



Building Partnerships to Maximize Your RLF Impact

Thank you

for joining the conversation today. Send us your questions and comments!

Welcome

The Broadcast will begin at 2:00 PM (Eastern)



Building Partnerships to Maximize Your RLF Impact

Moderator

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Pearl Mabe, Moderator

Director, Research & Technical Assistance
Council of Development Finance Agencies

See all of CDFA's EDA RLF resources online at www.cdfa.net



Building Partnerships to Maximize Your RLF Impact

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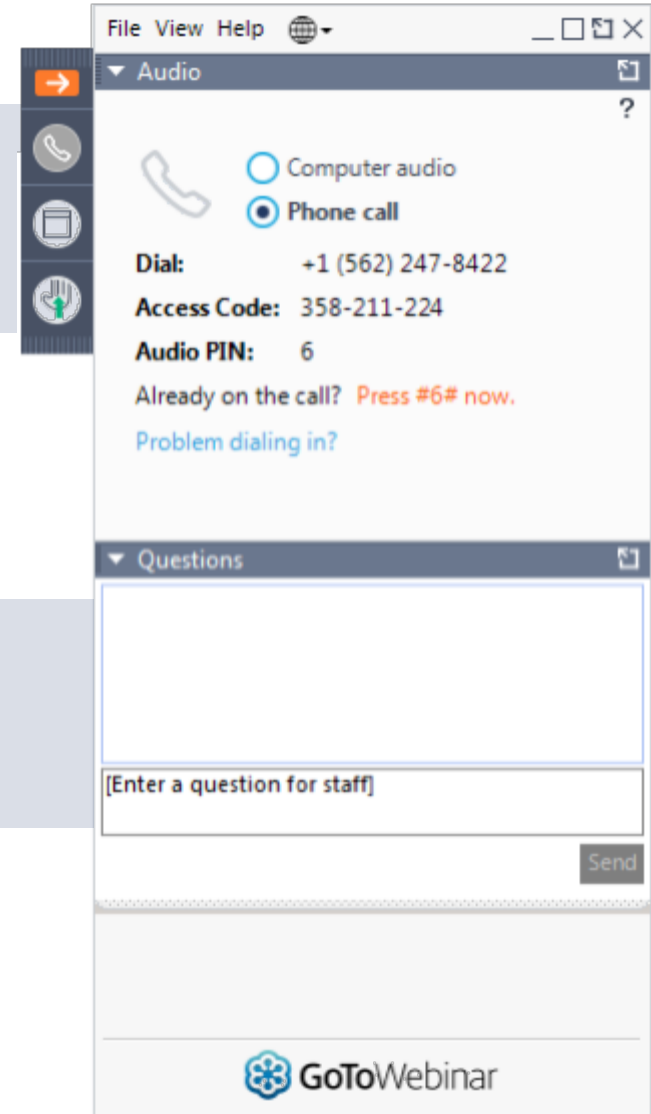
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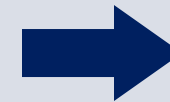


Building Partnerships to Maximize Your RLF Impact

Using your telephone will give you better audio quality.



Submit your questions to the panelists here.



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Building Partnerships to Maximize Your RLF Impact

