

CDFIs and Green Funding/Financing

Prepared for: Midwest Climate Collaboration

06/14/2024

Agenda



Introduction –IFF



What are CDFIs?



CDFIs and Social Support and Progress



CDFIs and Green Funding and Financing



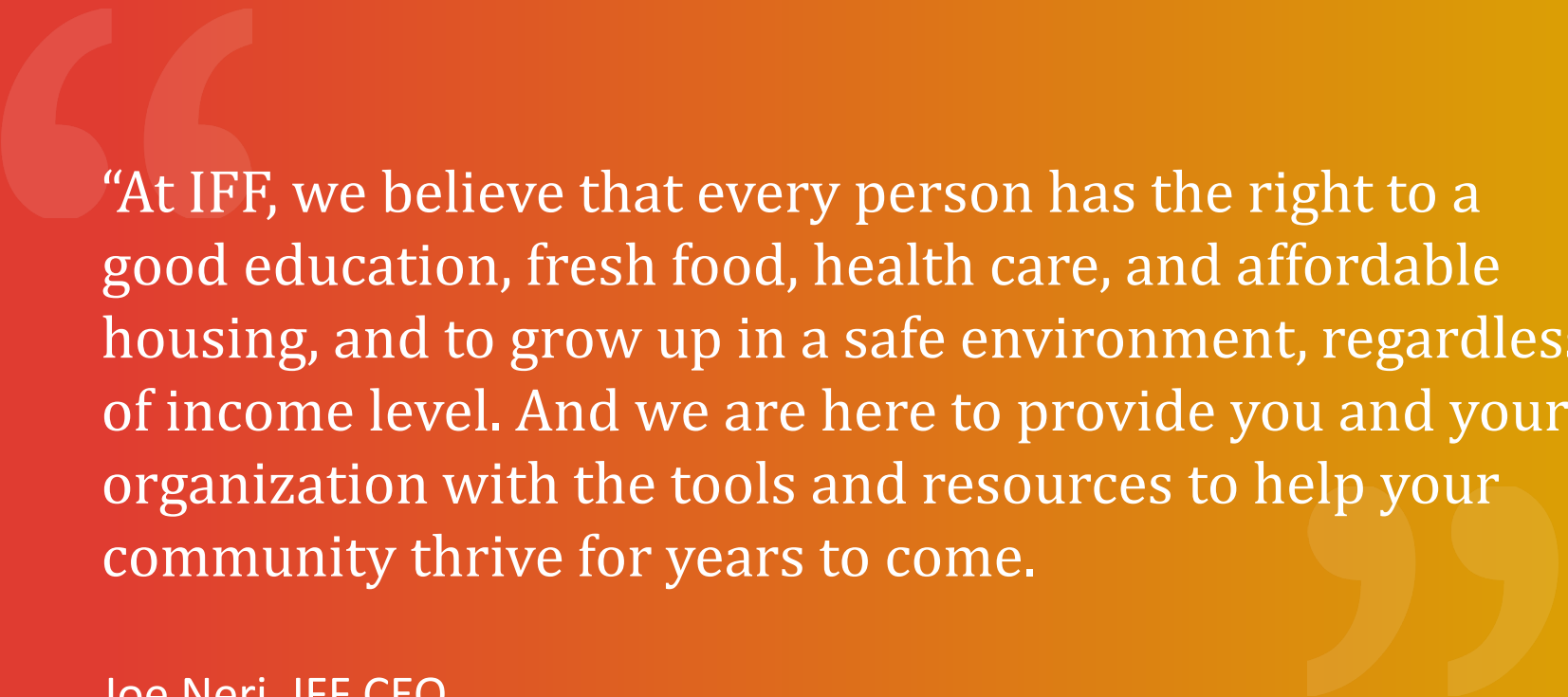
Questions?

