

Form Name:	Allen County READI Proposal
Submission Time:	July 16, 2021 5:03 pm
Browser:	unknown / unknown
IP Address:	184.18.144.9
Unique ID:	836470249
Location:	41.065498352051, -85.160499572754

## Allen County READI Proposal

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### Project or Program Contact Information

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Project/Program Name	CDFI Friendly Fort Wayne
Project/Program Contact	Brad Little
Project/Program Contact Email	BLittle@cfgfw.org
Project/Program Contact Phone	(260) 969-3320
Relationship to Project/Program	President and CEO, Community Foundation of Greater Fort Wayne; co-funder of Phase I study, convener and collaborator

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### Project or Program Location

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Address	555 East Wayne Street Fort Wayne, IN 46802
County	Allen

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### Project or Program Details

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What type of project/program?	Both
What is the duration of the project/program?	continuous/sustainable - continuation of Phase II, III and IV study, CDFI creation(s), seeding and lending will be phased in over 3 year period
Is this a hybrid project and program?	Yes
Select project/program focus areas. (You can select multiple)	Grow the Workforce Downtown Vibrancy Entrepreneurship & Innovation
Share a description of the project/program.	<p>Community Development Finance Institutions (CDFIs) provide loans to nonprofits, small businesses and individuals who can't access the capital they need to create safe, equitable, vibrant communities. Small markets often have limited knowledge and exposure to CDFIs.</p> <p>Currently there are only 3 CDFI's in Fort Wayne. 1 is active, 1 is somewhat active and the 3rd is essentially inactive but registered.</p>

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**Why is this project/program regionally significant?**

Currently there are only 3 CDFI's in Fort Wayne. 1 is active, 1 is somewhat active and the 3rd is essentially inactive but registered. The second largest city in Indiana should have better access to capital and financial literacy. CDFI's are an effective way to accomplish that particularly in underserved and vulnerable communities.

The CFGFW, in partnership with the City of Fort Wayne, is exploring a Community Development Finance Institution (CDFI) Friendly approach to bringing new sources of flexible, affordable financing to the region. CDFI Friendly America has developed a four-phase process for a community to become a CDFI Friendly City: Assessment, Organizing, Business Planning, and Implementation. The Phase I Assessment was completed in mid-2020 through shared funding by CFGFW and the city of Fort Wayne.

This will increase opportunity and access to capital for community needs in low-income areas in Fort Wayne and Allen County

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**How does this project/program relate to the identified focus area(s)?**

Southeast Fort Wayne in particular and other parts of Allen County face opportunity gaps compared to the rest of the city and region due to systemic racism, disinvestment & manufacturing decline. Disparity is evidenced in poverty rates, low per capita income levels, education levels, poor transportation access, high crime rates, health difficulties & more. Institutions are joining to end this inequity. This initiative was created to boost the future of Southeast Fort Wayne through increased access to capital and financial literacy.

CDFI's can provide much-needed access to capital for economic and community development, affordable housing, start-up entrepreneurs and expansion of existing businesses to name just a few.

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**What is the project/program timeline?**

2021 finish phase II and III Study.  
2022 begin Phase IV - create CDFI board of directors and initial seeding of newly created CDFI. Begin Lending.  
2023 and beyond - continue seeding and lending from new CDFI's.

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**List the partners involved in this project/program.**

Greater Fort Wayne Inc.  
City of Fort Wayne  
Community Foundation of Greater Fort Wayne

more than 25 community leaders participated in a Phase I study including most financial institutions in the Fort Wayne area.

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**Project or Program Finances**

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**What is the total amount of READI program funds requested?**

\$730,000

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**Upload a file with project/program finances.**

<https://www.formstack.com/admin/download/file/10992039443>

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**What is the sustainability of the project/program? Share your 3-year plan.**

2021 finish phase II and III Study.  
2022 begin Phase IV - create CDFI board of directors and initial seeding of newly created CDFI. Begin Lending.  
2023 and beyond - continue seeding and lending from new CDFI's.

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**Describe the return on investment for this project/program.**

ROI is to be determined however we are optimistic based on a physical tour in Louisville Kentucky and visits with their CDFI's and a zoom call with CDFI Friendly Bloomington Indiana where there newly created CDFI has generated more than \$3 million in new investments. During a community benchmarking tour to Louisville, KY led by Greater Fort Wayne, Inc. community leaders heard about Louisville's experience in lacking CDFIs as a community financing tool and how they've worked to expand opportunities within their urban neighborhoods by expanding their CDFIs.

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## **Project or Program Assets**

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**Share an image of the project/program. (Option 1)**

<https://www.formstack.com/admin/download/file/10992039446>

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**Share an image of the project/program. (Option 2)**

<https://www.formstack.com/admin/download/file/10992039447>

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**Share an image of the project/program. (Option 3)**

<https://www.formstack.com/admin/download/file/10992039448>

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## MEMO

From: Mark Pinsky, Partner  
Lance Loethen, Senior Consultant

To: Brad Little, Community Foundation of Greater Fort Wayne  
Andrea Robertson, City of Fort Wayne  
John Urbahns, Greater Fort Wayne, Inc.

October 9, 2020

**Re: Phase I CDFI Friendly Assessment Report Memo for Greater Fort Wayne**

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**The purpose of this memo is to report our findings and conclusions from our Phase I Assessment of the potential for a CDFI Friendly strategy serving Greater Fort Wayne.** The memo provides a summary of the reasons for our conclusion that Greater Fort Wayne could benefit substantially from a CDFI Friendly strategy.

It provides insights from our review of materials you provided and interviews we conducted with 24 leaders in Fort Wayne. It adds possible corollaries from our experiences with other CDFI Friendly efforts and our knowledge of the CDFI industry. Finally, it frames the next-step discussion of Phase II: Education & Organizing work toward a CDFI Friendly strategy serving Greater Fort Wayne.

The memo starts with our Conclusions and Recommendations followed by through reporting of what we learned through the Assessment. It concludes with a look ahead to your decision whether to proceed to Phase II: Education & Organizing.

We look forward to discussing this memo with you during our Zoom call on Tuesday, October 13<sup>th</sup> at 2 pm.

### Conclusions & Recommendations

**We conclude based on our research that Greater Fort Wayne would benefit substantially from a CDFI Friendly strategy.** Those benefits might include more inclusive and equitable economic growth; a comprehensive CDFI-led strategy for the region that would help others organize their programs, investments, and philanthropy; better engagement in communities by financial institutions, the City, and foundations; better engagement among diverse neighborhoods and demographic groups; and significant inflows of capital from new financing sources outside the Greater Fort Wayne region.

The region appears to have significant, strategically important financing gaps. Yet it needs a comprehensive community and economic development strategy that the CDFI Friendly development process could provide; and it requires an expanded set of financing sources and strategies to grow equitably with a diverse population.

*We recommend that you start work on Phase II (Education & Organizing) of the CDFI Friendly America planning process and that you begin work in time to maintain momentum in 2020.* We have attached a draft Scope of Work for Phase II as Addendum 1.



