



CED PROFILE BOOKLET

This booklet highlights the range and diversity of economic development and housing development projects that have been implemented by Community Action Agencies across the country. We hope those CAAs who are not engaged in the process get some wonderful ideas from this booklet.

National Community Action Partnership
1020 19th Street Northwest, Suite 700
Washington, D.C. 20036
202-265-7546
www.communityactionpartnership.com

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Introduction

This book was created to highlight the range and diversity of economic development and housing development projects that have been implemented by Community Action Agencies across the country. These examples show the impact in jobs created, housing units developed, and income earned by the CAAs.

Our hope is that CAAs that are not currently engaged in either economic development or housing development projects will be inspired by these examples and will look into starting initiatives of their own. These examples have all been done by peer CAAs, some large, some not, and similar efforts can be successfully carried out in other places as well.

This compilation is meant to be as inclusive as possible of every CAA with an economic development and/or housing development project and will be updated on a regular basis. We invite you to check back periodically for updated information.

The profiles are organized alphabetically by state. A directory, which follows this page, lists the profiles by project type, for easy reference.

DIRECTORY

Commercial Development

1. Chippewa Luce Mackinac Community Action (Michigan)
2. El Centro de la Raza (Washington)
3. KCEOC (Kentucky)
4. Southwest Georgia Community Action

Credit Union

1. Greater Bergen Community Action (New Jersey)

Economic Development Planning

1. Great Lakes Community Action (Ohio)

Farmer's Market

1. Community Teamwork (Massachusetts)
2. Fayette County Community Action (Pennsylvania)

Historic Renovation

1. Mid Michigan Community Action

Housing

Homeownership

1. Anoka County CAP (Minnesota)
2. CAP of Lancaster (Pennsylvania)
3. Community Concepts (Maine)
4. Garrett County Community Action Committee (Maryland)
5. Illinois Association of Community Action Agencies
6. Northeast Iowa CAC
7. Penquis (Maine)
8. Three Rivers Community Action (Minnesota)
9. West Central Minnesota Communities Action

Manufactured Housing

1. Anoka County CAP (Minnesota)
2. Penquis (Maine)

Rental Housing

1. ADVOCAP (Wisconsin)
2. Anoka County CAP (Minnesota)
3. CAA of Butte County (California)
4. Douglas Cherokee Economic Authority (Tennessee)
5. El Centro de la Raza (Washington)
6. Garrett County Community Action Committee (Maryland)
7. Greater Bergen Community Action (New Jersey)
8. Illinois Association of Community Action Agencies

9. Little Dixie Community Action (Oklahoma)
10. Northeast Iowa CAC
11. Penquis (Maine)
12. Southeast Idaho CAA
13. Three Rivers Community Action (Minnesota)

Senior Housing

1. Community Action of Greater Indianapolis (Indiana)
2. Chippewa Luce Mackinac Community Action (Michigan)
3. Northeast Iowa CAC

Self Help Housing

1. Little Dixie Community Action (OK)
2. South Central CAP (Idaho)
3. Southeast Idaho CAA

Small Business Lending

1. ACCORD (New York)
2. ADVOCAP (Wisconsin)
3. CAC of the Lehigh Valley (Pennsylvania)
4. CAP Services (Wisconsin)
5. Chautauqua Opportunities (New York)
6. Community Concepts (Maine)
7. Community Teamwork (Massachusetts)
8. Fresno EOC (California)
9. Great Lakes Community Action Partnership (Ohio)
10. GROW South Dakota
11. Indianhead Community Action (Wisconsin)
12. Little Dixie Community Action (Oklahoma)
13. Louisville Metro Community Services (Kentucky)
14. Maui Economic Opportunity (Hawaii)
15. Pathstone (New York and Puerto Rico)
16. Penquis (Maine)
17. People, Inc. (Virginia)
18. SELF (Ohio)
19. Total Action Against Poverty (TAP) (Virginia)

Small Business Technical Assistance

1. Capstone Community Action (Vermont)

Social Enterprises

1. CAP of Lake County (Illinois)
2. CAP of Lancaster (Pennsylvania)
3. Fayette County Community Action (Pennsylvania)
4. Fresno EOC (California)
5. Garrett County Community Action Committee (Maryland)

6. Greater Bergen Community Action (New Jersey)
7. Oakland Livingston Human Service Agency (Michigan)
8. PACE (Indiana)
9. RECAP (New York)
10. Rural Alaska Community Action Program
11. STEPS, Inc. (Virginia)
12. Utah Community Action
13. Westmoreland Community Action (Pennsylvania)

Tourism

1. Little Dixie (Oklahoma)

ALASKA

Rural Alaska Community Action Program, Inc. (RurAL CAP)

Vision

Healthy People, Sustainable Communities, Vibrant Cultures

Mission

To empower low-income Alaskans through advocacy, education, affordable housing and direct services that respect our unique values and cultures.

The Rural Alaska Community Action Program, Inc. (RurAL CAP), founded in 1965, is a private, statewide, nonprofit organization working to improve the quality of life for low-income Alaskans. Governed by a 24-member Board of Directors representing every region of the state, RurAL CAP is one of the largest and most diversified nonprofit organizations in Alaska.

In the over 50 years since it began, it is difficult to imagine any aspect of rural Alaskan lives which has not been touched in some way by the people and programs of RurAL CAP. From Head Start, parent education, adult basic education, and elder-youth programs, to Native land claims and subsistence rights, energy and weatherization programs, and alcohol and substance abuse prevention, RurAL CAP has left a lasting mark on the history and development of Alaska and its rural Peoples.

From its earliest days to the present, RurAL CAP's success can be attributed to the direct involvement of rural Alaskans in its programs and in the decision making processes which affect their lives, and to the belief in and respect for those Peoples by the board and staff of RurAL CAP.

In fiscal year 2015, RurAL CAP employed 727 Alaskans in 60 communities statewide. RurAL CAP recognizes the unique values and way of life of rural Alaskans. It plans its activities with input from and respect for the people it serves. It follows the belief that rural Alaskan communities have the right to maintain their cultural heritage and close relationship to the land while protecting their economic and human potential.

RurAL CAP accomplishes its mission through programs and services in these ways:

- Advocacy at local, state and federal levels
- Education for early childhood, youth, families, and employees
- Promoting well-being for healthy communities
- Expanding and improving safe energy-efficient housing
- Sustaining a standard of excellence for operational effectiveness for customer and employee satisfaction
- Rural Energy Enterprises (REE) – wholly owned subsidiary

The following is a profile on Rural Energy Enterprises (REE), RurAL CAP's social enterprise focusing on economic development.

HISTORY AND BACKGROUND

Rural Energy Enterprises (REE) is a thriving and successful social enterprise. REE is a wholesale distributor of energy-efficient heating and lighting products. As a wholly-owned, for-profit subsidiary of the Rural Alaska Community Action Program, Inc. (RurAL CAP) REE's mission is *"to ethically make a profit for RurAL CAP with substantial growth. REE promotes energy-efficient and environmentally-responsible products and services that delight its customers."*

REE was created as an outgrowth of a grant-funded energy-conservation program run by RurAL CAP in the 1980s. Through energy fairs, newsletters and displays, the program was promoting the use of compact fluorescent lighting and more efficient heating units in rural Alaska. Eventually this led to opportunities to sell Toyostoves which led to a federal grant to evaluate the feasibility of engaging in a for-profit, energy-conservation enterprise.

Key Services and Products

The energy burden on low-income rural Alaskans (defined as the percentage of total family income spent on energy) is the highest in the country. Many of these families spend more than 50% of their total annual income on fuel. REE reduces this burden and lowers energy costs by selling a variety of high-quality, advanced-technology heating and lighting products. Thus REE's work directly contributes to RurAL CAP's mission to empower low-income Alaskans.

The Toyostove space heater, one of the most fuel-efficient heating systems in the world, can save rural residents \$500-\$600 per year in fuel costs. REE also offers energy-saving oil and gas water heaters, wood stoves, and a variety of energy-efficient products.

As a social enterprise, REE benefits rural communities by creating economic opportunities in remote villages. REE maintains and supports a network of 240 small entrepreneur dealerships in rural Alaska, and more than 120 dealerships in western Canada and the Pacific Northwest.

In the past five years, REE has launched an extensive and concerted training program for its rural dealers so that they can better install and maintain their products and take care of their customers. This investment in training and in maintaining an extensive parts inventory to keep the products working properly and the customers happy, is largely responsible for driving Toyostove's main competitor, Monitor stoves, from the Alaska market. REE has capitalized on this development by adding dealerships and taking over significant market share.

In fiscal year 2015, REE had gross revenue of \$8 million with 90% of the total sales from Alaska. The top selling product was the Toyo Laser Heater.

CED Tools in this Case Study

The goal of REE is to sell products which enhance energy-efficiency, reduce the energy-burden of the low-income residents of the most expensive communities in the country to heat, and to make a profit for its Community Action Agency stockholder, RurAL CAP.

Technically there are 100 shares of stock controlled by the RurAL CAP Board of Directors. The 24-member RurAL CAP Board annually approves the appointment of the 7-member REE Board. The REE Board has the authority to declare a stockholder dividend. In the early years, all REE profits were reinvested in the business to grow the company. In recent years, the REE Board has declared an annual dividend between 25% and 35% of net income. Cumulatively, more than \$1 million has been paid to RurAL CAP in dividends.

Target Population

The participants of this project are the manufacturers and suppliers, the retail dealers, the company vendors, the end user customers, and the employees of REE's international, multi-state wholesale distributorship business.

The manufacturers which make and supply REE with its products are located in Asia, Europe and North America. The dealers are the more than 300 small and medium-sized retail businesses based in Alaska, western Canada and the northwestern US. Company vendors include banks and insurance providers, transportation and shipping companies, advertisers, and office product suppliers. The end customers benefit from using some of the most energy-efficient heating and lighting products in the world. REE provides decent wages and good benefits to a dozen full-time employees.

The planning and implementation of this project is primarily done by the REE Board of Directors and staff. The primary partners of the project include RurAL CAP and the banks that provide the \$3 million line of credit to purchase inventory and the \$1 million mortgage on the central office and warehouse facility.

Project Financing

The initial feasibility study and business plan for Rural Energy Enterprises was funded with a one-time, federal, small-business development grant which was the brainchild of President Reagan's Budget Director, David Stockman. Shortly thereafter the founder of the business convinced two believers of the energy-efficiency cause and the business model to invest \$80,000 in private venture capital to purchase the first container shipment of Toyostoves. "That was before the banks would touch us." Eventually these investors were paid back in full with modest interest. One of them became a founding board member and the other is the current Executive Director of the Community Action Agency.

Today, the company has a net worth of over \$7.5 million.

Project Challenges

Like any small business that goes through the stages of formation through early growth and development to become a \$8 million annual enterprise, the mistakes made and lessons learned are many, foremost among them is that it's okay to take risks, make mistakes and learn from the experience. Perhaps the biggest lesson learned overall was the importance of creating a Board of Directors for the for-profit business separate from the Community Action Agency Board and empowering it to run the enterprise like a business.

Results and Impact

The primary benefit of this project is that it has promoted and provided state-of-the-art, energy-efficient heating and lighting products to tens of thousands of low-income residents in Alaska who experience the highest energy costs (\$10 gallon for fuel) and lowest temperatures (-40° to -60° for much of the winter) in some of the most remote communities in the country. These products have saved low-income Alaskans tens of millions of dollars in fuel costs.

The project furthers economic development by creating and supporting more than 300 small businesses. These small independent businesses are the retailers that sell and service REE products. REE provides them with products, financing, training and technical support.

Other tangible benefits come from the funding REE provides to the RurAL CAP Foundation in the form of an annual donation and to RurAL CAP in the form of an annual shareholder dividend. The Foundation makes small grants to rural nonprofits and local governments. RurAL CAP uses the dividend income to improve cash flow and deliver services.

This project extends the mission of the Community Action Agency into areas of energy-efficiency and small business development well beyond the scope of its grant funded programs. It also adds credibility to the Community Action Agency in the community and with elected officials, state leaders, and banks by successfully competing in the for-profit arena. It provides energy-saving products to Community Action Agency facilities such as Head Start centers and employees in remote communities in rural Alaska. The annual dividend also provides the Community Action Agency with a source of unrestricted income vital for cash flow purposes and the ability of the agency to pursue the purchase of its central office building to reduce space costs on programs and services.

Contact Information

Rural Alaska Community Action Program, Inc. (RurAL CAP)

Acting Executive Director: Patrick Anderson

731 East 8th Avenue

Anchorage, Alaska 99501

Phone: 907-279-2511

Fax: 907-278-2309

www.ruralcap.com

CALIFORNIA

Community Action Agency of Butte County, Inc.

History/Background

The Community Action Agency of Butte County, Inc. was designated as the official anti-poverty agency in January, 1967. In the early years its' operation took the form of a quasi-public entity with members of the County Board of Supervisors serving in fiduciary oversight capacity operating alongside a private non-profit entity with its own Board of Directors for programming purposes. Since 1974 the agency has functioned as a stand-alone private non-profit after the County spun it off.

The CAA has administered a variety of programming over its 50 year existence depending on the need. Initially it operated several neighborhood service centers throughout the County. During that time it has administered several traditional community action activities over extended periods including the Senior Nutrition Program for 35 years, the Surplus Commodities program for over 30 years and the Residential Weatherization Program since 1976.

One program area that the CAA experienced challenges with breaking into was the housing. The needs were there, as in many other communities. There was a small inventory of built affordable housing. The quality of a large percentage of the housing occupied by low-income residents was mediocre at best. There was a steady if not large homeless population comprised of both individuals and families. There was too high of an incidence of substandard housing identified in the Agency's community needs assessments. The Agency's response to these conditions was mixed.

Local resources were few due to the mostly rural nature of the county. There was less vision for the need exhibited by policy makers. There was little use of some of the traditional sources of capital needed to develop affordable housing or other solutions to the various needs for housing. So the Agency did what it could under these circumstances including preservation by purchasing and renting out older housing stock using the State's Emergency Shelter Program to provide housing for homeless or otherwise low-income households. The Agency also performed rehabilitation of the homes of a small number of eligible low-income residents using small portions of the Community Development Block Grant (CDBG) allocations of local jurisdictions. Finally the Agency purchased and operated transitional shelter programming for homeless families using State ESP funds and local CDBG funds.

In the late 1990s the Agency began developing its own vision for expanding its programming. The Agency leadership wanted to be strategic about its organizational development and intentionally determined to move to become an affordable housing developer. It sought to become a HUD-certified Community Housing Development Organization (CHDO) to qualify for allocations from the State's version of the HUD HOME Program for project development. Agency reps then took advantage of multiple sources and types of technical assistance that was designed to provide the tools needed to become a developer.

Following a period of approximately 5 years to learn the processes of becoming an affordable housing developer the Agency completed its first project, The Esplanade House, of 60-units of newly constructed multifamily housing in the City of Chico. The project financing was atypical consisting of a combination of a variety of grants from diverse sources. Completed as an Owner-Builder in 2003 this project continues operation to this day. To build on this experience the Agency allocated ARRA funding to hire a Community Development Project Manager in 2009. This led to the Agency's second affordable housing project, North Point Apartments, about which the rest of this case study is written.

Key Services and Programs

The Agency sought to construct North Point Apartments as more than a source of quality and affordable housing for low-income residents although if that had been all that had been accomplished then it would have met a critical need. The Agency has been providing a variety of place-based services at North Point Apartments that are important to the efforts of low-income people to improve the conditions in which they live and work. These include financial education classes, computer literacy classes at an on-site computer center and asset-building activities through its Volunteers in Tax Assistance (VITA) project. Lastly there are community garden beds used by the residents that were built as part of the project's design. The Agency continues to add to the services and activities that are a natural part of the operation of the project.

CED Tools in this Case Study

The Agency used a variety of tools in the design, construction and operation of the North Point Apartments project. These included: a) hiring a person knowledgeable in the construction field to function as Project Manager, b) hiring a knowledgeable financing consultant in the California Community Economic Development Association (CCEDA), c) renewing its certification as a CHDO and d) hiring a General Contractor from the local community. The combination of these actions demonstrated to potential funders that the requisite technical expertise was being used while also focusing on ensuring that local construction opportunities were maximized.

Target Population

The Agency had identified through its community needs assessments that affordable housing was a severe need for all sectors of the low-income population. But the need was most severe with those segments of the low-income population with the least resources. This included those households with less than 30% and 50% of the Area Median Income (AMI). So the North Point Apartments project was designed to serve very low and very, very low income households.

Project Description

North Point Apartments was designed to be a 50-unit project of newly constructed quality affordable housing. The unit mix was predominantly 2 bedroom units with several one and three bedroom units included. This diversity of unit mix was intended to ensure that the Agency was offering the maximum set of options to address the diverse housing needs of the local low-income population. A 2 bedroom unit was dedicated for use by an on-site property manager. This feature was viewed as key to the ongoing operation and preservation of an asset.

In addition to creating approximately 60,000 square feet of living space the project included a 5,000 square foot community building that housed a laundry facility, resident meeting space and

the resident computer center that was previously mentioned. This space is popular for use by residents for various community activities along with the learning and service activities that were previously mentioned. The project also includes the provision of raised beds for various gardening activities of the residents. These activities are coordinated with the on-site property manager.

North Point Apartments was strategically located between a quality elementary school campus of the local school district and a new large community park that was constructed by the local recreation district. This strategic location, among other factors, was helpful in the project scoring high enough to obtain tax credits as part of the project's overall financing structure. The location has been of immense popularity with both residents and those who would like to be residents. A waiting list is continuously maintained by the property management firm employed to manage the property.

Project Financing

North Point Apartments was financed through several different sources. Initially the Agency used an allocation of HUD HOME funds through the City of Chico's CHDO Set-Aside to acquire the vacant land on which the project would be built. The largest source of financing for the project was the State Tax Credit Allocation Committee that allocated 4% credits through the federal Low Income Housing Tax Credit (LIHTC). The State then matched that tax credit allocation with an allocation of Housing Bonds. These sources were augmented with a residual receipts loan from the City of Chico's Redevelopment Agency (RDA) and an award from the Federal Home Loan Bank's Affordable Housing Program (AHP). The flexibility of the City's RDA financing was key in the predevelopment phase as the funds were used for early expenses to get and keep the project moving. A construction loan was obtained from a local financial institution, Rabobank, which specializes in rural community development activities. This loan was eventually converted to a permanent loan on the property following completion of construction.

Project Challenges

The North Point Apartments project came 8 years after the completion of the Agency's first new construction multifamily project. This is a long time in anyone's book. It attests to the challenges, at least in California, that face a developer of affordable housing. Locating affordable and available property is a perennial challenge. The Agency had sought to preserve additional affordable housing properties both before and after the North Point Apartments but to no avail.

North Point Apartments was also one of the last affordable housing projects that received an allocation of Redevelopment Agency financing in the State of California in 2012. This was the year when the Governor of the State, by law, eliminated redevelopment agencies. Aside from the political implications of such an action the act served to essentially slow any further development of affordable housing down to a crawl. This was because the local RDA funds usually served as gap financing for local housing projects. It was viewed as both beneficial and critical for projects to receive local RDA allocations in order to qualify for any tax credit allocation consideration.

The fact that North Point Apartments was one of the last projects funded partially through critical RDA financing subjected it to more scrutiny than usual because the State was pursuing new and unusual processes to quickly wind down the operations of Redevelopment Agencies across the state. There were points at which it was unclear whether the State would allow the allocation and the project to go forward. In the end the rapid and quality work of the Agency along with the local City ensured that all requirements for executed agreements and more were accomplished in a timely manner and within the timeframes dictated by the State.

Results/Impact

The North Point Apartments has served the intended purposes and then some. The location of the project is on the north end of the City limits of the City of Chico. The creation of housing there helped ensure that public transportation opportunities would continue and expand. It was envisioned by City planners that additional development including residential, commercial and retail would increase in the vicinity of the CAA project and this has, in fact, occurred. So the project has also served to spur needed community economic growth opportunities.

The project itself has exceeded expectations in its operating efficiencies and effectiveness. From a business perspective the investment of effort on the part of the Agency to continue its commitment to be an affordable housing developer was a sound one. The income to the Agency from the \$12 million project was \$1 million in developer fees along with annual cash flow from deferred developer fees over the 15 years that the tax credits remain in the project.

The development of affordable housing is a highly complex and demanding form of programming. The effort requires significant investment in planning, capacity-building and a different horizon for results orientation. But it does place an Agency in a much different light in local communities that need to build local assets in a way that effectively engages local residents. These are hallmarks of community action.

Contact Information

Thomas P. Tenorio, CCAP - Chief Executive Officer, ttensorio@buttecaa.com , (530) 712-2600 X888

Fresno Economic Opportunities Commission (Fresno EOC)

1. History and Background

Founded in 1965, Fresno EOC is one of the largest and most effective poverty-fighting organizations in the country. In 2015, Fresno EOC touched the lives of more than 160,000 residents of Fresno County through programs that make a real, measurable difference. Fresno EOC gives families the immediate help they needed to weather day-to-day crises, and provides innovative programs that motivate, empower, and offer the tools needed for them to become self-sufficient, productive, and prosperous.

The scope of services provided by Fresno EOC are comprehensive; they meet the needs of individuals of all ages in any circumstance.

- Applied vocational training
- Early child development
- Small business lending
- Intergenerational mentoring
- Immigration outreach and referral
- Food and transit services
- Health services
- Charter high schools
- Energy conservation and solar installation
- Nutrition education
- Local enterprise development

Fresno EOC employs 1,200 full and part-time staff members operating over 30 programs that transform lives.

2. CED Tools

- Self-Help Federal Credit Union (in partnership with Fresno EOC)
- Business coaching, startup, expansion, and access to capital (Fresno Community Development Financial Institution – Fresno CDFI)
- Social enterprise (Nielsen Conference Center; Food Production, Catering, Café EOC, and Home Delivered Meals; Transit Systems; Vehicle Detailing; Technology Consulting;

Construction and Solar; Landscaping and Grounds Maintenance; and full scale industrial recycling)

3. Target Population

- Fresno EOC services target Fresno County’s 1 million residents.
- Fresno Community Development Financial Institution (CDFI) provides financing and training for low-to-moderate income entrepreneurs in a 14-county region in central California. This region is made up of the counties of San Joaquin, Stanislaus, Merced, Mariposa, Madera, Tuolumne, Fresno, San Benito, Monterey, Kings, Tulare, Mono, Inyo, and Kern.
- Food Services reaches the counties of Fresno, Madera, and Tulare.
- Solar installation services target nine counties throughout the state of California: Fresno, Kings, Kern, Madera, Merced, Sacramento, Los Angeles, Orange, and Tulare.

4. Social Enterprise Portfolio

Fresno Community Development Financial Institution (CDFI)

Fresno CDFI provides financing and training for low-to-moderate-income entrepreneurs. Since its inception in 2009, CDFI has helped hundreds of entrepreneurs realize their dreams.

- Micro-enterprise loans of up to \$50,000 help micro-enterprise businesses start or expand.
- Enterprise loans of up to \$300,000 target innovative small businesses and social enterprises that need capital for strengthening or expanding. Special consideration is given to ‘green’ and/or job-creating applicants.

Results/Impact:

Since 2009, a total of \$20 million in capital has been deployed to 378 businesses.

Distribution of Capital:

- 66% to minority entrepreneurs
- 66% to low-income communities
- 29% to businesses in rural areas
- 29% to startup businesses
- 6% to veterans
- 859 jobs created
- 1,696 jobs retained

Transit Systems

Transit Systems is a Consolidated Transportation Service Agency (CTSA) that provides safe, reliable transportation by promoting improved coordination and consolidation of available resources.

From mid-2015 through mid-2016, Transit Systems generated \$8,620,000 in revenue.

Transit Systems provides the following transportation services throughout Fresno County:

- Accessible bus transportation for the elderly and disabled.
 - Dial-a-Ride and fixed route services to 15 rural communities in Fresno County.
- School transportation for children in Fresno EOC's Head Start Program.
- Fieldtrip services for agencies and nonprofits.
- Meal-delivery services for the Congregate/Home-Delivered Meal Program, children in the Head Start Program, and the Summer Food Service Program.
- Comprehensive exterior/interior fleet detailing service.

Results/Impact:

In 2015, Transit Systems served an estimated 355,927 unduplicated riders. Nearly 3,000 passengers (approximately 500 of whom are developmentally disabled) were transported each weekday, and 7,000 meals were delivered each weekday.

Food Services

Fresno EOC is a food service contractor that provides a wide variety of meals to the community. Its 10,000-square-foot facility is capable of producing 12,000 meals per day. Food Services has a registered dietician and chef on staff.

Food Services prepares and delivers nutritious meals that meet designated requirements to senior citizens participating in congregate meal programs throughout Fresno and Madera Counties. Homebound seniors receive meals delivered weekly in Fresno and Tulare Counties.

Head Start children receive breakfast, lunch, and snacks that are prepared and delivered to centers throughout Fresno County. Meals are also prepared for charter schools, social-service agencies, adult daycare centers, students in summer and after-school programs, hospitals, and corporate cafeterias.

In 2015, Food Services generated \$4,754,000 in revenue.

Results/Impact:

7,000 meals are prepared and delivered throughout Fresno County each weekday. In 2015, Food Services provided meals for an estimated 326,342 unduplicated people.

Café EOC

Café EOC is a social enterprise that includes an on-campus employee cafeteria and catering services. The Café opens each weekday at 7:30 a.m. and is a social place for EOC employees and the general public to enjoy breakfast, lunch, or snacks. A variety of beverages are available, along with cold and hot food. Employees are issued a loyalty card that offers discounts, and arrangements can be made for payroll deductions if an employee desires.

Café EOC Catering is the preferred caterer for municipalities, nonprofits, and other agencies throughout the county. It is staffed by a catering coordinator. Approximately 15 catering events are booked each day. In 2015, Café EOC generated \$61,700 in revenue.

Results/Impact:

The Café EOC Employee Cafeteria generates revenue from an average of 150 transactions each day. Five employees coordinate the operations of Café EOC. In 2015, Café EOC served an estimated 87,433 unduplicated people.

Nielsen Conference Center

The Nielsen Conference Center is a state-of-the-art meeting space. It includes integrated projection, surround sound, and wireless internet access. The spacious room is ideally suited for business meetings, conferences, training sessions, receptions, family gatherings, and fundraisers. The multipurpose room can hold up to 120 in theater-style seating. The on-site chef serves everything from continental breakfasts to formal dinners.

Results/Impact:

The Nielsen Conference Center is booked an average of four days per week and generates revenue from the catering of meals. One full-time catering coordinator position was created in 2015, and approximately one full-time equivalent employee handles production and delivery. In 2015, the Nielsen Conference Center served an estimated 11,039 unduplicated people and generated \$24,991 in revenue.

Home-Delivered Meals

Prepares and provides weekly deliveries of seven nutritious frozen meals. Many customers are adult children of elderly parents who want their parents to have healthy and nutritious meals available to them.

Results/Impact:

This new enterprise has generated 45 customers and is growing each day. Approximately 315 meals are sold to the public each week. In 2015, Home-Delivered Meals served an estimated 195 unduplicated people and generated \$23,466 in revenue.

Technology Consulting

Advises organizations about maximizing their use of current technology and recommends improvements to help organizations reach their goals.

Results/Impact:

In 2015, Technology Consulting generated \$5,500 in revenue by helping organizations determine the technological capacity needed to support their long-term goals. For example, Fresno EOC's weatherization subcontractor needed assistance with upgrading hardware, software, telecommunications, surveillance capabilities, and email collaboration. Technology Consulting was able to reduce the subcontractor's hardware footprint and manage email software by migrating the organization over to small-business services capable of handling its needs. This reduced the cost of monitoring hardware and power consumption. A new IP surveillance system was installed, and the subcontractor upgraded to more reliable and easily-accessible cameras. The new surveillance system has drastically reduced equipment theft in the subcontractor's facility.

Construction & Solar

Construction and Solar provides crew-based, contracted project work in construction and residential solar installations.

Results/Impact:

The Solar Photovoltaic Program is offered to low-income residents of nine California counties. The state currently funds the program in the amount of \$10.5 million. In 2015, approximately 133 residential solar systems were installed throughout six counties.

Landscaping & Grounds Maintenance and Public Lands Conservation & Maintenance

In 2015, the Landscaping and Public Lands programs operated with \$1,240,000 in combined funding.

Landscaping & Grounds Maintenance

Provides crew-based, contracted landscaping and grounds maintenance services for public and nonprofit organizations.

Results/Impact:

This social enterprise has the full complement of grounds maintenance tools and equipment. It has trained thousands of at-risk youth (ages 18 to 24) in the industry.

Public Lands Conservation & Maintenance

Provides crew-based, contracted conservation and grounds maintenance services on public lands.

Results/Impact:

Engages at-risk youth in public lands conservation, mitigation, and enhancement services.

Recycling

Offers comprehensive recycling services to schools, businesses, residences, hospitals, and public institutions. Services cover recyclable beverage containers, e-waste, oil, and tire recycling. A 10,000 sq ft mechanized staging and processing center also bales products for sale.

Results/Impact:

Generates over \$150,000 a year in net income. Creates jobs for over 20 employees. Also provides environmental education to students of all grades throughout Fresno and Madera Counties.

Fresno Economic Opportunities Commission contact information:

Brian Angus, Chief Executive Officer
1920 Mariposa Mall Suite 300
Fresno, CA 93721
(Office) 559-263-1010
www.fresnoeoc.org

GEORGIA

Southwest Georgia Community Action Council, Inc.

Community Economic Development Entrepreneurship and Innovation Project
“The Complex that Opportunity Built” in Southwest Georgia

History/Background

Emerging from a group of concerned citizens acting as an interagency council, Southwest Georgia Community Action Council, Inc. (SW GA CAC), was chartered on September 27, 1965, as a 501(c) (3) private nonprofit agency and now employs nearly 600 individuals and serves 21 counties through an annual budget of approximately \$30 million. The Agency is headquartered in Moultrie, Georgia, and its mission is to administer to the needs of the community by helping citizens attain and maintain self-sufficiency. Services are provided through a network of 12 Neighborhood Service Centers and 22 Head Start Child Development Centers.

In 2011 SW GA CAC was named a winner of a Community Action Partnership-National Entrepreneurship and Innovation award in the Community Revitalization and Investment category for its innovative work in acquiring and developing a former strip mall into office space to house the Agency’s headquarters as well as offer rental space for retail tenants.

Key Services and Programs

Three major service categories define the array of services provided by the Agency:

Community Services

- ◆ Comprehensive Case Management
- ◆ Emergency Services
- ◆ Low Income Home Energy Assistance Program (LIHEAP)
- ◆ Senior Nutrition (home delivered and congregate meals)
- ◆ Food Pantries
- ◆ Transportation
- ◆ Youth Day Camps

Housing and Energy

- ◆ Housing Preservation
- ◆ Housing Counseling
- ◆ Minor Housing Repairs
- ◆ Weatherization

Child Development

- ◆ Early Head Start
- ◆ Head Start

CED Tools in this Case Study

- ◆ Formation of arms-length property holding corporation
- ◆ Tax exempt revenue bond financing
- ◆ Conventional bank financing
- ◆ Property management

Target Population

The objective of the project was to improve the facilities from which all services are offered, culminating in a facility to house headquarters staff that is comparable to the facilities of top professional businesses and organizations. As a result, all clients seeking services and vendors seeking to do business derive benefit from the facility.

Project Description

This project was many years in the making. Strategies were put in place by SW GA CAC's CEO at the time, Myrtis Mulkey-Ndawula, a visionary who made a commitment to obtain (first by rental, then by ownership) decent and affordable facilities from which to offer services, starting in 1986 with the formation of an arms-length property holding corporation (Right Directions, Inc.). This corporation was established for the purpose of assisting the Agency in enhancing its service delivery and administration from decent, yet affordable facilities. The early years of working through the arms-length corporation provided unique opportunities to acquire property that could produce income to enhance programs and services and upgrade facilities. Bankers, attorneys, and auditors have applauded the Agency for its financial foresight, integrity and financial stability as a result of this project.

In September of 2006, Right Directions, Inc., successfully negotiated a deal to purchase a 45,000+ square foot abandoned retail strip mall, with 39,000 square feet renovated for office/warehouse space, and 6,000 square feet made available for retail rental space. No time was lost in searching for ways to obtain the 8,300 square foot building (that was a former CVS Pharmacy) adjacent to the aforementioned property due to its attractiveness for training and conference needs of the Agency. Months of negotiations with the owner resulted in the donation of this structure to the corporation. The structure was retrofitted for a much needed training and conference center designed to accommodate up to 800 people.

The purpose of the project was to consolidate all headquarters operations to a single site, to provide attractive work space for staff and programs, to eliminate the need for and expense of rented warehouse space, to expand service capacity and provide space for future growth, to provide increased paved parking for corporate offices, to increase corporate visibility, and to attract partners who share our mission. Moreover, this was an opportunity to impact the local economy by revitalizing a vacant downtown property.

Project Financing

With the help of the local Economic Development Authority, tax exempt revenue bond financing was secured to acquire the property. Conventional bank financing was secured to fund renovation of the property. Local funding generated through the property holding corporation was utilized to provide furnishings and equipment. The bond financing for acquisition provided a less expensive alternative to the interest rates available through a conventional loan. The conventional bank financing for renovation was later refinanced to take advantage of lower interest rates and provide further savings.

Project Challenges

The process of securing bond financing was very lengthy and required extensive documentation. The Colquitt County Economic Development Authority and the Joint Development Authority of Colquitt, Grady, Mitchell and Thomas Counties provided guidance and support which enabled the bond financing to be secured.

The CEO, with assistance from key management staff, served as the Project Director as a cost saving measure and to ensure that the facility was developed to meet the Agency's needs and requirements. Managing the project while maintaining the day to day activities and services required to continue Agency operations necessitated strict time management and the commitment of many extra hours of work.

The project was also slowed early in the renovation phase by a change from the use of an architect to a design/build contractor to oversee renovations.

Results/Impact

A prominent downtown business location that was basically dormant was revitalized and is now the scene of vibrant activity. All available rental space is now occupied, contributing to the local tax base and producing unrestricted income for the corporation. Tenant businesses have seen their activity increase at a steady pace. The location is ideal to benefit the entire community, including the low-income community, since the location sits at the hub of the shopping and service area where many conduct their routine shopping and other business. Furthermore, the Agency's community profile has been elevated as a result of the venture. The training and conference center has become a choice spot for other service agencies to hold meetings and for the general public to schedule events. Collaborative partners routinely request to hold meetings within the various conference rooms throughout the building. The business community has had an awakening not only to the social value of the organization, but to its economic impact as well. Clients exhibit a sense of pride in and appreciation for the suitable accommodations which include a relaxing and pleasant atmosphere in the lobby and privacy when being interviewed for services.

Staff morale skyrocketed because staff are proud of their place of work. Moreover, ample space is available for growth. In-house accommodations for meetings are available without having to seek inconvenient and costly rental space elsewhere for larger meetings. Expansive in-house warehouse space is available; hence warehouse costs dramatically decreased while realizing

more efficient warehouse oversight. Communication among departments improved due to all departments being housed under one roof. Increased and enhanced partnerships are also evident.

This project was many years in the making dating back to the 1980s with the formation of the arms-length property holding corporation. Working with the vision of property ownership in mind, the Agency now pays rent for only four (4) of 22 Head Start Centers and four (4) of 12 Neighborhood Service Centers. One (1) Neighborhood Service Center and five (5) Head Start Centers and have been constructed in support of our efforts by accessing Community Development Block Grant (CDBG) funding along with matching funds committed by local elected officials.

Contact Information

Mr. Randy Weldon, CEO
Southwest Georgia Community Action Council, Inc.
P. O. Box 3728 / 912 1st Avenue S. E.
Moultrie, Georgia 31776-3728 / 31768
Telephone: 229-985-3610 / 800-642-3384
Fax: 229-890-1056
E-mail: rweldon@swgacac.com
Web: www.swgacac.com

HAWAII

Maui Economic Opportunity Inc. (MEO)

Maui Economic Opportunity Business Development Center (MEO BDC)

1. History/Background

Maui Economic Opportunity, Inc. (MEO) is a private nonprofit Community Action Agency established in 1965 under the Economic Opportunity Act of 1964. MEO is Maui County's only designated anti-poverty agency serving the tri-island county.

MEO's mission is to strengthen the community by helping people in need restore their hope, reach their potential and enrich their lives. MEO provides services to low-income individuals, seniors, disenfranchised, youth and persons with disabilities throughout Maui County, operating under five departments:

Early Childhood Services: The Kahi Kamalii Infant and Toddler Center provides quality early childhood services year round for children one to three years of age. Qualified caregivers work with the same children each day to promote continuity of care. The County of Maui provides supportive funding to keep costs affordable for income eligible families, teen families, and families with children receiving early intervention support through IMUA Family Services.

Head Start, a national program, supports the entire family in achieving stability and promotes school readiness by enhancing the social and cognitive development of children through education, health, nutrition, social and other services to eligible children and their families.

Community Services: Offers an array of services assisting individuals and families throughout the county.

- The Senior Community Service Employment Program enrolls seniors 55 and older with little or no work experience in a paid on-the-job training program, later moving them into unsubsidized employment in a variety of fields including healthcare, education, hospitality, landscaping and more.
- Rental Assistance helps low-income individuals and families at risk of becoming homeless by providing the first month's rent and a rental subsidy for up to six months, ensuring their living situation is stable.
- The Low Income Home Energy Assistance Program (LIHEAP) assists eligible low-income households with their heating and cooling energy costs, bill payment assistance and energy crisis assistance.

- The MEO Senior Red Card provides seniors age 60 and older with discounts on food and merchandise at establishments throughout Maui County.
- The Senior Planning and Coordinating Council assists 54 senior citizen clubs representing more than 1,100 seniors with organizing, recruitment and membership enrollment, advocacy, education and social activities and events.
- The Senior Farmers' Market Nutrition Program provides low-income seniors with eligible fresh produce with the goal of improving their health and nutritional status. Each senior receives coupons to exchange for fresh, nutritious and unprocessed locally grown fruits, vegetables, herbs and honey from an authorized farmer or farmers' market.
- Persons in Need 60 Plus assists low income individuals 60 and older with income at or below 125% poverty level in achieving economic security through supportive services, including subsidies for hearing aids, glasses, scooters and dental work.
- The Being Empowered and Safe Together (BEST) program assists incarcerated individuals reintegrate into the community, providing training and supportive services, and job placement, while promoting public safety.
- Enlace Hispano serves the Hispanic/Latino community providing education, translation and advocacy, and acculturation.
- The National Farmworker Jobs Program (NFJP) provides job training, employment assistance, and other supportive services to migrant and seasonal farmworkers and their dependents with the goal of helping farmworkers secure full-time employment and stabilize families.

Business Development Center: The Business Development Center (BDC) assists small business entrepreneurs with business plan training, credit assessment, and microloans for startup and expansion. A key component is our CORE FOUR course offered several times a year on Maui, Molokai and Lanai. Designed for entrepreneurs, this six-week course spans 36 hours of engagement, offers opportunities for networking and helps participants to develop a business plan.

Transportation Services: MEO transportation began in 1969 in response to a community needs assessment. MEO transportation eliminates mobility barriers for low-income, disadvantaged individuals, persons with disabilities, seniors, and youth. This vital service improves their quality of life, eliminates barriers to employment, prevents youth from participating in risk-taking behavior, and leads to economic security for individuals and families.

MEO operates MEO Human Services Transportation and Paratransit Services. Human Services provides specialized service, to include door-through-door service, to the most vulnerable clients and offers rides to individuals who live outside the Paratransit Service area. Paratransit Service is operated complementary to the Maui Bus fixed routes, providing curb to curb service for persons with disabilities living within three-quarters of a mile from the fixed route. MEO provides rides 365 days a year from 4:00 a.m. to 11:00 p.m. with a fleet of more than 100 vehicles.

Youth Services: Provides evidence-based education programs and activities for youth 11 to 18 years old in central Maui intermediate and high schools. Prevention activities include substance abuse and alcohol use prevention, cyber bullying, teen suicide and life and career skills training, along with gender specific programming. Youth also participate in out of school service learning and leadership activities and projects focused on community involvement, acculturation development, and cultural awareness.

The MEO Business Development Center (MEO BDC), a microenterprise program within Maui Economic Opportunity, Inc. has provided microenterprise loans, business planning classes and credit/business consultation services to residents of Maui County since 1996. It became the first microenterprise program introduced to Maui County residents as a result of an identified need during the MEO tri-annual Community Needs Assessment project. The center augmented its services by establishing community partnerships to enhance service delivery and affect change.

MEO BDC's purpose is to alleviate poverty and increase economic activity and employment throughout Maui County. The center operates under a grant from the County of Maui, Office of Economic Development, and administers three loan funds which allow for the lending component of the micro lending program:

1. An established line of credit with a major local financial institution. The low interest line of credit is provided to MEO BDC using community reinvestment funding. MEO BDC in turn uses the funding to support business start-ups and expansions ranging from \$5,000 to \$50,000.
2. A donation of \$1,000,000 to promote economic development on the island of Lana'i. The Agape Foundation funding is used to assist any resident or business on Lana'i with any aspect of starting, or running a successful business. Individuals and business have access to business plan training through CORE FOUR, or one on one technical assistance. Other support is available through a revolving loan fund, with loans up to \$30,000 for business startup or expansion.
3. A Hawaii Community Foundation "Hookupu" revolving loan fund for small business emergency business needs.

2. Geographic Area/Population Served

Maui County consists of three islands, separated by ocean: Maui, Molokai and Lanai. The county government of Maui County is found in the county seat of Wailuku on the island of Maui.

With a total 6,211.65 sq. km of land and water area, Maui County is the 246th largest county equivalent area in the United States. Home to 163,019 people, Maui County has a total 71,118 households earning \$63,512 on average per year. Given Hawaii's relatively high cost of living, many families find it hard to get by and fulfill their daily needs without taking on additional jobs or finding assistance.

MEO BDC's target population is low to moderate-income individuals who typically have poor or no credit, and do not have access to traditional lending/credit sources, but are seeking help towards becoming economically self-sufficient.

3. Key Services and Programs

MEO BDC administers three loan funds as noted above which allow for the lending component of the microlending program. These lending accounts are a combination of funds that have been provided to MEO BDC either as a loan or as a grant for purposes of community economic development.

In addition to micro lending, MEO BDC provides comprehensive training and technical assistance to help businesses succeed and thrive, which includes:

- CORE FOUR: Entrepreneur training classes, focusing on business plan training, comprised of a 36-hour course called CORE FOUR.

Developed by the Northeast Entrepreneur Fund, Inc., The CORE FOUR Business Planning Course® teaches aspiring or existing business owners the information and skills they need in four fundamental or "CORE" elements of business planning:

- Plan for business success
- Plan to meet the needs of the marketplace
- Plan the business cash flow needs
- Plan how the business will operate

Starting with a business idea, the CORE FOUR Business Planning Course® is used to plan a business in real time. As students and entrepreneurs learn by doing, they see the business idea evolve as they build the details.

Statistics show that a strong, well-researched business plan increases the likelihood of success. Entrepreneurs save time and money by making mistakes up front and on paper instead of after they invested in their business.

Classes are held on an ongoing basis, throughout the year, on Maui, Molokai and Lanai and tuition payment assistance is available and even waived for many of the students, depending on where they fall within the Federal Poverty Guidelines.

- Be Strategic: MEO BDC provides ongoing technical assistance for start-up businesses and peer-to-peer assistance to existing small businesses through the Be Strategic peer-to-peer business owner's workshop program.

Be Strategic is designed to help businesses that are struggling to find out why their business is not more profitable or why there is little or no growth in their business. MEO BDC holds workshops once a year on Maui, Molokai and Lanai.

- Credit Assessment and Evaluation: Credit assessment and credit evaluation are provided to individuals that specifically address credit problems and issues found to be barriers to capital for starting up or expanding a small business.
- Business Plan Assistance: Technical assistance includes business plan review which helps clients work on specific aspects of their business plan.
- Ongoing Technical Assistance: MEO BDC assists clients in preparing their loan application and continues to offer technical assistance through the life of a client's microloan. This technical assistance includes areas such as cash management, accounting, and marketing.

MEO BDC also keeps an eye toward the future by providing financial literacy training throughout the year for Maui County youth, as some of them will be the business owners of tomorrow.

4. Outcomes/Impact

Since inception, MEO BDC has:

- graduated nearly 3,000 individuals from its CORE FOUR business planning course, with the majority of these individuals being low income, minority, Native Hawaiian, veteran and disabled individuals;
- assisted 741 enterprises through micro lending;

- administered a total loan portfolio of more than \$5.1 million dollars;
- created and retained more than 1,000 jobs, which includes more than 700 jobs for minorities and 500 jobs for women;
- provided pre-loan technical assistance to all loan applicants and post-loan technical assistance to all loan recipients; and
- provided a financial literacy course to nearly 450 Maui and Moloka'i high and middle school students over the past three years.

Eight out of ten businesses that receive financial assistance from MEO BDC remain viable after two years of their initial loan assistance.

6. Case Studies

Blue Hawaii Jewelry

Through her handmade boutique jewelry business, Blue Hawai'i Jewelry LLC, owner Maureen Bacon created custom jewelry as a hobby over the last few years. But this wasn't enough. Maureen wanted to take her passion and see if it could be turned into a real money making business.

Maureen went through the CORE FOUR program in March of 2017. Armed with a plan on how she wanted to build the business, Maureen began the process of putting all the pieces together. Maureen would continue using her production studio in her home, adding labor when needed as the business started to grow.

