



**ST. LOUIS EQUITY FUND, INC.**

**2019 REPORT TO THE COMMUNITY**



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## REPORT TO THE COMMUNITY

**Our purpose 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.**



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



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Scott Manor





## LETTER FROM THE PRESIDENT



The St. Louis Equity Fund began its 32nd year in 2020, and before we look back to our accomplishments in 2019, I would like to reflect on the current state of the economy and the affordable rental housing market. These are times that practically no one would have thought finding themselves in – lost lives; lost jobs; quarantines; restrictions that have changed how we live and work in every way. And yet the ability of individuals to adapt and be resilient has been phenomenal and it is that which will drive our return to some normalcy in the months and years to come.

It is important that we thank and acknowledge the health care workers, first responders, and those working in essential businesses to see that our everyday needs are available to us. Without the dedication and selflessness of all these individuals, some of whom gave their lives assuring we were looked after, we would find our lives in total chaos. In our world of affordable housing, I particularly want to thank the property managers, leasing and maintenance teams, and those in their new 'home offices' keeping our world of affordable housing running. To all of you: THANK YOU!

The program first started with the Tax Reform Act of 1986. Congress recognized that the most effective deployment of public resources to fund and operate affordable rental housing was to partner with the business community by providing tax incentives to build and operate affordable rental housing. For 34 years, sponsors, developers, investors and property management companies continue to deliver on that foundation. Today, as during the real estate bubble and financial crisis in 2008 and 2009, the affordable rental housing industry continues to

# Values: Dedication,

do what it does best — bring affordable homes to those in great need. The industry has been so successful on delivering on the premise that it has practically become routine... with the exception that the need for affordable housing is anything but routine. It is a basic necessity in order for individuals and families to survive in a world of increasing housing costs. For those of us in the affordable housing industry, both producers and investors, it is incumbent on us to expand the availability of affordable housing to those in need.

St. Louis Equity Fund continues to deliver on our mission of assisting in the creation of safe, affordable and decent rental housing through our investment platform. Including 2019, St. Louis Equity Fund's cumulative capital raised of \$458,900,000 has assisted in the creation of 4,934 housing units through 149 real estate partnerships throughout Missouri, Southern Illinois and the Kansas City, KS metro. A final note of thanks to our investors: Your investment is critical to our purpose, and on behalf of the staff and the board of directors, I say thank you!

Salisbury Park Two

Sincerely,



John F. Kennedy  
President and CEO



# Professionalism, Collaboration

# WHY INVEST IN THE EQUITY FUNDS?

## History

The St. Louis Equity Fund was founded in 1988 with a \$75,000 grant from Civic Progress in response to the desire for a locally owned and controlled organization 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 the production of 105 affordable homes. Since that time, the St. Louis and Kansas City Equity Funds have raised over \$458 million in capital which has aided in the production of 4,934 housing units.

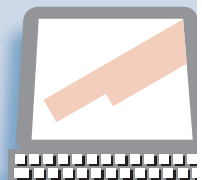
Homes at Walnut Creek



In addition to raising equity to develop affordable housing, the Equity Fund provides non-traditional loan products and development consulting services through its wholly owned subsidiary, Gateway Community Development Fund, Inc. (Gateway). Gateway was established in 2009 and serves clients throughout the state of Missouri, Central and Southern Illinois and Eastern Kansas.



Working at  
minimum wage,  
**\$8.60/hr...**



each **week** you  
have to work  
**59 hours...**

to afford a  
modest 1 bedroom  
rental home at  
Fair Market Rent



Source: Out of Reach 2019: Missouri –  
National Low Income Housing Coalition,  
[www.Reports.nlihc.org/oor/Missouri](http://www.Reports.nlihc.org/oor/Missouri)

# WHY PARTNER WITH THE EQUITY FUNDS?

## Investment Opportunities

The St. Louis and Kansas City Equity Funds offer an excellent opportunity for corporations and financial institutions to support the communities they serve while, at the same time, earning an acceptable return on their investment. The St. Louis and Kansas City Equity Funds raise capital on an annual basis from corporations and financial institutions and form a Fund which invests in Low Income Housing Tax Credits and, when applicable, Historic Tax Credits to aid the production of affordable housing units. 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.

## SLEFI Portfolio

Total Developments:  
**149**

Total Units: **4,934**

Total Development Cost  
since 1988:  
**\$715,970,000**

Equity Raised since 1988:  
**\$458,900,000**

## Development Opportunities

The St. Louis and Kansas City Equity Funds partner with nonprofit and for-profit developers to create and rehabilitate affordable housing developments, preserve neighborhoods and stabilize communities. Throughout the life of the development, the Equity Funds provide support to their partners including both financial and technical assistance through Gateway. From the planning process through the operational phase, management and staff are committed to providing professional guidance to assist in the success of the affordable housing developments.

