

# 2008 Report to the Community

## ST. LOUIS EQUITY FUND, INC.



707 N. 2nd Street, Suite 308  
St. Louis, Missouri 63102  
Phone 314.436.7810  
[www.slefi.com](http://www.slefi.com)



## Mission



**OUR MISSION** is to effectively utilize corporate investment and available tax incentives to stimulate the development of affordable, low- and moderate-income housing units. We strive to revitalize and stabilize neighborhoods, through public/private cooperation and superior asset management.



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## A Letter from the President

We are pleased to report that our combined Funds raised \$26.4 million during 2008. While this is down slightly from the total equity raised in 2007, we feel it is acceptable considering the rapid deterioration of the financial markets during 2008.

During 2007, we invested a total of \$21.6 million in equity capital in seven projects containing 204 units of workforce and historic housing which was leveraged into total investment of \$34.4 million. In addition, we estimate that this development activity created 446 jobs in the areas we serve, providing much needed economic stimulus. A further positive is that while creating this economic activity, we were able to provide our investors an increased rate of return over the previous year.

We passed a milestone in 2008 with the celebration of our 20th anniversary. Founded with a modest grant from Civic Progress, the Funds have been able to leverage this small amount into total investment of more than \$240 million, which created 3,442 housing units and facilitated the creation of nearly 5,000 jobs in the areas we serve.

Looking forward to 2009 there is no question that we will face significant challenges considering the current economic environment; however, we are confident that with the cooperation of our investors we will continue to produce safe, affordable workforce housing for our communities.

John J. Wuest  
President and CEO



## Today's Housing Needs

**NOW MORE THAN ANY TIME** since the creation of the Low Income Housing Tax Credit Program, there is a need for the building of safe, decent affordable housing. The unfortunate current economic environment is creating a new group of individuals and families that benefit from the housing we are creating. The frozen capital markets present a significant risk to being able to produce this much needed housing. Given these circumstances, St. Louis Equity Fund's syndication efforts provide a unique opportunity for not only the construction of the housing units but also the creation of many new jobs providing crucial economic stimulus. We are confident that in partnership with our investors we will succeed.



"We are proud of the projects we have been involved in with the St. Louis Equity Fund.

Over the past 20 years we have received a consistent rate of return on our investments while at the same time assisting in the pro-

duction of safe affordable housing for working families throughout the country. These investments comprise a key component in our overall strategy of meeting the needs of the communities that we serve."

— Jennifer Kelly-Saeger  
Bank of America  
Senior Vice President  
Community Development Banking

## A 360° View



### History

**THE ST. LOUIS EQUITY FUND WAS FOUNDED IN 1988** with a \$75,000 grant from Civic Progress in response to the need for a vehicle to syndicate low income housing tax credits created by the Tax Reform Act of 1986. The first Fund in 1988 raised \$3.25 million and facilitated in the production of 105 affordable homes. Since that time, the St. Louis Equity Fund has raised more than \$240 million, which has produced 3,442 housing units having a total development cost of \$443 million.



### Investment Opportunities

**THE ST. LOUIS EQUITY FUND OFFERS** an excellent opportunity for corporations and financial institutions to support the communities which they serve while at the same time making an acceptable return on their investment. The St. Louis Equity Fund raises capital on an annual basis from corporations and financial institutions and invests this capital in affordable and historic rental housing units through the purchase of federal and state tax credits. The tax benefits generated from these tax credits are then allocated to the investors, proportionate to their investment, providing them a market rate of return on their investment.



## Development Opportunities

**THE ST. LOUIS EQUITY FUND PARTNERS** with not-for-profit and for-profit developers to create and rehabilitate affordable housing developments, preserve neighborhoods, and stabilize communities. The Missouri Housing Development Commission allocates Low Income Housing Tax Credits (LIHTC) and Affordable Housing Assistance Program Tax Credits (AHAP) to developers participating in the program. Historic Tax Credits are also available. In turn, the St. Louis Equity Fund purchases these tax credits, providing the equity necessary to develop quality, affordable housing.



“Our investment program with the St. Louis Equity Fund makes good business sense on two levels. First, we have the satisfaction of knowing we are helping to meet the ever increasing need for affordable housing. We are also pleased by the fact that our investments are assisting in the stabilization of many neighborhoods which we serve.”

