2016 ANNUAL REPORT
A Message from the Board Chair

I am proud to present to you this copy of Bridge Investment’s 2016 Annual Report. The report summarizes the highlights for Bridge Investment’s pivotal year advancing its mission of supporting job creation and economic growth in low-and-moderate-income communities and underserved areas.

By offering loans, guidance, and resources to small and emerging businesses, Bridge Investment is looking to emphasize on projects in highly distressed locations that have strong community alignment, create jobs, and provide crucial services to the community that then increases additional private investment.

Bridge Investment’s has made a significant impact in 2016 related to impacting jobs, improving neighborhoods, and advancing small business initiatives.

Kevin Peterson
Board Chair


Mission

Support job creation and economic growth in low and-moderate-income communities and underserved areas by:

- Providing community-based lending and investment
- Leveraging public and private investment for economic and community development
- Fostering the creation and preservation of low and moderate-income housing for low-and-moderate-income individuals
- Seeks to empower individuals, businesses, and cities through its financial programs

Board of Directors

Second quarter 2016, Bridge Investments established a 12-member Board of Directors consisting of nine banks, two for-profit businesses, and one non-profit business. During that same time, Bridge Investments also elected its Executive Board which also serves as its Loan Committee.

Executive Board/Loan Committee

Kevin Peterson, Chair
AJ Loss, Vice Chair
Brian Picknell, Treasurer
Kevin Schoonmaker, Secretary

Board of Directors

American Bank & Trust
Jeff Rose
BankORION
Kevin Schoonmaker, Secretary
Bush Construction
AJ Loss, Vice Chair
Community State Bank
Karen Reynolds
U.S. Bank
Dan Blocher

Quad City Bank & Trust
Gary Hayenga
Russell Construction
John Daly
Southeast National Bank
Matt Wynn
Triumph Community Bank
Lawrence Davis
Development Association of Rock Island, Inc.
Bill Renk
2016 Resilience Report

Bridge Investments immediately began to work to deploy capital into the region’s neighborhoods, businesses, and housing developments.

Bridge’s 2016 resilience report is below:

- 75 housing units
- 266 jobs supported and/or retained
- $150,000 increase in asset base
- $465,000 capital raised
- $1,600,000 Neighborhood Reinvestment Fund
- $3,780,000 in forward commitments
- $15,881,276 leverage
Fair Lending Policy

It is Bridge Investment’s policy not to discriminate against any person on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to contract), the fact that all or part of the applicant’s income is derived from a public assistance program, or the fact that the applicant has, in good faith, exercised any right under the Consumer Credit Protection Act.

Further, Bridge will not discriminate in any aspect of lending transactions based on race, color, religion, national origin, sex, familial status, or handicap.

Bridge Investment will not deny credit, limit the amount of credit, or increase the finance charge on the basis of these factors, and different application procedures or evaluation criteria based on these factors will not be used.

Bridge Investment will consider applications that align with its mission to create and retain jobs in low-and-moderate-income and underserved areas.

Loan Activity — Neighborhood Stabilization

Bridge Investments closed on four loans in 2016, deploying $274,275 in capital supporting local businesses, creating jobs, and stabilizing neighborhoods.

Bridge closed two loans through its Neighborhood Reinvestment Fund (see page 7) totaling $119,275 to Neighborhood Housing Services, a 501(c)3, Community Development Financial Institution (CDFI) located in Davenport, IA.

Bridge’s financing supports Neighborhood Housing Services’ acquisition and rehabilitation efforts of neglected homes, where once completed, are put on the market to be sold to low-and-moderate-income households.

The effort increases the tax base, supports construction jobs, and provides safe and affordable housing for families while renewing pride, restoring confidence, promoting and revitalizing low-income neighborhoods.

Loan Activity — Small Business

In addition to closing two loans through its Neighborhood Reinvestment Fund, Bridge also closed two loans in 2016 that advances small business and affordable housing efforts:

Small Business Growth: Bridge closed $30,000 in gap financing with Table 13 Productions, Inc., for Igor’s Bistro, a minority-owned, family oriented restaurant featuring high quality, made-from-scratch items using only fresh ingredients ordered in daily.

The new business will create a minimum of five full-time equivalent jobs and is anticipated opening in 2017.

Bridge Investments provided gap financing through its Neighborhood Reinvestment Fund to support rehabilitation efforts of neglected homes that will be sold to low-to-moderate income households.

Bridge Investments provided $30,000 in gap financing to Table 13 Productions, Inc. that will support the opening of Igor’s Bistro, a minority-owned restaurant in Rock Island, IL. The restaurant will support 5 full time equivalent jobs and has plans to open in early 2017.
Loan Activity—Patient Capital

**Patient Capital**: Bridge closed $125,000 in patient capital to Star Block LLC., utilizing a development agreement for purposes of supporting a historic rehabilitation of a strategic property located in a distressed census tract into eight units of residential rental housing with first floor commercial space that supports low-to-moderate income households targeting veterans.

The effort also aligns well with the community, as the development advances its live-work, artist inspired community as the residential units lend themselves well for artisans wishing to live in an area that serves as an apartment and artist studio, advancing employment opportunities.

The effort supports 25.10 construction jobs and leveraged an additional $2,104,210.

