed administrative offices and kitchens — with staff shuffling back and forth. With \$1.6 million in IFF financing, the nonprofit will expand from 56 beds to 75 beds and achieve its long-time vision to bring housing and administrative functions under one roof.
- **DECA Prep:** This successful charter school's long-term expansion strategy includes a new building on its elementary school campus. An \$800,000 loan from IFF will help it build out the space, which includes an innovative parent engagement center.



WISCONSIN

IN 2017, IFF CLOSED 21 LOANS
TOTALING ALMOST \$15 MILLION.

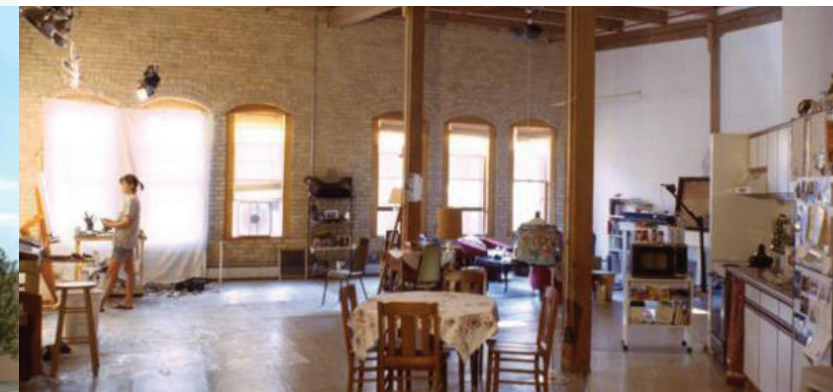
- **Greater Galilee Community Development Corporation:** This nonprofit has worked in the neighborhood for more than 90 years, providing sundry services including early childhood education, a credit union, free meals, and much more. IFF's real estate team has been working with them to plan and budget an Intergenerational Community Center since 2016, and in 2017 they closed on a \$2 million loan from IFF to finance the build-out of the 20,000-square-foot space.
- **The Griot:** This Milwaukee affordable housing project is a key component of the redevelopment of an entire city block in the historic Bronzeville neighborhood. The project includes 41 new apartments, including 35 three-bedroom, affordable units for families. IFF provided a \$1.2 million loan.
- **The BRICK Ministries:** In the far northwest corner of Wisconsin, this faith-based nonprofit is tackling a huge challenge: providing food and emergency services in an area that is both vast and sparsely populated. They serve about 10 percent of the 31,000 residents of Ashland and Bayfield counties and will expand services with help from a \$170,000 loan from IFF.



ELSEWHERE IN THE REGION

IFF also offers loans in Iowa, Kansas, Minnesota, and adjacent metro areas of Louisville and Northern Kentucky.

- **Honor Capital:** This Veteran-owned business raises capital to bring grocery stores to food deserts across America. IFF is one of three CDFIs jointly financing the rehabilitation and build-out of nine grocery stores under the organization's leadership. Our \$1.7 million loan to Honor Capital is directly linked to the financing needs of stores in Wichita and Winfield, Kansas.
- **Artspace Projects:** IFF provided a \$750,000 predevelopment loan for this mixed-use development in North Minneapolis. It will feature a six-story, 105-unit LEED Silver affordable housing building targeting artists and their families — Artspace's specialty. Amenities will include a resident gallery, community work areas, and landscaped outdoor arts engagement areas.
- **Westdale Apartments:** This \$400,000 predevelopment loan will help provide much-needed affordable housing in Cedar Rapids, Iowa. Two four-story apartment buildings will be constructed on a vacant lot and include 76 one-bedroom and 76 two-bedroom units. Residents will have access to a fitness center and high-speed internet access in each unit.

