L - Pls ~~sen~~ see note on Second PS-

LISC

LOCAL INITIATIVES SUPPORT CORPORATION
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# MEMORANDUM

DATE: August 30, 1999

TO: Stephanie Mathews-O'Keefe

FROM: Tom Warnke

RE: Possibilities for the 1 million home march

CC: Gordon Walek, Sara Brazeal

Stephanie,

For purposes of this memo, I am assuming we are not looking for the 1 millionth home, but rather for a completed development that shows best what Housing Credit investment can do in terrms of promoting complete community renewal. In that vein, I am not sure the Gabriel's Green deal in Cleveland is our best hit, but will include it herein nonetheless. Of course, the best stuff in terms of comprehensive development is in New York City, but perhaps that is getting a little old. Anyway, I am not going to discuss New York, because the options are many and well known.. Below are some thoughts on other sites that might work.

***Event:***

✓ US Treasury Secretary Lawrence Summers will celebrate the completion of 1 million homes for low and moderate income Americans made possible by the federal Low Income Housing Tax Credit, an innovative financing tool that has become the primary generator of affordable housing since it was enacted in 1986 Secretary Summers will travel to a Housing Credit site and underscore how affordable housing development has served as the foundation for comprehensive renewal in neighborhoods across the country long thought beyond repair and beyond hope.

***Message:***

➢ For many Americans, the key obstacle to becoming productive members of society has been the daily struggle to put a roof overhead and food on the table However, a key federal incentive – the Low Income Housing Tax Credit – has worked for almost 15 years to ease the housing burden by encouraging private investment in affordable housing development And, as housing has become more available, residents increasingly are able to focus on broader community

LISA - I did not include B/C it wasn't from LISC. (in briefing)

CK/PG for New Mkts Trip

**MEMO**

**To:** Michael Barr, Deputy Assistant Secretary
Community Development Policy, Department of the Treasury
**From:** Christopher Saffert, ACORN
**Date:** June 29, 1999
**Re:** Proposal for an Event Promoting the Community Reinvestment Act Sponsored by ACORN and ACORN Housing Corporation

---

One of the most successful urban investment initiatives, the Community Reinvestment Act (CRA), has been under attack by Sen. Phil Gramm. We are proposing an event involving the President which will highlight the positive impact of the CRA in terms of individual families, communities, and the homeownership levels in the United States.

One idea is for the President to convene an event with homeowners from around the country who received their mortgage through CRA partnerships between ACORN Housing Corporation (AHC) and participating banks. AHC will soon have its 25,000th homeowner through its mortgage counseling program, and this event could celebrate the success of this program as well as the success of CRA. Such an event could also be tied in to the President's new markets initiative.

The President could congratulate the 25,000th homebuyer - such as, a Latino family from Houston or an African American single parent from Philadelphia. The ideal location would be the White House lawn with a group of homebuyers from cities across the United States who have come through the AHC housing counseling program and with bankers who provide mortgages using the AHC flexible underwriting standards.

As an alternative to the White House location, the event could be held in a city where ACORN and ACORN Housing Corporation work. Potential locations are Baltimore, Boston, Chicago, Dallas, Houston, Jersey City, Little Rock, Minneapolis/St. Paul, New York City, Philadelphia, Oakland, St. Louis, or Washington, D.C. The challenge for a CRA event outside of Washington, D.C., is to make it a national news event attracting more than just local media coverage.

Banks which are participating lenders in the ACORN Housing Corporation mortgage programs include Bank of America, BankBoston, CalFed, Chase, Citizens, Crestar, Firstar, First Union, Fleet, People's, and PNC. We have good relationships with all of these banks, and could invite them to participate in this event.

The ACORN Housing Corporation housing counseling program provides in-depth housing counseling for low and moderate income buyers and minority buyers. One of AHC's contributions to the mortgage lending world has been its development of mortgage underwriting standards which more accurately identify capable mortgage borrowers, based on a more accurate assessment of household income, savings, credit, employment histories, and debts. Combined with its housing counseling and community-based marketing and education programs, AHC has brought thousands of households into the homebuying process who would not have qualified under traditional lending programs - single parents, recent immigrants, lower income families, households buying in older urban neighborhoods, and buyers from protected classes who may face discriminatory practices.

