



Clearinghouse CDFI – 2019 Annual DVD - Transcript

- Hi, I'm Doug Bystry, President and CEO of Clearinghouse CDFI. Welcome to our annual shareholders meeting.

- [Narrator] At Clearinghouse CDFI, we believe in people. We are connected by the core value that individual's in distressed communities deserve access to affordable capital that can create impactful economic opportunities. These opportunities provide a greater quality of life and the means to aspire and accomplish. Since our journey began in 1996, we have been committed to connecting underserved borrowers to financing that is unavailable in the conventional market. In neighborhoods throughout California, Nevada, Arizona, New Mexico, and Indian Country, we are witnessing our borrowers create thriving businesses and organizations that empower countless lives. We've learned from experience that affecting change is truly a team endeavor. This is why we at Clearinghouse CDFI rely upon and draw inspiration from all our stakeholders. Here are a few of their stories. First, let's travel to Albuquerque, New Mexico where financing is helping transform a forgotten stretch of Route 66 into a thriving multi-use community destination. El Vado, Albuquerque, New Mexico.

- My name is Chad Rennaker. I'm the President of Palindrome Communities. The El Vado Motel was built in the 1930's. Motels back in the 30's were a new concept. If you think about motel, is a combination of motor inn and hotel. So, it was kind of a new concept with the auto age. As that phenomena began to change in the 80's, in the 90's, when people stopped going on long automobile trips and started flying instead. These motor inns became somewhat obsolete. I forgot to mention about El Vado is of course that it's a, it's a historic landmark and it is registered on the National Register of Historic Places. So, we have eight different food micro restaurants. We call them food pods that surround our amphitheater here in our plaza. In addition to our restaurants, we have kind of the same concept, but boutique retail spaces. We have six small retail spaces and each one of those spaces is occupied by a first-time business owner and we structured the program around them. We targeted our program for that specific type of tenant. And we did that because we wanted to make the barriers to entry very, very low for folks. So, people that had a talent, could get in and could operate here without signing a five-year lease or spending a hundred thousand dollars on infrastructure to get in place. They could just move in. They brought in their own furniture, so people feel safe in trying this new idea that they have and if it doesn't work, well they haven't bet their life on it. It was a good experience. During construction, we estimated that we created at least a hundred full and part time jobs. And then we figure that we figure that we've created at least 30 full time and part time jobs now as the property is up and operating. It's very challenging to take something that was used as something else in the past like a motel, and change it into some new use, like a restaurant. So, it's really Clearinghouse CDFI was the first lender that we talked to that seemed interested in, in something unique like this and took the time to really digest what we were trying to do here, and would it be feasible or not. From the very beginning it became apparent that any obstacle that we were going to encounter, we were gonna solve that obstacle together. And that changes everything. It makes you as a developer trust your lender. It makes you work together



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because they're often smarter than we are and so we can be collaborative and come up with creative ways to solve financing challenges and that was, that, I would say that that stood out loud and clear in working with Clearinghouse CDFI. And obviously the Clearinghouse CDFI gets their money from somewhere and those are the investors that trust them and put their trust in their fiduciary responsibility to watch their money. And so obviously we appreciate all of their capital because this wouldn't happen without them.

- [Narrator] Next, in the heart of Phoenix, Arizona, First Place serves adults with Autism and related disorders. Designed to promote independent living, this first of its kind mixed-use property provides residential options and opportunities for independent living. First Place, Phoenix, Arizona.

- Denise Resnik, President/CEO of First Place AZ and most importantly, Matthew's mom. Twenty-five years ago, when our son was diagnosed, we were told to love, accept, and plan to institutionalize him because people with autism didn't have a future. I remain committed now as I remained committed then that we were gonna find a better way and that's what we're doing here at First Place, and it's been a journey. Because for us, we have that looming question of who's gonna care for him or her when we're no longer able to do so? And that's the looming question we've worked really hard to answer. We need public policy to change to make sure that we can accommodate for the 50 to 60 thousand children with autism transitioning to adult hood every year. And when you think about the intensity of what happens for children with early identification, early intervention, early education, we know that the support stops after the school bus stops coming and we cannot afford to allow our children to transition from high school to a couch. First Place is an 81 thousand square foot, 55-unit apartment community, and it's a very special community. The first floor represents space for the First Place Global Leadership Institute where we have more common area spaces for people to get together. Also, on the first floor, we have our health spot, and the magical culinary teaching kitchens. On the second floor, you'll find our GoodLife Fitness Room, which is where individuals are working out. You'll also find our very colorful and fun connector space which we affectionately call our Lego Lounge. Some of our residents actually are more interested in putting all the pieces back in their rightful place and color coding them than they are in building, but it's been a lot of fun to see what comes out of that space. On the third floor, we have the very popular Cardinals Game Room which includes all of the electronics and games that our residents and our participants let us know they'd like to see. On the fourth floor we have our Zen and Meditation Room.

- Kregg Berk, First Place resident, Phoenix, Arizona. Yesterday I met with the founder of The Precisionists Program and we were discussing what I'll be doing in the program. I will be doing data entry then I got my job offer.