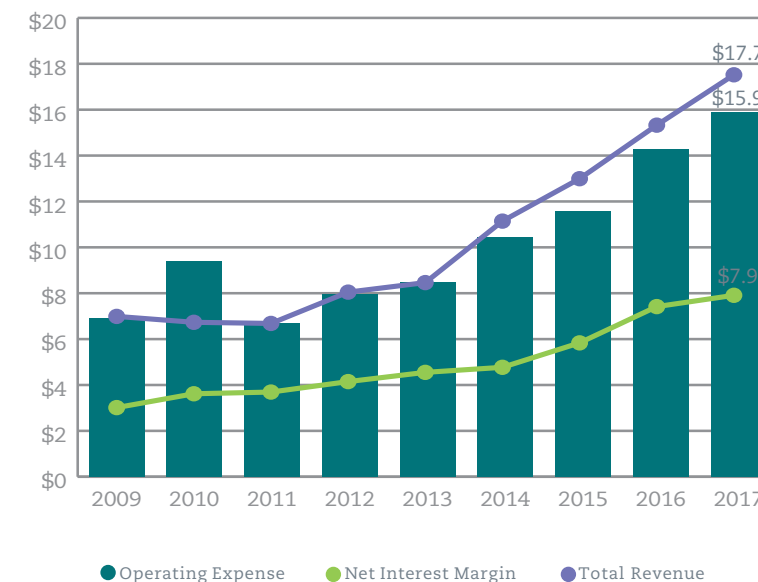


“IFF is the only reason that we are in existence today — that, and the grace of God. IFF was big, yet seemed small enough to understand us personally. They fought for me. Having such good terms made it possible for someone small like us to access financing.”

KRIS PEOPLES, EXECUTIVE DIRECTOR
MEET THE NEED, EXCELSIOR SPRINGS, MO

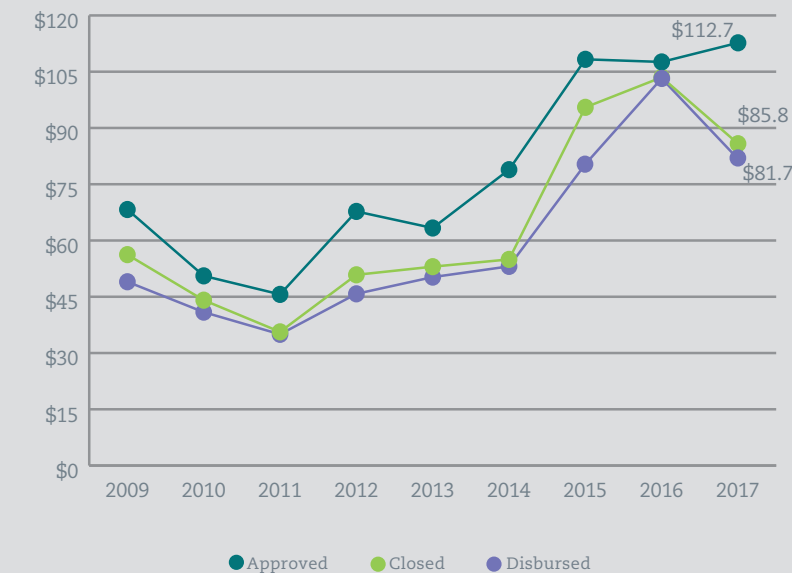
FINANCIAL PERFORMANCE

In Millions



ANNUAL LOAN ACTIVITY

In Millions



FINANCIAL POSITION

In Millions



DELINQUENCY AND LOAN LOSS HISTORY

Percent of Portfolio



All charts reflect financial information for IFF standalone as of Dec 31, 2017. Only exception is for Managed Assets and Managed Loans, which include the Assets/Loans that are managed by IFF but legally owned by its programmatic subsidiaries, NMTC-related entities, and the Foundation for Homan Square. IFF consolidated audited financial information is available at iff.org.

2017
NEW MARKETS
TAX CREDITS
HIGHLIGHTS


5
PROJECTS CLOSED


\$39,000,000
MILLION ALLOCATED


8,236
CLIENTS SERVED


268
JOBS CREATED
OR MAINTAINED

Highlights include our large-scale NMTC deals. Loans from our NMTC Small Project Loan Fund are included in our Lending Highlights on page 10.

IFF closes deals to spur community development across Midwest

New Markets Tax Credits (NMTCs) stimulate investment and economic growth in low-income communities that often lack access to the private investment needed to grow businesses, create jobs, and sustain healthy local economies. The bipartisan program is known for its efficient use of tax dollars, generating \$8 of private investment for every \$1 of federal spending. Since 2011, IFF has been allocated \$208 million in NMTCs, which we have deployed to high-impact nonprofits throughout the Midwest.