Panelists



Robyn Jacobson

Contracts Administrator
East Central Iowa Council of
Governments



Andy Rachlin

Managing Director, Lending
and Investment
Reinvestment Fund



Robin Weis

Economic Development Director
Southwest Regional Development
Commission

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REINVESTMENT
FUND

Partnerships Across Loan Funds

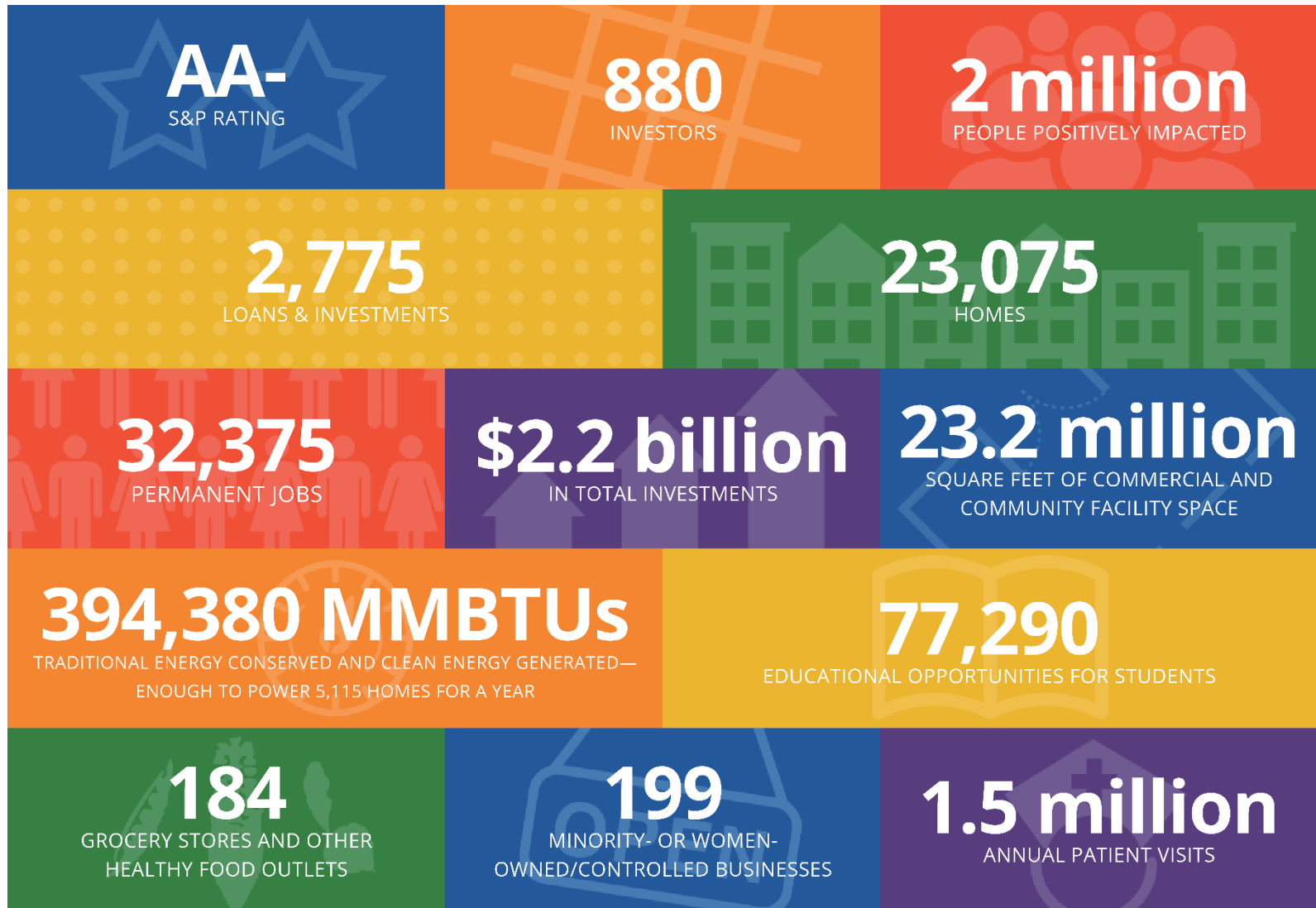
CDFA Presentation
August 2019





Reinvestment Fund is a national mission-driven financial institution that creates opportunity for underserved people and places through partnerships. We marshal the capital, analytics, and expertise necessary to build strong, healthy, and more equitable communities.