In support of a decision to continue to peruse a CDFI Friendly strategy, we observed:

**CDFI Friendly Basics:** The region has a high rate of CDFI-eligible Census tracts (i.e., high poverty, low-income), low CDFI lending per capita over the past 15 years, and evidence that conventional financial institutions are limited in their ability to finance underserved borrowers and communities. In addition, we learned that the population of Greater Fort Wayne is more diverse than we had previously understood; this suggests the untapped presence of a significant number of emerging sub-markets that are likely to need flexible and affordable financing. This is a recipe for CDFI success from a supply-and-demand perspective.

**Economic factors:** The region's population is growing, and the region has an economic base to build on due to its strong legacy manufacturing sector, which remains a significant contributor to economic output and has adapted to changing macroeconomic trends. This indicates steady economic growth, activity, and innovation. CDFIs can help underserved entrepreneurs start and preserve businesses to leverage these strengths.

Housing costs are low, resulting in a naturally occurring affordable housing opportunity. This will remain an untapped opportunity unless the region includes a lender or lenders eager to finance this market. The scale of this opportunity will be attractive to CDFIs.

**Philanthropy:** The region appears to have a robust philanthropic sector, including numerous philanthropic resources that seem to be seeking innovation and alignment. Key philanthropies have new leadership that appears willing to make real and lasting change. CDFIs tend to create a development infrastructure that helps philanthropic sources organize and focus their strategies. This can and should be a front-burner consideration during CDFI Friendly America's work in the region, should you choose to go forward with Phase II.

**Existing CDFIs:** The region includes at least three (3) CDFIs with regular lending activity: Brightpoint, Bankable, and Fort Financial Credit Union. While these CDFIs can play expanding roles in a CDFI Friendly strategy, they do not currently come close to meeting the potential demand we have learned about. A CDFI Friendly strategy can build upon this CDFI foundation to attract a suite of CDFIs with the potential to serve the Greater Fort Wayne market with a comprehensive set of products and services. To date, we are not aware of any local CDFIs providing financing for naturally occurring affordable housing or for larger transactions such as multifamily housing, community facilities, commercial real estate, or businesses needing more than \$250,000.

**Breadth of Support:** Our interviews found wide-ranging support for increased CDFI financing, openness to the changes CDFI lending could cause, and interest in exploring the impact of a CDFI Friendly strategy. The foundational sponsorship of the City of Fort Wayne, Greater Fort Wayne Inc., and the Community Foundation of Greater Foundation ("the Fort Wayne Partners") is a very good base for ongoing work because it represents public, private, and philanthropic sector leadership.

## Challenges

Our research in the Assessment Phase also identified a set of challenges that would require attention in Phase II and could represent significant obstacles to implementing an effective CDFI Friendly strategy.

**Fort Wayne's Legacy Neighborhood Culture:** We were surprised to learn of the extent of differentiation among the unusually high number of local neighborhoods in Fort Wayne. Multiple hyper-local neighborhoods seem to see one another as competitors for resources instead of potential collaborators towards a common goal. This is unusual in its complexity and will require significant attention in Phase II: Education & Organizing.



**Fragmentation Among Support Systems:** We learned in our research that many people perceive fragmentation among organizations (public, private, philanthropic) serving low-income people and places. Multiple interviewees saw in a CDFI Friendly approach the potential to organize these resources around shared goals and to help them to work together. The general perception seems to be that they currently work in isolation and seem uninterested in collaborating, leading to inefficient, conflicting, and outdated strategies.

**CDFI Purpose, Functions & Roles:** We are concerned that expectations of a CDFI Friendly strategy may not be realistic or grounded in fact. We heard a wide range of questions suggesting that people may see CDFIs as an economic development savior; in fact, CDFIs work as part of a broader community and economic development system providing vital products and services, but not everything people might want. CDFIs generally are not grantmakers, for example.

We believe that ongoing work toward a CDFI Friendly strategy will require a heavy emphasis on community education through Phases II & III, in particular, to help the community (broadly defined) understand CDFIs, their benefits, and their focus. In addition, the market presence of several CDFIs can be confusing if community residents generalize from their experience with those CDFIs. The three CDFIs in Greater Fort Wayne are not representative of the CDFI industry in general or the CDFIs who might work in Greater Fort Wayne in the future. This is equally important for community residents, banks and lenders, government, philanthropy, and others.

Finally, CDFIs from outside the region would bring substantial amounts of new financing from other places, and they and any CDFI Friendly entity that would be created need to be understood as net increases in resources for the community.

**Trust:** Our research provided a glimpse of the distrust that seems present in some communities and in response to numerous, fragmented key resources—ranging from the City to philanthropy to banks. While this is not unusual, the complexity of the City’s neighborhoods, the presence of multiple philanthropic efforts with narrow foci, the legacy of public and private sector efforts with mixed results, and the diverse population—notably the presence of a large Burmese population that seems little understood by the people we talked to—would require substantial, extra effort, primarily in Phase II: Education & Organizing. To that end, we anticipate that we would engage CDFIs earlier in the process than in other locations we have worked in, conduct more trust-building conversations, and carefully monitor the level of distrust.

**Strategic Focus:** We observed a heavy emphasis on the southeast quadrant of Fort Wayne yet expect to find on closer examination that there are significant needs and opportunities for CDFI financing in at least some of the other quadrants. Phase II would need to look more closely at the entire City and Region before limiting the focus of a CDFI Friendly strategy to one quadrant of the City. We are unsure how this will sit with community leaders, Citywide leaders, financial institutions, and others.

## Knowledge Gained Through the Assessment

### Insights from Background Documents

Prior to starting interviews, the CDFI Friendly America team reviewed planning and strategy documents from the Fort Wayne partners to help orient the team to the greater Fort Wayne region (all of Allen County). These documents suggest a growing region that has devoted substantial planning efforts to attract private sector investment. There has been substantial investment in the downtown core, and Fort Wayne is eager to demonstrate it has amenities on par with larger cities.



The City of Fort Wayne, Allen County, and private-industry partners such as Greater Fort Wayne, Inc., and the Community Foundation of Greater Fort Wayne have made substantial planning progress to create business incentives, new housing, hotel space, and amenities in the urban core. Based on a review of planning documents, however, there appear to be divisions within Fort Wayne. It seems these positive economic outcomes have not been equitably distributed, with the southeast quadrant of the City particularly lagging. After reading these documents, we also wanted to learn more about the relationships between the City and GFWI, and between the Fort Wayne Black Chamber of Commerce and the Greater Fort Wayne Hispanic Chamber of Commerce.

### **Insights from Data Assessment**

CDFI Friendly America's Data Assessment (see Appendix Figure 1) reports that total population grew 4.1% from 2010 to 2018 in both Fort Wayne and Allen County after years of population decline and stagnation, a welcome trend cited by many interview respondents (see the *Insights from Interviews* section, below). While the region's population is only 11% African American, nearly all respondents described Fort Wayne's southeast quadrant as having a disproportionate share of African American residents, as well as other residents of color.

Several interview respondents said the region's average household income is substantially lower than the national average—this comports with our data assessment showing the city's median income was 82% of the national median in the 2014-2018 Census ACS, and Allen County's median was 90%. However, the region's unemployment rate was below the national rate, and the city's rate was only 0.3 percentage points higher (6.2% vs. 5.9%) during the 2014-2018 ACS period. Several respondents cited just over a 3% unemployment rate in early 2020, prior to the COVID-19 pandemic.

