



# MISSION REPORT

# 2019



National Cooperative Bank

Working Together.  
Building Community.



*National Cooperative Bank is the only bank in the United States dedicated to delivering nationwide banking products and solutions to cooperatives and other member-owned organizations to help communities thrive.*



Broadway Lofts | Mt. Pleasant, MI

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NCB supports those most in need.

Our cooperative and community development mission has guided us for 40 years and is a critical component of what defines our institution.

As part of its enabling legislation, NCB has an uncommon mandate to ensure **our efforts benefit those most in need, supporting low and moderate income communities and cooperative expansion initiatives.** We help low and moderate income communities accumulate wealth, fuel their local economies and provide affordable homeownership.



Village Hearth Community Members

We help low and moderate income communities

- accumulate wealth
- fuel local economies
- provide affordable homeownership



40 years strong



NCB serves a variety of cooperatives and like-minded, **socially responsible organizations** throughout the United States. These include:



We operate for the benefit of our cooperative members—not outside investors. This allows us to focus on our commitment to support:

- affordable housing
- healthy food
- renewable energy
- small businesses
- community-driven health care
- non-profit organizations

Care Resource Health Center | Miami, FL

## Commitment to Low-Income Credit Unions

In 2019, NCB committed \$10 million to the \$45 million Southern Equity Fund, a partnership between Inclusiv and the Kresge Foundation to address economic insecurity in low-income and communities of color in 17 southern states.

Southern states have the highest concentrations of persistent poverty and the highest concentrations of predatory financial services, including payday lenders.

The Southern Equity Fund will make investments of up to \$5 million in secondary capital loans to high-impact community development credit unions in some of the regions most distressed and persistent poverty areas.

# Investing in Our Communities

“NCB has been working with Inclusiv since 2015, providing secondary capital loans to low-income credit unions in underserved communities. We are very proud to continue this program and help low-income credit unions create meaningful impact in the communities they serve.”

Ann Fedorchak  
Director of Co-op and Community Development



Photo Credit: Katrina Parker



NCB's financing partnership with Ho-Chunk, Inc. helps promote healthy eating, economic self-sufficiency and housing for Nebraska's Winnebago Tribe.

# Connecting missions to Improve Native American Lives

Helping improve the lives of the Winnebago people drives everything Ho-Chunk, Inc. does.

Financing projects that support under-served communities is a big part of who NCB is and what we do.

In 2019, our missions connected.

NCB provided Ho-Chunk, Inc.'s Community Development Entity a \$3.16 million source of leverage as part of a \$7.67 million New Market Tax Credit (NMTC) transaction. The financing was used to help fund key construction projects that will benefit Winnebago Tribe members on their reservation in northeast Nebraska.

Ho-Chunk, Inc. is the economic development corporation of the 5,300-member Tribe. Based in rural Winnebago (pop. 1,200), Ho-Chunk oversees numerous diversified subsidiaries, both locally and nationally. The revenues from these businesses, including federal government contracting, allow Ho-Chunk, Inc. to improve the quality of life for tribal members.

NCB's loan, combined with other sources under the NMTC structure, has already resulted in building Ho-Chunk Village Farmers Market in Winnebago. **The new 4,644-square-foot pavilion opened in August 2019. It includes outdoor space for vendors to sell artisan goods and fresh local produce. Indoors, there are offices, a classroom and a test kitchen.**

The farmers market is a much-needed offering in Winnebago, where the closest grocery store is 30 miles away. Many tribal member don't have transportation, limiting their access to healthy food. Now they have a place that promotes tribal food sustainability, healthy eating and entrepreneurship. The center also serves to connect the community and revitalize traditional tribal practices in art and agriculture.

"National Cooperative Bank was a crucial partner in the Ho-Chunk Village Farmers Market," said Ann Marie Bledsoe Downes, Ho-Chunk, Inc.'s executive vice president of Community Impact and Engagement. "Their NMTC expertise allowed us to move swiftly and successfully use the program to help the Winnebago community."

"We appreciate their role in making this dream a reality," she added. "This project is truly a sustainable investment in the Winnebago Tribe's health and culture."