After training, Maureen was able to take her designs island wide and land a handful of accounts in different boutiques and upscale clothing stores. By late 2017, Maureen arrived at the point with production where she needed additional help.

Since most of her sales were one off designs, she had to teach assistants how to create the looks she wanted. Maureen also participated in the Made on Maui Festival in 2017 which brought more clients and increased her name recognition in 2018. Blue Hawaii Jewelry has slowly built the business to have three part-time associates and Maureen remaining as the main artist creating the unique jewelry pieces for which she is now known.

Blue Hawaii Jewelry sales exceeded \$100,000 in 2018 and was one of the top vendors participating in the Made on Maui Festival featuring more than 140 local vendors.

Truth Excavation LLC

Kimo Clark came to MEO in 2011 for a \$25,000 microloan to purchase a Caterpillar Backhoe to expand and strengthen his new business, Truth Excavation LLC.

Kimo started Truth Excavation LLC in late 2010, building the business from scratch. Kimo had a background in site work and excavation from a previous employer who had to close his business due to the economic downturn in 2010, leaving Kimo unemployed as a young father. Kimo knew he had what it took to build a successful excavation business in a very challenging Maui market.

In the first year, Kimo was able to acquire a small used dump truck and trailer using only business cash flow from the limited jobs he was able to land. The missing piece of the puzzle was to be able to purchase a backhoe, instead of renting, to be able to go after larger jobs and have increased cash flow. With the increased cash, he would be able to slowly build his equipment inventory to meet his customers' needs and grow his business.

Kimo received the \$25,000 microloan from MEO Business Development Center in November of 2011 and has not looked back. Kimo has been able to build on existing relationships with Maui contractors for whom he had previously done work. With business reinvestment, Kimo has grown his equipment fleet to more than 15 pieces of equipment, creating six full time positions.

Truth Excavation LLC had an annual gross income of over \$5 million in 2017. Kimo paid his loan off with MEO in April 2014.

Truth Excavation LLC was the winner of the 2018 Maui County Mayor's Small Business Award of Excellence for Businesses with Fewer than 10 Employees.

7. Challenges

In today's current economic environment, and with technology in the palm of your hand one of the challenges facing established micro lenders is the ease of a small businesses acquiring a loan from an online lender. The problem is the high cost of borrowing this money, and truth in lending disclosure information being very vague at best, this type of lending becomes predatory. The majority of small businesses cannot afford the cost of this money and will eventually be forced to close and liquidate assets. It is easy to get in and impossible to get out.

MEO BDC works with community partners to educate individuals and businesses about the dangers of online lending.

Maui Economic Opportunity, Inc. and MEO Business Development Center contact information:

Debbie Cabebe, Chief Executive Officer
David Daly, MEO BDC Program Director
P.O. Box 2122
Kahului, HI 96733

(Office) 808-249-2990
debbie.cabebe@meoinc.org
david.daly@meoinc.org
www.meoinc.org

IDAHO

South Central Community Action

History and Background

South Central Community Action Partnership (SCCAP) is a non-profit Community Action Agency located in Twin Falls, Idaho. Established in 1967, SCCAP was originally formed to operate area Head Start programs. SCCAP has also assisted many organizations become non-profits. In 1988 we received funds to provide service for emergency shelter to area homeless which helped us form the Homeless Shelter Task Force in 1990, and evolved into Valley House Coalition that finally established Valley House Shelter for homeless families in 1995. Other organizations that SCCAP assisted in becoming their own entity include the Boys and Girls Club in 1992 and the Regional Housing Council in 1995.

SCCAP's programs provide services on average to more than 22,750 individuals annually to those who are economically disadvantaged throughout the 8 counties we serve. SCCAP's core programs include the Community Services Block Grant Programs offering assistance to the economically disadvantaged by way of information and referral, Family Stability, Homeless Prevention, Veteran's Services, Family Development and Food Assistance. Energy Assistance provides a seasonal benefit to people who meet 150% of the Federal Poverty Guidelines with their winter heating costs. Weatherization provides energy conservation services to elderly and disabled at 200% of poverty.

In 2009, SCCAP acquired the Mutual Self Help Housing Program formally run by Mercy Housing. Since then the Self Help Housing program has assisted 44 families with making their dream of homeownership a reality. This program is a group build method where families and individuals come together under the guidance of our Construction Supervisor to build their own homes. Families build 65% of the homes themselves by committing 35 hours per week with friend and family volunteers. By putting in "sweat equity" the family does not have to come up with a down payment and moves into their new home with an instant equity of generally \$20,000 to \$30,000. USDA Rural Development provides the loans to qualifying families with interest as low as 1%.

SCCAP offers the following key services and programs:

- Emergency Assistance/Family Stability ~ CSBG/TEFAP
- Energy Conservation ~ DOE WAP, HHS LPW & Utility Companies
- Affordable Housing ~ USDA/Rural Development, HUD & Idaho Housing & Finance Association
- Heat Bill Assistance ~ HHS/LIHEAP
- Veterans Services ~ Veterans Administration SSVF

Community Economic Development Tools in this Case Study

- Community Volunteerism w/ Churches, Boy Scouts, Businesses
- Business Financial Support from Banking Industry

- Community Frameworks & Self Help Homeownership Opportunity Program (SHOP)
- Rural Community Assistance Corporations (RCAC)
- Community Council of Idaho Youth Build (Dept. of Labor Work Force Innovation)

Project Description

Mutual Self- Help Housing is the only federal program that combines “sweat equity” homeownership opportunities with technical assistance and affordable loans for America’s rural families. Self -Help Housing families join together on nights and weekends to build each other’s homes, earning equity, decreasing construction costs, and making lasting investments in their community.

Self- Help encourages self-reliance and hard work. Self -Help is a group build method. Families frequently contribute more than 1,000 hours on nights and weekends to build each other’s homes; friends and family may help but no one moves in until all the homes are complete. Self - Help Housing expands affordable homeownership with affordable mortgages and savings from “sweat equity,” some of rural America’s families can become homeowners.

Target Population

Serves those with the greatest needs and is exclusively targeted to income eligible families, working families who are otherwise unable to access clean, decent, and affordable housing. Over half of all participants are minority households, a population that typically faces greater barriers to affordable housing. Our target population are families that are 50% to 80% of the area medium income guidelines. SCCAP currently has 23 solid applications and over 20 pending applications of potential new homeowners waiting to receive this program.

Results and impact

Responsible homeownership continues to be the single best, long term investment for most Americans and the principle way families build wealth.

Over \$6.5 million invested in Self Help Housing Development under SCCAP.

Self-Help Housing strengthens rural communities and promotes stronger civic commitments and community ties. Lifetime relationships are forged and neighbors share in the responsibility for their neighborhood. Self- Help Housing children are also more likely to be active in their communities, graduate from high school, attend college, and become homeowners themselves. Under this program, families access affordable and sustainable USDA Section 502 Direct loans.

Since 2010 SCCAP has assisted 44 families to build their own homes. Currently SCCAP is preparing to build 14 more homes and construction will begin with 7 new families building their own home beginning in April, 2017 allowing them to reach the American Dream of homeownership.

Project Financing

The Self Help Housing Program is funded primarily from USDA/Rural Development. We also receive HUD/SHOP funding through Community Frameworks as well as non-federal funds from our local community. We also receive Technical Support from RCAC.

Contact

Ken J. Robinette
Executive Director
South Central Community Action Partnership
PO Box 531, 550 Washington St. South
Twin Falls, ID 83303
208-733-9351 ext.1002

Southeast Idaho Community Action Agency

History and Background

Southeast Idaho Community Action Agency, (SEICAA) is a private non-profit Community Action Agency located in Pocatello, Idaho. Officially incorporated in 1969, SEICAA was originally formed with a volunteer ran home delivered meals program in 1963. SEICAA has also assisted many organizations become non-profits. In 1990 under a partnership with the Southeastern Idaho Freedom Birds, SEICAA opened a transitional shelter with the capacity to house eight homeless veterans that has since expanded into a two facility, 15 bed capacity coupled with intense case management program. Other organizations that SEICAA assisted in becoming their own entity include the Aid for Friends homeless shelter in 1981 which remains a high functioning homeless shelter today that is currently in the process of expanding and opening a new shelter that provides expanded services to area homeless. Pocatello Regional Transit (PRT), as it is known today, originated with the South Eastern Idaho Community Action Agency's (SEICAA) creation of a targeted and limited door-to-door service for senior citizens in 1972. This one bus system, using an old surplus army vehicle, was known as Tello Bus. Throughout the 70's the service capability and area expanded to include senior bus service in Pocatello and some areas of Bannock County. Title IIIB, state senior citizen transportation funding along with Bannock County, City of Pocatello and SEICAA financial assistance represented the operational and capital foundation until 1978. This was also the year that the system was able to extend service to include persons with disabilities regardless of age.

SEICAA's programs provide services on average to more than 20,000 individuals annually to those who are economically disadvantaged throughout the 7 counties we serve. SEICAA's core programs include the Community Services Block Grant Programs, aiding the economically disadvantaged by way of information and referral, Family Stability, Homeless Prevention, Veteran's Services, and Family and Asset Development. Energy Assistance provides a seasonal benefit to people who meet 150% of the Federal Poverty Guidelines with their winter heating costs. Weatherization provides energy conservation services to elderly and disabled at 200% of poverty. Affordable Housing programs thru HUD.

In 2004, SEICAA began the Mutual Self-Help Housing Program. Since then the Self-Help Housing program has assisted 91 families with making their dream of homeownership a reality. This program began as a group build method where families and individuals come together under the guidance of our Construction Supervisor to build their own homes along with other members of the building groups. The program later became an individual build and named the Self-Help Housing Program (SHHP). The program encompassed a limited "sweat equity", also referred to as "labor contribution" model. By putting in "sweat equity" the family does not have to come up with a down payment and moves into their new home with an instant equity of generally \$20,000 to \$30,000. Gap subsidies administered through SEICAA coupled with USDA Rural Development as well as local lending institutions provide the loans to qualifying families with interest locked in at the current lowest percentage.

SEICAA offers the following key services and programs:

- Emergency Assistance/Family Stability ~ CSBG
- Energy Conservation ~ DOE WAP, HHS LPW & Utility Companies
- Affordable Rental and Homeownership Housing ~ USDA/Rural Development, HUD & Idaho Housing & Finance Association, Community Frameworks (Self-Help Opportunity Program (SHOP))
- Energy Bill Assistance ~ HHS/LIHEAP
- Veterans Services ~ HUD-Emergency Solutions Grant (ESG), CSBG (for case management)

Community Economic Development Tools in this Case Study

- Community Volunteerism
- Business Financial Support
- Community collective impact task forces and coalitions
- Community Frameworks & Self-Help Homeownership Opportunity Program (SHOP)
- Idaho Housing and Finance Association (IHFA), Continuum of Care (CoC)

Project Description

Self-Help Housing Program (SHHP)

Self-Help Housing is the only federal program that combines “sweat equity” homeownership opportunities with technical assistance and affordable loans for America’s families. Self-Help Housing families work on nights and weekends to complete limited sweat equity in their homes, earning equity, decreasing construction costs, and making lasting investments in their community. Families frequently contribute more than 1,000 hours on nights and weekends to the construction of their home; friends and family may help out to increase efficiencies in the overall construction timeline. Self-Help Housing expands affordable homeownership with affordable mortgages and savings from “sweat equity,” so that America’s families can become homeowners.

Affordable Rental Housing Program

SEICAA owns and operates 145 units of affordable rental housing. Coupled with various programs and funding such as; Continuum of Care and Section 202, funded through Idaho Housing and Finance Association, the State of Idaho’s HUD pass through entity, SEICAA’s Affordable Rental Housing program strives to preserve, protect, and expand safe and affordable housing opportunities for low-to moderate- low income community members.

SEICAA’s Housing Program provides safe and affordable housing for a wide variety of populations including:

- Older citizens
- Mobility impaired individuals
- Families with children
- Veterans and Veterans with Families

Apartments ranging from:

- Studio suites
- 1, 2, or 3-bedroom units are available
- Multi-Family

Target Population

Serves those with the greatest needs and is exclusively targeted to income eligible individuals and families who are otherwise unable to access clean, decent, and affordable housing. Over half of all participants are minority households, a population that typically faces greater barriers to affordable housing both owner and rental occupied. SEICAA currently has 13 solid applications of potential new homeowners waiting to receive this program and a continual waiting list on all rental housing projects for individuals and families seeking safe and affordable rental housing opportunities.

Results and impact

Self- Help Housing Program (SHHP)

Responsible homeownership continues to be the single best, long term investment for most Americans and the principle way families build wealth.

Over \$13.5 million invested in Self Help Housing Development throughout southeastern Idaho under SEICAA.

Self-Help Housing strengthens communities and promotes stronger civic commitments, community ties and social benefits far beyond financial benefits. Lifetime relationships are forged and neighbors share in the responsibility for their neighborhood. Children of homeowners are also more likely to be active in their communities, graduate from high school, attend college, and become homeowners themselves. Under this program, families access affordable and sustainable loans through the “sweat equity” invested up front and gap subsidy assistance.

Since 2004 SEICAA has assisted 91 families to build their own homes. Currently SEICAA is preparing to build 35 more homes and construction will begin with 7 to 10 new families contributing limited sweat equity in building their own home beginning in April, 2020 allowing them to reach the American Dream of homeownership.

Affordable Rental Housing

When low-to-moderate low-income renters have access to a wide variety of housing opportunities, they have a greater freedom and flexibility to make the best decisions for their families. If renters must move, access to affordable rental housing throughout cities and regions provide those renters with more control over where they can live.

Project Financing

The Self-Help Housing Program is funded primarily from HUD/SHOP funding through Community Frameworks as well as non-federal funds from our local community and unrestricted funds raised through Agency fundraising events.

SEICAA's Affordable Rental Housing projects are funded primarily from HUD as well as through private rent revenues.

Contact

Debra R. Hemmert
Executive Director/ CEO
Southeastern Idaho Community Action Agency
641 N. 8th Avenue
Pocatello, ID 83201
208-232-1114 ext.113

ILLINOIS

Community Action Partnership of Lake County



History/Background

Since 1964, Community Action Partnership of Lake County (CAPOLC) has equipped low-income citizens with the tools and potential for becoming self-sufficient. CAPOLC is the largest social service organization in Lake County, Illinois providing a wide range of services. For over 50 years, CAPOLC has administered a Head Start Early Childhood Development Program, Low Income Home Energy Assistance Program (LIHEAP), Youth and Family Services, (self-sufficiency case management, emergency assistance, post-secondary scholarships), Home Weatherization, Retired and Senior Volunteer Program (RSVP), and Affordable Housing programs for families and Veterans.

Social Enterprise Businesses

Through social enterprises, the Agency applies market-based strategies to meet key organizational goals. The businesses we operate provide valuable training opportunities and supportive jobs for those who have been excluded from traditional labor markets.

Additionally, profits generated through the enterprises help reduce the organization's dependence on government funding and enables the Agency to be more innovative in our service approach.

CAP Catering Services is our oldest social enterprise established in 2005 followed by CAP T-Shirt Company & More. *Changing Lives Upscale Resale Shop* is our newest business that opened November 2013.

Community Economic Development Tools in CAP Catering Services Case Study

- Branding
- Target Marketing
- Customer Follow-up
- Referrals
- Community Involvement

Target Population

CAP Catering Services has three (3) distinct target customers.

1. Business-to-business: We have "Approved Caterer" status with several businesses in the County. We aggressively compete with other full-service caterers in the area. CAP Catering Services has a separate division; Food4Kids which is a state licensed professional food service for area child care centers. Our delivery vehicles are climate controlled for food safety. Special diet needs can be accommodated.

2. Events: The most profitable events that we cater are weddings and *Quinceañeras*. However, birthday, graduation and anniversary parties are very popular. CAPOLC books CAP Catering Services for agency fundraisers which we host at CAP Banquet and Meeting Center and off-site.
3. Meetings and Conferences: CAP Catering Services provides buffet and plated breakfasts and lunches for customers at CAP Banquet and Meeting Center or at an off-site location of their choice. Box lunches are an additional option.

Project Description

CAP Catering Services is a full-service catering and events business that offers food that appeals to the eye, the appetite and the budget. We have a reputation for courteous service, professional staff and varied menus. We provide an event planner or customers can provide their own planner. Our events range from simple to elegant. CAP Catering has its own 200 person capacity banquet and meeting center or we will cater outside events.

We brand ourselves primarily as local caterers with excellent tasting food, excellent service and attractive presentation, and secondarily as a social enterprise that benefits the community. Referrals are the most cost efficient sales tool we have, therefore our reputation and our brand are interchangeable.

We focus our marketing efforts geographically. We limit the outreach and marketing to Lake County, Illinois businesses, community partners, residents and Agency staff.

Repeat business is vital to our bottom line. Because referrals are of such importance, we have developed a formal customer service model for the event staff to follow:

- Customer follow up should be same day
- A questionnaire is sent after each event to get feedback so we can make changes in the service we provide, if necessary
- Follow through from beginning to end is logged.
- Get deposit as soon as possible to confirm the sale.
- Ask for referrals.
 - Incentives are available for any size event i.e. 10%-15% discount on food for next event or a free Gift Certificate.

We never lose sight that our social enterprises are to benefit the community. We commit to free events i.e. homeless veterans luncheons and community days for visibility with the families we serve and our partner nonprofits.

Project Financing

CAP Catering Services is self-financed. We receive no grant funding.

Project Challenges

Unlike for-profit businesses, CAP Catering Services does not have access to capital such as lines of credit for steady income. The social enterprise has only part-time staff. We contract a certified meeting professional to follow-up with potential customers after the initial contact with catering staff. This CMP, chefs, maintenance staff, the event coordinator, a dedicated phone line and marketing materials are costs that must come from catering profits. Servers are hired on a

per event basis. Donations to our Foundation help with staff costs that provide marketing and design work; social media and website advertisement.

Contact Information

CAP Catering Services

Mailing Address P.O. Box 9059, Waukegan, IL 60079-9059

847-249-4330. Ask for Carolina Johnson

Visit our website: www.capcatering.org

Mary Lockhart White, Executive Director/CEO

Community Action Partnership of Lake County

2424 Washington St. Waukegan, IL 60085

847-249-4330

www.caplakecounty.org

facebook.com/communityactionpartnership

twitter.com/CAPofLakeCounty

Illinois Association of Community Action Agencies/Illinois Community Action Development Corporation

Community Development Corporation for Members

History and Background

The Illinois Association of Community Action Agencies is the statewide membership association for Community Action Agencies and provides a variety of member services.

In 1999, IACAA created a Community Development Corporation, the Illinois Community Action Development Corporation (ICADC), to provide assistance to members seeking to develop affordable housing across the state. Rural members operate in areas with a need for affordable housing, but where there were few, if any resources available for this purpose.

As a result, ICADC has focused on providing financial assistance, as well as training and technical assistance to rural members for specific affordable housing development projects.

The training and technical assistance provides the recipients with an opportunity to learn about developing and managing a wide array of affordable housing projects while also obtaining first-hand experience by working in tandem with ICADC to develop an affordable housing project. ICADC has supported numerous Community Action Agencies with one-on-one technical assistance either from in-house staff or outside consultants. ICADC also provides financial support to new projects because many CAAs lack the necessary pre-development resources to get a project initiated.

Community Economic Development Tools in This Case Study

- Low Income Housing Tax Credits
- HOME funds
- Affordable Housing Program of the Federal Home Loan Bank

Target Population

The primary clients for the housing program are low-income income residents of rural areas of Illinois served by member CAAs.

Project Description

ICADC has filled the role of owner for 84 units of multi-family housing and is preparing to take on the ownership responsibilities for another 30 units of single-family housing.

In order to develop successful projects, ICADC engages a team of experts from around the state that have vast experience in affordable housing development. These experts include architects, engineers, financial consultants, general contractors and project attorneys. Every element of the project is discussed as a team from concept to completion in order to ensure the continued success of the development.

Specific projects include:

Prairie Meadows (I)

This project consisted of 25 single-family units in Hoopston, Illinois, co-developed with the East Central Illinois CAA. The development includes two and three-bedroom homes. All of the homes are highly energy efficient and contain Energy Star appliances and HVAC systems, energy saving light fixtures, water conserving plumbing fixtures, and building materials designed to increase energy efficiency. Each home also includes a walk-out patio, large yard and one-car garage. At the end of the 20 year compliance period, the tenant will have the first option to purchase their home for the proportional amount of debt remaining in the project.

Prairie Meadows (II)

The second phase of Prairie Meadows will offer 30 units of single-family housing and a community center adjacent to the existing Prairie Meadows development. Five of the homes will be targeted for individuals with disabilities. At the end of the compliance period, the tenant will have the first option to purchase the homes, as with the phase one development. On-going supportive services will be provided as needed by the East Central Illinois CAA.

Welch Woods

Located in Beardstown, Illinois and sponsored by MCS Community Services—Community Action Agency, Welch Woods features 42, two and three-bedroom units and a community center. It is one of the first employer assisted housing projects in Central Illinois receiving funds from the Excel Corporation to help fund the development budget. .

Strawberry Meadows

Sponsored by Crosswalk Community Action, in West Frankfort, Illinois, the 42 unit multi-family project was the first project that ICADC was involved in. ICADC participated as a co-developer. Although ICADC only holds a very small majority of the ownership interest, ICADC does have the first right of refusal to purchase the project at the end of 2018. With the capacity gained from Strawberry Meadows, ICADC has gone on to perform developer and owner roles in other projects throughout the state.

Project Financing

These projects were primarily funded through the use of federal Low Income Housing Tax Credits allocated to ICADC by the State of Illinois. Other more unique sources of funding used include: American Recovery and Reinvestment Act (Stimulus) funds, Tax Increment Financing (through local governments), Department of Commerce and Economic Opportunity (DCEO) Energy Efficiency Funds and other types of operating subsidies.

Results/Impact

The projects with which ICADC has assisted have generated substantial unrestricted resources for both Community Action Agencies across the state and ICADC. These resources allow ICADC the flexibility to continue to provide development services that promote healthy communities, foster better living conditions for low-income residents, create more jobs, and provide financial opportunities that further the mission of Community Action.

How to find:

Amy Martin

President/CEO

Illinois Association of Community Action Agencies

3435 Liberty Drive

Springfield, IL 62704

217-789-0125, x123

www.icadcnet.org

INDIANA

Community Action of Greater Indianapolis

Senior Rental Housing

History and Background

The precursor to today's Community Action Of Greater Indianapolis (CAGI) was established in 1965 as Community Action Against Poverty (CAAP). With the assistance of community leaders such as Senator (then Mayor) Richard G. Lugar, CAAP was formed as part of the "War On Poverty" to provide programs and services to low-income residents of the city of Indianapolis. "Low-income" is generally defined as a household income at or below 150% of the federally-determined poverty level.

Long after the federal government's "War On Poverty" ceased, the community action agencies it spawned continue to fight existing poverty and seek to eradicate its causes. In 1982, CAAP significantly expanded its coverage area from one to four counties, (subsuming community action activities in Boone, Hamilton and Hendricks Counties as well as Marion County). At that time, the agency's name became Community Action Of Greater Indianapolis (CAGI) to reflect its responsibility for and engagement in a much larger geographic area.

Since its inception more than 50 years ago, CAGI has provided services including energy assistance, childcare, family support, education and training programs, transitional housing, lead remediation and emergency rental and food assistance to eligible participants (principally low-income, disabled, or senior residents of the agency service area). The agency also has acted as funding agent for programs which provided legal services, programs through neighborhood centers, Head Start and summer jobs programs.

As the needs and expectations of its clients have grown and evolved, CAGI's portfolio has expanded to include assistance in such areas as home repair, housing counseling, financial literacy and the development of tax-credit based senior housing apartments.

A hallmark of the agency since its inception has been its governance model: the agency board must consist of one-third elected officials (or their designated representatives), one-third members of the private sector and one-third representatives of its eligible client constituency (or their representatives). This has ensured a diverse stakeholder partnership throughout the agency's existence.

CAGI offers the following key services and programs:

- Affordable rental housing for seniors
- Emergency assistance
- Housing counseling
- Energy assistance program

- Weatherization Assistance program
- Home repair
- Foster grandparents
- Holiday meals

Community Economic Development Tools in This Case Study

- Low Income Housing Tax Credit through the Indiana Housing and Development Authority

Target Population

The primary clients for the housing program are low-income senior citizens and people with disabilities.

Project Description

CAGI owns and operates five apartment projects in and around Indianapolis, all of them specifically catering to the needs of their senior and disabled residents.

The five projects are:

[Franklin School Apartments](#), 48 units in a renovated school building featuring efficiencies, one- and two-bedroom apartment units with gated parking. Common areas and a general purpose room are also available to the residents.

[Emma O. Johnson Homes](#), a multi-story apartment building with a mixture of efficiencies and one-bedroom apartments among its 50 units, serving elderly and disabled individuals. Residents must be able to live independently. A courtyard is available for activities or relaxation. Laundry facilities and common recreation areas are available. There is ample parking, as well as secured entry/exit.

[Four Seasons at Hawthorne I & II](#), 60 two-bedroom units on the Indianapolis east side where the first phase of construction was completed in 2006 and the second phase in 2011. CAGI's latest tax-credit financing senior affordable apartment projects. At 60 two-bedroom units each, Phases I and II provide new, affordable, safe housing accommodations for eligible tenants. Spacious units, large clubhouses with significant common area availability and amenities such as workout rooms and a beauty shop, ample parking for residents mark these projects as a great place to live for CAGI clients. All clients must be 55 or older.

[Commons at Springmill](#), 72 one to four bedroom apartments located in Westfield IN where construction was completed in 2012. **Community Amenities Include:** Clubhouse, Billiards Room, Business Center, Playground, Raised Gardens for Resident's Use.

[Beech Grove](#), 60 two bedroom apartment units.

All of the projects feature available parking and security, common areas, laundry facilities, and a professional property management team which oversees maintenance, making for a safe, convenient and enjoyable residential experience.

In addition to the senior housing, CAGI recently received an additional allocation of tax credits. This award will mean approximately \$7.5 million in resources to create an additional 30-35 units of affordable housing centered on the families whose children attend the Thomas Gregg Elementary School

Project Financing

Low Income Housing Tax Credits were allocated by the state of Indiana's Housing and Community Development Authority.

Results/Impact

- 230 units of affordable housing for seniors and people with disabilities.

Contact Information:

Community Action of Greater Indianapolis
3266 N. Meridian St.
Indianapolis, IN 46208
Phone: 317.396.1800

PACE

Social Enterprise and Financial Services

Community Economic Development Tools in This Case Study

Social Enterprise

History and Background

Incorporated as Economic Opportunity of Knox County, a newly formed Community Action Agency emerged in June 1965. A private not-for-profit 501(c) 3 began operations with a Head Start Program. Over the next 51 years they have worked to make a difference in the communities served and have continued to grow and thrive.

In 2004, a change in leadership, following the retirement of a long term Executive Director, led to 5 years of transformation. The past built a solid foundation. To enable growth, leadership development and team building were necessary to prepare for the future and to better serve our communities.

The key slogan... "*We educate, empower and improve,*" became a benchmark used to evaluate all programs and services. We believe, without education, there cannot be change. Therefore, we continually seek new and innovative ways to help people attain their dreams of a better quality of life. We provide supportive services to strengthen family relationships, empowering them to become self-sufficient with a support system that is unbiased and unprejudiced. As we pondered what defined self-sufficiency for the families we serve, we began to question our own organization's ability to survive with decreased public funding.

Work began in 2006 on business development goals through a board formed ad-hoc committee called Pace Ventures Committee. This nine-member committee conducted research and provided direction to launch the first social enterprise, Pace Ventures Cleaning. This company is about to celebrate its 10-year anniversary. WiseCAP Training & Consulting another venture, launched in 2008, is growing and has experienced a successful 9 years providing training for other Community Action Agencies and non-profit corporations. Not all our ventures were successful; however, each one a learning experience.

Community Services and Programs

We empower, educate and improve the communities we serve through the following key services and programs:

Head Start and Early Head Start
Weatherization Assistance Program

Women, Infants & Children (WIC)
Small Business Revolving Loan Fund
Boys Mentorship Program
Pace Ventures Cleaning

Low-Income Home Energy Assistance Program
Health Connection Clinics (family planning service)

Individual Development Accounts (IDA)
Affordable Housing Program
Internship Program
WiseCAP Consulting

Project Descriptions

Our goal was to create a non-traditional funding stream by generating revenue through commercial cleaning services. The initial plan was to hire employees with few skills and limited work experience. Employees at Ventures Cleaning would work with job coaches to learn basic cleaning skills, build a resume, and receive computer training, preparing them for other cleaning jobs. The idea was that Ventures Cleaning would provide that first job that is often hard to come by for individuals who have been out of work for some time, training them for more specialized positions and thus enabling them to move on to better paid work. As the business has grown, Ventures Cleaning's employment needs have also shifted. Due to the demand for highly specialized cleaning services, Ventures Cleaning began hiring employees with more specific skills—those who had experience cleaning windows, treating floors, or working in hospitals, for example—and now approximately 60% of its workforce are specialist positions, with the remaining 40% entry-level cleaning positions. This has allowed Ventures Cleaning to expand into cleaning services beyond the regular maintenance and upkeep of commercial buildings and residential homes. Ventures Cleaning is also now known for its expertise in post-construction cleaning and specialized floor care and treatment services. Though its hiring focus has changed, Ventures Cleaning has fought to preserve the original mission of the cleaning company, which is to employ individuals who otherwise would not be able to find work.

Another non-traditional funding opportunity; the company provides consulting services in compliance, grant management, strategic planning, and leadership development primarily for nonprofits and grant funded entities. On average, WiseCAP provides approximately ten to twelve paid trainings per year. Many WiseCAP trainers are employees of Pace CAA and train in their individual areas of expertise—for example, in human resources matters, leadership development, early childhood education, and technology systems. WiseCAP has also established a network of consultants who are engaged on a project-specific basis to provide training such as talent management and diversity, succession planning, and conflict resolution.

Project Financing

Social Enterprise

As for-profit ventures, lines of credit and business loans were used. A formal Management Service Agreement ensures that shared staff time is properly reimbursed to grants.

Project Challenges

Social Enterprise

Traditional challenges of any business include monetary loss and consideration for closing the business. We had other ventures that did not flourish and one (child care facility) that lost money for a period of time until the decision was made to close. Through trial and error, we have discovered that it is very important to have someone on staff that has a passion for the enterprise. After review of each of our floundered attempts, we realized that in every case there was an absence of that one champion that was really passionate about the venture.

As for-profit enterprises of a nonprofit organization, both Ventures Cleaning and WiseCAP have had to deal with challenges that traditional for-profit businesses do not typically face.

Those challenges include:

1. Unrelated Business Income Tax (UBIT) – while the CAA, a 501(c) (3) nonprofit organization, is generally exempt from federal income tax, the CAA may be liable for UBIT on the income generated from activities that are not related to their exempt purposes.
2. Conflicts of Interest – the companies and the CAA are related parties, they have to carefully navigate the conflicts of interest that are inherent in providing services to one another.
3. Employee Fringe Benefits – because of differing benefits it is necessary to maintain two separate employee handbooks.
4. Use of Profits – both the CAA and Ventures boards must consider the best way to transfer any profits to the nonprofit parent (through declaring a dividend or making a grant to the CAA) with guidance from its accounting firm.

Results/Impact

Social Enterprise

- Generates \$500,000 + in revenues each year.
- Employees 13-15 individuals
- Provided job experience and training to over 50 individuals
- Reduced personnel cost to grant funded programs

Contact Information

Pace Community Action Agency, Inc.
Chief Executive Officer: Dr. Bertha A. Proctor
525 N 4th Street Vincennes, IN 47591
Phone: 812-882-7927 Fax: 812-882-7982
www.pacecaa.org

IOWA

North East Iowa CAC

Housing Programs:

History and Key Services

The "Northeast Iowa Community Action Corporation of Allamakee, Howard and Winneshiek Counties" was incorporated on July 13, 1965. In April of 1966 the Corporation was approved for funding by the Economic Opportunity Office. (Later funding from the successor Community Services Act of 1974 continued Northeast Iowa Community Action Corporation under the Community Services Administration). On May 15, 1967 the Corporation merged with the "Chickasaw, Bremer, Fayette Economic Opportunity Program Incorporated" and the name of the Corporation was changed to "Northeast Iowa Community Action Corporation" (NEICAC). Clayton County joined NEICAC in January 1968 by petition of the Clayton County Board of Supervisors. The first Executive Director of NEICAC was Neal Wiedenmann, followed by Richard E. Wagoner in August 1974. Richard Wagoner was followed by Mary Ann Humpal in June of 1989.

Northeast Iowa Community Action Corporation (NEICAC) is a 501(c) (3) non-profit agency. We have provided a variety of programs and currently have Early Childhood Programs (Head Start and Early Head Start), Weatherization, LiHEAP (Energy Assistance), Family Planning, Family Development and Self Sufficiency (FaDSS), Community Outreach (includes Family & Individual Services, Flood Assistance, Food Banks, and General Assistance), Transit, Wheels for Work, Child & Adult Care Food Program, and Housing. Our website can be viewed at <http://www.neicac.org/>.

Housing Programs

The Housing Program develops, builds, and manages affordable housing for low-income individuals and families in our seven counties. To date we have built, own or manage five affordable housing apartment projects, three single family housing units, and twenty-five lease purchase homes (formerly rent to own). All rental units, including the Lease Purchase Homes, are fully rented at this time. NEICAC Housing has sold 19 of the first 25 Lease Purchase homes. We anticipate being awarded a grant to build 2 more before October 2017 and are in process of completing rehabilitation of two properties to sell under the Lease Purchase Program.

NEICAC owned rental properties consist of:

- Calmar Apartments at 505 and 507 W. Elm St. in Calmar have 12 units in two buildings that were finished in 1996 and 1997. NEICAC collaborated with Northeast Iowa Community College (NICC), Iowa Department of Economic Development (using HOME funds), Federal Home Loan Bank (FHLB), and Community First Bank (now Bank of the West) of Decorah. Ten units are two bedroom, two story townhouses for families and individuals. Two units are two bedroom, single story, and are handicapped accessible. Some residents are students at the college. Tenants must be at or below 60% of Area Median Income (AMI).

- Washington Court at 510 Washington Street in Decorah is a 16 unit senior housing complex. All units are one bedroom. It was completed in 1998 on land owned by the county using Low Income Housing Tax Credits (LIHTC) through the Iowa Finance Authority (IFA), and HOME (IDED) funding. Community First Bank (BoW) provided the construction loan. The LIHTC investor in the NEICAC Senior Housing partnership is Michel Associates, Ltd. of Boston. Seven tenants must be at or below 50% of AMI and nine must be at or below 60% of AMI.
- Woolen Mill, at 301 W. Day Spring Lane in Decorah, is a 15 unit building that includes 6 two-bedroom units and 9 one-bedroom units for individuals and families. Four of these units are handicapped accessible and some of the residents have disabilities. This is an historic building that was used most recently as a tire warehouse. It was rehabbed into apartments in 2002 using LIHTC (IFA), HOME (IDED), and Housing Assistance Fund from IFA, FHLB, City of Decorah, and Historic Tax Credit funding. The construction loan was from Community First Bank (BoW). The LIHTC investor in the Decorah Woolen Mill LP partnership is National Equity Fund, Inc. of Chicago. Eight tenants must be at or below 60% of AMI, Two at or below 50%, and five at or below 40% of AMI. The property has property tax abatement for ten years.
- Ridgewood Duplex for People with Disabilities, at 704 and 706 Ridgewood Drive in Decorah, is a 2 unit duplex that includes 2 two bedroom apartments universally designed specifically for handicap accessibility. It was built and financed through Habitat for Humanity. The land was donated by Winneshiek County through a 99-year lease. Funding sources include HOME (through IDED), Housing Trust Fund (Iowa Finance Authority), FHLB, City of Decorah, and other local grants, donations, and volunteer commitments. NEICAC owns and manages the building. The four residents have support services provided by 24-hour staff from Mosaics (a support service provider), funded through a Medicaid waiver program. The tenants must be at or below 50% of the AMI. Improvements to the property have been granted 10 year tax abatement. TIF set aside funds earmarked for LMI families were also used during construction.

NEICAC Lease Purchase (Rent to Own Homes)

- Phase I Rent to Own Homes Program. Funded through HOME (IDED), FHLB, and Housing Trust Fund (IFA) grants, NEICAC is building four single-family homes in Cresco on land donated by the Hawkeye Tri-county REC. They also provided construction financing, and one single-family home on a lot donated by the City of Postville. These five homes are part of our Rent to Own program in which low-income families will rent the house for one to three years while repairing their credit and saving up down payment funds. The income limits for these 5 homes are; 2 @ < 50% of a county's AMI, and the remaining 3 @ < 60% of county AMI. We have filled all 5 homes and in Feb. '08 we sold our first home in Postville to a family of 4. All four remaining homes have been sold to single mothers and or income qualifying families in Cresco. These homes are very efficient "Green Design" homes, with energy efficient appliances and heating/cooling units.
- Phase II Rent to Own Homes. This project consists of 4 more rent to own homes recently

finished in Cresco (2), West Union, and Lawler. These homes are identical to those built in Phase I. Affordable land either purchased or donated in these communities has led to the completion of these homes on May 31st, 2009. All 4 of these homes are occupied with the West Union and one of the Cresco homes sold in 2010. The first home in Cresco was sold to a single-mother and her daughter. The 2nd home in Cresco was sold to a family of 6 in November of 2011. The Lawler home was sold to a family of 4 in May of 2011. The home in West Union was sold to a family of 5 in June of 2010.

- Phase III Rent to Own Homes program. These 3 homes were certified for occupancy in Tripoli, West Union, and Volga in July of 2010 and are the programs first 3 “green homes” that meet IDED’s new Green Criteria Checklist, making these our first completely green homes. They pick up where the previous homes left off as to their mandated green elements and go on to add numerous additional materials required by IDED to meet the green criteria threshold. The homes were completed by July 1st, 2010. NEICAC Housing has filled the Tripoli and West Union homes with families earning less than 60% AMI. The Volga home was finally rented to a very-low income family below 50% AMI. All three homes have been sold to the families.
- Phase IV Lease Purchase Affordable Housing Program. The name was changed from the rent to own affordable housing program due to the negative connotations rent to own has in the housing industry. Rent to own programs have between 200 & 350% interest associated to the programs and NEICAC Housing wanted our participants to not associate this catch phrase with our housing program. These 3 homes were certified for occupancy in Tripoli (#2), Oelwein, and Garnavillo in July of 2011 and are the programs 2nd round of “green homes” that meet IDED’s new Green Criteria Checklist. They use mandated green elements and add numerous additional materials required by IDED to meet their green criteria threshold. These homes were completed by July 1st, 2011. NEICAC Housing has filled the Tripoli, Oelwein & Garnavillo homes with families earning at less than 60% AMI. The Tripoli home was sold in May of 2012, Oelwein sold in August of 2012 and Garnavillo was sold in January of 2013.
- NEICAC Housing helped the City of Oelwein build 2 single family homes and 1 duplex under a grant won for Oelwein by Fayette County Economic Development. This grant is called the Neighborhood Stabilization Program (NSP) and is governed by IDED. NEICAC oversaw the construction of 2 homes (\$145,000/each) and a Duplex (\$296,000) in Oelwein. These housing units are built for various low-moderate income levels in Oelwein. The single-family homes were completed in September/October 2011.. The 1st of the 2 single-family homes was sold in October 2012. The second of these 2 single-family homes sold in February of 2014. The duplex project has since been completed. Both units of the duplex are still available for sale and are now part of the Lease Purchase Program. Both units are occupied.
- Lease Purchase Homes Phase V is our ninth affordable housing project. The new homes are in Fredericksburg, Fayette and Waukon. This Phase V project is similar in design and composition with an emphasis on “green design”. These were completed in June of 2013 and meet IFA’s “green criteria checklist” making these homes Energy Star certified green homes. With the completion of this project, NEICAC has built a total of 18 Lease - Purchase homes.

The homes are filled with two of them expected to sell in 2014. The homes all sold in 2014 to low income households.

- Lease Purchase Homes Phase VI built homes in Fayette, Sumner and Calmar. The homes will also emphasize “green design and construction.” Funding was provided by the Iowa Finance Authority (HOME funds), INRCOG (for Sumner), and NEICAC. The homes were completed and occupied in 2014, and the Calmar home was sold in July 2015.
- Lease Purchase Homes Phase VII is building homes in Elkader, Guttenberg, Fredericksburg, and Postville. The homes will also emphasize “green design and construction.” Funding was provided by the Iowa Finance Authority (HOME & SHTF funds), INRCOG (for Fredericksburg), and NEICAC. The homes were completed and occupied in 2015, and remain occupied. The families have begun homebuyer education and are making progress toward purchasing their home.
- NEICAC Lease Purchase 2016 has been awarded funding to build homes in Waukon, and Tripoli. Construction is expected to start in spring of 2017, after the Environmental Review is complete.
- NEICAC Lease Purchase Acquisition/Rehabilitation has purchased a home in Sumner and a home in Fredericksburg with the intent of rehabilitating and updating the homes. The homes will be updated, and utilize “green construction practices.” Construction is expected to be complete by December 15, 2016. Funding is provided by NEICAC and INRCOG for both locations.

All projects have or did have quarterly, semiannual or annual reporting requirements from their funding sources. Rent is set by HUD guidelines. Some tenants qualify for and receive Section 8 Rental Assistance.

NEICAC Housing Offers Advisory and Educational Programs:

- The Housing Program has undertaken a “Homebuyer Education Program” that is now becoming a mandatory procedure for all low-income homebuyers <80% Average Median Income (AMI) in Iowa. Classes are at least once a month, and have assisted over 250 homebuyers since its inception in the fall of 2007.
- The Housing Program continues to conduct Affordable Housing Advisory Committees in all 7 counties it serves. This has since become part of the report to IFA as part of this Housing Program’s CHDO Certification in 2016.
- Housing has added Homeowner Post-Purchase Program, and Financial Literacy to its list of homebuyer/owner education options in 2010.

Community Housing Development Organization

The NEICAC Housing Program undertook a much more intense application and re-certification in 2012 as Northeast Iowa’s only CHDO (Community Housing Development

Organization) with the Iowa Finance Authority (IFA) and received this Re-Certification in October of 2016. This allows NEICAC Housing to apply to IFA for the HOME Affordable Housing grant applications that support the Phase I-VII Lease-Purchase program.

The CHDO funds help pay for administrative costs (and some fringe benefits) through IFA as a Sub-Recipient from HUD. This generally occurs when NEICAC Housing is awarded the HOME grant application contract from IFA.

Homebuyer Assistance

NEICAC Housing is now offering Homebuyer Assistance which will assist 10 homebuyers with downpayment/closing cost assistance. The total funds available are \$40,000 (increased from \$10,000). The program has guidelines requiring the homeowner to live in the home for 5 years as well as have some personal finances invested in the purchase. Our intent is to combine this with the Lease Purchase Homes which will help lower the affordability period to 15 years (from 20). NEICAC will receive up to \$2000 for administrative purposes.

This program assisted three homebuyers in 2015 with a total of \$12,094 (one home in Tripoli - \$5300, one home in Decorah - \$4400, and one home in Elgin - \$2394). Homebuyer assistance is currently only available to be used in combination with the NEICAC Lease Purchase homes.

Single Family Rental

NEICAC received a one million dollar loan to purchase up to 5 units in Northeast Iowa. The units must be less than 10 years old, have city utilities available and will be rental units for at least 15 years. There were three units purchased in this program, one in Strawberry Point, Iowa and two units in Maynard, Iowa. Each rental unit has at least 3 bedrooms, 2 bathrooms, a two stall attached garage, and is furnished with energy rated stove, refrigerator, dishwasher, and microwave. The properties were subject to health, safety and structural inspections, and were also energy rated to keep costs to the tenants low. These properties are also subject to 60% AMI income restrictions and HOME Rent Limits. HOME Investment Partnership funds were the only funds used in the purchase of the properties.

Tenant Based Rental Assistance (TBRA)

The Tenant Based Rental Assistance (TBRA) Program is similar to the HUD Section 8 Rent Assistance program. It helps low income households pay their rent. There are currently 8 families enrolled in TBRA, and a wait list. NEICAC's TBRA funds must be used for households already enrolled in their FaDSS, Early Childhood, or LiHEAP program and meet the income eligibility requirement.

Challenges

There have been many challenges along the way. Each program carries something different, but the biggest challenges we face are the shortage of affordable housing, age of existing housing stock, lack of developers and investors, cost of new development and

infrastructure, and the lack of ‘churn’ in our housing system. Many communities are willing to participate to increase and improve the housing, but the challenges listed are obstacles take time to evolve.

We have not had any issues with the rentals regarding income qualifications, but the properties that were to be sold to households under 50% AMI were a considerable challenge. We also have one property that does not cash flow very well, and there have been a few Lease Purchase properties that have seen more turnover than others, but all in all, the programs have performed well. The other challenges center on the regular flow of owning rental property.

Results/Impact

The housing department has essentially come full circle. Improving and increasing housing requires commitment and investment. In the mid 1990’s there were people agencies that believed in NEICAC, the need for housing, and the ability to accomplish goals. This process continued through 2002, and NEICAC was able to build a fund to help construct single family homes. In 2007 the Lease Purchase (then Rent to Own) program was started to help low income families become homeowners and increase their ability to create individual wealth, which is expected to lead them out of poverty. The program has, again, helped 19 families become homeowners, and has changed the course of several lives along the way. It has served minorities, people with disabilities, single parent households, and traditional families. The initial investment by two communities has had a profound effect on the ability of NEICAC to provide housing in the other counties and communities in our service area.

