Gateway to Unity
In any union... of MARKETWISE we recognize the value of unifying partners, ideas, efforts, and funding. LeDroit Park and Howard University in Washington, D.C. form a “town and gown” partnership that strengthens both entities, a series of conferences in West Virginia brings together national and local experts to explore the potential of rural towns, and Community Development Corporations (CDCs) in South Carolina organize to form a successful CDC association. On the financial front, a Richmond-based fund unites entrepreneurs with needed dollars, and a North Carolina tax credit provider raises capital to fuse funds with community projects. Rather than subscribing to the “divide and conquer” mentality, these individuals and organizations are finding success through a “unite and prosper” philosophy.
Historically, animosity has emanated between universities and their neighbors. College students are commonly stereotyped as extreme “partiers” who drink too much, become disorderly, and leave empty bottles and trashed property in their wake. Likewise, college administrators have been characterized as being cavalier and insensitive toward residents in neighborhoods surrounding college campuses who objected to institutional operations and expansion plans that they believed destabilized their communities. In general, universities frequently offend their neighbors on many levels, which causes friction between the college and the local communities that can escalate when the neighborhoods begin to deteriorate while the “elite” university continues to prosper.

These strained conditions have long been portrayed in movies, covered in newspaper articles, and studied in reports and journals. Increasingly, universities are realizing the need to become involved in their city or town for their own self-preservation, as the college’s health and vitality are (continued)
directly linked to the health and vitality of the surrounding neighborhoods. If the community takes a turn for the worse, it affects enrollment, and unlike most companies, relocation is not an option for a university. Reciprocally, university philosophies and expansion plans can dramatically affect the residents of nearby communities.

Some universities understand the complexity of “town and gown” issues and are becoming catalysts for cooperation and redevelopment in their communities. The Howard University LeDroit Park Neighborhood Initiative in Washington, D.C. is one example of what can be achieved when “town and gown” unite.

The Town - LeDroit Park
LeDroit Park, developed in 1873, was one of Washington, D.C.’s first suburban residential communities. Initially an all white community with a fence separating it from African-American Howard Town, LeDroit Park became a predominantly African-American community by the end of World War I. Throughout the racial transition, LeDroit Park maintained its middle-class character and became home to many prominent African-Americans, including the poet Paul Lawrence Dunbar, Congressman Oscar DePriest, suffragist and educator Mary Church Terrell, and jazz great Duke Ellington.

Of late, however, the area had not kept pace with the economic growth of other District areas. LeDroit Park had endured decades of blight, inadequate government services, deteriorated infrastructure, drugs and crime, overall decline, and general disinvestment by the community, local government, and Howard University.

The Gown - Howard University
In the early 1970s, Howard University (Howard), a 133-year old preeminent African-American university, began discussing plans for hospital expansion. In order to accommodate this expansion, Howard began purchasing properties in contiguous city blocks, as real estate became available. Once purchased, Howard boarded up the existing structures (most of which were row houses), and over 25 years, eventually acquired 45 properties adjacent to the hospital.

Tempted by these neglected structures, homeless people and local drug dealers moved into these...
abandoned properties. The properties remained unused and boarded, though plans for their institutional use appeared in the university’s campus plan. Citizens, increasingly concerned about the growing deterioration of their community and the prospect of rampant institutionalization of their residential neighborhood, sought and obtained local and national historic district designation for the area.

They wanted to stop the leveling of houses, celebrate the lives of the illustrious African-American residents who formerly lived there, and restore the area to its former grandeur as a handsome residential neighborhood. Over the years, residents met with many Howard representatives to voice their concerns, since Howard was the owner of the largest number of vacant properties in the community.

In 1990, newly hired Dr. Hassan Minor, then special assistant to the president, listened closely when the community told him and others that Howard University was “elitist,” insensitive, an undesirable neighbor, and a poor steward of its properties. Dr. Minor decided to restore university-neighborhood relations and pledged that his efforts would focus on bringing about tangible change because the past had brought too many promises and too few results.

The Howard University Community Association began in 1996, and Maybelle Taylor Bennett,......became its director.

Dr. Minor restructured the university’s community relations functions and established a Community Association Office that provided the much-needed public accessibility, information, and assistance to the community. He assembled a staff complete with the planning, international relations, youth programming, and fund-raising skills to provide the services and technical assistance needed to respond effectively to community challenges. The Howard University Community Association was opened in 1996, and Maybelle Taylor Bennett,
who joined Dr. Minor’s staff in 1991 as assistant for community relations, became its director.

In 1995, H. Patrick Swygert, a Howard alumnus and the university’s newly hired president, toured the areas where the central campus interfaced with the community. As he rode through the neighborhood streets lined with boarded properties, he was surprised and shocked to learn that the university owned so many of these structures and resolved to address the issue. He was made aware of the citizens’ frustrations with the university and their hope that Howard would become a better neighbor and a more active leader in rebuilding the surrounding community.

Later in the school year, President Swygert asked Dr. Minor and his staff what it would take to redevelop all of the Howard-owned properties at one time. He indicated that this was the direction in which he wanted to move, and asked Dr. Minor to follow up on a previous contact that had been made with Fannie Mae in the months prior to becoming president.

In 1994, Fannie Mae began opening Partnership Offices throughout the nation, to work with partners...

The contact that had been made before President Swygert’s tenure was renewed for the purpose of exploring how Howard University and Fannie Mae might work together in the development of affordable housing. In 1994, Fannie Mae began opening Partnership Offices throughout the nation, to work with partners (including universities and other major employers) to expand the availability of affordable housing. The first of these offices, the Washington, D.C. Partnership Office, had seen the potential for Howard University to affect the revitalization of the entire LeDroit Park neighborhood.

A planning team was assembled. Alvin Nichols, Brenda Harrison, Patricia Siegrist, and Beryl Sparrow of Fannie Mae and Dr. Minor, Diane Kenney, and Maybelle Bennett of Howard University met for nine months to define the initiative’s objectives and map out its strategy for implementation.

In September 1997, after hearing a presentation on the Initiative, the Executive Committee of LeDroit Park’s close proximity to Howard University Hospital is one of the many conveniences of its location.
Howard’s Board of Trustees and the chairman of Fannie Mae, James Johnson, gave their approval of the Initiative. In fact, Johnson was so enthusiastic about the Initiative that he tagged the corporation’s vice chair, Jamie Gorelick, to be Fannie Mae’s corporate sponsor of the project, and named Alvin Nichols as a full-time loaned-executive to Howard University, in support of the execution of the project.

With this commitment and support in hand, work began on the expansion of the team, the arrangement of financing, and the garnering of political support needed to successfully redevelop the 45 properties into homeownership opportunities.

In addition, the Fannie Mae Foundation partnered with Howard University by supporting the development of three studies that produced a streetscape design for the upgrade of the open spaces and infrastructure, a cultural district study (to highlight the feasibility and potential of revitalization of this once vibrant commercial and entertainment core of the community), and a land use plan for a 150-block area around the central campus.