IFF is a CDFI

Community Development Financial Institutions (CDFIs) are US Treasury-certified organizations that provide financing targeted to disinvested communities. 4 types:

- **Banks**
- **Credit Unions**
- **Loan Funds**
- **Venture Capital Funds**

**Strengthening
nonprofits and
the communities
they serve.**



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

Joe Neri, IFF CEO



MISSION

IFF strengthens nonprofits and the communities they serve by providing leadership, capital, and real estate solutions.



VISION

Partnering to create thriving communities is at the heart of everything we do. We leverage knowledge, capital, and resources to advance equitable and transformational outcomes in under-resourced communities, guided by our commitment to be an inclusive, anti-racist, and anti-oppressive institution that honors communities as asset-rich and as experts in their own stories.

Leading comprehensive community development

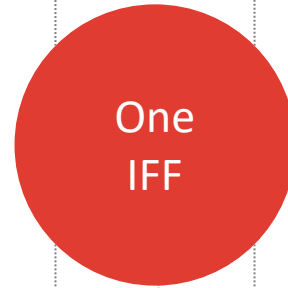


Program management & development

Fiscal Agent
Compliance/ Reporting
Convener
Program Manager / Administrator

Research, Evaluation, Community planning

Market / Service Assessment
Community Data Analysis
Mapping / GIS Analysis
Program / Project Evaluator



Ownership

Land / Building Assembly
Lease-to-Own Structures
Permanent Ownership
Asset Management

Capital market maker

Financing Program Manager
IFF Loan
Structured Finance
Impact Capital (Debt & Equity)

Real estate solutions

Project / Strategy Conception
Project Planning / Analysis
Project Management
Construction Project Management

About IFF



Nonprofit lender, real estate consultant, and developer founded in 1988, with more than \$916 million in total managed assets



Rated ★★★★★ AAA+ from AERIS, positioning IFF as one of the handful of CDFIs in the country to merit this top rating for both impact and financial condition



Assists nonprofits across sectors – including human services, health care, education, child care, housing, arts and culture, and more – serving under-resourced communities and populations with diverse needs



Operates in nine Midwest states – Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Ohio, and Wisconsin – and the adjacent metro areas of Louisville and Northern Kentucky



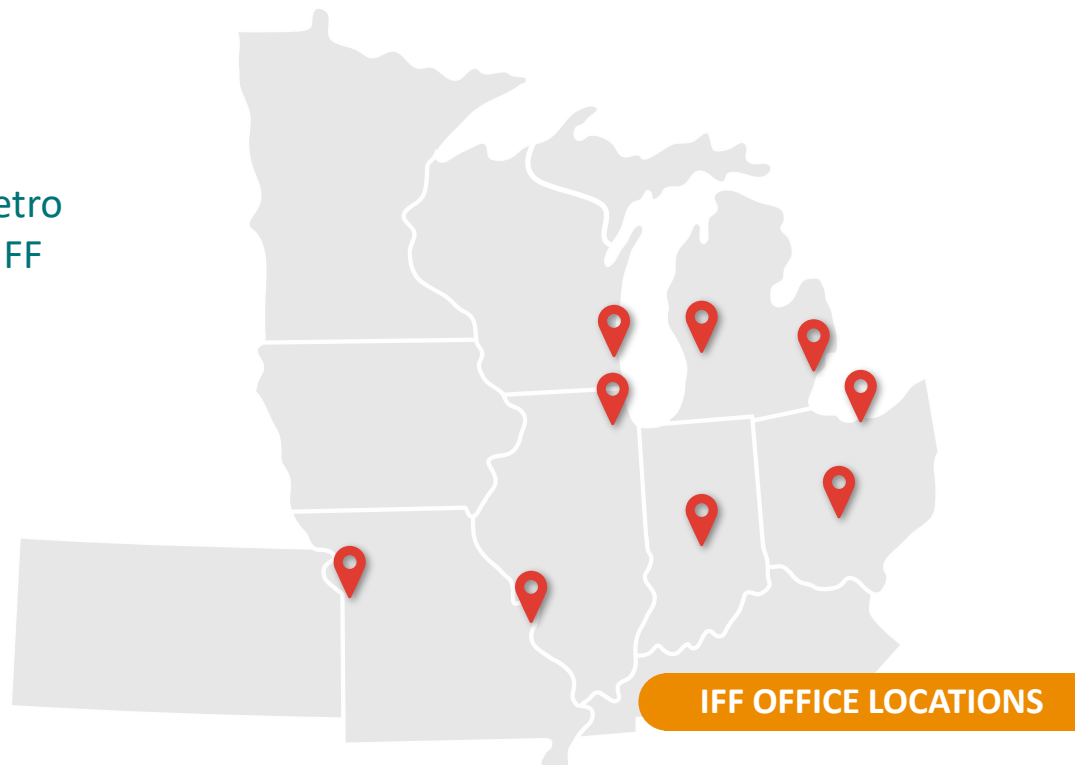
Staffed by more than 140 professionals with significant experience in commercial banking, community and economic development, nonprofit operations, real estate, planning, engineering, green design, architecture