NCB's loan is also helping fund construction of a 12,400-square-foot, two-story building in Winnebago. The new construction will provide first-floor commercial space and second-floor residential units. That will help alleviate a critical housing shortage for the tribe.



Ho-Chunk Village Farmers Market



Grand Opening Celebration

"Ho-Chunk, Inc. is a leader among Native American corporations in developing economic opportunities and self-sufficiency for its members. NCB was honored to play a part in advancing the social-economic development of the Winnebago Tribe."

Brian Misenheimer  
NCB Senior Vice President

Also underway is an expansion of Ho-Chunk Village, a master-planned community in Winnebago. Nearly 300 new residential units will provide housing for every income level, from multi-family apartments to single-family cottages and larger homes.

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## *Village Hearth Cohousing:*

# A Different Kind of Senior Community

**NCB'S \$5.65 MILLION CONSTRUCTION LOAN HELPS BUILD A HAVEN FOR LGBTQ AND ALLIED SENIORS TO AGE GRACEFULLY**

Five years ago, Pat McAulay and her wife, Margaret Roesch, dreamed of a place where LGBTQ adults could grow older with the support of those who could understand their life's journey.

Today, their dream has become a reality as the first LGBTQ senior cohousing community in the U.S. nears completion just outside of Durham, North Carolina.

**Village Hearth Cohousing is a new 28-unit development for LGBTQ, friends and allies ages 55 years and older. NCB provided a \$5.65 million construction loan for the project in June 2019.**

"We're so grateful to have had NCB believe in us," said co-founder McAulay. "We're honored to be the first cohousing community they've financed. We're especially thrilled that our LGBTQ-focused community fits NCB's mission of cooperation and inclusion."

McAulay credits NCB and a team of experts for guiding her, Roesch and other early believers through Village Hearth's process. Those specialists include Kathryn McCamant, president

of CoHousing Solutions, which provides development consulting services to help create sustainable neighborhoods; and Charles Durrett of McCamant and Durrett Architects, a firm that's designed over 50 cohousing communities in the U.S.

"Without them, we likely would not have been successful," McAulay said.

**Born from a Danish concept, cohousing is an intentional community designed to reflect the close-knit neighborhoods of the past.** Village Hearth founders and experts worked hand in hand to adapt the concept to a senior community featuring accessibility and "neighborly companionship while affording as much privacy as one desires," said McAulay.

Formed in 2015, Village Hearth Cohousing broke ground in October 2019. Its seven quads each hold four, single-story cottages, clustered on one end of a 15-acre scenic woodland. The cottages, sized from 650 to 1,150 square feet, all have a large front porch and small private backyard. Village Hearth's environmentally friendly structures, smaller-sized

dwellings, smart design and shared walls will reduce energy costs.

The cottages surround a 2,600-square-foot common house. That shared space includes a large dining and meeting room, a gourmet kitchen, an office, laundry facilities, and rooms for arts, crafts and exercise. Village Hearth also features ample gardens, walking trails and a workshop.

By the time Village Hearth held its open house in February 2020, only four units remained unsold. Once the estimated 40 member-residents are in place, they'll oversee ongoing operations through their homeowners association.

"Having the opportunity to provide the necessary capital for the construction of Village Hearth has been exciting for NCB," said Ann Fedorchak, the bank's director of cooperative and community development. "This cohousing community truly embodies the cooperative principles and social values we are committed to live by."





# Building the Future for a Miami Healthcare Provider

## NCB HELPS FINANCE A FACILITY TRANSFORMATION FOR FLORIDA'S CARE RESOURCE COMMUNITY HEALTH CENTERS

How does a non-profit health center finance a \$33 million renovation and expansion of its medical facility when that structure is its only source of collateral?

That was the challenge facing Care Resource Community Health Centers when it set out to address the growing healthcare demands of midtown Miami, Florida.

Care Resource is a Federally Qualified Health Center that provides comprehensive health and supportive services at four clinics in Miami. It serves low-income minorities, at-risk populations, children, the elderly, LGBT adolescents and adults, and residents of both Miami-Dade County and Broward County.

Its Midtown Miami center had far surpassed its capacity to meet the needs of patients, providers and staff. Moreover, Care Resource leaders expected significant growth in demand for services over the next five years.

