



**INVESTMENTS BUILDING  
AFFORDABLE COMMUNITIES**



## 2017 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)

# 2017 REPORT TO THE COMMUNITY



## 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.



Cover photo:  
Vetter Place in partnership  
with Beyond Housing

---

## Contents

- 2 A Letter from the President
- 4 Why Invest in the Equity Funds?
- 6 Why Partner with the Equity Funds?
- 8 DeSales Preservation
- 10 St. Ferdinand Homes II
- 12 Gateway CDFI
- 14 Board of Directors & Committees
- 15 Investors & General Partners
- 16 Staff & Professional Consultants



The development team, including the Developer and General Partner – Lutheran Senior Services, enjoyed the groundbreaking ceremony for Dunn Road Manor.



## LETTER FROM THE PRESIDENT



In our 2015 annual report, I quoted one of my favorite Jack Buck game calls of “Go crazy, folks! Go crazy!” LIHTC pricing was at an all-time high and competition for deals was intense. In the 2016 annual report, I reflected on the importance and impact of the LIHTC program and the need to retain the program both at the Federal and State levels. To describe the affordable housing industry in 2017, it would be, at the very least: Resolve and Purpose. In 2017, SLEFI exhibited its tenacity and secured five developments to fully commit the 2017 Fund. These investments include two properties with partners that we have long-standing relationships with – Northside Community Housing in the Greater Ville neighborhood and Beyond Housing in the City of Pine Lawn. We were also able to renew an investment relationship with ND Consulting Group with an investment in the Hyde Park neighborhood. Additionally, we secured investments with Believers Temple Word Fellowship Church and Kevin Buchek in the Riverview Gardens area and Gardner Capital and Hart Development Group in metro Kansas City, Kansas, both of which represent new relationships for the St. Louis and Kansas City Equity Funds. Our partners are making an impact in their neighborhoods and revitalizing the communities they serve. We are very pleased to have the opportunity to be part of these efforts.

*Values:* Dedication,

As we move into 2018, we are committed to working with Missouri Housing Development Commission (MHDC), our developer partners, sponsors and all of those involved in the production of affordable housing to ensure Missouri returns to being considered a leader among states in the affordable housing industry.

I thank all of our investors, partners and the staff for their commitment to the affordable housing program which has enabled SLEFI to continue its mission to stimulate the development of affordable, low- and moderate-income housing and strive to revitalize and stabilize neighborhoods.

Sincerely,



John F. Kennedy  
President and CEO



Cottages at Cathedral Square in partnership with Metropolitan Housing Development Corporation/Touchette Regional Hospital.

# Professionalism, Collaboration

## WHY INVEST IN THE EQUITY FUNDS?

**D**id you know that a person working at minimum wage in Missouri would have to work 64 hours per week to afford a one-bedroom rental home at fair market rent and 81 hours per week to afford a two-bedroom rental home at fair market rent?<sup>1</sup> There is a significant demand for affordable

housing in Missouri and as it continues to grow, investments in the St. Louis and Kansas City Equity Funds are helping to meet this need. Through 2017, the St. Louis and Kansas City Equity Funds have raised over \$426 million, which aided in the production of 4,672 affordable housing units.

We want to thank our investors for helping provide much needed affordable housing, building stronger communities and revitalizing neighborhoods throughout Missouri, Southern Illinois and Eastern Kansas.

For a list of our current Investors, see page 15.



A person needs to work...

**81** hours per week at minimum wage to afford a 2-bedroom market-rate rental home in Missouri<sup>1</sup>

**64** hours per week at minimum wage to afford a 1-bedroom market-rate rental home in Missouri<sup>1</sup>

The St. Ferdinand Homes II development team along with the Developer, Northside Community Housing, Inc., celebrates the project with a groundbreaking ceremony.

<sup>1</sup> Source: "Out of Reach 2017: Missouri," National Low Income Housing Coalition, [www.nlihc.org/oor/missouri](http://www.nlihc.org/oor/missouri)

## Benefits of Investing:

- The St. Louis and Kansas City Equity Funds have an excellent track record of managing investments and a solid reputation in the affordable housing industry.
- Investors in the Equity Funds support the communities in which they reside and serve and earn a return on their investment.
- The investments are CRA-qualified for financial institutions.
- Investors are given the opportunity to participate in the governance of the Equity Funds by serving on the Board or on one of its corporate committees.



