2019 ANNUAL REPORT

A bridge forward for viable underserved businesses and communities.
Bridge Investment Community Development Corporation (Bridge Investment) is a mission-driven Community Development Financial Institution (CDFI) that infuses capital into underserved, low-income communities throughout Illinois and Iowa by providing loans with flexible terms and favorable rates to grow small businesses and advance affordable housing initiatives. We invite you to learn more about us, and consider becoming a part of making a positive difference for our businesses and communities.

I am proud to serve as Chair for this emerging CDFI, as every year we continue to make strides in making every day differences by providing community development financing to businesses and projects that matter. I invite you to take time to read the stories and evolution of our impact since our formation just over five years ago.

2019 was a year focused on goals and strategies, setting the stage for the future growth of the entity. Thanks to the support of our board, we were able to achieve some significant milestones in 2019:

⇒ Bridge Investment entered into first grant agreement with the CDFI Fund, receiving its first draw of the $207,000 grant award through the CDFI Fund’s Financial Assistance (FA) Capacity Grant program.
⇒ Bridge Investment was featured in CDFI Fund Impact Report
⇒ Bridge Investment completed the development of the 2020-2022 Strategic Plan, that establishes three Strategic Goals setting the course for the future:
   1)  Increase Bridge Investment’s impact in its Target Market of Iowa and Illinois
   2)  Establish a visible and independent market presence
   3)  Align capacity to support growth

I sincerely thank you for your dedication to our mission and continued support. Together, we can ensure access to capital to build up our communities and make a difference.

Steven J Ollenburg
Steven J. Ollenburg, Board Chair

**2019 IMPACT**

$1,537,809
Total Annual Investment into Low Income Areas

$315,005
Total Loans Originated

$1,222,804
Leverage

$1,400,000
3-year Strategic Plan set originating $1.4M in loans by 2022

53
Affordable Housing Units Preserved

11
New FTE Permanent Jobs Created

8
Loans Originated

6
Loans Made to Minority Businesses & Non-profits
Since originating its first loan in September 2016, Bridge Investment has made a total of 30 loans totaling $2,482,210. These loans support affordable housing projects and small businesses in 6 counties throughout Illinois and eastern Iowa creating and retaining 502 jobs, which supported the creation or preservation of 322 rental housing units, and the creation of 77,260 SF of community facilities, retail or office space to support small businesses. 28 of the 30 loans were made to businesses or non-profits located in low-income census tracts. 28 out of the 30 loans were made within Bridge Investment’s approved CDFI Target Market.

In 2019, Bridge Investment submitted a Target Market expansion request to the CDFI Fund to expand from its existing 6-county Target Market to the encompass the entire state of Iowa and state of Illinois. Bridge Investment requested this expansion due to the amount of inquiries for loans and other CDFI services outside of its current approved Target Market, which includes Scott and Clinton Counties in Iowa and Rock Island, Whiteside, Carroll, and Jo Daviess Counties in Illinois.
Growth of a Small and Emerging CDFI

Since its incorporation in 2014, Bridge Investment has originated nearly $2.5 million in total loans demonstrating its capacity, experience, and financial strength. This growth was accomplished through member investments, noncash donations, grants, intermediary funding, interests and fees.

As a CDFI, Bridge was able to attract new capital, including a $40,000 capacity grant by the Federal Home Loan Bank of Chicago and a $75,000 capacity grant awarded by the U.S. Bancorp Community Development Corporation. Both grants were awarded in 2018, but were deployed in 2019 to help build capacity for the organization.