What was needed was more space for expanded services and parking. And that would require a transformation of the nonprofit's existing 22,000-square-foot, two-story building on Biscayne Boulevard.

Enter NCB, which is committed to ensuring the success of healthcare nonprofits.

In 2019, the bank closed two loan transactions totaling \$15.5 million to support a \$32.8 million New Markets Tax Credit (NMT) financing package to rehabilitate and expand Care Resource's midtown Miami facility.

With that financing, Care Resource broke ground in June 2019 on its larger, modernized Midtown Miami Health Center and administrative headquarters. **The new building will be a seven-story, 55,000-square-foot, state of the art community health center** "that brings all of our services under one roof," said Rick Siclari, CEO of Care Resources.

"The future we're building is one of innovation and state-of-the-art healthcare at its best," Siclari added.

**The expansion will double the number of individuals Care Resource can serve annually to 21,400 within three years.** The renovation also adds a new pediatrics unit plus expanded medical, dental and behavioral healthcare services. Three stories of much-needed parking space above the clinic and a new retail pharmacy are included in the expansion. **The upgraded facility will create 257 new fulltime jobs.**

Participants in the NMT) financing package with NCB included Primary Care Development Corporation and Community Health Center Capital Fund, both Community Development Finance Institutions; and SunTrust Community Capital.

"This was a large, complex transaction," said Bob Montanari, NCB senior vice president. "A lot of boxes had to be checked. But we all came together to develop the structure Care Resource needed to meet its strategic objective of expanding to meet the healthcare needs of the Miami community."



*"The new building will be a seven-story, 55,000-square-foot, state of the art community health center "that brings all of our services under one roof," said Rick Siclari, CEO of Care Resources.*



Groundbreaking Ceremony of Care Resources Health Center



# Collaboration is Critical in Bringing Much Needed Grocery Store to South Shore, Chicago

MISSION REPORT / 2019

Food deserts impact an estimated 23.5 million people in the United States with a concentration in Chicago – but one such area on the city's south side will now have access to fresh, nutritious food and other amenities thanks to financing and collaboration from National Cooperative Bank (NCB) and local economic development partners.

When grocery store chain Dominick's left Jeffrey Plaza in the South Shore/ Hyde Park neighborhood in 2013, it left roughly 14,000 without easy access to fresh groceries. Until December 2019, many residents with low incomes or transportation restrictions had to travel more than a mile and a half to get their groceries.

With a \$10.25 million construction loan from NCB, part of an overall \$25 million New Market Tax Credit project, **independent grocers Cezary & Eva Jakubowski were able to purchase the 62,000 square foot shopping center and build out more retail space.** Their new store concept "Local Market" not only helped fill the vacancy left by Dominick's, but also the void of access to fresh groceries in the neighborhood.

NCB worked closely with the entire New Markets project team, including Chicago Development Fund (CDF), a certified Community Development Entity (CDE) for the City of Chicago, the City of Chicago for TIF and PNC New Markets who provided the tax credits on the transaction.

NCB Senior Vice President Brian Misenheimer said the transaction itself was complicated due to the number of entities involved, and typical for economic development projects of this nature. Misenheimer, who oversaw much of the transaction on behalf of NCB, credited the project's success with "good public and private cooperation and the dedication everyone involved"



Ken O'Connor, the project controller, said **the project created several hundred contractor jobs and more than a hundred permanent full-time employee jobs**, "plus the opportunity for the people in the community to be able to purchase fresh food at a reasonable price."

"We knew going in that it would be a challenge, but it certainly has turned out very, very well," O'Connor said. "We're very happy with the way the store turned out and all the really strong support we've received from the community and the city of Chicago, as well as our financing partners."

"NCB has a commitment in community development especially in low-income communities, so when this project was brought to us- we knew it was a perfect fit", stated John Holdsclaw, Executive Vice President of NCB. "Many of the neighborhood residents have limited transportation and they didn't have access to healthy food. Now they do."





## Westbury HOA

# Where Renters Become Owners

## A MOBILE HOME COMMUNITY IN VERMONT IS NOW A CO-OP, GIVING RESIDENTS CONTROL OVER THEIR HOMES AND FUTURE

For Gayle Pezzo and her fellow residents at Westbury Homeowners Association, March 6, 2019, marks a major milestone.