---

In 2016, $274,275 in capital was deployed to support small business growth, neighborhood stabilization efforts, and patient capital to support affordable housing and economic development. That amount leveraged an additional $15,881,276 for a total impact of $16,155,551.

Loan Activity—Forward Commitments

Bridge Investments has forward commitments anticipated to close in 2017 that include the following types of project and activities:

**Coatsworth Apartments, downtown Galena, IL**: $75,000 in financing an 18-unit affordable senior housing development over retail on Main Street in historic downtown Galena, IL. The project is preservation of affordable, senior housing within a rural, underserved county in northwestern Illinois. The effort will leverage an additional $1,285,000, and support 15.31 jobs.

**Construction and permanent financing of a Low Income Housing Tax Credit residential new construction development**: $1,850,000 in financing, serving as lead lender through participation agreements for a $12.1 low-income housing development in a highly distressed census tract. The effort leverages an additional $10,339,428, will support 137.5 jobs, create 25 new jobs while serving households earning at or below 60% of the Area Median Income.

**Small business located in Rock Island, IL**: $100,000 in working capital that supports 40 permanent jobs.
About CDFIs

The Community Development Financial Institutions Fund (CDFI Fund), part of the U.S. Department of Treasury, plays a unique and important role in generating economic growth in the U.S. CDFI’s emerged in the 1970s in response to the lack of access to responsible and affordable credit and capital in minority and economically distressed communities.

Since its inception in 1994, the CDFI Fund has built a nation-wide network of CDFIs committed to ensuring that underserved communities have access to quality, affordable, and credible financial services.

Financial institutions that become certified CDFIs by the CDFI Fund are eligible to apply for the comprehensive services the Fund offers.

The CDFI Fund’s model is competitive and each of its programs provides CDFIs with the flexibility to determine the best uses of limited federal resources in their community or communities the CDFI serves.

Source: www.cdfifund.gov/ CDFI Program Fact Sheet

Community Development Financial Institution

On November 2, Bridge Investments submitted its application to become a Community Development Financial Institution (CDFI) to the U.S. Department of Treasury’s CDFI Fund.

Becoming a CDFI was identified in Bridge’s original business plan, as it opens new opportunities for additional resources that Bridge will be able to access that otherwise would not be available.

CDFI’s emerged in the 1970’s in response to a lack of access to responsible and affordable credit and capital in minority and distressed communities.

With its application currently pending with the CDFI Fund, Bridge Investments anticipates an announcement of certification early 2017. Once certified, Bridge intends to become a member of the Federal Home Loan Banks, beginning with the Chicago region, that further advances new opportunities to access new resources that Bridge will be able to deploy in an effort to advance its mission in empowering individuals, businesses, and communities through its financial programs and services.

Meet the Team

Brian Hollenback serves as Executive Director, having the responsibility of Bridge Investment’s operations and general direction of the organization.

As Executive Director, Mr. Hollenback serves as an ex-officio member of the Board of Directors and all committees of Bridge Investments.

bhollenback@bridgeinvestments.org

Sonia Berg serves as Member Relations, working diligently on increasing Bridge’s membership from eight members in 2015 to twelve members in July 2016.

Ms. Berg has also been working to increase awareness of Bridge Investments, and has continued to advance awareness to the business and lending activity.

sberg@bridgeinvestments.org
Bridge Investments launched its Neighborhood Reinvestment Fund September 1, 2016 during a Quad Cities CRA Coalition Quarterly Meeting.

**Neighborhood Reinvestment Fund**

Bridge Investments launched a new, bi-state effort called The Neighborhood Reinvestment Initiative, which allows for the purchase, renovation, and sale of neglected homes in the bi-state region of Iowa and Illinois.

The Initiative is made possible through forward commitments totaling $1.6 Million in its initial phase by Bridge Investment-member banks that Bridge loans out through participation agreements.

Of that $1.6 Million, Bridge closed on two loans totaling $119,275 to Neighborhood Housing Services, a 501(c)3, Community Development Financial Institution (CDFI) located in Davenport, IA to support single family purchase-rehabilitation efforts for low-and-moderate-income households in Davenport, IA. Neighborhood Housing Services’ mission that renews pride, restores confidence, promotes reinvestment, and revitalizes neighborhoods.
Bridge Investments continues to build strong relationships with its lending partners.

The Business Valued Advisor Fund, LLC (BVAF) provided $100,000 to use as seed capital to establish Bridge in 2015, along with a $5,000 grant to assist in the marketing and outreach.

It’s Community Benefit Agreements like BVAF’s that Bridge intends to expand upon and grow in 2017 and beyond, in order to further its mission in underserved communities.

Bridge Investments is growing at a rapid pace, and plans to further its regional comprehensive economic development plan. The following are activities that Bridge anticipates rolling out in 2017:

**CDFI Fund**

- Becoming a certified Community Development Financial Institution

**Creation of a Revolving Loan Fund**

- Lending for very secured transactions, with emphasis on tax credit secured or other collateral in a senior position.
- Working in partnership with the Department of Commerce and the U.S. Department of Housing & Urban Development

**Community Benefit Agreements**

- Agreements that further benefit specific needs of low-to-moderate income communities and neighborhoods