These studies were to be used to propose improvements and amenities that would enhance the existing and proposed housing development in LeDroit Park, add value to the community as a whole, and augment the cultural and economic opportunities that would ensure the long-term success of the overall redevelopment plan.

The onset of the Initiative, in particular the development of the 45 homes built by Howard University, was the first step in rebuilding the community’s trust and was an indication that the university was committed to the community’s redevelopment over the long haul. The community celebrated the first of the university’s new charter homeowners just fifteen months after taking the plan from paper (in September 1997) to pavement in December 1998.

The Howard University LeDroit Park Initiative has three themes: 1) celebrate the history of the area; 2) redefine the community; and 3) enhance the quality of life and safety. The goal is to restore LeDroit Park and surrounding communities both culturally and economically through the creation of homeownership for moderate-income families and to spur renovation of abandoned housing area-wide. Participants in the effort have always envisioned the Howard-sponsored redevelopment as a catalyst for other private and publicly sponsored revitalization activities in the neighborhoods and along the Georgia Avenue corridor.

Fortunately, the area has a range of assets that will retain existing residents and attract newcomers. The housing stock is architecturally inter-

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How Howard and Partners Made It Happen

Howard University engaged a number of other partners in the creation of a critical mass of redevelopment in the LeDroit Park area. From 1995 through 2000, the university received approximately $2.4 million in grants from the U.S. Department of Housing and Urban Development's Historically Black Colleges and Universities (HBCU) Community Development Program. HBCUs compete for funding to carry out community development activities in the neighborhoods that surround them. Verizon, another major partner, is pulling fiber optic cables into the area to “wire” the community (see page 7). Howard has also worked with Manna and the Peoples Involvement Corporation, two nonprofit community development corporations, to construct a new townhome development for low- and moderate-income homeowners; adaptively reuse an old school building to create apartments for seniors; develop a former multifamily residential structure into a social service center for public housing families; and provide the provision of case management services to families in the area’s public housing development.
Georgia Avenue Business Resource Center

The Georgia Avenue Business Resource Center is located at 7408 Georgia Avenue, NW in Washington, D.C. near Howard University. Its broad purpose is to facilitate access to capital and to provide technical assistance - and other business support services - to businesses located around the Georgia Avenue Corridor. The Center hopes to support existing business growth and expand and help budding entrepreneurs.

The concept for the Center came from several meetings held in D.C., hosted by Al Broaddus, President of the Federal Reserve Bank of Richmond, and Alice Rivlin, then Vice Chair of the Board of Governors of the Federal Reserve System. The implementation of the Center became a collaborative effort coordinated by the D.C. Chamber of Commerce, the D.C. Department of Housing and Community Development, Riggs Bank, City First Bank, the Small Business Administration, and several D.C. universities.

The Federal Reserve’s role in this project has been one of facilitation. The Fed hosted meetings and actively engaged the group in trying to understand what the community needed to increase small business development in the District. Active dialogue by all parties then determined that a “store front” resource center on a major business corridor in D.C. would help small businesses access appropriate capital resources and obtain needed technical assistance.

Today the Georgia Avenue Business Resource Center is a reality. It has helped hundreds of small businesses needing technical assistance. Several seminars on bookkeeping, the loan application process, and other topics have been conducted. Recently, the Center started a storefront improvement program, and the SBA has announced that the Center will become an SBA One Stop Capital Shop Satellite Office.

Currently, the partners are working on plans for the next two phases.

Over $10 million of this funding has already been raised and construction of these improvements began this winter. Another level of public facilities improvement will be the return of McMillan Park Reservoir to public accessibility. McMillan Park Reservoir was originally designed by Frederick Law Olmsted, Jr. (the designer of Central Park), but was fenced off since World War II. Phase III consists of the development of a cultural district that anchors the east end of the U Street Festival area, once known as the old Black Broadway, and a Town Center that will provide significant retail and entertainment opportunities. Currently, the partners are working on plans for the next two phases. Timelines for the remaining development phases have not been determined.

Fannie Mae and Howard University refer to their relationship as a strategic partnership, and to that end Fannie Mae’s role in the Initiative has been substantial. At the outset of the Initiative, the
Bonds. These bonds support homeownership in the focus area, including $5 million in targeted area builder bonds from the D.C. Housing Finance Agency to make home prices more affordable through lower interest rates for the homes being developed by Howard University.

Additionally, Fannie Mae provided technical assistance in structuring an employer-assisted housing program that was capitalized by a $500,000 Fannie Mae loan; the provision of homeownership education; assistance in developing a communications strategy; support for and coordination of celebrations and related special events;
The Howard University LeDroit Park Initiative has dug the footing and laid the foundation upon which the revitalization of this historic community is supported.

assistance in obtaining $10 million to support infrastructure improvements from the D.C. Department of Public Works and the Financial Control Board; assistance in obtaining $500,000 in a U.S. Department of Transportation grant to support infrastructure improvements for the area; and assistance in winning the support from local elected officials needed to make the Initiative a success.

Since the Initiative’s launch in 1997, 307 units of new housing are under construction or have been completed area-wide, and the community’s housing market has taken a positive turn. Houses improved and offered by Howard range in price from $90,000 for a two-bedroom row house to over $200,000 for three- and four-bedroom homes. The condominiums in the area range in price from $79,000 for a one-bedroom unit to over $300,000 for larger units. Overall, housing costs fall in affordable to upper-income levels and are successfully providing a mixed-income environment.

Commercial redevelopment is also being generated in the area. To date, more than $65 million in commercial and public benefit investments have been committed or invested in the community. This development includes bookstores, restaurants, 33,000 square feet of retail commercial space, a new visitor’s center, a modernized Emergency Trauma Center at the Howard University Hospital, and a joint Howard University/Metropolitan Police Department Security station. Under the Initiative, LeDroit Park is developing into a diverse and fully sustainable vibrant community.
The Howard University LeDroit Park Initiative has dug the footing and laid the foundation upon which the revitalization of this historic community is supported. Howard University, LeDroit Park, and Fannie Mae are setting a standard for “town and gown” partnerships — a standard that they hope others will follow. While not everyone has been enthusiastic about the redevelopment, Nichols of Fannie Mae realizes, “You have to accept the criticism and continue to do the job that needs to be done,” especially if you want to graduate to the next level. □ FRANCES STANLEY

The Fannie Mae Foundation University Community Partnership Initiative is designed to promote the development of housing-based community revitalization by encouraging universities to take a more active role in rebuilding their communities with partners. This program can be tailored to meet the needs of specific markets and neighborhoods. Funds provide technical assistance, education, training, research, and evaluation. For further information, visit Fannie Mae’s web site at:
www.fanniemaefoundation.org/ucpi/index.html
A Community and Collegial Celebration

The dream is well on its way to becoming a reality — a comprehensive and multifaceted initiative that will not only help Howard University attract students and faculty, but also provide a quality residential environment in which area individuals can live, work, and play. On December 14, 2000, the Initiative celebrated its Phase I successes by throwing a block party. Dignitaries, including D.C. Mayor Anthony Williams and Congresswoman Eleanor Holmes Norton, Howard University faculty and staff, and new and old LeDroit Park residents, joined together to celebrate many accomplishments and focus on future aspirations.