“For almost thirty years, the St. Louis Equity Fund has been attracting and deploying capital to develop and provide quality, affordable housing throughout the St. Louis and Kansas City metropolitan areas. Everyone deserves access to safe and cost-effective homes and SLEFI — working in conjunction with its partner organizations — has been able to make a meaningful impact in the affordable housing community. Kudos and a sincere note of appreciation to the financial institutions and civic-minded organizations that — through their investment in and support of SLEFI — work to improve the affordable housing market in our communities.”

**Andrew Walshaw**  
**Chair, St. Louis Equity Fund, Inc.**  
**Senior Vice President**  
**Northern Trust Corporation**



Ivanhoe Gateway at 39th in partnership with Ivanhoe Neighborhood Council.

## WHY PARTNER WITH THE EQUITY FUNDS?

**T**he St. Louis and Kansas City Equity Funds work very closely with their development partners to ensure that a sound product is constructed and maintained. The Equity Funds strive to offer the assistance necessary to these partners throughout the development process, providing both financial and technical

assistance through their affiliate organization, Gateway Community Development Fund, Inc.

Staff monitors the performance of each investment during the construction, lease-up and operational phases and offers assistance with a variety of issues that may arise throughout the

life of the development. From the planning process through the compliance period, the St. Louis and Kansas City Equity Funds are committed to providing professional guidance and support to their partners to assist in the success of sustainable, affordable housing.

### SLEFI Impact

Total Developments: **141**

Total Units: **4,672**

Total Development Cost since 1988:  
**\$660 million**

Equity Raised since 1988:  
**\$426 million**



The Salvation Army 3010 Apartments

### Benefits of Partnering:

- The Equity Funds are local and are able to monitor all stages of the development, from the planning process through the compliance period.
- The Equity Funds provide competitive pricing and work closely with developer partners to ensure a financially stable investment.
- The Equity Funds and Gateway are full service partners for all of your affordable housing and community development needs.



“Lutheran Senior Services appreciates the partnership and expertise the St. Louis Equity Fund brings. It allows us to further our ministry in offering affordable housing to those in St. Louis with limited incomes — a growing need for many.”

**Rev. John Kotovsky**  
**President**  
**Lutheran Senior Services**



Dunn Road Manor in partnership with Lutheran Senior Services.

# DeSALES PRESERVATION



**D**eSales Preservation consists of 65 scattered-site units in the Fox Park and Benton Park West neighborhoods of South St. Louis City. There will be

a mix of one, two, three and four-bedroom units, all of which will be rent-restricted LIHTC units available to households at or below 60% of area median income. This is the seventh

partnership between St. Louis Equity Fund and DeSales Community Development and will further enhance previous St. Louis Equity Fund investments in those neighborhoods.