St. Ferdinand Homes II





## DEVELOPMENTS: STAR RESIDENCES PHASE II

**Number of units:**  
30

**SLEF Equity Commitment:**  
\$5,086,891

**Direct Investor:**  
Sugar Creek Capital

**Financing:**  
Low Income Housing Tax Credits

**Developer:**  
LMAC Holdings, LLC

**General Contractor:**  
Double Diamond Construction  
and Development, LLC

**Architect:**  
Wallace Architects, LLC

**Construction Lender:**  
Missouri Housing Development  
Commission, Legacy Bank &  
Trust Participation

**Permanent Lender:**  
Missouri Housing Development  
Commission

**Property Manager:**  
Sustainable Management, Inc.

**S**TAR RESIDENCES PHASE II consists of a new, three-story multi-family apartment building containing 30 units of affordable housing for senior individuals and couples (aged 55+). Each 821 square foot unit has two bedrooms and one bathroom. All units are rent-restricted Low Income Housing Tax Credits units available for occupancy to individuals and households earning less than 60% of area median income. As a phase II development, this project follows the success of STAR Residences Phase I, a 44-unit senior facility located on the same campus, that opened in December 2016. This is St. Louis Equity Fund's first partnership with Lewis McKinney of LMAC Holdings, the Developer and General Partner.







## DEVELOPMENTS: WINDRIDGE ESTATES II

**Number of units:**  
32

**SLEF Equity Commitment:**  
\$4,080,533

**Financing:**  
Low Income Housing Tax Credits

**Developer:**  
Gardner Capital Affordable Housing  
and Hart Development

**General Contractor:**  
Hamilton Builders, LLC

**Architect:**  
Baron Design &  
Associates, LLC

**Construction Lender:**  
Horizon Bank

**Permanent Lender:**  
Horizon Bank

**Property Manager:**  
Hamilton Properties

**W**INDRIDGE ESTATES II consists of 32 apartment units in two (two-story) garden-style buildings in Bonner Springs, Kansas. The units are rent-restricted utilizing the Low Income Housing Tax Credit income averaging method, whereby tenants can earn anywhere from 20% to 80% of area median income, but on average 60% or less. This development is the second phase of Windridge Estates, which involved the new construction of 40 apartment units and is also a St. Louis Equity Fund investment. Gardner Capital Affordable Housing and Hart Development are the Developer and General Partner of these developments.

Windridge Estates I





Windridge Estates II construction photos





## DEVELOPMENTS: AFFORDABLE HOMES OF BERKELEY

**Number of units:**

30

**SLEF Equity Commitment:**

\$6,569,543

**Financing:**

Low Income Housing Tax Credits

**Developer:**

Rubicon Corporation

**Consultant:**

TPI Group, LLC

**General Contractor:**

Rubicon Corporation

**Architect:**

Curtiss W. Byrne Architect, LLC

**Construction Lender:**

Missouri Housing  
Development Commission/  
Sterling Bank Participation

**Permanent Lender:**

Missouri Housing  
Development Commission

**Property Manager:**

ND&S Management Company

**A**FFORDABLE HOMES OF BERKELEY involves the new construction of 30 three-bedroom/two-bathroom, single-family homes on scattered sites in the City of Berkeley, MO. All the units in the development are rent-restricted Low Income Housing Tax Credit units available for occupancy by households at 60% of area median income. The project is a follow-up to the Berkeley Manor LIHTC development – completed in December 2013 – which built 30 similar single-family homes in the same immediate neighborhood as Affordable Homes of Berkeley. In addition to the 30 new homes, the project will also include the renovation of a home in the neighborhood that will be used as a center for service enriched programs for residents offered/coordinated by Horizon Housing Foundation. Rubicon Corporation is the Developer and General Partner of this project.









# GATEWAY

A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION

## 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.



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 include: **lending, consulting and collaboration** to promote community and economic development throughout Missouri and the Midwest.

## QUICK FACTS

Through December of 2019:

Originated **61** loans

Average Loan: **\$178,400**

## LENDING:

Gateway provides capital to borrowers, both for-profit and non-profit entities, which are seeking funds to develop and maintain affordable housing in underserved areas throughout Gateway's target markets. Gateway provides lending opportunities directly and also through its Participation Loan Pools which are funded by its banking partners and managed by Gateway staff. Below are the products that Gateway offers:

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

### Gateway Team

**John F. Kennedy**  
President

**Jaycee Greene**  
Community Development Lender

### Consultants

**Jerry Burka**  
Old Orchard Consulting

**Joseph Cavato**  
JAC Consulting, LLC

**Erica A. Dobreff**  
Somerset Consulting, LLC

**John J. Wuest**

[www.gatewaycdfi.com](http://www.gatewaycdfi.com)



# Lending ■



## 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

## COLLABORATION:

An important part of Gateway's mission is collaboration with financial institutions, government entities, developers, and other community-based organizations working in the housing and community development arena. Gateway has the flexibility and knowledge to tailor its products and services to the needs of its partners and clients.



before...