In a recent interview, President Swygert talked about his first tour of the area upon returning to Howard as president. As a student at Howard during the sixties (undergraduate and law degrees), LeDroit Park was a vibrant community, different from what he viewed on his tour. President Swygert had two concerns during his tour. The first concern focused on the deterioration of the neighborhood and possible ways to improve this valuable area’s condition, while his second concern told him that universities typically do not undertake real estate development projects. As his concern for LeDroit Park continued to surface, he accepted the fact that to be successful in a redevelopment initiative, Howard needed a partner who knew real estate. Recognizing Howard’s lack of expertise in the real estate arena prompted President Swygert to contact an organization that could make this project a reality — Fannie Mae. Integral to the success of the Initiative were Jim Johnson, Frank Raines, and Jamie Gorelick of Fannie Mae. “We are very fortunate to have Fannie Mae as a partner,” President Swygert says.
Today, President Swygert has other universities inquiring about the lessons learned in this successful “town and gown” endeavor.

The project has brought President Swygert great satisfaction, and he knows that Howard has been fortunate in the respect that all of the project partners and long-time homeowners committed to stay in LeDroit Park through its worst times. President Swygert and those involved in the Initiative are most pleased with the fact that no long-term residents of LeDroit Park were displaced in the process. President Swygert hopes to encourage the D.C. government to provide tax relief assistance to those long-term homeowners so they will not be displaced as the future value of the area increases, as he credits the Civic Association and these homeowners with much of the project’s success. Today, President Swygert has other universities inquiring about the lessons learned in this successful “town and gown” endeavor.
When searching for valuable community economic funding in Richmond, one quickly discovers the Virginia Community Development Loan Fund (VCDLF). With a vision, prayer, perseverance, and a plan, Tim Hayes, founder and executive director of VCDLF, worked with the Richmond Christian Center, First Union, and the Commonwealth of Virginia to form the organization. VCDLF “creates alternative models of financing that facilitate community economic development,” so that the community-based lending program provides entrepreneurial opportunities, creates jobs, and revitalizes inner-city neighborhoods.

“He has forged partnerships with everybody who is anybody to small business in his market,” says Scott Dailey, assistant district director for economic development at the Small Business Administration (SBA). In 1999, the SBA launched its New Markets Investment Initiative to provide tax credits, investment capital and credit, and technical assistance to stimulate business formation and job creation in economically-distressed neighborhoods. Through this initiative, VCDLF forged a fruitful partnership with the SBA and received $750,000 in SBA funds, which allowed VCDLF to make 94 of the 139 micro-loans in the Richmond District Office’s region (all of Virginia except Fairfax and Loudon Counties) from October 1999 to September 2000. Consequently, the Richmond District SBA Office’s national micro-loan ranking jumped from fourteenth place in 1999 to second place in 2000. Impressively and deservedly, VCDLF received the District, Regional, and National 2000 New Markets Micro-Lender of the Year awards for urban programs.

The Fund has come a long way since its inception in 1996. Over the past four years, VCDLF’s available capital grew from $89,000 to more than $1.8 million. Subsequently, the delinquency rate dropped from 35 percent in 1996 to one percent in 2000 due to the wealth of technical assistance services provided by the organization. These services include technical assistance on pricing, hiring, and other business needs. One comprehensive eight-week business skills training course covers business organization, market analysis, marketing strategy, record keeping/taxes, financial management, financial statements, and small business financing.
“VCDLF wants to create a continuum of capital because we realize that banks are not the only source of financing.”

Since 1996, VCDLF’s efforts to provide greater access to capital and opportunities to entrepreneurs have resulted in the creation of more than 100 jobs in the Richmond area. With an expanded coverage area of ten counties (Ashland, Chesterfield, Dinwiddie, Hanover, Henrico, New Kent, Charles City, Goochland, Powhatan, and Prince George) and three cities (Hopewell, Richmond, and Petersburg), Hayes is eager to share the wealth of VCDLF.

“VCDLF wants to create a continuum of capital because we realize that banks are not the only source of financing. We are not competing with the banks; we are filling the gaps for those borrowers who need the benefit of technical assistance that banks do not provide. We want to be there for those who need help.” For regional entrepreneurs, VCDLF’s services are the map leading the way to Virginia’s funding treasure.

Clasi Skin Care and Beauty Spa
A Proud Recipient of VCDLF Loan Funds
Claudia Silva, a native of Rio de Janeiro, Brazil, worked in a day spa for years and dreamed of one day owning her own business — a spa with a Brazilian flair offering the best in Brazilian beauty techniques. Like most entrepreneurs, she worked hard to save a small sum of money. However, it was not enough to cover business renovations, equipment, and cash flow needed to start her business. She first attempted to borrow funds from a bank, but quickly realized that banks required an operating history of two years before loan consideration could be given. One local banker referred her to VCDLF, where she was able to receive a loan for $20,500.

“VCDLF is like family to me. Anything that I need, they provide with a personal touch free of charge. I recommend them to anyone who wants to start up a business, but lacks the business know-how,” Silva says. In addition to receiving a micro-loan from VCDLF, Silva also received the technical assistance needed to incorporate the business, establish prices, structure payroll, hire staff, and develop a marketing strategy.

Clasi opened in February 1999, and Silva is already planning to move from her existing space of 800 square feet to another site of 3,000 square feet that will allow expansion to accommodate her growing clientele.

“My business has tripled due to the funds and assistance provided by VCDLF. My success can also be attributed to the fact that people know that Brazil is known for its aesthetics and cosmetics. When you think Clasi, think beauty.”

MICHELE MARSHALL

Photos Courtesy of VCDLF and Clasi Skin Care and Beauty Spa.
As a state challenged by topography, lack of infrastructure, and deficient economic development opportunities, West Virginia is searching for public/private partnerships and resources that will encourage community investment to create economic vitality and longevity in many of its cities and towns. "Making Small Cities and Towns Work," a program initiated by the Federal Reserve Bank of Richmond’s Community Affairs Office, is providing technical assistance to West Virginia’s rural communities to address these barriers.

Planning meetings with WVRDC and town residents, government officials, and financial institution representatives identified specific community and economic development issues in certain areas. The first program in Canaan Valley in May 2000 focused on Taylor, Tucker, and Barbour Counties, while the second program in Cairo in September 2000 focused on Ritchie, Doddridge, and Wirt Counties. Although the two programs were developed independent of each other, similar issues emerged in each: community growth, vision creation, and infrastructure deficiencies.