The region's lower household incomes, and corresponding lower cost of living, gives the region relatively low housing cost burden rates for homeowners, while renters are closer to the average cost burden rate. In Allen County, 14.5% of homeowners and 43.6% of renters spent at least 30% of income on mortgages/rents during 2014-2018, compared to 23% of homeowners and 46.5% of renters nationwide. A majority of respondents said homeownership is an affordable option for those who can obtain a mortgage, but nearly all respondents said lower-value mortgages (e.g., under \$100,000) are not provided by financial institutions serving the region, leaving lower-income households with no choice but to rent. Several respondents said owner-occupancy rates in the southeast quadrant are only 30%; far lower than in the city's other three quadrants.

Last, 67% of Fort Wayne's Census tracts, and 54% of Allen County's tracts, are eligible CDFI Fund Investment Areas<sup>1</sup>, meaning they satisfy established low-income, poverty, and/or unemployment thresholds. Both geographies have notably higher proportions than Indiana (44%) and the nation (46%). However, CDFI lending per capita between 2005 and 2018 was only \$29 in Fort Wayne, \$53 in Allen County, and \$37 in Indiana; all were far lower than the \$182 nationwide figure. These figures suggest strong potential demand for CDFI financing (high rate of eligible Census tracts) that is not being met (limited supply of CDFI financing).

In the next Phase of work, CDFI Friendly America would propose to supplement the region's existing analyses of more granular geographic data (e.g., Census tracts) with an analysis of our Data Assessment variables to provide

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<sup>1</sup> Note that CDFIs are not expected or required to invest only in CDFI Investment Areas [as defined by the CDFI Fund](#) in the U.S. Department of the Treasury. Each CDFI is expected to invest, a "substantial share" of its financing in its designated target market, often a broader category including CDFI Investment Areas.



a more accurate illustration of conditions within the southeast quadrant, in particular, and other areas with low/moderate-income populations.

### **Insights from Interviews**

Between 9/14/2020 and 9/25/2020, CDFI Friendly America conducted 10 interviews with 24 stakeholders involved with Greater Fort Wayne's community and economic development activities. Each interview lasted between 75 and 90 minutes, included two to three respondents, and covered an array of topics related to capital access, economic development, public-private partnerships, racial equity, and income inequality. The full list of 26 potential respondents was created by representatives from the Community Foundation of Greater Fort Wayne and the City of Fort Wayne (see Appendix Figure 2). Interview questions and topics were not shared with respondents in advance and all respondents were assured that no statements would be attributed to individuals or the organization they were representing (see Appendix Figure 3 for the interview template).

Insights from interviews supported many of the preliminary insights we gleaned from background documents and enriched our understanding of Fort Wayne's unique challenges and opportunities. We also observed some familiarity with CDFIs and openness to public-private partnerships that facilitate unique financial solutions, which is critical to the success of a CDFI Friendly strategy.

### **Insights from Conversations with Fort Wayne Stakeholders**

This section describes highlights from our interviews and, when applicable, compares and contrasts Greater Fort Wayne with other CDFI Friendly Communities. Comparisons with other communities are meant to offer context and are shown as bullet points in italics. Some of these items will be the basis for further discussion and research during subsequent project phases, should CDFI Friendly Fort Wayne go forward.

### **Economic Conditions**

1. Fort Wayne has a long history of manufacturing that has shaped the job market and built environment of the city. Now residents are exploring how this legacy will be reinvented for a modern city. Prior to COVID-19, the region's economy was doing very well (unemployment rate was just over 3%).
  - *South Bend and Bloomington have similar manufacturing histories. South Bend in particular has seen this legacy grow into a robust entrepreneurial culture that was nonetheless stymied by shortage of start-up or sustaining capital. CDFI lenders are now seeing numerous opportunities with South Bend businesses.*
2. COVID-19 increased economic pressures, particularly on people and businesses in low-income neighborhoods and evictions. People of color (and the southeast quadrant, where POC live in higher concentrations) have been affected more than white residents. There has been a return of some retail economic activity, particularly tourism.
  - *CDFI Friendly organizations in Bloomington and South Bend played crucial roles in organizing COVID-19 emergency response efforts. In each city, CDFI Friendly brought together private lenders and government to create new strategies to serve small business owners.*
3. Fort Wayne and Allen County saw a net gain of jobs and population prior to 2020, but it's unclear whether this trend will reverse due to economic pressures from COVID-19.

4. Fort Wayne has a low cost of living, but this also keeps wages low. Housing prices have been creeping up and there is concern that wages will not keep pace.
5. There is a major skills gap preventing residents from obtaining employment. Some of this is linked to generational adaptations to technology, as well as broader technology access. However, even "low skill" jobs are sometimes hard to fill with prepared candidates. Additionally, the region's internet access is both expensive and relatively unreliable, which exacerbates disparities in access to education and jobs between those who have adequate internet access and those who do not, as COVID-19 has made remote job searching, interviewing, and working mandatory in many cases.

### **Development**

6. Some areas of Fort Wayne have experienced rapid socioeconomic change due to development in recent years but there is still an appetite for more development. It is important to incorporate input from existing neighborhood residents to ensure people are not displaced and they feel as though they have a voice in new growth.
7. There are conflicting perspectives on affordable housing in the southeast quadrant. Some interviewees said affordable housing is too concentrated (i.e., it needs to be more geographically spread). Others think the region needs to develop as much affordable housing as possible to meet demand, even if mostly in the southeast.
8. Fort Wayne has naturally occurring affordable housing (NOAH) but this is not sufficient to meet demand. Developers cannot secure financing to build more units due to appraisal gaps and local financial institutions cannot profitably originate mortgages on existing properties. Habitat for Humanity is trying to help close gaps, but the problem requires more subsidy than Habitat is able to raise alone.
  - *South Bend also struggles from a large appraisal gap in many neighborhoods, often as much as \$75k per unit. It is trying to address the challenge but CDFIs are limited in their capacity to fill assessment gaps with debt. In Indianapolis, an unusual CDFI (Indianapolis Neighborhood Housing Partnership) has taken a block-by-block approach to raising comp values and creating new units slowly, but this inevitably requires a large amount of grant funding for subsidy and developer capacity and willingness.*
9. There is a perception that some projects face more challenges than others throughout all stages of development, from securing financing to obtaining permits from local government. Several interviewees said political factors often affect the extent to which each project faces challenges.
  - *We cannot comment on the specifics of this perception, but it is notable that the availability of CDFI financing for innovative development projects cannot overcome this barrier alone. Both Bloomington and South Bend stakeholders expressed many long-held frustrations throughout the organizing processes and it was important to be clear where CDFIs could help and where they could not.*

### **Geography**

10. There are notable differences in economic outcomes between southeast Fort Wayne and the rest of the City, on one hand, and Allen County. Residents in the southeast quadrant fear being displaced by

development while simultaneously expressing frustration with the lack of amenities and walkability in their neighborhoods.

