

## EXECUTIVE SUMMARY

### Business Plan: 2024-2028

#### INTRODUCING CDFI FRIENDLY EVANSVILLE REGION

CDFI Friendly Evansville Region (CFER) is a start-up nonprofit organization that is community-centered and community-controlled. Its purpose is to fill financing gaps across the Evansville Region, with a focus on under-financed communities and people.

CDFI Friendly Evansville Region identifies local financing needs and matches the demand for financing to community development financial institutions (CDFIs) from across the region and nation. CDFIs are special-purpose financial intermediaries that work to meet the financing and financial service needs of customers who are unable to access the mainstream finance system. More than 1,450 CDFIs are working in the U.S. today, managing more than \$450 billion.

#### New CDFI Financing

This business plan sets a goal of attracting a total of at least \$100 million in CDFI financing with loans in every county in the region. The Evansville region comprises fourteen counties across three states:

- Indiana: Gibson, Knox, Perry, Pike, Posey, Spencer, Vanderburgh, and Warrick Counties
- Kentucky: Henderson County
- Illinois: Gallatin, Johnson, Saline, White, and Williamson Counties

From 2005-2021 CDFIs financed just \$29.2 million across the Region, or \$52 per person, well below the national per capita average of \$435 per person. The corresponding figures were significantly lower through 2020, \$25 per person for the Region versus \$325 nationally. This one-year change appears to show an increase due to a single large real estate transaction in Evansville in 2021 and not from a broad increase in CDFI financing overall.

CDFIs provide financing for a variety of purposes. This plan projects lending in the Evansville Region from 2024 through 2028 as follows:

**CFER 2024-2028 CDFI Lending Goals**

2024	2025	2026	2027	2028	Total 2024-2028
<b>Affordable Housing</b>					
\$2,000,000	\$2,000,000	\$3,000,000	\$5,000,000	\$10,000,000	<b>\$22,000,000</b>
<b>Commercial Real Estate Development</b>					
\$500,000	\$1,500,000	\$2,000,000	\$3,000,000	\$5,000,000	<b>\$12,000,000</b>
<b>Community Facilities</b>					
\$2,000,000	\$2,000,000	\$3,000,000	\$3,000,000	\$3,000,000	<b>\$13,000,000</b>
<b>Consumer</b>					
\$0	\$0	\$500,000	\$500,000	\$1,000,000	<b>\$2,000,000</b>
<b>Home Mortgage</b>					
\$0	\$3,000,000	\$4,500,000	\$5,500,000	\$6,000,000	<b>\$19,000,000</b>
<b>Small Business</b>					
\$3,000,000	\$4,000,000	\$7,000,000	\$8,000,000	\$10,000,000	<b>\$32,000,000</b>
<b>TOTAL</b>					
<b>\$7,500,000</b>	<b>\$12,500,000</b>	<b>\$20,000,000</b>	<b>\$25,000,000</b>	<b>\$35,000,000</b>	<b>\$100,000,000</b>

These projections are aggressive and aspirational. Based on CDFI industry history, they are realistic, however, as CDFI financing over time often exceeds expectations. Success depends largely though not solely on how well the staff and Board at CDFI Friendly Evansville Region execute the strategy.

The projections recognize that financing demand in the cities of Evansville and Henderson may be different from financing demand in the rural communities in the Region. In places in the Evansville Region with substantial BIPOC (Black, Indigenous, and People of Color) populations, CFER will focus substantially but not solely on them.

This assumes that CDFI lending will increase at an accelerating rate across the five-year period, reflecting in part (a) that this work gains momentum over time and (b) that larger real estate transactions take longer to come to fruition.

Last, this five-year projection assumes that CDFI financing will continue indefinitely. We would expect years 6-10 totals to exceed these initial five years.

## Governance

The new nonprofit will be governed by a diverse Board of Directors drawn primarily from the diverse membership of the Advisory Group that oversaw the development of this business plan (See the membership lists of the Advisory Group and the Working Group below). The Board will include no more than 15 Members, including representatives of the philanthropic, civic, community, private, and public sectors.

Board Members will serve as fiduciaries and will oversee the policies and practices of the organization. They will also oversee organizational goals that they will set. Those goals will include a racial equity goal of ensuring that new CDFI financing annually and over the five-year plan period is at least proportionate to the percentage of BIPOC populations.