Supporting a cyclical necessity, “community growth is a cycle and can start at any place. It builds and feeds on itself,” said Dr. Michael Dougherty, an extension specialist and an assistant professor at West Virginia University Extension Service, who led the Canaan Valley discussion. Dougherty stressed that successful community and economic development is cyclical as a...
The first program in Canaan Valley in May focused on Taylor, Tucker, and Barbour Counties...

capable work force, a safe appealing environment, quality public health services, and community amenities generate revenue for public and private investments in quality schools, strong development and community organization, and adequate human and social services. “The only way you’ll be able to grow is to do so in a way that you want to — not in a way that those looking on the outside want you to.”

“The quality of life is often what draws people to a community,” Dougherty said. He encouraged collaboration and support among community groups as this enables towns to build on local and regional strengths. He also suggested concentrating efforts on business expansion and retention, as well as recruitment. In small communities it’s important that jobs are created and grown within the community. He noted that research has shown that nationally, small businesses create more jobs than big businesses.

Terrell Ellis of Terrell Ellis and Associates, Inc. echoed the vital role of small businesses in communities at the Cairo program. Once a business owner, Ellis now consults communities on development and revitalization issues. According to Ellis, of every profit dollar generated in a small business, 60 cents is retained and circulated locally. Chain stores circulate 20 cents of every dollar locally, while discount stores circulate only six cents on the dollar. Nurturing small businesses can expand a community’s area, increase sales, and improve local economics.

“A community must have a commitment that downtown is a priority when it allocates its resources; encourage strong participation by the private sector; build a strong consensus of a vision; and establish a willingness to commit resources to planning and development accountability measures,” she said.

Setting Sights on a Vision

“Very few communities figure out where they want to go. You have to have a picture of what you want your community to be before you seek the tools to develop it,” said Jeff Soule, policy director for the American Planning Association. In speaking at the Canaan Valley program, he stressed that the key to community growth is creating a vision.

In his review of hundreds of plans, he has seen few communities with a clear picture or formula to achieve its desired goals. An important component to reaching a vision is engaging people in the process, regardless of the degree of change...
“Very few communities figure out where they want to go. You have to have a picture of what you want your community to be before you seek the tools to develop it...”

Alison Hanham, business research analyst at West Virginia University, also stressed the importance of community visioning for future growth at the Cairo program. She described this as a process where a community imagines the future it most desires and maps a plan to achieve it. She emphasized that the process is a participatory process where citizens collaborate to create a shared image of their future. Visioning is infused with the soul of the community and is an expression of the community’s values.

Hanham encouraged the program attendees to focus on what must happen — rather than what can’t happen — and to develop strong visual descriptions using drawings and pictures. She mentioned several factors that prohibit visioning — tradition, fear of ridicule, stereotypes, governing councils, complacency of stakeholders, fatigued leaders, and short-term thinking — and encouraged communities to confront these challenges.

Tapping Unfamiliar Funding

“He often think that we know about all of the resources that are available, but actually there are a lot of resources available that people are not aware of,” said Evie C. Young, community builder with the U.S. Department of Housing and Urban Development (HUD). Along with Dianne Crysler...
West Virginia received over $365 million in funding for the 1999 fiscal year from HUD. Young discussed the Supportive Housing for the Elderly (Section 202) and Supportive Housing for Persons with Disabilities, which provide capital advances rather than direct loans to eligible private, nonprofit sponsors to finance the development of rental housing and supportive services for these groups. She also mentioned the Comprehensive Improvement Assistance Program (CIAP), which provides federal aid to local housing authorities for capital improvements and upgrades of public housing projects.

Crysler and Hunt discussed the variety of USDA-sponsored loan programs. The Community Facilities Loans program allows the construction, enlargement, or improvement of community facilities for health care, public safety, and public services. Costs to acquire land needed to pay for a facility, payment for necessary professional fees, and facility equipment purchases are other ways the loan can be used.

Growing a Healthy Community — Inside and Out
According to Sharon Lansdale, executive director for the Center for Rural Health Development, Inc., health care is so important to economic growth that it’s a catalyst for industrial and business growth and an inducement for retirement growth if it’s accessible. Because “every dollar spent in the health care sector translates into 88 cents in other industries,” she said, improving and expanding health care in West Virginia is a priority.

As a nonprofit organization that provides leadership on rural health issues through policy development, technical assistance, and leadership development, the Center has included the Rural

“Community visioning is not a mission statement... it is the foundation of strategic planning and sustainable development.”

Senatorial Thoughts
With the constantly changing economy and types of industries today, rural areas — more than ever before — need good leadership and a vision coupled with the energy and commitment to plan and carry out the visions of community economic development. It is apparent that small businesses within a community need to be nurtured and sustained first in order to grow and expand economic development, which should follow with diversification in job creation.

Limited resources in rural communities make it essential that regional collaboration be used to promote “areas” for development. For example, tourism (as one of the fastest growing industries) can be developed to a fine art. European countries have done this and we can learn from them.

The state of West Virginia has the Regional Planning and Development Council that applies for grants and loans from a broad variety of sources for funding, and prevents project revenue replication within their jurisdictions. West Virginia has financial resources, talent, and products to sell. I believe we can sell these things successfully through agencies such as the Regional Planning and Development Council, which focuses on strategic plans to accomplish a more effective way to spend our tax dollars.
As the small cities and towns of West Virginia continue to share ideas, experiences, and resources, much of West Virginia's community and economic development progress will contribute to this "wild, wonderful" state.

Health Community Leadership Development Program in its state action plan. The program will bring together community residents and health providers to assess local health care needs, gain support for local health care systems, and decide how local health care services would be best organized. Lansdale and her staff are modeling the program after a process developed by the Mountain States Group of Boise, Idaho, but have specifically tailored the program to meet the needs of West Virginia communities.

Attracting medical professionals to a rural state is not an easy task since many prefer a more fast-paced and urban setting. According to studies by Dr. Nelson A. Tilden, a medical scholar who has studied physician retention issues, some of the most common recruitment mistakes are not learning enough about candidates prior to the visit and not making the interview/visit process easier for candidates. The biggest mistake cited by Tilden is that thorough interviews of the candidate and spouse are not completed and backgrounds and references are not checked.

In addition to health care issues, West Virginia faces infrastructure challenges. Mike Aiton, of National Small Flows Clearinghouse (NSFC) established under the Clean Water Act in 1977, addressed possible solutions to wastewater problems in West Virginia. Aiton described the elements of the National Onsite Demonstration Program (NODP) as an ongoing project that helps communities in environmentally sensitive areas throughout the country find solutions to specific wastewater treatment problems. Phase I of NODP involved six communities in five states including Monongalia County, West Virginia. Systems were installed, evaluated, and monitored, which created data that has given researchers and regulatory personnel useful information about how different systems can best help different communities. Future phases will adopt the most effective systems and focus on the state's ability to promote alternative methods.