- *South Bend and Bloomington faced similar challenges when explaining that CDFI financing alone cannot solve inequitable housing, infrastructure, and quality of life amenities. Regional public-private sector support for these amenities is needed to help create stronger connections among all four quadrants of the city and surrounding Allen County. CDFI financing can create assets in communities that encourage parallel strategies such as these.*

11. Fort Wayne's southeast quadrant has upwards of 50 neighborhoods, though some interviewees said it depends on who you ask, and officials from the City said the number is closer to 15). While there are likely shared financial needs among neighborhoods, particularly those in the southeast quadrant, we must be respectful of these differences when we seek to work with Fort Wayne residents. It will not be well received if CDFIs are expected to offer comprehensive, blanket solutions.
12. Downtown Fort Wayne has been the focus of several successful projects to invest in infrastructure and jobs. While there have been early successes, the needs of resident in neighborhoods adjacent to downtown and in the southeast quadrant have not fully been met.
13. Downtown development in particular has a lot of momentum, catalyzing interest from public and private investors. However, there is not always good coordination among parties, which hinders progress.
14. Some interviewees mentioned that tension exists between Fort Wayne and Allen County, though others saw a strong working relationship.

#### **Existing Relationships Between Residents and Local Institutions**

15. Government and nonprofit leaders in Fort Wayne have taken steps to create programs and resources intended to fight many of the problems discussed above. However, residents are not always aware of these resources or they are not comfortable enough with the sponsoring entities to engage.
  - *It will be important to introduce CDFIs and CDFI Friendly to a wide range of Greater Fort Wayne stakeholders early on to align stakeholders' needs and build trust. South Bend stakeholders initially expressed great doubt about CDFI lending products, assuming CDFIs could not deliver the flexibility and pricing for the types of deals we described. As more CDFIs play an active role in South Bend, this perception is changing quickly.*

#### **Existing Institutions**

16. Several large national banks have scaled back lending and grant support in Fort Wayne and Allen County in recent years. The decline in resources is keenly felt.
17. Many interviewees had not heard of or worked much with Brightpoint or Bankable, two CDFI loan funds known to lend in Fort Wayne. As for CDFI credit unions, a few respondents mentioned Union Baptist Church Federal Credit Union, though they recognized its dormant status. No one mentioned Fort Financial Credit Union, a certified CDFI credit union with a headquarters and three branch locations in Fort Wayne.

- *Both Bloomington and South Bend had had some past investment from CDFIs but it was not known outside of the CDFIs' immediate partners on these deals. These local partners were able to vouch for the efficacy and reliability of CDFIs during the organizing process.*
18. Some financial institutions have taken steps to introduce new, more inclusive financing products, including second-chance accounts to build credit, loan underwriting that uses factors besides credit history, down payment assistance, etc. There is some disagreement over whether the region lacks sufficient capital to finance potential borrowers or a lack of qualified loan applicants.
- *South Bend financial institutions offer similar programs and they work hard to market them to nontraditional borrowers, though barriers related to trust and accessibility remain. As we spoke more with target borrowers, we found that existing programs are underutilized and thus have limited positive impact.*
  - *In cities and regions with low CDFI activity, there is often the perception that "all the deals that can be done are getting done." However, CDFIs tend to create a new market of deals that are at or outside the margins of conventional finance.*
19. Greater Fort Wayne has many philanthropic institutions. They tend to focus on small geographies or policy/program areas and do not work with one another as much as interviewees believe they should. Several interviewees said foundations serving the region are often limited in how they deploy funding, following more traditional models and not employing newer models, such as providing direct cash assistance to households in parallel with conventional funding programs for nonprofit service providers.
20. New leadership in several prominent organizations, including philanthropic and corporate entities, has been welcomed. These leaders have brought new energy and ideas to historic problems in Fort Wayne. However, there is some caution since these leaders are not yet well known.

### **Preliminary Financing Gaps Identified by Interviewees**

We heard about a variety of capital needs throughout our interview conversations. Not all of these will be the right fit for CDFIs— and, as a reminder, CDFIs specialize in the types of lending they offer, so one institution will not fit all these needs. With that in mind, the following represent promising prospects for CDFI financing in Fort Wayne:

- Small business financing, including established businesses, start up financing, and intergenerational business transfers
- Grocery stores, particularly in the southeast quadrant—access to fresh foods is very limited
- Community facilities, i.e. "third spaces" that are not home or work and are freely available to all people
- A combination of lending and subsidy to close appraisal gaps and create new, affordable housing
- Loans above \$250K for a variety of housing and commercial development
- Alternatives to payday lending
- Financial coaching and ongoing back-end support for business owners



## Conclusion

Key leaders and stakeholders—led by the City of Fort Wayne, Greater Fort Wayne Inc., and the Community Foundation of Greater Fort Wayne—provided CDFI Friendly America with a wealth of information and knowledge about Greater Fort Wayne. This memo explains and documents why and how we believe Greater Fort Wayne would benefit substantially from a CDFI Friendly strategy.

Potential benefits include:

- More inclusive and equitable economic growth;
- A comprehensive CDFI-led strategy for the region that would help others organize and coordinate their programs, investments, and philanthropy
- Better engagement in communities by financial institutions, the City, and foundations; better engagement among diverse neighborhoods and demographic groups; and
- Significant inflows of capital from new financing sources outside the Greater Fort Wayne region.

Greater Fort Wayne appears to have significant, strategically important financing gaps. Yet it needs a comprehensive community and economic development strategy for multiple purposes that the CDFI Friendly development process could provide. And it requires an expanded set of financing sources and strategies to help drive that comprehensive strategy.

We look forward to discussing the possibility of working with you on Phase II (Education & Organizing) of the CDFI Friendly America planning process. We encourage you to maintain the momentum that Phase I has started to build. Addendum 1, attached to this memo, includes a draft Scope of Work for Phase II.

Appendix Figure 1: Greater Fort Wayne Assessment Interview Candidate List



Helping Communities & CDFIs Succeed Together

CDFI Friendly America Data Assessment: Fort Wayne, IN

	Assessment Measure	Fort Wayne	Allen County	Fort Wayne, IN Metro Area	Indiana	United States
Population	Total Population	264,052	370,016	431,612	6,637,426	322,903,030
	% Change in Population 2010-2018	4.1%	4.1%	3.7%	2.4%	4.6%
	% Black or African American	14.9%	11.4%	9.9%	9.3%	12.7%
	% Hispanic	8.9%	7.3%	6.6%	6.8%	17.8%
	Geographic Square Miles	111	657	1,361	36,418	3,797,000
	City Population as % of county, metro division, state, and nation		71.4%	61.2%	4.0%	0.08%
Economy	% Census tracts eligible as CDFI Investment Areas	67%	54%	48%	44%	46%
	CDFI Lending 2005-2018*	\$7,760,761	\$19,737,368	\$21,181,971	\$242,822,739	\$58,711,235,986
	CDFI Lending Per Capita 2005-2018	\$29	\$53	\$49	\$37	\$182
	Median family income	\$60,434	\$66,713	\$67,676	\$68,054	\$73,965
	Poverty rate	17.3%	14.3%	13.6%	14.1%	14.1%
	Unemployment rate	6.2%	5.6%	5.2%	5.4%	5.9%
	Labor force participation rate	66.4%	66.7%	66.5%	63.9%	63.4%
Housing	% Households spending at least 30% of income on mortgage	14.2%	14.5%	14.6%	16.8%	23.1%
	% Households spending at least 30% of income on rent	43.6%	42.8%	42.2%	43.5%	46.5%
	% Households headed by a single parent	13.7%	12.2%	11.7%	11.5%	11.3%

Source: US Census Bureau 2018 American Community Survey

\*Includes lending from CDFIs receiving Financial Assistance Awards and reporting to the CDFI Fund's Transaction Level Report (TLR) database for years 2005-2018.