<u>Attachments:</u>
CRA success stories from ACORN Housing Corporation

renewal issues in low-income neighborhoods, starting an inspiring revolution in long-distressed neighborhoods. Today, the Housing Credit has produced 1 million affordable homes and apartments, and jumpstarted revitalization in urban and rural communities nationwide.

***Possible Locations and Events:***

***Boston*** – The story of the rebirth of Egleston Square epitomizes the centrality of recreating safe and decent housing to longterm community renewal Led by a pioneering community development corporation – Urban Edge – Egleston square was transformed from a classic example of urban blight to what is today a thriving intersection on the border of Jamaica Plain and Roxbury. Key to the success of Urban Edge's strategy was the reclaiming and stabilizing of the local housing stock, in large part assisted through Housing Credit-financed rehabilitation and reconstruction. From that residential base, the local economy has rebounded, and major retailers and franchises now compete for space.

***Hartford*** – The city's Frog Hollow, Twin Acres and surrounding neighborhoods, which stretch from downtown to Trinity College on the south side, are in the midst of a remarkable transformation, led by a coalition of community development corporations – Sheldon Oak Central, Broad Park Development Corp. and Coopportunity – working in concert with the area's major institutional residents, including Hartford Hospital and Trinity. Again, a concentration of affordable housing development has served to recreate a local market and stimulate economic revival. Moreover, the involvement of Trinity, Hartford Hospital and others through the Southside Institutions Neighborhood Alliance (SINA) collaborative, speaks to the ability of the Housing Credit to foster public-private cooperation to advance community renewal.

***Newark*** – A quiet revolution is occuring on the west side of Newark's Central Ward, where two community development corporations – United Community Corporation and Corinthian Housing Corp. – have together built of rehabilitated some 400 homes and apartments and laid the foundation for the renewal of the city's most hardpressed neighborhood Together with the New Jersey Center for the Performing Arts and the new minor league baseball stadium, there is a new hope in Newark, and the city's CDCs, the two above along with New Community Corp., St. James CDC and others, are an essential part of the story.

***District of Columbia*** – On Washington's southeast side, Marshall Heights Community Development Organization has spearheaded a remarkable transformation. Comprising affordable housing, retail and office development, MHCDO has established itself as one of the country's leading CDCs, again ably assisted by use of the Housing Credit to create local stability and recreate economic activity and opportunity.

***Other Options*** – **Philadelphia** and the work of APM and Greater Germantown, where quality housing development has stimulated economic revival, including a new supermarket and other activity; **Richmond**, where Richmond Better Housing Coalition has worked to reclaim the city's Cary Street gateway with affordable housing renewal: and **Cleveland**, where the Cleveland Model has transformed the Mistake by the Lake into a compelling example of community-led development restoring pride and economic opportunity.

LISC Press Room

■ Resources ■ Contact Us

■ What's New ■ Who We Are ■ How We Work ■ Who We Serve ■ What We've Done

BACK TO PRESS ROOM

NEWS RELEASE

July 9, 1999

**CONTACT**

**For LISC:**
Mike Patterson
(212) 455-9849

# LISC Board Taps Michael Rubinger as New CEO

(**NEW YORK** - July 9, 1999) Michael Rubinger, a nationally-recognized leader in community-based development, was named today as the new President and CEO of the Local Initiatives Support Corporation (LISC), the nation's largest nonprofit supporter of grassroots community groups working to transform distressed urban and rural neighborhoods into healthy communities.

"After a national search covering more than six months and involving the intense scrutiny of hundreds of highly qualified candidates, the LISC Board of Directors was left with one inescapable conclusion: Michael Rubinger, above all, embodies the strong leadership skills as well as the intelligence, energy and vision needed to guide LISC into a new century," said LISC Chairman John P. Mascotte.

With over twenty years of experience in community revitalization, Rubinger, at age 53, becomes only the third president of LISC since its creation in 1979 by the Ford Foundation. He succeeds Paul S. Grogan, who left LISC in January after 13 years to become a vice president of Harvard University.

