



Investing in neighborhood transformation

A major barrier to neighborhood revitalization is the lack of financial resources needed for holistic community redevelopment. To address this, Spark created a loan fund, called Spark Capital, that will enable holistic development projects to move forward that would otherwise struggle to make it.

Spark Capital is seeking your support and investment to grow our loan fund to \$3M.

Our fund exists to provide flexible lending products and services to support mission-aligned neighborhood revitalization in disinvested areas of the Omaha metro.



MISSION
Spark exists to profoundly transform disinvested neighborhoods into thriving and prosperous communities

YOUR INVESTMENT

Spark Capital seeks to grow our loan fund from \$2.175 M (capital raised in 2020) to \$3M in 2021.

Spark Capital is funded with bank loans and investments and foundation grants.

We are seeking partnership in the following ways:



LOANS

Investments or
Program Related
Investments

- Range: **\$100,000 - \$250,000**
- Annual interest only payments with principal due upon maturity
- Unsecured
- CRA eligible
- **OPTION 1:** 5-year term, rolling maturity to 10 years with 2.25% interest rate
- **OPTION 2:** 10-year term, rolling maturity to 15 years with 2.5% interest rate



GRANTS

- Range: **\$25,000 - \$1,000,000**
- Revolving for maximum benefit
- Bank grants are CRA eligible



WHO WE SERVE

- Nonprofit & for-profit real estate developers
- Public & quasi-public entities, such as housing authorities & land banks
- Community Development Corporations
- Early childhood program operators
- Healthy food businesses
- Federally Qualified Health Centers & community health centers
- Special purpose entities
- Emerging developers working in low- and moderate-income neighborhoods

WHERE WE WORK



While our resources are available to low- and moderate-income neighborhoods throughout Douglas and Sarpy counties in Nebraska, we place a *heightened focus on North and South Omaha* in an effort to provide much needed resources for ongoing neighborhood revitalization.

WHAT WE FINANCE

Spark Capital's products and services are responsive and flexible to our community's diverse investment opportunities and needs.



Housing – financing for the conservation and/or development of rental and for-sale housing, including multi- or single-family homes, and affordable or market rate units, where the latter serves a community development purpose



Economic Development – financing for commercial and mixed-use development located in and/or serving low- and moderate-income neighborhoods and tenants



Education – financing for childcare and educational facilities that serve low- and moderate-income communities and families



Health & Wellness – financing for healthcare facilities and businesses in designated food deserts that increase access to healthy food

To ensure the portfolio's solvency and diversification, no more than 25% of the fund will be in any one loan type, and no more than 15% of the fund will be invested in any one project.

This chart reflects our general lending terms.

LOAN TYPE	USE OF FUNDS	TERM
<i>Predevelopment</i>	planning, design, engineering and environmental	line of credit with revolving or non-revolving feature term max = 24 months
<i>Acquisition</i>	property purchase and closing	single advance term max = 36 months
<i>Construction</i>	new construction and rehabilitation	non-revolving line of credit or single advance term max = 24 months
<i>Bridge</i>	shorter-term, interim financing	single advance term max = 36 months

FUND BENCHMARKS

\$3
MILLION
GOAL FOR
2021

Spark Capital targets all
*CDFI Minimum
Prudent Standards*



- $\geq 20\%$ net asset ratio
- 1.25:1 current ratio
- $\geq 50\%$ deployment
- $\geq 40\%$ self-sufficiency ratio
- 1:1 operating liquidity ratio
- \$0 = net income earnings

HOW WE HELP

Spark Capital provides the following types of technical assistance:

Assistance structuring community-based partnerships and layering the financing needed for successful real estate deals



Real estate development and finance training for emerging female and minority developers and our nonprofit and public-sector partners through our Developer Academy, Deep Dive series, and strategic planning services and programs



ORGANIZATION & LEADERSHIP

To continue building our capacity and ensure long-term success, we are partnering with the [Impact Development Fund](#) (IDF), a Community Development Financial Institution (CDFI) in Colorado that has provided economic development financing and technical assistance for more than 20 years.

Due to CDFI regulations, Spark Capital was created as a supporting organization to Spark. Spark Capital incorporated in the fall of 2019 and received its non-profit tax-exempt status in 2020.

Last year Spark Capital was awarded a technical assistance grant from the US Department of the Treasury through the CDFI Fund. Next year Spark Capital will apply to be certified as a CDFI, and explore the process to become a Community Development Entity (CDE).

These designations will make Spark Capital eligible and more competitive for federal grants, loans, tax credit allocations, and additional CDFI Fund-related technical assistance and investment. Furthermore, CDFI certification will streamline bank partnerships and investments driven by CRA requirements.



To request more information
or to invest in Spark Capital, contact

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BOARD OF DIRECTORS

The Spark Capital Loan Committee also serves as the Spark Capital Board of Directors. To ensure alignment with Spark, two Spark board members participate and all its members are approved by Spark's Board of Directors. The Loan Committee/ Board of Directors is charged with the following:

- Review & approve loan policies & procedures
- Manage IDF partnership
- Approve or deny loan applications
- Monitor underwriting, lending & servicing
- Determine strategies for making investments
- Oversee future CDFI application
- Capitalize the fund
- Source projects

The Loan Committee includes experts in real estate development, legal, finance, housing, and community development.

Suzi Sterba, American National Bank

Daniel Padilla, Lending Link

OJ Spooner, Retired Banker

Dr. Ralph Lassiter, Mt. Moriah Baptist Church

Rishi Bhakar, Tenaska

Jesse Sitz, Baird Holm, LLP

Angela Smith, Spark Interim ED