IFF's Footprint



IFF serves nonprofits and communities throughout our Midwest footprint, which includes these 9 states and the adjacent metro areas of Louisville and Northern Kentucky. IFF offices are located in:

- Chicago, IL
- Indianapolis, IN
- Detroit, MI
- Grand Rapids, MI
- St. Louis, MO
- Kansas City, MO
- Columbus, OH
- Cleveland, OH
- Milwaukee, WI



Capital Solutions

- Accessible capital for nonprofits
- Tailored solutions for community facilities
- 5- to 15-year loans
- Financing from \$10,000 to \$6.5 million+
- New Markets Tax Credits
- Affordable housing loans



CUSTOMER SPOTLIGHT:
Family Christian Health Center – Harvey, IL

“When you work with a partner like IFF that has a like-minded approach and recognizes the value of the work that you’re doing for the community, it’s not a matter of whether it can get done, but how it will get done.”

Dr. Lisa Green, CEO and Co-Founder

Impact and Performance – Lending Highlights



As IFF has grown, so too has the average size of our loans – but our core work to provide relatively small-scale loans to nonprofits with big-scale visions remains a core part of our DNA.



Loans Closed

2023: 153

Cumulative: 2,263



Loan Volume

2023: \$233.9 million

Cumulative: \$1.7 billion



Capital Leveraged

2023: \$1.28 billion

Cumulative: \$5.8 billion



Nonprofits Served

2023: 90

Cumulative: 1,219



New Markets Tax Credit Allocations Deployed

2023: \$29.5 million

Cumulative: \$237.5 million

What is a CDFI?



- From grassroots beginnings
 - 1880s – “Minority-owned banks” focused on low-income areas
 - 1930s and 1940s – Creation of credit unions
 - 1960s and 1970s – Creation of community development corporations
 - 1980s – Nonprofit loan funds
 - 1994 – The Community Development Financial Institution Fund was established by the Riegle Community Development and Regulatory Improvement Act
- The CDFI Fund’s purpose is to promote economic revitalization and community development in low-income communities through investment in and assistance to CDFIs.
- Over 1,200 CDFIs now exist nationally.

CDFIs and Social Support and Progress



- CDFIs as part of the response to Redlining
 - CDFI's are an important intermediary that help traditional banks maintain compliance with the Community Reinvestment Act of 1977.
- CDFIs and part of the response to COVID
 - In response to the early stages of the COVID pandemic, CDFIs were instrumental in creating access to the Paycheck Protection Program or “PPP”. Enacted as part of the Coronavirus Aid, Relief, and Economic Security Act “CARES Act”, PPP provided small businesses and nonprofit organizations with approximately \$800 billion in low-interest uncollateralized loans.