**Number of units:**  
65

**SLEF Equity Commitment:**  
\$3,318,239

**Financing:**  
Low Income Housing  
Tax Credits; Historic Tax Credits

**Consultant:**  
ND Consulting Group

**General Contractor:**  
EM Harris Construction Company

**Architect:**  
Naismith-Allen, Inc.

**Construction Lender:**  
Jefferson Bank and Trust

**Permanent Lender:**  
Sterling Bank

**Property Manager:**  
Fox Grove Management

## ST. FERDINAND HOMES II



**Number of units:**  
43

**SLEF Equity Commitment:**  
\$7,881,498

**Financing:**  
Low Income Housing Tax  
Credits; City of St. Louis  
HOME Funds; City of  
St. Louis AHC Funds

**Consultant:**  
Rise Community Development

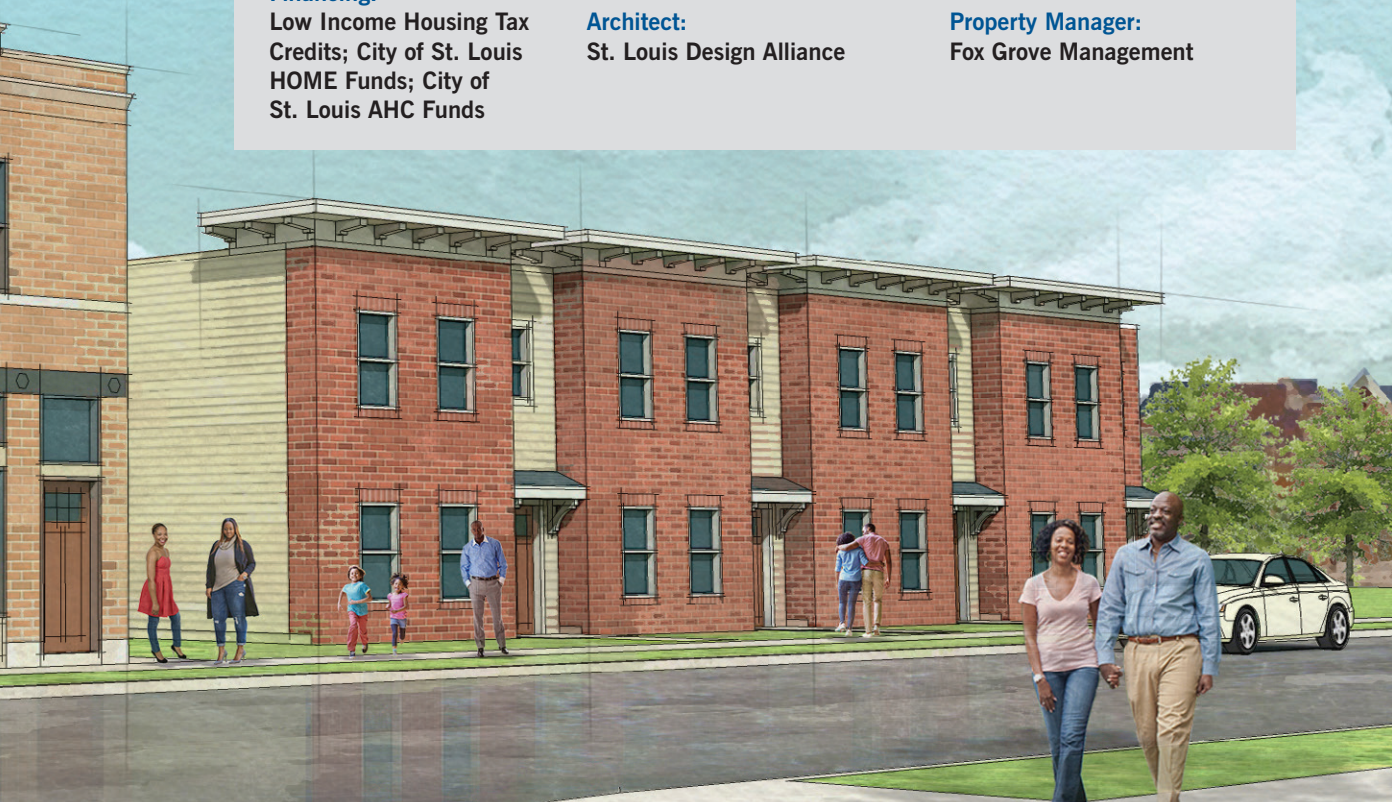
**General Contractor:**  
EM Harris Construction  
Company

**Architect:**  
St. Louis Design Alliance

**Construction Lender:**  
MHDC: \$450,000  
Gateway CDFI: \$2,445,000

**Permanent Lender:**  
MHDC

**Property Manager:**  
Fox Grove Management



**S**t. Ferdinand Homes II is the sixth partnership between Northside Community Housing, Inc. (NCHI) and SLEFI. The development will include 43 units in the Greater Ville neighbor-

hood in St. Louis City. Seven units will be rehabbed, while the remaining 36 units will be new construction. Eleven will be restricted to households earning 50% or less of the area median income, 27 will

be restricted to households earning 60% or less of the area median income and the remaining five units will be available at market rates.



## Mission

To provide consulting services, financial products and training to entities serving low-income neighborhoods and their residents in the St. Louis and Kansas City metro areas; filling the need for innovative financing and development services.



