



# ST. LOUIS EQUITY FUND, INC.

2020 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.**

As the COVID-19 pandemic continues to affect the entire world, the St. Louis Equity Fund is doing its part to continue supporting the affordable housing communities we serve and their residents. We understand the challenges our residents are facing and are working closely with our partners and the property managers to address their

needs and safety. We are committed to our partners and investments as well as expanding the availability of affordable housing. We know the need for affordable housing is greater than ever and we will continue to deliver on our mission of assisting in the creation of safe and affordable rental housing.



Jamison Housing on the Boulevard

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Blair Homes



## LETTER FROM THE PRESIDENT



I'm at a loss for words on how the pandemic has impacted so many people's lives. A year ago, it was only two months into the pandemic when I wrote in my annual report letter to thank the first responders, health care professionals and medical support teams, essential personnel, as well as all those who serve the affordable housing industry for giving their all to keep us safe. Though predictions ran the gamut as to how severe it would be and how long it would last, we are today seeing signs that the battle against the pandemic is being won. This year I want to again thank all those who have served to fight the pandemic, save lives, and serve the community.

The affordable housing industry, congress, local and state entities have responded during the pandemic in such a way that has helped preserve housing for those who would have otherwise had their housing arrangements disrupted. The strength of the program and the great understanding of the need for decent, safe, affordable rental housing has been a constant – especially during these unprecedented times.

The Low Income Housing Tax Credit program, its continued growth and refinements, including ongoing bi-partisan support on the national level and a return on the state level of the Missouri Low Income Housing Tax Credit program, all demonstrate the continuing success of this remarkable public-private partnership providing rental housing to low- and moderate-income individuals.

# Values: Dedication,

The St. Louis Equity Fund is pleased and honored to be reflective of that success, which is only possible with the financial investments from our investors. Since 1988, we've assisted in the creation and/or preservation of 4,997 units of housing in 152 real estate partnerships in the St. Louis and Kansas City metropolitan areas as well as eastern Kansas and southern Illinois.

Our CDFI, Gateway Community Development Fund, Inc., has assisted in the preservation of 529 units of housing through \$11,772,000 in financing in over 70 developments.

As we move forward and into a new era reminding us that life is unpredictable, our commitment to low- and moderate-income individuals, families, seniors and special needs populations is unwavering.

Thank you to all of our investors and community partners for your continued commitment to this most important program.

Sincerely,



John F. Kennedy  
President and CEO

Kingsway Townhomes



# Professionalism, Collaboration



# WHY INVEST IN THE EQUITY FUNDS?

*St. Louis native and single parent Mary was struggling to take care of her three children and living in a run-down apartment building that was being poorly maintained. To help improve her life, Mary returned to school to study phlebotomy, hoping to earn enough money to move her family into a better home.*

*Mary not only accomplished her goal of becoming a phlebotomist but also landed her dream job of taking blood donations that save lives. Although her new career was taking off, she still struggled to find a quality, affordable home. That's when she first learned about an organization called Beyond Housing.*

*"I began taking Beyond Housing homeownership and financial courses, and while taking these classes, I found out they were building affordable single-family homes in Pine Lawn. I knew I had to do whatever it would take for my family to live in one of those houses."*

— Mary – Pine Lawn Manor



## 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 \$471 million in capital which has aided in the production of 4,997 housing units.

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.



An Affordable Homes at Berkeley Resident was interviewed for the virtual SLEFI House Tour

## 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 a 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 investments are then allocated to the investors, proportionate to their investment, providing them a market rate of return.

### 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 CDFI. 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.

### SLEFI Portfolio

Total Developments:

**152**

Total Units: **4,997**

Total Development Cost since 1988:

**\$727,430,000**

Equity Raised since 1988:

**\$470,600,000**

*Louis is an honorable Army Veteran that served from March 1979 until March 1985. After losing his parents and struggling with addiction for several years, Louis lost his job and found himself homeless in 2019. He sought help from several service providers, but it wasn't until he connected with The Salvation Army that he found himself turning his life around.*

*Currently, Louis is employed, maintaining a healthy life routine, residing at the Garrison Residence, and exercising love for himself and his family. He has reconnected with his children and has a new healthy baby granddaughter that inspires him to live a healthy life.*

*Louis recommends The Salvation Army programs and states that "if you work the program, the program will work for you".*

— Louis – Garrison Residence



## WHERE ARE THEY NOW?

We strive, through our asset management and compliance programs, to see that our developments stay financially stable and in good physical condition throughout their life cycle. This is important to ensure our residents have a desirable place to call home, and so the Equity Fund has a stable property to exit at the end of the 15-year compliance period. Our goal is to turn over developments that remain viable and an asset to the communities we serve. Here's a look at a few older developments nearing the end of their compliance period.

### Mary Louise Estates

The St. Louis Equity Fund and Beyond Housing partnered for the 14th time in 2007 to develop Mary Louise Estates, a 20-unit single-family home development. These homes are located in Pagedale in St. Louis County which is one of Beyond Housing's main areas of focus. In addition to the brick and mortar of building the homes, Beyond Housing provides support and resources to its residents for many aspects of their lives – from purchasing a home to health, education, employment and economic development. This social service component has helped the development remain stable and helped attract long-term residents, including two who have lived there for 13 years. These homes will reach the end of their 15-year compliance period in 2022 and have been well-maintained to provide residents with many more years of comfortable, quality housing. At that time, the Equity Fund will work with Beyond Housing to exit this development in a manner that



will not disrupt the residents. Since this partnership, the St. Louis Equity Fund and Beyond Housing have partnered an additional five times to create 204 more units of affordable senior and single-family homes.