Our Impact



**as of 3/31/2019*

Getting Partnership Right

- Clear goals → Mission and economic alignment
- Mutual value add → Both organizations should benefit
- Defined roles and responsibilities
 - Local market diligence
 - Sector specific diligence
 - Capital access/scale
 - Transaction structuring
 - Lead lender/participant
 - Legal documentation
 - Closing
 - Servicing
 - Portfolio management
 - Troubled loans/workouts

Andy Rachlin, Managing Director
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Building Partnerships: The Who, What, Where and How of Working with Others



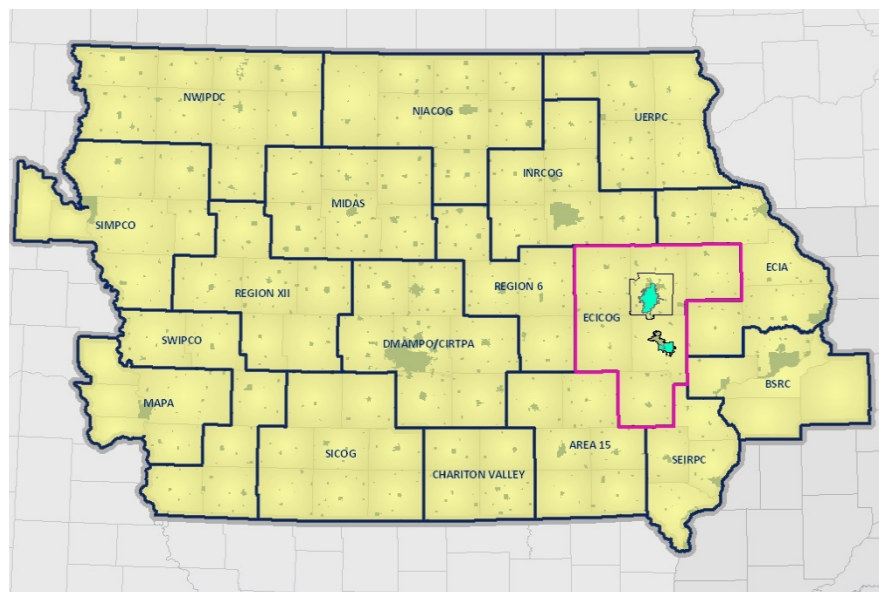
EAST CENTRAL IOWA
COUNCIL OF GOVERNMENTS
YOUR REGIONAL PLANNING AGENCY

Robyn Jacobson
August 6, 2019

WHO?

East Central Iowa Council of Governments (ECICOG)

- One of 18 designated COGs in Iowa
- Serve a 6-county area
- Provide planning and technical assistance to member governments



WHO?

In addition:

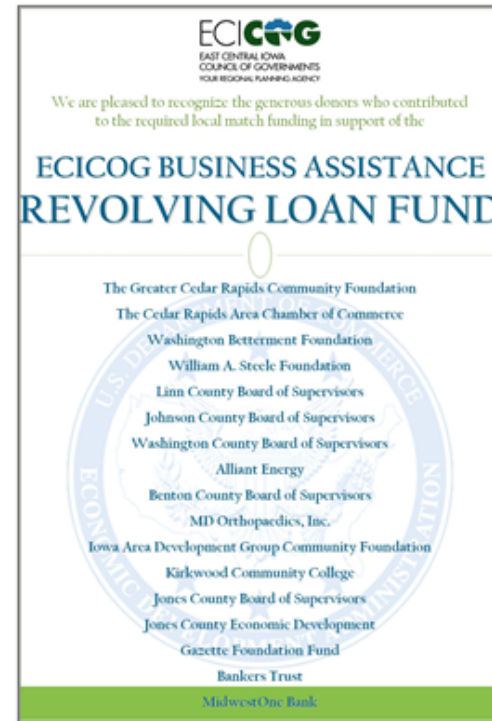
- Regional RLF established 2009
- Since that time, ECICOG has partnered with 7 organizations to administer additional RLFs



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WHO?