NEICAC operates at over 98% annual occupancy in their rental units, and they have seen success with the other programs they have operated in a limited capacity (Homebuyer Assistance and Tenant Based Rental Assistance). Homebuyer education and financial/budget/credit counseling has helped hundreds of households understand their finances better or prepare them for the rigors of homeownership. It has been used with households of all income levels and social status, but was designed to help low income households achieve homeownership.

Contact Information:

Northeast Iowa Community Action Corporation
305 Montgomery Street,
P. O. Box 487,
Decorah, IA 52101
563-382-8436
www.neicac.org

Primary contacts for housing are:

Trisha Wilkins	Executive Director	twilkins@neicac.org
David Boss	Deputy Director	david@neicac.org
Jeremy Jostand	Housing Director	jjostand@neicac.org
Julie Buddgenberg	Property Manager	jbuddgenberg@neicac.org

KENTUCKY

KCEOC Community Action Partnership, Inc.

Xerox Project At Boone Heights

KCEOC Historic Background/Key Services/Programs

The Knox County Development Association originally founded in 1960, was periodically active from 1960-1964 and formally resolved on September 21, 1964, to secure funding for a local CAA. Officially, this new group formed Knox County Economic Opportunity Council (KCEOC) and incorporated on December 17, 1964 as one of the first 23 CAAs in the U.S. KCEOC has undergone several name (two) changes and with the current name, KCEOC Community Action Partnership, approved in 2005. KCEOC provides child development in 6 counties, Homeless Services generally for 8 counties, while the majority of other services are within Knox County, Kentucky. All service areas are in high poverty areas and located in southeastern Kentucky.

KCEOC services are very broad-based and are available to low-income populations.

KCEOC services include:

1. KCEOC Child Development- Head Start, Early Head Start and Day Care
2. KCEOC Housing/Homeownership Program
3. Elderly Housing [HUD Section 202]
4. Principle with Union College in Stivers Aquatic and Wellness Center [successor to Appalachian Regional Wellness Initiative]
5. Emergency Services
6. Women's Shelter
7. Weatherization
8. LIHEAP
9. Elderly and low-income tax preparation
10. WOIA/Kentucky Career Center Jobsight
11. Property rental and sale
12. USDA Summer Feeding
13. And other affiliated poverty programs

KCEOC won the CAA Award of Excellence in 2015.

Over 8,000 unduplicated persons were served by KCEOC in FY 2015.

Target Population

The KCEOC service area is one of the lowest income areas in the U.S. with mean family incomes below \$28,000 and 30%+ poverty indices for 4 of 6 counties.

History of Boone Height/Xerox Property

In 1967, then KCEOC Executive Director Hollis West, received funds from Concentrated Employment and Training Program [CETA] and created 25 jobs in conjunction with England Furniture Company of Tazewell, Tennessee. KCEOC contracted to produce furniture components later shipped to Tazewell for final assembly of England brand furniture.

A subsequent economic development arm would be called Knox County Community Development Corporation [KCCDC] incorporated in early 1969 and placed in a new 66,000 square foot facility to conduct this business at Boone Heights, Kentucky. The facility sits on 14.5 acres and has a 66,000 square foot building.

KCCDC would, in 1977, become Lawson Furniture Company, Inc., a for-profit company, and began production of high quality upholstered furniture until August 23, 1982 when Lawson filed for bankruptcy and corporate dissolution. The former offices of KCEOC and Lawson Furniture AKA KCCDC were sold at auction. KCEOC CAP moved to Henson Hollow and the balance of the property went to a Lexington Holding Company. KCEOC moved into its current offices in May 1986. This holding Company sold the Property to Mr. Jerry Strong, CEO of Strong Machinery, and a specialty metal fabrication company in the mid-1980s

In early 2005, KCEOC was approached by Infinity Business Systems [IBS] a check validation company, for space to lease. The Commonwealth of Kentucky provided \$300,000 of which \$200,000 was used on this project and the balance was transferred to the old Corbin Hospital demolition and preparation of space for a new Section 202 housing project. KCEOC invested \$682,300 in a bank loan and the Economic Development Administration granted \$1,592,000 for the total purchase and remodeling of the Strong property. IBS took possession of the facility as a lessee to KCEOC in 2006 and remained in business until filing for bankruptcy in 2011, becoming a victim of the 2007-08 recession.

History of Xerox Lease

In 2009, Xerox Corporation purchased ACS, a computer data outsourcing services firm. ACS began as Appalachian Computer Services [ACS] by Mr. Kenneth James and Mr. Bill Deaton in 1965 and was headquartered in London, Kentucky. ACS became the fastest growing Kentucky company, with annual growth of 31%, until sold in 1988 to First Financial Management of Atlanta. ACS operated in 31 states. In 2009, Xerox purchased ACS, then called Affiliated Computer Services for \$6.4 billion. ACS was the world's largest business outsourcing company with annual sales of \$6.8 billion.

Xerox kept ACS headquarters in London and in 2012, began looking for another facility in which to conduct additional outsourced contracts. Mr. Paul Dole, KCEOC President/CEO, was contacted regarding the possibility of a lease of the former IBS/Strong/Lawson building and property. Xerox sent a review team to examine the facility and it was deemed suitable to the needs of Xerox, with some alterations. A three year lease was negotiated commencing in 2013.

Ms. Becky Miller, KCEOC Workforce Services Director teamed with the Eastern Kentucky Concentrated Employment Program [EKCEP] to aid Xerox in providing job screening,

assessment and placement for Xerox employee selection. These services were free of cost to Xerox and were undertaken initially in 2012-2013 and in subsequent expansions or new hires. KCEOC provided 90 On the Job Training slots at a cost of \$160,000 from WIA funding.

Key Services/Programs For The Xerox Project

KCEOC utilized the Executive Team, KCEOC Facility Manager and team, KCEOC Finance Office, KCEOC WIOA Program, and East Kentucky Concentrated Employment Program [EKCEP] developed funds and processes to coordinate and assure facilities for this project. EKCEP and KCEOC WIOA funded and worked toward recruitment and selection processes for Xerox on hiring new employees. KCEOC's Facility Manager secured approved contractors, engineering and architectural services under federal requirements and Xerox's guidance. KCEOC Facilities Team also assured all construction, oversight, and finished structure met federal and Xerox requirements. This building rehabilitation was accomplished within the lease mandated 120 days.

Project Challenges And Project Financing

During 2012 and into early 2013, Xerox had a dispute with another government contractor over work to be performed for the Department of Homeland Security. Once this dispute was decided in Xerox's favor, KCEOC and Xerox entered into a space lease in 2013.

In dealing with the federal security requirements, the facility did require substantial renovation to meet federal security provisions. These major alterations were completed in less than 120 days by KCEOC's facility team and approved contractors. The estimated costs for these improvements mushroomed from \$350,000 to \$998,795.45 [larger 8" water line, special fire suppression, HVAC, paving, federal level 3 security inclusions, etc.]. KCEOC entered into a low-interest loan of 3.5% with a local bank with Xerox to make monthly payments of \$35,290.78 for 36 months via KCEOC as the loan/credit arranger for these improvement costs. The last monthly payment by Xerox for the loan was in June 2016. Under the lease agreement, all utilities remained in KCEOC ownership and Xerox repays KCEOC for actual monthly utility bills and lease costs due by the 10th of each month. The lease cost for 2016 is \$4,250 monthly with approximately another \$3,100 +/- in utility costs. KCEOC bills Xerox via Jones Lang LaSalle [JLL] for these costs. Lease costs are inclusive of 21,000 square feet with a \$500 option fee for reserving the balance of 45,000 square feet for Xerox for potential future use.

Results/Impact

On opening in late 2013, Xerox hired 30 local, mainly low-income, persons for data and scanning jobs at \$15 per hour starting pay, far above local wage rates and with substantial fringe benefits. These positions were advertised, recruited, and reviewed for Xerox via KCEOC WIOA. In mid-2014, KCEOC sponsored a job fair for Xerox to attract another 90 employees for 2nd-3rd shifts.

As of December 1, 2016, Xerox employs 70 persons, is awaiting another contract and operating under lease extension with KCEOC until November 2017. KCEOC and Xerox look forward to a continued long term lease arrangement.

Contact Information:

Robert D. Hall, CCAP
Special Assistant to the President/CEO
KCEOC Community Action Partnership, Inc.
P.O. Box 490, Barbourville, Kentucky 40906-0490
606-546-3152

2017 Picture Of Xerox Boone Heights Entrance
[Courtesy of Corbin Times, Corbin, Ky.]



Louisville Metro Community Services Microbusiness Program

1. History and Background

The mission of **Louisville Metro Department of Community Services (LMCS)** is to improve the quality for life for all residents and reduce poverty. Our vision is to be the leader in providing services that move individuals and families to self-sufficiency. LMCS strives to meet the specific needs of the residents of Louisville as we consider the strengths and challenges of our diverse community in planning our programs and services.

The work of LMCS is focused in several program areas including Advocacy & Empowerment, Administration and Planning, Neighborhood Place, Community Outreach, Long-Term Housing and Support, CSBG Direct Services, and Senior Nutrition. The Microbusiness Development Program is administered by the Financial Empowerment & economic Development (FEeD) team within the Advocacy & Empowerment division of Community Services.

Since 2010, LMCS has supported entrepreneurial opportunities for low and moderate income residents. The Microbusiness Development Program assists budding business owners with business development and expansion through training, technical assistance, and low interest loans for eligible businesses.

Program history

During the development of the 2010-2014 Louisville/Jefferson County Metro Government Consolidated Plan (a 5-year strategic plan submitted to the U.S. Department of Housing and Urban Development), the community needs assessment process indicated economic development as the second highest priority in the Louisville/Jefferson County community. In response to the public's emphasis on economic development, funding for initiatives in this category nearly doubled compared with previous plans. As a result, Louisville Metro prioritized funding for: job creation, job training and placement, loans to establish or expand businesses, outreach and technical assistance to develop microbusinesses, and microbusiness loans. The 2010-2014 Consolidated Plan proposed a 5-year annual investment of \$100,000 in Community Development Block Grant (CDBG) funds for microbusiness development activities.

In program year 1, the Department of Community Services (then the Department of Housing and Family Services) developed "CAP Enterprise" – a team of five individuals tasked to craft a microbusiness development program that would foster an atmosphere where low to moderate income entrepreneurs of Louisville could pursue their business goals through increased access to training, capital, and community resources. The result? A two-track initiative for either budding businesses (new or less than one-year) called the Spark Program, or for existing businesses (open for one-year or more) called the Ignite Program. Both tracks presented opportunity to apply for a forgivable loan up to \$10,000. The Spark Program required candidates to complete a 10-week training course to meet loan application criteria. All funding, \$100,000, was expended in the first program year.

Program year 2 continued the efforts of CAP Enterprise with an additional \$100,000 and again expended all available funding.

By program year 3, Louisville Metro recognized the success and impact this program made in the community and increased funding for the program. Louisville Metro increased funding for loans to \$250,000 and introduced \$50,000 to provide external training opportunities for business owners. CAP Enterprise expended \$249,500 of the \$250,000 allocated for business development loans in year 3.

Program year 4 brought about significant changes for the program with the evolution of a revolving loan program and a targeted focus on the Shawnee neighborhood. In efforts to build long-term program sustainability through the generation of program income, Community Services modified the forgivable loan program to a revolving model. Community Services was dedicated to providing affordable and accessible capital and a credit-building opportunity through the loan program and established fair terms for borrowers. New and existing businesses could now borrow up to \$15,000 at either 0% interest (new businesses) or 4% interest (existing businesses) for up to 72 months. Also impacting the program in year 4 was the designation of the Shawnee neighborhood as a Neighborhood Revitalization Strategy Area (NRSA). This designation infused CDBG funds into the targeted area through a coordinated approach. For the Microbusiness Development Program, this meant additional funding (an additional \$100,000 on top of the \$250,000 annual allocation) specifically allocated for forgivable loans to businesses and business owners located in the Shawnee neighborhood. In program year 4, Community Services awarded \$91,000 in forgivable loans and \$248,600 in revolving loans to low-income entrepreneurs.

Program year 5 continued operation of the revolving loan program and awarded \$232,500 in revolving loans. Loans awarded in this year wrapped up the first 5 years of the program and in total, the program significantly surpassed the anticipated outcomes as originally defined in the Consolidated Plan; expectations included 50 loans and 100 business owners served through technical assistance and Community Services awarded a total of 150 loans over 5 years and served 886 individuals through training and technical assistance.

Year 6 was a milestone year for the financial empowerment opportunities of the program. Through a partnership with the Credit Builder's Alliance (CBA), Community Services began reporting the revolving loan portfolio to the consumer credit bureaus – giving the program an official credit-building product for borrowers. Loans awarded this year totaled \$205,250 and program income totaled over \$95,000.

Today, the Microbusiness Development Program continues to help turn dreams into reality for low-income entrepreneurs by providing access and opportunities to training, technical assistance, business financing, and credit-building products. The new Consolidated Plan for 2015-2019 continues to support the microbusiness development program through program operation costs as well as salary costs for program support – a total investment of

\$2,150,000 over the next five years. We look forward to continued program success and growth and are honored to serve business owners in the Louisville Metro community.

2. Key Services and Programs

- Training
- Technical Assistance for Microbusinesses
- Microbusiness Revolving Loan Program

3. Target Population

The Microbusiness Development Program targets low-to-moderate income entrepreneurs interested in starting or expanding microbusinesses in Jefferson County, Kentucky. Microbusiness is defined as a business with 5 or fewer employees – including the owner and low-to-moderate income is defined as meeting 80% or less of the Area Median Income. Businesses assisted range from those in pre-startup stage to those interested in expansion efforts.

4. Project Description

Through training, technical assistance, information, referral, and small business loans, the Microbusiness Development Program helps low-moderate income business owners with starting and growing small businesses in Jefferson County, Kentucky. Since 2010, the Microbusiness Development Program helps to ensure that small businesses thrive and expand to create jobs and bring needed services and products to neighborhoods throughout the city. The Microbusiness Development Program offers affordable access to capital, and provides valuable training, development, and networking opportunities for small businesses. Program services include:

- **Training**
 - Power-Up training course is a 6-week series that provides resources and tools to help entrepreneurs create a business plan.
 - Business Growth Training provides training opportunities through local organizations on topics such as accounting, marketing, social media, leadership development, and more.
- **Technical Assistance**
 - Business coaching for new or existing businesses
 - Information and referral to external small business resources
 - Networking opportunities
- **Revolving Loans**
 - Spark Loan – for start-businesses (or those open less than one year). Loans range from \$500 to \$4,999 with 0% interest rate.
 - Ignite Loan – for existing businesses (open one year or longer). Loans range from \$5,000 to \$15,000 with 4% interest rate.

5. Project Financing

The Microbusiness Program is fully funded by a Community Development Block Grant (CDBG) from the department of Housing and Urban Development (HUD). CDBG funding supports salaries for all program staff, training and technical assistance activities, and the loan program for entrepreneurs. In addition, the program's revolving loan generates program income which directly supports continued funding for loans to low-income entrepreneurs.

6. Project Challenges

- The revolving loan program is still in its infancy and is still gaining momentum in its efficiency.
- Staff capacity to manage a growing loan portfolio was a challenge in past years. Plans have been made to expand the team by one additional full-time employee in early 2017.

7. Results/Impact

- 154 jobs created
- 131 jobs retained
- 189 loans awarded
- \$1,295,350 in loans awarded
- Over 1,000 business owners served through training or technical assistance
- \$196,158 invested in training business owners
- Over \$95,000 of program income received (principal and interest loan payments received on revolving loans)
- 89% business survival rate for assisted businesses
- 75% of businesses increased revenues after Microbusiness Program assistance
- 44% of businesses compensate employees at \$10.00/hour or more
- 45% of businesses have hired additional staff
- 97% of training graduates report increased knowledge and confidence

8. Contact Information

Program website:

<https://louisvilleky.gov/government/community-services/microbusiness-program>

Syvoskia Bray Pope, Program Coordinator

Louisville Metro Community Services
Advocacy & Empowerment Division
Microbusiness Development Program
2900 W. Broadway, Suite 300
Louisville, KY 40211
502-574-5866

Syvoskia.pope@louisvilleky.gov

Erin Waddell, Program Manager
Louisville Metro Community Services
Advocacy & Empowerment Division
2900 W. Broadway, Suite 300
Louisville, KY 40211
502-574-3082
Erin.waddell@louisvilleky.gov

MAINE

Community Concepts, Inc.

Community Concepts Inc., (CCI), a 501c3 organization, is the designated Community Action Agency (CAA) serving Androscoggin and Oxford Counties in Western Maine. CCI also provides program and services in various other counties in Maine. Community Concepts Finance Corporation, (CCFC) a 501c 3 organization, is an affiliate of CCI and is a Certified Community Development Finance Institution (CDFI) serving the Low-Income Target Population of Oxford, Franklin Androscoggin and Cumberland Counties in Maine.

Since 1965, Community Concepts, Inc. has offered a variety of housing, economic development and social services. These services support both the basic needs of low-income families and promote self-sufficiency. Community Concepts Finance Corporation was established in 2001 to provide business and residential lending and business technical assistance.

Community Concepts, Inc. is a Chartered member of NeighborWorks America.

Individuals & Families:

- Transportation Services
 - Medical appointments – MaineCare & Seniors
 - General needs – small fee for service
 - Volunteer drivers program
- Childcare & Preschool (Head Start)
 - Serving over 500 low income children
- Parenting, Family and Teen Programs
 - *Parenting education* – helping parents with parenting issues & questions
 - *Child abuse & neglect prevention*
 - *Programs for divorcing parents to help their children cope with change*
 - *School-based substance abuse counseling* at area high schools
- Home Ownership Programs
 - Homebuyer Education (HomeQuest HomeOwnership Center)
 - Build-Your-Own Home Program (Self-Help HomeOwnership)
 - Home Purchase and Rehab Program (Self-Help Rehab)
 - Home Purchase Loans (Self-Help HomeOwnership)
- Home Ownership Services
 - Heating & Electricity Assistance (LIHEAP, LIAP)
 - Home Improvement Support
 - Help for rehabbing existing homes (Self-Help Purchase & Rehab)
 - Energy audits & weatherization (HomeQuest)
 - Lead testing & abatement
 - Furnace repair/replacement (CHIP)
 - Oil tank replacement
 - Foreclosure & Credit Counseling (HomeQuest HomeOwnership Center)
- Affordable Rental Apartments
 - 175 units owned and managed

- Workforce Development
 - Matching residents with local employment, training and education opportunities

Businesses & Commercial Properties: (CCFC)

- Loans to start or buy a business
- Inventory and equipment loans
- Lines of credit
- Working capital loans
- Leasehold improvement loans
- Business technical assistance
 - Business technical assistance funded by the USDA RMAP Program and by the SBA microloan program.
 - Provided 1,314 hours on technical assistance to 94 business clients
- CCFC is an approved SBA Microlender and SBA community Advantage lender.
- In FY15, FY16 and FY17 CCFC was named the Microlender of the year for Maine by the SBA.

Residential Lending: (CCFC)

- Provides first mortgage lending to owner occupied 1-4 units
- Member of the Federal Home Loan Bank of Boston
- Approved RD502 packaging

Rural Development Self-Help Housing Program:

Community Concepts began the Mutual Self-Help Program in 1991. Since that time, Community Concepts, in partnership with USDA Rural Development has offered low-income families the chance to own a brand-new home through the Mutual Self-Help method of home construction. Over 300 families have completed their homes with technical assistance provided by Community Concepts. The Self-Help Housing program technical assistance is provided from USDA Rural Development and a Section 523 Grant.

Community Concepts recruits, trains, and supervises small groups of families as they build single-family homes in a “homebuilders association.” Together, they provide a minimum of 65% of the total building labor needed to complete the homes. Our construction supervisors are there every step of the way, so no construction experience is required. The months spent building their homes can save families as much as \$20,000 and there's never a payment to make during construction. Families choose their own colors of siding, roofing, interior paint, carpet, flooring, and cabinets. Each house is uniquely the homeowner’s and while working together with other families, they learn valuable construction skills as they build their house along with the others within their group.

Community Concepts also offers families the opportunity to purchase an existing home that is on the market or has been foreclosed on and to receive our technical assistance in making

needed repairs on those homes by utilizing their own labor to still become a homeowner. We found that many families wanted to participate in Self-Help but factors such as the high labor commitment in working every weekend was impossible because of weekend employment, no support system to watch their children while working on their homes and transportation issues with traveling to sites. This option requires families to contribute at least 200 hours of labor contribution during the week and not be required to follow the stringent guidelines of our new construction program.

Community Concepts' Self-Help program is currently the only one of its kind north of Pennsylvania and families are assisted within Oxford, Androscoggin, Franklin, Kennebec and Cumberland counties.

Community Concepts, Inc.

240 Bates Street

Lewiston, ME 04240

Phone: (207) 795-4065

Contact: Shawn Yardley: syardley@community-concepts.org

Penquis C.A.P., Inc.

Housing Development Program

History and Background

Penquis C.A.P., Inc., (Penquis) is the community action agency for Penobscot, Piscataquis, and Knox counties, Maine. A 501(c) (3) nonprofit organization, Penquis has a 50-year history of helping individuals and families to be safe, stable, connected, and financially secure. Its mission is to assist individuals and families in preventing, reducing, or eliminating poverty in their lives and, through partnerships, to engage the community in addressing economic and social needs. It focuses its efforts on increasing financial stability, access to stable housing and reliable transportation, school readiness, and safe, nurturing environments for children and families.

Penquis is a community development housing organization and a charter member of NeighborWorks America. The organization works with two subsidiaries to acquire funding for affordable housing partnerships: Penquis Development, Inc., (PDI), a private non-profit corporation, and Penquis Housing, Inc., (PHI), a for-profit corporation.

Penquis also works with the Northern New England Housing Investment Fund (Fund), a limited partner on eleven housing projects that have provided the critical equity necessary to help fulfill our mission. A consortium of Maine financial institutions established the Fund in 1996 to provide equity capital for affordable rental housing in the state. Penquis's agreements with the Fund include a provision for transferring the limited partner interest to Penquis after the 15-year Low Income Housing Tax Credit compliance period typically expires.

Target Population

Penquis focuses on three populations when planning housing projects: seniors, low-income families, and individuals with disabilities. Existing projects are located in Penobscot, Hancock, and Waldo counties.

Project Description

Housing projects are developed with the use of Low Income Housing Tax Credits and other innovative financing mechanisms, including support from the Maine State Housing Authority. PDI and PHI deal in private ownership and rental housing developments, and both act as conduits for owner/contractors. Private ownership developments consist of affordable residential subdivisions, while rental housing consists of multiple units for families, seniors, and special needs populations.

Limiting the environmental impacts of these housing projects is a priority. In 2015, Penquis was recognized by NeighborWorks as a Green Organization. This distinction recognizes Penquis as an organization that incorporates healthy and sustainable principles into every facet of its operations and throughout its lines of business. Penquis has properties that use state-of-the-art energy conservation measures such as solar-assisted hot water systems and natural gas heating.

Project Financing

The properties are largely financed through the Low Income Housing Tax Credit program, which limits tenant income to a maximum of sixty percent of the area median income. Tax credits are allocated through the Maine State Housing Authority, which also provides additional capital subsidy.

Project Impact

Penquis and subsidiaries PDI and PHI have managed to establish affordable housing projects in eight Maine towns and cities, totaling 330 units in 13 different locations. A project containing 39 additional units is due to be completed in 2019. The total portfolio of Penquis and its subsidiaries is over \$50 million. By ensuring that housing solutions are sustainable and eco-friendly, Penquis housing projects help the environment as well as the people who live there.

Contact Information

Penquis C.A.P., Inc.
Jason Bird, Housing Development Director
262 Harlow Street
PO Box 1162
Bangor, Maine 04402-1162
(207) 973-3551
www.penquis.org

Penquis Home Replacement Program

History and Background

Helping families achieve stable, affordable housing is a key component of Penquis's work and a critical need in the state of Maine, where the housing stock is among the oldest in the nation. Low-income homeowners rarely have the income to support a schedule of preventative maintenance on their homes. As time goes by their homes slowly deteriorate. When repairs are made, they are usually on an emergency basis, often without the benefit of skilled labor or proper materials. The value of the home, usually the family's only true asset, either decreases or fails to appreciate at the rate of homes in good repair, thus contributing little or nothing to the family's financial health. This is especially true for older mobile homes that were purchased before 1985 or so, as they have lost their entire investment due to depreciation, leaving homeowners right where they started--in poverty.

Substandard housing not only presents a financial burden, but also poses a serious threat to families' health and safety. Old mobile homes, in particular, are proven firetraps; they were not designed for northern climates and, thus, in Maine and other northern climates, have deteriorated to the point where they are unfit and unsafe to live in. By and large, these homeowners are excluded, by policy, from meaningful assistance from our publicly-funded home repair

programs--and for good reason. Repairing a home that should be replaced makes no economic sense, nor does it offer a long-term solution, especially in the case of a deteriorating old mobile home. Many owners of older stick-built homes are in similar circumstances.

Penquis promotes affordable housing through the development of affordable rental and home ownership opportunities, as well as through housing rehabilitation and replacement loan programs, heating and utilities assistance, weatherization and improvements to inefficient heating systems, and environmental lead investigations and abatement.

Target Population

The Penquis Home Replacement program targets low-income individuals and families living in pre-1976 mobile homes and substandard stick-built homes.

Project Description

Penquis established its Home Replacement program in 1995 to provide low-income homeowners with the permanent solution needed – removing existing homes from service and replacing them with new, low-maintenance, energy-efficient homes. The type of replacement depends on funding source restrictions. Historically, Penquis has replaced substandard stick-built homes with new stick-built homes, mobile homes with mobile homes, and mobile homes with stick-built homes. It provides this affordable housing option through the use of energy efficient structures, low-interest mortgage monies, and grant subsidies.

A replacement housing candidate may be referred from a home repair program or may self-refer. In either case, the individual or family is screened to ensure that they are income-eligible, own property suitable for replacement housing, and are otherwise eligible for subsidy funds.

An applicant that passes the screening is then referred to USDA Rural Development (RD), which, because of its low-interest 502 Direct Loan Program (RD 502), serves as the primary first mortgage lender for replacement housing programs. RD first verifies program eligibility and then determines whether the applicant can be prequalified for a home mortgage loan. While insufficient income can prevent prequalification, the more common reasons are poor credit rating and existing debt. If approved by RD, the applicant is referred back to Penquis with their deemed borrowing capacity. If deemed ineligible by RD, the applicant may be referred to MaineStream Finance, a community development financial institution and wholly owned subsidiary of Penquis. With its flexible underwriting criteria, MaineStream Finance may be able to provide financing when other entities cannot.

Next, staff visits the applicant and performs a site evaluation. Site conditions are noted and a standardized replacement house plan is selected, based on household size and site considerations. This evaluation leads to a preliminary project plan and budget. The project bid documents are prepared and competitive bids are obtained. Penquis staff then secures various forms of subsidy financing to supplement the RD 502 mortgage, as required. These funds are normally deferred/forgivable loans and grants from MaineHousing and the Department of Economic and Community Development, followed by one or more grants from the USDA Housing

Preservation Grant program, NeighborWorks America, and private foundations, when available. The process of assembling a financing package that satisfies the budget can be difficult and time-consuming. Eventually, the financing package is secured with funding commitments and a pre-construction conference is held to review the project details. Then the project moves to the loan closing phase.

After the closing, Penquis issues the contractor a Notice to Proceed and construction begins. Normally, the new house is built very close to the existing house in order to facilitate connection to the utility systems. When replacing a mobile home, the replacement client continues to live in their home while the new house is constructed or installed. If replacing a stick-built home, the homeowner is relocated and the existing home is demolished prior to new construction. The construction/installation is inspected by RD or MaineHousing and Penquis, and progress payments are made. When construction/installation is complete, electric service is switched to the new house and the client moves in. Transfer of the remainder of the family's personal property takes place over the next week or so. The contractor demolishes the old home (if a mobile home), and grades and seeds the site.

Project Financing

The low-interest mortgages from USDA Rural Development normally form the foundation of the project's financing package, followed by one or more subordinate mortgages in the form of deferred/forgivable loans from MaineHousing and the Department of Economic and Community Development, then followed by one or more grants from the USDA Housing Preservation Grant program, NeighborWorks America, and private foundations, when available. If the applicant fails to receive RD funding, they may be eligible for financing through Penquis subsidiary MaineStream Finance. Without financing, the applicant's chances of getting a replacement house are slim. Sometimes it's possible to build a very small one-bedroom home for an individual or a couple without RD funding or MaineStream Finance financing, but this requires a large amount of subsidy funding, which is scarce.

The greatest obstacle to producing a significant volume of replacement houses is the inability of program applicants to obtain affordable first mortgage financing due to poor credit or existing debt. However, even if challenges to obtaining RD 502 funding were overcome, then the various forms of subsidy funding would become the chokepoint. Subsidy funds--deferred/forgivable loans and grants--are also in heavy demand for Penquis home repair projects, thus severely limiting the amount that can be allocated for replacement housing.

Project Impact

Substandard housing places the occupants' health and safety at risk. Additionally, living in substandard conditions compromises one's self-esteem and emotional wellbeing. There is a social stigma attached to living in severely substandard housing, especially old mobile homes. For those families, home ownership has become a burden, not a joy. As a result of home replacement, area housing stock is improved, economic development and community pride are promoted, and, most importantly, low-income families acquire safe, decent housing, and an appreciating asset.

From 2012-2017, Penquis completed eleven replacement housing projects. All homeowners owned their own land and had no mortgage on their home. The average cost for replacing a stick built home with a stick built home was \$123,000; a mobile home with a stick-built home or double-wide was \$103,500; and a mobile home with a mobile home singlewide was \$80,000.

Contact Information

Penquis
Jennifer Giosia, Director of Housing and Energy Services
262 Harlow Street
Bangor, ME 04401
Phone: (207) 973-3629
www.penquis.org

MAINSTREAM FINANCE

Microloan Program

History and Background

MaineStream Finance (MSF), a community development financial institution, was established by Penquis in 2000. A wholly owned subsidiary of Penquis, MSF provides credit and credit-related support and training programs that reduce poverty, enhance community services for – or address the economic or social needs of – Maine residents with low or moderate incomes. MSF’s target counties are Hancock, Knox, Penobscot, Piscataquis, Waldo, and Washington.

MaineStream Finance is a licensed, Supervised Lender, an SBA Microenterprise Lender, an approved Microlender and Technical Assistance Provider for both the SBA and USDA Rural Development, and a HUD Approved Counseling Agency. MSF’s financing programs help individuals start and expand businesses, purchase homes, refinance high/predatory rate home loans, and make essential home repairs. MSF also provides financial training and counseling to help individuals prepare a business plan for an existing or start-up business, become first-time home buyers, keep their homes when at risk of foreclosure, create a reasonable household budget, and understand and/or repair their credit history.

MSF and Penquis combined have over twenty years of experience providing microenterprise services to thousands of entrepreneurs, including low-income individuals, laid-off workers, veterans, and women. Penquis first offered microloans and one-on-one technical assistance in 1995, adding training components over the years in response to regional demand.

Target Population

The target population for the Microloan program is underserved entrepreneurs in Knox, Waldo, Hancock, Washington, Penobscot, and Piscataquis counties, including five Native American reservations located in Penobscot, Washington, and Aroostook. The program serves an estimated

three hundred microentrepreneurs annually, including women, veterans, Native Americans, rural entrepreneurs, and low-income entrepreneurs (individuals whose incomes do not exceed eighty percent of their area's median income). MSF collaborates with community partners, including Four Directions Development Corporation (a Native American Community Development Financial Institution), to support business development.

Project Description

MSF's microenterprise services help individuals to start and expand businesses through the provision of:

- **Training:** Class offerings meet the diverse needs of entrepreneurs and include:
 - Business 101, a workshop covering the pros and cons of owning a business;
 - The Hatchery, a seminar series facilitated by an MSF business advisor and featuring local entrepreneurs and professionals who share their knowledge and experience on a variety of business topics with aspiring entrepreneurs; and
 - Incubator Without Walls, a 12-session training that uses the NxLevel Business Plan Basics, A Guide for Microentrepreneurs curriculum along with additional resources to provide participants with basic business skills. Highly regarded, Incubator Without Walls is a past recipient of the Pioneer Award for Leadership in Entrepreneurial Promotion in Rural America from the National Association of Development Organizations.
- **One-on-one technical assistance:** TA is provided in basic business areas such as business plan development, locating financial assistance, human resource issues, marketing, and business management.
- **Commercial loans:** Loans are provided up to \$200,000 for microenterprise plant purchase/renovation, equipment purchase, working capital, inventory, and other commercial purposes.

MSF actively integrates the delivery of its financial products and development services. All microenterprise borrowers receive technical assistance from an MSF Business Advisor in the first 24 months of the loan to maximize success.

Project Financing

The Microloan program is funded primarily by the Small Business Administration, Community Development Financial Institution Fund, and the Finance Authority of Maine. The program also receives grant funding from multiple sources.

Project Impact

Through increased business knowledge and access to capital, MSF enables microenterprises to increase their profitability and economic impact. A March 2016 survey of all business clients served demonstrated:

- 86% of respondents maintained or increased business revenues, and 78% increased or maintained household income
- Clients experienced an average revenue increase of 57%
- Approximately 68 jobs were created as a result of the program

The Microloan program is growing in size and scope as it strives to address the needs of Maine's entrepreneurs and communities.

Contact Information

MaineStream Finance
Christopher Linder, CEO
262 Harlow Street
PO Box 1162
Bangor, Maine 04402-1162
(207) 974-2465
www.mainstreamfinance.org
www.penquis.org

MARYLAND

GARRETT COUNTY COMMUNITY ACTION COMMITTEE

History/Background

Garrett County Community Action Committee (GCCAC) serves Garrett County, the westernmost county in Maryland. It is part of the Appalachian region and is located closer to Pittsburgh than it is to Baltimore or Washington, D.C.

GCCAC operates in a rural community of 30,000 persons with eight small incorporated towns. It is engaged with over 40% of the County's residents with one or more of its activities and services and has assisted in financing, constructing or rehabilitation of over 1,500 housing units.

The community action agency was incorporated in 1965 and is a voice for interests of low income persons in the community's public and civic life. Over the past three decades, GCCAC has involved itself with partnerships and policies that have seen the County reduce its unemployment by 66% and its poverty rate to 12%. Its community capacity building strategies have supported the eight small municipalities and a range of nonprofit and public organizations.

The Agency's trajectory has been significantly influenced by its affiliation with Rural LISC, the Annie E Casey Foundation and the Aspen Institute. The Casey Foundation and Aspen motivated and assisted GCCAC's strategic shift to a fully integrated and multi-generational approach in supporting and bundling services for families moving out of poverty. LISC was a catalyst to GCCAC's building its capacity to create opportunities for low income persons to gain jobs, homes or services.

Key Services and Programs

Garrett County CAC provides a variety of programs to county residents structured around stabilization, asset building, education and community building. These include:

- Two Generation;
- Head Start and other early childhood programs;
- Senior programs;
- Energy assistance;
- Weatherization;
- Transportation;
- Homeless services;
- Housing rehab;
- Homebuyer assistance;
- Housing development;
- Community facilities;
- Support to local municipalities;
- Social Enterprises

Housing

GCCAC is the developer, owner, and manager of affordable rental housing, provides financing, building sites and education to new homebuyers and is the lead entity in the County's Continuum of Care program to gain permanent housing for low income persons facing homelessness. GCCAC also provides home repair direct loans and grants and packages loan applications for low income home owners.

Garrett County Community Action has developed and owns 700 multifamily rental units financed primarily with Low Income Housing Tax Credits as well as scattered single family and small apartment rentals dispersed throughout the County. At times GCCAC will build and develop single family homes and building sites that are sold to persons graduating from the GCCAC home buyer program and its rental properties. Over 400 families have purchased new homes through the Agency down payment assistance and homebuyer education program.

The Agency's portfolio of housing units and financing resources along with the range of shelter services creates an opportunity to quickly move low income families and individuals into permanent housing who may otherwise be confronted with traumatizing crises.

Tourism Attraction as an Economic Development Strategy

GCCAC was involved in a community effort to develop a world class whitewater rafting facility built in this rural part of Maryland, whose economy includes a large tourism sector. Garrett County was already the site of a well-known ski resort for winter sports and is the location of several state parks that attract people to the area during the summer months.

Half of the population of the county has received services from GCCAC. Many are employed in the tourist industry. This sector is a pillar of the local economy and the idea for a whitewater rafting facility came out of the strategic plan created by the community to create new jobs to replace those lost by the closing of the Bausch and Lomb factory, which had been the county's largest employer.

The ski resort offered to donate land to GCCAC for the whitewater rafting facility, on the assumption that people that come for rafting in the summer would consider coming back in the winter to ski.

In addition to the whitewater course, the facility includes bike trails, climbing, snow sledding, and some cross country skiing.

Energy Audit Social Enterprise

In response to the funding for Weatherization under the Recovery Program, GCCAC increased its capacity to conduct residential energy conservation work. In order to maintain its capacity after the collapse of those federal funds, GCCAC created a company called Garrett Energy Solutions (GES) which conduct energy audits for contractors who are required to meet County energy codes for new homes. In addition, GES conducts energy assessments mandated to achieve certifications for energy efficiency associated with multifamily construction. The company is also certified to conduct lead tests.

Tourism Project Description

The Garrett County government served as the lead partner for the project, through their economic development staff, which enabled them to access grant funds from the Economic Development Administration at the US Department of Commerce, which only local governments are eligible for. In addition, the project received financing from two state bonds and the lead role of the county government gave the state legislature the confidence needed to issue the bonds.

Garrett County had connections with an Olympic medal winner in kayaking at the Sydney Olympics and had already hosted a national competition for kayaking, so this project was a natural next step. Since its construction, the facility has hosted the world kayaking championships, which generated a substantial amount of national and international publicity.

Community Economic Development Tools

Housing

- USDA/Rural Development
- Low Income Housing Tax Credits
- HOME
- CDBG
- Federal Home Loan Bank
- Appalachian Regional Commission
- LISC
- Enterprise
- Private lenders

Economic Development

- Office of Community Services, Community Economic Development grant program
- Economic Development Administration
- Maryland state bonds
- USDA
- Community Development Block Grants
- Appalachian Regional Commission
- Local banks
- Federal Home Loan Bank

Project Financing

The Economic Development Administration awarded a grant for the construction of the facility, through the county government. State economic development money was also part of the package, and also went through the county government. USDA, CDBG and Appalachian Regional Commission funds were also part of the package.

The project included a lot of capital from many sources, with OCS serving a critical role by coming in early with the initial planning grant that paid for the business plan. This then led to the larger OCS grant for the construction of on-site facilities and additional money from other sources to build the whitewater rafting course.

Project Challenges

The dependability of water is critical for rafting. Water is pumped up from neighboring Deep Creek Lake, which is in a nearby state park, and then held in a holding pond. It took two years to build the facility and cost \$18-19 million, which was more than expected.

The project is currently making money and putting funds into a capital reserve.

Results/Impact

This facility created 35 jobs for raft guides. Most seasonal guides work in winter at the ski resort and summers at the rafting facility.

GCCAC didn't have to recruit for the positions. Word of mouth among area guides brought people. A lot are young. There was some initial concern among existing outfitters about competition, but that has gone away as they realize the publicity has in fact brought more people to the area, benefitting all outfitters.

GCCAC later built workforce housing nearby for employees, in order to provide affordable housing close to both the whitewater facility and the ski resort.

Garrett County Community College created an associate's degree program in Adventure Sports, Frostburg State University created a bachelor's degree program and West Virginia University has some classes in this area of study as well. This has helped attract people to the area and to get employees to take the classes and receive college credit or full degrees. Many of the students that work in the summer at the whitewater course are enrolled in one of these adventure sports programs.

Contact Information

Duane Yoder, Executive Director
Garrett County Community Action Committee
104 E. Center Street
Oakland, MD 21550
(301) 334-9431
<http://www.garrettcac.org/>

MASSACHUSETTS

Community Teamwork—Overall Profile

History/Background:

Established in 1965, Community Teamwork, Inc. (CTI) is a non-profit 501-C3 Community Action Agency (CAA) serving the City of Lowell, Massachusetts and the seven surrounding towns of Billerica, Chelmsford, Dracut, Dunstable, Tewksbury, Tyngsboro, and Westford. Community Teamwork also serves as a Community Development Corporation and as the Regional Housing Agency for the Merrimack Valley and the rest of Northeastern Massachusetts, including 63 cities and towns along the North Shore and Cape Ann.

Our roots are steeped in the war on poverty, celebrating more than 50 years of Community Action. Our mission is much the same as it was 50 years ago. We serve as a catalyst for social change. We strengthen communities and reduce poverty by delivering vital services and collaborating with key stakeholders to create housing, education and economic opportunities.

Key Services and Programs:

CTI is organized in a Division structure with like programs falling under each of its three Divisions. Each Division is overseen by an Associate Executive Director. They include the following:

Division of Child and Family Services includes quality Early Education and Care Programs such as Head Start and Early Head Start for infants and children under five years of age; School Age Programs that provide safe, enjoyable and well supervised after school activities for children between the ages of six and thirteen; YouthBuild Program where out-of-school, out-of-work youth can earn their GED while learning the construction trade and helping to build affordable housing in the community.

Division of Housing and Homeless Services includes such programs as the Housing Choice Voucher Program, also known as Section 8; Shelters for Homeless Families; the Housing Consumer Education Program which offers emergency and advocacy services; Scattered Site Transitional Assistance Programs for victims of domestic violence as well as homelessness prevention and rapid re-housing services including Residential Services to Families in Transition (RAFT) and HomeBASE, a limited short-term subsidy program that provides housing stabilization. In addition, CTI also serves as the convening agency for the Merrimack Valley Regional Network to End Homelessness.

Division of Energy & Community Resources provides Fuel Assistance, Weatherization, Burner Repair and Replacement and other Energy Conservation Programs; three Senior Volunteer Programs including the Foster Grandparents, Senior Companions and Retired Senior Volunteers; the Spindle City Corps, also known as Lowell's Urban Peace Corps for youth between 16 -21; Big Brothers/Big Sisters, offering mentoring and companionship for young people in need of good role models; Secure Jobs, a workforce development and housing initiative, SuitAbility which provides interview clothing to women who are re-entering the workforce and the Women, Infants and Children Program (WIC) which provides nutritional education, immunizations and vouchers that may be redeemed for healthy foods for pregnant and post-partum women, infants

and children under the age of five. Other initiatives include our Financial Self-Sufficiency Center which includes a host of Financial Education initiatives such as the six-week Financial Literacy Academy, the Individual Development Account (IDA) Program helping low-income people develop assets, Volunteer Income Tax Assistance (VITA), One-on-One Financial Counseling; Financially Hers, a day-long conference targeted at women; Money Talks, a weekend long conference targeted at high school youth; the outdoor Lowell Farmers' Market offering fresh locally grown produce; and the Merrimack Valley Small Business Center which provides entrepreneurs with tools and opportunities to start or expand their small business as well as micro-loans.

Subsidiaries

CTI has several 100% owned subsidiaries. All subsidiaries have their own Board of Directors:

Common Ground Development Corporation- a non-profit 501(c) (3) whose purpose is to develop affordable housing for families and special needs groups within the existing CTI service area.

Merrimack Valley Housing Services, Inc. – a non-profit 501(c)(3) that owns and operates a 60 unit elderly and handicapped low income apartment complex in Methuen, Massachusetts.

Mechanics Hall Corporation – a non-profit, 501(c) (2) real estate holding company. Mechanics Hall owns one property at 167 Dutton Street, Lowell, MA

Community Housing, Inc. - a non-profit, 501(c)(3). This corporation was set up as a holding entity to buy, sell, own, and manage property in its territory that includes CTI's basic service area of greater Lowell. This entity is now used for monitoring services to maintain low income properties.

Community Economic Tools in this Case Study:

Entrepreneurship

Agricultural Businesses

SNAP and WIC Benefit Recipients

Housing Development

Workforce Development

Early Education and Care

Target Population:

The primary target population includes low-income residents from the Greater Lowell area although many of Community Teamwork's programs reach across 63 communities throughout portions of Middlesex and Essex counties.

Project Description:

Community Teamwork plays a significant role in the overall economic development of our community. As one of the top ten largest employers in the city of Lowell, Massachusetts, our staff are 450 strong. Agency headquarters are in the heart of downtown Lowell where staff can

shop locally and enjoy lunch or dinner in one of the many area restaurants all of which contributes to the local economy. Community Teamwork is also a Regional Housing Agency and as such, funds pass through the agency onto hundreds of area landlords and fuel vendors, again adding to the local economy.

In addition, Community Teamwork’s Merrimack Valley Small Business Center, Lowell Farmers’ Market and its subsidiary Common Ground Development Corporation have a significant impact on the economic development of our area.

Merrimack Valley Small Business Center: The mission of the Merrimack Valley Small Business Center (MVSBC) is to provide entrepreneurs from ethnically and economically diverse groups with the education, tools, and resources needed to create, sustain, and grow viable small businesses and entrepreneurial ventures. The Merrimack Valley Small Business Center is a program of Community Teamwork working in partnership with University of Massachusetts Lowell, Middlesex Community College, and the City of Lowell. These founding partners brought attributes to the creation of the Center and continue to guide its evolution.

The MVSBC Founding Partners: Community Teamwork Inc. – CTI is the community action agency for the Greater Lowell area and has been making a difference in peoples’ lives through programs such as Head Start, WIC, fuel assistance, housing, workforce development and many other programs and services for over 50 years.

