A CASE STUDY: PARTNERING WITH COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS TO INCREASE CAPACITY AND SUPPORT GROWTH

March 14, 2017
WELCOME

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Contact us.

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MEET TODAY’S PRESENTERS

Abigail Suarez
Business Development Officer, Capital Impact Partners

Carla Jutson
President & CEO
Meals on Wheels, Inc. of Tarrant County

Barbara Lundgren
Sr. V.P. of Marketing and Development, Meals on Wheels, Inc. of Tarrant County

Jennifer Veal
President & CEO
Community Inspired Capital Development

3/14/2017
MEALS ON WHEELS INC OF TARRANT COUNTY

CARLA JUTSON, PRESIDENT & CEO
BARBARA LUNDGREN, SR. V.P. OF MARKETING AND DEVELOPMENT

- Started In 1973 as a collaboration between 11 faith-based organizations in downtown Fort Worth to bring food to the elderly in the inter-city area. It incorporated in 1977, and now serves all of Tarrant County.

- In addition to preparing and delivering nearly 1M meals per year, MOWI caseworkers make over 15,000 home visits to assess needs and to assist clients that need other services. MOWI has health programs that review all client medications and in-home visits by registered dietitians for clients with diabetes, and through the Client Services program, we help our clients maintain their independence at home in a safe and healthy environment by providing minor home repair, wheelchair ramps, and other safety equipment. Through the Companion Pet Meals program pet food is delivered to clients unable to provide for their pets.
COMMUNITY INSPIRED CAPITAL DEVELOPMENT

- Dedicated to helping communities, nonprofit organizations and business owners who qualify for the federal New Markets Tax Credit (NMTC) Program realize their development goals through this unique, highly effective funding solution.
- Devoted exclusively to NMTC financing, with focused expertise and tailored structuring solutions.
- The complexity and uniqueness of the NMTC program demands experience and expertise throughout the entire process to stay on track. CICD’s specialty advisory services not only meet but exceed these demands, keeping the project on a path to success from start to close.
CAPITAL IMPACT PARTNERS OVERVIEW

- Mission-driven lender with the goal of creating social impact for low-income people
- $2 billion in financing for projects that increase access to health care, education, healthy foods, affordable housing and dignified aging
- Scale aging models that have proven successful
- Over 30 years, working to address systemic poverty, build equitable communities, create healthy communities and ensure inclusive growth
Strategic Pillars

ADDRESS SYSTEMIC POVERTY
Effect systemic change at scale—from social systems to government programs—so that all people have paths out of poverty.

CREATE EQUITY
Support equitable access to quality services and economic opportunity regardless of race, ethnicity, gender, or income.

BUILD HEALTHY COMMUNITIES
Foster connections and social supports that strengthen the links between health, education, housing and opportunity that help people and communities thrive together.

PROMOTE INCLUSIVE GROWTH
Build diverse, mixed-income communities that promote economic mobility and empower individuals to break the barriers to success.
OUR HOLISTIC APPROACH

Dignified Aging
Helping older adults achieve maximum independence, dignity and connection by identifying, strengthening, and scaling innovative aging programs

Cooperative Development
Aligning community, capital, and technical assistance to finance and support the development of cooperatives, which are democratically owned small businesses and housing groups

Education
Increasing access to alternative, high-quality education options by supporting top-performing charter schools

Health Care
Ensuring quality, affordable, accessible health care through investments in health care facilities and services

Healthy Foods
Bringing together public, private, and philanthropic capital to support healthy food innovation in low-income communities

Homeownership
Building a strong foundation and network that helps standardize and scale long-term affordable housing

Place-based Revitalization
Targeting neighborhood-level investments and driving strategic cross-sector partnerships that spark integrated, sustainable, and inclusive growth
CDFI OVERVIEW

- Community Financial Institutions are
  - Mission driven nonprofit organizations
  - Have a goals of expanding economic opportunity in low-income communities by providing access to financial products and services

- CDFIs can be banks, credit unions, loan funds, microloan funds, or venture capital providers
CDFIS MAKE GOOD COMMUNITY PARTNERS

- Existing philanthropic and government funding is limited
- Fills gap left by traditional banks + provides ability to offer financing that fits budgets of nonprofit organizations
- Ability to provide flexible financing that is tailored to fit specific needs and mission
- Can help community organizations reach the next stage of their growth
- Identify and link potential partners together
- Patient partners that are focused on the mission and blended value
LOAN PRODUCTS

- **ACQUISITION LOANS**
  to purchase land and buildings

- **BRIDGE LOANS**
  to bridge grant funding or tax-credit equity investment

- **CONSTRUCTION LOANS**
  to finance ground-up construction and renovation projects