Partnerships

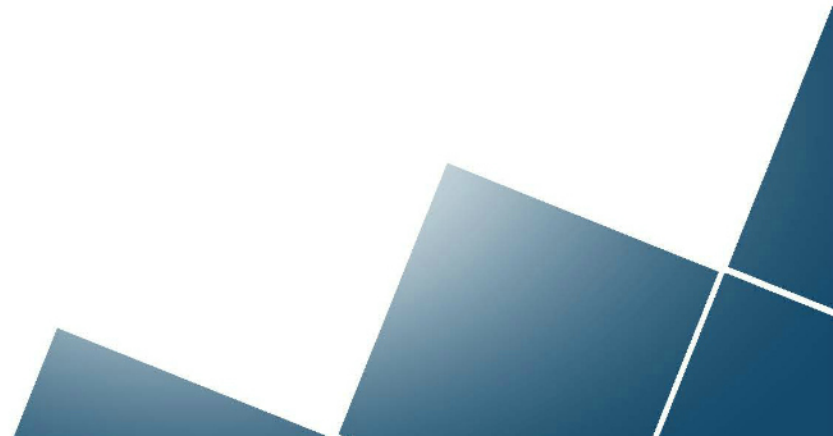
- City of Cedar Rapids
 - Marion economic Development Corp
 - City of Marion
 - MedQuarter
 - City of Swisher
 - Greater Cedar Rapids Community Foundation
 - Czech Village/New Bohemia Main Street District
- 

What/Where/Why?

- 8 Different RLFs in a 6 county region.
 - Geographically restricted within six county region, city limits, and neighborhood boundaries.
 - 7 based on EDA RLF program with tweaks for each.
 - Individual RLF that sets them apart from each other.
 - Job creation, job creation, job creation, entrepreneurial growth and attraction.
- 

How Did the Regional RLF Happen?

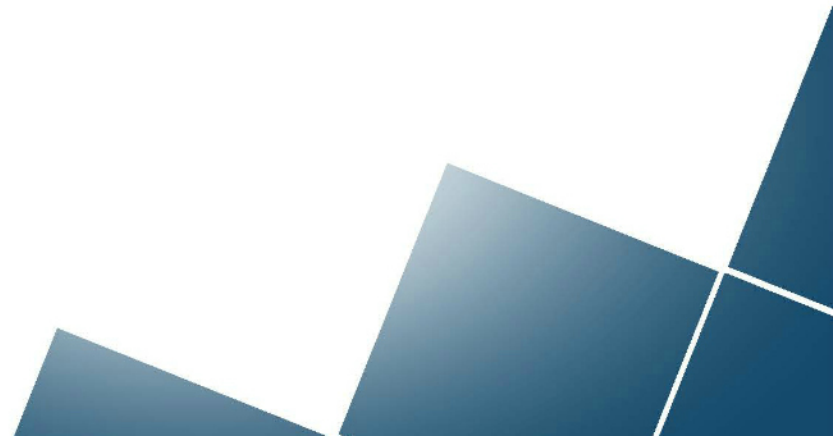
- It all started with the Disasters of 2008.
- Partnered with EDA to create the original RLF (\$1.5 million)
- Recapitalized for another \$2.9 Million because of this partnership and a failed local project.
- Led to other funding opportunities




How Did the other RLF's Happen?

If you build it, they will come.....

- ❖ 7 other RLF's created
- ❖ Cities, non-profits, neighborhood organizations, etc.
- ❖ Infrastructure is the most important asset:
 - Underwriting Committee
 - Loan Servicing software
 - Staff!!!!!!!!!!



HOW AGAIN?

- Known entity
 - Infrastructure
 - Staff
 - Working with Non-profit fundraiser – Micro Loan wouldn't grow without fundraising.
 - Connections within communities (known entity) IE: board members, previous board members, Breadth of agency mission (not just RLF but housing, transportation, etc. All these other department heads can speak to RLF and we have grown that way.)
- 



EAST CENTRAL IOWA
COUNCIL OF GOVERNMENTS

Business Assistance
**REVOLVING
LOAN FUND**

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“Building Partnerships to Maximize your RLF Impact”