Loan Servicing Software

Thanks to a capacity grant provided by the FHLB of Chicago, Bridge Investment was able to purchase loan servicing software through DownHome Solutions, a loan-tracking software created expressly for not-for-profit community lenders. The loan servicing streamlines the loan tracking and management processes so that staff is able to

### 2019 Loan Activity

In 2019, Bridge Investment originated eight (8) loans totaling $315,005, leveraged with an additional $1,222,804, totaling $1,537,809 in total project costs within six counties in Iowa and Illinois. The loans represented preservation of affordable housing efforts and expansion of small businesses, all located in low-income census tracts in Iowa and Illinois. Of the eight (8) loans, six (6) of them were made to minority owned businesses or minority-controlled non-profits.
Affordable Housing

Renaissance-Goldman Lofts- Rock Island, IL

Bridge Investment provided a loan for $90,000 to support predevelopment expenses for the acquisition and rehabilitation of an expiring tax credit project in downtown Rock Island, IL. The effort provided short-term gap financing while the development team worked through its refinance in order to help preserve 52 units of affordable housing within a low income census tract.

Kingdom Growth LLC- Chicago, IL

Kingdom Growth LLC is working to rehabilitate dilapidated single family housing units within a low income census tract in Chicago, IL. Bridge Investment provided a construction loan for $112,080 to support the rehabilitation efforts, creating safe, quality owner-occupied housing options for LMI families, and to support overall neighborhood stabilization initiatives. Proceeds from the sales goes to reinvest into local community programs that provide scholarship opportunities to advance secondary education for underserved youth.

Neighborhood Housing Services– Davenport, IA

Since 2016, Bridge Investment has been working with Neighborhood Housing Services (NHS), a CDFI working to rehabilitate and preserve affordable housing in low-income census tracts in Davenport, IA. NHS has successfully utilized loan funds to assist in financing the gaps needed to complete rehabilitation of the single family homes. Through its Loan Pool with Bridge Investment-member banks, a total of $351,404 in lending has been provided to NHS, for a total investment of $494,962 has been invested into low income census tracts, supporting the sale of 5 homes to LMI households.

Small Business

Embassy Square Mall– Rock Island, IL

To support business expansion and job creation opportunities, Bridge Investment provided a loan for $38,125 to create a new commercial suite and façade on the northern section of Embassy Square Mall. The effort advances the owner’s vision of serving as a catalyst to spur spiritual, social, and economic change in the within the commercial corridor of the west end of Rock Island, IL. “We have worked tirelessly for many years to bring new investment along 11th Street,” says Pastor Darryl Thompson. “After presenting our redevelopment plan, ideas, and hopes to Bridge Investment, we were thrilled to receive their unwavering support.”

QC Coffee & Pancake House— Rock Island, IL Loan Payoff

Due the overwhelming success and increase business after receiving its loan for expansion, the owners were able to pay off Bridge Investment less than two years of receiving its first loan. This is a success story demonstrating how Bridge Investment works with the borrowers to a point where they are able to access traditional financing options to meet their business needs.

Microlending

Spellbound New Age & Gift Store, a retail store located in downtown Rock Island, graduated from a retail incubator program and expanded into larger storefront location. Spellbound came to Bridge Investment in need of working capital to support its expansion needs, and received a microloan for $5,150 to support additional support for inventory and growth efforts.
Advisory Board

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Open Door Program
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Char Flickinger & Associates LLC
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Ward Murray Pace & Johnson

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Molly Newell  
EnviroNET
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U.S. Bancorp Community Development Corporation  
Dan Blocher

Management

Bridge Investment has a management agreement with Economic Growth Corporation (GROWTH), an experienced national non-profit specializing in all aspects of community development. It is through this management agreement that GROWTH’s President/CEO, Chief Financial Officer, and Vice Presidents devote time to support the organization and meet its strategic goals and business strategies. GROWTH is responsible for the financial services, administrative affairs, operations, and strategic planning assistance through the terms of the agreement.

Brian Hollenback  
Executive Director & Ex Officio
Cindy Berg  
CFO

Jon Davidshofer  
Vice President
Beth Payne  
Vice President
ORGANIZATIONAL MISSION
Bridge Investment Community Development Corporation is a 501(c)3 national non-profit CDFI supporting job creation and economic growth in LMI communities and underserved areas by providing lending products, financial programs, and services to assist emerging economic needs of underserved and rural communities in Iowa and Illinois. Its enhanced products provide community-based lending while fostering affordable housing initiatives.