That's the day they became owners of their manufactured-home community in Colchester, Vermont.

Once owned by a single private landlord, Westbury's property and infrastructure now belong to the co-op's 250 members – each representing one of the park's mobile-home lots.

But it took an 18-month journey, helped by outside expertise and financing help, to transform Westbury's tenants from renters to resident-owners.

In 2018, residents received notice the park was for sale. They quickly realized the beautifully wooded, 183-acre property near Burlington would attract many potential buyers. If a developer didn't scoop it up, a new owner would – perhaps one who would care less about the park's upkeep. Residents would have 18 months to relocate if Westbury sold. For residents, some of whom had lived there for 40 years, there had to be a better option.

"We were looking to protect our homes and future from unreasonable rent increases and park closure," remembered Pezzo, a New York native who moved to Westbury in 2017.

Turning to ROC USA, residents began exploring ways to purchase the park. ROC USA is a nonprofit that helps resident corporations buy their manufactured-home communities from private community owners.

ROC USA recommended residents form a cooperative that could, in turn, seek the financing needed to acquire the site. That opened the door for Cooperative Development Institute (CDI) to step in. CDI is the Northeast's center for cooperative business development.

CDI helped residents understand how to form a cooperative, which they voted to do. CDI also helped the newly formed co-op apply for financing through ROC USA Capital, a community development financial institution that provides loans exclusively to manufactured-housing cooperatives.

ROC USA Capital turned to National Cooperative Bank to help finance the \$12.26 million mortgage.

NCB provided \$8.9 million of the total loan amount; ROC USA Capital contributed \$3.49 million.

"The purchase alleviated our anxiety," said Pezzo, now Westbury's board president. "We celebrated with a 'we own it' party."

Today, Westbury HOA is a thriving cooperative whose members have security and stability. Guided by a board of directors elected from the membership, residents control the business of their beloved neighborhood.

"Members have become increasingly familiar with their co-op roles and responsibilities, a process that's built a strong sense of community," CDI Housing Program Director Jeremiah Ward said. "It's been an awesome accomplishment."

"The park is a beautiful, peaceful and affordable place to live," noted Pezzo. "The decision we made was best for everyone involved. It's better than any other scenario that could have occurred."

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# ENERGY

## Community Solar Highlight

NCB closed a \$46.45 million loan with Syncarpha Capital to fund a 38 MW community solar project in Massachusetts under the Massachusetts SMART Program.

The Massachusetts SMART (Solar Massachusetts Renewable Target) Program which was created by the Massachusetts Department of Energy Resources is an initiative to create a long term, sustainable solar incentive program to promote cost-effective solar development.

The community solar project will be on approximately 400 acres located on six sites in Blandford, Leicester, Millbury, Northbridge and Westminister, MA. The reduction in energy expense by using solar will benefit over 2,300 consumers who will be able to participate in the community solar project.

Tufts University, the City of Everett, MA and Crane & Company will also be customers, utilizing the solar power in the project.

“As a mission focused financial institution, we have been active in renewable energy financing for 13 years”, stated Matt Wright, NCB Senior Vice President. “Our work with Syncarpha is very motivating as this is NCB’s first community solar project and will create great impact in the local community. **Once complete, this transaction will add a clean energy source to the grid- enough to power approximately 7,000 households.”**

## Sustainability

NCB has been committed to renewable energy since 2008 with a focus on financing energy projects with creditworthy off-takers, such as utilities, municipalities and established commercial businesses. In 2019, National Cooperative Bank provided over \$75 million in renewable energy lending, including its first Community Solar transaction.

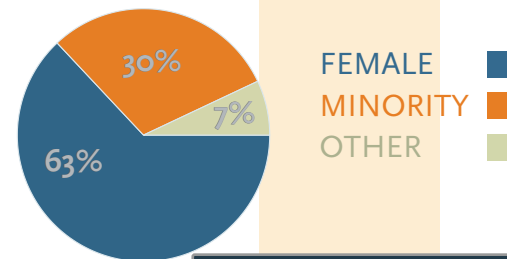




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## Employee Demographics - 318 TOTAL



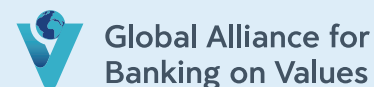
Who We Are

### MISSION

NCB's mission is to support and be an advocate for America's cooperatives and their members, especially in low-income communities, by providing innovative financial and related services.