CDFA EDA RLF Webinar
Tuesday, August 6, 2019

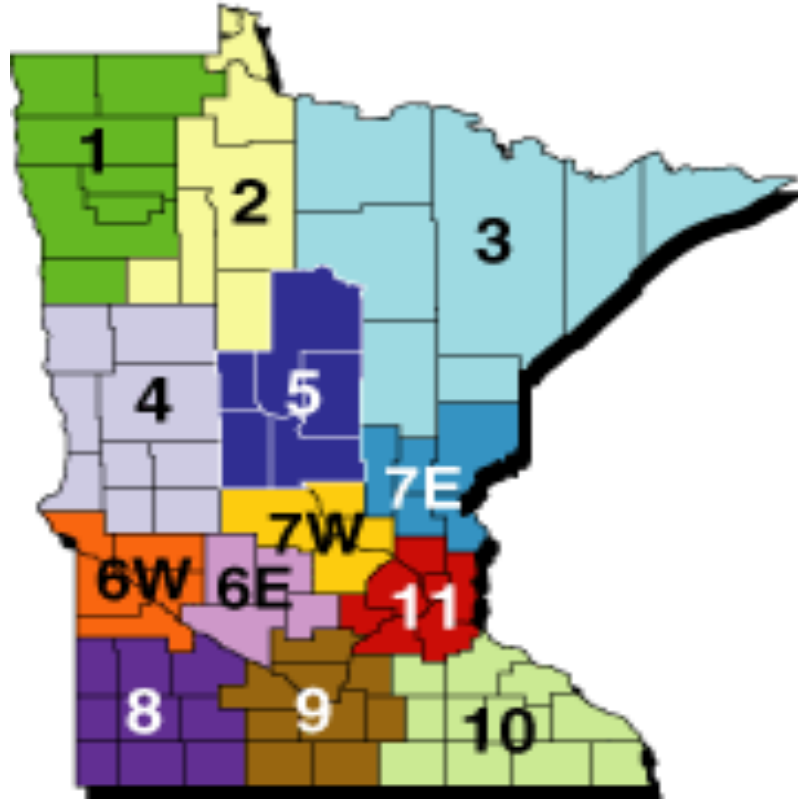
Robin Weis

Economic Development Director
Southwest Regional Development Commission



Region 8- MN

- ▶ 1973 Population 141,532
- ▶ 2015 Population 117,597
- ▶ 2017 Population 116,889
- ▶ 9 Counties
- ▶ 80 Cities
- ▶ 163 Townships
- ▶ 32 School Districts



Cottonwood	Jackson
Lincoln	Lyon
Murray	Nobles
Pipestone	Redwood
Rock	

The Economy

- ▶ Primarily Agricultural
- ▶ 2% of US Corn/Soybean Crops
- ▶ Schwan Food Company
- ▶ Ag Industries- i.e. Agco
- ▶ Bio-fuels-i.e. MN Soybean, POET, Highwater Ethanol
- ▶ Wind Generation, Solar
- ▶ Animal Processing-i.e. JBS, Turkey Valley, TruShrimp



(Photo: Mark Steil, MPR-Worthington)

Labor Force

- ▶ Low Unemployment Rate
 - ▶ Even lower than the state rate
- ▶ Labor Market Extremely Tight
 - ▶ 2018- Ratio of unemployed jobseekers per vacancy is 1.1:1
 - ▶ DEED Survey-1,929 openings reported by employers compared to 2,164 unemployed jobseekers in the region
- ▶ Net importer of labor- More jobs than available skilled workers
- ▶ Employers needing to respond to the changing labor force availability in the region
- ▶ Education-
 - ▶ Lower Educational Attainment than the state (Associate, Bachelor's or Advanced Degree)
 - ▶ Higher than state average on associate degrees
 - ▶ Higher percentage of people with a high school diploma or less

Lending Programs offered by SRDC

- ▶ SRDC RLF- EDA, Department of Trade and Economic Development, Southwest Initiative Foundation and counties- business expansion/retention loans- must have 50% of project costs covered by another lender- gap financing
- ▶ Property Assessed Clean Energy (PACE)- financing for energy efficiency projects for businesses, ag producers, non-profits and churches- paid back via property taxes- PACE can be the sole lender or a part of a larger financing package
- ▶ Under Contract...Administration of:
 - ▶ County Revolving Loan Funds
 - ▶ Local Development Organization (LDO)
 - ▶ City Revolving Loan Funds

Why Build Partners for your RLF

- ▶ Visibility
- ▶ Enhanced Knowledge
- ▶ More capital available
- ▶ Spreads risk
- ▶ Expertise areas
- ▶ Our service area and clients benefit

Because it essentially...

