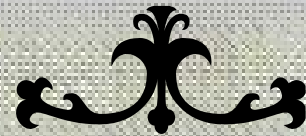





Financing A Brownfield



Another Piece of the Puzzle:

Community Development Banking

Community Development Banking



Banks dedicated to partnering with businesses, government, non-profit organizations and individuals to revitalize underserved communities through job creation, affordable housing, equity investment, financial education and other enterprises that promote economic opportunities and sustainable communities.

- Commercial Banks
- Community Development Financial Institutions (CDFIs)
- Community Development Corporations (CDCs)

Bankers...

Late to the Brownfield Party



drove
development.

Until 1995, government-funded
programs primarily
Brownfield

Banks were hesitant to lend for
environmental clean-up projects or even provide
post clean-up construction funding due to

- lender liability issues;
- perceived risk (safety and soundness issues);
- lack of capacity for this type of specialized lending (especially small banks); and

Added Incentive:


The Community Reinvestment Act

In 1977, Congress enacted the Community Reinvestment Act (“CRA”) to encourage federally-insured banks and thrifts to help meet the credit needs of their entire community including low- to moderate-income neighborhoods, consistent with safe and sound operations.



Revisions to the CRA in 1995 transformed the way financial institutions comply with the law through their lending, service and investments.

CRA CREDIT



“...Loans to borrowers to finance environmental cleanup or redevelopment of an industrial site as part of an effort to revitalize the low- or moderate-income community in which the property is located.”

Bank loans / investments receive CRA credit if the project is situated in a qualified location and financing leads to the remediation of contaminants and the successful redevelopment of the site (job creation, affordable housing, etc).

Financial Initiatives


Suitable for Brownfield Projects



- **Commercial Bank Financing** (can include Participation Loans with other Lenders; Consortium Loans; Shared National Credits)
- **New Market Tax Credit (NMTC) Loans**
- **Community Lending Program (CLP)** from Federal Home Loan Bank (FHLB)
- **Commercial/Industrial Development Bonds (IDBs)**
- **Bank Investments (CDEs, CDFIs, CDCs, national investment corporations, bonds).** Must pass the “community welfare” test.

Bring a Friend to the Table

Leveraging Private & Public Funds



Sharing liability and exposure on an environmental credit can make a deal more attractive to the conventional or community development bank, i.e. grants for clean-up or remediation; credit guarantees.

Banks can provide critical early-stage and gap financing for project developers. “Take-out” financing or guarantees from outside sources make the projects doable for many banks.

Project Partners

- Federal Grants
- Federal Loans
- Tax Incentives
- State Environmental Redevelopment Funds
- Foundation Grants
- Private Conservation Groups; Non-Profits
- Private Capital Investors
- Other Banks, CDFIs, CDCs, CDEs



Get Your Project Noticed...

Secrets from a Community Development Banker

PROJECT LOCATION

- ✓ **Census Tract Number and Income Level of Tract (Low-, Moderate-, Middle- [including Rural Distressed or Underserved Area], or Upper-Income)**
 - www.ffiec.gov (Choose Geocoding/Mapping System)
 - Include MSA, State Code, County Code, Tract
 - May be included in Appraisal

- ✓ **Federal, State or Local Designations**
 - TIF District (Tax Increment Financing)
 - Empowerment or Enterprise Zone
 - Designated Disaster Areas
 - Other official designation consistent with a federal, state, local or tribal government plan for the revitalization or stabilization of a low- or moderate-income geography.



MORE

Get Your Project Noticed...

Secrets from a Community Development Banker

REDEVELOPMENT OF SITE

✓ Job Creation

- * Number of jobs created
- * Wages paid (range)
- * Skilled or Unskilled Labor

✓ Affordable Housing

- * % of Units Reserved for Low- and Moderate- Income Persons
- * Average Rent (HUD's Fair Market Rent Calculation)

✓ Community Revitalization / Stabilization

- * How will Project Revitalize or Stabilize an Area. Example:
"Provide necessary infrastructure to attract residents and businesses and increase tax base."

✓ Community Services Targeted to Low-or Moderate-Income Persons. Examples:

- * Child Care - Percentage of clients receiving subsidized care
- * Schools - Socioeconomic % of students (www.greatschools.net)
- * Health Care - % of clients receiving Medicare and Medicaid subsidies + % of annual revenues charged as charity or indigent care (company financials)

The
End
Result



LaReta J. Lowther

Vice President - CRA Compliance

WesBanco Bank Inc.

Corporate Community Development

304.368.5134