Here are some highlights of projects financed in 2017 with IFF’s NMTC allocation:

BREAKTHROUGH SCHOOLS — CLEVELAND, OH

Breakthrough Schools operates 11 high-performing charter schools across the Cleveland area. IFF’s \$8 million NMTC allocation will help the operator replicate its successful model in two new schools located in neighborhoods that rank 9th and 10th in need for high-quality seats in Cleveland, according to an IFF research study.

FAITH COMMUNITY DEVELOPMENT CORPORATION – LAFAYETTE, IN

The new 90,000-square-foot Northend Community Center will house 11 nonprofits. These organizations will address youth, teens, adults, families, seniors, and Veterans through

a wide range of programming. Faith Ministries will act as both lead developer and master lease holder, offering tenants dramatically discounted leases that allow them to funnel more resources into their programming. IFF is supporting this new facility with \$7 million in NMTC allocation.

FLINT EDUCARE – FLINT, MI

IFF’s \$7 million allocation of NMTCs helped finance construction of a new early childhood education facility for children living in the area affected by the 2014-2016 Flint Water Crisis. About 10,000 children aged 0-6 may have been exposed to lead through their drinking water, which can affect how a child’s brain develops. This state-of-the-art early education facility is meant to help mitigate some of those potential outcomes by providing full-day, full-year, wrap-around services to 220 children in the area.

SMALL PROJECT LOAN FUND

NMTC deals typically flow to larger projects because of the complexity and transaction costs associated with the tax credits. But IFF wants to bring the benefits of NMTC financing — low rates, 7-year terms, and interest-only payments — to smaller community development projects too. That’s why IFF dedicated 20 percent of its most recent NMTC allocation to our innovative Small Project Loan Fund. The first Small Project loan to close was for Centers for New Horizons, a nonprofit that serves children and families at seven locations on Chicago’s South Side. Two others are highlighted on pages 14-15: Community Treatment and Corrections Center in Stark County, Ohio, and Greater Galilee Community Development Corporation in Milwaukee, WI.

Real estate solutions that help nonprofits and communities thrive

As a nonprofit, IFF understands the competing priorities that mission-driven organizations balance on a daily basis. Our expertise in real estate planning and development helps guide nonprofits through every stage of a real estate project — from initial conception through the ribbon cutting.

Here are some highlights of real estate projects with major milestones in 2017:

ENLACE — CHICAGO, IL

Enlace was greatly in need of additional program space for its community development activities, having grown its staff from just five people in 2001 to more than 100 people in 2017. They received a \$2 million grant from the State of Illinois in 2014, but the state’s long “spending freeze” put an indefinite hold on those plans. IFF worked with Enlace to figure out what kind of expansion would be feasible without access to the majority of the grant — adjusting its budget, developing a phased construction plan, and designing a space to meet its rapidly growing program needs. The organization expects its new facility to be completed by October 2018.

CHILDREN OF THE RISING SUN — DETROIT, MI

This long-standing and highly-rated early education provider went from being a home-based provider serving about a dozen kids to a center provider licensed to serve 54 market-rate slots, as well as 18 wrap-around service slots. Its new location features best practice design for early education spaces and is co-located with a Head Start provider. IFF was involved in every stage of the development — early-stage facility assessment, lease negotiation, classroom design, contractor selection, and more. Our Learning Spaces grant program also funded some of the repairs and upgrades.

SENSE CHARTER SCHOOL — INDIANAPOLIS, IN

IFF began working with SENSE in 2014 to assess its long-term growth potential. An initial IFF feasibility study on taking over the 30,000-square-foot former industrial space eventually led the school to first lease and then purchase the building, making renovations incrementally as the student population grew. In 2017, IFF guided renovations on the build-out of six additional classrooms, a new welcome area, and improvements to the building’s exterior. This school is located in an area in high need of quality schools, as shown in an IFF research study.