University of Massachusetts Lowell – UMass Lowell is a public university committed to preparing our students for work in the real-world— solving real problems and helping real people— by providing an affordable high quality education.

Middlesex Community College – MCC is the largest community college in the Massachusetts system with campuses in Bedford and Lowell. Over 8,000 students a year acquire the education and skills necessary to build successful lives and contribute to the vitality of our economy.

City of Lowell, Division of Planning and Development – DPD is responsible for economic development in the City of Lowell and has been a long term supporter and collaborator with the Center.

The MVSBC provides support to entrepreneurs by offering business development services to start or grow a business or obtain a business loan. The Center empowers entrepreneurs to make the right choices and increase their chances for success through education, training and technical assistance. As an authorized Small Business Administration (SBA) Intermediary Lender, the MVSBC provides financial support and credit building services through low-interest microloans, up to \$50,000, enabling business growth and stabilization, job creation/retention, and improved economic impact.

Lowell Farmers’ Market: The Lowell Farmers’ Market (LFM), a designated Department of Agriculture authorized Farmers’ Market, creates incentives to boost consumer attendance and vendor revenues, which are crucial to the LFM’s long-term success. Greater community participation increases the market's economic impact while ensuring access to healthy food options for the low-income, low-access residents of Lowell. The Farmers’ Market also helps to boost the agricultural businesses in the region which provide these healthy food alternatives. As

the agricultural businesses grow, they will have greater economic impact and, due to higher product yields, contribute to the overall health of the Lowell populous.

Common Ground Development Corporation: Common Ground Development Corporation (CGDC) was created as a non-profit subsidiary of Community Teamwork to produce more housing for home-buyers and tenants, and to preserve existing apartments at affordable levels.

The mission of CGDC is to work with local elected officials, planners, housing authorities, economic development organizations, non-profits, and the private sector to create decent, safe, affordable housing and foster economic development and job creation. The objective is to promote economic opportunity and enhance the quality of life for low and moderate income persons. New units are being created through rehabilitation of distressed buildings and through new construction, while existing apartments are being preserved at affordable rent levels through the acquisition and maintenance program. In total, Common Ground Development Corporation has created or preserved 98 units of affordable housing in communities across Massachusetts.

Project Financing:

The Merrimack Valley Small Business Center receives financing from a variety of federal, state and local sources including the Small Business Administration, Community Development Block Grant funds, private banking industries, as well as foundations, corporations and individual donors.

The Lowell Farmers' Market is funded by private grants and sponsorships.

Common Ground Development Corporation receives financing from a variety of federal and state sources as well as private foundations and corporations.

Project Challenges:

For many small businesses, the downturn in the economy resulted in employee lay-offs and lackluster growth. Many small businesses struggled to survive even as the economy started to show signs of improvement. As these businesses moved into survival mode, they often had difficulty distinguishing between personal and business finances. Compounding these issues, the ability to borrow money to start, sustain or grow a business became extremely difficult, as the ability to borrow is directly linked to one's personal financial situation. Therefore, we have found that these times not only impaired personal investment capital, but also access to financial services. We find this especially true for individuals who are currently unemployed and lack access to personal savings, the first stop for funding a new business.

The lack of capital impacts microenterprises and the economy in a variety of ways: Start-ups are diminished because the investment capital necessary to start a business is impaired by the lack of personal investment capital and / or the ability to borrow; Many businesses that start are undercapitalized and therefore less likely to survive; High debt levels at high interest rates (especially credit cards) in the best case slow growth, but in the worst case threaten survival of the business.

The MVSBC is able to help businesses meet these challenges through a variety of ways including one-on-one counseling to help them assess their issues and troubleshoot, set goals and objectives, and provide educated information around important business concepts. Clients can take various training programs which provide additional information around specific areas.

These trainings help clients assess their business idea, complete a business plan, get their finances in order, and help prepare to apply for financing. As a designated SBA Microloan Intermediary, the MVSBC provides individual long-term loans, up to \$50,000, for businesses within the Merrimack Valley service area. These long-term, low-interest loans are designed to help entrepreneurs who cannot access traditional financing achieve financial stability.

The challenges facing the Lowell Farmers' Market (LFM) generally focus around Market promotion, consumer education and outreach to increase the level of public awareness about local agricultural offerings.

Building affordable housing does not happen overnight. The challenges facing Common Ground Development Corporation often revolve around financing of affordable housing projects which can take many, many months to secure as well as educating communities about the importance of meeting their 40-B requirements.

Results/Impact

Today, Community Teamwork, Inc. manages \$80M worth of programs aimed at helping low-income people become more self-sufficient. It is finding new ways to:

- ❖ help those in dire need;
- ❖ house the homeless and create first-time homebuyers;
- ❖ weatherize homes to reduce the cost of heating them;
- ❖ develop and construct affordable housing in the Greater-Lowell area;
- ❖ annually educate 2000 children and help their parents to become involved in their children's education;
- ❖ serve 5,000 pre- and postnatal women and their children with nutrition education and food;
- ❖ help young people who have dropped out of school to get their GED's and learn how to build houses;
- ❖ provide 10,000 households with assistance to pay their fuel bills in a time of rising energy prices;
- ❖ enable 450 elderly to volunteer their time and talents in the community;
- ❖ help parents to pay for child care;
- ❖ administer 2,500 housing subsidies;
- ❖ help hundreds of low-income people start a small business;
- ❖ train or re-train workers for jobs in the Health Care industry and other service sectors.

Contact Information
Community Teamwork
155 Merrimack St.
Lowell, Massachusetts 01852
978-459-0551
www.commteam.org

Community Teamwork—Microlending

Merrimack Valley Small Business Center

History/Background:

Since 1998, Community Teamwork's Merrimack Valley Small Business Center (MVSBC) has provided business development services to entrepreneurs from ethnically and economically diverse groups within nineteen communities that comprise the Merrimack Valley region. The MVSBC works in partnership with the University of Massachusetts at Lowell, Middlesex Community College, and the City of Lowell to provide training, tools, and resources needed to create, sustain, and grow viable small businesses. As an authorized Small Business Administration Intermediary Lender, the MVSBC also provides financial support and credit building services through low-interest microloans, enabling business growth and stabilization, job creation/retention, and improved economic impact. The MVSBC is a vital resource for entrepreneurs throughout the Merrimack Valley, serving as a critical bridge to economic opportunities and financial independence.

Key Services and Programs:

The Merrimack Valley Small Business Center offers culturally competent technical assistance to address the needs of small business owners and entrepreneurs from ethnically and economically diverse groups, including moderate and low-income individuals, across the Merrimack Valley, especially in the Massachusetts Gateway Cities of Lowell, Lawrence, and Haverhill. The MVSBC focuses on providing realistic and practical information in an easy to understand format that is culturally tailored to fit the needs of the entrepreneurs it serves. The Merrimack Valley Small Business Center offers a series of workshops and seminars to equip entrepreneurs with all the tools necessary to start or grow their business. These include:

Are You Ready to Start a Business: Find out what it takes to start a business! Learn what the MVSBC has to offer. Explore your motivations and expectations for starting a business, understand the challenges and rewards, evaluate your business idea and decide if business ownership is right for you.

The Marketing Canvas: A Marketing Plan is an important tool for any business owner and this workshop offers the tools to develop a customized plan and provide information and tips to better understand where to spend your advertising dollars within your budget.

Small Business Law Basics: What do you need to know to keep your business safe and legal? Participants will learn about common legal issues in small business, choosing a business entity, compliance with licensing, permitting and zoning requirements and basic tips around business contracts.

Charting Your Course-Let Your Business Plan Be Your Guide: This hands-on 4 week intensive workshop gives entrepreneurs the tools necessary to write an effective business plan. Each participant will write a business plan, perform market research, define a target market, perform a SWOT analysis, develop a sales forecast, and analyze key financial documents. By the last class, the participants leave with a completed business plan in-hand, ready to use and, in some cases, apply for financing.

Navigating Your Course-Surviving Your First Three Years: This comprehensive 6-week training program is designed to help business owners avoid the costly mistakes and common pitfalls encountered within the first three years of operation. Participants master the skills necessary to operate a successful business and establish lifelong best business practices. Participants will complete a 3 year strategic plan which will be presented at the end of the 6 weeks to a panel of peers, educators and business leaders.

Financial Tune-Up Boot Camp: This is a five – week intensive series of workshops that help entrepreneurs take control of their business. Participants are also assisted to setup their bookkeeping systems with a QuickBooks ProAdvisor. Topics covered include Banking Best Practices, Tax Planning, Loans and Financing, Record Keeping, Time Management, Risk Management, Accounting Systems, Financial Reports, Pricing and Cash Flow Analysis.

MVSBC Microloan Program

As a designated SBA Microloan Intermediary, the MVSBC lends capital to businesses that do not qualify for conventional credit. The MVSBC provides individual long-term loans, up to \$50,000, for businesses within the Merrimack Valley service area. These long-term, low-interest loans are designed to help entrepreneurs who cannot access traditional financing achieve financial stability. These loans are reported to Credit Builders Alliance, providing an opportunity to increase borrowers' credit worthiness. As a covenant to each loan, the MVSBC requires that borrowers participate in technical assistance which in-turn sets the groundwork for long-term success. Borrowers also benefit from one-on-one financial counseling to ensure each business maintains a successful finance management systems, makes on-time payments, and effectively manages their credit.

Community Economic Tools in this Case Study

- Entrepreneurship
- Business Technical Assistance
- Micro-loan lending

Target Population

The Merrimack Valley Small Business Center serves individuals who have always dreamed of starting a business but didn't know where to start. The Center also serves existing entrepreneurs seeking to grow or expand their business. Many members of the MVSBC come from ethnically and economically diverse backgrounds. They include low and moderate-income individuals including women, minorities, immigrants and refugees.

Project Description

The mission of the Merrimack Valley Small Business Center is to provide entrepreneurs from ethnically and economically diverse groups with the education, tools, and resources needed to create, sustain, and grow viable small businesses and entrepreneurial ventures.

The MVSBC provides support to entrepreneurs by offering business development services to start or grow a business or obtain a business loan. We empower entrepreneurs to make the right

choices and increase their chances for success through education, training and technical assistance.

The Merrimack Valley Small Business Center is a program of Community Teamwork working in partnership with University of Massachusetts Lowell, Middlesex Community College, and the City of Lowell. These founding partners brought these attributes and more to the creation of the Center and continue to guide its evolution:

Community Teamwork Inc. – CTI is the community action agency for the Greater Lowell area and has been making a difference in peoples’ lives through programs such as Head Start, WIC, fuel assistance, housing, workforce development and many other programs and services for over 50 years.

University of Massachusetts Lowell – UMass Lowell is a public university committed to preparing our students for work in the real-world— solving real problems and helping real people— by providing an affordable high quality education.

Middlesex Community College – MCC is the largest community college in the Massachusetts system with campuses in Bedford and Lowell. Over 8,000 students a year acquire the education and skills necessary to build successful lives and contribute to the vitality of our economy.

City of Lowell, Division of Planning and Development – DPD is responsible for economic development in the City of Lowell and has been a long term supporter and collaborator with the Center.

Project Financing

The Merrimack Valley Small Business Center receives financing from a variety of federal, state and local sources including the Small Business Administration, Community Development Block Grant funds, private banking industries, as well as foundations, corporations and individual donors.

Project Challenges

For many small businesses, the downturn in the economy resulted in employee lay-offs and lackluster growth. Many small businesses struggled to survive even as the economy started to show signs of improvement. As these businesses moved into survival mode, they often had difficulty distinguishing between personal and business finances. Compounding these issues, the ability to borrow money to start, sustain or grow a business became extremely difficult, as the ability to borrow is directly linked to one’s personal financial situation. Therefore, we have found that these times not only impaired personal investment capital, but also access to financial services. We find this especially true for individuals who are currently unemployed and lack access to personal savings, the first stop for funding a new business.

The lack of capital impacts microenterprises and the economy in a variety of ways: Start-ups are diminished because the investment capital necessary to start a business is impaired by the lack of personal investment capital and / or the ability to borrow; Many businesses that start are undercapitalized and therefore less likely to survive; High debt levels at high interest rates (especially credit cards) in the best case slow growth, but in the worst case threaten survival of the business.

The MVSBC is able to help businesses meet these challenges through a variety of ways including one-on-one counseling to help them assess their issues and troubleshoot, set goals and objectives, and provide educated information around important business concepts. Clients can take various training programs which provide additional information around specific areas. These trainings help clients assess their business idea, complete a business plan, get their finances in order, and help prepare to apply for financing. As a designated SBA Microloan Intermediary, the MVSBC provides individual long-term loans, up to \$50,000, for businesses within the Merrimack Valley service area. These long-term, low-interest loans are designed to help entrepreneurs who cannot access traditional financing achieve financial stability.

Results/Impact

Since the beginning, the Center has provided over 15,000 services to over 3,500 people exploring the possibility of starting a small business, and has helped start over 400 businesses. Our performance highlights the tremendous impact that is possible when society has the vision and willingness to invest in its people. Good ideas like the Center don't just happen; they are the result of vision, creativity, good management, commitment, and resources.

Contact Information

Merrimack Valley Small Business Center
88 Middle Street
Lowell, Massachusetts 01852
(978) 322-8415

www.commteam.org/how-we-help/finance-business/small-business-center/

Community Teamwork

Lowell Farmers' Market

History/Background:

The Lowell Farmers' Market (LFM), a program of Community Teamwork, Inc. (CTI), is an urban marketplace in the heart of Downtown Lowell, Massachusetts. Since 1979, Community Teamwork has sponsored the Lowell Farmers' Market, offering fresh, locally grown produce from area farmers, as well as meats, fish, honey, baked goods, prepared meals, hand-crafts and more, in a beautiful, urban setting. For the past 37 years, the Lowell Farmers' Market has offered direct sales opportunities from local agricultural enterprises making healthy, locally grown food options available to Lowell residents, especially those in low income/low access zones, as well as commuters and tourists.

In 2014, the Merrimack Valley Small Business Center (MVSBC), CTI's small business development program, adopted the LFM into its family of programming in order to improve the management of the market itself and to help the market vendors grow their businesses through technical assistance, marketing resources, and financing.

Key Services and Programs:

The Lowell Farmers' Market operates from early July through late October. Every Friday from 1:00pm – 6:00pm, the Market bustles with activity as vendors set up to sell their fresh, locally grown produce, baked goods, handcrafts and specialty items. Entertainment, including food

demonstrations, music, games and prizes are also offered at the Lowell Farmers' Market each week.

Community Economic Tools in this Case Study

- Entrepreneurship
- Agricultural Businesses
- SNAP and WIC Benefit Recipients

Target Population

The LFM is the primary resource for providing Lowell's urban residents direct access to locally produced food.

Project Description

The Lowell Farmers' Market, a designated Department of Agriculture authorized Farmers' Market, aims to increase community awareness of the market, creating incentives to boost consumer attendance and vendor revenues, which are crucial to the LFM's long-term success. Greater community participation will increase the market's economic impact and ensure access to healthy food options for the low-income, low-access residents of Lowell, plus help boost the agricultural businesses in the region which provide these healthy food alternatives. As the agricultural businesses grow, they will have greater economic impact and, due to higher product yields, contribute to the overall health of the Lowell populous.

The Lowell Farmers' Market accepts all major credit cards including Visa, Mastercard, American Express and Discover as well as WIC coupons, SNAP/EBT and Senior Coupons.

Project Financing

The Lowell Farmers' Market is funded by private grants and sponsorships.

Project Challenges

The challenges facing the LFM generally focus around Market promotion, consumer education and outreach to increase the level of public awareness about local agricultural offerings.

Contact Information

Merrimack Valley Small Business Center
88 Middle Street
Lowell, Massachusetts 01852
(978) 322-8415

www.commteam.org/how-we-help/food-nutrition/farmers-market/

MICHIGAN

Chippewa Luce Mackinac Community Action

History and Background

Chippewa-Luce-Mackinac Community Action Resources Authority, Inc. provides a wide variety of social services to residents of a three-county area of the Upper Peninsula of Michigan. Services include: Head Start, Early Head Start, homelessness prevention, veteran's services, weatherization and transportation services.

Community Economic Development Tools in This Case Study

Issuing of bonds to finance the development of Avery Square, through a partnership between Chippewa County and CLM-Community Action.

Federal Home Loan Bank of Indianapolis

Michigan Housing Development Agency

Low Income Housing Tax Credits

Target Population

Senior citizens and other low-income people of Chippewa County.

Project Description

Chippewa-Luce Mackinac Community Action Human Resources Authority, Inc. constructed a multi-purpose building, named Avery Square, in the downtown area of the city of Sault Ste. Marie, Michigan. Real estate for the project had been purchased and several abandoned buildings on the site were demolished, with all of the activities paid from Agency private and donated funds, obtained from local and statewide fund raising activities.

C-L-M Community Action Agency staff was able to assemble an informal consortium of interested parties, which included the City Commission of Sault Ste. Marie, the Chippewa County Commission, the Chippewa County E.D.C and the Sault Ste. Marie Tribe of Chippewa Indians. All of the participants contributed funds to the project and assisted in the design of the building.

Avery Square is a multi-purpose building covering about half a city block in the downtown area of Sault Ste. Marie. It embodies the concept of combining a street-level, enclosed office and retail space with an open atrium apartment tower with 57 apartments, reserved for seniors, on 3 floors. The atrium is climate controlled. A clear, glass covered gable roof admits daylight to complement artificial lighting in the interior.

The street level contains a total of approximately 32,000 square feet of office and rental space in two wings, separated by the atrium. The west wing houses the Chippewa County Health Department and the east wing is occupied by medical offices, a hospital owned physical therapy facility and an early childhood day care center operated by Community Action. Several entrances allow access from Ashmun Street, the main thoroughfare in town, from a street north of the building and from a walkway on the south side.

By combining housing with office and rental space, operational efficiencies were achieved. The facility was deliberately placed in the declining business sector of the downtown area in a deliberate effort to create a stimulus for development and renewal. Since the building opened, it has more than met its goal of providing attractive and desirable rental space, low cost quality apartments for seniors, an all-weather gathering place for community events in the atrium and for providing a stimulus to encourage downtown re-development. The Building received a National Honor designation from the Federal Home Loan Bank.

Like other cities, Sault Ste. Marie has had its share of economic dislocations and upheavals. Industries have come and gone, often leaving a significant impact on the city. A relatively recent event with negative economic consequences was the closing of the United States Air Force Base in Kincheloe, about 20 miles south of the city. Although some of the effects were ameliorated over time, the retail sector down sized and many of the stronger businesses moved from the downtown area. Avery Square was conceived by C-L-M Community Action Agency and undertaken with these three goals:

- Provide affordable housing for senior citizens in a setting where essential services can be provided to extend independence.
- Revitalize and increase the economic well-being of downtown Sault Ste. Marie.
- Create a future source of revenue for Agency services to seniors, independent of governmental grants.

Project Financing

In addition to C-L-M Community Action Agency, the Chippewa County Board of Commissioners, the City Commission of Sault Ste. Marie, the Chippewa County E.D.C, and the Sault Ste. Marie Tribe of Chippewa Indians were directly involved in designing the project.

Additional financial partners were the Michigan Housing Development Agency, the Federal Home Loan Bank and Sault FMB bank who handled the construction loan and mortgage. The total cost of the project was \$9,935,045.

Significant for the success of the project was the decision by the Chippewa County board, to purchase the west wing, housing the Health Department, with the proceeds of a \$1,902,835 bond issue. At the same time the legal firm of Miller and Canfield established in behalf of C-L-M Community Action Agency, that the Agency was legally able to issue bonds. As a result, the Agency was able to issue bonds through the assistance of the Chippewa County EDC for finalizing the funding for the project. The final cost certification is as follows:

Michigan State Housing Development Authority	2,927,415
City of Sault Ste. Marie	615,000
Michigan Jobs Grant	50,000
Fed, Home Loan Bank	140,000
Tribal Donation	800,000
Misc. Donations	223,453
Federal Grant	300,000
Community Action	2,152,000
County Bond issue	1,902,835
Local Bank loan	98,578
Tax Credit sale	576,000
	<hr/>
Grand Total	9,935,045

Results/Impact

Shortly after the opening of Avery Square, the City undertook improvements to the cityscape on Ashmun Street. New streetlights were installed, decorative trees planted and several information kiosks were erected. Sidewalks and crosswalks were paved, creating a user friendly and very walk-able atmosphere, at a cost of \$2,140,000.

The Sault Ste. Marie Tribe of Chippewa Indians purchased two empty commercial buildings diagonally across from Avery Square, made extensive renovations and moved their headquarters into the larger of the two. The other building houses classrooms, a Native American Cultural Center and a large portion of the building now houses the Sault River of History Museum. The tribe invested \$3,000,000 into this project and another \$325,000 was spent by the city of Sault Ste. Marie on the establishment of the museum.

Under the leadership of C-L-M Community Action Agency, a coalition was formed to build a 3 deck Municipal Parking garage, adjacent to Avery Square. In addition to Community Action, the City Commission, the War Memorial Hospital and the Downtown Development Authority are stakeholders in this effort that resulted in the construction of the garage, a \$6,432,000 investment. The city of Sault Ste. Marie invested \$1,900,000 in infrastructure improvements around the hospital campus to facilitate future growth in the area.

A group of interested and concerned citizens were able to purchase a local historic movie and performance theater. The non-profit corporation created for this purpose is renovating the interior, offers live performances and conducts classes for aspiring young artists. These efforts were recognized with a Cool Cities Grant of \$100,000. The group has been able to raise over \$400,000 by local fundraising activities.

Private interests are currently building a new medical building directly west of Avery Square, at a cost of \$8,000,000. This building will be available for medical practitioners when completed. It will be connected to the parking structure by an aerial walkway, estimated to cost \$2,000,000.

A private group has purchased a former bank building and Masonic Hall, located north across the street from Avery Square and is in the process of refurbishing the interior at a cost of \$7,500,000. When completed, the building will house an apartment complex and commercial space.

Two privately owned medical buildings were recently completed in the vicinity of Avery Square, at a cost of \$3,500,000.

War Memorial Hospital has started to make major improvements to the physical plant. So far, the hospital has expended \$6,000,000 for the development of a new radiology department. A major renovation of the adjoining properties & structures to house needed professional services & records is ongoing at an approximate cost of \$1,500,000.

C-L-M Community Action Agency has used design elements from Avery Square in constructing an Agency Service Center and a separate Senior Housing building in St. Ignace, the Mackinac County Seat. Both facilities were located in a declining area of the community in order to help spur improvement. The cost of these buildings was \$3,000,000.

In addition, the Agency operates an Agency Service Center in Newberry, the Luce County seat, for \$1,600,000. This building is attached to a senior housing project. Here too, the project was deliberately located in a declining part of the town as part of a revitalization strategy.

Contact **Information**

Holly Kibble

Deputy Director

Chippewa Luce Mackinac Community Action

524 Ashmun St.

Sault Ste. Marie, Michigan 49783

Telephone: 906-632-3363

Mid Michigan Community Action

History

Mid Michigan Community Action Agency (Mid Michigan CAA), a private, non-profit 501 c(3) agency, focuses on alleviating poverty and empowering low and moderate-low income individuals and families to become self-sufficient across six counties. Mid Michigan CAA began in 1966 out of a community member's garage. The agency relies heavily on grassroots action and respected involvement of the Central Michigan community.

Programs

Mid Michigan CAA has over 20 programs including basic needs, child and family services, and self-sufficiency. These programs help families and individuals by providing the education, resources, financial, and/or case management support to get them back on their feet and moving toward self-sufficiency. Mid Michigan CAA has been successful in adapting to rapidly changing federal funding environments over the past 50 years.

Programs include:

- Basic Needs:
 - Food Assistance
 - Water and Sewer Assistance
 - Heat and Utility Assistance
- Homeless Support:
 - Project Impact- Youth program
 - Support for Veterans and Families
 - Homeless Prevention
 - Rapid Rehousing
- Child and Family:
 - Women, Infants, and Children (WIC)
 - Early Head Start
 - Head Start
- Self Sufficiency:
 - Employment Support
 - Weatherization
 - Home Empowerment
 - Home Rehabilitation
 - Helping Homes

Community Economic Development Tools in This Case Study

- Creates community center as a means to stimulate tourism, recreation, and education.
- Continues the Rails to Trails, connecting the rail trail across Michigan and through most of our counties served.
- Restores a live depot for historical dinners and railroad events that take place through multiple counties.

Target Population

The Agency is dedicated to community development services that impact its six counties. Although the Depot's renovation benefits all community members, many of the activities surrounding it will drastically impact the population the agency services. There will be a wide range of free community benefits and events that will increase involvement and encourage people to be proactive throughout the community.

Project Description

A few years prior to the City of Clare's purchase of the old railroad depot building, the City entered into a partnership with Mid Michigan CAA to construct a new senior housing development and senior center in downtown Clare. Mid Michigan also owned two city lots contiguous to one of the locations the Planning Commission had recommended as a relocation site for the depot. The Agency's Board approved the donation of those two city lots and assisted the City in purchasing the additional property adjacent to the two lots donated, thus providing the needed space required for the depot, planned parking area and other elements associated with the depot's future uses.

The depot will house the Clare Area Chamber of Commerce, the Clare County Arts Council and the Clare Visitor's Bureau, as well as serve as a trail-head for the Pere Marquette Rail Trail and an exhibit site of Clare's railroad history. The Planning Commission relinquished the relocation and rehabilitation of the depot to the community, making the endeavor a true grass-roots community project.

Renovation of the depot is currently nearing completion.

Project Financing

The \$10,000 cost of the depot building was donated by a generous local resident, and Mid Michigan CAA donated two city lots valued at \$75,000 for the site. Mid Michigan CAA serves as the fiduciary organization on behalf of the Clare Depot, and is heavily involved on the Steering Committee. The Committee raised over \$457,000 donated dollars, including funds through an innovative crowd funding appeal, as well as nearly \$122,000 in-kind donations in its fundraising efforts to date, including donations from private citizens and businesses by selling depot-related items. Local artists have gathered their resources to sell signed prints and a published book, donating 100% of their proceeds to the Clare Depot project. The success in local fundraising led to the receipt of \$25,000 in matching funds from the Michigan Economic Development Corporation and Michigan State Housing Development Authority.

Project Challenges

Monetary donations are the sole driving force of guiding the project to completion, despite a heavy donation of materials and labor. The most demanding part of the project was physically moving the building, and an inability to construct the foundation until the building was set in place.

Results and Impact

Mid Michigan CAA has partnered with over 40 community members, business, and agencies for this economic endeavor. The agency has successfully demonstrated the leadership and influence necessary to improve its counties. Expanding the capacity of community involvement increases agency awareness, enthusiastic donors, and passionate teams. As a result, the reputation of Mid Michigan CAA goes beyond human service and considers the vision of community life as a whole.

Other economic development projects have also been started, including a handyman business, which charges fees to those who can afford to pay, a training/consulting business that uses staff expertise to generate income, and a donated building has been rented out to local nonprofits.

Contact Information

Mid Michigan Community Action Agency
1574 E. Washington Rd
P.O. Box 768
Farwell, MI 48622
989-386-3805
www.mmcaa.org

Oakland Livingston Human Service Agency

Affordable Assistance History and Background

The Oakland Livingston Human Service Agency (OLHSA) was founded in 1964 as a part of President Lyndon B. Johnson's War on Poverty. OLHSA's mission is to empower families and communities to gain the knowledge, skills and resources needed to improve their quality of life.

OLHSA delivers human services to Oakland and Livingston Counties and welcomes those in need with a comprehensive set of services, focusing on meeting the basic needs of senior citizens, children, persons with disabilities, and those suffering from economic hardship.

Affordable Assistance is a fee-for-service, social enterprise started by OLHSA to help generate funds that will supplement federal and state funding. All profits brought in go back into OLHSA's nonprofit programs.

Affordable Assistance launched in 2012, but for more than 14 years, OLHSA experts have been helping seniors stay in their homes longer through a variety of services. With that experience as a foundation, Affordable Assistance has grown to offer nearly everything a homeowner or building manager needs. Seasoned, reliable contractors and skilled, compassionate professionals can help with anything from scrubbing your floors to refinishing them. This program provides a variety of business and home-based services at affordable rates. Affordable Assistance currently employs 10 formerly incarcerated and under/unemployed Pontiac residents.

In 2013 the decision was made to switch gears for Affordable Assistance and focus on a commercial landscaping aspect of the program as it had the best chance to generate the most funds to make the program self-sufficient. In 2015 Affordable Assistance signed a contract with the Oakland County Treasurer's Office to provide property preservation services to 400+ properties in Pontiac, Michigan.

Deconstruction Program – Revive Pontiac

Also under the Affordable Assistance umbrella, OLHSA started a deconstruction project called Revive Pontiac in 2016 as a way to further its mission and generate income. Revive Pontiac is made up of four components: economic development, reclamation of salvaged items, resale of items, and blight elimination.

Revive Pontiac focuses on the deconstruction of structures that are vacant, dilapidated and slated for demolition. While the demolition of these homes is an important step toward beautifying the community, Revive Pontiac's efforts focus on salvaging items from the structures, with the ultimate goal of repurposing and reselling them.

All profits earned from the selling of materials will help fund the services that OLHSA provides to individuals and families in need in the communities OLHSA serves. Those services include housing, early childhood programs, utility assistance, food assistance, education, older adult services and many more.

Revive Pontiac focuses on economic development by creating sustainable job opportunities for low-income individuals in Pontiac and outlying areas. The program consists of a classroom/certification training (MIOSHA 10 certification included) component combined with hands-on deconstruction work and in-the-field learning.

Supportive services through OLHSA are also offered to program participants, including financial education, access to family programs, such as Head Start, employment readiness and skills training, and more. Wrap-around services help participants stay employed and self-sufficient.

Services provided by Affordable Assistance include:

- Installation of safety devices
- Housecleaning
- Plumbing
- Electrical assistance
- Painting
- Minor home repair
- Major yard cleanup
- Window washing
- Lawn care
- Snow removal

Services provided by Revive Pontiac include:

- Blight elimination in Oakland County
- Training/employment to under/unemployed individuals in Oakland County
- Refurbishing and resale of salvaged items

Target Population

Affordable Assistance targets population in Oakland and surrounding counties who are able to pay for services provided to them. While OLHSA's nonprofit services assist those in need, Affordable Assistance works to find clients willing to pay for service while knowing they are giving back to OLHSA by helping to support programs that assist those going through economic hardship.

Revive Pontiac targets underemployed or unemployed individuals to hire as trainees and employees. The program then works with the Oakland County Treasurer's office and the City of Pontiac to acquire blighted properties and targets the buildings on those properties for deconstruction. Once the buildings are deconstructed and items of use are obtained, Revive Pontiac targets businesses or individuals interested in buying the finished projects.

Affordable Assistance and Revive Pontiac Financing

Affordable Assistance was started using \$100,000 of initial funding through the energy optimization program. The Affordable Assistance program revenue has grown each year.

These partnerships assist Affordable Assistance and Revive Pontiac with funding and reaching strategic goals:

- Community Development Block Grant – This funding is provided to OLHSA’s Older Adult Services program to hire Affordable Assistance to do work for Oakland County seniors.
- Michigan Economic Development Corporation – MEDC funding of \$150,000 helped start the Revive Pontiac deconstruction program.
- Private and public partners include: Oakland County Treasurer’s Office, the City of Pontiac, YMCA, Architectural Salvage Warehouse, and commercial property owners.

Project Challenges

Both Affordable Assistance and the Revive Pontiac program face challenges, especially in the form of competing businesses or organizations. Affordable Assistance competes with other landscaping and handyman services for clients. The advantage that Affordable Assistance has is the opportunity to tell clients how their payments are being used to fund OLHSA and help others in need.

Revive Pontiac also has challenges as deconstruction and the resale of salvaged items is increasingly popular. Companies in Detroit, as well as across the nation, are doing the same thing or something similar. By using the internet, companies like Revive Pontiac are able to sell their products online to anyone, whether that be a business or individual, who is interested, in any part of the world.

Results/Impact

In the years since Affordable Assistance was created the program has made significant contributions throughout Oakland and Livingston Counties. Over 800 clients have employed Affordable Assistance to help them with their housing, landscaping and handyman needs. The program has also generated over \$350,000 in revenue.

Thus far Revive Pontiac has:

- Deconstructed all or part of seven buildings, both commercial and residential
- Salvaged over 50,000 board feet of lumber
- Diverted over 400 cubic yards of material from landfills
- Employed 10 underemployed or unemployed individuals in Oakland County

How to find:

OLHSA
196 Cesar E. Chavez Avenue

Pontiac, MI 48342
Phone: 248-209-2675
www.affordableassistance.org
www.revivepontiac.org

MINNESOTA

Anoka County Community Action Program

Housing Development Programs

History/Background

Anoka County Community Action Program, Inc. (ACCAP) is a 501(c) (3) nonprofit agency; it has operated since 1945 providing resources and services to low-income residents in Anoka and Washington County, Minnesota to help them become self-sufficient members of the community. The people and programs of ACCAP go beyond the words of our mission statement and move into real action in order to make a difference in the lives of the residents in our community.

Key Services and Programs

Currently ACCAP offers the following housing development programs:

- Affordable Housing with Corrections
- Single and Multi-Family Housing
- Manufactured Housing Replacement

Additional programs offered by ACCAP Include:

- Child Care Assistance
- Child Care Aware of MN
- Chores and More – Senior Assistance
- Crisis Assistance
- Energy Assistance
- Home Ownership/FAIM
- Foreclosure Counseling
- Head Start
- Senior Companion
- Senior Information Line
- Senior Outreach
- SNAP Outreach

CED Tools in this Case Study

- Partnerships

Housing Development Programs

Affordable Housing with Corrections

Target Population

The program is targeted toward lower to middle income families that have worked with our Home Ownership Programs to learn about budgeting and finances relating to owning a home and are ready to purchase.

Prospective buyers required to complete the pre-purchase education and financial counseling to access the opportunity to purchase. These workshops are offered through ACCAP's Home Ownership Program which provides a full circle of home ownership services that include pre-purchase education, confidential financial counseling, down payment assistance, post purchase follow-up reverse mortgage counseling, foreclosure prevention assistance and Family Assets for Independence in Minnesota (FAIM).

Project Description

ACCAP partnered with the Anoka County Community Corrections Department, and a general contractor, to build and rehabilitate single family homes in Anoka County.

Anoka County provides a job site supervisor/crew leader with skills and experience in the home building industry, he supervises and teaches a crew of five inmates to complete the construction/renovation to the house. The inmates receive safety training and learn new skills to complete the job. Tasks completed included site preparation, foundation work, framing, roofing, insulation, concrete work, landscaping, ceramic installation, woodworking, trimming, painting, deckbuilding, etc. In addition to the job supervisor/crew leader and inmates, there is a general contractor overseeing the project who also brings in the more skilled trades such as electricians, plumbers and others as needed.

Project Financing

Anoka County Highway Department has supported this project over the years by donating houses that they have acquired during the course of expanding road work. While Anoka County retains the land, ACCAP is able to sell the house to a house moving company and the funds generated from the sale of the house supports the Affordable Housing Programs construction and remodel projects. Since 1999 ACCAP has sold 48 houses donated by Anoka County to support this program.

Project Challenges

This program has been a great success, and with that, has received high praise at many levels. Once word got around at how great the work from the Anoka County Corrections Workhouse crew was, more departments and agencies started requesting their services. This has created a strain for scheduling as we no longer have the crew committed to our projects full time. This has impacted our ability to complete two houses per year as we have done previously.

Results/Impact

This unique relationship between county government, a private contractor, and ACCAP has resulted 52 families being able to afford a new or newly remodeled home in Anoka County since its inception in 1999.

Single and Multi-Family Housing

Blaine University Avenue Town Homes (BUATH)

Target Population

ACCAP provides affordable rental housing in Anoka County to singles and family households with income limits based on specific program guidelines within this project. The majority of the units will be available to individuals and families with incomes at 80% of area median household income. Four of the units will be reserved for families meeting the high HOME Program limits. Those limits are defined as the lower of the published HOME program limits or the HUD Section 8 Income limits, adjusted for household size. Because the project includes units that are accessible we will also be targeting individuals with mobility impairments that can benefit from the environment.

Project Description

The BUATH project is located in the block north of 109th Avenue on University Avenue in Blaine. There will be 30 units in five buildings. The site was cleared of small single family housing when the Anoka County Highway Department completed a road improvement project. The County donated six parcels to ACCAP. ACCAP already owned four single family properties at the south end where homeless families were placed in transitional housing. We purchased the two remaining single family homes north of our four to complete ownership of 12 parcels. The property has been cleared of all structures and the work has begun on 30 units with a mix of two four bedroom accessible units, eight three-bedroom units, and 20 two-bedroom units. The design is slab-on-grade two story structures with attached garages.

Project Financing

The total cost of the project is \$6.4 million. The initial plan was for the use of Low Income Housing Tax Credits, available through Minnesota Housing Finance Agency. After two unsuccessful annual applications for MHFA funding, we determined that the only way to complete this project was through Anoka County financial resources. With the support of Anoka County and the City of Blaine, ACCAP was able to secure a private 501(c) (3) bond placement with Northeast State Bank. The interest rate is a very affordable 2.15% with 5 year term interest rate resets. The interest rate cannot exceed 4.75% during the 20 year term of the bond. As a Community Housing Development Organization, ACCAP has access to \$500,000 of HOME funds through the Quad County Consortium which includes Anoka, Dakota, Washington, and Carver Counties. This funding source will allow us to provide 4 two bedroom units with rents that are very affordable. The current rent limit for a two bedroom townhome in this design is \$900 per month, well below the current market rate for a comparable unit.

This project was made possible by the donation of land by Anoka County and \$900,000 as a mixed grant/loan from the City of Blaine.

Project Challenges

The challenges were site, cost, and financing. The financing challenge was resolved with the 501(c) (3) bond. The costs of the project make it clear why the private market is not doing affordable rental projects. The total cost of the project is \$6.4 million, of which \$4.4 million is financed.

Results/Impact

The result of the project will be 30 new units of affordable housing in Anoka County in close proximity to community resources including public transportation, shopping, and public services. The neighborhood is improved by addition of attractive, durable housing that buffers the single family homes from the newly-created four-lane county highway. The highway is improved by limited access to that roadway in the design of the project. These homes will increase the tax base for the City of Blaine and the County of Anoka.

Manufactured Housing Replacement

Target Population

Households who currently own and reside in a manufactured home (trailer home) in Anoka County whose incomes are considered low to moderate as defined by the Community Development Block Grant (CDBG) and the Department of Housing and Urban Development (HUD) income guidelines.

Project Description

The goal of this project is to remove and replace older, pre-1980, manufactured homes, which are badly deteriorated beyond repair and deemed uninhabitable. Residents who currently own and live in a manufactured home for at least one year, are eligible to apply for this financial assistance.

A maximum of \$24,999.00 per household is allowed toward either down payment assistance, or total purchase, of a 1986 or newer, manufactured home. Additional CDBG funds are used for the demolition and removal of the current home.

Project Financing

Currently ACCAP receives \$200,000 from Anoka County through CDBG Funding for an eighteen month contract.

Project Challenges

There have been some challenges in finding manufactured homes for sale in a park that a buyer wants to live in, that also meets the age criteria. The availability of homes for sale seems to roller coaster depending on the housing market.

Results/Impact

During an eighteen month contract, this program enables seven to eight households to move out of an uninhabitable dwelling. The project impact is remarkable, it not only improves the trailer park community and neighborhood by removing slum & blight, it also improves the health, safety, and overall quality of living conditions for that family. Additionally, this project also improves the energy efficiency for the household therefor reducing the drain of high energy bills.

Contact Information

Anoka County Community Action Program, Inc.
Patrick McFarland, Executive Director
1201 89th AVE NE
Suite 345
Blaine, MN 55434

Phone: 763-783-4747
Fax: 763-783-4700
www.accap.org

Three Rivers Community Action

History and Background

Three Rivers Community Action, Inc., incorporated in 1966, is a non-profit human service organization with a mission “to work with community partners to address basic human needs of people in our service area, thereby improving the quality of life of the individual, family and community.” Programs administered by Three Rivers include Head Start, Home Delivered Meals, Senior Services, Public Transportation, Volunteer Transit, Weatherization, Energy Assistance, Health Care Enrollment Assistance, Nutrition Programs, Crisis Programs, Homeless Prevention, Transitional Housing, Permanent Supportive Housing, Homeownership Services, Financial Literacy, Individual Development Accounts, and Housing Development of rental and single family homes.

Three Rivers is a certified Community Housing Development Organization (CHDO) that creates affordable housing throughout the twenty counties of Southeast and South Central Minnesota. As a non-profit housing developer, Three Rivers has significant experience in a wide variety of housing projects, both rental and ownership. Since the late 1990s, Three Rivers has been increasing the supply of safe, decent housing that is permanently affordable to families across the region, including townhomes, apartments, single-family starter homes and supportive housing.

In 2008, Three Rivers launched Achieve Homeownership, a comprehensive education and assistance program that helps ethnically and racially diverse households to prepare for and purchase their first homes. The program provides financial literacy, financial coaching, homebuyer education, individual pre-purchase counseling and down payment and closing cost assistance for qualified buyers.

Community Economic Development Tools in this Case Study

- Workforce Housing Development
- Financial Capacity Coaching
- Homebuyer Education/Counseling and Financial Assistance

Target Population

Three Rivers Community Action primarily serves households with social and economic challenges. Rental housing projects target households earning less than 60% of the area median income, while homeownership programs target those earning less than 80% of median income. In addition, the agency strives to deliver culturally-tailored services and housing options to households of color, including households that are new to the United States. Through its work, Three Rivers also creates a healthier environment for all citizens regardless of economic status.

Project Description

Housing Development

Three Rivers has significant experience in a wide variety of housing projects, both rental and ownership. As a rental housing developer, Three Rivers has obtained financing and built or rehabilitated 646 units in communities throughout southern Minnesota. Through its rental housing initiatives, Three Rivers is increasing the region's stock of affordable workforce housing and preserving the region's stock of federally assisted rental housing. The agency has experience working with a wide array of complex financing mechanisms, often assembling up to ten sources on a single project.

Three Rivers also has extensive experience with affordable homeownership initiatives. The agency developed a 33-unit subdivision in Pine Island that utilized gap financing, affordable mortgage products, and community land trust programs to bring affordability to the neighborhood. Of the 33 homes in the development, 55% were sold to households with children, meeting the need for family starter homes in the community. Three Rivers has taken the experience it has gained in Pine Island and developed starter homes in several other communities, including Plainview, Northfield, Wabasha, and Kenyon.

In response to the recent foreclosure crisis, Three Rivers worked on community stabilization efforts in several communities. The agency partnered with local communities to identify target neighborhoods and then acquire, renovate and re-sell foreclosed homes within the target areas. Foreclosed homes were renovated in Rochester, Faribault, Northfield, Montgomery, Zumbrota and Cannon Falls. Three Rivers also assembled financing programs for buyers of the homes, in many cases making over \$20,000 in assistance available to qualified households.

Project Snapshots: Multifamily and Single Family Housing Development Work

Spring Creek Townhomes, Northfield

Spring Creek is a 28 unit townhome development. Constructed in 2013, these units serve the growing need for large-family affordable rental housing in southeast Minnesota. The Northfield HRA and Three Rivers created this project through a collaborative community planning process that incorporated local housing needs, public/private investment, green construction (LEED Silver designation) and housing designs that complemented the neighborhood. Spring Creek is the first phase of an HRA-owned 20-acre site; the HRA continues to work with Three Rivers to implement the community's vision for the parcel of land.





Prairiewood Townhomes in Faribault is a tax credit project that was constructed in 2014 on a foreclosed parcel of land. Prairiewood brought 30 new rental units to this rural community; four of which provide supportive services and are dedicated to families experiencing Long-Term Homelessness. This project was specifically designed to accommodate large families, many of whom are recent immigrants coming to Faribault for employment opportunities. Given the scarcity of these types of larger units in the area,

demand is high and units are leased up almost immediately as they became available. Financing for Prairiewood was provided by a variety of local, state and private sources, including Minnesota Equity Fund, City of Faribault, Faribault HRA, Rice County Collaborative, UMOS, GMHF and 1st United Bank of Faribault.

Three Rivers launched its Community Stabilization Program in 2008 to address how the foreclosure crisis was impacting rural communities in southern Minnesota. Three Rivers assembled financing to purchase previously foreclosed properties, rehabilitate the homes and re-sell them to income-qualified households. Improvements on the homes included health and safety needs, energy efficiency upgrades, deferred maintenance repairs, exterior improvements and functionality improvements. Several of the units in Northfield served as a green demonstration project called “Home Matters”, which included an educational component to show homeowners, community members and contractors best practices for green and healthy renovations. In 2009, Three Rivers partnered with the City of Rochester, City of Montgomery and City of Faribault to develop units under the federal Neighborhood Stabilization Program. Three Rivers completed 24 units in the stabilization program from 2008-2012.





North and South Oak in Northfield, MN: USDA Rural Development (RD) Preservation

North Oak and South Oak Apartments are federally-assisted affordable rental housing projects that were built in the mid-1980s with USDA Rural Development (RD) financing. In 2014, the current owners gave notice to Rural Development of their intent to pay off the RD loans and convert the units to market rate. The conversion of these units would have had an adverse impact on underserved populations in Northfield, including households of color and people with disabilities. In order to keep these affordable units in the RD program, Three Rivers secured tax credit funding in 2015 to purchase the properties and preserve this critically-needed affordable housing complex for the Northfield community. Construction will be complete in spring of 2017.