- **PRE-DEVELOPMENT LOANS**
  for feasibility planning, architectural drawings and other early needs

- **TENANT IMPROVEMENT LOANS**
  to finance renovation at a leased facility

- **TERM LOANS**
  to take out construction loans or leverage New Markets Tax Credit transactions

- **EQUIPMENT LOANS**
  to purchase equipment

- **WORKING CAPITAL LOANS**
  to finance operating cash flow needs

- **LEVERAGE GOVERNMENT PROGRAMS**
  to offer New Markets Tax Credits and Federally Guaranteed Bonds
Launched in 2015 to increase access to quality services for low-income individuals aged 50+

- Partnership with AARP Foundation, AARP, Calvert Foundation
- Loans up to $5 Million
- Below market interest rate
- Individuals can invest in the Calvert Foundation Community Investment Note
MEALS ON WHEELS PROGRAMS

- Increased number of older adults
- 9 percent of seniors (4.2 million older adults age 65 and older) live below the poverty line*
- 2.9 million (8%) households with seniors age 65 and older experience food insecurity*
- Seven million seniors (age 60 and older) are served by Feeding America each year, as well as nearly 6 million older adults ages 50 and 59*

* Source: Feeding American Website
In 2010, Meals On Wheels, Inc. of Tarrant County came to the realization it had run out of space in its current facility and embarked on a capital campaign to raise support to build and endow a new facility. This new facility would allow increased meal service to meet the current need and projected growth. It would provide space necessary to increase programmatic opportunities and provide additional services to the homebound.
MEALS ON WHEELS, INC. CASE STATEMENT

PROJECTED GROWTH IN SERVICES AND NEW OPPORTUNITIES

- Experienced growth (almost) every year since 1973.
- Projected growth for meals from 2010 to 2020: 51.26%.
- Estimated need by 2030: Another 76%.

To meet the need for home-delivered meals, the kitchen capacity needed to increase significantly.
In addition, we are asked by funding sources to take on new programs to fill service gaps in the community.

Our client services program started in 1996 in response to unmet needs. This program is what we consider a “last resort” program that provides:

- Minor medical equipment;
- Incontinence supplies;
- Fans and air conditioners;
- Blankets and heaters;
- Supplemental groceries;
- Utility payment assistance; and
- Other items that will enable clients to remain at home in a safe and healthy environment.
To expand the home-delivered meals program, the client services program, health programs, and other programs currently in place to assist the homebound elderly and disabled, MOWI needed more space.
MEALS ON WHEELS INC OF TARRANT COUNTY
In 2012, while evaluating multiple avenues of funding for an upcoming large expansion project, MOWI TC was introduced to a particular government program, the New Markets Tax Credit Program (NMTC).

CDFI’s, such as Capital Impact Partners, participate in the NMTC program and deploy the benefits to projects which align with the CDFI’s expertise and mission.

Program incentivizes investments in low income communities, resulting in economic benefits for low income persons and communities.

Through help of professional advisors and consultants, MOWI TC determined an opportunity to utilize the program as a significant funding resource for the organization's $16M relocation and expansion.
MEALS ON WHEELS, INC OF TARRANT COUNTY CDFI CASE STUDY

- MOWI TC determined need for specialized advisory services to facilitate the process of partnering with CDFI’s under the NMTC program.
  - Driven in part by complexity of program, workload of putting a NMTC transaction together and the need to participate or source funding from multiple CDFI’s

- Utilizing consultant to work with CDFI’s also aligned with MOWI TC strategy of outsourcing specialized tasks with expertise in each field such capital campaign consulting, feasibility study consulting and construction management.

- MOWI achieved approximately $3.1M of funding (after all professional and closing costs of the transaction) for the $16M project from the NMTC program and through the participation of four CDFI’s including Capital Impact Partners.
Specific areas MOWI TC utilized and benefited from partnering with a NMTC consultant:

- Education and training: Communicating complex financial product to finance committees, boards and project team members.
- Project Evaluation and Structuring: Participation in the NMTC program requires analyzing many fluid factors to ensure program is a good fit for the organization and project.
- Sourcing the Tax Credit Funding. NMTC allocation can be difficult resource to locate – a scarce resource which is in high demand.
- Locating the right professional partners to participate in the transaction (counsel, accounting, investors, lenders and others needed to close a NMTC transaction.
- Closing Process Support – NMTC transaction closings are unique as compared to traditional loan transactions and grant funding sources. Post-closing compliance training and support helps the organization prepare for responsibilities after funding is closed.
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A CASE STUDY: PARTNERING WITH CDFI’S TO INCREASE CAPACITY