## Budget

CDFI Friendly Evansville Region (CFER) will be a lean organization with no more than 2.5 FTEs during the next 5 years:

- An Executive Director
- A Communications & Technology Coordinator, and
- An Assistant to the Executive Director (0.5 FTE)

Staff will implement this business plan under the direction of the Board of Directors, with the Executive Director reporting to the Board. Staff responsibilities include outreach across the Region and to CDFIs across the nation, education about CDFIs in the Region and about the Region to CDFIs, and prudent management of the organization's resources. Over time, the Executive Director will assume responsibility for fundraising and development.

The Executive Director will work with the Board and with the Board's Investment Committee to provide clear and accurate financial and programmatic reporting internally and externally.

The Executive Director will be the primary public spokesperson for the organization and will be responsible for the implementation, operations, and execution of the organization's work.

The Communications & Technology Coordinator will report to the Executive Director. The coordinator will have primary responsibility for outbound communications (through marketing, social media, etc.) and for maintaining digital systems required for the organization's success, such as a Customer Relationship Management system, a website, social media accounts, and loan management software.

In its first year, 2024, CFER expects to spend \$295,750 against revenues of more than \$308,118. To achieve its goal of \$100 million in new CDFI Financing over five years (2024-2028), over that period it expects to spend \$1.73 million against revenue of just under \$1.8 million.

The Advisory Group of CDFI Friendly Evansville Region expects to raise the initial three years of operating funding (\$766,000) during start-up to ensure organizational stability.

*See the full Budget on page 31 of the Business Plan.*

CFER will also operate a Capital Enhancement Fund to provide *pari passu* (side-by-side with equal standing) financing alongside CDFIs from outside the region. By year-end 2024, that Fund should be capitalized at \$1.2 million, growing to \$3 million by year-end 2028.

The Advisory Group also expects to capitalize the Enhancement Fund through year 3.

## CONCLUSION

This *Executive Summary* introduces CDFI Friendly Evansville Region. To obtain a copy of the full *CDFI Friendly Evansville Region Business Plan: 2024-2028*, please download it at [CDFIFriendlyEvansville.org/businessplan](https://CDFIFriendlyEvansville.org/businessplan).

## ACKNOWLEDGMENTS

The Advisory Group for CDFI Friendly Evansville Region is grateful to the following supporters for making it possible to pursue this opportunity.

### CDFI Friendly Evansville Region Supporters

Banterra Bank	First Federal Savings Bank
CenterPoint Energy Foundation	German American Bank
Chapman Family Foundation	Heritage Federal Credit Union
City of Evansville	John & Karen Cinelli
Community Foundation Alliance	Legence Bank
Evansville Regional Business Committee	Lisa & Bob Jones Family Foundation
Evansville Regional Economic Partnership	Old National Bank
Fifth Third Bank	Vanderburgh County
First Bank	

### CDFI Friendly Evansville Region Advisory Group

Tara Barney - Evansville Regional Economic Partnership	Justin Elpers - Vanderburgh County
Shane Bradford - CenterPoint Energy Foundation	Bob Jones - Retired (Old National Bank)
Reverend Adrian Brooks - Memorial Baptist Church	Tom Moore - The Dream Center
Abraham Brown - Holy Name of Jesus Catholic Church	Connie Robinson - HMR Enterprises Inc.
Alex Burton - City of Evansville, IN	Roland Shelton - Old National Bank
Jill Carpenter - Community Foundation Alliance	DeAndre Wilson - Bedford Collab
Mike Carroll - Heritage Federal Credit Union	Mayor Lloyd Winnecke - City of Evansville, IN

### CDFI Friendly Evansville Region Working Group

Rasheedah Ajibade - Memorial CDC	Geronica Hazelwood - Missing Pieces CDC
Larry Barnhill - Heritage Federal Credit Union	Tim Jones - Community Foundation Alliance
Josh Calhoun - Hope of Evansville	George Madison, II - Countryside Property
Tanisha Carothers - T. Carothers Law Office	Jared McIntosh - Fifth Third Bank
Carl Chapman - Retired (Vectren Corp.)	Tyler Stock - Evansville Regional Economic Partnership
Doug Claybourn - SouthWest Indiana SBDC	Amy Susott - Heritage Federal Credit Union
Dom Cosby - Trinity Tech	Liz Witte - Sigma Equipment
Jeremy Evans - Dream Center	