## The Village at Mackenzie Place

The St. Louis Equity Fund partnered with Lutheran Senior Services in 2010 to develop The Village at Mackenzie Place which is located in Affton in St. Louis County. This development consisted of a low-income housing tax credit investment and a historic tax credit investment. The low-income housing tax credit component consists of 18 one-bedroom and 16 two-bedroom newly constructed apartments, all of which are restricted to residents earning 60% or less of the area median income. This building is attached by an enclosed walkway to the former Affton High School building, a historic structure that was rehabbed to accommodate 20 market rate apartments, activity space and a community center.

This development is now 10 years old, remains in good physical condition and is fully occupied. Lutheran Senior Services offers a wide array of social services and activities to their residents which include nursing services, health education, counseling to combat social isolation and depression, a community garden, and they recently hosted a COVID-19 vaccine clinic. We are confident this development will remain stable and an asset to the community.



## DEVELOPMENTS: WEBSTER SCHOOL

**Number of units:**  
49

**SLEF Equity Commitment:**  
\$9,434,358

**Financing:**  
Federal Low Income Housing  
Tax Credits; Federal and State  
Historic Tax Credits

**Developer:**  
LMAC Holdings, LLC

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

**Architect:**  
Ebersoldt + Associates

**Construction Lender:**  
Legacy Bank & Trust

**Permanent Lender:**  
Affordable Housing Commission  
of the City of St. Louis

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

The historic Webster School building sits on a prominent site viewable from Highway 70 heading into downtown in the Old North St. Louis neighborhood in St. Louis City. The school was designed by William Ittner and opened in 1907 and closed in 2007. We are excited to give this historic structure a new life. When the rehabilitation is complete, the development will consist of 49 two-bedroom units restricted to senior households (aged 55+), all of which are LIHTC units meeting the 60% average median income limits. A Caring Plus Incorporated will provide supportive services to enhance the quality of life for the residents. Lewis McKinney of LMAC Holdings, LLC is the developer, and this is the second partnership between LMAC Holdings and St. Louis Equity Fund.



John Kennedy and Lewis McKinney at the STAR Residences Groundbreaking Ceremony in 2019



## DEVELOPMENTS: HOMES AT WALNUT CREEK PHASE II

**Number of units:**

14

**SLEF Equity Commitment:**

\$2,847,715

**Financing:**

Federal Low Income Housing  
Tax Credits

**Developer:**

North Star Housing, LLC

**General Contractor:**

Oakwoods Contracting, LLC

**Architect:**

Wallace Architects, LLC

**Construction Lender:**

Legacy Bank & Trust

**Permanent Lender:**

Legacy Bank & Trust

**Property Manager:**

Belmont Management Company, Inc.

Homes at Walnut Creek Phase II, a 14 single-family home development, is located in Wellsville, Kansas which is located in the Kansas City metro area, and will enhance the recently completed Homes at Walnut Creek Phase I. Phase I involved the construction of 18 new, affordable, single-family homes in the same subdivision and reached 100% occupancy in April 2020. Each home in Phase II will have three bedrooms, two full bathrooms, and an attached two-car garage and all are LIHTC units restricted to 60% AMI utilizing the average income set-aside. This is St. Louis Equity Fund's second partnership with North Star Housing, whose principals are Lela Gruebel and Andrew Danner.



Homes at Walnut Creek Phase I



Homes at Walnut Creek Phase I



**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.

## HISTORY:

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. Departments of the Treasury, Gateway's primary purposes include: **lending, consulting and collaboration** to promote community and economic development throughout Missouri and the Midwest.



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

During 2020 Gateway staff and contractors worked with clients to prepare applications for Low Income Housing Tax Credits, Federal Home Loan Bank Affordable Housing funds, and Missouri State Affordable Housing Assistance Credits. Through its Participation Loan Pool Committee and Internal Loan Committee, 17 loans totaling \$3.7 million were approved in 2020 which represents 119 housing units. Over the same time period, Gateway closed nine loans totaling nearly \$1 million, bringing 27 housing units online.

## QUICK FACTS

Through December  
2020

Originated **70** loans  
financing **529** units  
of housing

Total Funding:  
**\$11,770,000**

## 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



# 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.

### Gateway Team

**John F. Kennedy**  
President

**Jaycee Greene**  
Director of Lending

### Consultants

**Jerry Burka**  
Old Orchard Consulting

**Joseph Cavato**  
JAC Consulting, LLC

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

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Before and after photos of a single-family home rehabbed by Jolly & Associates utilizing funds available through the Kansas City Participation Loan Pool.



# Consulting • Collaboration

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



STAR Residences Phase II Groundbreaking Ceremony

# INVESTORS AND GENERAL PARTNERS

## Recent Investors

Ameren  
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 Bank of Labor  
 Busey Bank  
 Cass Commercial Bank  
 Centene Corporation  
 Central Bank of St. Louis  
 Central Bank of the Midwest  
 CIBC Bank USA  
 CNB St. Louis Bank  
 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.  
 Simmons Bank  
 Spire Inc.  
 Stifel Bank  
 Stifel Bank & Trust  
 TD Bank

## Current St. Louis Equity Fund General Partners

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



DeSales Preservation



**OUR  
TEAM**



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President and CEO



**Adam Castagno**  
Vice President – Asset Management



**Jaycee Greene**  
Director of Lending



**Amy McDermott**  
Vice President – Operations



**Cleo Miller Sr.**  
Construction Manager



**Eldina Qirici**  
Accounting Manager



**Meredith Toler**  
Treasurer and CFO



**Cate Trende**  
Asset Manager

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

**Professional Consultants**

**Polsinelli**  
Attorneys at Law

**RubinBrown LLP**  
Certified Public Accountants



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*Investments building affordable communities*