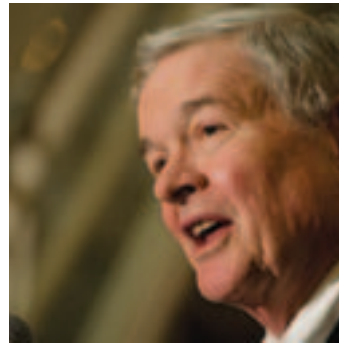
— Warner L. Baxter  
President and CEO,  
AmerenUE



# *SLEFI* *Celebrates* **20** *th Anniversary*

**THE ST. LOUIS EQUITY FUND**  
**CELEBRATED** its 20th Anniversary  
with a reception at the Atrium at  
Ameren UE on April 18, 2008. The  
event was well attended by state  
and local government officials,

investor representatives, develop-  
er partners and many other  
guests. The St. Louis Equity Fund  
was delighted to have Senator  
Christopher "Kit" Bond as the  
keynote speaker at this event.





Senator Bond recognized the Equity Fund and its staff for their invaluable work and their dedication to the creation of affordable housing. St. Louis County Executive Charlie Dooley and Barbara Geisman, Development Director of Mayor Francis Slay's Office, also gave brief remarks at the event and congratulated the Equity Fund on this milestone.

The St. Louis Equity Fund thanked its investors, developer partners, lenders and government officials for helping carry out its mission. Each development is a true partnership and the Equity Fund appreciates the dedication of all organizations involved — our common goal of stronger communities is certainly shared by all. The Equity Fund was

pleased to celebrate 20 years of success with all in attendance and is enthusiastic to continue to carry out its mission in the future.



# 20





**THE ST. LOUIS EQUITY FUND OFFERS** several internet-based avenues for its investors and partners to obtain important documents relating to specific developments and funds, gather detailed information for each project and fund, and report project level information to St. Louis Equity Fund's asset management staff.

St. Louis Equity Fund's Document Manager online database system was introduced in June of 2008. This program allows St. Louis Equity Fund Investors to access and download key documents such as K-1 Statements and Fund Tax Returns through a secure website, at their convenience. If you are an investor in the St. Louis Equity Fund and would like more information regarding Document Manager, please send a request to [contact@slefi.com](mailto:contact@slefi.com).

St. Louis Equity Fund's Tax Credit Manager is a tool for its General Partners and Property Management Companies to report quarterly project financial information to the asset management staff. The process is very user-friendly and utilizes the HUD chart of accounts. This enables consistent reviewing standards for the asset management staff across all of the Equity Fund's projects. Tax Credit Manager was created in 1999 and updated in 2007.

St. Louis Equity Fund's website, [www.slefi.com](http://www.slefi.com), also offers detailed information regarding the staff and governance of the Equity Fund, Investor and Partner lists, project and fund information, and offers contact information for numerous LIHTC and Historic Tax Credit resources.

The Equity Fund encourages you to visit its website and, if applicable, its database programs as well. These sites offer a wealth of information that is only a click away.





CAMCO

Community Asset Management Company

Community Asset Management Company continues to fill a niche in the St. Louis rental market.

**COMMUNITY ASSET MANAGEMENT COMPANY (CAMCO)** provides professional property management and resident support services for private owners and not-for-profit owners. CAMCO was founded in 1998 and it now provides property management services for 41 developments consisting of 1,235 units, collectively.

In addition to property management, CAMCO puts great emphasis on its resident support services. The staff works closely with the residents to coordinate resources and opportunities available to them. By improving the quality of their residents' lives, CAMCO is working to improve the communities in which the St. Louis Equity Fund and its partners invest.



*(left) CAMCO Leasing Agent Malaika Cooper assists a potential resident with paperwork.*



*(right) Maintenance Technician Dennis Carter repairs an A/C unit before the summer weather arrives.*



# Fox Meadows

## 2008 Development

Number of Units: 41

Financing: Low Income Housing Tax Credits; HOME Funds

Location: McLeansboro, IL

Developer: Fox Meadows NFP and BMA Properties, Ltd.

General Partner: Fox Meadows Supportive Living, LLC

Consultant: The Laverbacher Company

General Contractor: Holland Construction

Architect: Gleason Architects

Construction Lender: Peoples National Bank

Permanent Lender: Peoples National Bank

Property Manager: BMA Management, Ltd.

**FOX MEADOWS** is a 41 unit Supportive Living Facility located in the Southern Illinois town of McLeansboro. This development is the first SLEFI investment in Illinois as well as the first time to partner with Fox Meadows NFP and BMA Properties, Ltd. As a Supportive Living Facility, it provides and coordinates flexible personal care services, 24-hour supervision and assistance, activities, and health related services. The physical environment is designed to minimize the need for residents to move within or from the setting to accommodate their changing needs or preferences. Of the 41 newly constructed units, four are double occupancy, and the remaining units are either studio or one bedroom units, all of which contain a private bathroom and kitchen.