[cdfifriendlyamerica.com](http://cdfifriendlyamerica.com) | [info@cdfifriendlyamerica.com](mailto:info@cdfifriendlyamerica.com)

Appendix Figure 2: Greater Fort Wayne Assessment Interview Candidate List



Greater Fort Wayne Assessment Interview List

Name	Organization	Participated in Interview	Email
Karl LaPan	NIIC	Yes	<a href="mailto:klapan@niic.net">klapan@niic.net</a>
Kristin Giant	Hyper Local Impact	Yes	<a href="mailto:kristin@hyperlocalimpact.com">kristin@hyperlocalimpact.com</a>
Matthew Purkey	United Way	Yes	<a href="mailto:matthew.purkey@uwacin.org">matthew.purkey@uwacin.org</a>
Steve Hoffman	Brightpoint	Yes	<a href="mailto:stevehoffman@mybrightpoint.org">stevehoffman@mybrightpoint.org</a>
Sherry Early-Aden	Brightpoint	Yes	<a href="mailto:sherryaden@mybrightpoint.org">sherryaden@mybrightpoint.org</a>
Cedric Walker	Joshua's Hand	Yes	<a href="mailto:cedricleewalker@gmail.com">cedricleewalker@gmail.com</a> ; <a href="mailto:cwalker@joshuashand.org">cwalker@joshuashand.org</a>
Jim Cook	Chase Bank	Yes	<a href="mailto:j.e.cook@chase.com">j.e.cook@chase.com</a>
Rob Slusser	Centier Bank	Yes	<a href="mailto:rslusser@centier.com">rslusser@centier.com</a>
Sarah Strimmenos	Old National Bank	Yes	<a href="mailto:sarah.strimmenos@oldnational.com">sarah.strimmenos@oldnational.com</a>
Kristin Marcuccilli	STAR	Yes	<a href="mailto:kristin.marcuccilli@starfinancial.com">kristin.marcuccilli@starfinancial.com</a>
Terri Cable	First Merchants	Yes	<a href="mailto:tcable@firstmerchants.com">tcable@firstmerchants.com</a>
Andrew Gritzmaker	Habitat for Humanity	Yes	<a href="mailto:agritzmaker@habitatgfw.com">agritzmaker@habitatgfw.com</a>
Sharon Feasel	City of Fort Wayne	Yes	<a href="mailto:sharon.feasel@cityoffortwayne.org">sharon.feasel@cityoffortwayne.org</a>
Kelly Lundberg	City of Fort Wayne	Yes	<a href="mailto:kelly.lundberg@cityoffortwayne.org">kelly.lundberg@cityoffortwayne.org</a>
Cheryl Blackman	CDC of Northeast Indiana	Yes	<a href="mailto:cheryl.blackman@cityoffortwayne.org">cheryl.blackman@cityoffortwayne.org</a>
Councilwoman Sharon Tucker	City Council	Yes	<a href="mailto:sharon.tucker@cityoffortwayne.org">sharon.tucker@cityoffortwayne.org</a>
Councilman Glynn Hines	City Council	No	<a href="mailto:glynnhines@aol.com">glynnhines@aol.com</a>
Corinna Ladd	PNC Bank	Yes	<a href="mailto:Corinna.ladd@pnc.com">Corinna.ladd@pnc.com</a>
Cecile Weir	First Source Bank	Yes	<a href="mailto:weirc@1stsource.com">weirc@1stsource.com</a>
Sheila Anderson	Fifth Third Bank	No	<a href="mailto:sheila.anderson@53.com">sheila.anderson@53.com</a>
Marlon Wardlow	Parkview Health	Yes	<a href="mailto:marlon.wardlow@parkview.com">marlon.wardlow@parkview.com</a>
Don Cates	Three Rivers Credit Union	Yes	<a href="mailto:dcates@trfcu.org">dcates@trfcu.org</a>
Greg Allen	Premier Bank	Yes	<a href="mailto:gallen@first-fed.com">gallen@first-fed.com</a>
Rich Beck	Allen County Commissioners	Yes	<a href="mailto:richard.beck@allencounty.us">richard.beck@allencounty.us</a>
Rena Bradley	Bridge of Grace	Yes	<a href="mailto:rbradley@bridgeofgracecmc.org">rbradley@bridgeofgracecmc.org</a>
Arlan Friessen	Amabassador Enterprise	Yes	<a href="mailto:arlan.friessen@ambassador-enterprises.com">arlan.friessen@ambassador-enterprises.com</a>

## Appendix Figure 3: CDFI Friendly Assessment Interview Template



### CDFI Friendly Greater Fort Wayne Assessment Interview

September 1, 2020

#### Introduction to Interview:

Welcome, and thank you for joining us today to talk about the potential of a CDFI Friendly strategy in GREATER FORT WAYNE. My name is <NAME>, and I work with CDFI Friendly America. I have worked for XX years in the Community Development Financial Institution or CDFI Industry and I am pleased to talk with you today. *(If needed, encourage people to turn on their video on Zoom.)*

CDFI Friendly America is helping communities gain access to flexible, affordable financing for a range of purposes. CDFIs—or community development financial institutions—are private financial companies that work just outside the margins of mainstream finance and help in ways that banks or governments cannot.

We are currently in the first stage of exploring this strategy for GREATER FORT WAYNE. This stage is an Assessment to determine if this is a good direction for GREATER FORT WAYNE and to identify what are some of the challenges and opportunities for GREATER FORT WAYNE.

We will be talking to about 25 people all together in the next weeks and we will complete the Assessment by the middle of October.

We are hoping to gain a better understanding of how lending works in Greater Fort Wayne and how that affects the people who live and work here. And we also want to want to know who is making an effort to make lending work better here. We want to understand the strategies used up until now to address challenges. Ultimately, we want to know to what extent access to patient, flexible capital and specialized knowledge from CDFIs could be helpful to increase access to opportunity for the residents of GREATER FORT WAYNE.

Here are some guidelines that will help us make the best use of our time together:

1. We really want each person's participation, so please share the airtime equally.
2. It is very helpful if each person speaks one at a time. Please try to not interrupt one another!
3. If someone uses a term or an acronym you are not familiar with, please stop us so we can clarify. That includes anything I might say. Please do your best not to speak in acronyms to help everyone in the room understand your comments.
4. All comments made in this session are confidential and will only be used for our research purposes. This means no statements will be attributed to a specific person in our reports, and that you agree to keep whatever is said in this Zoom session confidential.

This call will take one hour and fifteen minutes or so. We will be done no later than YY:ZZ AM/PM.

Any questions so far?

**NOTE: QUESTIONS IN BOLD ARE THE PRIORITY QUESTIONS.**

I am going to ask you to introduce yourself and I will model an answer. After introductions, we will jump into the content we are hoping to cover today.