Tuesday, March 14, 2016
Jennifer Veal is the founder and CEO of Community Inspired Capital Development (CICD) and an accounting and finance professional with over 25 years of experience. Mrs. Veal’s experience includes over a decade of public accounting work where she worked closely with business owners in a wide variety of industries in the areas of financial accounting, auditing and accounting software implementation. Mrs. Veal also has experience working in commercial lending through her work in Bank of America’s commercial lending retail group. Later in her career, Jennifer served as VP of Finance for a privately owned enterprise in Texas, managing the financial, accounting and corporate functions for the enterprise which included a design build construction firm, a logistics and warehousing group and a real estate development company. While here, she negotiated and closed one of the earliest New Market Tax Credit transactions in 2004. Subsequently, Jennifer served as Vice President of Finance for national site selection and economic development firm, overseeing the evaluation, development, structuring and closing of all financial transactions for the firm. During this time she managed the group’s New Market Tax Credit practice overseeing and managing all New Market Tax Credit transactions for the practice across numerous industries including nonprofits, health care centers, manufacturers and municipalities. Mrs. Veal developed a true passion and expertise helping communities, businesses and organizations realize their development goals through the NMTC program and launched Community Inspired Capital Development, an advisory and consulting company, dedicated to economic development utilizing the NMTC program. With over two decades of combined accounting, finance, and real estate transactional experience, Mrs. Veal brings focused and dedicated expertise negotiating and closing NMTC transactions. Mrs. Veal holds a Bachelor of Science in Finance from Southern Methodist University, a Masters of Business and Administration from Texas A & M in Commerce and is a graduate of the Harvard School of Business Executive Education Program.
Carla Jutson – President & CEO of Meals On Wheels, Inc. of Tarrant County since 1974. Meals On Wheels, Inc. is a $6.8M agency in Fort Worth, TX serving approximately 1M meals per year. Prior to coming with Meals On Wheels, taught special education in Grand Junction, Colorado, Dallas and Fort Worth, TX. Meals on Wheels America - Served on the board from 1984 - 1996, president 1988 - 1990. Received their Golden Meal Award in 1994 and in 1999 received their Distinguished Executive of the Year. She is a Founding Member of Meals On Wheels Texas. Carla is also a member of the National Society of Fund Raising Executives/Association of Fundraising Professionals and received the Ben Franklin Award in 1993 for the outstanding fundraising professional in the greater Fort Worth area. She received the Community Builder Award in 2010 from the Masonic Order of Texas. In 2012 Carla was awarded the Outstanding Advocate for Older Americans Award given by the Area Agency on Aging for Tarrant County. In 2015 she received the Great Women of Texas Legends Award given by Fort Worth Business. In 2016, Carla was awarded the Harriet Griffin Award from Tarrant Area Gerontological Society - (TAGS is an organization of approximately 400 members in the aging field.) – she is a founding member, conference chair, and former president.
Barbara has been working in the field of aging since 1983, beginning with a twelve year career with Senior Citizen Services, an organization that operated senior activity centers and provided congregate meals to older adults. For six years, Barbara worked in the for-profit sector but maintained close ties to senior nutrition by volunteering weekly to deliver meals and serving on the Board of Directors of Meals On Wheels, Inc. of Tarrant County. She joined the staff of Meals On Wheels in 2002 where she now serves as Senior Vice President of Marketing and Development.

During her tenure with senior nutrition programs she has been actively involved in local, state and national organizations that promote the independence of the elderly. Barbara is a past president of the Meals On Wheels Association of America. She is a founding member of the Tarrant Area Gerontological Society, and the Meals On Wheels Association of Texas. She is also a member of the Association of Fundraising Professionals and the Rotary Club of Fort Worth.
As a Business Development Officer, Mrs. Suarez develops and implements strategies to originate loans in the marketplace. She co-lead Capital Impact’s business development efforts nationwide, with a focus on expanding investments and partnerships on the East Coast. Mrs. Suarez has more than 10 years of experience in mission-driven lending and community development. She had a successful track record of aligning needs and capital for investments in pioneering initiatives and projects that improve the quality of life for low-income communities across the United States. Most recently, Mrs. Suarez is responsible for the deployment of Age Strong™, a $70 million investment fund created in partnership with AARP, the AARP Foundation, and the Calvert Foundation, with a focus on supporting organizations that are providing services to the nation’s low-income population who are 50 and older. During the first year, Age Strong deployed over $12.6 million to four different projects nationwide. Mrs. Suarez is an MBA Candidate at University of Virginia, Darden School of Business and holds a Bachelor’s degree in Finance from St. Edwards University.