SOUTH COOK HOMEOWNERSHIP PROGRAM — COOK COUNTY, IL

Twenty-six formerly foreclosed, vacant, and neglected houses have been transformed into beautiful, newly rehabbed homes in south suburban Chicago. IFF’s real estate team worked with developers and contractors to renovate the properties, and then partnered with homebuyer educators to sell the houses to families living at or below 80 percent of the area median income. The program was jumpstarted by a \$3.8 million grant from the Illinois Department of Commerce and Economic Opportunity, and proceeds from the home sales will go back into a revolving fund to improve more properties. This is part of a larger effort that IFF has led in both the south and west sides of Chicago to acquire, rehab, and sell a total of 132 homes — with more still to come.

2017
REAL ESTATE
CONSULTING
HIGHLIGHTS


113
NONPROFITS SERVED
FROM DIVERSE
SECTORS AND MARKETS

Community Development	Minneapolis Metro
Youth Services	St. Louis Metro
Education	Kansas City Metro
Health Care	Milwaukee Metro
Housing	Indianapolis Metro
Other	Detroit Metro
Arts and Culture	Chicago Metro
Multi-Service	
Early Childhood Education	
Charter Schools	

Spotlight: Partnerships expand IFF’s reach and impact in communities

IFF is more than a CDFI. Support from philanthropic partners enables IFF to offer innovative capacity-building solutions that transform nonprofits and the communities they serve. Our systems-level approach is making a difference.



PART 1: STRENGTHENING THE FINANCIAL RESILIENCY OF NONPROFITS

At the heart of IFF’s core business solutions — lending capital and providing real estate consulting — is a vision to strengthen the overall financial health of nonprofits so they can continue to provide essential services to communities. Our philanthropic partners know all too well how much nonprofits need these services to thrive, which is why they often work with IFF to design programs that target specific nonprofit sectors and markets.

MacArthur Foundation

IFF is administering the **MacArthur Arts and Culture Loan Fund**, an initiative aimed at helping small- and medium-sized nonprofit arts groups in Chicago better manage the uneven cash flows that result from the timing of production costs, ticket sales, and grant revenues. Participating nonprofits — dance companies, theaters, youth orchestras, art galleries, and cultural organizations — complete an intensive four-month training program on financial management and have the option to apply for an operating line of credit. In 2017, 18 groups completed the training, and 11 groups received lines of credit from IFF ranging from \$50,000 to \$150,000.

Kevin Iega Jeff, Co-Founder and Executive/Artistic Director of Deeply Rooted, a dance company focused on the African American experience, said of the program: “We don’t do art necessarily for money, even though money is necessary to produce art. The MacArthur Loan Fund really focused on training organizations so they have an understanding of what it is banks are looking for.”

P O L K B R O S F O U N D A T I O N
a foundation for Chicago families
This year IFF marked the 10-year anniversary of **Smarter Spaces**, a partnership with the Polk Bros. Foundation to provide subsidized real estate services to more than 100 Chicago-area nonprofits. IFF’s Polk-subsidized services help nonprofits make long-term decisions about facilities based on sound analysis and planning — saving organizations thousands of dollars and providing long-term peace of mind. Subsidized services include feasibility studies, site search, facility assessment, predevelopment, and facilities plans.

For example, during this time IFF helped plan and oversee renovations at three Erie Family Health Center sites. IFF guided Erie on the timing and staging of each project to ensure funds were available when needed. At one of the sites, IFF also persuaded the architect to use existing functional areas instead of a full gut rehab, leading to significant cost savings. Across the three sites, Erie anticipates serving 14,000 new patients, adding 10 exam rooms, and adding 55 full-time-equivalent positions.

JPMORGAN CHASE & CO.
JPMorgan Chase is supporting the **Stronger Nonprofits Initiative** focused on strengthening the financial health of nonprofits serving communities of color on the south and west sides of Chicago. The program provides financial management training and real estate consulting subsidies. The first ten nonprofits completed the program near the end of 2017 and several are moving forward with feasibility studies to explore the possibility of programmatic expansions.

PART 2: STRENGTHENING NONPROFIT SECTORS AND SYSTEMS

IFF brings together a powerful combination of financial strength, real estate development expertise, sector knowledge, and research capacity to accelerate positive social impact and systems change. Our philanthropic partners are closely tied to this work.