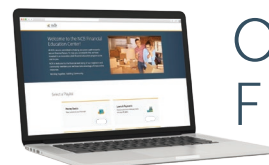
### CORE VALUES

Customer Focus  
Accountability  
Collaboration  
Empowerment  
Diversity  
Inspiration  
Integrity



Global Alliance for Banking on Values

National Cooperative Bank is a member of the Global Alliance for Banking on Values (GABV). GABV is a network of the world's leading banks and credit unions with a shared mission: **To use finance to develop sustainable economic, social and environmental development, with a focus on helping individuals fulfill their potential and build stronger communities.**



## OUR COMMITMENT TO FINANCIAL EDUCATION

### ONLINE FINANCIAL LITERACY

173 Students

NCB provides free online financial education in three local high schools. The 173 students who participated took 943 hours of learning.

### SCHOOL SAVING AND SPENDING EDUCATIONAL PROGRAMS

7 Schools – 1,646 Students

NCB partnered with local elementary, middle, high schools and colleges to provide education programs focused on savings, credit, budgeting and career planning.

To promote youth savings, NCB offers a Money Matters Student Saving and Checking account. As of December 31, 2019, **NCB has 366 student bank accounts totaling \$401,578.**

### ADULT FINANCIAL LITERACY TRAINING PROGRAMS

1,109 Adults

NCB's adult online financial education program is free to anyone and **in 2019, 310 adults accessed the online platform and completed 108 courses.**

In partnership with local non-profit organizations, NCB provided education to senior citizens on fraud prevention and education on those re-entering the workforce.



**Company Awards**  
The Washington Post Top Workplaces for Mid-Sized Companies  
The Society for Human Resource Management, Best Employers in Ohio



NCB Employees Volunteer at Women Giving Back



NCB Employees at Customer Appreciation Day



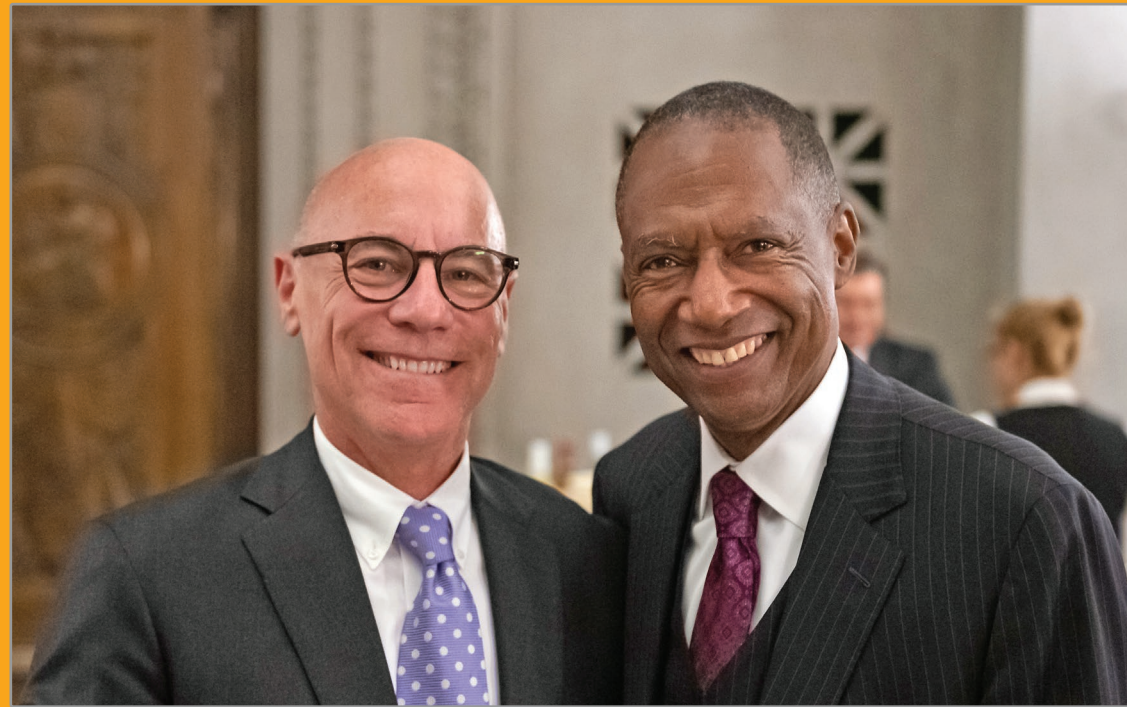
NCB Employees Volunteering at Together We Bake