Achieve Homeownership:

Financial Capacity Coaching and Pre-Purchase Services

Three Rivers Community Action, in partnership with many state and local partners, created the Achieve Homeownership program in 2008 to provide comprehensive services and resources to emerging markets households in order to increase the homeownership rates of households of color and Hispanic ethnicity throughout southern Minnesota. The Achieve Homeownership program aims to:

- Create a network of trusted advisors in target communities through culturally-tailored financial literacy, financial empowerment coaching, homebuyer education, pre-purchase counseling and post-purchase services.
- Provide intensive individual financial capability coaching and pre-purchase counseling to households as they navigate the home buying process, meeting them where they are in the process and providing the tools necessary to meet their homeownership goals.
- Leverage existing financial resources and seek additional financing opportunities (such as down payment assistance, gap financing, affordable mortgage products, etc.) to assist emerging market households in entering homeownership.
- Educate local lenders and real estate agents about affordable programs for homebuyers and opportunities to work with new clients in diverse markets.

Three Rivers provides customers with one-on-one financial coaching, geared toward households who are more than a year away from being ready for homeownership. Coaches work with each participant to set goals and build the financial skills that will help them qualify for a mortgage and purchase a home. Regular meetings are customized around the individual's needs and goals, such as establishing credit, repairing credit, setting and following a budget, increasing savings and building assets. Clients receive a free credit report as part of this service. Households that are less than one year away from homeownership receive homebuyer education through a Homestretch workshop that provides an in-depth look at the entire home buying process. Three Rivers also provides one-on-one counseling on homeownership topics that including qualifying for and selecting a mortgage product, navigating the home buying process, budgeting and saving for homeownership, and preparing for the responsibilities of ownership.

Three Rivers Community Action has a down payment and closing cost assistance program for eligible buyers in southeastern Minnesota. Buyers can qualify for up to \$18,500 based on individual household need. Funds are in the form of 0% interest loans, with no payments due until the home is sold or refinanced.

Project Financing

Three Rivers has experience working with a wide array of complex financing mechanisms, often assembling up to ten sources on a single project. Sources of funding that support Housing Development include mortgage financing from local lenders or the State of Minnesota, Low-Income Housing Tax Credits, HOME funds from the US Department of Housing and Urban Development, deferred loans from Minnesota Housing Finance Agency and Greater Minnesota Housing Fund, local Tax Increment Financing, programs of the US Department of Agriculture's Rural Development, affordable housing funds from Federal Home Loan Bank of Des Moines, and local philanthropic donations.

Sources of funding that support Three Rivers Achieve Homeownership program and down payment assistance include Minnesota Housing Finance Agency, Greater Minnesota Housing Fund, Minnesota Homeownership Center and United Way.

Results/Impact

Since the late 1990s, Three Rivers has raised over \$91 million in funds for 763 units of housing in Minnesota, 646 of which are now built and occupied. Another \$2.8 million was secured to provide down payment assistance to 205 income-eligible households pursuing homeownership. Many of these projects were built in collaboration with the local community, private partners and local government. Through our Achieve Homeownership program, 988 households have received counseling, 902 households participated in a Homestretch workshop and 625 households of color participated in comprehensive financial counseling; at least 370 households of color have purchased homes through the Achieve Homeownership program to date.

Contact Information

Leah Hall, CCAP
Community Development Director
Direct: 507-732-8589
Cell: 507-226-6083
lhall@threeriverscap.org
1414 North Star Drive, Zumbrota, MN 55992

West Central Minnesota Communities Action

History/Background

In July of 1965, the first officers of West Central Minnesota Communities Action, Inc. were elected. At that meeting, the corporate name was also selected, and Elbow Lake was chosen as the location for the main office, with branch offices to be established in Ortonville and Alexandria. The first budget approved was for \$43,405.00. Initial staff was to include a director, two program developers, one full-time secretary and two part-time secretaries. The area to be served included Big Stone, Traverse, Grant, Douglas and Stevens Counties. Dwayne Ahrens was hired as the first Director of the Agency in 1965.

The 1970s

The 70s witnessed many changes. The Agency operated under a new director, William Cox.

There were many organizational changes in poverty programs. There was a movement to dismantle Office of Economic Opportunity programs under the Nixon administration. Head Start had already been transferred from Office of Economic Opportunity to Health, Education and Welfare in 1969. The Federal Office of Economic Opportunity was succeeded by the Federal Community Services Administration in 1975. ACTION was established as a federal agency merging VISTA, Peace Corps and other volunteer programs.

Locally, West Central's service area was changed in 1976 to reflect state planning regions. Big Stone County was transferred to Western-Tri-CAP (now Prairie Five) and Pope County was added. Joyce Pesch replaced William Cox as Executive Director in 1974.

Additional local projects during the 70s included: Clothing Banks, Specialty Crops, Emergency Food and Medical Services, Summer Camp and a Revolving Loan Fund. Some Start was offered as an option. VISTA workers served with the Agency during the early 70s as planners and social service specialists. Energy Assistance, Crisis Intervention and the Weatherization Program started in response to oil embargoes and rapidly escalating heating costs. West Central sponsored a Wind Generator research and demonstration program and several small alternative energy projects. A study released by the Congressional Budget Office in 1977 reported that federal social welfare programs had reduced poverty by 60% during the last decade.

Early 80s

During the early 1980s, the country suffered with a recession. Human Service programming across the nation focused on meeting emergency needs of low-income people, the hungry and homeless. A Food Bank network emerged to help supply local food shelves. In 1983, the census bureau reported that poverty was the highest it had been since 1965. USDA began releasing surplus commodities for distribution to the poor.

Projects during the 80s included a special Emergency Food and Shelter program, distribution of surplus commodities, Head Start, Weatherization, Retrofits for Oil Furnaces, Retired Senior Volunteer Program, including Long-Term Care Research and Demonstration Program, Tax Consulting and a Telephone Reassurance service.

The Agency started developing additional sources of revenues, including Charitable Gambling activities, contracting with Otter Tail Power to provide conservation services, and soliciting foundation funds for a Self-Reliance Counseling Program.

Joyce Pesch left the Agency in March of 1985, and was replaced by Audrey Kolnes. Audrey Kolnes left the Agency in October of 1997. Stephen Nagle was Executive Director until fall of 2015, then Missy Becker-Cook was hired as CEO.

The Agency has moved its Elbow Lake administrative offices several times. The current offices are located at 411 Industrial Park Boulevard in Elbow Lake.

Housing

WCMCA has addressed home ownership for people who cannot receive normal financing. In working with Minnesota Housing, West Central has acquired, rehabbed and sold 54 homes. These homes were sold for the appraised market value with no down payment and no interest. Nine of these homes have been paid off, with several more getting close. House payment was based on 25% of gross monthly income, in most situations their house payment was lower than rent would have been, thus supplying stability to the families, and asset building. A side effect was keeping homes from disrepair and adding to the schools and tax base for the communities where they are located. WCMCA has recently added another four homes that were sold in the same manner.

WCMCA has not forgotten the population that owns a home but are struggling with the high cost of upkeep. WCMCA has been involved with 32 small cities projects, with a total of 627 homes, through the Department of Employment and Economic Development. This program helps with repairs to existing homes up to \$22,000 each. Health and safety items are on the top of the list. Shingles, siding, windows, heating, and accessibility issues are just a few of the items that can be addressed. It is a grant that is forgiven, at 10% a year and totally at the end of 10 years. This allows a large senior citizen population in our area to stay in their homes. Not only does it benefit the home owners but the over twelve million dollars spent on rehab was a large economic boost that went to contractors who paid their employees, lumber yards, and other trades, which trickled down throughout our counties.

WCMCA was there through three floods, the big flood of 1997, Browns Valley in 2007 and Red River Valley in 2009. We were approached by Minnesota Housing as well as the Department of Employment and Economic Development to help flood victims with funds and repairs to their homes.

Key Services and Programs

- Energy Assistance Program
- Home Weatherization Program
- FAIM or Individual Development Accounts
- Family Transportation Program
- Head Start Program
- Small Cities Home Rehabilitation Programs
- MN Urban and Rural Homesteading Program

- Emergency Housing Program
- Conservation Improvement Programs
- In-Home Repair Program
- Affordable Housing Program
- Housing Counseling Program

Community Economic Development Tool

Department of Corrections for the Affordable Housing Program

Target Population

Affordable Housing program targets low to moderate income people.

Also the broader community has benefited from this program. The crew completed Social Services remodel as well as a total renovation of the Alexandria Court House.

Project Description

WCMCA has partnered with the Department of Corrections since 1998. The Department of Corrections supplies low risk inmates and a crew leader for construction of new homes. The crew leader trains the crew on general construction techniques from framing to finish work. We refer to them as our ICW Crew (Institution/Community Work Crew). They build the affordable Housing Program homes which are homes that are sold to clients making less than 115% of the state median income.

Project Financing

The Department of Corrections has made available a revolving account with \$379,000 to build homes. Spec homes will target 80% of the median state income for the first thirty days after completion. After thirty days the home can be sold to a client making an income up to 115% of the median state income.

Results/Impact

There are several benefits from this program:

One is that it supplies safe/affordable housing to home buyers in our area who can obtain normal financing. We have built 121 homes since 1998.

The second benefit is the training received by the crew allows them to find employment once they are released. There has been a number of success stories, with the latest one occurring when one of the crew became a general contractor and recently was awarded the Outstanding Businessman Award in the city of Alexandria.

During the downturn of the housing market three years ago, WCMCA, Inc. contracted with Douglas County, and the DOC crew was contracted to complete a remodel/restoration project on the Douglas County Courthouse and the Douglas County Service Center, this allowed us to maintain the crew, even when house building was not feasible.

Currently we have built homes in Perham, for the City of Breckenridge, and Glenwood Development Foundation. The cities have all expressed a need for workforce housing.

Contact Information

Chief Executive Officer: Missy Becker Cook
West Central Minnesota Communities Action
411 Industrial Park Boulevard
Elbow Lake, MN 56531
Phone: (218)685-7063
Toll free: (800)492-4805
Fax: (218) 685-6741
www.wcmca.org

NEW JERSEY

Greater Bergen Community Action

Background

Founded in 1967, Greater Bergen Community Action (GBCA) serves Bergen County, New Jersey, as well as the nearby cities of Jersey City, Paterson and Passaic, in northern New Jersey, across the Hudson River from Manhattan.

GBCA operates a credit union, which has a broader service area, which includes additional counties in New Jersey, as well as adjoining counties in New York and Fairfield County, Connecticut.

Key Services and Programs

Services include: Head Start, Early Head Start, weatherization, adult education, housing counselling, housing construction, a solar panel installation social enterprise (Cap Solar), a housing construction company (SAFER), an affordable housing development arm (CHIP) and the credit union (First Bergen Federal Credit Union).

CED Programs

GBCA operates Cap Solar, CHIP and SAFER, which provide employment and generate revenue for the parent organization. The latter two focus on repairing and developing housing for the community. Community Housing in Partnership (CHIP) is certified as a Community Housing Development Organization (CHDO) by HUD.

First Bergen Federal Credit Union serves low-income area residents with basic banking services, including loans. It also holds the bank accounts for participants in their Individual Development Accounts, matched savings program.

Project Description

GBCA operates three Community Economic Development programs as part of their community level work.

The first is Cap Solar, which installs solar panels on large buildings operated by non-profits and multi-family apartment buildings. Among their non-profit clients are: a fire department, food bank, two other New Jersey CAAs, a medical center, the Girl Scouts, the Catholic Archdiocese of Newark, a community organizing group and a movie theater. The goal is for a savings of at least 50% in energy costs for each organization.

CAP Solar also does community solar installation, where solar units are installed in one place, but the consumers that benefit are located elsewhere in the community.

The largest financial partner has been Goldman Sachs. In addition, CAP Solar partners with a solar installation business (Mercury Solar Systems) and an energy and environmental services program (Compass Point South). Currently, Cap Solar has connections with other investors that

are looking for solar power projects that are operated by CAAs as investment opportunities. This initiative has the potential to bring substantial investment capital to other CAAs for projects that will cut the cost of energy to their clients and generate unrestricted revenue for the CAAs, which can be used to serve more low-income people in their communities.

GBCA sees solar as the logical extension of their work in weatherization and LIHEAP.

The second project is First Bergen Federal Credit Union, which makes loans and takes deposits from residents. Many of their clients were previously unbanked and many are new to the country. First Bergen is able to save their clients money on fees and provides loans to a segment of the population that would not otherwise have access to capital. Their charter also allows First Bergen to operate in neighboring areas of New York and Connecticut in the future. Greater Bergen keeps their own funds in the credit union as well.

The third focus is housing development. GBCA created SAFER, which repaired houses damaged during Hurricane Sandy, as a way to provide renovations, additions and energy audits. CHIP has developed affordable rental units, Single Room Occupancy units and also manages transitional housing. All meet a broader community need for affordable energy and affordable housing. CHIP now does construction not only for GBCA's projects, but also for other partners in the area, including the public housing authority in Jersey City.

CHIP develops special needs, affordable and market rate housing. GBCA also partners with for-profit developers on large projects.

An example of one of their housing projects is a former rooming house that the city of Hackensack urged Greater Bergen to take ownership of and redevelop. It was renovated and sold to first time homebuyers.

GBCA purchased a building for use as their headquarters and later turned it in to 106 units of market rate housing to help stimulate the redevelopment of that area of Hackensack and moved their office to another building.

GBCA has been selected as the master developer for a 19 block area in the city of Garfield, which is an Opportunity Zone and New Markets Tax Credit area. They are developing 100 units of transit oriented housing, across the street from a New Jersey Transit station, which provides commuter rail access to Manhattan.

Project Financing

Funding for CAP Solar came from Goldman Sachs, using the New Markets Tax Credit and solar tax credits. No direct government funding was used in this project. After a 10 year period, CAP Solar will own all of the solar assets outright. CAP Solar is self-sustaining due to the revenue earned through payments from their nonprofit customers.

Funding to start up First Bergen Federal Credit Union came from GBCA, with another \$140,000 from local banks. CSBG funds are used to help cover operational costs.

GBCA has used a very innovative means to fund housing development, partnering with Bergen County to have the county issue a bond to cover the cost of one of their housing projects. This has the advantage of providing the financing required for the whole project up front, saving Greater Bergen considerable time in raising funds from the multitude of different funding sources that is usually the case with affordable housing projects. Pre-development costs are rolled into the total bond amount.

In addition, they have used CDBG, HOME and the Federal Home Loan Bank's Affordable Housing Program to finance housing projects. CHIP has leveraged over \$12 million from 15 separate private sector and public sources.

Obstacles Encountered

A major challenge for First Bergen Federal Credit Union was the amount of time that it took to go through the National Credit Union Administration's regulatory approval process to get set up, which was three years. Credit unions are highly regulated and the nature of the process precludes a quick approval. Other New Jersey CAAs also looked into creating their own credit unions, but were discouraged by the lengthy process and one of them (O.C.E.A.N) opted to invite First Bergen to set up a branch at its location instead. Another challenge has been raising core capital, which is hard to find, but is needed to maintain the ratios required by regulators.

GBCA has found that the best way to mitigate risk is to partner with other organizations with expertise or resources.

Impact

GBCA has completed 600,000 square feet of development and 375 housing units in 3 counties in northern New Jersey.

First Bergen has made \$2.5 million in loans, 90% of them to low-income people at an average of \$4,000-\$5,000 per loan. First Bergen has 3,000 members. The credit union complements other activities of GBCA, for example holding bank accounts for Individual Development Account participants and it is now in a position where it can begin to provide some financing for other projects of GBCA, providing an additional return to the community.

CAP Solar has generated 7,165,179 kW of electricity to date. This has offset 5.1 million pounds of carbon dioxide, powered lightbulbs for 95.6 million hours, powered 5.3 million homes, saved 4,831 trees, and offset 4,220 barrels of oil. To date, \$2.28 million in electricity costs have been saved as a result of their work.

Contact Information

Greater Bergen Community Action
392 Main Street
Hackensack, NJ 07601
201-968-0200
<https://www.greaterbergen.org/>

NEW YORK

ACCORD Corporation

Allegany Business Center

History and Background

Allegany County Community Opportunities and Rural Development Corporation (ACCORD) is the designated Community Action Agency for Allegany County, New York. A 501(c) (3) nonprofit agency, it has operated since 1972 providing human services to individuals and families necessary to achieve self-sufficiency and economic security. Over the years, ACCORD Corporation has continually expanded the array of programs and services for low and moderate individuals and families. Today ACCORD secures approximately \$7 million in grant funds each year to provide Allegany County residents with entrepreneurial and small business services, child care referral services, assistance with New York State regulations to become a family day care provider, domestic violence services, emergency food pantries, Head Start and Early Head Start programs, assistance for the homeless or at-risk of becoming homeless, afterschool programs, Community Action Angels program, adolescent pregnancy prevention services, assistance to homeowners to bring their homes up to HUD Quality Standards, services for first-time homebuyers, Section 8 rental assistance, and respite services for children.

ACCORD's Business & Community Development Division services the business sector and promotes sustainability within local commerce. The division operates the Allegany Business Center, New York State's Entrepreneurial Assistance Program (EAP), a small business loan program, the Wheels for Work program, a debt and credit counseling program, and various housing and housing rehabilitation programs. This case study provides a detailed synopsis into how nonprofit agencies can have a substantial impact on local businesses.

Rural business communities often experience economic threats that urban areas do not face. Small business owners in Allegany County often lack access to capital and resources. ACCORD's Allegany Business Center and EAP Program provides business development and management assistance for all stages of business ownership.

With a vision of "*Educate, Encourage, Empower,*" ACCORD offers the following key services through its business programs:

- Business training classes
- Small business loans
- Technical assistance to small businesses
- Wheels for Work vehicle loan program

Community Economic Development Tools in This Case Study

- Entrepreneurship
- Business technical assistance
- Small business loan program

Target Population

The Allegany Business Center's primary clients are rural small business owners. Rural

businesses often lack the necessary training and education needed to remain competitive in their business market. The Allegany Business Center provides the technical assistance that businesses need to operate at a more competitive level. By assisting rural business owners, ACCORD helps the residents of the underserved rural counties obtain more services and benefits from the businesses in their own communities. The Allegany Business Center's objectives toward reaching this goal are accomplished through a diverse set of services.

Project Description

ACCORD's Allegany Business Center serves three counties locally; Allegany, Cattaraugus and Steuben. For the last 25 years, the center has received Entrepreneurial Assistance Program funding from ESD in order to operate this invaluable service. In prior years, there was additional funding support through Senator Young's office from a member item that is no longer available to the center. The Allegany Business Center administers the EAP program, a small business revolving loan fund and a Vehicle Loan Program.

The Entrepreneurial Assistance Program is a comprehensive hands-on business training course targeted to new and existing business owners and is specifically designed to minimize the risk and maximize the potential success of starting or expanding a business. The program encourages the start of new businesses and the continuous development of existing businesses with the aim to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. ACCORD's intensive program of training and technical assistance offers entrepreneurs:

- Business Plan Preparation
- Marketing Assistance
- One-on-One Business Counseling
- Strategic Business Planning
- Computer Training
- Record-Keeping Training
- Tax, Legal, and Insurance Seminars
- Conducting Business on the Internet
- M/WBE Certification
- Doing Business As Certificates

The Allegany Business Center's small business loans are funded through a revolving loan fund that provides business loans to start-up and existing businesses. The program encourages growth and expansion of businesses within Allegany County and works to improve employment opportunities for low- and moderate-income residents. Loans can be for up to \$10,000 for equipment and or materials, but cannot be utilized for real estate or land.

The Wheels to Work vehicle loan program is a transportation assistance program designed to support income eligible households in acquiring safe, reliable transportation so adults may get to and from work. The program helps low-income adults to acquire employment and keep working, by coordinating the purchase of affordable/used vehicles, offering financial assistance for vehicle

repairs, and general financial management skills. Applicants must meet the following requirements to be eligible for the Wheels to Work program:

- Resident of Allegany County
- Member of a family that includes a minor child or a pregnant woman.
- Gross income does not exceed 200% of the current Federal Poverty Income Standards.
- Employed on a regular basis working at least 20 hours per week.
- Valid NYS driver’s license.

Project Funding

The Allegany Business Center programs are funded through a mix of federal, state and local grants. **Partnerships are essential to strengthening the organization’s capacity.** The Center partners with individual clients, local businesses, financial institutions and economic development organizations, supporting them through technical and financial assistance.

Empire State Development – The EAP program establishes centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

USDA – The Rural Business Development program provides resources to conduct local training and certifications that business may not have access to otherwise.

Revolving Loans – Revolving loan funds provide local businesses with access to capital that they might not otherwise qualify for. The repayment of loans allows for additional lending opportunities.

Vehicle Loan Program – Allegany County Department of Social Services collaborates with ACCORD to design a program to meet the transportation needs of TANF eligible individuals residing in their district.

Results/Impact

Allegany Business Center Statistics

	May ‘14 through May ‘15	EAP since 1987
New Clients	21	1436
Businesses Started	7	208
Businesses Saved	6	83
Increased Sales of Existing Businesses	\$389,043	\$6,312,226
Increased Sales of New Businesses	\$1,770	\$1,142,205
Financial Packages Developed	11	171
Financial Packages Approved	10	256

Financing Secured	\$371,500	\$8,790,346
Total Jobs Created	30	356
Total Jobs Retained	72	631

ACDSI since 2003

Amount Loaned	\$25,000	\$899,551
Loans Given	1	64

Wheels for Work since 2001

Loans Given	4	431
Amount Loaned	\$17,995	\$1,425,849

Doing Business As Forms since 2007

Forms Given	60	1182
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How to find:
 ACCORD Corporation
 Chief Executive Officer: Lesley Gooch-Christman
 84 Schuyler Street
 Belmont, NY 14813
 Phone: 585-268-7605
www.accordcorp.org.org

Chautauqua Opportunities

Business Development and Entrepreneurship – A Related Corporation of Chautauqua Opportunities Inc.

History and Background:

Chautauqua Opportunities Inc. a community action agency created in 1965 to serve the residents of Chautauqua County, NY; is currently providing services in 12 counties within three states (New York, Pennsylvania and Ohio). We provide asset focused, integrated and comprehensive services that are strength based and assist our customers to move along a ROMA based continuum of care from crisis to economic security, by setting short and long term goals. Life coaches work with customers to coordinate, motivate and support customer goal attainment. Longitudinal customer progress is tracked in a customized database across all service modalities.

COI is a diverse organization providing services to children, families, and youth as well as working in community and economic development. We have four divisions: health, housing, children and family services, and child care resource and referral. A related corporation, Chautauqua Opportunities for Development Inc., (a CDFI) provides asset development services that include: small business start-up and expansion, cottage industry development, personal lending, personal lending for credit restoration, credit counseling, bankruptcy counseling, homeownership (pre and post counseling).

Key Services:

Head Start, Early Head Start, Early Head Start/Child Care Partnership, Court Child Care, Universal Pre K, Wrap-Around Day Care

Fatherhood Services, Life Coaching, Life Skills, Employability, Financial Training

Youth Transitional Independent Living, Homeless Youth Shelter, Youth Asset Services, After School Programs, At Risk School Partnerships

Licensed Home Health Care, Skilled Nursing Services, Mobile Crisis Intervention, Health Supportive Services, Health Education, Health Insurance Enrollment

Housing Rehab and Development, Energy Efficiencies, Rental Subsidies, Rental Properties, Tenant/ Landlord Education, Homeownership, Financial Education and Housing Plan Development, Veterans Supportive Services

Child Care Business Start-up, access to child care, financial planning for child care, business partnerships around child care, enhancing quality in child care, inspection and registration for family child care, administration of CACFP for child care providers, child observations and assessments and environmental observations and assessments.

Community Development: grassroots initiatives, neighborhood development, partnerships with local towns and municipalities, joint planning initiatives

Economic Development: Lending, Technical Assistance in business start up and expansion, cottage industry development, credit counseling, debt restructuring, foreclosure prevention, personal lending and a small business incubator.

Target Population:

Chautauqua Opportunities Inc. and Chautauqua Opportunities for Development Inc. serves predominantly low and moderate-income individuals and families. COI and CODI are partners with all sectors in the community in planning, analysis and developing economic solutions that encompass the whole community and expand economic opportunities for low and moderate income residents.

Project Description:

The core element in COI's anti-poverty strategy is wealth creation. All services are integrated and all have an asset focus. All customers are risk assessed and assessed on a change readiness scale. All service workers are certified in financial social work and provide services from a cognitive behavioral approach. All workers use every life situation as an opportunity for larger life evaluation, analysis and reflection. Customers are encouraged to set short and long-term goals and to work as a household or family toward goal attainment. Services are coordinated within household members to support individual and family goal progress. Data is tracked across all service modalities in a customized database. Data is certified evidence based.

Economic Development strategies have gradually expanded over the years as the lending capacity has increased. In the early years, lending was primarily micro lending. This was then expanded to small business lending. Lending is currently available to all businesses that can demonstrate: job creation, wage and/or benefit enhancement, economic impact in targeted areas of the community. COI's economic development activities are integrated into local countywide economic development initiatives: sometimes second place lender, sometimes potential entrepreneur referred to COI for skill development and technical assistance. There are formal 8 week classes that work with potential business start-ups and follow up services for those in the first year of business. Cottage industry is often a pre-cursor to business start-up for people with specific talents to test the market and their own interest in expanding to an actual start up. This also is a mechanism to enhance wages for those not earning a life sustaining wage. The small business incubator provides subsidized rental space, loading dock availability and support business services. The goal of the incubator is for businesses to stay for a 3-5 year period.

Project Financing:

All services are integrated and comprehensive. All staff are certified in financial social work and trained on change theory, cognitive behaviorism, trauma informed care, Ruby Payne Poverty, participate in Poverty Simulation and choice theory. All work models and budgets reflect this service model and finance life coaches and financial education and life modification. Asset focused services are funded wherever supported: federal funding, bank contracts, CDFI funding, small business supports, contracts with Health Care Insurers, wide variety of housing funding sources at state, local and federal levels and Department of the Treasury.

Economic Development Financing: Loan funds are primarily funded through federal CDFI and NYS CDFI grants. Partnering banks make annual contributions and relationships are developed

with a potential to buy our successful loans in the last payment year...this enhances loan recipient's credit score and incentivizes banks to support the loan fund. The bank gets CRA credit after we have absorbed the highest risk. Additional funding is available at low interest rates for the agency to borrow and that capital becomes a portion of each loan, with the least risk attached to that portion. This provides matching capital for CDFI funds.

Challenges:

PARS is the greatest challenge. This audit issue makes integration a challenge and adds cost to all levels of service. Educating funders of the value added of a comprehensive service model was and remains a challenge. The challenge is getting less as the federal emphasis on outcomes continues.

Economic Development Challenges: Rural areas provide unique challenges; limited markets, access to expanding markets for growth, skill set of labor pool, population for business volume.

Results/Impact:

Data demonstrates success in moving people out of poverty. Data demonstrates success in implementing asset strategies for low income people and increasing wealth over a sustained period of time.

Small business development has been successful and the rate of success has been higher than the national average. CODI has lent to 84 businesses for \$1,134,005. In 2016 our lending generated 25 jobs and provided Technical Assistance to 26 prospective businesses. There are currently 4 small businesses in our incubator with preparation for adding one more.... A nano brewery.

Contact Information:

Chautauqua Opportunities Inc./ Chautauqua Opportunities for Development Inc.
Roberta Keller, Executive Director
17 W. Courtney St.
Dunkirk NY 14048
Phone: 716-366-3333 ext. 1111
rkeller@chautopp.org

NEW YORK AND PUERTO RICO

PathStone Enterprise Center Inc.

1. History/Background

PathStone Enterprise Center (PECI) is the economic development affiliate of PathStone Corporation, headquartered in Rochester, New York. PathStone Enterprise Center has been certified as a Community Development Financial Institution by the United States Treasury since 1998 and in that capacity provides small business training and technical assistance for micro enterprises, and other underserved small businesses including startups. PECI originates and services loans for those small businesses which are unable to get financing from existing conventional lenders.

PECI is authorized to lend money for small businesses and affordable housing in upstate New York and Puerto Rico. PECI's history is rooted in the history of its parent company, PathStone Corporation, which manages a variety of community development and social service programs in seven states and Puerto Rico. Since its inception, PECI has made an aggregate 1,348 loans totaling more than \$30 million, while leveraging an additional \$26.2 million in private funding in order to create and maintain an estimated 2,729 jobs. PECI has provided technical assistance, training, or credit counseling to at least 17,000 individuals or businesses since inception. Not only has PECI originated these loans but it also services its own loans and has been able to provide this service with a level of care and professionalism that, in spite of the inherently risky nature of these smaller loans that banks are unwilling to do, has loan losses that have averaged less than 2% of its portfolio during the past ten years.

2. Key Services and Programs

PECI provides small business loans and microloans for businesses unable to get financing elsewhere. PECI's microloans range in size from \$3,000 to \$50,000 and its small business loans go up to \$250,000. PECI also provides technical assistance to these businesses, both prior to making a loan and post loan. PECI maintains close referral relationships with other service providers who are able to provide specific kinds of small business training and technical assistance. PECI also provides second mortgage loans to home buyers and home owners unable to get financing elsewhere. In particular PECI provides closing cost assistance loans to help first time home buyers deal with New York's larger than typical closing costs.

3. CED Tools Provided by PECI

- Support for entrepreneurship
- Business technical assistance
- Microloans
- Small business loan up to \$250,000
- Closing cost loans
- Home repair loans

4. Target Population

PECI's primary target population are the low and moderate income small businesses unable to get credit elsewhere in upstate New York with its primary service area being all counties from Syracuse to the west end of the state, including the cities of Rochester, Buffalo and Syracuse. In Puerto Rico PEGI provides the same services for the municipalities on the western half of the island. PEGI also targets low and moderate-income mortgage borrowers (particularly low and moderate income borrowers) in the Rochester market for low interest loans to help cover closing costs.

5. Project Description

PECI has been a certified Community Development Financial Institution (CDFI) since 1998, and is the economic development affiliate of the larger non-profit, PathStone Corporation. Headquartered in Rochester, New York, PEGI has been actively making small business loans and micro loans since the 1990s.

PECI will provide financing to any legal small business that is unable to obtain financing elsewhere and proves to our loan committee that they have a workable business plan and realistic cash flow projections which can support repayment of our loan. We do not automatically disqualify anyone because of credit score or inadequate collateral. We prioritize and consider to be high mission, businesses owned by minorities, by women, by low income individuals or located within the urban centers of our service area. Many of our borrowers are referred to us by our partner lenders who are unable to assist them. We also do active outreach to introduce our services to small businesses that have given up on attempting to get financing from a conventional lender. We consider our primary competition to be the on-line small business lenders who have been marketing their loans very heavily since the financial crisis and often have loans which feature high interest rates and payback features which we consider to be entrapping.

Our years of experience at managing a higher risk loan program has forced us to work very hard at technical assistance as well and in addition to increasing our internal skills. We have also established relationships with community-based technical assistance providers who can help startups and other growing small businesses in the following areas.

- Sales & Marketing
- Websites
- Social Media
- IT Support/Security
- Strategy and Pricing
- Financial Management, Taxes, Bookkeeping
- Operations and operations improvement
- HR, Enhancing Human Capital
- Intellectual Property
- Leadership coaching

Our second mortgage closing cost loan products are designed to dovetail with existing first mortgage loans and to provide home buyers (and especially first time home buyers) with the assistance they need to be able to afford to get into a home where New York's relatively high closing costs are a barrier. Our home rehab loans are designed to make possible crucial repairs for home owners with credit issues and insufficient equity to borrow money elsewhere.

6. Project Financing

PECI relies on its own equity, loan funds from state and federal government sources like SBA and USDA, and Program Related Investments from banks and foundations for the funds needed to make its loans. PEGI currently has access to additional loan funds beyond the \$7,000,000 we currently have loaned out to approximately 125 small businesses and a similar number of home owners. We use the earned income from that loan program (fees and the spread between the rate we borrow money at and which we lend it out, minus our losses) to support our program, but at current levels we can support only a little over 50% of the expenses of the program. To make up the gap we currently rely on grant funding.

7. Project Challenges

The major challenge facing any small CDFI is generating enough operating support to maintain skilled staff who are able to make the loans and help with technical assistance for the borrowers. Finding skilled technical assistance providers who are culturally competent and able to relate to small grass roots borrowers is also an ongoing challenge. CDFIs are expected to lend to the riskiest borrowers and at the same time keep their losses to a minimum in order to sustain their (mostly borrowed) loan funds, therefore finding the grant money and patient money that helps to back-stop losses is also a serious challenge.

8. Results/Impact

The impact of these efforts can best be described with two examples. In early 2014 First Niagara Bank made a \$500,000 program related investment (PRI) in PEGI, provided that the money would be used for loans smaller than \$75,000 to businesses within the Rochester city limits. This loan fund was immediately quite successful and with these funds PEGI has to date originated 26 loans totaling \$685,000 to Rochester businesses, all of which were previously unable to get financing from banks. Thirteen of these businesses have minority owners and twelve of the businesses are female-owned, while sixteen of these businesses were startups. Collectively these businesses have created or retained 56 jobs as a result of these loans. PEGI's ability to underwrite, provide technical assistance for, and service these loans, which banks often consider to be too risky, has been such a success that First Niagara has added another \$500,000 to their Rochester PRI. So far just two of these Rochester loans with balances totaling approximately \$28,000 have defaulted.

In Puerto Rico PEGI's small business lending has been active for approximately three years and during that time we have originated 30 loans totaling a little over \$1,000,000. The bulk of these loans have been in rural areas, with high poverty rates, over half of the businesses have been startups and over half owned by females. Here as well PEGI's loan program has shown

remarkable efficiency in creating and retaining jobs with an average of one job being created or maintained for every \$23,000 in loans originated.

9. Contact Information

Hubert Van Tol
President
PathStone Enterprise Center
400 East Avenue
Rochester, NY 14607
585-340-3385
hvantol@pathstone.org

NEW YORK

RECAP

Fresh Start Cafe Job Training

RECAP, Inc.

Regional Economic Community Action Program (RECAP) Inc. is the designated Community Action Agency for Orange County, New York. It's programs include a Weatherization Assistance Program, three Head Start sites, over one hundred units of supportive housing, day treatment drug and alcohol rehabilitation, residential drug and alcohol treatment, parole re-entry, housing rehabilitation and development, nutrition, case advocacy and the Fresh Start Café.

Fresh Start Cafe

RECAP's Fresh Start Café is a job readiness program provided in the setting of operational restaurants. This case study of the program outlines Fresh Start's history, services, target population, financing and impact.

The Fresh Start Café began in 2008 as a culinary training program. Currently the program is located in two restaurants at 280 Broadway in Newburgh and 38 Seward Avenue in Middletown. The program has grown beyond offering simple culinary skills to the current approach of a fully operational café that sells to individuals and commercial customers. In addition to culinary skills, trainers incorporate soft skills such as teamwork, customer service, time management, presentation and organizational skills, resume, interviewing and budgeting.

The team is currently in the process of opening a third location, at the Mill at Middletown site in Middletown, New York. The three training sites will be independent of each other, but will complement each other and incorporate a comprehensive curriculum.

- The Newburgh site offers technical training in ala carte service and contract food service
- Middletown, which is located at HONORehg, Orange County's emergency housing shelter, offers technical training in larger scale food preparation associated with banquets, buffets, social gatherings, and catering.
- The Mill will most closely resemble a real world atmosphere and include training in entrepreneurial and management skills.

In this way, each training site is a step in the overall program, and each consumer is provided greater, more extensive training and skills.

Community Economic Development Tools

- Technical (food service & customer service) skill development
- Soft (life) skill development
- Job search skills and services

Target Population

Fresh Start Café receives its primary participants through the Department of Social Services and the Employment and Training Administration. Typically, these are individuals who have spent

significant amounts of time relying on Social Services to meet their needs. All are unemployed or underemployed. Over 75% are between the ages of 25-45. Approximately 50% neither graduated high school nor attained a GED. While there is a 50/50 split in male v female participants, a vast majority of women list themselves as a single parent / female when compared to very few men who list themselves as single parent / male. These are not simply poverty stricken individuals. Many are struggling to break free of generational poverty. Lack of education, minimal marketable job skills, and very little social and emotional professionalism are just a few of the obstacles they face. By assisting these individuals through training in technical skills and education in soft skills, we help them gain and maintain employment as they begin their path toward self-sufficiency.

The program also provides training and work experience for individuals connected to other service agencies such as:

- Pathstone: A not-for-profit community development and human service organization providing services to low income families and economically depressed communities.
- Northwestern Human Services: NHS assesses service needs of families with children and is designed to promote positive change, empower families and connect to the community.
- AHRC: Works to create a person-centered environment that advocates for and supports people of all ages with unique abilities and challenges so they can live as respected members of the community.
- Middletown Addiction Crisis Center: As a program within HONORehg, MACC provides immediate access to crisis care intervention and medically monitored detoxification in a safe and structured residential environment.

Project Financing

A significant percentage of the program's funding comes from the Orange County Department of General Services and its Workforce Development Services. The remainder is covered through sales generated from café operations and partnerships. These include:

- HONORehg: An adult and family shelter providing emergency housing for single men, single women, and families. The café program provides breakfast and lunch for approximately 150 residents each day.
- Community Housing Innovations: CHI provides housing and human services that support social and economic independence. The café program is contracted to provide a lunch and dinner to an average of 30 clients per day who occupy emergency housing facilities.
- SUNY Orange Lab School: The Lab School provides child care and learning experiences for children of Orange County Community College students, children of faculty and staff members, and also children of the local community. The café program provides daily breakfast, lunch and a snack to students while adhering to Child and Adult Care Food Program (CACFP) guidelines.
- RECAP TRUST Center: **Personalized service for alcoholism & chemical dependency by a multidisciplinary team of qualified health care professionals.**
- Voucher Program: The café offers free meal vouchers to other agencies within the shared building space for distribution to clients in need.

These partnerships provide both financing and additional training opportunities for participants.

Project Challenges

Sales goals have never been the focus of the café program making it heavily reliant on funding to remain viable. The results of budget cuts and shifting political climate remain a continuous challenge. Without a budget to create larger revenue streams (for advertising, staffing, etc.) the program will continue to remain heavily dependent on funding.

Outside of the program, participants face everyday obstacles including transportation, housing, safety issues, and childcare. These often take higher priority than their participation in the program, resulting in suffering attendance. The larger concepts of work ethic and responsibility trainers aim to instill are difficult to impart when attendance is inconsistent. The program's goal is to create an attitude of personal accountability and our ability to overcome this is limited by the struggles facing trainees.

Another challenge is enrollment. As the needs of the Department of Social Services fluctuate, so does the enrollment in the program. During periods of lower enrollment, it becomes difficult to accomplish the goals for the program.

Results / Impact

In 2016 RECAPs Fresh Start Café achieved the following:

- 54 unemployed consumers enrolled through DSS / ETA
- 25% achieved employment
- 59% earned certificates for skills and competencies needed for employment
- Provided over 13,000 training and experience hours to participants from DSS / ETA
- Provided almost 6,000 training and experience hours for AHRC, MACC, Pathstone and NHS clients
- Provided over 12,500 meals for CHI
- Provided almost 37,000 meals for HONORehg
- Provided over 7,300 meals for pre-school students
- Provided 442 voucher meals to persons in need

Contact

RECAP Fresh Start Cafe
Café Manager Daniel Kelly
280 Broadway
Newburgh, NY 12550
Phone: 845-342-3978
www.recap.org/cafe

OHIO

Great Lakes Community Action Partnership

Business Development and Entrepreneurship

History and Background

Great Lakes Community Action Partnership (formerly WSOS) is a designated Community Action Agency in Ohio. It has been operating as a 501(c) (3) nonprofit agency since 1965 providing services to low-income residents in four north-central Ohio counties. In 1983, GLCAP added community and economic development to its menu of services in recognition of the fact that a healthy local economy and good jobs are a necessary condition of lifting people out of poverty.

GLCAP has successfully leveraged funds from federal and state programs, private foundations and local agencies to significantly improve the quality of life in its rural service area. This case study provides a look at ways that community action agencies can deliver services that assist their local governments and local businesses in growing their economies.

GLCAP makes loans to businesses primarily in a 10-county area, and to local units of government throughout the state of Ohio. Planning and other economic development services are offered throughout the state as well.

Key Services Provided

GLCAP offers the following key services and programs related to community and economic development:

- Development of affordable rental housing
- Housing counseling
- Weatherization assistance program
- Home rehabilitation
- Business/micro loans
- Business technical assistance and training
- Matching workforce needs of local businesses to training programs designed to meet those needs
- Technical assistance to local governments
 - Community assessment (economic assessment, opportunity assessment)
 - Planning (economic development, downtown revitalization, land use, community visioning)
 - Plan implementation, project development and financing
 - Grant administration, administration of local RLFs, administration of Enterprise Zones for business)
 - Developing local and regional entrepreneurial ecosystems
 - Leadership training

- Developing and maintaining infrastructure such as water, sewer and solid waste through the Rural Community Assistance Program (RCAP)

Community Economic Development Tools in This Case Study

- Community planning
- Entrepreneurship
- Business technical assistance
- Microloan program development and administration

Target Population

GLCAP's primary clients are rural and small city governments and small business owners. Small cities and rural counties face many challenges. Lower population densities make service delivery more difficult and more expensive, and the few staff that they can afford must wear many hats; therefore, specific expertise may not be readily available, and GLCAP helps to fill that gap with the variety of services it provides. Likewise, small businesses in these areas are frequently at a disadvantage when it comes to accessing capital, services, technical expertise, and a sufficient workforce, and GLCAP provides services to help meet this need.

Project Description

As part of its strategy to improve the economic conditions of its service area, GLCAP provides a wide variety of services: from assessing opportunities, to developing plans, to writing and administering grants to implement those plans, GLCAP can help rural communities align their vision and develop a roadmap for meeting that vision that will facilitate economic growth and job creation. Increasingly, this vision is centered around growing local entrepreneurs by helping communities build robust entrepreneurial ecosystems locally and regionally.

Rural businesses often lack access to capital and many of the other resources (training, networking, technical assistance) that their urban business competitors take for granted. WSOS recognizes this reality and has operated a rural "economic gardening" program targeted to businesses that are poised to grow but need information such as market research, competitive intelligence, or development of a social media strategy. Several GLCAP staff are also licensed facilitators for the Ice House Entrepreneurship training program. In addition, GLCAP has loan funds available to startups and existing businesses for inventory, equipment, working capital and more, and is familiar with all state and federal programs geared toward helping local businesses expand.

GLCAP helps to fill existing gaps for both local governments and for small businesses with its community and economic development and lending programs. In addition to lending for traditional small business, we have loan funds targeted to specific types of businesses such as day care facilities and agribusiness. GLCAP also operates a community loan fund that can provide gap financing for community projects for energy efficiency, infrastructure, or economic development projects.

Project Financing

GLCAP has utilized a variety of federal, state, private and local funding sources to provide this

wide variety of services to communities. These include HHS/Office of Community Services, USDA Rural Development (Rural Business Development Grants, Rural Community Development Initiative grants, Rural Training and Technical Assistance Grants), HUD Rural Capacity-Building Grants (through a partner organization), private foundation grants and fee-for-service activities paid by the local governments themselves.

Our loan funds have likewise been capitalized by federal, state and private sources (USDA Rural Development, HUD, HHS, State of Ohio Development Services Administration, Nationwide Foundation, National City Community Foundation). Earned interest supports staffing of the loan funds, and loan capital revolves to provide continued assistance to businesses and communities in the future.

GLCAP partners with a number of organizations locally, regionally, statewide and nationally to provide the best possible service to the communities we serve. We seek to build capacity locally through training wherever possible and to help supplement expertise that is not available locally.

Results/Impact

GLCAP's community and economic development staff has made significant contributions to communities throughout the state:

- Over 1,000 jobs have been created or retained through GLCAP's planning and implementation efforts in small communities.
- Over \$400 million leveraged for small community infrastructure in the last 30 years, providing a foundation for future development.
- Over \$4 million invested in small businesses in 10 rural counties.
 - 140 small business loans have been made to new and existing businesses.
 - 500 jobs have been created or maintained through the business lending program.

How to find:

Great Lakes Community Action Partnership

President/CEO: Ruthann House

109 S. Front Street

Fremont, OH 43420

Phone: 419-334-8911

Toll Free: 800-775-9767

Fax: 419-334-5124

www.glcap.org

SELF (Supports to Encourage Low-income Families)

1. History/Background

Supports to Encourage Low-income Families (SELF) is a private, nonprofit 501(c) (3) organization and the state-designated Community Action Agency for Butler County, Ohio. SELF was founded in 1995 with a focus on offering employment and educational services to help low-income individuals to achieve long-term self-sufficiency. SELF's overall goals aim to help clients: move beyond crisis situations toward improved financial stability and general well-being; retain the attitudes and skills necessary for sustained employment and self-sufficiency; and build assets to break the cycle of poverty.

SELF's mission is to enhance the quality of life for Butler County residents by impacting the causes of poverty and empowering individuals to achieve, sustain and advocate self-sufficiency. In fulfilling its mission, SELF strives to perform the following roles at the highest standards of excellence:

- To be an advocate for the needs of the community and the development of individual potential.
- To be a facilitator in linking individual needs to the full network of services available.
- To be a provider of quality services.
- To be a trusted and respected partner with individuals and organizations in addressing the needs of the community.