1. **Please introduce yourself with your name, organization, and title. Then please tell us about your very first job outside of your childhood home.**
2. **Thanks everyone. Now we will discuss the topics we want to cover today. First question: How would you describe economic conditions overall in GREATER FORT WAYNE?**
3. **What would you say are the two or three biggest challenges for Greater Fort Wayne in the next several years?**
  - a. **(If not mentioned) What are the biggest challenges for low income and low wealth people in Greater Fort Wayne?**
  - b. **(If not mentioned) in what ways are People of Color affected by these challenges? (If they don't know, follow up with data)**
4. Are there particular neighborhoods that are notably under-resourced? *(Be aware that most plans are for downtown but there is a plan for the Southeast area)*
5. **What strategies has GREATER FORT WAYNE used to respond to the challenges facing [COULD BE THE POPULATION YOU USE or could be A PARTICULAR NEIGHBORHOOD] low income people and under resourced neighborhoods?**
  - a. To what degree is the availability of safe and affordable housing an issue for low- and working-class residents of Greater Fort Wayne? (If appropriate follow up with: What affordable housing efforts are underway in Greater Fort Wayne?)
  - b. (If not mentioned) Who drove the strategies to help low income people and under resourced areas? (Are they primarily government projects or are they public private partnerships?)
  - c. **What are the primary successes of these strategies?**
  - d. **Where have these strategies fallen short or still haven't come to fruition?**
  - e. **What is the role of the Community Development Corporation of Northeast Indiana (CDCNEIN)?**
  - f. **Have you been involved in any of these strategies through your work or volunteer efforts?**
6. What philanthropic strategies are being used now or in the recent past in GREATER FORT WAYNE to address these challenges?
  - a. *(If not mentioned)* Who are the major Foundations that are active in GREATER FORT WAYNE?
7. **Who are the financial institutions that are active in efforts to improve the lives of low-income people or revitalize communities in Greater Fort Wayne?**
8. **Can you tell me about projects or types of borrowers who have challenges accessing capital despite the good work of the banks (and credit unions) you mentioned?**
  - a. **Follow up with probes about financing they don't mention - for small business, affordable housing, commercial real estate, and / or nonprofits**

9. **Have you heard about Community Development Financial Institutions (CDFIs) before today? Do you know of any that are working in GREATER FORT WAYNE?**
  - a. **If not mentioned: Have you heard of Brightpoint, a Fort Wayne based nonprofit that includes Brightpoint Development Fund? (If needed: They make loans to small business owners, homeowners, and individuals)**
10. *(If there is time and it is relevant to the participants)* How would you characterize the relationship between the County and the City in pursuing economic development projects?
11. **Based on what you know about CDFIs, how do you think they could be helpful in GREATER FORT WAYNE?**
  - a. *Probe on why if it isn't obvious or connected to things said already.*
12. **Do you have any suggestions of people we should talk to about the advisability of a CDFI Friendly Strategy in Greater Fort Wayne?**
13. **To end this session, I would like to ask you to answer this question in one or two sentences, based on what you know so far. Would a CDFI Friendly Strategy be helpful in GREATER FORT WAYNE? Why or why not?**

Thank you so much for your helpful participation in this session today. As I mentioned at the beginning, this Assessment process will be completed by DATE. Then it will be determined if GREATER FORT WAYNE will continue to the next stage which we call Organizing & Business Planning. I hope we have the opportunity to speak again in that stage of the process.

If you think of something to add to this interview in the next few days, feel free to email me at [name@cdfifriendlyamerica.com](mailto:name@cdfifriendlyamerica.com).

**After the interview please summarize:**

3 – 5 Key Takeaways:

Questions or issues to follow up on:

# PROPOSED FOR DISCUSSION

## Addendum 1: Phase II Proposal for Discussion

On behalf of the City of Fort Wayne and Greater Fort Wayne, Inc., the Community Foundation of Greater Fort Wayne contracted with CDFI Friendly America to conduct a Phase I Assessment of the potential for a CDFI Friendly strategy serving Greater Fort Wayne. Phase I is the first of four possible phases to implement a CDFI Friendly Fort Wayne entity and strategy. The other phases are: Phase II: Education & Organizing, Phase III: Business Planning, and Phase IV: Implementation.

As we near completion of Phase I, we offer for discussion a proposed Scope of Work for Phase II: Education & Organizing.

### Phase II: Organizing & Education

**The three most important goals of the Organizing and Educating phase of the process are to build a high-performing coalition that understands and supports the CDFI Friendly strategy, to increase the overall CDFI literacy in a broader group of stakeholders, and ensure that the community's financing priorities are appropriate to CDFI financing**

The consultant will organize, lead, and manage a process to build a working coalition that includes the full range of constituencies and institutions important to the success of a prospective CDFI Friendly effort. The findings and results of the Phase I Assessment will inform and shape the actual approach to Phase II. One of the key purposes of this phase is to help key leaders among each constituency to become more "CDFI literate" and to realize the importance of a CDFI Friendly strategy for the City.

Two convenings will serve as the "tent posts" for this effort over approximately 6 months. Both events will be planned and implemented with assistance from the client and participants in the CDFI Friendly working group.

At the outset, the consultant will convene an open meeting to introduce and explain the Phase II work. The purpose of the meeting is to cast as wide a net as possible for possible participants in the Phase II process.

Following that initial meeting, the consultant will organize a volunteer group of senior Strategic Advisors and a working group comprising staff actively involved in the Phase II work. The consultant will convene the senior advisors 2-3 times during Phase II and will work regularly with the staff.

With the advice and help of both groups, the consultant will meet with a wider array of key players in market and discuss the financing needs of the community, the roles CDFIs could play, past efforts to meet financing needs, key obstacles and opportunities, and parallel and/or conflicting efforts.

In addition, the consultant will meet with CDFIs engaged in, interested in engaging in, and potentially valuable partners in the community. Our preference is to meet in person when possible. We have, however, adapted our protocol to work using video conference and telephone conversations, as circumstances require.

The consultant will prepare materials and research to explain CDFIs, to answer questions about CDFIs in Fort Wayne, and to help participants generally to understand CDFIs well enough to envision what roles, if any, they could play in meeting the client's goals for the prospective CDFI Friendly effort in Fort

## PROPOSED FOR DISCUSSION

Wayne. They will conduct small group, individual, and large group meetings, as needed, to ensure that everyone involved in the work are prepared to make recommendations and decisions regarding the prospects and value of a CDFI Friendly approach. In addition, during this phase the consultant will initiate preliminary discussions with potential funders and investors in the prospective effort to gauge the ease or difficulty we would face in organizing the financial resources necessary to go forward. We estimate that the consultants would complete 200-250 person hours of meetings to this end; more if necessary, not including the initial and concluding large-group meetings.

Ultimately the focus will be on matching demand for CDFI financing with CDFIs. To that end, the consultant will lead the staff working group to develop a set of “deal sheets”—short summaries of actual, possible financing opportunities in the community for CDFIs.

Fort Wayne participants will identify and write-up these potential deals using a format provided by the consultant. The participants in this session could include the client, local financial institutions, CDFIs, local community organizations, local community development corporations, interest groups, Fort Wayne City officials, and others.

This effort requires community leaders to demonstrate their understanding of the roles CDFIs might play. The products (the deal sheets) help CDFIs and community representatives explore the potential for collaboration. Those conversations, which occur primarily at the second “tent pole” event, also help the community determine priorities for financing.