DC Limited Equity Cooperative Housing Task Force Meeting



NCB Board Members Patrick Jury and Maurice Smith



# NCB's Commitment to Diversity, Equity and Inclusion (DEI)

**OUR PEOPLE.**  
**OUR WORK.**  
**OUR COMMUNITY.**

We are dedicated to attracting, developing and retaining the most diverse talent. **We offer an inclusive environment where employees are respected, challenged and rewarded for their contributions to our success.** We integrate diversity of experiences, opinions, thoughts and skills into our business decisions to ensure that we are reaching all communities where we live and work. Our commitment to cooperatives and community development has guided us since our inception and is critical to building stronger links among our customers **to help all communities accumulate wealth, fuel local economies and provide homeownership.**





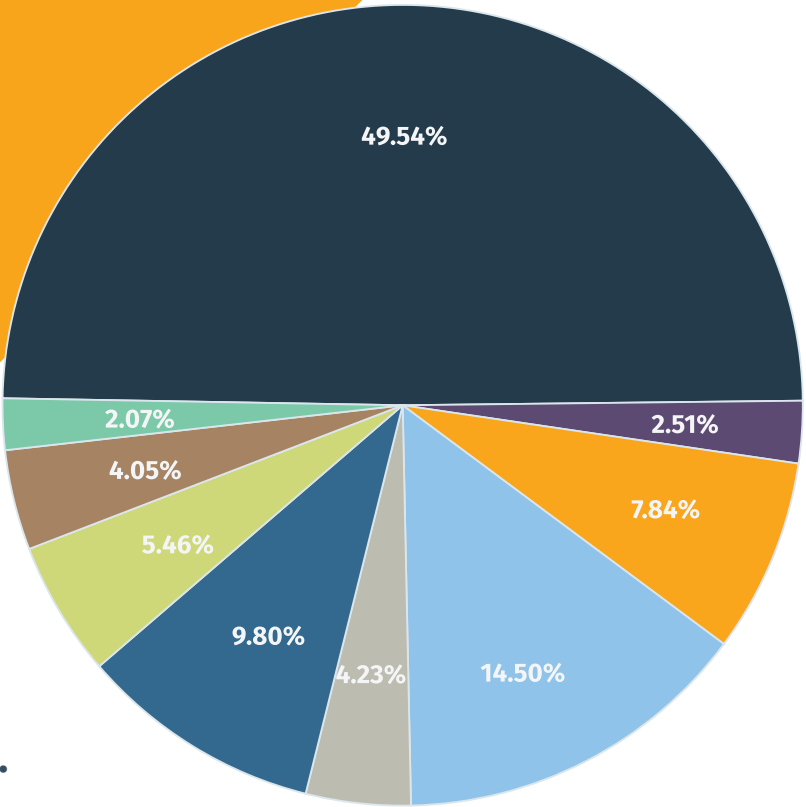
# Co-op & Community Development

MISSION REPORT / 2019

Affordable Housing	\$161,038,915
Alaska/Native	\$ 8,165,000
Commercial Real Estate	\$ 25,475,000
Credit Union	\$ 47,112,425
Food	\$ 13,775,000
Health Care	\$ 31,850,000
Non-profit/Community Development	\$ 17,750,000
Renewable Energy/Tax Credit	\$ 13,169,466
Small Business	\$ 6,728,960
Grand Total	\$325,064,766