...and after

Gateway provided the financing to Tower Grove Neighborhoods CDC to rehabilitate this beautiful home in St. Louis City's Tower Grove South neighborhood.

## Board of Directors:

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

**Joseph Ambrose**  
First Bank

**Erica A. Dobreff**  
Somerset Consulting, 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

**Peter Zeiser**  
Midwest BankCentre

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CIBC Bank

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

**Laura Gilbert**  
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**Chris Krehmeyer**  
Beyond Housing

**Tom Murphy**  
Great Southern Bank

# BOARD OF DIRECTORS AND COMMITTEES

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Love Funding

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Bank of America Merrill Lynch

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FCB Banks

**Tom Murphy**  
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Midwest BankCentre

**Nicole Clements**  
PNC Community  
Development Bank

**Steve Rasche**  
Spire Inc.

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

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

**Jen Call**  
US Bancorp CDC

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Love Funding

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Advisory Member

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FCB Banks

**Tom Murphy**  
Great Southern Bank

**John Dulle**  
Jefferson Bank and Trust

**Nicole Clements**  
PNC Community  
Development Bank

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

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

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**Eric Forguson, Vice Chair**  
Midland States Bank –  
Love Funding

**Kevin DeGraw**  
Ameren

**Steve Rasche**  
Spire Inc.

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

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Ameren

**Dave Harris**  
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of St. Charles

**Brian Davies**  
Great Southern Bank

**Andrew Walshaw**  
Northern Trust Corporation

**Derek Laur**  
Parkside Financial  
Bank & Trust

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

**Suzy Agin**  
Stifel Bank & Trust

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Spire Inc.

**Darren Meyer**  
Centene Corporation

**Dale Oberkfell**  
Midwest BankCentre

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

**Brian Leeker**  
Stifel Bank

## Nominating Committee

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Northern Trust Corporation

**Kevin DeGraw**  
Ameren

**Loura Gilbert**  
Commerce Bank

**Brian Davies**  
Great Southern Bank

**John Dulle**  
Jefferson Bank and Trust

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



Pine Lawn Manor

# INVESTORS AND GENERAL PARTNERS

## Recent Investors

Ameren  
Anheuser-Busch  
Bank of Labor  
Busey Bank  
Cass Commercial Bank  
Centene Corporation  
Central Bank of St. Louis  
Central Bank of the Midwest  
CIBC Bank USA  
Citizens National Bank of Greater St. Louis  
Commerce Bank  
FCB Banks  
First Bank  
First State Bank of St. Charles  
Great Southern Bank  
Jefferson Bank and Trust  
Lindell Bank & Trust Company  
Midland States Bank  
Midwest BankCentre  
Northern Trust Corporation  
Parkside Financial Bank & Trust  
PNC Bank, N.A.  
Royal Banks of Missouri  
Simmons Bank  
Spire Inc.  
Stifel Bank  
Stifel Bank & Trust  
TD Bank  
UMB Bank, N.A.

## Current St. Louis Equity Fund General Partners

Believers Temple Word Fellowship Church	Jamison Memorial Temple, CDC	North Star Housing, LLC
Better Living Communities	JVL Renaissance, Inc.	Overland Property Group
Beyond Housing	Kevin Buchek	Places for People, Inc.
Cardinal Ritter Senior Services	The Lawrence Group	Pruitt-Igoe Development Corporation
DeSales Community Development	LMAC Holdings, LLC	Renaissance Property Group
Fox Meadows Supportive Living, LLC	LoftWorks, LLC	Robert Wood
Fulson Housing Group	Lutheran Senior Services	Rubicon Corporation
Gardner Capital Affordable Housing, LLC	McEagle Properties, LLC	Sisters of the Most Precious Blood
Hart Development Group	Metropolitan Housing Development Corporation	St. Patrick Center
Housing Revitalization, Inc.	Milton D. Rothschild	The Salvation Army – Midland Division
Irving Partners, LLC	Missouri Housing Partners	Touchette Regional Hospital
Ivanhoe Neighborhood Council	ND Properties	Westside Housing Organization
	North Newstead Association	
	Northside Community Housing, Inc.	



Villas at Ridge Pointe II



# OUR TEAM



**John F. Kennedy**  
President and CEO



**Adam Castagno**  
Vice President –  
Asset Management



**Janice Cole**  
Administrative Assistant



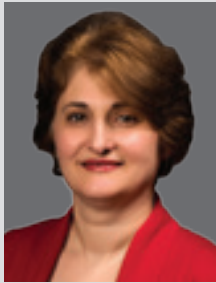
**Jaycee Greene**  
Community Development  
Lender



**Amy McDermott**  
Vice President – Operations



**Cleo Miller Sr.**  
Construction Manager



**Eldina Qirici**  
Accounting Manager



**Meredith Toler**  
Treasurer and CFO



**Cate Trende**  
Asset Manager

## Professional Consultants

**Polsinelli**  
Attorneys at Law



**RubinBrown LLP**  
Certified Public Accountants



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*Investments  
building  
affordable  
communities*