Rubinger will take over leadership of an organization that in two decades has grown from a handful of employees and a few million dollars in corporate and foundation grants to a major national nonprofit with over 500 employees, 42 program offices nationwide and $400 million in corporate assets. In all, LISC and its affiliates have raised more than $3 billion to support the work of resident-led community development corporations (CDCs).

CDCs are locally controlled nonprofit organizations that reinforce the economic and social foundation of neighborhoods, towns, and villages building their way out of years of disinvestment and decay. To support these grassroots groups, LISC serves as a conduit for public and private funds and provides financial and technical know-how.

Having served with LISC during its first ten years beginning in 1980 and more recently as executive vice president of the Pew Charitable Trusts, Rubinger rejoined LISC as its Chief Operating Officer in 1997. Earlier in his career, he served as Assistant Commissioner of New York City's Department of Employment and at the Ford Foundation, where he administered community development initiatives.

"Since his return, Michael has been a major force in helping LISC expand its role beyond housing to other areas equally vital to neighborhood revitalization, such as economic development, child care, employment training, education and community security programs," Mascotte said.

A native of Larchmont, New York, Rubinger earned a bachelor of arts degree in international relations from Brown University in 1967, and a master of arts degree in the same field at Tufts University's Fletcher School of Law and Diplomacy in 1968. He resides in Chappaqua, New York with his wife and their two sons.

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TOP

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**Leland C. Brendsel**
Chairman and Chief Executive Officer
Federal Home Mortgage Corporation
McLean, Virginia

**Gordon Chin**
Executive Director
Chinatown Resource Center
San Francisco, California

**John W. Creighton, Jr.**
President and Chief Executive Officer "Retired"
Weyerhaeuser Company
Tacoma, Washington

**Larry H. Dale**
Managing Director
Newman and Associates
Denver, Colorado

**Jacquelyn Dupont-Walker**
President
Ward Economic Development Corporation
Los Angeles, California

**Pamela P. Flaherty**
Senior VP & Director of Global Community Relations
Citicorp
New York, New York

**Emanuel V. Freeman**
President
Germantown Settlement
Philadelphia, Pennsylvania

**Frieda Garcia**
President
United South End Settlements
Boston, Massachusetts

**Jamie Gorelick**
Vice Chair
Fannie Mae
Washington, DC

**Paul S. Grogan**
President
Local Initiatives Support Corporation
New York, New York

**Thomas H. Jeffs, II**
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Detroit, Michigan

**Eugene A. Ludwig**
Vice Chairman
Bankers Trust Corporation
New York, New York

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Entergy Corporation
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**Otis Pitts, Jr.**
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Peninsula Developers, Inc.
Miami, Florida

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J.P. Morgan Securities, Inc.
New York, New York

**Hipolito Roldan**
President
Hispanic Housing Development Corporation
Chicago, Illinois

**Marc J. Shapiro**
Vice Chairman
Chase Manhattan Corp.
New York, New York

**David Stanley**
Chairman and Chief Executive Officer "Retired"
Payless Cashways, Inc.
Kansas City, Missouri

**Not Pictured:**

**Franklin A. Cole**
Chairman
Croesus Corporation
Chicago, Illinois

**Richard Maine**
President and General Partner
Landmark Partners, Inc.
Simsbury, Connecticut

BACK TO PRESS ROOM

NEWS RELEASE

January 28, 1999

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**NCDI:**
Reese Fayde
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# REJUVENATED HARLEM TOURED BY CORPORATE, FOUNDATION LEADERS

*National community development consortium views investments*

(**NEW YORK** -- January 28, 1999) Top corporate and foundation leaders saw first-hand the ongoing transformation of Harlem today when they toured the new homes, businesses and child care facilities generated by a unique consortium that is supporting the revitalization of America's inner cities.

The tour surveyed the new face of Harlem: a Pathmark store that will be the community's first full-service supermarket in a generation; a new optical store which provides residents with high-quality eye care; a program which enables low-and moderate-income residents to purchase homes; and an innovative playground which brings together children from three Head Start centers.