## The Railton Residence

2008 Development

Number of Units: 104

Financing: Low Income Housing Tax Credits; Historic Tax Credits

Location: Downtown St. Louis

Developer: The Salvation Army Services, Inc.

General Partner: Railton Management, L.L.C.

Co-Investor: National City Bank/PNC

Consultant: Community Program  
Development Corporation

General Contractor: Paric Corporation

Architect: Trivers Associates

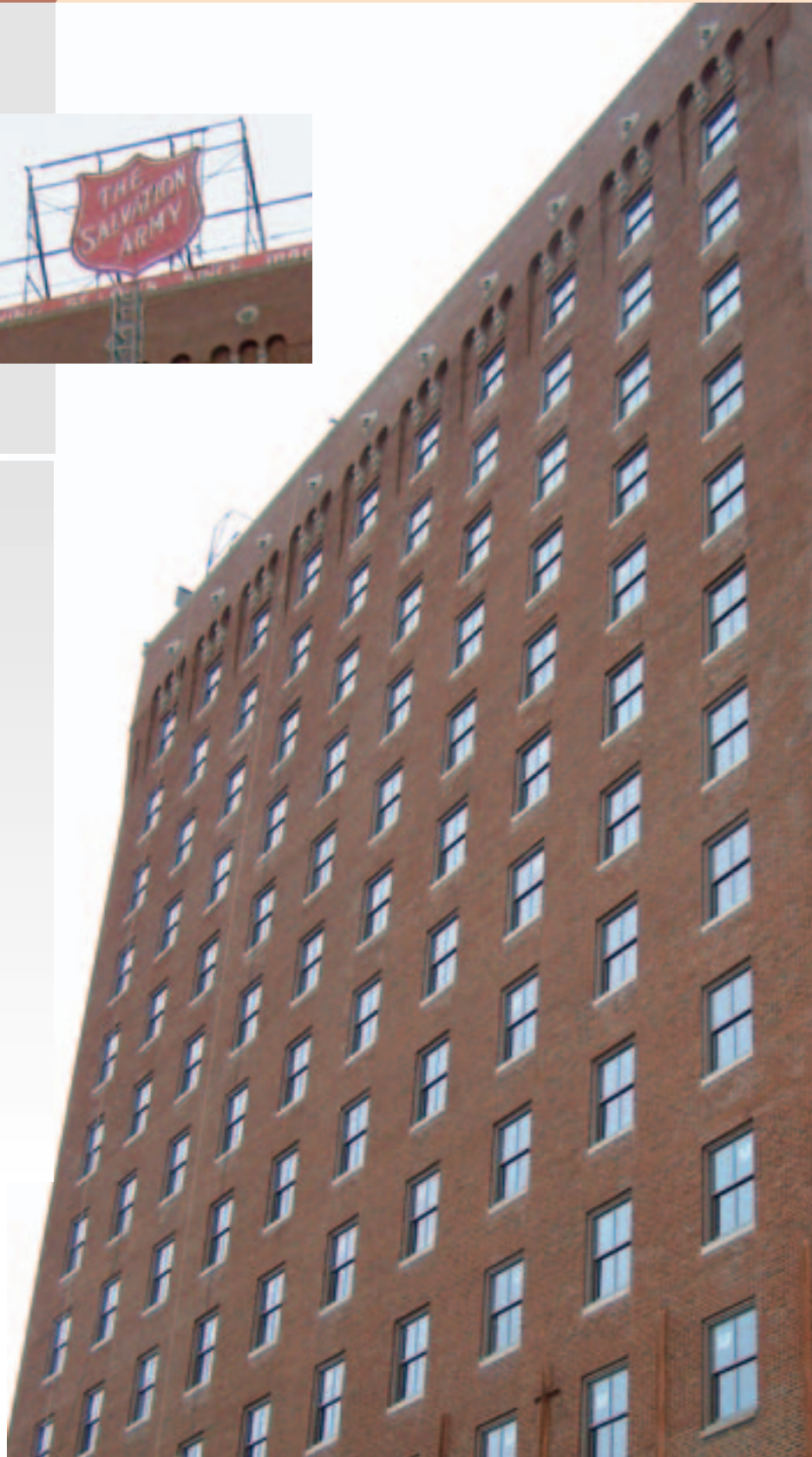
Construction Lender: Salvation Army

Permanent Lender: Salvation Army

Property Manager: McCormack Baron Ragan, Inc.