IFF believes every child has the right to a quality education. Throughout 2017, IFF continued to deepen our partnership with the W.K. Kellogg Foundation and The Kresge Foundation to improve **Detroit’s early childhood education system**.

We begin with in-depth IFF research studies to identify the highest-need neighborhoods. Then we work collaboratively through the Hope Starts Here process, which IFF facilitates, to prioritize investments in those communities; in 2017, Hope Starts Here finalized a 10-year, city-wide vision for strategic improvements. Through our Learning Spaces program — which has received more than \$2 million in philanthropic commitments — we offer providers subsidized real estate services to identify and prioritize needed repairs and upgrades, as well as grant funding to implement those changes. During the first year of Learning Spaces, the program provided \$150,000 in grants to 10 facilities serving a total of 631 children. For example, one 5-star rated home-based



KANSAS HEALTH FOUNDATION

With support from the Kansas Health Foundation, IFF is administering the **Kansas Healthy Food Initiative** (KHFI) in partnership with Kansas State University and NetWork Kansas. Launched in late 2017, KHFI will provide flexible loans, grants, and technical assistance to expand access to fresh, healthy foods in underserved communities across Kansas. Potential KHFI projects include developing new grocery stores, renovating aging stores, and improving food distribution. IFF has developed underwriting expertise in the healthy food lending space over the last five years, during which time IFF has lent approximately \$16.4 million to healthy food initiatives in seven states.

TheJoyceFoundation



The Skillman Foundation



IFF’s **Research and Evaluation** practice produces actionable data for community partners, especially in the fields of early childhood education and K-12 education. In 2017, IFF published two major studies analyzing the availability of high-quality school seats in Detroit and the State of Illinois.

IFF’s Investor Consortium: Helping banks and impact investors do well by doing good

IFF’s Investor Consortium provides a simple and secure means of owning a diverse portfolio of community development loans from across the Midwest. Launched in 2004, the consortium now includes 47 financial institutions that have invested a total of \$277 million and experienced zero net charge-offs.



KURT KREIENBRINK, MANAGER OF SOCIALLY RESPONSIBLE INVESTING
PORTICO BENEFIT SERVICES, A FINANCIAL MINISTRY OF THE
EVANGELICAL LUTHERAN CHURCH IN AMERICA

RECENT INVESTOR CONSORTIUM HIGHLIGHTS

- Record Investments:** IFF’s Investor Consortium had its biggest year ever in 2017, raising a record \$55 million in long-term capital from banks and impact investors. Our strategic plan calls for us to raise \$50 million annually over the next five years, and our performance this year puts us ahead of schedule.
- Regional Footprint:** Over the past two years, IFF has added bank investors from throughout the region, including **Fifth-Third Bank**, which is headquartered in Ohio, as well as four Missouri-based banks: **Midwest Bank Centre**, **Reliance Bank**, **Scottrade (acquired by TD Bank N.A.)**, and **Stifel Bank & Trust**.
- Innovative, Single-Bank Note Sale:** In 2017, IFF worked with **Northern Trust** — one of the original Investor Consortium members dating back to 2004 — to execute an innovative, single-bank note focused on subordinated debt and loans for leasehold improvements. These flexible loans are typically more difficult for nonprofits to access, but can be essential for nonprofits to generate high-impact projects. Working together, IFF and Northern Trust solved for these issues and increased IFF’s ability to provide even more of these loans to nonprofits.

CONSORTIUM MEMBERS

- American Chartered Bank
- Associated Bank
- Associated Community Development Bank
- Bank of America
- Barrington Bank & Trust Company
- Beverly Bank and Trust Company
- BMO Harris Bank
- Busey Bank
- Byline Bank
- CIBC Bank USA
- Citizens Bank
- Crystal Lake Bank and Trust Company
- Evergreen Bank
- Fifth Third CDC
- First Bank
- First Bank and Trust
- First Eagle Bank
- First Midwest Bank
- First Savings Bank of Hegewisch
- Hinsdale Bank and Trust
- Jacksonville Savings Bank
- Lakeside Bank
- Libertyville Bank and Trust Company
- Midwest BankCentre
- Mission Investment Fund
- MB Financial Bank
- Northbrook Bank and Trust Company
- Northern Trust
- North Shore Community Bank and Trust
- Old Plank Trail Community Bank
- PNC
- Reliance Bank
- Schaumburg Bank and Trust Company
- St. Charles Bank and Trust Company
- State Bank of the Lakes
- State Farm Bank, FSB
- Stifel Bank & Trust
- TD Bank N.A.
- TIAA-CREF Trust Company, FSB
- Town Bank
- Twain XX LLC
- U.S. Bank
- Urban Partnership Bank
- Village Bank and Trust
- Wheaton Bank and Trust Company
- Wintrust Financial Group of Banks