These initiatives are the work of three community development corporations (CDCs) -- Abyssinian Development Corporation, El Bario's Operation Fight Back Inc. and Manhattan Valley Development Corporation -- which are among 350 grassroots organizations that have utilized NCDI funding. CDCs in NCDI cities have produced more than 91,000 units of affordable housing and over 1.2 million square feet of commercial space since 1991.

The tour was part of the winter 1999 meeting of the National Community Development Initiative (NCDI), a $253 million partnership of corporations, foundations and the federal government working to rejuvenate more than 250 neighborhoods in 23 cities nationwide.

U.S. Department of Housing and Urban Development (HUD) Secretary Andrew Cuomo said: "HUD is helping to fund the National Community Development Initiative because we share its goals of revitalizing America's cities with new jobs, new businesses and more affordable housing. Our partnership is bringing new opportunities to people and places in need, and is strengthening our nation's economy."

Michael O'Keefe of the McKnight Foundation, and NCDI chair, said: "The broad array of initiatives we have seen in Harlem today is a primary example of what is needed to restore vibrancy to urban communities nationwide."

Carol J. Parry, executive vice president of Chase Manhattan Bank, an NCDI funder, said: "Harlem is rebounding. The years of investment by banks and others are now paying off as new, private capital is being attracted into the community. We and our NCDI partners look forward to continuing to play a key role."

NCDI works through the nation's leading community development support organizations -- the Local Initiatives Support Corporation (LISC), The Enterprise Foundation and the National Congress for Community Economic Development (NCCED) -- to provide its loans and grants to CDCs. They work with these neighborhood-based organizations, local foundations, banks, corporations and state and local governments to bolster the institutional growth of CDCs, support coordinated efforts of local partnerships, and attract resources and new funders to the field.

NCDI is a mechanism by which major corporations, foundations and the federal government invest in the revitalization of urban neighborhoods. The NCDI national partners are:

- Bankers Trust Company
- The Annie E. Casey Foundation
- Chase Manhattan Bank
- The Robert Wood Johnson Foundation
- W. K. Kellogg Foundation
- John S. and James L. Knight Foundation
- John D. and Catherine T. MacArthur Foundation
- The McKnight Foundation
- Metropolitan Life Insurance Company
- J.P. Morgan & Co., Incorporated
- NationsBank
- The Pew Charitable Trusts
- The Prudential Insurance Company of America
- The Rockefeller Foundation
- Surdna Foundation
- U.S. Department of Housing and Urban Development (HUD)

Three rounds of funding, in 1991, 1994 and 1997, provided NCDI with $253 million, of which 57 percent consists of low-interest loans, and the balance as grants. This core funding is expected to generate in excess of $2 billion in total funding for community revitalization when it is coupled with financial resources committed by more than 300 local partners.

For three decades, CDCs have struggled to renew their inner-city neighborhoods, which over time fell victim to private and public disinvestment. Through their successes, CDCs have proven enduring vehicles for rebuilding communities. By providing CDCs with financial and technical support, NDCI and its local partners give these organizations the resources to expand their revitalization initiatives.

NCDI cities are: Atlanta, Baltimore, Boston, Chicago, Cleveland, Columbus (OH), Dallas, Denver, Detroit, Indianapolis, Kansas

City, Los Angeles, Greater Miami, New York City, Newark, Philadelphia, Phoenix, Portland (OR), San Antonio, San Francisco Bay Area, Seattle, St. Paul and Washington, D.C.

###

TOP

Send us your feedback.

# Who We Serve

"The whole approach of LISC was years and years ahead of goverment, and what we have essentially tried to do is to get all of our government policies to follow the model that LISC was based on all along, and we thank you."