2019 CO-OP & COMMUNITY DEVELOPMENT SECTORS

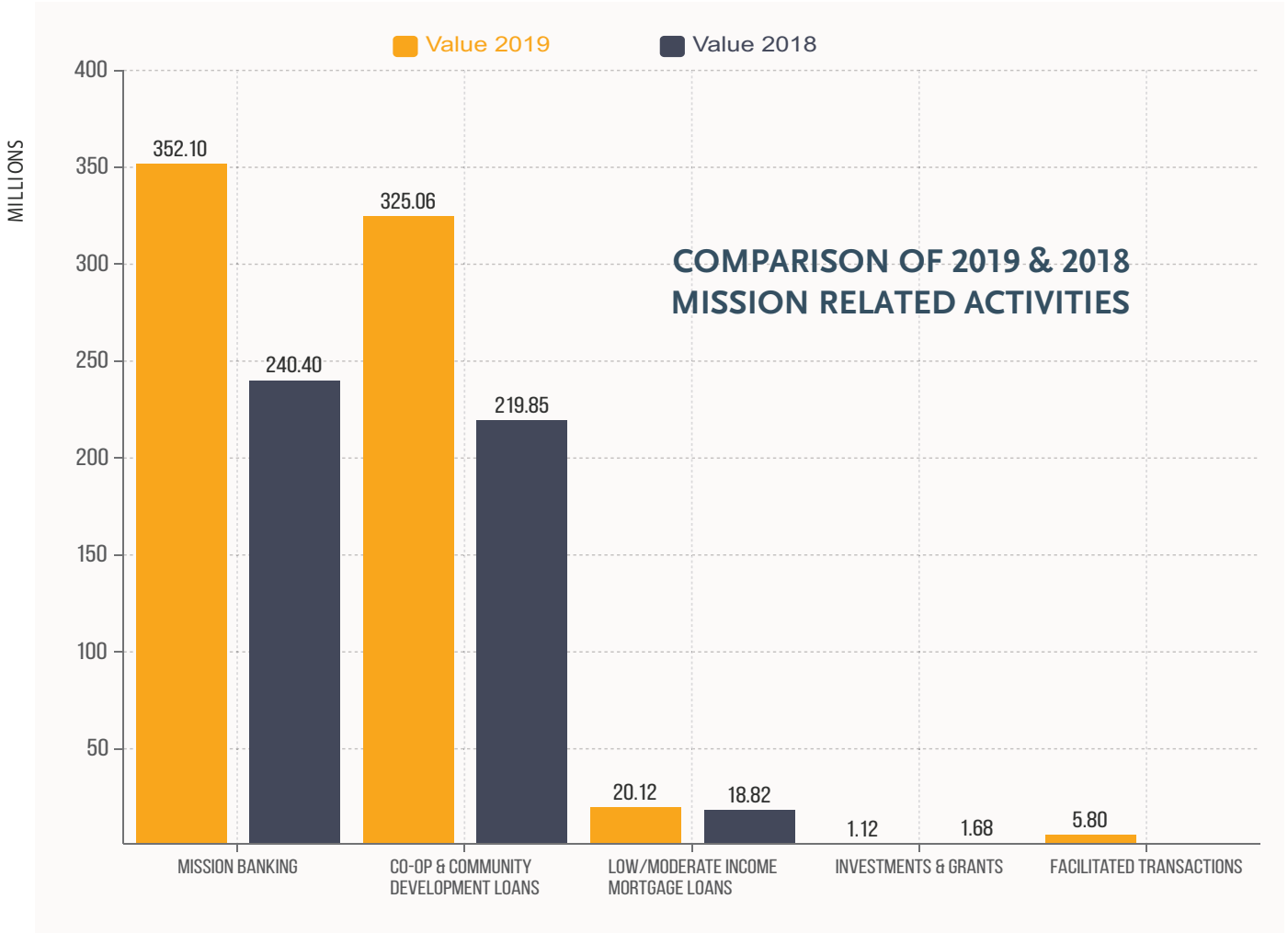
Your Choices  
Reflect Your Values.  
Your Bank Should, Too.



In 2019 alone, NCB made loans and investments of \$352.1 million to benefit low and moderate income families and communities.