Frequent flooding adds to West Virginia's wastewater treatment problems. C. Ricky Lowe of the United States Army Corps of Engineers has worked with the City of Philippi to address flooding issues caused by an overflowing river. The Corps helped the City create a Geographic Information System (GIS) mapping system so that
when the water crests to a certain level, the City can pinpoint those areas and homes that will be affected. The Corps sponsors several programs for flood management, including local design and construction flood protection projects.

Another state infrastructure concern is telecommunications. James Justice of the West Virginia State Unified Network (WVSUN) and George Beck of then Bell Atlantic, now Verizon, discussed the ongoing efforts of their agencies to make intrastate telecommunications speedier and more accurate.

“We want this to have the ability to reach out to people all across the world,” Justice said. WVSUN was created in 1999 to provide an Information Superhighway, and data, voice, and video services. The network serves state agencies, higher education institutions, public and private schools, public libraries, county court houses, and county and city governments. West Virginia 2001, a $30 million dollar collaborative effort between the state and Verizon, will explore telecommuting options in the court system that will eliminate the need to transport prisoners to court for arraignment.

As the small cities and towns of West Virginia continue to share ideas, experiences, and resources, much of West Virginia’s community and economic development progress will contribute to this “wild, wonderful” state.

Wal-Mart in West Virginia — Friend or Foe?

As West Virginia decides what elements can be brought into the community to enhance economic and community development, many small towns are deciding whether mass merchandisers create opportunities or present obstacles for smaller businesses. Dr. Kenneth E. Stone, an extension economist and professor at Iowa State University, addressed the fears of many small communities when mega-retailers such as Wal-Mart enter that community.

Stone conducted the first study in the country of the impact of Wal-Mart stores on communities. About 3,000 Wal-Mart stores and Supercenters exist. In 2000 sales were $193.3 billion, Stone reported. To combat the concern that Wal-Mart takes away revenue from small retailers, Stone recommends that local shops focus on providing services that Wal-Mart does not provide. He offered the following tips for small businesses to compete effectively with Wal-Mart:

1. Know your market.
2. Focus your advertising.
3. Sharpen your pricing skills; Wal-Mart doesn’t sell every item for the lowest price.
4. Have opening hours that are convenient to the customer.
5. Adopt a no-hassle return policy.
6. Get rid of slow-moving items.

“Wal-Mart has a lot of things but doesn’t sell everything,” he said. “Try to sell merchandise that Wal-Mart doesn’t have. It is possible to co-exist in a mass merchandise environment, but you may need to change your methods of operation.”

The issue of competing with mass merchandisers was also addressed at Cairo. Dr. Michael Hicks, director of research and an assistant professor of economics at Marshall University, reemphasized that it’s possible for small businesses to coexist with retail giants such as Wal-Mart by citing examples from Dr. Stone’s research. Most important to effective competition is that local businesses know their markets and be willing to upgrade their current customer service standards.

Instead of reacting negatively to Wal-Mart’s entrance into an area, communities should use their entrance as an advantage. “If a Wal-Mart wants to come into your area, request that they help with infrastructure costs,” Hicks said.
Although the federal Low-Income Housing Tax Credit (LIHTC) program has been in place for over a decade, the shortage of affordable rental housing in the United States remains acute. Analyzing data collected through 1998, the Department of Housing and Urban Development (HUD) noted in a 1999 study that millions of families still struggle to secure decent affordable housing and low-income renters are competing for the dwindling supply of affordable rental housing in the private market.

The “dwindling supply” of affordable rental housing dropped by almost 950,000 units between 1996 and 1998 (Waiting in Vain: An Update on America’s Rental Housing Crisis, HUD, March 1999), and the growing shortage no longer affects only the inner cities. “Minimum wages and maximum rents,” former HUD Secretary Andrew Cuomo said, “are creating a new nightmare in suburban America” (HUD press release, April 28, 1998).

The statistics are staggering. HUD reports that 5.3 million impoverished American households (approximately 12.5 million people) have “worst case” rental housing needs. These households earn less than 50 percent of the area median income and either pay over half their incomes for rent or live in severely substandard housing – or both. Even when a family moves off the welfare rolls and enters the work force, it’s still likely to have worst case needs because the pay for low-wage jobs has not risen, but housing costs have.

Community Affordable Housing Equity Corporation works with private and public partners to help give people the opportunity to live in decent, safe, affordable housing.

Community Affordable Housing Equity Corporation (CAHEC) works with private and public partners to help give people the opportunity to live in decent, safe, affordable housing. This corporate objective is met by raising and investing equity capital in rental housing projects under provisions of the LIHTC program. When CAHEC raises capital through its equity funds, the capital is invested directly in multifamily housing development. The more equity CAHEC can put into the project, the lower the rents because equity, as opposed to debt, does not require interest and principal payments.
When CAHEC raises capital through its equity funds, the capital is invested directly in multifamily housing development.

The CAHEC mission: To raise and invest equity capital in qualified low-income housing tax credit projects, to empower residents living in developments, CAHEC helps finance, and to promote homeownership.

With headquarters in Raleigh, North Carolina, CAHEC seeks and gives preferential treatment to nonprofit housing developers who work in rural and distressed areas where resources for building affordable housing have always been scarce. At the close of 2000, CAHEC had financed or committed to finance 2,200 affordable rental units.

LaSalle at Lincoln Heights, a North Carolina Equity Fund III investment, is located in Charlotte, NC.
Since its inception, CAHEC has organized and managed six low-income housing tax credit equity funds, which have acquired or committed to acquire a total of 52 projects.

The Early Years — Different Names, Same Game
In 1992 the North Carolina Housing Finance Agency founded the North Carolina Affordable Housing Equity Corporation (NCAHEC), and appointed David T. Peet as its executive director and only employee. From the beginning, Peet faced several challenges. The fledgling nonprofit not only lacked experience in dealing with the federal Low-Income Housing Tax Credit program, but also survived for the first three years on borrowed money. The expenses for researching other nonprofit equity organizations, together with the principal and accrued interest used to finance the first three years of operations of NCAHEC, resulted in total indebtedness of $160,000. Now ready to underwrite the first equity pool, Peet had to persuade corporate investors to have faith in an untested organization with significant debt.

As a nonprofit tax credit syndicator, CAHEC works with developers in financing affordable apartments designated for low- and moderate-income individuals and families. To this end, CAHEC raises investment capital to help finance the development of such rental properties. On behalf of the equity funds it organizes and manages, CAHEC then purchases the tax credits allocated to the developers of qualified LIHTC projects. By selling those tax credits to CAHEC, the housing developers receive 50 to 55 percent of the total development costs of their projects.