-President Clinton

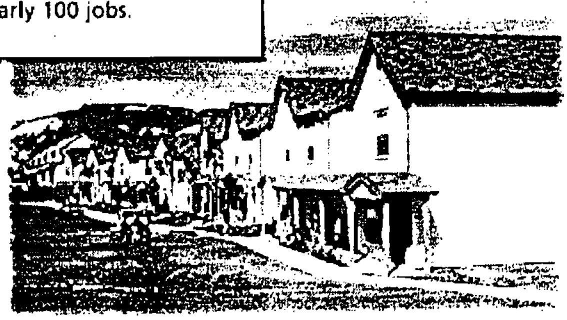
We work as a financial intermediary and as a community catalyst to help Community Development Corporations revitalize their neighborhoods.

The communities independently own and operate the revitalization efforts put forth by the CDC, while LISC works to develop an effective partnership of government, foundation and other nonprofit funding, and private developers to make these efforts possible.

LISC was started with a $10 million grant from The Ford Foundation and six Fortune 500 companies for the renovation of 100 neighborhoods. Today we are the largest and most successful intermediary in the business, and we are proud to say we have 41 (and growing) Program Areas that have helped CDCs refurbish neighborhoods and communities across the country.

**Promises Kept In child care**

In 1997, Rural LISC and the National Child Care Initiative joined the federal government and the Federal Home Loan Bank system in a $2 million project to build five Head Start/child-care centers serving 350 children and creating nearly 100 jobs.



**Program Areas:**

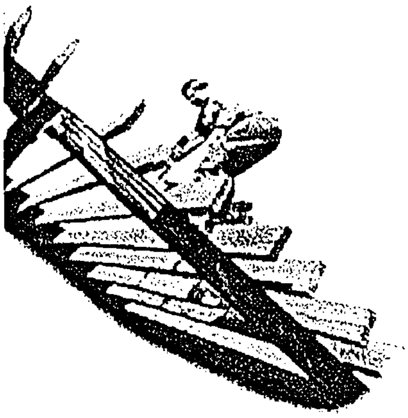
- Baton Rouge
- Boston
- Buffalo
- Chicago
- Cleveland
- Detroit
- Duluth
- Fairfield County, CT
- Hartford
- Houston
- Indiana Multi-City
- Northwest Indiana
- Indianapolis
- Kalamazoo
- Kansas City, KS
- Mid South Delta
- Milwaukee
- National Rural
- New Haven
- New Jersey Multi-City
- New Orleans
- New York City
- Newark
- Palm Beach County, FL
- Philadelphia
- Phoenix
- Puget Sound
- Rhode Island
- Richmond

- Kansas City, KS
- Kansas City, MO
- Las Vegas
- Greater Little Rock
- Los Angeles
- Greater Miami
- Michigan Multi-City
- Richmond
- San Diego
- San Francisco Bay Area
- Southwestern Pennsylvania
- Toledo
- Twin Cities, MN
- Washington, DC

[ TOP ]

# How We Work

LISC Affiliates
LISC National Programs
LISC Policy
What is a CDC?

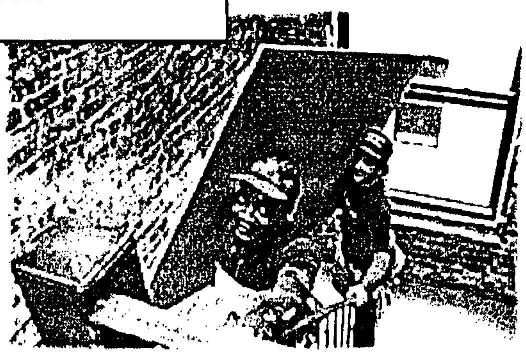


"Our successes with the Newark LISC program prove that partnerships between the community, government and corporate sectors are important tools in revitalizing neighborhoods."

- Christine Todd Whitman, New Jersey Governor


**Promises Kept in Washington DC**

When LISC began work in Washington DC in 1982, there were only three CDC's there; today there are 14.



[TOP]

LISC provides grants, loans and equity investments to CDCs for community or neighborhood redevelopment. When LISC begins a new program, National LISC matches any locally-raised funds and gives that much more to the community for renovation. The CDC then designates the funds to a variety of projects that will best suit the neighborhood, and the renovation begins.