In addition to a range of people involved to date in Phase I and II the second “tent pole” event will include national investors in CDFIs (such as national banks), the CDFI Fund at the U.S. Department of the Treasury, CDFIs from other areas that have experience working in markets comparable to Fort Wayne, and others that the consultant believes would add depth to the conversation.

Near the conclusion of Phase II, the consultant will convene and conduct a set of in-depth conversations to present the case for a CDFI Friendly Fort Wayne Strategy, flag major outstanding issues and questions, and propose priority financing needs in the local market.

The primary product of Phase II will be a comprehensive memo to the client explaining what we have learned, what significant gains we have made, and what challenges remain to go forward to Phase III: Business Planning. The consultant will provide a recommendation whether to proceed along with clear explanation of what the client should expect.



## **DRAFT PROPOSED Greater Fort Wayne Schedule A: Scope of Work**

CDFI Friendly America ("the consultant") will complete the Scope of Work ("the work") detailed here on behalf of the Community Foundation of Fort Wayne, Greater Fort Wayne, Inc., and the City of Fort Wayne ("the community") under this agreement with the City of Fort Wayne ("the client"). This Scope of Work includes and accelerates the second and third phases of CDFI Friendly America's four-phase workplan to help the community attract flexible and affordable CDFI financing to Greater Fort Wayne through a CDFI Friendly strategy.

The intent of this scope of work is to finish within approximately six (6) months of starting work, subject to mutually agreeable scheduling as well as timely decision-making by the client and the community. (Please see the section on "Client's Roles & Responsibilities" below.)

The CDFI Friendly America phases incorporated in the work are Organizing & Education and Business Planning. This accelerated work plan will generally follow the sequence of the three phases with significant consolidation resulting in overlap of the phases.

The product of the work will be a strategy and corresponding business plan for an entity tentatively titled "CDFI Friendly Fort Wayne."

To that end, the work will result in:

- Increased CDFI literacy in a broad group of Greater Fort Wayne stakeholders,
- A high-performing, broad-based CDFI Friendly coalition comprising individuals, organizations, and businesses that understand and support the CDFI Friendly strategy,
- Broad agreement across the working coalition about the community's financing priorities for CDFI financing,
- An actionable business plan for the community's CDFI Friendly strategy.

### **The Work**

The Phase I Assessment completed in 2020, together with the feedback provided to the consultant by the community, will inform and shape the approach to this work. One of the key goals of the work is to help key stakeholders understand the importance of a CDFI Friendly strategy for the community by helping them become more "CDFI literate."

At the outset, the consultant will organize and convene:

- A *Leadership Group* comprising the senior representatives of the Client; the President and CEO of the Community Foundation of Fort Wayne; the President and CEO of Greater Fort Wayne, Inc.; and



- A *CDFI Friendly Working Group* of community leaders from the community's business, civic, financial, neighborhood, and other constituencies, as well as staff members from the organizations comprising the Leadership Group. The Working Group will add members as participation grows.

The consultant will lead the working group to produce two (2) community convenings that will serve as the “tent posts” for this effort over approximately five (5) months. Both events will be planned and implemented with assistance from the client and participants in the CDFI Friendly working group.

#### *Convening #1*

At the outset, the consultant will convene a meeting for key parties to review and re-fresh the Phase I findings. The purpose of the meeting is to cast as wide a net as possible for possible participants in the work. The meeting will introduce CDFIs, CDFI financing, and the concept of financing "gaps" as they will be used in the CDFI Friendly work. It will outline and explain the work over the next five (5) months.

#### *In Between the Convenings*

With the advice and help of the Leadership and Working groups, the consultant will meet with an expanding array of key players in the community through the work period to discuss the financing needs of the community, the roles CDFIs could play, and past efforts to meet financing needs. The consultant will participate in meetings with the public and the media as requested by the client and the community. In addition, the consultant will meet with CDFIs engaged in Greater Fort Wayne, interested in engaging in Greater Fort Wayne, and other potentially key partners in the community.

The consultant will collect data about demographics, economic conditions and trends, and lending in Greater Fort Wayne. It will include data provided by participants and third parties, as well CDFI Friendly analytics.

The consultant will prepare materials and research to explain CDFIs, and to answer questions about CDFIs in the community. It will develop and provide materials as needed to help participants to understand CDFIs well enough to envision what roles they should play in meeting the client's goals for the CDFI Friendly effort in the community.

The consultant will conduct small group, individual, and large group meetings, as needed, to ensure that everyone involved in the work in Greater Fort Wayne are prepared to make recommendations and decisions regarding the prospects and value of a CDFI Friendly approach. In addition, the consultant will initiate preliminary discussions with potential funders and investors in the prospective effort to begin organizing and securing the financial resources necessary to go forward.

Over the work period the Consultant's focus will increasingly be on matching demand for CDFI financing with CDFIs. To that end, the consultant will guide the working group to develop a set



of “deal sheets”—short summaries of actual, possible CDFI financing opportunities in the community.

Greater Fort Wayne participants will identify and write-up these potential deals using a format provided by the consultant. The participants could include the client, local financial institutions, CDFIs, local community organizations, local community development corporations, interest groups, Greater Fort Wayne officials, members of the Working Group, and others.

This work requires community leaders to demonstrate their understanding of the roles CDFIs might play. The products (the deal sheets) help CDFIs and community representatives explore the potential for collaboration. Those conversations, which occur primarily at the second “tent pole” event, also help the community determine priorities for financing.

### *Convening #2*

The consultant and the working group will convene a community-wide meeting that includes CDFI leaders interested in working in Greater Fort Wayne; CDFI leaders who can provide perspective that can guide the community; national CDFI investors who might assist local and regional investors work with CDFIs; and federal officials working with CDFIs. The structure of the convening will include in-depth conversations to present the case for Greater Fort Wayne's CDFI Friendly Strategy, flag major outstanding issues and questions, and identify priority financing needs in the local market.

The result of this convening will be decisions about and clear direction for community needs, preferences, and priorities for Implementation.

### *Business Planning*

Through the business plan the consultant will explain in quantifiable terms the work that the CDFI Friendly entity would do, the costs of operating that entity, the sources and uses of funds and investments to support operations of a CDFI Friendly entity, and the role and structure of the CDFI Friendly Enhancement Fund. To those ends, it will refine and expand the market data gained in the earlier Assessment and the earlier work under this phase into a market analysis and identify capital gaps that CDFIs and others can fill which will result in a market financing strategy. It will account for work already being done by others in the market, including but not limited to banks, credit unions, CDFIs, governments, and others. It will incorporate data provided by the client and others, data from third party sources, and—as necessary and possible—data developed by the consultant.

The plan will be used as a basis for discussion with all constituencies through the working group. The efficacy of the business plan is a product of the accuracy and quality of the data, requiring the consultant to get regular and realistic feedback from all parties.

The business plan must meet the “reality test” of potential funders, investors, borrowers, partners, and others is key to ensuring that there is good reason and a good basis on which to launch a CDFI Friendly Fort Wayne entity and strategy. A substantial portion of effort will be



devoted to fundraising and capitalization for the strategy. The business plan will allow the consultant and the client to test assumptions, and ultimately to decide if they wish to proceed with Stage IV, Implementation.

### **Client's Roles & Responsibilities**

This will be an interactive engagement where the client, the community, and the consultant will be responsible for different, related tasks. The consultant will request support and/or action as needed.