2. Key Services and Programs

In 2016, SELF served nearly 6,000 families, many through programs designed to help low-income people find a path that allows them to lead themselves out of poverty. SELF currently offers the following programs and services:

- Build-Up Academy- teaches low-income young adults (ages 18-40) construction skills and connects them to apprenticeships, jobs and advanced training programs. Employment training and hands-on work included!
- Butler County Microenterprise and Microloan Program – helps low- and moderate-income individuals to learn in group workshops about all aspects of starting a business including hands-on assistance in writing a business plan and the opportunity to apply for a loan of up to \$5,000 to launch the business. One other organization is partner in the program.
- “Getting Ahead” Program – “Getting Ahead in a Just-Gettin'-By World” is a workshop series that assists individuals living in poverty to evaluate their lives and to develop the life skills necessary to survive and flourish. Getting Ahead participants develop a series of mental models to examine their own pasts and create new futures.
- Neighbors Who Care: Home Repair Program, including Group Workcamps Projects –volunteer-driven home repair projects in Butler County that help homeowners:

primarily low-income senior citizens and people with disabilities. Activities spike in the summer during Group Workcamps week.

- Individual Development Account (IDA) program -- financial literacy classes and goal-specific education combined with matched savings accounts for low- to moderate-income clients so that they can acquire a home, start a business, access higher education or purchase a car. Client savings are matched by SELF \$2 to every \$1!
- JOBS NOW! -- a powerful employment and education program for low-income individuals to improve economic stability through obtaining employment or better employment. The 12-week program provides comprehensive assessment; a 3-week, 15-hour skills workshop taught by business professionals; one-on-one job coaching; limited emergency services, such as utility assistance, interview clothing and job-related transportation; and most importantly, job connections.
- Emergency Home Energy Assistance and Summer Cooling Programs -help for low-income families being threatened with shut off of heat in the winter or electric in the summer. In addition, SELF verifies and re-verifies participants on the Percentage of Income Payment Plans (PIPP) Plus program and administers several fuel funds.

3. CED Tools in this Case Study

- Entrepreneurship
- Business technical assistance
- Micro-loan program development

4. Target Population

SELF's constituency is comprised of low-income residents of the Tri-state's second most populous county, Butler County, Ohio. Most of SELF's programs have an income eligibility threshold of 200% or less of the Federal Poverty Level.

5. Project Description

The Butler County Microenterprise and Microloan Program was launched in late 2011 in response to the punishing recession and lingering double digit unemployment rates in the urbanized area of Butler County. At that time the unemployment rate was 10.5% in the City of Hamilton and 10.7% in the City of Middletown as numerous companies closed, moved, or downsized (Department of Job and Family Services, 2011). SELF and Neighborhood Housing Services collaborated to address how they could help low and moderate-income people get back to work through encouraging entrepreneurship.

The Butler County Microenterprise and Microloan Program is designed to help prospective entrepreneurs evaluate small business ownership and pursue their dream of self-employment. The program provides intensive training of candidates during the 10-week workshop series and one-on-one technical assistance with business plans. The program also provides access to start-up funds and working capital through its microloan program.

Small business ownership may provide side income or even full-time income that helps lift people out of poverty. Small business ownership will also create larger benefits for the community including an increased tax base and job creation.

6. Project Financing

Currently, operations, salary and administration of the Butler County Microenterprise and Microloan Program are partially funded by a Community Services Block Grant administered by the Ohio Development Services Agency and a grant from the Ohio Community Development Corporation Association (OCDC).

Current loans are being repaid with 2% interest and that will help sustain the revolving loan pool in the future. If the program continues to make 8-10 loans per year of \$5,000, secures the same grant funding levels and continues with our low average default rate of 17% the loan pool could be self-sustaining in 7 years.

7. Project Challenges

Program participants will be able to evaluate if business ownership is appropriate for them and their financial situation. SELF works with clients one-on-one with business plan development and coaching. The program focuses on creating a well-designed, profitable business that is registered with the state and that uses a business banking account.

SELF also works with microentrepreneurs on behavioral economics. Though microbusinesses contribute to economic activity and their owners' household balance sheets, many still struggle to make ends meet or build long-term wealth. Microbusiness owners' business and personal finances are often inextricably tied, and that they are dealing with significant financial vulnerabilities that reach far beyond access to credit. SELF works with clients to troubleshoot cash flow problems and increase short- and long-term savings levels, so that business owners can weather emergencies and meet long-term goals that contribute to greater financial stability.

As businesses grow, SELF works to resolve microbusinesses challenges: including, accessing new capital for growth and expansion.

8. Results/Impact

Since the fall of 2011, 212 prospective low-and moderate-income entrepreneurs have enrolled in these trainings and 150 have graduated. Most entrepreneurs face 2 major obstacles to success.

- First, they need both training and technical assistance to develop a quality business plan, get a small business started and manage a business that is successful and lasting.
- Second, they are unable to access even minimal funds through traditional loans. Banks may find the requests too small or the borrower may not meet current standards of creditworthiness.

The Butler County Microenterprise and Microloan Program includes an intensive training program bundled with supportive services, which have allowed 58 microenterprises to be

started, re-started, expanded and maintained. The program also includes an alternative source of microloans of up to \$5,000 that has provided funding for 25 microbusinesses totaling nearly \$96,500. With the help of this program's well-designed technical assistance and accessible loans, the goal of successful self-employment has become a reality to some of the unemployed and underemployed residents of Butler County. Also an amazing 81% of the businesses (47 of 58) that have launched or expanded are still operating!

9. Contact Information

Supports to Encourage Low-income Families (SELF)

Executive Director: Jeffrey Diver

1790 S. Erie Hwy., Suites A-E

Hamilton, OH 45011

Phone: 513-868-9300

Fax: 513-737-3889

www.selfhelps.org

OKLAHOMA

Little Dixie Community Action Agency

History/Background

The Little Dixie Community Action Agency operates in three rural counties in the southeastern corner of Oklahoma. In 1965, Choctaw, Pushmataha, and McCurtain counties each had a separate community action agency. In 1968, these three agencies merged into one community action agency in order to better meet the needs of southeast Oklahoma.

The southeastern part of Oklahoma, with its mountainous geography and high precipitation, is very different from the rest of Oklahoma and other Great Plains states. The climatic conditions in southeast Oklahoma are very much like the climatic conditions in the Deep South states. For this reason, "Little Dixie" was selected as the name for the new community action agency.

Throughout its history, Little Dixie has progressively grown, adding new programs to meet the needs in the area. In 1971, Little Dixie had an annual budget of \$607,583. Today the agency's current budget is close to \$25 million.

According to the 1970 census, 63.6% of the residents in the tri-county area had incomes below the OEO poverty guidelines. According to the 2000 census, 24% of the residents of the tri-county area were living below poverty. This decrease in poverty is due primarily to the anti-poverty programs implemented through the years by Little Dixie Community Action Agency.

Key Services and Programs

Little Dixie provides a variety of programs to residents of southeastern Oklahoma, including:

- Youth mentorship program;
- Retired senior volunteer program;
- YouthBuild;
- Head Start and other early childhood programs;
- Transportation;
- Weatherization;
- Homebuyer education;
- Credit counselling;
- Housing loans;
- Housing development;
- Small business loans;
- Tourism

Housing

Little Dixie Community Action Agency owns and operates seven apartment complexes. In addition, Little Dixie manages three senior supportive housing complexes (HUD Section 202).

For more than 1,700 low and very low-income families in rural Southeast Oklahoma, the American Dream of Homeownership has become a reality through Little Dixie Community Action Agency's Self Help Housing Program. The purpose of the Section 502 Mutual Self-Help Housing Loan program is to provide housing opportunities for very low- and low-income households. The program is targeted to those families who are unable to obtain decent, safe, and affordable housing through conventional methods.

Families participating in a mutual self-help project actually perform construction labor on each other's homes under qualified supervision. The labor contributed by participants is referred to as "Sweat Equity." This results in a reduction of overall construction costs equating to a savings between \$10,000 and \$20,000 per home. Without this program, homeownership would likely be unattainable.

Little Dixie's Self Help staff participate throughout the entire process from start to finish. During the predevelopment phase, staff work to market the program, provide homeownership training, identify groups that will work together, and assist families with their loan applications to USDA Rural Development and securing a site for home construction.

Generally, four to ten families are formed into a group who work together on each other's homes until every home in the group is completed. The construction phase typically lasts for six months. Families contribute significantly during the construction phase. For participants who are unable to perform the required labor, measures are in place so that these families can also obtain homeownership through the Self Help program.

In addition to sweat equity savings, some families qualify for grant funds from Oklahoma Housing Finance Agency and Federal Home Loan Bank of Topeka. Those families can apply for a developer subsidy and reduce the cost of their home on average, by \$9,000. That is an actual savings of \$9,000 dollars that otherwise would have to be borrowed. Native American families can receive tribal funds to include in their loan for construction from the Choctaw and Chickasaw Nations.

In addition, Little Dixie provides technical and management assistance to potential and existing Section 523 Self-Help Housing organizations through their Technical and Management Assistance Self Help Housing Contractor.

Small Business Lending

Loans are made to small businesses, up to \$50,000, in the three county service area along with technical assistance, both pre- and post-loan. Little Dixie also partners with the Oklahoma Tax Commission and Oklahoma Small Business Development Center (OSBDC) to offer monthly business tax workshops at no charge. Topics of discussion include business structure, obtaining the sales tax permit or manufacturing permit, payroll taxes, self-employment taxes, and bookkeeping requirements.

Tourism Attraction as an Economic Development Strategy

Little Dixie's initial experience with state parks was through a summer youth program at Beaver Bend State Park, where they became concessionaires at the camp. This started back in the 1970s.

In the 1990s, Little Dixie was completing a 10 year strategic plan. The state at that time was considering closing state parks, due to funding shortfalls. Little Dixie decided to focus on tourism as a key component of their economic development strategy and hired an economic developer, who was the former director of tourism for the state.

Tourism Project Description

A proposal was made to the state tourism department that Little Dixie could do the park management for 60% of what it cost the state and it was accepted. A lease agreement with Hugo Lake State Park was negotiated for 10-20 years. Little Dixie handles rentals for the cabins and hospitality house (which has meeting and sleeping rooms) and rents out the boat slips at the marina. After they built the infrastructure, they then went to the state and asked them to make it a state park and the state agreed to do so.

In order to bring jobs to the area, Little Dixie decided to focus on projects that would bring tourists to the area from Dallas and other nearby urban areas. They manage the operation of facilities at four Oklahoma State Parks. Little Dixie constructed the cabins and hospitality house at Hugo Lake State Park and handle reservations for cabins and campsites there and at the other parks as well. They added a marina and handicapped accessible marina. Two grants were received of \$500,000 each from the Office of Community Services, Community Economic Development grant program, which paid for the marina and one set of cabins.

In addition to managing the park facilities, Little Dixie works with the state on tourism promotion. At the start, Little Dixie went to trade shows and other events, but now the state does the majority of the promotion. Every 5 years the state sends in someone from a state publication to do a feature article and video, which is then posted on social media.

Lake Hugo is an artificial lake, created by a dam built by the US Army Corps of Engineers. The Corps then leases out the land on one side of the lake for the state park, which is located just outside of the town of Hugo. Little Dixie also manages the facilities at Raymond Gary State Park, which is about 17 miles from Hugo and has cabins that are more basic than those at Lake Hugo State Park. In addition, Little Dixie manages the facilities at two other state parks, Clayton Lake and Beavers Bend, which are farther east, in another part of their service area.

Community Economic Development Tools

Housing

- USDA/Rural Development
- Oklahoma Housing Finance Agency
- Federal Home Loan Bank of Topeka
- NeighborWorks America
- Rural Enterprises Inc.
- Oklahoma Department of Commerce

Economic Development

- U.S. Small Business Administration's Microloan Program
- USDA/Rural Development's Intermediary Relending Program
- NeighborWorks America
- Office of Community Services, Community Economic Development grant program
- Americorps

Project Financing

In addition to the two grants from the Office of Community Services noted above, an AmeriCorps grant was used to hire volunteers to construct the initial cabins and hospitality house at Lake Hugo. Some prisoners also participated in the construction.

Little Dixie issued a call to local residents to raise money for the construction of the hospitality house and received cash and supplies in response, enabling them to construct the building without any outside funds.

Project Challenges

The only significant challenges have been with the weather, both during the construction and then again five years ago when an abnormal amount of rain flooded many cabins at Lake Hugo and submerged the marina. Little Dixie had to replace paneling and appliances at the park, and used a process to dry out the wood in the cabins. Fortunately they had enough warning of the impending rain to move the cabins' furniture beforehand.

The annual revenue from the park generates enough cash to build up a contingency fund, which was needed to get the park facilities back in usable condition after the flooding.

Results/Impact

For the jobs created through this project, 75% of hires have been low income. Some AmeriCorps volunteers were hired as regular employees after their AmeriCorps service ended.

The tourism project has been a successful strategy. It brings 100,000 people a year now to Lake Hugo State Park, which is only four miles from the town of Hugo, employing local people and bringing some of the visitors' dollars to businesses in the town.

Contact Information

Becky Reynolds
Little Dixie Community Action Agency
209 N. 4th St.
Hugo, OK 74743
(580) 326-3351
<http://www.littledixie.org/>

PENNSYLVANIA

CAC of the Lehigh Valley

The Rising Tide Community Loan Fund

History and Background:

The Community Action Committee of the Lehigh Valley, Inc. (CACLV), located in Bethlehem, Pennsylvania, was incorporated in 1965 as a 501(c) (3) non-profit corporation to combat poverty by working with and for the low-income residents of the Lehigh Valley. The mission of the CACLV is to improve the quality of life in the Lehigh Valley by building a community in which all people have access to economic opportunity, the ability to pursue that opportunity, and a voice in the decisions that affect their lives. The organization consists of 93 employees and has an operating budget of \$24 million.

CACLV offers programs that meet basic needs while encouraging self-sufficiency, such as Second Harvest Food Bank of Lehigh Valley and Northeast Pennsylvania, the Sixth Street Shelter, Community Action Financial Services, Work Ready and OnTrack. The Campaign for Racial and Ethnic Justice is CACLV's newest advocacy effort. CACLV has four subsidiaries: Lehigh Valley Community Land Trust; Community Action Development Corporation of Allentown; Community Action Development Corporation of Bethlehem; and Rising Tide Community Loan Fund. These programs engage residents, the private sector, local government and other community organizations to enhance community and economic development in the Lehigh Valley's low-income neighborhoods.

The Rising Tide Community Loan Fund (Rising Tide) was formed in 2001 as a 501(c) (3) nonprofit corporation and certified by the U.S. Treasury as a Community Development Financial Institution (CDFI) the following year. Rising Tide was established to provide accessible and flexible financing options for business owners whose risk factors make it difficult to obtain funds from traditional lenders. The mission of the Rising Tide is to identify small business and community development credit needs that may stifle the creation of economic opportunity in low- to moderate-income communities of the Lehigh Valley and to meet those needs with affordable credit products.

Key Services and Programs:

The goal of the Rising Tide is to assist low- and moderate-income residents in starting and/or stabilizing their own businesses to enhance their opportunities for self-sustaining jobs. The Rising Tide serves prospective, start-up, and established regional businesses by providing a full range of one-to-one business technical assistance and small business loans where resources and opportunities for growth are limited. The Rising Tide offers four loan products:

- 1) Start-up businesses are eligible to apply for up to \$50,000;
- 2) Businesses in operation at least one year are eligible for the Small Business Opportunity Loan Fund, which has a maximum loan amount of \$150,000;

- 3) A line of credit is available in amounts from \$3,000 to \$15,000; and
- 4) In partnership with the City of Bethlehem, businesses located within the City limits are eligible to apply for up to \$100,000 under the Bethlehem Small Business Loan Fund.

Proceeds from a Rising Tide loan micro-loan or small business loan may be used for lease-hold improvements, the purchase of equipment/machinery, marketing costs, working capital, and inventory purchases. Rising Tide also provides technical assistance to help entrepreneurs develop a business plan, create financial projections, and prepare their loan application. Staff also works with potential borrowers to improve their credit scores. Since 2012, Rising Tide has managed the City of Bethlehem's Small Business Loan Fund. This product provides entrepreneurs with access to up to \$100,000 for property or equipment. In exchange, borrowers are required to create one full time equivalent position for every \$35,000 that is borrowed.

Rising Tide originally served Lehigh and Northampton Counties. In response to requests for assistance, Rising Tide expanded its territory in 2015 to also serve Carbon, Monroe, and Bucks Counties. That same year, the Rising Tide added a line of credit product to provide entrepreneurs with access to \$3,000 to \$15,000 in working capital. Earlier this year, Rising Tide entered into an agreement with the City of Allentown to provide funding to offer a self-forgiving loan competition for entrepreneurs committed to creating jobs in the City's Neighborhood Improvement Zone (NIZ). The NIZ program is a state tax incentive program designed to reinvent the downtown of Allentown by allowing developers to use state and local tax dollars to pay off the debt they incur to build, rehabilitate, or expand buildings.

The Rising Tide has strong working relationships with fellow subsidiaries Community Action Development Corporation of Allentown and Community Action Development Corporation of Bethlehem. With offices in downtown Allentown and south Bethlehem, prospective and existing business owners have the opportunity to access business training and walk-in technical assistance in two convenient locations. Their business development coordinators provide a continuity of service from the time a person enrolls in one of their Start Your Business classes to the closing of a loan and beyond. They also assist borrowers with small diverse business certifications and the implementation of marketing plans.

The Lehigh Valley Microenterprise Expo was developed in partnership with sister subsidiary organization Community Action Development Corporation of Bethlehem and the Small Business Development Center located at Lehigh University. Students of the Martindale Center for the Study of Private Enterprise were eager to host an event to showcase local microbusinesses. The concept was to combine high and low tech microbusinesses and present fifty of them to the public at an annual networking event. All of the businesses received training and assistance on how to display and promote their products and services. The primary objective was to have the public get to know these various microbusinesses. However, by providing a forum for networking, several partnerships emerged that demonstrated unique collaborations among the microbusinesses. The event was held for five consecutive years, and was supported by local banks, newspaper, and other contributors.

Community Economic Development Tools in this Case Study:

- Entrepreneurship

- Business technical assistance
- Micro-loan program development and administration
- Microbusiness networking

Target Population:

The service area of Rising Tide includes Lehigh, Northampton, Monroe, Carbon Counties and 24 census tracts in Bucks County in Eastern Pennsylvania. The Lehigh Valley is the third most populous and the fastest growing region in Pennsylvania; it is also the 64th most populated metropolitan area in the United States. This large, diverse region with a population of 990,065 has a median household income of approximately \$58,827; however, this number masks the great economic inequality throughout the region. More than 250,000 people in the target market have income under 200% of the federal poverty level; the rate of people at this income level has increased more than 20% since 2005. There are pockets of poverty with rates exceeding 50% throughout the target market.

Many low- to moderate-income entrepreneurs and those who live in low- to moderate-income neighborhoods lack access to capital due to a loss of community banks and increasingly rigid underwriting practices. Most of the entrepreneurs who apply to Rising Tide for a small business loan have a poor credit history that renders them too great of a risk for a traditional bank loan. Others are unable to access capital because their industry has a historically low success rate. Entrepreneurs in the target market's more rural outlying areas are not located near small business development services; thus, they lack support to successfully launch or expand their business. Additional challenges face these business owners, including language barriers and lack of trust, further complicating access to small business capital. The Rising Tide's products and approach to outreach effectively address these entrepreneurial needs.

Rising Tide's approach to outreach is inclusive and specifically targets woman- and minority-owned businesses that would otherwise experience multiple barriers to accessing capital. From 2013 to 2015, 80% of loans made, and 83% of loan funds disbursed, were to woman- and minority-owned businesses. Specifically, 20% of loans were made to African-American-owned businesses, 23% were to Hispanic-owned businesses, and 66% were to woman-owned businesses. In comparison, the population of the Lehigh Valley was 4.7% African-American and 15.6% Hispanic. Rising Tide loan products are available to all applicants regardless of age and recipients have been as young as 18 years old.

Project Description:

The Rising Tide promotes economic opportunity and development in targeted neighborhoods based on a vision for a future with self-sustaining community neighborhoods thriving throughout the greater Lehigh Valley. The Rising Tide aims to achieve this vision in three distinct ways. Primarily, Rising Tide empowers low-income residents to become self-sustaining by creating their own jobs. Residents are encouraged to use their own specialized skill-set to construct meaningful employment for themselves. Secondly, a thriving small business developed and maintained by a low-income community resident has the potential of employing additional community members. This can become critically important as the community begins to feel that

it has a stake in the success of the business. Finally, Rising Tide attempts to bring new businesses to targeted areas where economic development is of the utmost importance. A proliferation of strategically placed small businesses can revitalize a downtown area and build a strong sense of community among residents.

Project Financing:

The Rising Tide has a diverse lending portfolio that has been funded by a variety of local banks and foundations at competitive rates. The Rising Tide raises its entire operating budget each fiscal year, less any earned income it receives through interest payments and loan fees. The Rising Tide has a strong history of raising private and public financial support to meet strategic goals and has received Community Development Block Grant funding through two municipalities. In addition, the Rising Tide is supported through grants from foundations and contributions from small businesses and individuals. Earlier this year, the Rising Tide was selected to receive a CDFI program technical assistance award.

Project Challenges:

With only a small staff (1 ½ persons), Rising Tide struggles to promote their products and services because staff have always been committed to providing outstanding technical assistance. Reaching the target market requires much personal contact. It is imperative to not only meet business owners, but to have relationships with other banks, the Small Business Development Center, the Chambers of Commerce, all of whom are key referral sources. Rising Tide will continue to work in partnership with other financial institutions and organizations to collaboratively meet entrepreneur's lending and business development needs.

Recently, Rising Tide has developed a new website that includes features on borrowers. Staff has begun to use social media and has increased outreach to the business community. The Lehigh Microenterprise Expo has been discontinued until resources are increased.

Results/Impact:

Since its inception in 2001, Rising Tide has provided \$4,584,902 in loans to 139 small business owners in the Lehigh Valley. This has resulted in the creation of 250 jobs and the retention of 306 jobs.

How to Find:

Chris Hudock
Director
Rising Tide Community Loan Fund
1337 East Fifth Street
Bethlehem, PA
Phone: (484) 893-1039
Fax: (484) 821-2271
Email: chudock@caclv.org www.therisingtide.org

Community Action Partnership of Lancaster

Background

CAP Lancaster serves Lancaster County, Pennsylvania, in the south central part of the state. Known more for the Amish population in the rural areas of the county, the city of Lancaster is an older city, with high rates of poverty in some of its neighborhoods.

Key Services and Programs

CAP Lancaster provides a variety of services to county residents, including: domestic violence services, early childhood education, returning citizens, senior centers, utility assistance, and Women, Infants and Children.

CED Programs

CAPital Workforce is an umbrella for two social enterprises operated by CAP Lancaster. One is Capital Construction, which gives second-chance employment and skills training in the construction field to individuals with a criminal record and Reunion Food Truck, which trains individuals with barriers to employment in the culinary arts and also supports the community feeding program at the Crispus Attucks Community Center.

Project Description

Capital Construction is the focus of this case study.

CAP Lancaster recognized that problems related to poverty are all connected and must be dealt with in a more holistic approach. The need for affordable housing and workforce development to place people with employment barriers into jobs are related.

There is a less than 1% vacancy rate for rental housing in Lancaster, posing problems for people with lower incomes.

Capital Construction hires and trains people with prison records and other employment barriers (English language ability and lack of other skills are others) in construction skills and then has them rehabilitate single family homes. These are then resold to low-income people, with a 15 year restriction that keeps the homes affordable. Multi-family rental units are also rehabbed and rented out to local residents.

The people hired for the construction crews are all local residents. Their work helps to revitalize blighted neighborhoods and puts empty properties back on the tax rolls. It also helps build and keep wealth in the communities by employing local residents, providing a physical asset to homebuyers, which will increase in value over time, and increases local taxes. Construction crews operate in both Lancaster and Columbia.

In addition to hiring people for their construction crew, Capital Construction uses a paid apprenticeship program to train people in construction skills and then helps them find employment with other area construction companies, which are currently in serious need of trained employees. Some local companies have lost out on contracts because they did not have enough capacity to handle larger construction jobs. This sometimes meant that construction

projects in Lancaster County ended up hiring firms from outside the county. A dozen local companies are currently partnering with Capital Construction. The placement of additional workers with construction companies has helped some of the Lancaster County companies to win contracts and keep local dollars circulating within the county.

Capital Construction has its headquarters in a building in the same Lancaster neighborhood that it has been working in.

CAP Lancaster is also seeking grants to purchase Lancaster's South Market, where they plan to work with local immigrants to sell ethnic food. They are partnering with the developers of a new senior housing project being built across the street, which is interested in advertising the market and its ethnic food as an amenity for residents of their building, which will serve as a built in audience for the market.

There is a need for a local community development corporation with significant capacity to produce affordable housing and CAP Lancaster has partnered with other area non-profits to create a new CDC, Lancaster Equity. The work of this organization will complement that of Capital Construction.

Project Financing

Funding for the program came from:

1. The local electric company (\$25,000)
2. Lancaster Housing Opportunity Program (local government)
3. U.S. Conference of Mayors (\$150,000)
4. Borough of Columbia (\$32,880)
5. Match from the local community foundation (\$32,880)

Obstacles Encountered

Started small and it took some time to figure out what worked. It took three years to get the project up and operating.

Many of the older homes have problems with lead. Capital Construction become certified in lead removal in order to be able to do the rehab work.

One challenge has been doing rehab work on homes in areas designated as historic districts, as it often requires more expensive materials and makes it harder to keep costs down and the resale price affordable.

Prior to the social enterprise efforts, CAP Lancaster received almost all of its money from the federal government, with grants that operate on a one year basis. Housing construction doesn't fit that scenario and it has taken some time for the board to understand that they need to take a three year approach to this project.

Innovation has to be part of the organizational culture for this type of project to succeed. As the organization has become more innovative, they have been able to attract new board members

with an innovative mindset and also to attract staff that are more innovative in nature. Staff evaluations are now only half based on meeting performance goals and half of the evaluation is now based on how innovative the employee is.

The organization changed its name from Community Action Program to Community Action Partnership to emphasize their focus on collaboration and less on specific programs.

Impact

CAPital creates a pipeline to living wage employment in the building trades with the following steps:

- Identify and employ hard-to-hire individuals who appreciate CAP's core values (respect, compassion, diversity, excellence, integrity, collaboration, innovation, hope)
- Train and certify them in construction and repair basics on the job
- Use them in diverse, low-income neighborhoods to rehabilitate blighted properties
- Leverage community relationships and internal resources to surround employees with supports and services
- Reinvest all profits into employee wages, benefits, and program capacity
- Connect employees to thriving-wage employment with industry partners

CAPital Construction is the only social enterprise of its kind in Lancaster County. Many organizations provide on-the-job training and workforce development, and many organizations rehabilitate and repair homes. CAPital Construction is the only program that combines these and supports its employees – workers with barriers to employment – with the wraparound services from CAP's internal resources and community relationships. CAPital received national recognition in July of 2017 when it was awarded first place in the small cities category of the U.S. Conference of Mayors Community WINS award competition.

Since November of 2016, 6 houses have been renovated and sold, another one is almost ready for sale and one more will be completed and sold by the end of 2019. In addition, 6 buildings have been rehabbed for rental. Eighteen facades have been identified as needing replacement and 4 have been completed.

Three people have been placed with other construction companies so far. A new effort will place trainees as shadow workers to learn their construction skills first hand. There are 5 applicants for the first group. CAPital Construction expects to place 7-10 people a year in the future. Two of their trainees were placed for two weeks with a construction company partner that needed temporary help and were able to earn money while learning more about the industry.

Contact Information

CAP Lancaster
601 S. Queen St.
Lancaster, PA 17603
717-299-7301

Fayette County Community Action Agency

History and Background

The United States Congress passed the Economic Opportunity Act (EOA) in 1964, which guaranteed equal opportunity for all. Subsequently, more than 1,000 community-based organizations, called Community Action Agencies (CAAs) were created. On August 23, 1966, Fayette County Community Action Agency, Inc. (FCCAA) was incorporated by a group of dedicated, concerned citizens to “mobilize and utilize the resources within the County of Fayette, for the purpose of making a unified attack on poverty, through services, assistance and other activities with an aim toward eliminating poverty, or the causes of poverty, by, among other things, developing employment opportunities, improving human performance, motivation and productivity, and bettering the conditions under which people live, learn and work, and to achieve these ends to plan, formulate, determine and execute all appropriate projects, and/or programs under the Federal Economic Opportunity Act and the Appalachian Regional Development Act” (*FCCAA Articles of Incorporation, Court of Common Pleas, Fayette County, Pennsylvania, No. 951, June Term, 1966*).

FCCAA is a 501(c) (3) non-profit corporation, governed by a Board of Directors consisting of elected local public officials, representatives of the low-income community, and appointed leaders from the private sector. This board encourages low-income residents to participate directly in the creation of responses to poverty conditions. Consequently, public and private officials acquire a clear and in-depth knowledge of the issues and challenges facing low-income community members.

FCCAA’s mission is to strengthen individuals and families to become more self-sufficient, achieving their potential by taking advantage of opportunities, improving the conditions in which they live and taking ownership of their community. Agency services include housing and the development of housing, energy, assistance, emergency assistance, employment and training, empowerment and leadership development, casework and service coordination, family supports, food and nutrition, personal care, recreation, health, and community development services.

FCCAA has been assisting disadvantaged individuals—particularly families, children, and the aged—through a variety of human service and educational programs, since 1966. Over the years, FCCAA has developed a full range of more than 70 programs and services to meet the needs of the Fayette County community. As a major coordinating center for human service programs in Fayette County, FCCAA assists over 30,000 residents annually out of the county’s population of 135,660.

Key Services and Programs

For five decades, Fayette County Community Action Agency, Inc. (FCCAA) has helped families grow and prosper by offering programs and services that strengthen their lives.

Over a year's time, FCCAA helps over 30,000 people from our local communities through one or more of our more than 70 programs and services. Following is a brief overview of some of the programs FCCAA administers:

- The **Women, Infants, and Children** program, which reaches thousands of women and children with health risks each year
- **Aging Services**, which include four senior centers, congregate and homebound meals, education classes, tax counseling, and in-home personal care
- The **Meals on Wheels Program**, which provides a hot meal to over 300 homebound seniors daily
- FCCAA's **Education, Training, and Employment** programs, which offer services through the Community Training Institute and Career Pathways. The Community Training Institute is a private, licensed school that currently offers a course in Certified Nursing Assistant Training, serving more than 30 students annually. Career Pathways services address the county's significant need for intensive career-oriented case management services among adult learners.
- **Housing Services**, which provide county residents in need with emergency or transitional shelter, energy education and weatherization; and rent, utility, security deposit, and mortgage assistance, first-time homebuyers' education, and budget management training.
- The **Food Bank**, which collects and disseminates more than 1.8 million pounds of food, feeding more than 10,000 persons annually.
- **Case Management Services**, which are available agency-wide to clients who demonstrate multiple risks to economic or social self-sufficiency.
- **Nurse-Family Partnership**, which pairs at-risk, first-time mothers with trained, registered nurses who meet with the mothers regularly in their homes to discuss health and family development.
- **Volunteer Income Tax Assistance (VITA) / Tax Counseling for the Elderly (TCE)** provide tax preparation assistance to more than 1,200 low-income taxpayers in Fayette County.
- **Income Management – Financial Opportunity Center (FOC)** serves as a one-stop center that helps residents learn financial management skills; increase their abilities and confidence in managing finances; manage debt; secure credit and build assets; build budgets; access a quality education or training; earn sustainable-wage employment; obtain health care; find and maintain quality, affordable housing; access homebuyer information courses; access public benefits; and ultimately become self-sufficient.
- **Neighborhood Partnership Program (NPP)** provides a comprehensive revitalization effort in the neighborhoods of Uniontown, PA (Census Tracts 2623 and 2619). This effort will respond directly to the five goals established in the *Unified Building Sustainable Communities Plan*: Expanding Investment in Housing and Other Real Estate; Increasing Family Income and Wealth; Stimulating Economic Development; Improving Access to Quality Education; and Supporting Healthy Environments and Lifestyles.
- As the administrator of **The Retired and Senior Volunteer Program (RSVP)** for Fayette County, FCCAA enlists, on a part-time basis, the time and enthusiasm of older adults (55+) and provides almost unlimited opportunities for volunteer service through nonprofit, private, and public community organizations throughout the County.

FCCAA is also an accomplished Community Action Agency with extensive experience in community development initiatives. FCCAA has always been, and is currently, involved in several community development initiatives and projects. A brief description of each project follows:

- **Meadow Heights Apartments** - FCCAA constructed Meadow Heights, a 60-unit senior housing facility.
- **Lenox Street Apartments** - Lenox Street Apartments is a 6-unit permanent housing facility owned and managed by FCCAA for homeless individuals suffering from a mental illness.
- **Fairweather Lodge** is a HUD-funded permanent supportive housing program designed to serve eight homeless individuals suffering from mental illness.
- **Uniontown Family Homes** - FCCAA completed the development of 30 three and four-bedroom scattered site in-fill homes in the City of Uniontown. These newly constructed homes were developed using the Pennsylvania Housing Finance Agency Tax Credit Program. Tenants of the homes have the option to purchase the property for the outstanding debt at the end of the 15-year tax credit compliance period. The development serves working families with incomes of up to 60% of the average median income for Fayette County.
- **Bridgehouse** is a transitional living facility for homeless families and single women. This shared facility offers communal living areas for nineteen people for up to twelve months with the goal of helping residents improve levels of self-esteem, self-sufficiency, and independence.
- **Threshold Housing Development, Inc. (THD)** - Threshold Housing Development (THD), Inc. was established in September of 1991 through a partnership of Fayette County Community Action Agency (FCCAA) and Community Action Southwest (CAS). Threshold's goal is to provide affordable housing to low-income, elderly and handicapped individuals and families in Fayette, Washington, and Greene Counties in Pennsylvania.
- **Fayette Apartments** - FCCAA constructed Fayette Apartments, a ten-unit permanent supportive housing complex to serve mentally disabled, chronically homeless individuals. The project serves the chronically homeless population suffering from mental illness and drug and alcohol addiction in Fayette County.
- **Maple Garden Apartments** - FCCAA constructed a 36-unit senior apartment building, for seniors 55 and over, in the City of Uniontown in Fayette County. This housing development will provide Fayette County seniors a safe, environmentally responsible, comfortable place to call home.
- **Campus of Services** – FCCAA's hallmark community development project has been its Campus of Services, located in downtown Uniontown. FCCAA has revitalized a largely deteriorated and abandoned warehouse district in Uniontown and replaced it with a "one-stop shop" for health, human and social services. In addition to the more than 70 services offered through FCCAA, there are also 15 other health and human services agencies that are tenants of the five-building campus. In 2002, the United States Department of Agriculture named Community Action's Campus of Services as a best practice.
- The **Administrative Service Center** is an 18,000 square-foot facility built to house FCCAA's administrative offices, the Department of Labor and Industry Workers

Compensation Office of Adjudication, and allow additional space for other public and non-profit agencies. FCCAA constructed this building using Leadership in Energy and Environmental Design (LEED) principles and was awarded a LEED Silver Certification for its efforts. As the first Green Building project in Uniontown, this new construction will demonstrate the use of renewable fuel and clean energy, as well as energy conservation and efficiency.

- **Sustainable Communities** are places that offer the positive environments needed to ensure that all residents of varied income levels are provided the opportunities and tools to build assets, participate in their communities, and become part of the mainstream economy. They are, in effect, the embodiment of both "community" and "development" — places where human opportunity and social and economic vitality combine.
- The **Tri-County Community Loan Fund** is a subsidiary of two non-profits, Community Action Southwest (CAS) and Fayette County Community Action Agency (FCCAA), that are dedicated to serving low-income populations, the Fayette County Community Action Agency and Community Action Southwest. This loan fund provides lending services to residents in three southwestern Pennsylvania counties – Fayette, Greene, and Washington.
- The **Southwestern Pennsylvania Community Development Corporation** was created through a collaboration of FCCAA and CAS for the purpose of creating jobs and business ownership opportunities for low-income, disabled, and elderly residents of the three county (Fayette, Washington, and Greene) area.
- The **Republic Food Enterprise Center (RFEC)** is a non-profit center developed to increase access to fresh, locally sourced produce and create economic prosperity for farmers and its low-income employees. Through partnerships with regional food banks, farmers' markets, a Community Supported Agriculture program, a farm-to-school program, contracts with growers, a shared-use kitchen, and more, the RFEC is working to increase the health of the region.

Target Population

- **Population** -The County of Fayette remains one of the most economically depressed counties in the Commonwealth of Pennsylvania. Population has decreased from 148,633 in 2000 to 136,415 persons in 2013. Nearly 18% of the population is 64 years of age or older.
- **Income Levels** – Generally, in Fayette County, income levels are much lower than the State's average. The per capita income for Fayette County is \$20,884 compared to the PA \$28,502, making it one of the lowest in the Commonwealth (2013 ACS 5-Year Estimates).
- **Poverty** - According to the 2013 American Community Survey 5 year averages, an average of 18.36 percent of all persons in Fayette County lived in a state of poverty. The poverty rate for all persons living in the Fayette County report area is greater than the Pennsylvania average of 13.3 percent and the National average of 15.37 percent.
- **Long-term Poverty** – The County of Fayette Pennsylvania has experienced long-term poverty rates (see chart below) and was designated as a Rural Enterprise Community (USDA / HUD).

Poverty Level – Fayette County, Pennsylvania

1960	1970	1980	1990	2000	2010	2013
33.3%	20.8%	15.5%	20.9%	18.0%	18.7%	18.36%

1960-2010 – US Decennial Census; 2013 American Community Survey 5 year Survey

- **Long-term Population Decline** – Fayette County has experienced a long-term population decline of 14.8%. The following chart illustrates this decline.

Population – Fayette County, Pennsylvania

1980	1990	2000	2010	2013
159,417	145,351	148,645	136,606	136,415

1960-2010 – US Decennial Census; 2013 - American Community Survey 5 year Survey

Project Description: Republic Food Enterprise Center

The RFEC is a non-profit center developed to increase access to fresh, locally sourced produce and create economic prosperity for farmers and its low-income employees. Through partnerships with regional food banks, farmers’ markets, a Community Supported Agriculture program, a farm-to-school program, contracts with growers, a shared-use kitchen, and more, the RFEC is working to increase the health of the region. The goals of the RFEC are to: increase regional consumption of, and access to, locally produced agricultural products and develop new market opportunities for farm operations serving local markets. The RFEC works to eliminate food deserts throughout the region; introduce healthy, local, and fresh food options; and serve as a comprehensive response to the local food, farm, and nutrition issues faced by area residents.

The RFEC is housed in a 50,000 square-foot, FCCAA-owned facility located in Republic, Pennsylvania. The building was constructed in the 1950s and remains highly adaptable for food aggregation and processing. The physical structure is composed of brick construction and concrete floors. There are fourteen combined entrance points (both docks and pedestrian) to the facility, providing easy access for not only employees and customers, but also individual farmers and vendors. In addition, several loading docks in the front and on the side of the building provide additional easy access for larger deliveries and pick-ups.

As a multi-venture center, the RFEC contracts with regional farmers to purchase fresh, local produce in large quantities and process it—ultimately extending its availability and shelf-life—then disseminate the produce and resulting products in a variety of ways. As a large aggregating and processing center with purchasing power and commercial equipment, the RFEC distributes the regionally sourced produce to grocery stores, at farmers’ markets, through school cafeterias, as value-added products, and through a network of food pantries. As a comprehensive Center for food development, the RFEC is designed to address the needs of members from a variety of food sectors, ultimately working to bring fresh, healthy, local foods into the southwestern Pennsylvania region.

A brief overview of the RFEC and its projects follows.

Farmers: According to a study by Carnegie Mellon University's Heinz School of Public Policy, regional farmers are suffering from negative income and are unable to use 5% -20% of vegetables and fruits. The RFEC helps local farmers maximize their profits and the lifespan of their crops, while minimizing waste. Often, due to minor blemishes and imperfections, farmers are only able to sell a small amount of their produce to grocers. The RFEC purchases produce directly from farmers, regardless of these minor imperfections. Produce that meets grocers' standards is sold accordingly; other produce is chopped, peeled, or processed for use in restaurants, sold to schools, disseminated through food banks, or transformed into value-added products. This process ensures that farmers are paid for their entire crop, not just a portion of it.

The RFEC is currently working on crop planning with several farmers who have committed to providing produce in the upcoming growing season. Current produce commitments include pears, apples, melons, squash, assorted vegetables, organic herbs, watercress, garlic, salad greens, beans, onions, potatoes, honey, beets, eggplant, blackberries, raspberries, rhubarb, blueberries, strawberries, sweet corn, kale, Swiss chard, and even a commitment from a local farm to make beef available. Several farmers have already expanded acreage under cultivation specifically for RFEC.

Food Banks: Regional food banks are in need of low-cost, high-quality, nutritious foods to distribute to their clients. Over the past few years, food banks have seen increased demand for assistance, but have experienced declining food donations. The RFEC can help to fill the gap between donations and need. Through the RFEC, food banks can purchase locally sourced nutritious produce at greatly reduced costs. These lower costs will enable the food banks to purchase higher quantities of local, healthy food, ultimately serving more families in need.

To offer the lowest costs, the RFEC purchases bulk quantities of produce from regional farmers during peak growing seasons. Purchasing during peak seasons allows the RFEC to secure the best possible price on the produce. The RFEC then processes the produce and passes the bulk and seasonal savings on to food banks. To increase the life span of fresh produce, any surplus produce is canned or jarred at the RFEC and then sold as a shelf-stable product, maximizing the life of the product.

The RFEC also works with regional food banks to provide locally sourced wholesale produce processed to specification (cut, chopped, bagged, etc.) at affordable costs. Currently, regional food banks source unprocessed produce from throughout the country, in search of the lowest cost. Doing so shortens the lifespan of the product and forces food banks' staff members to sort and process the produce. The RFEC is working with these food banks to eliminate this process by sourcing, aggregating, and processing the produce for the food banks, ultimately cutting sorting and processing costs and providing low-income families with locally grown, fresh, nutritious products.

Schools: The RFEC is working with school districts throughout Fayette County to offer fresh, local selections in their cafeterias. The RFEC is working with these districts to provide low-cost, high-quality produce for students and to also host educational sessions about the importance of proper nutrition and a balanced diet. Similar to food banks, school districts often lack the staffing and/or resources to pick-up and produce or products from the RFEC.

Farmers Markets: In 2014, the RFEC established and participated in farmers' markets throughout the county. The RFEC operates its own farmers' markets twice weekly and also participates in the county's weekly farmers' market. In addition, the RFEC is in the process of implementing pop-up farmers' markets throughout Fayette County.

CSA Program: Also, in 2014, the RFEC implemented the "Local Eats, Local Treats" program. The Local Eats, Local Treats program is a Community Supported Agriculture (CSA) program that sources produce from multiple regional farmers and resells the aggregated, assorted produce to members of the program on weekly or bi-weekly schedule. Low-income residents are able to join the CSA program at a subsidized cost, ensuring that fresh, local foods reach those who need them most.

Commercial Kitchen: The RFEC itself is also home to a shared-use kitchen that makes commercial cooking equipment available to entrepreneurs and chefs. Because most businesses cannot afford to purchase costly commercial equipment, the RFEC provides a resource for businesses to use the kitchen to cook, bake, bottle, and/or package their products, further supporting local production.

Individual entrepreneurs work with the kitchen to develop and manufacture their products on a commercial scale. Current and projected value-added products include: Mr. Gz Slatherring Sauce, 'Graham that's Good' graham crackers, salad dressing, rib and wing barbecue sauces, applesauce and apple butter, spice rubs, Sweet Melissa's, Ernie's Rib Sauce, Soul Food Truck, and multiple catering companies.

The RFEC is implementing this variety of methods as a comprehensive way to increase residents' access to healthy, locally grown foods. This multi-faceted approach broadens the Center's reach, ensuring that fresh, nutritious food is available to all residents of the region.

As a result of the Center's increased capacity, the RFEC will also be able to hire additional employees. These activities will benefit each of the RFEC's ventures, ultimately furthering the Center's progress and working toward creating a healthier community.

RFEC Cool Room: To increase capacity, thereby increasing the capacity of numerous farmers and businesses, the RFEC has purchased and installed an energy-efficient cooler unit which converted 5,000 square feet of warehouse space at the RFEC into a cool room that allows for the storage and processing of fruits, vegetables and other products. The cooling room, which is adjacent to the commercial kitchen, is used for storage, cleaning, and processing of fresh, regionally sourced products. Pallet racking and pallet lift trucks are available to framers, entrepreneurs, and other interested parties who wish to utilize the cool room for storage of their products.

Contact Information:

**Fayette County Community Action Agency, Inc.
Administration Building**

**108 North Beeson Blvd.
Uniontown, PA 15401**

**Phone: 724-437-6050
FAX: 724-437-4418**

**Web Site: <http://fccaa.org/>
Face Book: <https://www.facebook.com/FCCAA15401>**

Westmoreland Community Action

“It’s a social enterprise that will support a community in need. [American Architectural Salvage] employs struggling low-income individuals or unemployed single female heads of households.” – Tay Waltenbaugh, former Chief Executive Officer

History and Background

Westmoreland Community Action (WCA) is located in Westmoreland County, Pennsylvania and operates its main office in the historic city of Greensburg. Greensburg was historically known for being a gathering spot for members of the Revolutionary War and is composed of eight wards; most popularly, Bunker Hill, which got its name from the well-known Battle of Bunker Hill, because of the frequent brawls which took place in Bushfield Tavern in the 1840’s. Now, the City of Greensburg has been deemed one of the fastest growing towns and was named one of the best places to retire by US News and World Report in 2007. Westmoreland County is located in Southwestern Pennsylvania and is part of the breathtaking Laurel Highlands. Sadly, amid the growth and prosperity among the twenty-six townships and boroughs of Westmoreland County, there are 36,593 people living below poverty, which is 10.3% of the county’s population.

