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.

Patty L. Frost
Editor

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Historically, animosity has emanated between universities and their neighbors. College students are commonly stereotyped as extreme “partyers” 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
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 Howard University LeDroit Park Neighborhood Initiative...

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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,

The face of LeDroit Park continues to change since its beginning as a suburban neighborhood over 100 years ago.
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 tabbed 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.

**Doing the Homework**

The 150-block impact area of the Initiative is bounded on the east by North Capitol Street; on the north by Michigan Avenue and Hobart Place; on the west by Sherman and Vermont Avenues; and on the south by S Street and Florida Avenue. The area includes six project zones: the long-established neighborhoods of LeDroit Park, Bloomingdale, and Pleasant Plains; Howard University’s central campus; the Georgia Avenue corridor; McMillan Park Reservoir; the cultural district; and a town center, all of which will require additional consensus building and planning.

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

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.

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In order for the Initiative to be feasible, the plan was divided into three phases. Phase I consisted of converting 45 unoccupied, vacant Howard-owned properties into homeownership opportunities. This phase also includes the redevelopment of 130 other non-Howard owned vacant and boarded properties in the LeDroit Park Historic District and adjacent communities. Progress on this effort in this critical element of Phase I can already be seen. Phase II consists of $25 million in public infrastructure improvements in the area. Improvements will include roadway and alley repaving, and upgrades in lighting, plantings, and signage.

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, through partnerships with its vast network of lenders, Fannie Mae has leveraged nearly $25 million in financing in support of housing development in the Initiative focus area. Key lending partners in the Howard University Initiative include Riggs Bank, SunTrust Mortgage, Industrial Bank, Bank of America, and the D.C. Housing Finance Agency.

Fannie Mae’s range of involvement and investment has included the provision of technical assistance in the conceptualization of the redevelopment plan; the provision of $800,000 in predevelopment loan funding; the assemblage of a syndicate of financial institutions that provided the construction and mortgage financing; and the purchase of $18 million in mortgage revenue 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 just 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.
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.

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