# Mission Related Activities

Co-op & community development loans	\$325,064,766
Low/moderate income mortgage loans	\$ 20,121,656
Investments & grants	\$ 1,121,700
Facilitated transactions	\$ 5,809,000
Grand Total	\$352,117,122



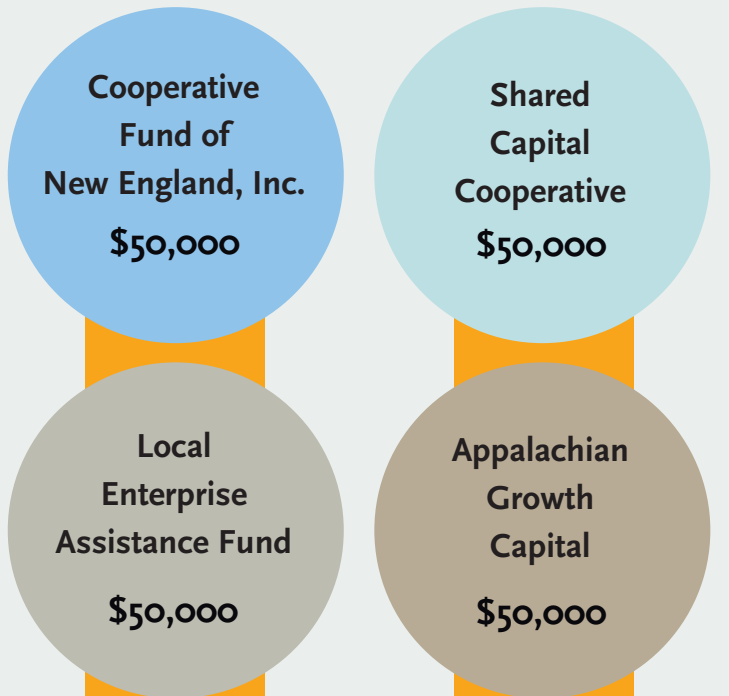


*We do well, to do good.*

MISSION REPORT / 2019  
During NCB's annual off-site, NCB employees built wheelchairs for the Wounded Warrior Project



NCB provided \$200,000 in Grants to CDFIs focused on **worker-owned cooperatives** and **small business growth**. Grants—



Affordable Housing

Financed 46 affordable housing communities totaling 4,366 units

Co-op Loans, Grants, Investments

\$63.5 million in new cooperative development loans, grants and investments

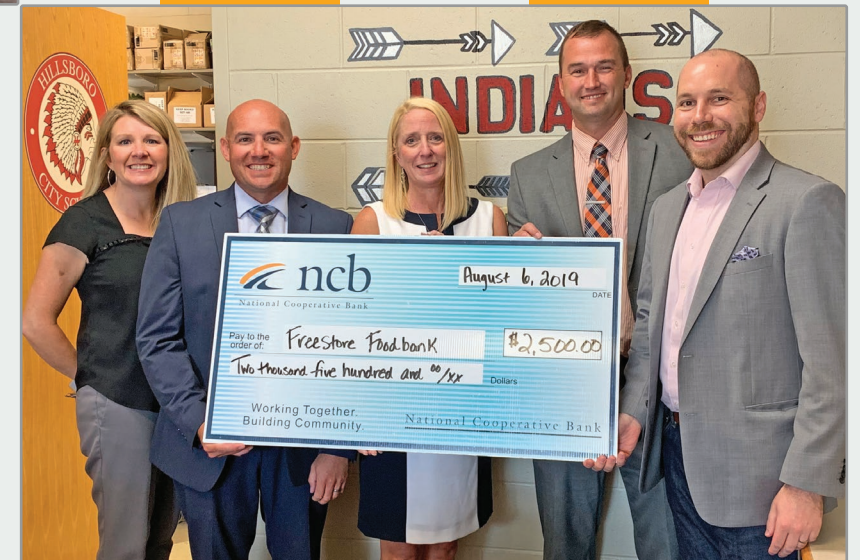
Employment

776 jobs created in low to moderate income communities

**Working Together.  
Building Community.**



NCB sponsored two community volunteers to attend the Cabot Creamery Celebrity Cruise to honor their dedication and commitment to their communities





# COOPERATIVE PRINCIPLES

Voluntary and Open Membership

Democratic Member Control

Members' Economic Participation

Autonomy and Independence

Education, Training, and Information

Cooperation Among Cooperatives

Concern for Community



Working Together.  
Building Community.



2019







# MISSION REPORT

## 2019



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Building Community.

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