**THE SALVATION ARMY** purchased the Railton Residence, located in downtown St. Louis, in 1939. The building then consisted of 220 single room units. The Salvation Army has since realized today's need for larger apartments and individual living spaces and, in addition, the building was in need of major repair. This former hotel will undergo a "gut" rehabilitation and when completed will consist of 91 one-bedroom units and 13 two-bedroom units, each complete with a full kitchen, living room, bath and separate bedroom. This is the Equity Fund's first partnership with the Salvation Army.





## St. Ferdinand Homes

## 2008 Development

Number of Units: 18

Financing: Low Income Housing Tax Credits

Location: Greater Ville Neighborhood, St. Louis City

Developer: Northside Community Housing, Inc.

General Partner: Northside Community Housing VIII, L.L.C.

Co-Investor: M & I Community Development Corp.

Consultant: RHCDA

General Contractor: RG Ross Construction

Architect: Curtiss W. Byrne

Permanent Lender: MHDC

Property Manager: CFV Real Estate Company

### THE ST. LOUIS EQUITY FUND

and Northside Community Housing collaborated for a fifth time to develop an additional 18 units in the Greater Ville Neighborhood. St. Ferdinand Homes consists of 14 single-family homes and two duplexes, all of which have three bedrooms. This brings the total number of homes developed by Northside Community Housing and invested in by the Equity Fund to 81.