**Erica A. Dobreff**  
President

### Consultants:

**Jerry Burka**  
Old Orchard Consulting

**Joseph Cavato**  
JAC Consulting, LLC

**John J. Wuest**  
Consultant

**Gateway Community Development Fund, Inc.**

was formed in 2009 as an affiliate of the

**St. Louis and Kansas City Equity Funds.**

**Certified by the U.S. Department of the Treasury,**

**Gateway's primary purposes are threefold:**

**lending, consulting and collaboration to promote community and economic development.**



John Kennedy and Erica Dobreff



Garfield School

## Board of Directors

**John F. Kennedy, Chair**  
St. Louis Equity Fund, Inc.

**Joseph Ambrose**  
First Bank

**Erica A. Dobreff**  
Kansas City Equity Fund, LLC

**Michael Duffy**  
Legal Aid of Western Missouri

**Jim Holtzman**  
St. Louis County

**Chris Krehmeyer**  
Beyond Housing

**Reginald Scott**  
Washington University in St. Louis

**Ann Sutter**  
Consultant

# Lending ■ Cons

## Lending

Gateway provides capital to organizations seeking funds to develop and maintain affordable housing in low- and moderate-income communities. Gateway's borrowers are for-profit and non-profit entities working in underserved areas throughout Gateway's target markets. Below are the products Gateway offers:

- First mortgage loans
- Predevelopment loans
- Acquisition & rehabilitation loans
- Construction loans

## Consulting

Gateway's consulting practice is regional in scope and offers a wide range of services, which include:

- Consulting to developers of affordable housing
- Modeling financial projections for affordable housing developments
- Financial and construction draw management
- Performance of physical needs assessment
- Training in LIHTC compliance and asset management
- Technical assistance for organizational development and strategic planning



Delmar  
Properties

## Collaboration

An important part of Gateway's mission is collaboration with financial institutions, governmental entities, developers and other community-based organizations working in the affordable housing and community development arenas.