- ▶ Builds Trust that could lead to:
 - ▶ Potential borrowers
 - ▶ Future referrals
 - ▶ Economic Development

Visibility- Let people know about your program

Who to target?

- ▶ Partners that can connections with businesses who've indicated they:
 - ▶ Want to expand
 - ▶ Are executing their succession Plans- Connect with New Owners
 - ▶ Have outgrown their physical space
- ▶ Community Events/Training
 - ▶ Do people recognize who you are and/or your organization?
- ▶ Banks who may have projects that fit within your goals
 - ▶ Keep in contact with lenders you have projects with
 - ▶ Pay attention to where you don't have projects and make connections there
- ▶ Partners who can connect potential borrowers to you
 - ▶ Lawyers, Small Business Development Center, Accountants, EDA Boards/Staff, Elected Officials

Connect with your partners in various ways

- ▶ Face to Face
- ▶ Targeting mailing- Emails- phone calls
- ▶ Presentations
- ▶ Attend training events in your area
- ▶ Social Media
- ▶ Be active on Committees/Workgroups
- ▶ Share a booth at a conference if appropriate

Enhanced Knowledge

- ▶ Are you aware of all programs/services available?
 - ▶ Who helps with business plans and projections?
 - ▶ Who can build and maintain a website and social media platforms?
 - ▶ Who provides TA or training on financial software?
 - ▶ Who else can assist with filling the gap?
 - ▶ Do you know the State, regional and local lenders/gap financing options?
 - ▶ Do you know about employee hiring and retention?
 - ▶ Might they also benefit from energy saving improvements?
 - ▶ Who can assist in making succession plans work?

The list goes on and on.....Two heads are better than one!

More Capital Available

- ▶ Do your guidelines allow for:
 - ▶ Any amount of loan
 - ▶ Long-term loans
 - ▶ Low interest rates- Fixed/Variable interest rate?
 - ▶ Supplies/Equipment purchases
 - ▶ Working Capital
 - ▶ Construction projects
 - ▶ Labor and benefit requirements
 - ▶ Multi-state/county projects
 - ▶ Technical assistance

By working together, you can build the best package for the client!

Spreads Risk

- ▶ Share collateral position- equal or pro rata
 - ▶ Primary lender most always have 1st position on collateral
- ▶ Intercreditor Agreement
 - ▶ Ours specifies who will take the lead on defaults, etc.
 - ▶ Reduces legal costs, etc.

Expertise Areas

- ▶ Loan Packets
- ▶ Loan Documents
- ▶ Data input
- ▶ Outreach- i.e. Communications Specialist
- ▶ Legal review

Our Service Area and Clients Benefit

- ▶ Streamline application process
- ▶ Get permission to have primary lender pull credit reports, share loan packet
 - ▶ Reduces time and confusion for all
- ▶ Communicate and coordinate closing dates/location
- ▶ Closing doc submission- Timing is critical
- ▶ Site visits
- ▶ Example- County EDA in my region is lowering interest rate by 1% if primary lender will service loan

Your RLF Committee, Board Members and Staff

- ▶ Can be your strongest advocate for you
 - ▶ Be sure they have access to your materials
 - ▶ Make sure they know what you do
 - ▶ They can be your boots on the ground
 - ▶ What boards are they on?
 - ▶ Who are their social circles?
 - ▶ Do they have friends that are business owners?

Partnerships work if there is:

- ▶ Equal effort
- ▶ Honest and upfront communication
- ▶ Respectful of their time
- ▶ Each partner understands their role and responsibility

Give Credit when Credit is Due

- ▶ Include your partners in on your success stories- You didn't do it without them
 - ▶ Joint stories/pictures
- ▶ Cross Market if applicable

Create a Plan

- ▶ By Month/Quarter
 - ▶ In doable realistic steps
- ▶ Understand your budget
 - ▶ Building partnerships take time, mileage, postage, etc.