APPROACH
To finance small businesses and affordable housing that benefit Low-to-Moderate Income (LMI) and underserved communities that are unable to access capital from traditional financial institutions, in order to create economic growth and jobs.

STRATEGIC GOALS
To increase Bridge Investment’s impact in its Target Market of Iowa and Illinois, establishing a visible and independent market presence, and aligning capacity to support growth.

NATIONAL EXPOSURE
The CDFI Coalition—Washington, D.C.
Brian Hollenback and Cindy Berg attended The CDFI Coalition’s 25th Annual Institute on March 13-14, 2019 in Washington, D.C. representing the nation’s CDFIs. Members of Congress, federal agency officials, and key staff spoke and participated in panels on policy and resource information related to the work of CDFIs over the course of the two day event.

A significant highlight of the 2019 CDFI Coalition Institute was the release of a new report, showcasing 67 CDFIs’ work in revitalizing rural and urban areas across the country and their success in creating economic opportunity, jobs, and services. This is the second report of its kind from the CDFI Coalition— the first was released in 2014, which marked the 20th anniversary of the first CDFI Coalition Institute and the enactment of legislation establishing the CDFI Fund.

Bridge Investment was featured on Page 16 in the new report, featuring its efforts in assisting the expansion efforts for the QC Coffee & Pancake House, providing national exposure to Bridge Investment.

Pitch. Connect. Fund: Development Forum to grow Illinois and Iowa
Bridge Investment and Central States Development Partners, Inc. hosted some of the nation’s top performing Community Development Entities, Equity Investors, Opportunity Zone investors, and Community Development Financial Institutions on for its Pitch. Connect. Fund: Development Forum to grow Illinois and Iowa held November 13, 2019 in downtown Rock Island, IL.

The room was filled with more than 75 attendees gaining access to sources of capital with favorable terms that may help solve a portion of their capital needs while creating significant community and economic impact in distressed areas.

A total of 19 projects were pitched representing more than $112.4 million in total project costs. Those that submitted a pitch were aligned with interested investors and funders, where they had the opportunity to confidentially pitch their deal, why it matters, how quickly it’s set to close, and why it should be funded.

Results
19 Total Projects Pitched
10 Illinois Projects Pitched
9 Iowa Projects Pitched
$112,425,000 Represented in Total Project Costs
$300,000,000 In Available Capital
Since its inception over 5 years ago, Bridge Investment has been working to build up the capacity of the organization with a focus of building a strong foundation. Within a five year period, Bridge Investment has grown from a non-profit with $100,000 in start up funds to an organization that has originated just below $2.5 million to create and preserve affordable housing, jobs, and small businesses across 6 counties in Iowa and Illinois. Opportunities were then expanded further once Bridge Investment became a certified Community Development Financial Institution, providing new ways to help build capacity and advance our mission into an expanded market.

Thanks to its capacity grant made possible by the Federal Home Loan Bank of Chicago (FHLB of Chicago), Bridge Investment was able to implement its first, formalized strategic planning session in November 2019. Bridge Investment partnered with FUND Consulting to develop a Strategic Plan to guide the strategic growth and development of the organization from 2020 through 2022. Goal setting and action planning lead to the development of the following strategic goals:

**Goal 1: Increase impact in Target Market**

**Goal 2: Establish visible and independent market presence.**

**Goal 3: Align capacity to support growth**

The plan is set to be formally approved at Bridge Investments’ Annual Meeting in January 2020. Once approved, the plan will be monitored by Bridge Investment’s management team and board of directors to ensure that progress is made toward the established goals.

The success of the goals will be evaluated by the degree in which Bridge Investment’s team is engaged, committed to a high level of performance, and has the tools needed to deliver on program goals in an efficient, effective, and impactful manner to help advance small business and affordable housing in underserved communities in Iowa and Illinois.