CDFIs and Climate Change



- The Inflation Reduction Act of 2022, referred to as the “single largest investment in clean energy, environmental justice, and carbon pollution reduction in American history,” includes a number of tax credits, rebate programs, and incentives designed to shift our entire economy towards sustainability.
- Eligible projects for Green House Gas Reduction Fund financing are wide-ranging and include three priority areas: 1) Distributed Energy Generation and Storage, 2) Net-Zero Emissions Buildings, and 3) Zero-Emissions Transportation.
- Significant emphasis on investing in and delivering benefits to low-income and disadvantaged communities (LIDACs), mandating certain percentages of funds to be invested in these communities. This commitment ensures that projects like net-zero affordable housing, solar panels and battery storage, electric vehicle charging, and more will prioritize communities most impacted by pollution and climate change due to historic disinvestment and neglect, providing them with much-needed capital to address the environmental justice they face.

CDFIs and Climate Change



THE NATIONAL CLEAN INVESTMENT FUND IS THE INVESTMENT ARM OF THE GGRF STRATEGY

National Clean Investment Fund	Clean Communities Investment Accelerator	Solar for All
\$14 BILLION 2-3 Awardees	\$6 BILLION 2-7 Awardees	\$7 BILLION ~60 Awardees
<ul style="list-style-type: none">• Focused on providing financial assistance to aid in the development and deployment of Qualified Projects• Prioritizing scaled deployment, continued operability, and market transformation	<ul style="list-style-type: none">• Focused on providing <u>grant capital</u> to support local project development• Prioritizing seeding the market across geographies to enable and develop qualified projects	<ul style="list-style-type: none">• Focused on funding rooftop solar in disadvantaged communities ("Solar for All" programs) with through state and local governments

THE BIDEN ADMINISTRATION HAS SET CLIMATE GOALS TO:

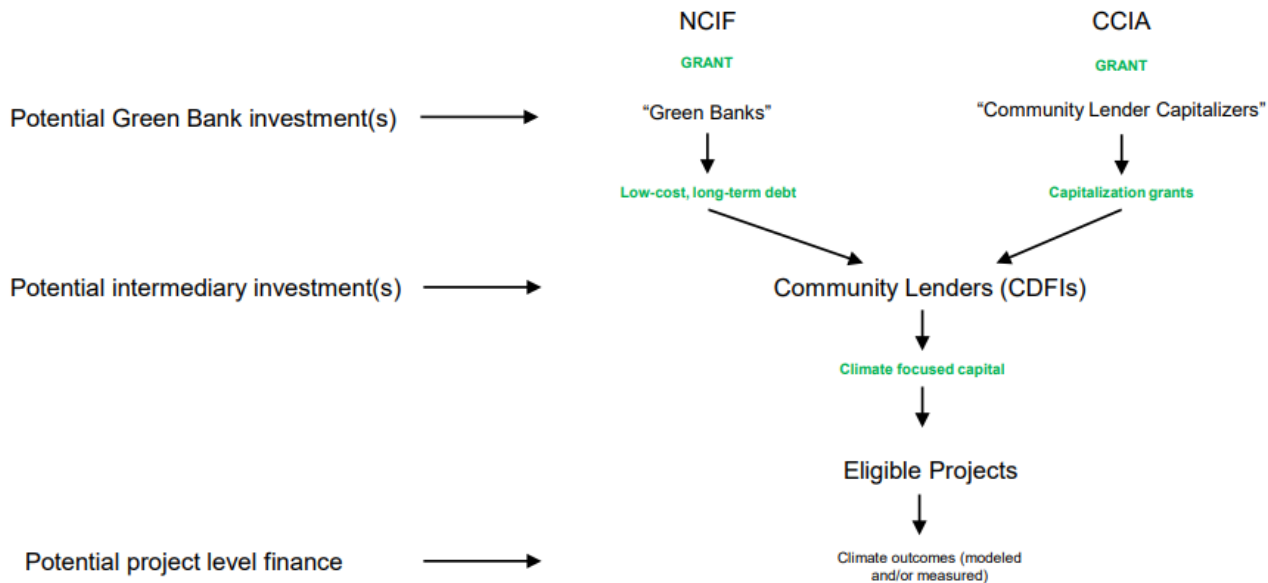
Reduce greenhouse gas emissions 50-52 percent below 2005 levels in 2030	Reach 50 percent zero-emission vehicles share of all new passenger cars and light trucks sold in 2030	Achieve a carbon pollution-free electricity sector by 2035	Achieve net-zero emissions by no later than 2050