## Village of St. Mary's

## 2008 Development

Number of Units: 60

Financing: Low Income Housing Tax Credits;  
Historic Tax Credits

Location: O'Fallon, Missouri

Developer: Sisters of the Most Precious Blood/  
McEagle

General Partner: SMI Manager LLC

Co-Investor: US Bancorp CDC

Consultant: Community Program  
Development Corporation

General Contractor: Paric Corporation

Architect: The Lawrence Group

Construction Lender: Bank of America

Permanent Lender: Bank of America

Property Manager: St. Andrews

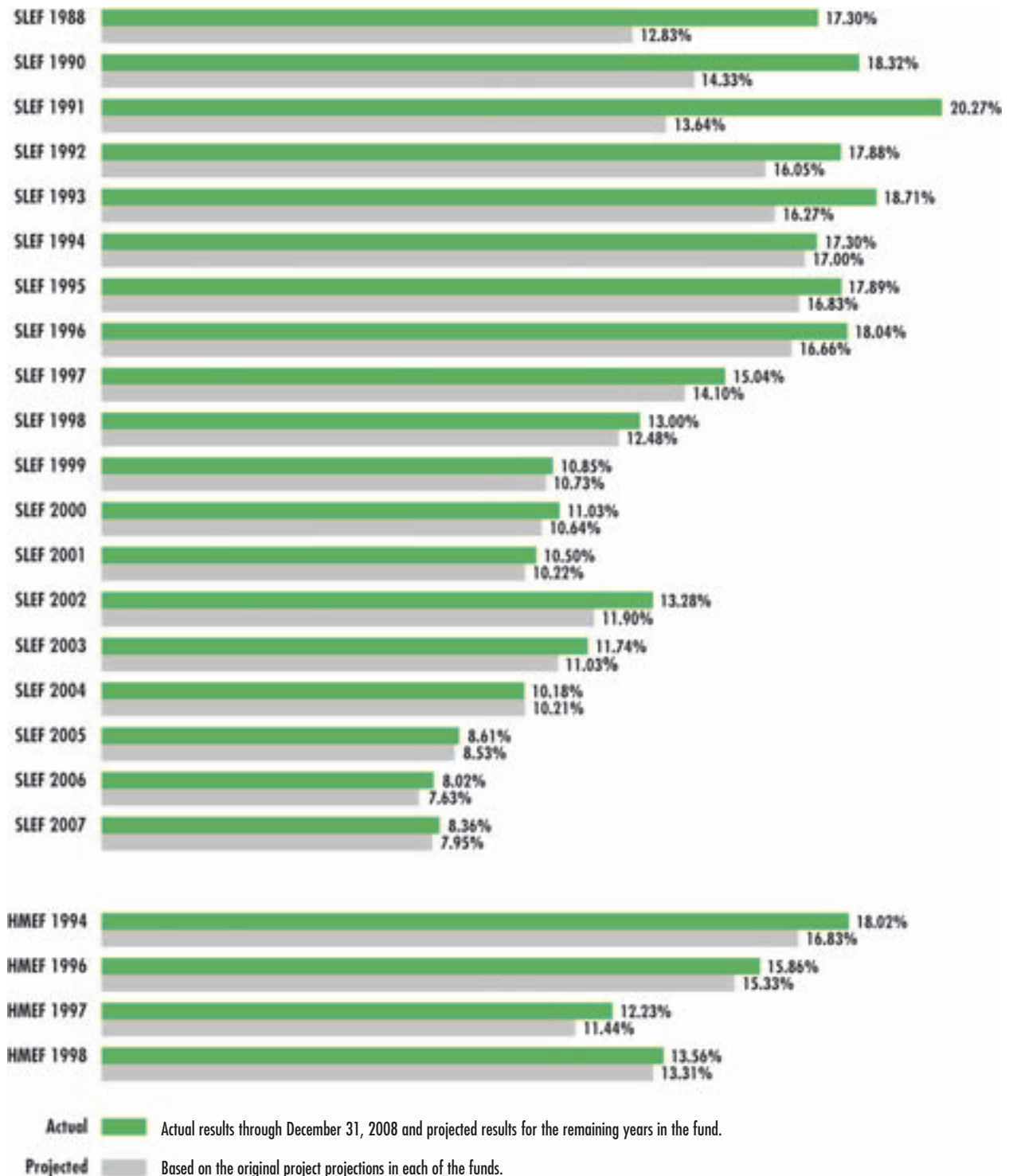
### THE VILLAGE OF ST. MARY'S

is located in O'Fallon, Missouri, and consists of the "gut" rehabilitation of the historic Mother House of the Sisters of the Most Precious Blood. Once completed, this phase of the development will consist of 40 affordable senior units and 20 market rate units. The Village of St. Mary's will be part of a continuum of care that will include independent living, assisted living, and skilled nursing facilities for both the Sisters and other seniors in the community.



## Investment Summary

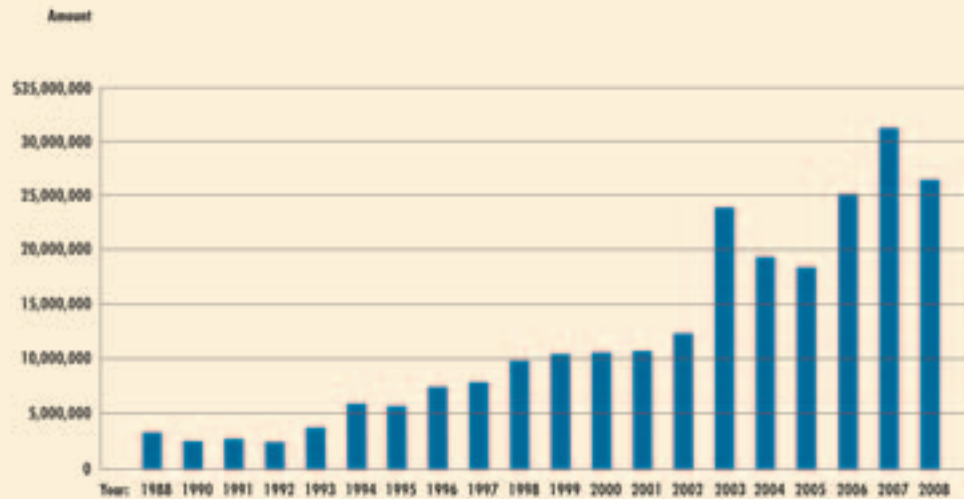
## ACTUAL RETURN VS. PROJECTED RETURN



### PORTFOLIO GROWTH 1988–2008



### EQUITY RAISED 1988–2008



Graph reflects the cumulative investments of the St. Louis Equity Funds, Housing Missouri Equity Funds, Kansas City Equity Fund and the State Credit Funds from 1988 through 2007.

This financial information is presented only as a summary of the investments made by the St. Louis Equity Funds and the Housing Missouri Equity Funds, and should not be relied upon for purposes of making an investment decision.