Since 1980, Westmoreland Community Action has helped struggling families in Westmoreland County obtain resources to improve their standard of living and become more self-sufficient. Westmoreland Community Action provides housing services, emergency assistance, mental health programs, employment programs, child development and other human services.

Westmoreland Community Action’s mission statement embodies the spirit of community action by: “strengthening communities and families to eliminate poverty”; it continues the agency’s dedication to assisting those in need, but also focuses on the need for communities to do more to help the less fortunate in the county. WCA employs more than 200 people and operates twenty-three community programs in the following areas:

- Housing Programs
- Early Childhood Education
- Emergency Services
- Financial Services
- Employment programs
- Mental Health Programs

- Community Services

Annually, Westmoreland Community Action helps almost 7,000 residents each year living in Westmoreland County.

Community Economic Development Tools in this Case Study

- **Micro-enterprise and Business Development**
- **Commercial Development**
- **Environmentally Beneficial Project Development**

Project Description

In 2009, former CEO Tay Waltenbaugh and his leadership team began looking for a social enterprise venture that would eliminate poverty in the area by providing job skills training and placement. As WCA looked at several different types of projects it settled on one that would invest in its community by eliminating blight and preserving environmental resources. After receiving \$1.2 million dollars from the American Recovery and Reinvestment Act of 2009 (ARRA), WCA used a portion of those funds to create Shop Demo Depot. Shop Demo Depot, a retail outlet for used building material, changed its name in October 2016 to American Architectural Salvage to better reflect the style of building materials they carry. The operation recycles reusable building materials from construction, remodeling and demolition projects. The project goals are to operate a tax paying entity which hires within the community, particularly low-income residents and single heads of households.

This case study is about the development of a social enterprise venture used to fulfill the need of local job creation and community investment.

Who American Architectural Salvage Targets

Westmoreland Community Action serves the residents in twenty-six townships and boroughs of Westmoreland County. Its programs are structured to meet the needs of low- to moderate-income people who reside in the county. With unemployment in the area at more than 4%, it is vital that WCA create programs that focus on the unemployed. After considering many job creation options, Westmoreland Community Action and American Architectural Salvage (formerly Shop Demo Depot) proved to offer both job training and job placement opportunities.

The agency designed American Architectural Salvage to divert 250 tons of building materials from local landfills each year, to use these waste materials in productive and commercially viable ways and to create and sustain an organization which provided 16 jobs to date for low-income people. In addition to the jobs it has provided, more than half of those employed at the operation had minimal skills in the area of recycling and equipment operation, which opened the door for new training opportunities for low- income people in need of skill development.

American Architectural Salvage is a unique building deconstruction and material reuse business that recovers and recycles building materials then sells them to consumers at affordable prices. Currently, American Architectural Salvage services Washington, Westmoreland, Greene and Fayette Counties in Pennsylvania. It accepts tax-deductible donations of surplus reusable building supplies from businesses, manufacturers and individuals for resale to the public. American Architectural Salvage will be instrumental in preventing the 243 million tons of waste and recyclable items that end up in America's landfills. The operation will impact the environment significantly by reusing items like kitchen cabinets and counter tops, bathroom tile, sinks, doors, lumber, PVC pipes and many more items that are thrown out on a daily basis. American Architectural Salvage is a collaborative effort between three Community Action Agencies: Westmoreland Community Action, Community Action Southwest, and Fayette County Community Action Agency.

The mission of American Architectural Salvage is:

To reduce landfill waste and promote the resale and reuse of goods, while financially supporting Community Action initiatives that help those in need.

“American Architectural Salvage proves a significant value to our customers,” said Tay. “It diverts tons of building waste from landfills while providing our retail customers with access to affordable building supplies for new construction, rehab work and repairs; it’s a win-win operation.”

Project Impact

The project provided 16 jobs and several contract opportunities which include the refuse and recycling of tons of building materials. The project also educated the community on reusable building material processing. It helped the agency reach its goal to increase the number of jobs it provides for unemployed people within the community. It provided the social enterprise the organization was looking for and increased the agency’s operating revenue. As a result of WCA’s commitment to improve its community and capitalize on the increased number of homes being constructed in the area, it will remove reusable materials from hundreds of homes that are being constructed or razed. In turn, it will salvage 80% of reusable and recyclable items in buildings and resell them to consumers in need of lumber, gutters, fencing, lighting and electrical fixtures, vinyl windows and many other items.

Project Budget and Financing

Total Budget: \$2,425, 000

\$330,000 Capital Investment of 3 Community Action Agencies

\$555,000 Neighborhood Assistance Program Tax Credit Projects through PA Dept. of Community & Economic Development

\$540,000 OCS grant

\$1 million Private foundations

Westmoreland Community Action organized the American Architectural Salvage project as a social enterprise and is the managing partner with two other community action agencies, each possessing vast economic development experience. Fayette County Community Action Agency (FCCAA) and Community Action Southwest (CAS) contributed funding to make the initiative successful. All partnering agencies have over 35 years of community action experience, a budget of \$50 million and collectively serve more than 50,000 people per year. All three agencies along with the southwest Pennsylvania Community Development Corporation participated in this planning process.

Beginning with a business plan, the three agencies and an experienced consultant developed a three-year operational plan that would make the investment a viable social enterprise that could be replicated, create jobs, and eventually become profitable.

The project financing began with WCA committing \$230,000 and CAS and FCCAA committing \$50,000 each. A proposal was submitted to the Office of Community Services for \$540,000 while simultaneously submitting proposals to a handful of foundations for close to \$1 million. The enterprise is designed to be self-sufficient within four years of operation and will produce measurable mission-specific outcomes from its inception.

Key Staff and Partners

The success of the project was highly predicated upon the American Architectural Salvage employees and partners. The business employs five full-time skilled staff and several partners. The staff, collectively, has over 40 years of experience in the community development, construction, and business development field. All the jobs created under American Architectural Salvage are skilled positions that pay living wages. The key full-time positions and descriptions are as follows:

Store Manager: The Store Manager manages the Warehouse/Deconstruction Workers/Drivers. The role of the manager is to ensure that all donations are picked up in a timely manner, handled appropriately and distributed as requested. Additionally, the manager oversees all warehouse inventory and schedules drivers for pick-up and delivery. Depending on experience this position pays above \$18 per hour.

Warehouse/Deconstruction Workers/Drivers: These staff are responsible for organizing warehouse items, receiving, and loading items on trucks. Each of these employees has been trained in fork lift operation. The Drivers are also responsible for picking up and delivering the donations. The base rate of pay for each driver is \$10.00 per hour.

Donation Procurement Specialist: The Donation Procurement Specialist's role is to provide business awareness by visiting area businesses, forging new partnerships, obtaining donors, and building new relationships, as well as strengthening the relationships that already exist.

American Architectural Salvage has also been successful due to its diversified partnerships that each bring a unique set of resources, experience and financial support.

84 Lumber

Lowe's

Several private housing contractors

Community Action Southwest

Fayette County Community Action Agency

Lessons Learned (Challenges)

American Architectural Salvage was primarily funded with ARRA funds in 2009, so the sustainability of the project posed an initial concern. However, with the engagement of several corporate and local partners the project has been sustained for seven years. However, some lessons learned have been related more to the human capital needs than the tangible needs. The project received a large amount of media attention, which created broad community interest and support. However, in the first year, the project only had funding for three positions, while the need for more staff to receive and process donations and stock the warehouse was surmounting on a daily basis. The primary lesson learned was to structure the start-up phase of the enterprise to include more funds for personnel.

A project of this size required heavy diversification of funding and of course, no two funding sources have the same funding use requirements. So setting up a funding plan with a strategic communication plan is necessary for a project of this size.

An additional challenge was the learning curve to help clients of the agency understand the concept of a social enterprise and how it is tied in to the mission of the organization. Once the community began to see the benefit of the business and how it was providing jobs, helping the environment, and providing new skill development for low-income people, they began to connect the dots.

A business such as American Architectural Salvage can be replicated with some strategic development early in the process. Leaders of the agency first started with a detailed business plan and put a strong emphasis on the financial and organizational capacity of the agency and its partners. It has acquired a 5.5 acre site to house the operation. Hiring skilled staff with construction experience and management skills is key to the success of operating the retail site. Tay Waltenbaugh, the former CEO, had over 30 years of experience in the field and the Program Manager, Jack Brown, has more than 20 years in the construction and management field. An agency taking on this type of endeavor should have some acquisition and development experience or have skilled consultants and professionals at hand to handle this process.

The Future of American Architectural Salvage

American Architectural Salvage has plans to hire additional staff and expand into Western PA. In addition, future plans are to start a demolition company that will partner with deconstruction crews to capture the most usable material from each project.

How to find:

Westmoreland Community Action/American Architectural Salvage

Chief Executive Officer: Mandy Welty Zalich

Locations:

Main Office:

226 South Maple Ave.

Greensburg, PA 15601

724-834-1260

Website:

www.westmorelandca.org

American Architectural Salvage

23 West Main Street

Mount Pleasant, PA 15666

724-552-0491

Website:

www.americanarchitecturalsalvage.com

Project Pictures

AMERICAN
ARCHITECTURAL
SALVAGE





SOUTH DAKOTA

GROW South Dakota

Business Development and Entrepreneurship

History and Background

Northeast South Dakota Community Action Program (NESDCAP) is a designated Community Action Agency in South Dakota. A 501(c) (3) nonprofit agency, it has operated since 1966 providing economic development and asset building services to residents and business owners who reside or do business in 17 South Dakota counties. In 2009 NESDCAP was named a winner of a Community Action Partnership-National Entrepreneurship and Excellence award in the veteran Community Wealth Building category for its exemplary work in the creation in 1978 of the Northeast South Dakota Economic Corporation (NESDEC), which serves 22 counties. In 2007, NESDCAP and NESDEC jointly created Grow South Dakota, a sister nonprofit organization serving the entire state of South Dakota, and today all three agencies do business under the umbrella GROW South Dakota.

Created by NESDCAP to address economic development needs of small rural communities, NESDEC is one of the oldest revolving loan funds (RLF) in the nation. It has served as a national model for agencies seeking alternatives to ensure equal access to capital and business resources. NESDEC has successfully leveraged funds from federal programs, private investors, national foundations and local agencies to significantly improve the quality of life for its rural service area. This case study provides a detailed synopsis into how nonprofit agencies can build community wealth among residents and sustain program funds through a RLF.

Rural business communities often experience economic threats that urban areas do not face. Small business owners in South Dakota often lack access to capital and resources. With its NESDEC RLF as a model, GROW SD has served businesses and homebuyers throughout the state with lending services that provide economic and community development throughout South Dakota. Both NESDEC and Grow South Dakota are certified Community Development Financial Institutions by the U.S. Department of Treasury.

With a vision of “GROWing sustainable communities through housing, community and economic development,” GROW SD offers the following key services and programs:

- Affordable rental housing
- Emergency assistance
- Housing loans
- Housing counseling
- Weatherization assistance program
- Home rehabilitation
- The Governor's House (affordable housing)
- Dakota Dream Savings Fund—Individual Development Accounts

- Small Business Development Center
- Business loans

Community Economic Development Tools in This Case Study

- Entrepreneurship
- Business technical assistance
- Micro-loan program development and administration

Target Population

GROW SD's primary clients are rural small business owners. Rural businesses often lack the access to capital that urban business competitors enjoy. In addition, they often lack the necessary training and education needed to remain competitive in their business market. NESDEC targets business owners who are operating a business at a marginal level but who, with the necessary financial and technical assistance, would be able to operate at a more competitive level. By assisting rural business owners, NESDEC helps the residents of the underserved rural counties obtain more services and benefits from the businesses in their own communities. NESDEC's objectives toward reaching this goal are accomplished through its innovative operations that create change in the rural counties it serves.

Project Description

When NESDCAP started the RLF through NESDEC, its primary purpose was to create a better quality of life for low-income residents in the counties it serves. It realized, however, that all residents would ultimately benefit from increased jobs, services and improved business operations. The agency sought to initiate economic change by improving wealth-building assistance in the following ways:

- Provide affordable loan products for eligible businesses and consumers
- Provide no-cost technical assistance
- Allow business owners to provide better, higher-paying, quality jobs
- Increase partnerships with local organizations
- Build the wealth of clients through asset development

GROW SD and NESDEC work diligently to sustain the capitalization of its RLF for business start-up or expansion, community development and affordable housing loans by building strong partnerships, increasing referrals and strengthening local leadership. GROW SD's loan program is different from other sources of funding for small business owners and developers because it provides no-cost technical assistance at the onset of the relationship *and* throughout the entire loan process. The program helps borrowers avoid the high costs and fees associated with loans for disadvantaged borrowers by offering affordable low-interest rates with low fees. GROW SD also carries the risk associated with low-equity borrowers.

GROW SD provides the following products and services:

- Direct business and housing loans
- Certificate of Deposit pledges
- First mortgage loans

- Business and homebuyer development services

Project Financing

GROW SD has two certified CDFIs sustained through RLFs used to assist the startup or expansion of business operations. The RLFs have been capitalized by a variety of federal, state and private funding sources. Interest earned supports and sustains the organization for the long term, while funds revolve back to continue assisting entrepreneurs in the future.

Partnerships are essential to strengthening the organization’s capacity. GROW SD partners with individual clients, local businesses, financial institutions, housing and economic development nonprofit organizations, and the rural communities served, supporting them through financial and technical assistance investments in their local economy. The revolving loan fund utilizes partnerships as an organizational tool that helps to create positive community revitalization and the stabilization of small business and housing in the geographic area. These community partnerships build social capital and allow GROW SD to provide more affordable loans to people who might not otherwise qualify for a loan.

These partnerships assist GROW SD in reaching our strategic goals in the following ways:

- **USDA Rural Development** – This funder provides sources of low-interest capital to recapitalize the loan fund for business lending through the Rural Microentrepreneur Assistance Program (RMAP) and Intermediary Relending Program. This low-cost capital requires matching funds as leverage and builds earned revenue and net assets through increased loan activity. The RMAP program also provides funding to support technical assistance with borrowers.
- **CDFI Fund** – The CDFI Fund provides federal grants and loans that build GROW SD’s self-sufficiency through increased loan volume and growth in net assets.
- **NeighborWorks America** – This funder supports the overall health of GROW SD through organizational and financial excellence. Because of their financial support, training, and technical assistance, we have strong strategic goals, well developed programs, and capable staff and are growing as an organization.
- **Small Business Administration** - The funder provides low-interest loan funds for micro business lending and funding to support technical assistance with borrowers.
- **Private sector lending institutions** – In most cases, GROW SD partners with local lending institutions or other non-profits on loan requests over a certain maximum. GROW SD shares collateral with the other lending institution reducing risk for both partners.

Results/Impact

In the 50 years since NESDCAP was created, the GROW SD team has made significant contributions throughout the state:

- Over \$63.1 million invested in single and multi-family housing development.
 - 8,829 households have received home repairs.
 - 10,669 households have received financial and homebuyer education.

- Over \$44 million invested in community growth.
 - 60 development corporations have received loans to create local housing.
 - 137 lots have been developed for new housing construction.

- Over \$64.4 million invested in small businesses across the state.
 - 1,950 small business loans have been made to new and existing businesses.
 - 11,479 jobs have been created or maintained through the business lending program.

How to find:

GROW South Dakota

Chief Executive Officers: Lori Finnesand, Marcia Erickson

104 Ash Street East

Sisseton, SD 57262

Phone: 605-698-7654

Toll Free: 888-202-4855

Fax: 605-698-3038

www.growsd.org

TENNESSEE

Douglas-Cherokee Economic Authority, Inc.

Affordable Housing Program

1. History/Background

Established in 1965, Douglas-Cherokee Economic Authority, Inc. (DCEA) is a Community Action Agency serving six (6) rural counties in East Tennessee – Cocke, Grainger, Hamblen, Jefferson, Monroe and Sevier. The purpose of the agency is to help families living in poverty improve their lives by providing them with assistance and services that they are not able to provide for themselves. The focus of the agency is to help people help themselves.

2. Key Services and Programs

Current DCEA programs include: Affordable Housing, Head Start and Early Head Start, Senior Nutrition, LIHEAP Energy Assistance, USDA food commodities distribution, job/career training, and college-preparation/support for teens and adults. In addition to the programmatic advice of the governing body, input is sought from the client population and the general public through community meetings, formalized questionnaires and informal comment of specific program activities as well as projects in the planning stages.

Agency staff provide these services throughout a regional network of Neighborhood Service Centers, Head Start facilities, apartment communities, local community colleges and schools, and other social service partner locations. All agency projects coordinate activities with other local agencies and organizations having contact with potential clients to maximize the mobilization of resources and reduce duplications in services. DCEA's annual 2016-17 budget is just under \$20 million.

3. Target Population

Participants targeted for this housing program are low-income rental-households, primarily the elderly; however, individuals with disabilities, and families with children are also served by DCEA units. During the past decade when public and private funders favored homeownership projects, DCEA maintained its commitment to producing and managing affordable rental units, resulting in benefits to very low-income residents for whom homeownership was unattainable. The vast majority of DCEA's rental units reside within rural communities, with households typically earning less than 30 percent of Area Median Income. No residents have incomes over 50% of AMI.

4. Project Description

The Affordable Housing Program (AHP) is overseen by DCEA's Executive Director, and employs administrative staff (AHP Director, Fiscal Officer, Property Manager, accounting, marketing, and data entry personnel) as well as 60+ on-site staff (apartment managers and maintenance). DCEA's Executive Director and the AHP Director select and work with a development team for project financing and construction – housing consultants, architects/engineers, project managers, and general contractors.

DCEA is governed by a Board of Directors from across the region comprised of individuals who represent three different sectors of the community: low-income residents; public officials; and the private sector. The Agency is considered the “sponsor” agent for the entire portfolio of rental properties. Legally, each property is a separate incorporated nonprofit entity, registered with both the IRS and the Tennessee Secretary of State’s office. These corporations each share the same overarching Board of Directors, whose membership are selected/appointed by the DCEA Board. Currently, DCEA’s Executive Director serves as the housing corporations’ Board Chairperson.

For many years the Agency has implemented Head Start, Senior Nutrition, social services, and the original “welfare to work” programs. As staff members delivered meals to the homebound elderly, they discovered that a large number of frail elderly residents in isolated areas were living in substandard housing. Without adequate kitchen or bathroom facilities, unsafe heating sources, and lacking access to transportation these elderly residents were truly suffering a lack of safe and decent housing.

DCEA’s staff contacted the U.S. Department of Housing & Urban Development to learn about affordable housing funding programs. After establishing a partnership with HUD’s regional offices, DCEA’s Executive Director recruited non-profit board members, obtained 501 c 3 status, and began developing HUD Section 202 supportive housing units for the elderly in 1980. The first development project was completed in 1982.

Eventually, AHP tapped into other housing financing sources, such as USDA’s Section 515 program, to expand housing options for low-income seniors. In 1997, the division developed the first of three multi-family Low-Income Housing Tax Credit projects. In 1999, the division began producing multi-family housing funded by the State Housing Finance Agency’s (THDA’s) HOME and Federal Home Loan Bank’s Affordable Housing Program grants.

Today, DCEA operates 1,566 affordable rental units (59 apartment communities) in 24 Tennessee counties and is the largest nonprofit low-income rental housing developer in the state. Recognizing that the preservation of existing units is the key to the survival of affordable housing in the target area, DCEA recently refinanced more than \$21 million in high interest loans. The savings in debt service costs allowed DCEA to make needed major repairs and energy efficiency/accessibility upgrades to fifteen older apartments.

Historically, DCEA set a goal to develop at least two to four new affordable rental properties each year (depending on the amount of funding available). This ambitious goal had to be set aside for the past few years due to changes in the Federal funding landscape, and given the unexpected loss of DCEA’s visionary Executive Director, Ray McElhaney. The agency’s AHP is retooling its staffing and systems in preparation to again grow this program in the future.

5. Project Financing

DCEA’s Affordable Housing Program apartments are financed by government agencies:

- USDA’s 515 financing and monthly Rental Assistance (RA) subsidies;
- HUD’s 202, 221-d3, Section 8 Housing Choice Vouchers, and HOME program (block grant via THDA);

- investors in the Low-Income Housing Tax Credit program (administered by THDA); and
- FHLB's Affordable Housing Program loans/grants (gap financing by local member banks of the Federal Home Loan Bank of Cincinnati).

All AHP staff are employed by DCEA. The Agency's administrative staff, and the Affordable Housing management team salaries are paid through management fees generated from the rental income of the projects. Property staff are paid through rents and subsidies generated by the properties. Each property was designed/developed to be self-supporting, although additional resources are sometimes required for unique circumstances (see challenges below).

6. Project Challenges

Lessons learned –

- Supportive leadership from the very top of the organization is essential to ensure the required commitment and funding for affordable housing. The affordable housing business requires significant investment in time, talent and resources. The development and ongoing management of rental housing has inherent financial risk and will command commitment to building expertise over a period of time. There are no quick steps to building a portfolio, nor a simple pathway to success.
- Strong collaborative relationships with trusted lenders, experts/consultants, service providers and local government partners will prove financially and morally beneficial.
- Succession planning and Board development are critical for the long-term health and success of your affordable housing efforts. The vision of DCEA's AHP was closely held and led by the Agency's long-standing Executive Director. When he died unexpectedly in 2010, numerous aspects of the management and strategic development of the program were put on hold and became at risk. Even though the housing program's professional staff successfully managed this situation, a thoughtful succession plan developed by the Board and Senior Agency staff would have pre-empted some of the confusion that resulted. As of 2016, the AHP is just now beginning to look toward future development and growth.
- Technological improvements and staff training are often worth the investment. The AHP will realize significant cost and time savings through access and training to new components within the software systems currently utilized by on-site staff.
- Geography of rental properties is an important consideration when pursuing growth. Currently, DCEA properties are spread across a very wide and rural region, of 24 counties. The Agency has learned (through trial and error) how to effectively assess good versus poor opportunities in the expansion of its rental housing footprint.
- Monthly rental subsidies are critical to a property's long-term financial sustainability. Since inception, DCEA has developed a total of 59 rental properties. Those properties with the most significant financial issues are those that were developed with grant funding up-front, but have no ongoing monthly subsidies to support resident's rent.
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7. Results / Impacts

Direct and Indirect Economic Development Benefits to the Region:

On average, the construction of 100 new low-income units generates more than 75 new construction jobs. Using this formula, DCEA's affordable housing units have created 1,125 construction jobs alone. Beyond construction, the operation of 100 low-income units generate an average of \$827,000 annually in local government revenue, with more than half of the total coming from sales taxes and utility user fees. This local revenue is used to improve schools, roads, and other infrastructure essential to a community's economic development.

When families live in affordable housing they have more money to spend in the local community, thus increasing economic stability for local businesses. Residents of 100 units of new housing support 30 jobs in a wide variety of industries (grocery stores, pharmacies, retail, etc.).

(Source for Economic Development Estimates: The Role of Affordable Housing in Creating Jobs and Stimulating Local Economic Development - MacArthur Foundation, January 2011).

Tangible/Intangible Benefits:

Seniors living in service-enriched housing preserve their independence while reducing Medicaid costs for nursing home care. Children in low-income families grow up in safe, healthy environments in mixed income areas; families are connected to employment, educational, and social services.

Positive impacts on DCEA:

The Agency's housing experience has enabled DCEA to apply for and receive tens of millions of dollars in federal discretionary grants for direct housing-related and construction activity, and has generated funding reserves for future affordable housing development. As well, this expertise has leveraged other grant funding for the agency (examples: HUD's Rural Housing and Economic Development program, HUD technical assistance to nonprofits, Department of Labor's YouthBuild program, and the Office of Community Service's Community Economic Development program).

As well, these innovative projects have positively impacted Agency staff by

- gradually expanding staff skills, assets/resources beyond employment, social services, and education, to include housing;
- continuously building broad community support and public-private partnerships that benefit DCEA, including long-term collaborations with local banks and other lenders, to finance housing that will address identified needs; and,
- pushing staff and board members to continuously learn new skills, including up-to-date green building and energy efficient construction, maintenance, and rehabilitation methods, as well as collaborative supportive services delivery systems for elderly households across the region.

8. Contact Information

Anna Mendoza, Director, DCEA-AHP
amendoza@douglascherokee.org
(423) 586-1494

UTAH

Utah Community Action

Central Kitchen--Social Entrepreneur Project

History/Background

In operation since 1965, Utah Community Action Program provides comprehensive services that address the many factors affecting an individual's ability to rise out of poverty, including housing, employment, food insecurity, health and education. Our services are designed to provide holistic support to program participants, addressing the needs of the whole family through a multi-faceted approach to self-sufficiency programming. To ensure that clients find the path to economic security, we utilize a comprehensive case management approach. This strategy is at the root of our six programs: Adult Education, Case Management & Housing, Head Start & Early Head Start, HEAT, Nutrition Services and Weatherization. We collaborate with the surrounding community and partnering agencies in all sectors to create effective, long-term solutions for those most in need of assistance.

Our most innovative and successful endeavor has been the creation of our social enterprise, our award-winning and nationally recognized Central Kitchen. In 2009, our Head Start Director, Erin Trenbeath-Murray and our Health Manager, Jennifer Godfrey began analyzing the health of our Head Start children, specifically focusing on overweight or malnourished children. They took a close look at the food we were serving our children and quickly realized that we had a big problem. The meals came on a tray that were heated up by our teachers. All of the food was the same color, the same temperature, not kid-friendly and not high quality or high in nutritional value. Our children, even when very hungry, were not eating the food. Utah Community Action's leadership team decided to look at every possible food vendor in the community that would offer a meal program to meet our needs: providing adequate nutrition, kid-friendly, and at a nonprofit price point.

A vendor like this did not exist, and subpar nutrition for our already vulnerable children was just not acceptable. We had to do something to positively impact the health and nutrition of our Head Start children. We started a small pilot kitchen to feed some of our children, and the program proved to be a success. It rapidly grew to feeding all of our Head Start classrooms and now is a large social enterprise that feeds our children and other children in our community. Money generated through this program then goes back into our agency to pay for program expenses.

Since inception, our Central Kitchen has grown to include a robust Summer Dinner Program, a Culinary Art Training program for low-income adults (Sauté), two cafés that serve as temporary job placements for Sauté graduates, and a catering company where Sauté students receive hands-on catering experience to enhance their resumes.

CED Tools in this Case Study

- Entrepreneurship

- Social Enterprise
- Access to Nutrition
- Access to Adult Education
- Job Creation

Target Population

Children's Food: Head Start children (ages 0-5) and other children in the community at YMCAs, Boys and Girls Clubs, day care centers and private schools ages 2-18.

Summer Food: Our Summer Food Program provides free dinner to low-income youth ages toddler to 18 at five Head Start sites in Salt Lake County.

Sauté Culinary Job Training Program: Job training for adults 18 and older.

Evergreen Café: A temporary job placement program for Sauté graduates. Provides reduced fee lunches to seniors and patrons of the Recreation Center in the Millcreek community.

Café Saute at the Jewish Community Center Café: A temporary job placement program for Sauté graduates. Operates the café during business hours for patrons of the Jewish Community Center in Salt Lake City.

Project Description

Our comprehensive nutrition program provides food to individuals and families ranging from infants to the elderly. The Central Kitchen fully launched in 2010 in response to the need for affordable, healthy meals for our Head Start children. What started as a pilot program serving 300 meals a day has turned in to a social enterprise juggernaut serving almost 600,000 meals each year to our Head Start children, children in the community, hungry senior citizens, job training for hundreds of adults and a revenue stream of over half a million dollars annually.

The primary goal of the Central Kitchen is to control the quality of food being provided to the children in Head Start. The secondary goal is to provide a revenue stream for our agency that can be used to ensure high-quality programming.

To ensure quality control of the food being provided to our children, we employ the following measures: menus are reviewed by a certified nutritionist on a regular basis, healthy alternatives are implemented when needed, new menus are created regularly to introduce children to new foods that are culturally different and educational with seasonal focus, and teachers communicate with kitchen staff on foods that aren't popular with the children to limit food waste.

Relationships with vendors and local farmers are maintained regularly to ensure that we are receiving the highest quality food and the best prices possible. We do NOT use any canned fruits or vegetables, and we will only use whole wheat, grains and pastas. The kitchen staff never uses pre-packaged or processed food. Everything is made from scratch every day. Our meals provide each child with 2/3 of their daily nutritional value.

Operational systems and staffing patterns in our kitchen are very tight and evaluated on a regular basis to ensure that delivery of our food to our Head Start locations and to our outside clients provide the best quality service. Routine surveys are given to ensure satisfaction and if a glitch in the system is detected, course corrections are made immediately.

The last goal of the kitchen is to provide a robust adult education culinary arts training and temporary job training programs for our graduates. Sauté is an Adult Education program that helps low-income adults (usually Head Start parents) prepare for the workforce and build upon the strengths that they already have to be competitive in the field of culinary arts. In partnership with Salt Lake County and the Jewish Community Center, we run two cafés which serve as a fledging employment opportunity for graduates of the program; this enabled us to add Sauté classes during the day at these locations when the Central Kitchen is occupied with preparing and serving meals to children.

The Central Kitchen is overseen by the Chief Administrative Officer, the Chief Development Officer, the Director of Nutrition Services, the Chief Executive Officer, the Finance Committee and the Board of Trustees. The Central Kitchen also has an advisory board of outside members who meet three times a year to ensure the kitchen maintains its innovativeness, creativity and momentum.

Project Financing

For our Central Kitchen to be successful, it must be self-sustaining. We diversify our revenue stream so we are not reliant on one funding source. Our funding streams are as follows:

- USDA reimbursement through the Child and Adult Care Food Program
- Revenue from our outside clients for children's food
- Revenue from catering outside business meetings for partners in the community
- Revenue from catering private parties/galas
- Revenue from the cafés
- Revenue from the Development Department's grant writing from corporations, foundations and private donors
- Fundraising events

Project Challenges

Even though the Central Kitchen started off as a small pilot, growth has been incredibly fast. We must not succumb to the urge to grow too big too fast. As word gets out in the community about the healthy, great-tasting food we are providing, more people want to use our services. As a nonprofit, it is very easy to want to say yes to revenue. It is much more important, however, that we continue to scale up at an appropriate pace so that we maintain quality services and the integrity of the product we are producing.

Results/Impact

Children's Food: What started off as a pilot program serving 300 meals a day has turned into a social enterprise juggernaut serving more than 4,300 meals per day (597,000 meals last year) to our Head Start children and other children in our community.

Summer Food: During the summer of 2016 we provided 11,925 hot, nutritious dinners to low-income children in the community. We were the only agency in the entire community that served dinner instead of lunch. This program also employed seven AmeriCorps VISTA workers who would otherwise not have had employment opportunities.

Sauté Culinary Arts Job Training Program: Last year, the Sauté Culinary Job Training program enrolled 50 people. Of those 50, 81% completed the program and 48% gained employment in the culinary field and bettered their lives.

Catering: Students in the Sauté Culinary Arts program have the opportunity to engage in fine dining catering events as part of their training. Catering for private parties, State of City events, Chamber of Commerce events, etc. have provided additional social enterprise revenue for the agency and a fantastic training opportunity for students.

Café Evergreen: Over the last year, Café Evergreen has provided 22,446 meals for seniors and has provided \$12,000 in revenue to our agency. Café Evergreen has also created 12 jobs in the last two years.

Café Sauté at the Jewish Community Center: Since its inception on Memorial Day weekend 2016, Café Sauté has provided \$26,700 in revenue to our agency and created 4 jobs.

Real Food Rising: Youth ages 14-18 have the opportunity to engage in leadership training and future educational planning while earning a stipend for working on the farm. In addition, fresh produce from the farm is used in our kitchen and sold at farmer's markets as part of the social enterprise.

Contact Information

Joni Clark, Chief Development Officer (Business Development for Kitchen)

1307 South 900 West
Salt Lake City, Utah 84104
801-410-5707

Joni.clark@utahca.org

Stewart Reeve, Chief Administrative Officer (Operations for Kitchen)

1307 South 900 West
Salt Lake City, Utah 84104
801-410-5706

Stewart.reeve@utahca.org

Hayden Seeley, Director of Nutrition Services

1307 South 900 West
Salt Lake City, Utah 84104
801-410-5651

Hayden.Seeley@utahca.org

VERMONT

Capstone Community Action

Community Economic Development: Micro Business Development Program

History/Background

Capstone Community Action, a private non-profit agency, was originally formed in 1965 as Central Vermont Community Action Council (CVCAC), in response to the Economic Opportunity Act of 1964 - part of President Lyndon Johnson's War on Poverty. Capstone serves three counties in central Vermont plus nine more surrounding towns. Four additional community action agencies formed around the same time thereby making services available throughout the state of Vermont. In 2013 the agency moved to their permanent home office in Barre, VT and the following year changed their name to Capstone Community Action. Capstone's primary departments are Head Start, Family and Community Support Services, Community Economic Development (CED), and Weatherization. Within these four departments a vast number and variety of projects are carried out, some changing over the years as the needs of the community and funding sources fluctuate.

Current programs within CED include the Micro Business Development Program, the Community Kitchen Academy, the Tax Preparation Program, Financial and Credit Services, Matched Savings and the Child Care Food Program.

Capstone has earned a reputation for leadership in education on poverty issues, advocacy on behalf of low-income families, and developing innovative strategies and programs to reduce poverty. Capstone focuses their work on the basic tenets of **outreach, empowerment, advocacy and organizing**.

CED Tools in this Case Study

Among the CED initiatives is the Micro Business Development Program (MBDP) which began in 1988. The mission of MBDP is to provide technical assistance and training for low-to-moderate income Vermonters who own or want to start a small business. In its 31-year history, MBDP staff have fine-tuned their regular offerings as well as participated in periodic innovative grant opportunities.

MDP offers assistance in support of entrepreneurs through:

- One-to-one business counseling
- Classroom training
- Networking events
- Technical assistance
- Feasibility assessment
- Business planning
- Market research and planning
- Mentoring
- Loan application assistance and packaging

- Credit building and repair
- Certification and license requirements
- Government contracting opportunities
- Referrals to other organizations or resources

Target Population

The Micro Business Development Program targets low-to-moderate income people who are interested in starting their own business or expanding a business they already operate. The staff has found that many folks who seek self-employment as a route to economic self-sufficiency have faced economic, social, or medical challenges; and that becoming self-employed often leads to increased community involvement by the participant.

Project Description

Micro businesses are those that have five or fewer employees, counting the owner, and encompasses a diverse cross section of industries. Often the business owner works out of their home and wishes to remain small, while others grow into large businesses over time. The primary activities of the program are:

- One-to-One business counseling
 - Staff meet as often as the participant desires through all phases of start-up and operation. They have been working with some successful businesses for years as their enterprises continue to develop and grow!
- Networking events
 - Staff periodically facilitate opportunities for business owners to learn from and mentor each other, through activities such as “Monday Morning Mixers” and “Planting the Seeds of Prosperity”.
- Classes and Workshops
 - MBDP regularly offers group learning opportunities in a classroom setting on a very broad range of business topics including: Dream to Reality - How to Start a Business, The Ebb and Flow of Your Cash, Pricing for Profit - What is the “Right” Price?, Ignite Your Marketing, QuickBooks, Business Building Blocks, Your Online Presence, Tax Planning, and Build Your Money Muscles.
 - Staff often invite experts in the field as guest instructors which also serves to connect participants with professionals.

Among MBDP’s partners, one of the more significant is Community Capital of Vermont (CCV), a statewide small business and microenterprise lender serving lower income entrepreneurs. Originally conceptualized by the CED Director and housed within Capstone in the late 1990’s, CCV grew to become an independent non-profit by 2002. The small size of the organization allows them the flexibility to work with each and every borrower to ensure that they receive the financial products best suited to their needs plus ongoing support services.

Project Financing

The Micro Business Development Program obtains funding through federal, state and private grants and donations. The Community Services Block Grant (CSBG) from the department of Housing and Urban Development (HUD) is a principal funder, providing an important role in

supporting salaries for program staff. Additionally, Capstone has received key grants from USDA Rural Development.

Capstone has also been fortunate to enjoy significant “Job Start” State funding because the Legislature recognizes the importance of micro business in this very rural state as the backbone of the Vermont economy, accounting for approximately 81% of the employed workforce.

Project Challenges

Since there is no cost to the participant for any of the MBDP programming, continued, adequate funding is a perennial challenge. It is not unusual for a grant application to favor new and innovative programming. This requirement can sometimes stretch the capacity of the program’s small staff; and since funding is irregular it can be difficult to increase staff.

Results/Impacts

In the central Vermont area Capstone’s MBDP staff work with over 200 individuals on average per year. From 2012-2018, Capstone’s outcomes include 209 new business starts and expansions, 198 new jobs created, and participants accessed \$2,786,979 in capital. Statewide, MBDP staff work with over 800 individuals on average per year. From 2010-2018, MBDP statewide outcomes include 1046 new business starts and expansions, 778 new jobs created, and participants accessed \$9,750.126 in capital.

Contact

Margaret Ferguson, AFC
Business Counselor
Capstone Community Action
20 Gable Place
Barre, VT 05641
802-479-1053 / 800-639-1053
www.capstonevt.org

VIRGINIA

People Incorporated, Community Action Agency

Business Development, Microenterprise, Consumer Lending and New Markets Tax Credits

“Very few financial institutions combine business training and assistance with loan products. This is what makes our business owners successful.” –Robert G. Goldsmith, President and CEO

History and Background

In Hayter's Gap, a rural valley in Washington County, Virginia, a school principal, a general store owner and his school teacher wife formed the Hayter's Gap Community Club to provide education, recreation, and day care for local residents and their families. From that humble beginning in 1964 grew People Incorporated of Virginia, one of the most dynamic community action agencies in the nation.

The club soon grew in scope when it attracted the attention of staff from the federal Office of Economic Opportunity (OEO), which had been recently created by President Lyndon B. Johnson as the primary tool in his “War on Poverty.” By December of 1964, the Hayter's Gap Community Club had been re-named the Progressive Community Club and was chartered as one of the nation's first community action agencies, designated to serve low income people throughout Washington County and the neighboring city of Bristol.

Today, what began as a small community based organization has grown into People Incorporated of Virginia, one of the Commonwealth of Virginia's largest and most successful community action agencies, serving four distinct regions in Virginia:

- **Southwest Virginia:** Counties of Buchanan, Dickenson, Russell and Washington Counties and the City of Bristol;
- **Northern Shenandoah Valley:** Counties of Clarke, Frederick, Page, Shenandoah and Warren;
- **Northern Piedmont:** Counties of Culpeper, Fauquier, and Rappahannock;
- **Greater Prince William:** Prince William and the cities of Manassas and Manassas Park

People Incorporated offers 28 programs designed to “give people a hand up, not a hand out.” Throughout its long history and to this day, the agency has worked to achieve the same **mission:** *To provide opportunities for economically disadvantaged people to enhance their lives, their families, and their communities.*

People Incorporated of Virginia, the applicant's founding affiliate, initiated its business lending program in 1992, when the organization piloted the first microenterprise development program in the Commonwealth of Virginia targeting the Appalachian region of Southwest Virginia to

help meet its capital needs. Encouraged by the growth and success of that initiative, People Incorporated founded People Incorporated Financial Services in 2000 to increase its community development lending capacity and activities by serving as a vehicle for economic development lending activities and to financially empower economically disadvantaged individuals and their families. People Incorporated Financial Services (PIFS) is a 501(C) 3 organization certified in 2003 by the CDFI Fund as a Community Development Financial Institution (CDFI) which currently holds assets of more than \$10.5 million.

People Incorporated Financial Services strives to stimulate local communities by promoting economic empowerment for low income and low wealth individuals through small business ownership, job creation, and asset development. By providing associated business and financial literacy training, credit counseling, technical assistance, marketing services and access to credit, the organization is a critical mechanism that jump starts local economies through its core stakeholders, the residents. All financial products and services are targeted to lower income and low-wealth individuals to start or grow a small business as an effective and long-lasting approach to improve personal economic self-sufficiency and generate asset development. And as a natural progression of this focus of building personal wealth, the consumer lending program was created in 2009 and has become an effective tool in promoting financial stability of individuals in the organization's service area, whether they become small business owners or not.

In 2007, People Incorporated of Virginia began expanding community action into regions that were not served by community action services. First it was in the Northern Shenandoah Valley and in 2012, the Northern Piedmont and Greater Prince William regions of the state. As such, the loan products and services provided by People Incorporated Financial Services (PIFS) were among the first services to be offered. PIFS also serves a nine-state region through its New Markets Tax Credit program including Alabama, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia.

People Incorporated is headquartered in Abingdon, Virginia, which is 133 miles south of Roanoke, Virginia and is a small historic town known for its quaint, artsy shops and esoteric museums. PIFS, an affiliate of People Incorporated, provides comprehensive business training and technical assistance and loan products. It currently offers a cadre of courses, tradeshow, workshops and monthly networking events for local businesses. To date, more than 10,000 have benefited from the products and services it offers. The program assists in lowering the area's unemployment rate, as it has provided over 1,900 jobs.

Community Economic Development Tools Found in the Case Study:

- Business Development and Credit Counseling
- Micro- and Small Business Lending
- Tourism Development Loans
- Non-government Partnerships and Collaboration
- Consumer Lending
- Individual Development Accounts (IDA)
- New Markets Tax Credits

People Incorporated is the only organization of its size and expertise in the rural area it serves, so

it has gained a reputation as the “go to” agency for area businesses seeking technical assistance, loans, training and referrals. In 2015, over 1,700 clients were assisted with development services.

Target Population

Initially, it was discovered that rural business owners in southwest Virginia lacked access to capital, due to limited resources in the areas of business planning and financial preparedness to obtain loans from mainstream banks or financial institutions. Southwest Virginia also lacked services and its residents were in need of jobs. People Incorporated began its Business Start program in 1992 in the southwest region of Virginia, focusing on providing comprehensive training and technical assistance and loan products. Since its inception and upon becoming a certified Community Development Financial Institution (CDFI) as well as a Small Business Administration microlender, the program has expanded both geographically and programmatically, assisting 645 small businesses, creating/retaining 1,900 jobs since inception.

People Incorporated utilizes a comprehensive approach to providing a variety of financial products and services. In 1995, the agency began managing Ninth District Development Financing Inc., a loan fund exclusively for tourism-related business within the Ninth Congressional District of Virginia. It also operates a successful Individual Development Account (IDA) program, providing a matched savings program for low-income individuals. Over the last year and a half, People Incorporated has expanded its entrepreneurial activities and credit literacy classes/workshops to non-traditional populations including high school and at-risk youth, and ex-offenders. People Incorporated's business development and ex-offender programs have joined forces to provide workshops within the regional correctional facilities for individuals who are soon to be released from prison. By providing entrepreneurial encouragement to these two underserved populations People Incorporated has found the opportunity to foster a life-changing impact.

Project Description

Realizing businesses in a rural business climate lacked access to capital due to limited resources in the areas of business planning and financial preparedness to obtain loans from mainstream banks or financial institutions and that residents were in need of jobs as the local economy was suffering as a result of high unemployment, People Incorporated created PIFS to help existing and new business owners become prepared to compete in the business world, by providing access to capital and technical assistance. Business technical assistance can describe both business management assistance and personal support assistance. It can be divided into several broad categories:

- Management assistance
- Credit Counseling
- Marketing assistance including use of social media
- Computer/online technical assistance
- Access to information and support networks
- Business plan review and loan packaging

The program teaches comprehensive training on the fundamentals of starting a business. In addition to the no-cost technical assistance training, free courses offered are:

- Business Basics - How to Start and Operate a Business
- Growing Your Business/Marketing Strategy
- Financing/Marketing Resources
- Core Four - Business Plan Writing
- Customer Service
- Understanding the Importance of Credit Reports, Credit Scores, and Credit Repair
- Etsy and EBay Commerce Workshop

People Incorporated has developed a blend of training and technical assistance tailored to educate and encourage entrepreneurs in economically disadvantaged communities, where they are on a personal level, with the goal of creating stable and profitable businesses.

Additionally, People Incorporated business training staff have provided the majority of the business training thus far for six Small Business Survival Workshops, four Appalachian Regional Commission-funded Business Challenges, the introduction of the “Pop-Up” challenges as well as other regional business challenges within Virginia, all of which are collective ventures that demonstrate job and business creation outcomes. And most recently, People Incorporated has completed a Virginia Community Business Launch challenge in Strasburg and a Business Challenge in the City of Norton. While the success of these workshops is due to the contributions of many partners, it is People Incorporated’s unique strategy of coupling business training with credit counseling and access to capital that lays a firm foundation for business success and viability. Workshop participants not only learn business best practices and strategies, they also learn how to improve their credit, increase their personal assets, become more bankable, and meet their financial goals.

With greater emphasis placed on marketing and e-commerce, customer service, local business networking, and financial issues, People Incorporated is a mechanism for providing stability, profitability and longevity to small businesses and consumers in its target market. In the last few years, People Incorporated has focused on making its residents more bankable, growing their credit and increasing their personal assets so that they become financially stable. All Business Trainers, Business Development Managers, the Senior Credit Manager, and the Consumer Lending Manager are certified Credit Counselors to assist their economically disadvantaged clientele.