Think about reaching...

- ▶ Various
 - ▶ Cultures
 - ▶ Women owned businesses
 - ▶ Veterans
 - ▶ Sectors of business
 - ▶ Rural areas

Last thoughts....

- ▶ Strongest partnerships are those that can/do connect to projects
 - ▶ Get to know your lenders or other gap financing options
 - ▶ Have a presence in your service area
 - ▶ Don't stop making connections when you feel everyone knows who you are
 - ▶ Successful project today usually means another project "tomorrow"
- ▶ Be consistent/honest
- ▶ Don't be afraid to bring in other partners to the table

To survive and ultimately thrive we must effectively create partnerships with many around us.

Questions

Robin Weis, Economic Development Director
Southwest Regional Development Commission

507-836-1638

robin@swrdc.org



Building Partnerships to Maximize Your RLF Impact

Question and Answer



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The EDA Revolving Loan Fund Program is a staple of the federal economic development access to capital delivery system. The program, established in 1975, is designed to provide grants to state and local governments, political subdivisions, and nonprofit organizations to operate a lending program that offers low-interest loans to businesses that cannot get traditional bank financing. Grant recipients are required to manage their RLF according to their RLF administrative plan, a document that describes the lending strategy and administrative procedures for a specific RLF project. The **EDA** has charged CDFA with developing an education program which will help to improve this crucial program.

CDFA has worked with the **EDA** to develop an innovative technical assistance approach to better support and improve the more than 500 EDA funded Revolving Loan Funds in the United States. The CDFA EDA RLF Best Practices Program will include a diverse set of offerings that will encourage learning, best practice collaborations, evaluations of service efficiencies and improvements, and a comprehensive resource collection and dissemination process.

See all of CDFA's EDA RLF resources online at www.cdfa.net



Building Partnerships to Maximize Your RLF Impact

Upcoming CDFA EDA RLF Best Practices Training's

CDFA EDA Revolving Loan Fund Training – Chicago Region

Chicago, IL

September 10-11, 2019

CDFA EDA Revolving Loan Fund Training – Atlanta Region

Tampa, FL

November 5-6, 2019

Register online at www.cdfa.net

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Building Partnerships to Maximize Your RLF Impact

Upcoming CDFA EDA RLF Best Practices Webinars

Revisiting Your Revolving Loan Fund Plan

September 24, 2019 | 2:00 PM Eastern

Fund Recapitalization and Expansion

October 22, 2019 | 2:00 PM Eastern

Register online at www.cdfa.net

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CDFA EDA Revolving Loan Fund Best Practices Program



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CDFA EDA Revolving Loan Fund Best Practices Program



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Key program elements will include:

- **EDA Revolving Loan Fund Training**
CDFA will present its comprehensive Intro Revolving Loan Fund Finance Course once in each of EDAs six regions. The course curriculum will be tailored to address the specific needs of EDA RLF grantees with a focus on introductory elements related to program design, marketing, management, decision making, pre- and post-loan closing processing, disclosure and monitoring, underwriting strategies, program expansion, evaluations and program risk strategies.
- **EDA Revolving Loan Fund Webinar Series**
Understanding that not all RLF grantees will have the resources or ability to attend in-person training, the CDFA EDA RLF Best Practices Program will offer an exclusive online learning environment through CDFA's established webcast system. This learning module will include twelve, ninety minute, webinars focused on specific RLF program management best practices.
- **EDA Revolving Loan Fund Peer-to-Peer Learning Exchange**
CDFA and EDA will match low performing loan funds with high performing loan funds over the duration of the program in order to encourage learning from best practices. CDFA staff will lead conversations and pairings with most exchanges occurring as scheduled web meetings. Peer-to-Peer learning participants are encouraged to attend the regular webinars and then hold a follow-up meeting for a peer exchange on the same topic.

• [EDA Revolving Loan Fund Training](#)

• [EDA Revolving Loan Fund Webinar Series](#)

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