Our donors understand the importance of financial resources, and the need to create additional programs that rebuild the whole community. That's why we've created three affiliates that supplement LISC's work by attracting additional private capital for CDCs:

**The National Equity Fund** qualifies investors for Low-Income Housing Tax Credit for purchasing equity in community-based housing developments.

**The Local Initiatives Managed Assets Corporation** is a national market for community development loans.

**The Retail Initiative** helps CDCs design large-scale retail developments that qualify for equity investments.

LISC's work touches all aspects of community development:

The **Community Security Initiative** helps communities form anti-crime partnerships with local police.

**The Community Building Initiative** enhances local efforts at building civic involvement and community cohesion.

**The National Child Care Initiative** develops community-based child-care programs.

**Jobs and Income** builds partnerships between CDCs and employment and training programs.

**The Organizational Development Initiative** is an in-house consulting team that helps CDCs manage and operate effeciently.

**Rural LISC** is a $302 million effort for rural CDCs in 38 states and Puerto Rico.

**LISC AmeriCorps** is a partnership with the Corporation for National Service, placing AmeriCorps members in challenging positions throughout the community development industry.

# What We've Done

**Success Stories**

"The need for community housing is a national need; it's a human need. And it ought to command the attention of our national leaders."

Frank Thomas, Past President
The Ford Foundation

**Promises Kept In Housing**

Since 1987, the National Equity Fund has invested in some 38,000 rental apartments in 120 cities and towns nationwide.

In 1979, The Ford Foundation recognized the need for community development funding for our nation's poverty-stricken neighborhoods. That recognition was the beginning of LISC, and the beginning of a steady progression of rebuilt neighborhoods, stronger communities and happier residents.

Since that time, LISC has expanded into 41 Program Areas throughout the country, supporting CDCs in some 70 rural regions and 100 inner city areas. We have raised to date $2.6 billion in donation, investment and below-market loan dollars, enabling CDCs to leverage more than $3.4 billion for community refurbishment.

The South Bronx, once a national symbol of inner city decay, is today hailed as a model of LISC work. This now economically thriving community is proof that these efforts are well worth the while. The list goes on: Ten thousand affordable homes in Chicago; 4,000 in greater Boston; 3,500 in Newark; 1,000 in Miami, 1,700 in Houston; 3,000 in the San Francisco Bay Area. These once-blighted neighborhoods today reap the benefits of a safe and secure community because they began with the hope of a better way, the vision to make a difference for themselves and the funding to carry it out.

LISC is about building more than buildings; it's building community spirit, self-respect and the pride of ownership. It's building neighborhoods with a true sense of community. And it's building the kind of partnerships that create communities; the kind of partnerships that last.

LISC is proud to be a part of the people who do more than talk about better days and safer neighborhoods, and proud to be a part of a promise made and kept to our nation's neighborhoods.

[ TOP ]

LISC RURAL

# Rural LISC Fact Sheet

CDCs - Partnerships - Supporters - Toolkit - Home Page

MISSION | DESCRIPTION | DATE ESTABLISHED | GEOGRAPHIC AREA | RESOURCE GOAL
PRODUCTION GOAL | GOVERNANCE | RESOURCES COMMITTED | PRODUCTION RESULTS
OTHER ACHIEVEMENTS | STAND UP FOR RURAL AMERICA CAMPAIGN ACTIVITIES
STAND UP FOR RURAL AMERICA CAMPAIGN OUTCOMES

**Our Mission:** To build the capacity of resident led rural community development corporations (CDCs), increase their production and impact, demonstrate the value of investing in and through rural CDCs and make the resource and policy environment more supportive of rural CDCs and their work.

**Description:** Over four years, Rural LISC pledged to: provide 68 competitively selected CDCs with training, technical and financial support; reach another 400 rural CDCs, plus funders and lenders, through its training and information network; and forge alliances among rural CDCs, funders, lenders and policy makers to build the support base for these CDCs.

**Date Established:** April, 1995 (participating CDCs selected August, 1995)

**Geographic Area:** 39 States and Puerto Rico

**Revised Resource Goal:** Secure $108 million over four years including: $39 million in grants and low cost loans; $59+ million in equity and bridge loan financing from LISC's affiliate National Equity Fund (NEF); and $10 million in loan purchases from the Local Initiatives Managed Assets Corporation (LIMAC), a second LISC affiliate.

