

# Opportunity Zone Investment Profile



## The Forge on Main

Location: **Evansville, Indiana**

Congressional District: **IN - 8**

Qualified Opportunity Zone Business: **House Investments Evansville OZ, LLC**

Qualified Opportunity Zone Fund: **Multiple**

Investment Date: **Q3 2020**

Project Details: **Mixed-Use Building on Former Brownfield Site**

## Community Envisions Much-Needed Housing and Market on a Former Brownfield Site

In 2022, House Investments celebrated the grand opening of The Forge on Main - a new mixed-use building located in the Jacobsville neighborhood of Evansville, Indiana. The new development brings affordable and workforce housing, retail space, and a food market to the up-and-coming community that has experienced decades of disinvestment. The project helps the Jacobsville community meet its goals of being a place where residents can live, work, and play all within the neighborhood.

The project is located in one of only twenty-two federally designated “Promise Zones” in the U.S. Promise Zones are high-poverty communities where the federal government partners with local leaders to increase economic activity, improve educational opportunities, leverage private investment, reduce violent crime, enhance public health and address other priorities identified by the community.

The mixed-use building provides approximately 18,000 square feet of commercial retail space, as well as 180 units of affordable and workforce housing that are priced to be accessible to residents across the income spectrum. All homes will be targeted to renters earning between 60% to 120% of Area Median Income (AMI). The developer, House Investments, was also able to recruit an urban, smaller-footprint grocery store that will sell fresh fruit and vegetables, fresh meat, dairy, and eggs, to the retail space thanks in part to support from the City of Evansville and the Evansville Promise Zone.

In addition to eliminating a USDA Low-Income, Low-Access Food Desert, the project also eliminated blighted and vacant commercial buildings and improved community health by remediating a Brownfields site within a U.S. EPA Superfund Site.

### Projected Impact

Affordable and Workforce Apartments Created:	180	New food market eliminates one USDA Low-Income, Low-Access Food Desert
Commercial Space Created:	18,000 square feet	Supports clean-up of a high-priority U.S. EPA Brownfields Superfund Site

### Community Stats

	Census Tract 20:	Evansville, Indiana MSA:
Median Family Income:	\$43,625	\$72,910
Poverty Rate:	35.0%	13.6%
Adults Not Working:	61.1%	19.5%
Minority Population:	9.0%	13.2%
Bachelor’s Degree or Higher:	8.1%	27.3%
Housing Vacancy:	27.3%	9.0%

“The Forge on Main is truly a community project that would not have been possible without the support from all of our partners. The development is a key component in the revitalization of the Jacobsville area of Evansville by providing additional housing options that currently do not exist in the area and providing access to fresh food in an area which is currently designated a ‘food desert.’ In addition, the Forge on Main provides an opportunity for residents to live, work, and play in the neighborhood. House Investments is committed to providing impactful, workforce housing projects which benefit the overall community.”

- Matt Gadus,  
House Investments

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## Capital Stack

In 2020, House Investments raised \$4.5 million in Opportunity Zone (OZ) equity from six investors to support the \$28.3 million project. In addition to the OZ equity, the project received a tax abatement and Tax Increment Financing (TIF) funds from the City of Evansville, a redevelopment tax credit from the Indiana Economic Development Corporation (IEDC), and additional financial support from a local foundation.

**Total development cost: \$28.3 million**

### Key sources of financing:



- \$16.95 million - Traditional debt
- \$4.5 million - OZ equity from multiple Qualified Opportunity Funds
- \$4 million - Redevelopment Tax Credit from the Indiana Economic Development Corporation
- \$1.5 million - TIF proceeds
- \$750,000 - Grant from a local foundation
- \$600,000 - Green infrastructure grant

## About the Investment

House Investments received OZ equity from six Qualified Opportunity Funds, including an investment of \$350,000 from the Woodforest CEI-Boulos Opportunity Fund.

Since 1978, House Investments has helped investors, property owners, and residents thrive by funding, developing, and managing impactful properties. With intentionality and integrity, House Investments strives to create value for its clients and their communities. Since its inception, House Investments has raised over \$500 million of equity from over 3,000 investors including Fortune 500 corporations, financial institutions, endowments, foundations, and high net worth individuals. The equity raised has been used to acquire and finance properties with original values in excess of \$2.2 billion. In addition, in its history, House Investments has owned, developed, managed, or overseen more than 21,000 residential units.

The Woodforest CEI-Boulos Opportunity Fund is an innovative \$22 million real estate investment fund managed by CEI-Boulos Capital Management, LLC and capitalized by sole investor, Woodforest National Bank. The fund invests in projects that have positive social and environmental impact and is intentional in ensuring that all investments foster community engagement and promote social equity.

## The Impact of Opportunity Zone Financing

The OZ policy encouraged investors to invest in their community. The policy created a vehicle - the QOF - which local investors utilized to make equity investments in The Forge on Main.

Further, the policy catalyzed a state-wide initiative to attract private equity investments in Indiana's distressed communities. The Opportunity Investment Consortium of Indiana was launched shortly after the OZ policy was enacted with the goal of encouraging the transformation of OZ neighborhoods into vibrant places for residents and businesses. The Opportunity Investment Consortium of Indiana supported efforts to identify investment opportunities in the state, and was responsible for facilitating an introduction between House Investments and CEI-Boulos Capital Management.

## About Opportunity Zones

Opportunity Zones are a new national investment tool designed to spur economic growth and community development by encouraging long-term private equity investment in distressed urban, suburban, and rural communities across America. In 2018, local leaders in every state, U.S. territory, and Washington, D.C. supported the nomination of more than 8,700 low-income census tracts for Opportunity Zone designation. Individuals and companies can receive a series of graduated tax benefits based on the amount of time invested in a Qualified Opportunity Fund, which must have 90 percent of assets invested in real property or operating businesses located in Opportunity Zones. The Opportunity Zones policy is based on the bipartisan *Investing in Opportunity Act*, which was championed by a regionally and politically diverse coalition of congressional cosponsors.

## About The Economic Innovation Group (EIG)

EIG is a bipartisan ideas laboratory and advocacy organization whose mission is to advance solutions that empower entrepreneurs and investors to forge a more dynamic American economy. Headquartered in Washington, D.C., EIG convenes leading experts from the public and private sectors, produces original research, and works to advance creative legislative proposals that will bring new jobs, investment, and economic growth to communities across the nation.

EIG leads a coalition of stakeholders as part of its efforts to support the formation of a robust Opportunity Zones ecosystem. For more information, contact [info@eig.org](mailto:info@eig.org)