On the other side of the transactions are the investors who invest in CAHEC’s equity funds. These investors receive tax credits that reduce the investors’ federal income tax liability, usually on a dollar-for-dollar basis. Also, federally regulated financial institutions receive credit under the Community Reinvestment Act (CRA) investment test for their equity investment in LIHTC projects. Investors may benefit from passive losses as well.
NCAHEC offered its first equity pool in 1994, with the help of the state housing agency. This offering was successful. NCAHEC then, on its own, offered the second equity pool, North Carolina Equity Fund II, which closed in 1997 and helped finance five properties. They included NCAHEC’s first historic rehabilitation project – converting Woodland-Olney School into 30 apartments for seniors. In 1998, NCAHEC changed its name to the Carolina Affordable Housing Equity Corporation because of its expansion into South Carolina.

Since its inception, CAHEC has organized and managed six low-income housing tax credit equity funds, which have acquired or committed to acquire a total of 52 projects. CAHEC continues to grow, and in 1999/2000 expanded into neighboring states in the Southeast and mid-Atlantic to become the largest regional nonprofit low-income housing tax credit syndicator in the United States. As part of this geographic growth, CAHEC has begun establishing regional offices in key states. Last May, an office opened in Atlanta. In February the company set up in Richmond and plans are in the works to open an office in Nashville. The expansion has prompted a second name change to the Community Affordable Housing Equity Corporation.

The dollar size of CAHEC equity funds has continued to grow, especially as CAHEC expands into more states. Compared to CAHEC’s first solo fund in 1997, Community Equity Fund (CEF) VI marks an increase of 600 percent. CEF VI also will finance over 1,150 rental units, a dramatic increase from the 1,105 total units that CAHEC funds helped build between 1992 and 1999.

The dollar size of CAHEC equity funds has continued to grow, especially as CAHEC expands into more states.
In its **Special Initiatives**, CAHEC goes a step beyond providing affordable housing and gives back to its community of tenants. CAHEC invests in the people who live in the developments it helps to finance.

**CAHEC’s Competitive Advantage — Special Initiatives**

As a nonprofit, CAHEC’s social commitment to empower the residents of properties that CAHEC-sponsored equity funds help finance makes CAHEC unique. There are many syndicators of LIHTCs, but few, if any, reinvest portions of their fee income to pay for programs unrelated to financing the housing development. As a nonprofit, and hence with no stockholders expecting dividends, CAHEC recycles its “profits” back into the communities that produce them. By the end of 2000, the company had invested $170,000 in what it terms Special Initiatives. CAHEC’s Special Initiatives encompass three areas: loan programs, technical assistance, and community programs.

Services for developers working with CAHEC include both financial and technical assistance. Financial assistance takes the form of two specialized loans. The predevelopment loan provides a readily accessible source of below-market-rate funds to assist nonprofit developers. Developers may use the loan to pay for items such as market studies, consulting fees, preliminary architectural plans, site options, appraisals, surveys, soil tests, legal fees, or application fees. The 10 percent carryover loan is another financial tool designed with a low interest rate to benefit both nonprofit and for-profit developers. Loans are made up to the appraised value of the project site, plus other items for which a security interest may be pledged as collateral.

CAHEC’s technical assistance is tailored for the entire spectrum of organizations working to create qualified LIHTC properties, from novice project sponsors to veteran developers. Help is available throughout the development process — during the initial planning stage, during construction, during lease-up, and after projects are placed in service. Any project using CAHEC-sponsored funds may request this assistance at no additional charge.

In addition to access to financial and technical assistance, developers using equity provided by CAHEC are eligible to participate in Special Initiatives, an array of supportive services and community programs that help empower tenants to strengthen their communities. The general goals of each program are to promote self-sufficiency, independence, positive behavior, and community ownership. The programs aim to improve relations between property managers and residents and to augment the skills and abilities of the residents and their families.

CAHEC works closely with developers early in the application process, particularly in preparing their supportive services plans for their tax credit application. Developers choose the programs in which they want to participate, although CAHEC encourages programs that are most appropriate to each development. As the project nears lease-up, CAHEC forms an on-site Community Programs Committee comprising the developer, property manager, supportive services coordinator, community representative, and one or more adult tenants. It is hoped this representation will address the community’s needs and allocate resources equitably. After each program is installed, CAHEC provides ongoing administrative support. (See page 27 of David T. Peet’s interview for specific Special Initiatives programs.)

The Special Initiatives’ community programs not only empower residents, but also add value to projects and benefit the developers and property managers. Developers and property managers are more likely to see tenants taking good care of their units, paying their rent on time, and referring others to the tenant waiting list when they are empowered in their community. In 2000, a total of 45 programs were awarded to individuals or entire residential communities.

In its Special Initiatives, CAHEC goes a step beyond providing affordable housing and gives back to its community of tenants. CAHEC invests in the people who live in the developments it helps to finance. When the company celebrates its 10-year anniversary in 2002, CAHEC hopes to see cumulative investments totaling over $1,000,000 in its Special Initiatives.

CAHEC’s many successful individuals and communities are evidence of its excellent return on its investments. □ DAN TATAR
The Stories Behind the Special Initiatives

Anne Bolding of Wilmington, North Carolina, was awarded a First-Time Home Buyer’s Grant last spring. A former resident of Willow Pond Apartments (a CAHEC-sponsored development), Anne now lives in her own home with her two teenage daughters. According to Anne, “With a new house... comes a new attitude. I’m still reeling from the fact that I’m actually a HOMEOWNER.” Throughout her life, Anne has shown a will to be self-sufficient. She completed her G.E.D. at night while working full-time in a factory. Later, while living in subsidized public housing, she worked on a cleaning crew for the housing authority; she also painted apartments and worked in the maintenance department.

Knowing that she wanted a better life for herself and her children, Anne went back to school and trained to become a nurse’s aide. She also took a second job working for Hospice. Another return to school made her a nurse’s aide level II. Today, Anne works as part of the emergency room trauma team at New Hanover Regional Medical Center. Anne never lost sight of her goal of becoming economically self-sufficient. Her determination and hard work helped her realize her dream of homeownership.

Stephanie Littles is one of seven residents of Greenfield Apartments in Laurinburg, North Carolina, who is participating in CAHEC’s Adult Scholarship Program. A business administration major with a concentration in management at the University of North Carolina-Pembroke, Stephanie expects to receive her B.S. in December 2001.

Stephanie combines her studies with a full-time job as an office assistant in UNC-Pembroke’s School of Graduate Studies. Before coming to the university two years ago, she worked at Richmond Community College (Hamlet, North Carolina), where she earned an A.S. degree in business administration. As she looks ahead to graduation and beyond, she’s wisely keeping her options open.

“I’m a small-town girl,” Stephanie says. She realizes that by staying in a small community, she needs to make herself marketable in more than one area. She sees herself as a team player and enjoys the collaboration that is part of a team environment. But lately she has begun to consider a career as a high school business education teacher. As a high school student, she participated in a cooperative education program. She believes that she could serve as a role model to students seeking direction for getting ahead. No matter what career path she chooses, Stephanie is determined to make it a success.