Patton Avenue Homes

# ulting • Collaboration

# BOARD OF DIRECTORS & COMMITTEES

## Board of Directors

**Andrew Walshaw, Chair**  
Northern Trust Corporation

**Eric Ferguson, Vice Chair**  
Midland States Bank

**Kevin DeGraw**  
Ameren

**Skip Coburn**  
Bank of America  
Merrill Lynch

**Elizabeth Wright**  
BMO Harris Bank

**Jeff Schwaneke**  
Centene Corporation

**Daniel Kleffner**  
Central Bank of St. Louis

**Jason Penfield**  
Commerce Bank

**Brian Davies**  
Great Southern Bank

**Dale Oberkfell**  
Midwest BankCentre

**Niccole Clements**  
PNC Community  
Development Bank

**Clayton Evans**  
Reliance Bank

**Steve Rasche**  
Spire Inc.

**John Kennedy**  
St. Louis Equity Fund, Inc.

**Joseph Sooter, Jr.**  
Stifel Bank & Trust

**Mark Nuss**  
UMB Bank, N.A.

**Jen Call**  
US Bancorp CDC

## Investment Committee

**Daniel Kleffner, Chair**  
Central Bank of St. Louis

**Elizabeth Wright**  
BMO Harris Bank

**Jason Penfield**  
Commerce Bank

**Laura Gilbert**  
Commerce Bank, Advisory  
Member

**Brian Davies**  
Great Southern Bank

**Eric Ferguson**  
Midland States Bank

**Niccole Clements**  
PNC Community  
Development Bank

**Clayton Evans**  
Reliance Bank

**Joseph Sooter, Jr.**  
Stifel Bank & Trust

**John Kennedy**  
St. Louis Equity Fund, Inc.,  
Non-voting Member

## Executive and Governance Committee

**Andrew Walshaw, Chair**  
Northern Trust Corporation

**Eric Ferguson, Vice Chair**  
Midland States Bank

**Daniel Kleffner**  
Central Bank of St. Louis

**Steve Rasche**  
Spire Inc.

**John Kennedy**  
St. Louis Equity Fund, Inc.,  
Non-voting Member

## Finance Committee

**Eric Ferguson, Chair**  
Midland States Bank

**Kevin DeGraw**  
Ameren

**Robert Parker**  
TheBANK of Edwardsville

**John Scherer**  
Cass Commercial Bank

**Steve Kassing**  
FCB BANKS

**Dave Harris**  
First State Bank of  
St. Charles

**John Dulle**  
Jefferson Bank & Trust

**Andrew Walshaw**  
Northern Trust Corporation

**Derek Laur**  
Parkside Financial  
Bank & Trust

**John Kennedy**  
St. Louis Equity Fund, Inc.

**Mark Brandom**  
CIBC Bank USA

**Tracy Howren**  
UMB Bank, N.A.

## Audit Committee

**Steve Rasche, Chair**  
Spire Inc.

**Brian Leeker**  
The Business Bank  
of St. Louis

**Darren Meyer**  
Centene Corporation

**David Bentele**  
Citizens National Bank  
of Greater St. Louis

**Dale Oberkfell**  
Midwest BankCentre

**Andrew Walshaw**  
Northern Trust Corporation,  
Advisory Member

**Joseph Sooter, Jr.**  
Stifel Bank & Trust

## Nominating Committee

**Andrew Walshaw, Chair**  
Northern Trust Corporation

**Kevin DeGraw**  
Ameren

**Laura Gilbert**  
Commerce Bank

**Brian Davies**  
Great Southern Bank

**John Kennedy**  
St. Louis Equity Fund, Inc.,  
Non-voting Member



Ville Estates in partnership with Northside Community Housing, Inc.

# INVESTORS & GENERAL PARTNERS

## Recent Investors

Ameren	Great Southern Bank
Anheuser-Busch	Jefferson Bank and Trust
TheBANK of Edwardsville	Lindell Bank & Trust Company
BMO Harris Bank	Midland States Bank
The Business Bank of St. Louis	Midwest BankCentre
Cass Commercial Bank	Midwest Regional Bank
Centene Corporation	Morrill & Janes Bank and Trust Company
Central Bank of the Midwest	Northern Trust Corporation
Central Bank of St. Louis	Parkside Financial Bank & Trust
CIBC Bank USA	PNC Bank, N.A.
Citizens National Bank of Greater St. Louis	Reliance Bank
Commerce Bank	Royal Banks of Missouri
FCB BANKS	Spire Inc.
First Bank	Stifel Bank & Trust
First State Bank of St. Charles	TD Bank
	UMB Bank, N.A.

## Current General Partners

Better Living Communities	Milton D. Rothschild
Beyond Housing	Missouri Housing Partners
Cardinal Ritter Senior Services	North Newstead Association
DeSales Community Development	Northside Community Housing, Inc.
Fox Meadows Supportive Living, LLC	Overland Property Group
Fulson Housing Group	Places for People, Inc.
Housing Revitalization, Inc.	Pruitt-Igoe Development Corporation
Irving Partners, LLC	Renaissance Property Group
Ivanhoe Neighborhood Council	Robert Wood
JVL Renaissance, Inc.	Sisters of the Most Precious Blood
The Lawrence Group	St. Patrick Center
LoftWorks, LLC	The Salvation Army – Midland Division
Lutheran Senior Services	Touchette Regional Hospital
McEagle Properties, LLC	Westside Housing Organization
Metropolitan Housing Development Corporation	



St. John Neumann Apartments in partnership with Cardinal Ritter Senior Services

## OUR TEAM



**John F. Kennedy**  
President and CEO



**Erica A. Dobreff**  
President, Kansas City  
Equity Fund, LLC and  
Gateway CDFI



**Adam Castagno**  
Vice President –  
Asset Management



**Stanley Jones**  
Director of Construction  
Management



**Cate Kennedy**  
Asset Manager



**Amy McDermott**  
Vice President – Operations



**Eldina Qirici**  
Accounting Manager



**Meredith Toler**  
Treasurer and CFO

## Professional Consultants

**Polsinelli**  
Attorneys at Law



**RubinBrown LLP**  
Certified Public Accountants



Acknowledgements:  
Editor & Production Coordinator: Amy  
McDermott  
Design by Scott Hueting  
Printing by Stolze Printing Company, Inc.

ST. LOUIS EQUITY FUND WILL CELEBRATE 30 YEARS IN 2018!

W

e look forward to celebrating 30 years of excellence in 2018 with our investors, partners, local, state and federal government officials and all the professionals who plan, build and manage our developments. Together we are making investments that build communities.

30<sup>th</sup>  
*anniversary*

*Save the Date: September 20, 2018*