Identifying the need for an affordable consumer lending product as an alternative to predatory lending and recognizing the growing need for increased financial literacy and credit counseling, People Incorporated initiated its Consumer Lending program in 2009. Nine years later, People Incorporated has gained a great deal of insight into the numerous and varied consumer product and service needs within its local communities and provides consumer loans up to \$20,000 with an interest rate of prime + 5%. A total of 259 consumer loans have been made since 2009; 159 loans have been paid in full and the current outstanding portfolio consists of 70 loans totaling \$455,153 with only two loans 60 days or more delinquent. The entire portfolio exhibits a very low default rate of only 4%.

Project Challenges

Because PIFS, as a mission-driven CDFI, provides loans to higher risk and marginalized populations (low income, less assets/collateral, poor credit, less educated), it has greater potential of incurring financial and programmatic losses in its portfolios. For the past several years, PIFS has maintained a stable portfolio, with minimal losses and few delinquencies. The key is to maintain sufficient staffing capacity to balance these risks by providing intensive technical assistance, sufficient business training and credit counseling pre-, post-, and during the life of the loan, and proficient portfolio management services. Experienced and qualified staff is particularly essential.

Many of PIFS' entrepreneurs have benefited greatly from the technical assistance provided by the program. For example, many do not have the adequate resources or technical expertise to create their own website or to pay for advertising. Social networks are used by the majority of Americans and are an inexpensive marketing tool for small businesses. PIFS identified a need for curriculum to help entrepreneurs in this area. In partnership with the Virginia Department of Small Business and Supplier Diversity, local development authorities and Small Business Development Centers and the Virginia Tourism Commission, the Entrepreneur Express Workshops were created to provide training in social media fundamentals. These three hour workshops are held in regional facilities throughout Virginia with available computer labs.

Project Results

Since its inception in 1992, the Community and Economic Development arm of People Incorporated has deployed over \$13.2 million in small business loan funds to provide financing for 645 small businesses which has resulted in 1,900 jobs saved or created in rural Virginia. More than 10,000 individuals have received financial counseling or business development services from an experienced and mission-focused staff. One hundred per cent of the loans made by People Incorporated have been to disadvantaged businesses and communities. In fiscal year 2015, People Incorporated provided 63 loans totaling \$2,081,016 in Southwest Virginia and the Northern Shenandoah Valley; 140 jobs were created and 1,776 clients received loans and associated development services including technical assistance, credit counseling and financial literacy, and attended business training workshops.

People Incorporated's menu of financial products has also matured to include New Markets Tax Credits (NMTC) into its growing portfolio of financing options; since 2008, People Incorporated has received four NMTC awards totaling \$84 million to make debt and equity investments in businesses located in low-income, high poverty and high unemployment communities. With these allocations, \$76 million in tax credits have been deployed for 12 projects, leveraging over \$258 million in investment capital and creating 4,640 permanent and construction jobs once projects are completed and operational.

People Incorporated is continually seeking to expand and add new products and services. Through a recently awarded U.S. Small Business Administration PRIME grant, People Incorporated will provide expanded services targeting ex-offenders as it enhances its ability to serve a more diversified population (in this instance, the Hispanic population) by hiring bilingual staff; this is an excellent example of how People Incorporated diversifies its funding base as it works to establish and refine models for business accelerations as it increases personal financial and credit capabilities among its client.

Contact Information:

People Incorporated

Robert G. Goldsmith, President and CEO

1173 West Main St

Abingdon VA 24210

(276) 623-9000

www.peopleinc.net

Woodstock Office:

131 South Main Street

Woodstock, VA 22664

Woodstock@peopleinc.net

Manassas Office:

9324 West Street

Manassas VA 20110

pwc@peopleinc.net

STEPS, Inc.

STEPS is an internationally accredited, multifaceted regional nonprofit with a 30-year history of positive results to help people break the cycle of poverty. We create effective partnerships with local governments, state and federal agencies and other non-profits, private businesses and faith communities to achieve success.

History and Background

1976 - The "Tri-County Sheltered Workshop" is founded in Farmville as a satellite program of Lynchburg Sheltered Industries.

1982 - With the cooperation of Lynchburg Sheltered Industries, the Farmville operation forms its own Board of Directors and applies for 501 (c) 3 status. The new organization, The Sheltered Workshop in Farmville, Inc. begins raising funds for a desperately needed new building. The Prince Edward County Board of Supervisors applies for a Community Development Block Grant from the Virginia Department of Housing and Community Development for the construction of an 11,500 square foot facility on 19.2 acres of land donated by Virginia National Bank.

1990 - Management of the organization changes, as does the name. The new name, Southside Training, Employment and Placement Services, Inc. (STEPS, Inc.), reflects the new purpose of the organization: to provide job training and employment opportunities to people with disabilities. The facility's service area is expanded to include ten (10) counties in Southside Virginia: Amelia, Appomattox, Brunswick, Buckingham, Charlotte, Cumberland, Lunenburg, Mecklenburg, Nottoway and Prince Edward.

1997 - STEPS is presented with an opportunity to open a facility in Victoria, VA. The Lunenburg County Board of Supervisors offers STEPS a vacant 35,000 square foot manufacturing facility and secures a Community Development Block Grant to renovate the building and make it ADA compliant. STEPS leases the property from the Lunenburg Industrial Development Authority for \$1.00 per year. The expansion into Lunenburg is also made possible through grants from the USDA-Rural Business Enterprise Grant Fund and the Virginia Department of Rehabilitative Services. These grants permit STEPS to purchase automated equipment and are a mechanism to cover start-up costs for the new operation. Through the Ability One program, STEPS was awarded a Department of Defense contract making 100,000 Battle Dress Uniform Jackets on an annual basis. This work continued until 2014.

2000 - Farmville manufacturing and job training operation relocates into a 73,000 square foot facility in the 460-West Industrial Park. The move to this "new" facility, made possible through collaborative efforts with Prince Edward County, was long overdue as the original facility was cramped and consumer waiting lists were getting long. Once again, the Prince Edward Board of Supervisors agrees to apply for a Community Development Block Grant for the purchase and renovation of the property. The new facility provides an excellent environment for manufacturing as it also has a cooling system, which the former facility lacked. Manufacturing in this site ended in 2010. The building was donated to Prince Edward County in 2018.

2002 - In November, building on the success of our Welfare to Work Grant, STEPS begins working even more closely with the local Departments of Social Services. Through the provision of a "Workplace Supports" contract, STEPS staff provides job training, placement and support services to welfare recipients. In conjunction with the Virginia Department of Rail and Public Transportation, STEPS is working to solve transportation problems. We are hopeful that this collaboration will afford the technical assistance and access to funding to create a public transit system in our region.

2004 - In January 2004, President Bush ended the Welfare to Work program. The Workplace Supports program continues to provide valued services to TANF/View clients.

2006 -In May, after four years of research, development and jumps through numerous hoops, STEPS was awarded a federal government contract to produce a fleece jacket designed specifically for the Special Operation Forces. In the Summer of 2006, a regional public transportation system began operating in the Counties of Amelia, Buckingham, Cumberland and Prince Edward. This public transit system, Piedmont Area Transit (PAT), is supported financially by the Virginia Department of Rail and Public Transportation, allocations from the four Counties being served, a generous donation from STEPS and public fares charged to each rider.

2012 - HOPE Community Services, the community action program in our region, was de-designated by Governor Robert McDonnell. This was the first time in its history that a community action agency was de-designated in the state of Virginia. This left our region without access to any community action resources.

2014 - STEPS was designated by Governor McAuliffe as the newest community action program in the State of Virginia.

2015 - STEPS was awarded a five (5) year contract to provide Head Start services in eight counties in our region.

2017 - Based on community need, STEPS launched a Behavioral Health program.

Key Services and Programs

Workforce Development

- **Senior Community Services Employment Program** - Employs individuals 55 and older who find it challenging to obtain employment due to their skill level and age.
- **Services to Citizens with Disabilities** - Offers employment programs through a vendor agreement with the Department of Aging and Rehabilitative Services
- **Transitional Work Adjustment Training** - Provides employment opportunities to special education students transitioning from public education to the non-entitlement adult world of work.
- **Workplace Supports** - Assists TANF recipients locate employment to move off public assistance and become self-sufficient.

- **Supported Employment** – Offers individuals with disabilities the opportunity to work in independent jobs in the community.

Economic Development Pillar

- **Recycling** – processing materials for the County of Prince Edward, Town of Farmville, Hampden Sydney College and local citizens.
- **Secure Document Shredding** - STEPS has contracts with local and state governments, Centra Health (regional health care system), local business and private citizens.
- **Industrial Sewing** – STEPS offers product development services, contract sewing and large-scale manufacturing. The most famous contract is that of Taaluma Totes. This product line was featured on *Shark Tank*. Visit the website, www.CarryACountry.com for more information.
- **Behavioral Health** – provides services to juveniles who have been ordered for treatment by local court services.
- **Transportation** - Funds a public transportation route in rural Virginia for all citizens to have access to affordable transportation. STEPS also provides client-specific transportation to STEPS' worksites.

Housing Pillar

- STEPS delivers services to prevent homelessness and reduce the energy cost burden for residents in our community. The **Virginia Homeless Solutions Program** provides the following services:
 - Prevention
 - Rapid Rehousing
 - Shelter
- Dominion *EnergyShare* Partner
- **Re-Entry Council** Member
- Provider to process requests for accessibility funding through VHDA **Granting Freedom** for line-of-duty disabled service members and Veterans

Education Pillar

- STEPS provides **transitional services** for students receiving special education services into the adult world of work.
- STEPS operates **Head Start** services in eight counties: Amelia, Appomattox, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway and Prince Edward. STEPS provides **Early Head Start** services in the counties of: Amelia, Charlotte, Lunenburg and Prince Edward.
- **Family Partnership Facilitation** - Provides local Departments of Social Services a certified facilitator to aid in making a safe plan for a child.

Target Population

STEPS serves individuals with disabilities, welfare recipients, homeless or those at risk of being homeless, families in need of utility assistance, children in need of early childhood education, infant/toddler educational services to parents and expectant mothers, facilitation services for

families served by Virginia Department of Social Services, families/individuals struggling with emotional/parenting issues and senior citizens in need of vocational training.

Needs Assessment

In November of 2014, the Commonwealth of Virginia's Governor, Terry McAuliffe, announced that STEPS was selected as the designated Community Action Agency (CAA) for the Counties of Amelia, Buckingham, Cumberland, Lunenburg, Nottoway and Prince Edward. As such, STEPS became the lead organization assisting low-income individuals to identify ways to move their lives forward. With this designation, STEPS has become even more focused on the mission of promoting self-sufficiency and working to alleviate poverty. Through a strategic process, STEPS is growing from an agency, previously viewed as one primarily providing employment and services to persons with disabilities, to one of a "go-to" lead organization broadly serving people with an array of needs and moving them toward self-sufficiency.

One of the first comprehensive activities STEPS performed as a new CAA was to conduct a **Community Needs Assessment**. This Needs Assessment was completed in 2016 and the results were utilized to compile a Community Action Plan. The Needs Assessment has also informed the development of this **Strategic Plan** which will position the organization and its leadership for a future that will best guide efforts to help those individuals in need throughout our region.

Strategic Planning

FAMILY:

GOAL 1:

STEPS will respond to the Community Needs Assessment with a Community Action Plan that addresses needs including: jobs, transportation, health (mental, physical and dental), affordable day care and affordable housing.

Benchmarks:

- Best practice models in place that support more effective evaluation of existing programs, by June 2018.
- Evidenced-based case management services in place to provide more holistic, effective response to family needs, in place by June 2019.

COMMUNITY:

GOAL 1 (Relationships)

STEPS will leverage its relationships with local, regional, state and federal partners to successfully implement STEPS Mission and Vision.

Benchmarks:

- Update the STEPS mission and vision on digital media, seeking reciprocal links to community partners' sites by July 2018.

- Convene partners around issues documented in the Community Needs Assessment in order to raise awareness and inspire creative, effective responses, by June 2018.

GOAL 2 (Communication)

STEPS will effectively tell its story through meaningful outreach and communication, in order to bring solid information concerning the conditions in the region and to demonstrate STEPS value to the community.

Benchmarks:

- Establish STEPS’s rebranding with a regional identity as a “go to” link between need and solution by June 2018.
- Create an organizational Communications Plan by December 2017 that addresses diverse opportunities for outreach, social media, in-person presentations and participating in community events.

ORGANIZATIONAL:

GOAL 1 (Staff & Management Development)

STEPS will achieve enhanced agency capacity through the improvement of staff morale and retention.

Benchmarks:

- Management will clarify expectations for individual staffing capacity, and develop strategies for training and development of staff by June 2018.
- Internal communication strategies will be developed and implemented to provide feedback for both staff and management by December 2017.
- Staff retention will be measured against current retention rate, with a baseline established by December 2017.

GOAL 2 (Capturing data)

STEPS will achieve a systematic approach to capture all data which needs reporting, and data which completes the picture of STEPS work.

Benchmarks:

- Decisions will be data-driven as STEPS’s programs are planned and evaluated, and as funding is pursued, by June 2018.
- Reporting mechanisms will be in place to support more effective Board Governance, by June 2018.
- Leadership will assess Return on Investment as part of programmatic analytics as of June 2019.

Budget and Financing

STEPS sources of funding:

Grant Revenue	77%	\$3,824,736
Business Services	13%	\$626,000
Production Revenue	7%	\$364,000
Contributions	3%	\$138,084
TOTAL:		\$4,952,820

Results/Impact

Outcomes Fiscal Year 2016-2017

STEPS served 1,644 unduplicated individuals during FY2017. While the organization had one less program during FY2017, STEPS was able to serve 318 more individuals than the previous year.

WORKFORCE AND ECONOMIC DEVELOPMENT **Individuals**

Title V	40
Workplace Supports	100
DARS Employment Services	20
Transitional Work Adjustment Training	3
TOTAL	163

HOUSING **Individuals** **Households**

Rapid Re-housing	68	26
Prevention	149	53
Shelter	77	40
Energy Share	714	285
TOTAL	1008	404

EDUCATION	Individuals (children)	Households
Head Start	285	
Family Partnership Facilitations		34

TRANSPORTATION	Individuals
Trips Provided to Employees with Disabilities	5,322
Trips Provided on the Cumberland Public Transit Route*	1,539
Trips Provided to the Head Start Children	58,750

*STEPS pays the match for the route

STEPS has paid \$3,005,532.13 in wages in fiscal year 2016-2017. If every dollar paid turns over eight (8) times as is projected, STEPS has had a \$24,044,257.04 economic impact in our region just in this last fiscal year.

Overall, STEPS employees 160 individuals, including DARS and Title V recipients.

Project Challenges

The single largest unmet need in our region is the availability of and access to affordable housing. This is currently being addressed by the recently formed “Affordable Housing Coalition.” Membership of this coalition includes: Town of Farmville, Prince Edward County, Hampden Sydney College, Longwood University, Prince Edward County Public Schools, Fuqua School and STEPS.

Contact Information

Sharon L. Harrup, MS
 President & CEO
 STEPS, Inc.
 225 Industrial Park Road
 Farmville, VA 23901
 (434) 315-5909 Ext. 212 Office
 (434) 315-0246 Fax

Total Action for Progress (TAP)

Background

Total Action Against Poverty (now known as Total Action for Progress) was incorporated in 1965. In October of that same year, TAP opened its first year-round Head Start classroom, which was the first school program in the Roanoke Valley integrated from its inception.

That same “can-do” spirit evidenced by TAP when it launched its first major program only six months after its official incorporation has propelled the agency’s growth into one of Virginia’s most active and successful Community Action Agencies. It now has a staff of over three hundred and serves eleven localities in the Commonwealth of Virginia. Its thirty programs help to further its mission of encouraging self-reliance and self-determination by strengthening and empowering individuals, families and communities by expanding access to existing opportunities, creating new opportunities, and mobilizing the community's resources.

Key Services and Programs

TAP provides a variety of programs to residents of its service area, including:

- Head Start and other early childhood programs;
- Veterans programs;
- YouthBuild;
- Job training and assistance programs;
- Tax preparation;
- Arts venue;
- Domestic violence;
- Programs for returning prisoners;
- Housing counselling;
- Home repair;
- Housing development;
- Small business development;
- Professional services

Professional Services

TAP offers several services to the general public for a fee, which generates income for their other programs. These services include: energy audits, property management and maintenance for commercial and residential properties, real estate development (management and inspections), and planning services to area non-profits and localities.

Project Description

TAP has had a CDFI lending arm since 1994 and is an SBA certified micro lender. The Seed Capital Inc. program provides business classes, individualized technical assistance and loans of up to \$50,000 to entrepreneurs. These services are available to residents of Roanoke City, Roanoke County, Vinton, Salem, Botetourt County, Craig County, Covington, Clifton Forge, and Bath County.

TAP has also used large grants from the Office of Community Services, Community Economic Development program to make larger loans to businesses needing more significant amounts of capital.

One of these larger loans was made to a local supermarket owner, to launch a new supermarket (Save A Lot) in a low-income urban neighborhood that was formerly a food desert. TAP partnered with the owner to bring a new store into a strip shopping center that had been virtually abandoned (only one business was still located there). The site once had a Winn Dixie supermarket, but it had left many years before and the site then served as a church before finally becoming vacant. TAP loaned \$375,000 to Save A Lot, at a low enough interest rate to make made the deal possible.

Community Economic Development Tools

Economic Development

- Office of Community Services, Community Economic Development grant program
- USDA
- Small Business Administration Microloan Program

Project Financing

The owner of Save-A-Lot brought \$1.2 million to the deal. Originally a bank was willing to loan some of the needed money, but at 6-7% interest, which was too high for a business with low profit margins. TAP's loan was 2.5% below Prime, which provided a low enough rate, for a large enough loan amount, to make the deal economically viable. Without TAP's access to grant funds and ability to make a low-interest loan, the project would not have been financially feasible and would not have happened.

Project Challenges

Although it had once been a supermarket, some construction needed to be done to get the site in shape and that took longer than expected. As a consequence, the loan was made one year later than was originally planned. It has since been repaid and the money has been re-loaned three times, creating more jobs in the community.

Impact

Save A Lot created 15 full time and 14 part time jobs at the new location financed by the loan from TAP. There was only one store in the shopping center prior to Save A Lot's opening. Now two chains (Family Dollar and Auto Zone) and a variety of other smaller stores have moved in to the previously vacant space, which at this point is mostly full. The opening of the supermarket and the steady stream of customers that it brings, has led more businesses to locate in the shopping center and has brought more jobs to the area, more services to residents, and more tax revenue to the city.

Contact Information

Curtis Thompson
Total Action for Progress

302 2nd Street SW
Roanoke, VA 24011
540-777-HOPE
<https://tapintohope.org/>

WASHINGTON

El Centro de la Raza – Seattle, WA

**Project Highlight: Plaza Roberto Maestas Affordable Housing Development with Retail and Event Space*

History/Background

El Centro de la Raza was founded in 1972 when a multiracial group of diverse community members led a peaceful and innovative three-month occupation of the abandoned Beacon Hill school building in South Seattle. As an organization grounded in the Latino community of Washington state, El Centro de la Raza's mission is to build unity across all racial and economic sectors, to organize, empower, and defend our most vulnerable and marginalized populations and to bring justice, dignity, equality, and freedom to all the peoples of the world.

We envision a world free of all oppression, including but not limited to oppression based on poverty, racism, war, sexism, sexual orientation, gender identity and discrimination of any kind. We envision equitable access to the resources that ensure a healthy, productive and sustainable life for all people and future generations living in a peaceful, loving, harmonious, and humane world. As a voice and a hub for the Latino community for services, advocacy and social justice, we continue to grow our programs to strengthen and empower the Beloved Community.

Key Services and Programs

Today, as an indispensable community institution, El Centro de la Raza responds to a broad range of community needs among children, youth, adults, and seniors with culturally and linguistically competent programs including:

- **Housing and Economic Development:** Low-Income Housing, ECR Transitional Housing, Affordable housing development including retail and cultural event space.
- **Education and Asset-building Programs:** Financial education and counseling; Business Opportunity Center; Lending Circles; Tax Preparation; Bilingual Legal Clinics; ESL Classes; Citizenship Program; Youth Job Readiness Training; College Readiness; and Labor Standards Outreach and Education.
- **Child and Youth Programs:** José Martí Child Development Center; Luis Alfonso Velásquez After School Program; Parent-Child Home Program (Seattle and South King County); Growing and Learning Together; Hope for Youth Poetry and Social Justice History Classes; Plaza Maestas After School Program; Middle School Summer Learning; Federal Way Open Doors Program; and Seattle Youth Violence Prevention Initiative.
- **Emergency and Human Services:** Food Bank; Senior Wellness and Congregate Meal Program; Public Benefits Outreach and Enrollment; Systems Navigation; Eviction Prevention; Bebes Infant Mortality Prevention; Smoking Cessation; and Veterans Assistance.

- Advocacy Efforts: ECDLR is a public advocate for a number of issues including police accountability, juvenile justice reform, immigration reform, K-12 education, and closing the academic achievement gap.

CED Tools in this Case Study

- Community Planning: Community inspired approach to inform design and development of the site and building
- Evergreen Sustainable Development Standards: Certified under the Seattle *Built Smart* program utilizing energy efficient design principals throughout
- Low Income Housing Tax Credits
- SDOT partnership: provision of mass transit passes to tenants
- Small Business Technical Assistance: Onsite Business Opportunity Center
- Microbusiness Networking

Target Population

Plaza Roberto Maestas is located in Seattle’s ethnically diverse Beacon Hill neighborhood, across the street from the Beacon Hill light rail station. The location is three miles south of downtown and situated between Seattle’s International District, industrial district, and the Rainier Valley, an area that has been named one of the “most diverse zip codes in the U.S. The Kirwan Institute’s 2010 report, *The Geography of Opportunity*, identifies the Beacon Hill neighborhood as a high-density area for people of color, but also identifies it as a “low-opportunity” neighborhood based on education, economic mobility, business creation, and housing market health indicators. Many of the community residents are underserved and face several challenges, including pervasive poverty, discrimination, language and cultural barriers.

Individuals and households earning between 30%-60% Area Median Income are eligible to become residents.

Project Description

With the completion of the Beacon Hill light rail station, neighborhood residents became increasingly concerned that along with rising rents, this would contribute to gentrification of communities of color and displacement of long-term residents and local businesses. In response, El Centro de la Raza and hundreds of neighborhood residents actively participated in the City of Seattle’s comprehensive update to the North Beacon Hill Neighborhood Plan. Through this process, the community established a shared vision of transforming Beacon Hill, calling for diverse housing options near the light rail, a diverse mix of local small businesses, increased childcare options, open spaces, civic gathering space, and pleasant streetscapes.

The Plaza Roberto Maestas Affordable Housing development project highlights an integrated approach to housing, land use, environmental planning, public transportation, community infrastructure, and aligned workforce opportunities. The project consists of 112 apartments in two buildings for low-income residents, a 7-classroom expansion of El Centro’s award-winning José Martí Child Development Center, a new community cultural center, office space and neighborhood retail/restaurant space. Anchoring the project is a 10,000 square foot central plaza for residents and the greater Beacon Hill community to enjoy that celebrates Latino history and multi-racial unity. The project continues to meet the original goals of creating affordable housing, revitalizing

the neighborhood, and ensuring equitable access to economic opportunity for all people. Additional goals of the project included:

- Proximity to services - integrating affordable housing directly into El Centro de la Raza campus provides residents direct access to the cultural enriching programs and services offered on-site.
- Shared Community Space – the central plaza honors Latino heritage and multi-racial unity. This community space benefits not just the residents of the housing development but the neighboring community.
- Support for microenterprise – the large open-air public area for retail and/or restaurant is utilized by local businesses and start-up micro-enterprises.
- Transit Oriented - uniquely situated next to a high-capacity transit system, it is a model for transit-oriented development, allowing residents to live in quality housing in close proximity to the economic opportunities and jobs of downtown Seattle and all the regions the transit system serves.
- Community Inspired - adding another layer of uniqueness to the neighborhood diversity aspect of the project, the housing development not only promotes Latino involvement in the business community, but also allows community residents to live close to their jobs and a variety of other neighborhood amenities.

Project Financing

The Plaza Roberto Maestas Housing Development project was financed through a combination of public and private sources including funding from Low Income Housing Tax Credits, the City of Seattle, the State of Washington, private mortgage debt and a Capital Campaign.

As a mixed-use development project, financing required separation of uses and sources. To facilitate the mixed-use component and strengthen the tax credit ownership entity, a condominium association managed by El Centro de la Raza was created. Within the condominium association, four distinct funding units were created:

1. Residential Housing - to facilitate the Low-Income Housing Tax Credits (LIHTC) El Centro de la Raza created the LIHTC LLC of which we are the Managing Member. This portion was financed with 9% LIHTC from the Washington State Housing Finance Commission and purchased by US Bank CDC; City of Seattle Office of Housing (Levy, Community Cornerstone TOD, & HOME funds); Washington Community Reinvestment Association (WCRA) private loan; seller land equity/loan; and a capital campaign.
2. Child Development Center - owned by El Centro de la Raza Community Development LLC, and was financed with City of Seattle Human Services Division Funding and private debt from WCRA
3. Office Space - owned by El Centro de la Raza Community Development LLC and was financed with a long-term capitalized lease payment from the current tenant.
4. Centilia Cultural Center/Plaza Area/Retail Space: owned by El Centro de la Raza Community Development LLC and financed with private debt from WCRA and the capital campaign.

Project Challenges

Rezoning – One challenge was rezoning of the one-acre vacant lot from residential to commercial. Although the project had overwhelming support from the community, four influential community members opposed the inclusion of a low-income housing development in the neighborhood. In order to overcome this, El Centro de la Raza mobilized community members to send over 350 letters to the city council and attend neighborhood and city council meetings to share their input and feedback, resulting in the Seattle City Council voting unanimously in support of the rezoning.

Parking – Although many community members were in favor of building a large parking structure, the development is located in a Light Rail Station ‘Area Overlay District’, which limits the development of new parking in order to promote a pedestrian environment. Plaza Roberto Maestas is partially above the transit tunnel, making it cost prohibitive to build parking below ground. To solve the problem, we decided to repave the north parking lot of El Centro de la Raza and redraw the stalls to provide an additional 100 parking spaces within the existing lot.

Results/Impact

The impact of the Plaza Roberto Maestas Project goes beyond the number of jobs created, number of housing units developed or the amount of income earned by the project. It addresses the urgent need for affordable housing and economic opportunity in Seattle’s urban core while simultaneously preserving and celebrating neighborhood diversity and reinvigorating the local economy. It is an example of truly community-inspired development work that effectively addresses identified needs and maintains accountability to those most directly affected by gentrification and displacement.

By the numbers:

- 112 units of affordable housing providing a mix of one-, two- and three-bedroom apartments affordable to individuals and families earning 30% - 60% of area median income
- 10,000 square foot expansion of nationally accredited bilingual Jose Marti Child Development Center (7 new classrooms, allowing enrollment of additional 50 children)
- 5,400 square foot multi-cultural community center
- 12,900 square feet of public plaza intentionally designed as a traditional Mexican “zocalo.”
- 3,200 square feet of retail and/or restaurant space to be utilized by local businesses and start-up micro-enterprises
- 4,500 square foot office space
- Over 150 construction, engineering and design jobs during development
- Over 40 permanent jobs at the project following completion
- It is estimated that residents of Plaza Roberto Maestas make consumer purchases of roughly \$3.98 million per year (\$1.04M on rent/utilities/residential expenses; and remaining \$2.94M at local grocery stores, restaurants, retail, medical, educational, recreational, religious and other commercial establishments).

Contact Information

Estela Ortega, Executive Director
2524 16th Ave South

Seattle, WA 98144
(206) 957-4613
eortega@elcentrodelaraza.org

Miguel Maestas, Director Housing & Economic Development
2524 16th Ave South
Seattle, WA, 98144
(206) 957-4650
mmaestas@elcentrodelaraza.org

WISCONSIN

ADVOCAP

History and Background

ADVOCAP was created in 1966 and serves the counties of Fond du Lac, Green Lake, and Winnebago, in east central Wisconsin.

Services provided by ADVOCAP include:

- Employment and training
- Food and nutrition
- Head Start
- Weatherization

In 1983 the business development program was created.

Community Economic Development Tools in This Case Study

Micro business lending

Rental housing development

Target Population

Low income area residents, who need assistance with creating jobs and gaining self-sufficiency through creating their own businesses.

ADVOCAP's rental housing provides affordable housing to area residents with specialized needs that have difficulty finding affordable housing in the regular market, such as people with disabilities, people with large families and people recently homeless.

Project Description

The goal of ADVOCAP's Business Development Program is to help persons with low incomes gain self-sufficiency through self-employment.

Funds for the micro business loan fund come from the Small Business Administration's Microloan Program and from the U.S. Department of Agriculture's Rural Business Enterprise Grant (RBEG) program and the Rural Microentrepreneur Assistance Program (RMAP).

Eligibility in the Job & Business Development (JBD) program is limited to persons whose income does not exceed 150% of poverty for the preceding 90 days. Preference is given to single parents enrolled in the W-2 program (TANF), dislocated workers, persons with disabilities, and those workers who have recently lost their jobs.

ADVOCAP staff provide technical assistance to entrepreneurs on a wide range of topics, including writing a business plan, cash flow projections, marketing and web design and fiscal management.

The Business Development Department works very closely with the following local agencies and organizations to better serve income eligible persons by providing updated information on trainings, workshops, and seminars available through outside sources.

- Local lenders
- Local economic development corporations
- Department of Vocational Rehabilitation (DVR)
- Small Business Development Centers (SBDC)
- Local social services departments
- Chambers of commerce
- Local technical colleges
- Jobs and career centers
- Other human services and economic development organizations

In addition, ADVOCAP owns several rental properties, with a focus on providing affordable housing to three populations:

- Persons coming out of shelter, and working with Homeless Services through individualized case management.
- Persons in need of affordable houses, specifically for large families who have a hard time finding rental properties and single persons interested in living in efficiency units.
- Persons with disabilities where 2-4 unrelated adults live in the same home and share living costs and case management/care staff.

ADVOCAP helps low-income residents purchase a home. The Homeowner Development Program has assisted over 400 families buy their first home. Participants are required to attend an eight hour home buyer education program explaining the facets of buying and owning a home including information on mortgages, inspections, and working with real estate professionals. The household is required to go through a financial readiness meeting where credit scores and financial readiness are reviewed and where credit repair and savings plans are designed, if necessary. ADVOCAP is able to provide eligible home buyers with down payment assistance in the form of a 0% deferred second mortgage. The program is for persons earning 80% or less of county median income.

Another housing related program is the Rehabilitation Loan Program, which provides loans from \$1,000 to \$29,999 at 0% interest for structural rehabilitation of owner occupied single-family homes. A qualified applicant must own the home, mortgage and real estate taxes must be current, and they must meet the income qualifications. ADVOCAP provides a deferred loan to the homeowner in the form of a mortgage for the total amount of work done plus fees.

Project Financing

Small Business Administration—Microloan Program

U.S. Department of Agriculture—Rural Microentrepreneur Assistance Program (RMAP) and Rural Business Enterprise Grant (RBEG) program.

Results/Impact

Over 375 business loans have been made to date.

Contact Information

Michael Bonertz
ADVOCAP
Fond du Lac-Main Office
19 W. First St./P.O. Box 1108
Fond du Lac, WI 54936
920-922-7760
www.advocap.org

CAP Services, Inc.

History/Background

CAP Services, Inc. is a private nonprofit Community Action Agency formed in 1966. CAP Services continues to be a leader in the fight against poverty in central and east-central Wisconsin. Our corporate office is located in Stevens Point, and we have program offices in Marquette, Waushara, Portage, Waupaca, and Outagamie Counties.

CAP Services serves nearly 9,000 people each year through seven focus areas:

- Job skills and economic security
- Business coaching and lending
- Community and real estate development
- Housing and transportation
- Child and family development
- Health, wellness and safety
- Advocacy and community engagement

CAP Services offers nearly two dozen programs that respond to the unique conditions in our region. We believe in the inherent value of all people and work to create interconnected solutions that provide people with the opportunities they need to be successful. Our vision is that individuals and families have the capacity to achieve their goals and thrive in resilient, equitable communities.

Our mission is to transform people and communities to advance social and economic justice. We work to create communities that are free from violence and injustice and offer people ways to build their skills, increase their earnings and assets, and support their families. Social and economic equity strengthens our community, and CAP Services strives to create opportunities that generate permanent, positive change in the communities we serve.

CAP Services has a strong track record of success. Through our programs, we have:

- Helped more than 1,000 adults improve their job skills;
- Coached over 600 business clients in how to start or expand businesses;
- Created more than 750 units of affordable housing;
- Assisted families with the purchase and repair of over 1,500 homes;
- Ensured over 11,300 children have achieved school readiness;
- Provided more than 70,000 nights of shelter to domestic abuse survivors; and,
- Provided over 5,000 with information on poverty and programs.

Key Services and Programs

CAP Services' lending arm, Community Assets for People LLC (CAfP) was created in 1991 to bring low-cost capital to under-served markets, especially those providing significant benefit to low- and moderate-income people. CAfP provides business, housing and consumer (auto) loans in six primary central Wisconsin counties – Marquette, Portage, Outagamie, Waupaca, Waushara and Wood.

Community Assets for People (CAfP) is a certified Community Development Financial Institution (CDFI). CAfP, like CDFIs nationwide, is dedicated to delivering responsible, affordable financing to the people and communities we serve.

CAfP work in business coaching and lending is committed to growing communities by investing in small business through services focused on low- to moderate-income entrepreneurs.

Start-ups face difficulties accessing financing. The challenges for low-income entrepreneurs are even more significant.

CAfP's pre- and post-loan coaching services include business plan development, marketing and feasibility analyses, and help understanding business financials.

Staff work with prospective borrowers to identify financial products that best meet their needs, including having a bank as a senior lender with CAfP loans bridging the financing gap for real estate, equipment and working capital.

CED Tools in this Case Study

- Technical Assistance – covers a wide range of entrepreneurial topics, available to start-up and expanding businesses.
- Networking and Referrals – presents opportunity for entrepreneurs to connect with local small business resources, and access online tools for additional training material.
- Microlending – provides gap and full financing opportunities from \$500 to \$50,000 for new and existing businesses to leverage their assets and gain access to affordable capital with rates that range from 6% to 9%.
- Business Growth & Readiness Grant – delivers a competitive grant opportunity for existing entrepreneurs who show readiness to take their business to the next level.

Target Population

Staff seek low- to moderate-income owners of micro- and nano-businesses, as well as aspiring entrepreneurs, who need access to capital for equipment, renovation, inventory and work capital. Clients served are primarily located in rural areas within six counties in central Wisconsin.

Project Description

The program provides technical assistance, networking and referrals, and financial assistance to low- to moderate-income entrepreneurs looking to start and expand their businesses. The program provides technical assistance pre and post start-up and funding to help businesses thrive and expand to create jobs and bring valuable products and services to communities throughout central Wisconsin.

Project Financing

CAP's loan fund is capitalized by a mix of governmental and institutional funders.

It has received investments from the U.S. Treasury CDFI Fund, the U.S. Department of Agriculture (USDA) and private sources to help meet borrower needs in rural Central Wisconsin.

CAP successfully qualified as a Small Business Administration (SBA) Microlender in 2013.

Project Challenges

Job creation and retention are crucial in areas of low population density where job creation can be more impactful than in areas of denser population. A major challenge for small rural CDFI's such as CAfP, is attracting grant funding and cost-effective investments to support affordable financing and servicing efforts to a high-risk target market.

Results/Impact

Since 1997, 337 businesses have started, and 680 jobs have been created. More than \$17 million has been loaned.

Contact Information

Laura West, CAP Services - VP Business Development, lwest@capmail.org, (715) 343-7141

Indianhead Community Action Agency, Inc.

Business Development Program, Small Business Academy, and Certified Development Financial Institution

History and Background

Indianhead Community Action Agency (ICAA), Inc. was created in 1966 with a mission “to assist individuals in achieving self-sufficiency by providing the resources, education and services necessary to develop healthy families, sustainable communities and strong local businesses.” To achieve this mission, ICAA provides multiple programs and services to low-income children, families, and individuals in six primary counties in northern, northwest and northcentral Wisconsin (WI).

The ICAA Business Development (ICAA BD) program began in 1999, to promote, encourage, and assist in the development of entrepreneurial opportunities for economically disadvantaged individuals, so that they may achieve self-sufficiency through self-employment. Services are offered to both start-up and existing businesses in 12 counties: Ashland (excluding the city of Ashland), Barron, Bayfield, Burnett, Clark, Douglas (excluding the city of Superior), Iron, Price, Rusk, Sawyer, Taylor and Washburn. Clients of the program receive technical assistance (TA) in all areas of business, including but not limited to, business plan development, bookkeeping, marketing, business management, and loan packaging.

Under the first director (1999-2010), the program successfully created nearly 75 small businesses with 100+ jobs. In 2010, the second director, Mr. Karl Fee, a very successful private commercial banker, created an additional 22 businesses and 64 jobs and secured many of the loan programs currently in use. Of the total number of businesses started, 90% are still in operation. This includes 23 of the 26 small businesses that have received loans.

Then in November of 2015, the 3rd director of the ICAA BP program, Mr. Ken Pearson, took the reins and has recharged the program focus toward more emphasis on TA and academy style training. Since taking over the program, 84 individuals, either in ideation stage, or new or existing entrepreneurs, have inquired about the business development program; 47 continued with the application process and received some sort of TA or resource referral; 35 reached their TA goals or expanded/improved their small business from the assistance delivered; and 17 new businesses launched, with 19 full time jobs and 7 part-time/seasonal positions. This has brought the new businesses launched over the last seven years to a total of 39, with 83 full time jobs.

Since ICAA BD is stationed at a community action agency, the program itself is advantageously positioned for the unique need these clients often bring (rural location, no or low capital, gaps with entrepreneurial or small business operational knowledge, etc.). The mobile response of the ICAA BD staff, more intensive TA, the training program, and the direct capacity support received at ICAA BD, will be more efficient and effective in launching these entrepreneurs toward small business ownership than the other agencies could afford due to their time, directional charge of the program and resource constraints.

Along with their low to moderate income status, the ICAA BD average client also has a hard

time obtaining financing through traditional bank loans. There is a significant unmet need for credit/capital in the ICAA BD target market. Banks in this region of Wisconsin are ultra-conservative in their approach to new businesses and rarely fund start-ups and businesses without a track record of success, making restricted access to credit one of the greatest barriers to small business creation. As a result, ICAA BD became a certified Community Development Financial Institution lender and has developed a successful loan programs that evolved from this accreditation.

This certification has helped ICAA BD achieve its mission of self-sufficiency through self-employment in partnership with the CDFI Loan Program as both are “100% dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream.” The loan program, with a portfolio of approximately \$350,000 in assets has succeeded in helping many entrepreneurs achieve their dreams of small business ownership in the most rural areas of Wisconsin. Other major partners and contributors to the ICAA BD program are the USDA through the Rural Micro-Enterprise Area Program and Rural Business Enterprise Grant loans, the St. Dominican Loan Program, and a local private investment through a Pioneer Bank intermediary relending loan project. The ICAA BD loan program itself has been directly involved with the startup of 26 small businesses, only 3 of which defaulted and were written off the books as non-collectable.

Community Economic Development Tools in This Case Study

- Business technical assistance
- Micro-loan program development and administration
- Small Business Academy

Target Population

ICAA BD’s primary clients are rural small business owners in the 12 counties of Northwest Wisconsin. Individuals are able to start their own businesses, and make a larger contribution to their community, become self-sufficient, and no longer be dependent on financial assistance. As some of these new businesses progress and grow, additional employment opportunities are potentially created that result in an improved local economy. Small businesses are beneficial to individuals, families and communities for many reasons:

- 1) provide income and employment in areas where jobs are difficult to obtain;
- 2) provide goods and services to the local community;
- 3) give young people a chance to learn skills;
- 4) do not require large amounts of capital (thus providing easy entry to the economy);
- 5) provide the independence of being one’s own boss;
- 6) keep families together by providing work opportunities in the community;
- 7) strengthen the local economy by bringing in money, importing wealth into the community, and increasing the re-circulation of money in the community;
- 8) build strong communities by sustaining vibrant town centers, linking neighbors in a web of economic and social relationships, and contributing to local causes; and
- 9) serve as a key means for families to move out of low-wage jobs and into the middle class.

Project Description

The ICAA Business Development (ICAA BD) program began in 1999, to promote, encourage,

and assist in the development of entrepreneurial opportunities for economically disadvantaged individuals, so they can achieve their full potential through work and societal contributions, regardless of ability. With a mission of “seeing entrepreneurs achieve self-sufficiency through self-employment,” and a vision of achieving #EconomyOneWI (for every 1 improved small business, there is 1 strengthened community, which promotes 1 Wisconsin Economy), ICAA BD offers the following key services and programs:

- Business Plan Development
- Financial Projection Development
- Mission Message Marketing Development, Promotion and Campaign Strategy
- Business Management and Hiring the First Employee
- Financial Analysis of Prior Financial Statements
- CDFI Revolving Loan Funds for commercial financing

Project Financing

These partnerships assist ICAA BD in reaching our strategic goals in the following ways:

- **USDA Rural Development** – This funder provides sources of low-interest capital to recapitalize the loan fund for business lending through the Rural Microentrepreneur Assistance Program (RMAP) and the Rural Business Entrepreneurial Grant. These loan programs allow ICAA BP access to low cost resources to lend money to entrepreneurs and startup small businesses who may not have traditional access through banks, or need gap financing that banks do not traditionally fund. These micro-loans obtained, may be the difference of a business starting or not, or succeeding. The RMAP program also provides funding to support technical assistance with borrowers, and additionally, the Rural Business Development Grant provides additional technical assistance funding to support the ICAA BD program staff.
- **Wisconsin Economic Development Corporation (WEDC)** – The WEDC has awarded a Capacity Building-Entrepreneurial Support pilot grant to ICAA BD. This grant award is focused specifically for the ICAA BD program to expand its technical assistance program to help entrepreneurs and small business owners increase their capacity by obtaining free consulting and technical development such as creation of promotional materials, in-depth marketing consultation, or advanced technical assistance. The WEDC CB-ES grant has also given the ICAA BP program the funding needed to launch the Small Business Academy fully, ensuring group training curriculum and resources throughout the 12-county territory.
- **Wisconsin Community Action Program (WISCAP) Jobs and Business Development** – The WISCAP Jobs and Business Development Program has given annual technical assistance funding to help the ICAA BD program promote and encourage low to moderate income entrepreneurs start small businesses. By focusing on low to moderate income individuals, the ICAA BD program is advantageously positioned for the unique need these clients often bring (rural location, no or low capital, gaps with entrepreneurial or small business operational knowledge, etc.), and help the overall ICAA agency achieve its mission as well. A great example of this interagency advantage comes from one ICAA Head Start family was connected to ICAA BD, and the result was

astronomical. This family purchased two commercial/residential apartment buildings in a downtown rural Wisconsin community, and started 4 different businesses from the guidance, support and loan access provided by ICAA BD.

- The ICAA BD CDFI received initial Revolving Loan Fund (RLF) proceeds from the USDA and private investment such as the Racine Dominicans, Impact 7 and Pioneer Bank. The funds have helped sustain the RLF that has had immediate impact upon the clients who utilize the service regarding startup or expansion of their business.

Results/Impact

Starting as a program that focused on low-income individuals reaching self-sufficiency through self-employment, ICAA BD has had many changes throughout its 20 years and has had significant impact:

Receiving a Community Development Financial Institution status as a certified CDFI lender and the successive loan programs that evolved from this accreditation brought the first significant change for impactful service to the 12 county territory.

- ICAA BD achieves its mission of self-sufficiency through self-employment in partnership with the CDFI Loan Program as both are “100% dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream.”
- The loan program, with a portfolio of approximately \$350,000 in assets, most of which has been lent out, has succeeded in helping many entrepreneurs achieve their dreams of small business ownership in the most rural areas of WI.
- The ICAA BD loan program itself has been directly involved with the startup of 26 small businesses, only 3 of which defaulted and were written off the books as non-collectable.

Business and Job Creation

The First Ten Years: 1999-2010—Getting Established

- Created nearly 75 small businesses with 100+ jobs
- Secured the Cougar Loan program, establishing the RLF

The Second Director: 2010-2015—Expanding the RLF Program

- Created an additional 22 businesses and 64 jobs
- Secured all but one of the loan programs currently in use
- Received CDFI status from the US Treasury Department
- 90% of the businesses created in this timeframe are still in operation. This includes 23 of the 26 small businesses that have received loans.

The Third Director: 2016-Present—Rebranding the Technical Assistance and Training Focus

- Recharged the program focus toward more emphasis on TA and academy style training
- 2016 had 100 individuals attend 7 different trainings
- 2017 so far has had 45 individuals attend 6 different trainings
- 27 new businesses launched, with 29 full time jobs and 7 part-time/seasonal positions.

- This has brought the total number of new businesses launched over the last 7-years (2010 to 2017) to 49, with 93 full time jobs
- The stronger 2016 focus for more entrepreneur TA has proven very successful, almost doubling the amount of business starts in one year when compared to the prior 6 years' total.
- Grew the program from one full time staff to one full time and one part-time staff

Contact:

ICAA Business Development Program

Program Staff: Ken Pearson, Director and Erin Whyte, Specialist

1000 College Ave W

PO Box 40

Ladysmith, WI 54848

Phone: 715-532-1509

Web: <http://indianheadcaa.org/bizdev.html>