Stephanie also wishes to serve as a role model for her nine-year-old son. He is a fourth grader who is participating in the CAHEC Youth Recognition Program at Greenfield. Stephanie wants him to see her positive approach to life as an example. An important lesson for him to learn through her is that even when life is difficult, goals are attainable.

MARKETWISE thanks Nancy Dietz, manager of community relations at CAHEC, for her assistance in writing this article.
Low-Income Housing Tax Credits (LIHTCs) are the primary federal subsidy available for financing affordable rental housing in the United States. The following is an interview with David T. Peet, President of Community Affordable Housing Equity Corporation (CAHEC), a position he has held since it was founded in 1992. Today CAHEC is the largest regional nonprofit tax credit syndicator in the country. CAHEC serves the Carolinas, Georgia, Florida, Alabama, Tennessee, Kentucky, Virginia, West Virginia, Maryland, and the District of Columbia.

Q. When and why was the program of low-income housing tax credits created?
A. The federal Low-Income Housing Tax Credit (LIHTC) program was enacted by Congress as part of the Tax Reform Act of 1986. The program helps subsidize the production of affordable residential rental housing through a federal income tax credit. The LIHTC program provides housing developers equity capital to be invested directly into housing development, thus reducing debt service and thereby permitting lower rents for economically-disadvantaged individuals and families. Since the federal program went into effect, a number of states have established their own LIHTC programs.

Q. How does the low-income housing tax credit program work?
A. The LIHTC program provides an indirect federal subsidy, and in states having their own LIHTC program, an indirect state subsidy, to help finance affordable housing. Eligible taxpayers receive the subsidy by claiming a tax credit on their federal and/or state income tax returns, a claim which generally results in a dollar-for-dollar reduction in the taxpayer’s liability. LIHTCs are received on a prorata basis over a 10-year period.

Q. Who administers the LIHTC program?
A. The LIHTC program is administered by the Internal Revenue Service (IRS). Each state receives an annual allocation of tax credits from the federal government, based on the size of its population. Currently, states receive tax credit allocations equal to $1.50 per person. States administer the tax credit program under their own allocation criteria. Thus, a developer seeking an allocation of LIHTCs must apply to the appropriate state-allocating agency in order to receive tax credits.

Q. How do LIHTCs benefit developers of affordable rental housing?
A. Developers of qualified affordable rental housing sell their tax credits to corporations, and in some cases individuals, that are interested in reducing their federal income tax liabilities. Federally regulated financial institutions not only reduce their tax liability, they also receive Community Reinvestment Act (CRA) credit for investing in tax credit projects. The money developers receive from the sale of tax credits is in the form of an equity contribution, which is used to pay eligible costs related to the project.

Q. What is an equity fund?
A. Although some individuals and companies make direct purchases of tax credits, the vast majority of tax credits are purchased by equity syndicators through equity funds, which are typically structured as limited partnerships. The general partner is responsible for organizing and managing the fund. This entails raising investment capital from limited partner investors; acquiring, underwriting, and making project investments; providing asset management and compliance monitoring; and managing the financial, legal, and accounting matters associated with the fund.

Q. What is the role of the equity syndicator?
A. The equity syndicator purchases the developer’s tax credits at a negotiated price. In many cases, especially when developers have little prior experience with tax credit projects, the syndicator plays an important role helping structure the financing to ensure compliance with provisions of the IRS code and to maximize delivery of the greatest number of tax credits possible.

Q. So CAHEC is the equity syndicator, and the various funds you have established to purchase the tax credits are called, for example, “Community Equity Fund VI”?
A. Yes. Each time CAHEC forms a new equity fund, it is organized as a limited partnership in which CAHEC is the general partner and the investors are the limited partners. We organize a new fund each year. Our fund for 2000 was Community Equity Fund VI. This year’s fund will be Community Equity Fund VII.

Q. Why does CAHEC form “limited partnerships” with LIHTC syndications?
A. Investors in LIHTC projects are interested in receiving the tax credits and other benefits associated with their investments. However, they want to minimize their exposure to risks and limit their financial liability to the amount of their investment. Thus, CAHEC forms limited partnerships for each of its equity funds as a means of accomplishing this objective.
A. Generally, a limited partnership or limited liability company
Q. What is the relationship like between CAHEC and nonprofit affordable housing development organizations?
A. When CAHEC is asked to provide equity financing for a project, we make a real effort to support the needs of the developer. We provide free technical assistance to both inexperienced and veteran builders, both nonprofit and for-profit. Our goal is to be a true partner with the developers we work with. More often than not, we are able to offer suggestions to improve some aspect of a project that makes it better.

Q. How are CAHEC’s relationships with nonprofit housing developers different from those of other syndicators, for example Boston Capital?
A. While CAHEC provides equity for both for-profit and nonprofit developers, CAHEC goes the extra mile to help nonprofit developers by providing a substantial amount of free technical assistance. For example, we help inexperienced nonprofits plan and structure their projects from conception all the way through ribbon cutting. We help groups select experienced participants for their development team; analyze sites; review market studies; assist with project structuring and financing; and provide help during construction, lease-up, and afterwards once projects have been placed in service.

Q. In general terms, how are LIHTC projects typically financed?
A. The typical LIHTC project has layered financing consisting of equity provided from the sale of tax credits, a small first mortgage, and “gap financing” usually consisting of some form of government subsidy, i.e. HOME money, CDBG, etc. In many states, the use of bond financing has also become popular.

Q. Are there any rent restrictions placed on LIHTC projects?
A. Yes. Rent, including utilities, cannot exceed 30 percent of qualifying income. To be eligible to participate in the LIHTC program, projects must meet either of the following requirements. At least 20 percent of the units must be rented to households whose incomes do not exceed 50 percent of the area median income; or at least 40 percent of the units must be set aside for households whose incomes do not exceed 60 percent of the area median income. By statute LIHTC projects must adhere to the rent restrictions for a minimum of 15 years. Most states add an additional 15 years through an extended use agreement.

Q. What are LIHTC projects usually structured?
A. Generally, a limited partnership or limited liability company is formed to own individual projects. The developer serves as general partner or managing member, as applicable. At the time tax credits are sold to an investor, who becomes a limited partner or investor member as appropriate, the owner retains a .1 percent interest and the tax credit purchaser receives a 99.9 percent ownership interest. Following a 15-year compliance period, the limited partner’s or investor member’s interest can be purchased by the general partner or managing member for a pre-agreed-upon amount.

