

# Feds award \$4.5 million to community lenders

By Sandra Guy | July 18, 2011

A Treasury Department agency awarded a total of \$4.5 million to three Chicago community lenders on Monday to help finance affordable housing, health-care clinics, neighborhood charter schools and local startup companies.

The lenders—non-profits lender IFF, the Chicago Community Loan Fund and the Illinois Service Federal Savings and Loan Association—will use the \$1.5 million that each received to obtain larger loans from major banks. They then loan the larger amount to projects in needy neighborhoods at lower interest rates than would conventional banks.

For example, IFF will use its grant to borrow another \$7.5 million in private capital in order to make below-market loans to non-profit projects. The total is expected to grow into \$15 million in investments when other equity and financing are included. One of IFF's investments is the renovation of a building at 1700 W. 83rd St. that will open this fall as a LEARN charter elementary school.

The Chicago Community Loan Fund helped finance the Dr. Martin Luther King Legacy Apartments—45 units of affordable rental housing—in North Lawndale, and the savings and loan association helped South Side donut shop Dat Donuts, 8251 S. Cottage Grove Ave., open a second outlet at 1979 W. 111th St.

The Community Development Financial Institutions Fund, part of the U.S. Treasury Department, will distribute \$201 million nationwide this year—more than quadruple its \$42 million allocation four years ago. The fund's allocation Monday of \$142.3 million in total to 155 local financial institutions is expected to create 25,000 jobs.

The fund has received bipartisan Congressional support because Democrats and Republicans “get” the importance of affordable housing, as well as the key role that small-business and community-development projects play in creating jobs, said Fund Director Donna J. Gambrell.

“These organizations have long-held reputations for lending money quickly and efficiently because they have deep roots in their communities, know their customers and understand how to mitigate risk,” Gambrell said.

Gambrell, accompanied by U.S. Sen. Dick Durbin, D-Ill., and U.S. Rep. Danny K. Davis, D-Ill., toured a business-incubator building at 320 N. Damen Ave. to see results of the financing.

The officials toured the Fulton-Carroll Center, jointly owned by the Industrial Council of Near West Chicago and the Kinzie Industrial Development Corp., a 410,000-square-foot business incubator that got its start 31 years ago with two CDFI grants, and now houses 120 companies. The center showed off consumer-goods companies Passion House Coffee Roasters, a three-month-old roaster that opens itself to the neighborhood for tastings every Wednesday afternoon, and Element Bars, a company that makes protein bars that customers fashion to their liking.