CDFIs and Climate Change



Commercial Banks/Capital Markets

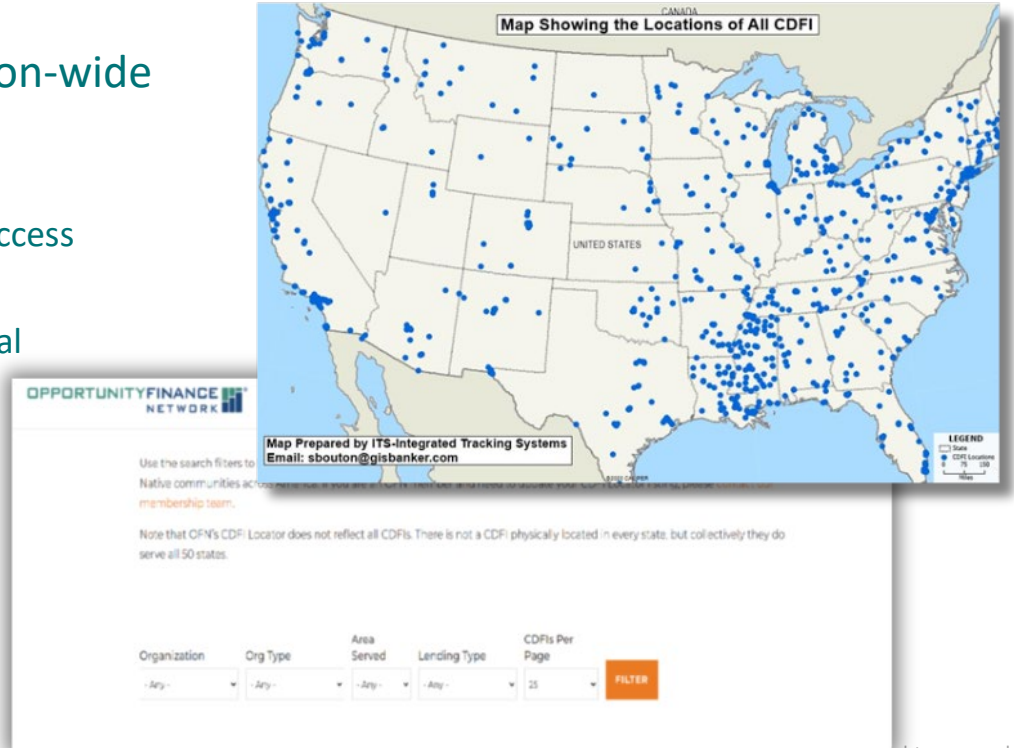
Environmental Protection Agency



Find a CDFI That Serves Your Geography!



- There are over 1,200 CDFIs nation-wide
- When to call a CDFI?
 - Your organization or business needs access to capital.
 - Your organization or business has a real estate development idea.
 - As soon as possible!



Real Estate Solutions

- Real estate expertise and advice
- Informed decision-making from a nonprofit partner
- Comprehensive project management services
- Owner's representative services
- Facilities planning thought partner



“At the moment where Appleseed could have stopped, IFF gave us the lifeline to move forward. Appleseed is not where we are without IFF, and we would not be opening a 75 seat, high-quality early learning center in rural Rensselaer, Indiana.”

Adam Alson, President

“Greenest” building is the one that’s already built



The EASSI and SEEL Programs

South Bend EASSI

Energy Assistance and Solar Savings Initiative

Bloomington SEEL

Solar, Energy Efficiency, and Lighting Program

- City Office of Sustainability is our client
- Open to nonprofits organizations
- We do a Facility Assessment focused on energy efficiency
- Matching grant for energy efficiency projects



Care

Reusing the
existing building
saves 3,500 tons
of carbon
emissions



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