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- Thanks to our financial advisors, we were introduced to the New Markets Tax Credits. And it was through the New Markets Tax Credits that gave us the discipline for how we needed to evaluate such a property and make sure that we could be financially sustainable. And thanks to early adopters at Clearinghouse CDFI, we were able to pull all the pieces together starting with philanthropy, adding the New Markets Tax Credits benefit, and then a private sector loan. And thanks to our friend Andy Gordon, who joined us early on in that quest, who understood full well what this meant in terms of creating a better and a brighter future for adults with special needs, I am enormously grateful to him and for bringing Clearinghouse CDFI to the table. It's really together that we've been able to do this with people who feel our mission, who've experienced what it's like to have a family member with special needs, and to be in a position to do something about it. So, thank you Clearinghouse CDFI and thanks for being such great friends to us so together we can change the world.

- [Narrator] Finally in Orange County, California, The Teen Project is providing critical housing, education, and mentoring for youths exiting foster care and facing homelessness. The Teen Project, Lake Forest, California.

- I'm Lauri Burns. I'm the founder of The Teen Project. I grew up in the Orange County Foster Care system. I was a foster kid. I was homeless after foster care for almost five years. After being saved and getting the help I needed to get my life back on track, I started taking in foster kids. So, by the time I started The Teen Project, I had about 17 foster kids that had grown up in my home. At that point in 2007, 65% of foster kids would go homeless after foster care. And that was just devastating to me. So, I founded The Teen Project. You think really big, but we need to start small and do proof of concept. And we found a little house in Lake Forest. We came to Clearinghouse CDFI at that time and said look, we're brand new, we're 501c3, we want to buy this house, can you provide our first home loan? And thank God, yes, because that was the start of everything for us. Since then, we have taken in 62 girls in that site. We take girls in the same day from the street, whether they're from foster care, or just homeless, and we provide them with intensive therapy, drug treatment, and vocational grants in many different fields.

- My name is Lacey Brilonna Edwards, and I'm a Teen Project graduate. After I had my daughter and she two months years old, I developed PTSD. I realized that I needed help and that's when I contacted The Teen Project. The requirements of graduating from The Teen Project are basically completing the program for six months which that includes going to groups and attending meetings, having the sponsor, working your steps, and I did all that. I decided to enroll in college because I knew that once I graduated The Teen Project that's not where my sober life ends. It's where it begins.



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- I serve on the Foster Care Advisory Board for Orange County, so I was looking on the supervisor's minutes, which I tend to do, just to see what's going on, and I saw Boys Town sold and I was like, oh my God what happened to the site in Trabuco Canyon? So, I called social services and the lady said, yeah, they, they closed, and I said well who, who bought the property? And she said well I don't have anything about anybody buying the property. It sold to a developer and I went okay that's it, and I forgot about it. The developer calls me, and he said, I've looked up my favorite organizations and you're one of 'em, and I'd like you to apply. And he started going through I need this, I need that, I need this, I need that, everything he said I was like, aah, and then he stopped and he said, if you could just get a loan, if you could just get me letter by the end of the week, I'll tell the investors, it's going to you. You need to get it by Friday. It was like Tuesday. I'm like oh my God, I don't know how I'm gonna do this. And then I thought, Clearinghouse. So, I sent an email to Clearinghouse and reminded them not only did you provide our first loan to us, but we did the charity board meetings at your location for the first three years. Your team said, yeah, we think we can do this. And we think we can get you a letter by Friday and then it was on. From that point forward, it just went. And that letter, pretty much cemented the deal for us. And I just, I couldn't believe it. We got approved and this has been a dream come true. As the person that runs an organization, I know that there's a big machine that backs everyone up. And I want to say thank you to the investors that make Clearinghouse CDFI even possible, because without their funding, faith, and integrity, none of this would ever be possible for community organizations like ours, so thank you for reinvesting in your community and knowing how much it means, because when we save a girl's life here, it's not a girl, it's a family. It's another family saved. Thank you.

- [Narrator] Our borrowers are creating transformational impact in our communities. In 2018, Clearinghouse CDFI's borrowers served over 95 thousand families, created 450 affordable housing units, and one thousand jobs. We are committed to fostering an inclusive economy, by taking a holistic approach to impact beyond our core lending activities. Last year our employees volunteered over 1200 hours to various mission driven non-profit organizations. For the third consecutive year, we welcomed talented B-Bold interns into our office. These interns were selected from local high schools in our service area fostering the next generation of leaders. Investing in and engaging with our communities, ensures that tomorrow's leaders are empowered to build a more sustainable and inclusive future for all.

- Connecting, creating, and empowering are at the core of what we do as a company. This allows us to reach the underserved and ensure economic opportunity for all people. Our unique and comprehensive approach to lending allows our borrowers to realize their goals. Your support as our stakeholders provides us with accessible capital, builds bridges to tomorrow's leaders, and drives impact in our neighborhoods. Our future success is fueled by our partnerships, our communities, and our shared vision to connect, create, and empower. Thank you for your continued support.