Q. What are your “Special Initiatives” programs, and how does this make CAHEC different from other syndicators?
A. Because we are a nonprofit organization, CAHEC’s mission goes beyond providing equity financing. An important part of our work is to empower the tenants who live in the projects CAHEC helps finance. We do this by making available and paying for our Special Initiatives programs, which are:

- Adult Scholarship Program - provides up to $1,000 annually to adults who want to improve their education and their earnings potential.
- Technology Learning Center - consists of computer centers that provide all residents access to crucial technology resources.
- First-Time Home Buyers Program - provides $1,000 grants to help families with down payment and closing costs on their first home.
- Youth Recognition Program - encourages school-aged children to improve academic achievement, have good attendance, complete homework assignments, and display appropriate behavior.
- Senior Wellness Center - enhances the physical and emotional well-being of elderly residents.
- Community Grants Program - provides grants up to $5,000 per project to benefit residents living in projects we help finance.

Q. If a developer wants to build a rental project using LIHTCs, what steps should be followed?
A. First, the developer should obtain a copy of the Qualified Allocation Plan (QAP) from the state allocating agency where the project will be built, and become thoroughly familiar with its contents. Second, the developer should get a copy of the tax credit application and find out the date(s) for submittal. Third, if the developer, even an experienced developer, has never built a tax credit project, it is strongly recommended that an experienced consultant be retained to assist with the preparation of the application, project structuring, financing, and other matters unique to the tax credit program. Tax credits are awarded to developers through a highly competitive process. Having a thorough knowledge of both the tax credit application process and ranking procedures is essential.

CAHEC provides free technical assistance and advice to developers considering building low-income housing tax credit projects. For further information contact: David T. Peet at (919) 420-0063, ext. 203 or refer to CAHEC’s web site at www.cahec.com.

Photos for this article are courtesy of Peter Damroth.
In a time of unprecedented economic prosperity, South Carolina has an unfinished economic and social agenda. There are families and communities that are not benefiting from the growth that South Carolina is experiencing... but they have much to offer.

Bernie Mazyck
President and CEO, South Carolina Association of CDCs
Bernie Mazyck has long recognized that all individuals and communities have gifts, value, and aspirations of personal fulfillment. Because community development corporations (CDCs) are a tool to help individuals and communities realize their strengths and gifts, Mazyck speaks passionately about his organization, the South Carolina Association of Community Development Corporations (SCACDC). Like ministers called to the ministry, Mazyck feels he is called to address the community and economic development needs of lower-wealth people in his state. The SCACDC is Mazyck’s vehicle to respond to these needs.

As the director of the N.E.W. Fund in Charleston, Mazyck simultaneously worked to expand community development efforts throughout the entire state of South Carolina. In soliciting technical support from the community, local lenders, politicians, and the North Carolina Association of CDCs, Mazyck consulted with Abdul Rasheed of the North Carolina Community Development Initiative (NCCDI).
Looking North for Direction
Mazyck credits Rasheed, executive director of NCCDI, for planting the seed to form a state association of CDCs in South Carolina. NCCDI served as a model for the SCACDC, as it is dedicated to the creation of assets and wealth for communities and individuals in low-resource communities. Rasheed coached, directed, and mentored Mazyck in developing SCACDC’s vision. As a nationally-recognized successful public-private community development intermediary, NCCDI increases the capacity, impact, and tangible outcome of mature CDCs and low-wealth communities across North Carolina.

NCCDI is a technical assistance provider and funder located in Raleigh, North Carolina that makes grants for CDC staff to initiate and manage commercial real estate development projects, create affordable housing, and help minority and low-income persons develop business and entrepreneurial skills. NCCDI provides annual core...
After six years of educating the South Carolina Legislature on the impact CDCs could have on the state’s economy, the South Carolina General Assembly passed the South Carolina Community Development Act authorizing the state to invest $10 million in CDCs and CDFIs in grants, loans, and tax credits.

With the expertise, experience, and endorsement of Rasheed and NCCDI, Mazyck met with a group of community development practitioners to better position himself in forming the SCACDC. The group included Joyce Dickens of the Rocky Mount/Edgecombe CDC, James Grace of East Winston CDC in Winston-Salem, Brian Coyle of BB&T, and Ike Heard of the Northwest Corridor in Charlotte. Community development finance training workshops conducted by the Federal Reserve Bank of Richmond’s Community Affairs Office throughout South Carolina also proved helpful in Mazyck’s organizing process.

Ready, Set, Start!
Through the valuable insight, guidance, and support of the North Carolina partnerships, SCACDC was launched in 1994 and incorporated in 1995. Composed of 40 CDCs, the SCACDC operates solely on the state policy level and focuses on CDC funding, capacity building, economic development, affordable housing, job creation, small operating grants to 22 established, high-performing CDCs in rural areas, small towns, and major cities. Since its inception in 1994, NCCDI has leveraged an annual state investment/appropriation to attract millions of dollars from the private sector, channeling more than $19 million to CDCs and resulting in more than $100 million of completed local development.
business development, and quality of life improvements. In many distressed rural and urban communities, these efforts materialize in the form of childcare centers, charter schools, youth programs, and small business job training and entrepreneurial development.

The SCACDC currently provides technical assistance, resources, and statewide training opportunities to its member CDCs, and works to increase the visibility of the community economic development industry in South Carolina. Most notably, SCACDC’s advocacy role has favorably positioned it with the state’s public sector. It works with the general assembly, the governor, and administrative agencies and has yielded several new partnerships and increased the legitimacy of community development industry in the state. In 1995, there were only four known CDCs in the state; as of 2000, the number of CDCs grew to 40, many of which develop housing, commercial space, micro-loan funds, and human capital initiatives.

With political support from Governor Jim Hodges, State Senator John W. Matthews, Jr., and State Representative Gilda Cobb-Hunter, the South Carolina Economic Development Act was signed and enacted in June 2000. This legislation will promote CDCs in rural and undeveloped areas of South Carolina. According to the Office of the Governor, the legislation will give these underserved areas access to capital so that financial institutions will have more incentive to invest in the community. The new law will create tax-exempt CDCs to provide affordable housing and enhance economic opportunities in low-income communities by giving tax credits to lenders that invest in these communities. Along with SCACDC’s ongoing work, this legislation will help jump-start the rural economy and provide a foundation for future jobs and communities.

“South Carolina is fortunate to have an organization like the SCACDC that works to promote community economic development – particularly with the challenges of balancing the needs of both rural and urban South Carolina, which SCACDC has been successful in doing.”

Gilda Cobb-Hunter
South Carolina Representative, D-Orangeburg
NEIGHBORHOODS:
An Entry Point for Change - MarketWise Report May 2001
Baltimore, MD - Profile and Forum July 2001
Asheville, NC - Profile and Forum September 2001
Washington, D.C. - Smart Growth Conference September 2001
Richmond, VA - Smart Growth Conference October 2001
North Carolina - Faith-Based Conference October 2001
Charlottesville, VA - Profile and Forum January 2002
*All dates are tentative.

Use this directory to find local, state, and national resources that provide technical - and in some cases financial - assistance to organizations focused on increasing community development in distressed neighborhoods. Federal Reserve Office databases included are:

San Francisco
Alaska
Arizona
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Hawaii
Idaho
Nevada
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