The client will be responsible for the logistics of setting up in-person "tent-pole" meetings, handling coordination and logistics, and internal decision-making logistics. The consultant will ask the Client to set up other group meetings, as needed.

The consultant will make recommendations based on its experience and expertise, but the client and community must make governing and oversight decisions at clearly delineated steps in the workflow. If the client and the community have differing ideas about the course of this work, they must resolve any differences in clear, workable, and timely fashion. The client is ultimately responsible for all strategic decisions about how the work should proceed towards implementation.

The consultant's ability to complete the work on time and as promised is dependent on full engagement and timely decision-making by the client and the community.

### **Fees**

For this work, CDFI Friendly America will charge the client a total fee not to exceed \$160,000 plus reasonable expenses related to travel, food, lodging, transportation, and possible other incidentals. New guidance regarding COVID-19 is expected to make it possible for the consultant to complete substantial parts of the work--including the two tent-pole events, many (but not all) meetings, and fundraising & development--in person. The condensed approach to completing this work will require the consultant to travel regularly; it is likely that the consultant will have multiple team members in Greater Fort Wayne at some times, and travel costs will reflect that. The consultant estimates total expenses will not exceed \$25,000.

Client agrees to pay an initial retainer equal to 20% of the fee (\$32,000) prior to the consultant starting work, including an initial 5% retainer (\$8,000) by June 15th and the remaining 15% (\$24,000) within 15 days of agreement on a starting date for the work. Client will pay the balance of the fee in five (5) equal Installments of \$21,333.33 plus expenses upon invoicing monthly starting on the last day of the first month after starting work plus one (1) installment of an amount adjusted for actual costs plus expenses on the last day of the month following completion of work.

**CDFI**  
**FRIENDLY**  
**AMERICA**

We aim to complete the work no later than six (6) months after the mutually agreed starting date assuming we have a signed contract and we have received the initial retainer by the starting date.

*Note: Should the client seek additional work outside the scope described here, CDFI Friendly America will bill at a per diem rate of up to \$2,500.00. Payment is due according to the following schedule: monthly based on client invoices of actual work done to be due no later than 30 days after billing.*



MEMO

From: Mark Pinsky, Partner

To: Brad Little, The Community Foundation of Greater Fort Wayne

March 10, 2020

**Re: Timeline for CDFI Friendly Fort Wayne**

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**The purpose of this memo is to outline at a high level the timeline for organizing and launching CDFI Friendly Fort Wayne, should the community choose to proceed.** This memo is intended to inform the Community Foundation's proposal to the Lilly Trust (I believe).

**Current Phase: Assessment**

*Period for Completion: Approximately one (1) month.*

We will finish this phase within three weeks of our two-day visit to Fort Wayne scheduled for March 17-18, 2020.

**Phase II: Organizing**

*Period for Completion: approximately six (6) months.*

The Organizing Phase would define the scale and scope of a CDFI Friendly Fort Wayne strategy. The work includes forming a working group that meets monthly, extensive and in-depth conversations with other key community stakeholders, definition of potential CDFI opportunities, preparation of a concept memo outlining the strategy, and a public convening of local leaders, regional institutions, and National CDFI industry representatives, including national and super-regional banks and the CDFI Fund at the Department of the U.S. Treasury.

**Phase III: Business Planning**

*Period for Completion: five to six (5-6) months.*

The Business Planning phase quantifies the ideas produced in the organizing phase, builds a strategy for implementation, includes pro forma financials appropriate to the strategy, and tests the business plan repeatedly with stakeholders, including but not solely possible funders, investors, and participating CDFIs. The purpose is to articulate for 360-degree evaluation and support the work of the proposed CDFI Friendly Fort Wayne strategy so that the major decision whether to proceed is as fully informed as possible.

**Phase IV: Implementation**



*Period for Completion: Approximately six (6) months.*

This phase starts with stakeholder consensus that the strategy is worth pursuing, that funders and investors are likely to provide resources, that creation of a new entity is viable and that appropriate Board members are willing to serve. It includes chartering of the new CDFI Friendly entity, resource raising, and the first few months of operations. During this phase we would expect to see material progress in CDFIs pursuing and perhaps closing investments in line with the Fort Wayne strategy.

## **Summary**

Total: Approximately 18 Months

*Phase I: Assessment*

One Month

*Phase II: Organizing*

Six Months

*Phase III: Business Planning*

Five-Six Months

*Phase IV: Implementation*

Six Months

**CDFI Friendly Fort Wayne**

<b>Project Cost/Budget – Construction Projects (if applicable)</b>								
Description		Cost – Fiscal Year 2021	Cost – Fiscal Year 2022	Cost – Fiscal Year 2023	Cost – Fiscal Year 2024	Totals Per Category	% of Total Expense	
Acquisition/Rights-of-Way Expense		\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Design/Inspection Expense		\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Legal/Financial Expense		\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Infrastructure Construction Cost		\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Building Construction Cost		\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Other Construction Costs		\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
<b>Project Construction Expenses Totals per year</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>			
<b>Total Construction Expenses Project Cost</b> (all fiscal years)		<b>\$ -</b>						

<b>Project Cost/Budget – Programs (if applicable)</b>								
Description		Cost – Fiscal Year 2021	Cost – Fiscal Year 2022	Cost – Fiscal Year 2023	Cost – Fiscal Year 2024	Totals Per Category	% of Total Expense	
READI	Phase II, III and IV Study and	\$ 170,000	\$ 60,000	\$ -	\$ -	\$ 230,000	6%	
READI	seed new CDFI's in Fort Wayne	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ 500,000	14%	
Program	CDFI program	\$ -	\$ 1,460,000	\$ 1,460,000	\$ -	\$ 2,920,000	80%	
		\$ -	\$ -	\$ -	\$ -	\$ -	0%	
<b>Project Program Expense Totals per year</b>		<b>\$ 170,000</b>	<b>\$ 1,770,000</b>	<b>\$ 1,710,000</b>	<b>\$ -</b>			
<b>Total Program Expenses Project Cost</b> (all fiscal years)		<b>\$ 3,650,000</b>						

<b>Funding Source</b>								
Description		Cost – Fiscal Year 2021	Cost – Fiscal Year 2022	Cost – Fiscal Year 2023	Cost – Fiscal Year 2024	Totals Per Category	% of Total Expense	
READI		\$ 170,000	\$ 310,000	\$ 250,000	\$ -	\$ 730,000	20%	
Other Funds \$		\$ -	\$ -	\$ -	\$ -	\$ -	0%	
Private/Philanthropic Funds \$		\$ -	\$ 920,000	\$ 1,000,000	\$ 1,000,000	\$ 2,920,000	80%	
Local Government Funds \$		\$ -	\$ -	\$ -	\$ -	\$ -	0%	
<b>Project Income Totals per year</b>		<b>\$ 170,000</b>	<b>\$ 1,230,000</b>	<b>\$ 1,250,000</b>	<b>\$ 1,000,000</b>	<b>\$ 3,650,000</b>		
<b>Total Project Income</b> (all fiscal years)		<b>\$ 3,650,000.00</b>						
<b>Total Project Cost</b> (all fiscal years; Construction Expenses + Program Expenses)		<b>\$ 3,650,000.00</b>						