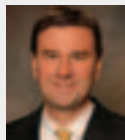


# Board and Committee Members

## BOARD OF DIRECTORS:



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*Heartland Bank*



Joseph Ambrose  
*First Bank*



Bill Gamewell  
*Commerce Bank*



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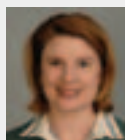
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John Castagno



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*St. Louis Equity Fund, Inc.*

No photo available:  
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*Enterprise Bank & Trust*  
Jill Claybour  
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## INVESTMENT COMMITTEE:

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*Bank of America*

To be Designated  
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Reginald Scott  
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Vihar Sheth  
*US Bancorp CDC*

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*Ameren UE*

Angela Wasson-Hunt  
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*M&I Community Development Corp.*

John J. Wuest (non-voting member)  
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Jeannine Larm  
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Beth Stohr  
*US Bancorp CDC*

John J. Wuest  
*St. Louis Equity Fund, Inc.*

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Jennifer Kelly-Saeger  
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Beth Stohr  
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*Ameren UE*

John J. Wuest  
*St. Louis Equity Fund, Inc.*

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*Citizens National Bank*

Joseph Garea  
*Boulevard Bank*

Mark Ponder  
*Centene Corporation*

Michael Spotanski  
*Laclede Gas*



# Investors and General Partners

## ST. LOUIS EQUITY FUND INVESTORS (1988-2008)

Ameren Corporation	The Laclede Group, Inc.
Anheuser-Busch Companies, Inc.	Lindell Bank & Trust Co.
Aquila, Inc.	Mallinckrodt Inc.
Bank of America, N.A.	M & I Community Development Corp.
The Boeing Company	Macy's
Boulevard Bank	Metropolitan Life Insurance Company
The Business Bank of St. Louis	Monsanto Company
Cass Commercial Bank	National City Community Development Corp.
Centene Corporation	Nestlé Purina Pet Care
Centrue Bank	Northern Trust Corporation
CIPSCO	Peoples National Bank
Citizens National Bank of Greater St. Louis	The PrivateBank
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CPI Corp.	Pulitzer, Inc.
Emerson Electric Co.	Regions Bank
Enterprise Bank & Trust	The Reliable Life Insurance Company
Exchange National Bank of Jefferson City	Reliance Bank
Fannie Mae	St. Louis Bank
Fifth Third Bank CDC	St. Johns Bank and Trust Company
First Bank	Scottrade Bank
First National Bank of St. Louis	Southwest Bank of St. Louis
General Dynamics Corporation	UMB Bank, N.A.
Heartland Bank	US Bancorp CDC
INDEECO	
Irwin Union Bank	
Jefferson Bank and Trust Company	
Kansas City Life Insurance Company	
KLT Investments, Inc.	

## GENERAL PARTNERS (1988-2008)

Donald R. Becker	Parkside Development Corporation
Belle Glade Associates, L.L.C.	Parkview Gardens Association
Beyond Housing/ Neighborhood Housing Services	Patton Development Corporation
BLC Properties, LLC	Peter & Paul Housing Corporation
Luther Boykins	Pruitt-Igoe Development Corporation
Business Research Institute (BRI)	Jon M. Pyzyk
Carondelet Community Betterment Federation	Railton Management
Coronado Leasing, L.L.C.	Robert Wood
DeSales Community Housing Association	Milton D. Rothschild
DMCS Corporation	Rudman Building GP, LLC
Failoni Consultants	Alan Rudroff
Fox Meadows Supportive Living, LLC	The Siedlund Company
Gabel Properties	St. Louis Public Development Corporation X
Goodfellow Apartments, Inc.	St. Patrick Center
Hamilton Heights Neighborhood Organization	The Salvation Army
Hillsdale Homes Corporation	SMI Manager, LLC
Housing Revitalization, Inc.	Smile GP, LLC
I-70 Northwest Development Corp.	Sunset Development, LLC
Intercommunity Housing Association	Tyco Realty
JVL Renaissance, Inc.	Tyler Development, Inc.
Kohner Properties	Richard Wagner
Lister II, LLC	Patrick Werner
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The Meyer Company	
Mid-Missouri Development Company, Inc.	
Neighborhood Holdings, LLC	
North Newstead Association	
Northeast Community Action Corporation	
Northside Community Housing	
Ken Nuernberger	
Forrest D. Nye	





# Professional Consultants and Staff

## PROFESSIONAL CONSULTANTS (2008)

The Stolar Partnership  
*Attorneys at Law*

RubinBrown  
*Certified Public Accountants*

## STAFF

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*President and CEO*



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*Senior Vice President  
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Colleen Kirby  
*Asset Manager*

Eldina Qirici  
*Accounting Manager*

Abram Whitehead  
*Asset Manager –  
Financial Reporting*

Kristal Yancie  
*Office Administrator*



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