Our Supporters

NOTE PROGRAM INVESTORS

Foundations and Corporations

- Arc Chicago (Benefit Chicago)
- Bank of America
- Blowitz-Ridgeway Foundation
- BMO Harris Bank
- Calvert Impact Capital
- Cathay Bank
- Central Bank of Kansas City
- Circle of Service Foundation
- Evergreen Bank Group
- Federal Home Loan Bank of Chicago
- First Savings Bank of Hegewisch
- Richard W. Goldman Family Foundation
- Goldman Sachs
- John D. and Catherine T. MacArthur Foundation
- JPMorgan Chase
- The Kresge Foundation
- Living Cities

- Marquette Bank
- North Shore Bank
- Northern Trust
- Opportunity Finance Network
- PNC
- Pritzker Family Foundation
- Rush University Medical Center
- TIAA-CREF Trust Company, FSB
- Twain XX LLC
- Village Bank and Trust
- The Walton Family Foundation
- Wisconsin Preservation Fund
- Wells Fargo Bank
- Woodforest National Bank

Faith-Based Institutions

- Adrian Dominican Sisters
- Basilian Fathers of Toronto
- The Benedictine Sisters of Chicago
- Deaconess Foundation
- Institute of the Blessed Virgin Mary

FUNDERS

Foundations and Corporations

- Bank of America
- Capital One
- The Chicago Community Trust
- CIBC Bank USA
- Comerica Bank
- Commerce Bancshares Foundation
- Enterprise Community Partners
- The Ewing Marion Kauffman Foundation
- First Midwest Bank
- John D. and Catherine T. MacArthur Foundation
- The Joyce Foundation
- JPMorgan Chase Foundation
- Kansas Health Foundation
- The Kresge Foundation
- Max M. and Marjorie S. Fisher Foundation

- MB Financial Charitable Foundation
- Network for Quality Education
- Polk Bros. Foundation
- Piper Jaffray
- PNC Foundation
- Pritzker Children’s Initiative
- Project Reinvest: Neighborhoods
- Ralph C. Wilson, Jr. Foundation
- The Skillman Foundation
- State Bank of India
- U.S. Bank
- The Walton Family Foundation
- W.K. Kellogg Foundation
- Woodforest National Bank

Government

- Chicago Metropolitan Agency for Planning
- Chicago Public Schools
- City of Rockford
- Illinois Attorney General

- Mercy Investment Services
- Mount St. Scholastica
- Our Lady of Victory Missionary Sisters
- Portico Benefit Services
- Religious Communities Investment Fund
- Seton Enablement Fund
- Sinsinawa Dominican Sisters
- Sisters of Charity of Nazareth, KY
- Sisters of the Holy Name of Jesus and Mary U.S.- Ontario Province
- Sisters of the Most Precious Blood of O’Fallon, MO
- Sisters of the Resurrection
- Sisters of St. Francis, Clinton, Iowa
- Sisters of St. Joseph of Carondelet, St. Louis Province
- Sisters, Servants of the Immaculate Heart of Mary
- St. Viator High School
- Trinity Health

- Illinois Department of Commerce & Economic Opportunity
- Illinois Housing Development Authority
- Indiana Department of Education
- US Department of Education
- US Department of Housing and Urban Development
- US Department of Treasury



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313 309 7825

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Kansas City, MO 64109
816 335 4200

Missouri / St. Louis

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314 588 8840

Ohio

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414 563 1101



IFF is an equal opportunity
employer and provider.



Sharing a mission of change