**Production Goal:** 2,000 affordable houses and 250,000 square feet of commercial, industrial and community facilities.

**Governance:** A 24 member Rural LISC Advisory Committee composed of donor, lender and CDC representatives and other rural CDC supporters. Public members do not vote. (Rural Advisory Committee and Rural LISC's Staff)

**Resources Committed (9/15/99):**

- A total of $169.2 million secured, including:
- More than $45.8 million in grant and loan commitments mobilized from LISC and 26 other private and public partners;
- Nearly $119.6 million committed by NEF in equity and bridge loans; and
- $3.8 million in loan purchases made by LIMAC

**Production Results:**

- Participating CDCs are developing some 3,193 affordable homes, including 1,151 apartments with NEF assistance.
- Participating CDCs are developing some 648,792 square feet of essential facilities.

**Other achievements:**

- Technical assistance to 54 CDCs, involving some 128 developments financed by Rural LISC.
- More than $157.5 million invested in and through participating CDCs (exceeds four year investment goal by more than $57 million).
- More than $197 million leveraged in development financing.
- Investments include more than $6.8 million in capacity building grants, $2.01 million in project

related grants and recoverable grants, and $25.3 million in loans and loan guarantees.
- Sponsorship initiative to help CDCs secure new capacity building resources, resulting in over $4.45 million in matching funds raised by CDCs through 185 separate "Sponsorships."
- Eight national training Seminars for participating CDCs.
- Six Asset Management trainings for participating CDCs and other rural CDCs, plus twenty-four Regional Workshop trainings for a total of nearly 1,850 rural CDC leaders, private funders and lenders and government officials, including representatives from 504 other rural CDCs.
- Two groundbreaking public/private partnerships, one for homeownership, and one for child care facilities, involving 78 CDCs producing more than 1,000 homes and seven CDCs developing eight child care facilities.
- *Rural Developments*, the first newsletter dedicated to rural CDCs, circulation 12,000.
- Rural LISC web site.

**Stand Up for Rural America Campaign Activities:**

- Coordinating and staffing national coalition effort to help rural CDCs gain the resources and policy support their work deserves.
- Recruiting more than 780 Sponsor organizations from 49 states.
- Organizing Steering Committee of 33, chaired by Group Vice President, Federal Home Loan Bank of Atlanta, meeting monthly.
- Publishing and distributing first "Directory of Rural Community Developers," containing results from a comprehensive survey of 1,079 rural CDCs, plus lists and maps of survey respondents.
- Commissioning and distributing 24 minute Appalshop produced Video, "Rural Communities Creating Opportunity," and companion Photo Exhibit showing how rural CDCs impact peoples' lives.
- Organizing *National Stand Up for Rural America Day*, involving Premiere of Video and Photo Exhibit, plus Issues Forum, attended by a total of 600 funders, lenders, policy makers and rural CDCs.
- Supporting *State Stand Up Days* in CA, CO, IA, MD, ME, MO, MS, NE, NM, NY, OR and TX.
- Assisting and participating in Rural Funders Working Group under Council on Foundations Neighborhood Funders Affinity Group.
- Providing regular updates on funding opportunities and policy issues to 1,200 member Rural Community Developers Network.
- Advocating for additional private investment and funding for the Rural Community Development Initiative (RCDI) in USDA.

**Stand up for Rural America Campaign Outcomes:**

- $6 million allocated to Rural Community Development Initiative in House version of FY2000 Agriculture Appropriations Bill for nonprofit capacity building.
- The first Rural Funders Working Group started in the Council on Foundations.
- $10.3 billion in private investment initiatives for rural community development undertaken by Bank of America, Fannie Mae, Freddie Mac and LISC's National Equity Fund.
- A 1,200 member Rural Community Developers Network organized to serve and represent all rural community based developers.
- Congressional leaders restarting the Congressional Rural Caucus.

For further information about this Campaign, contact Grant Moser at: 1825 K Street, NW, Suite 1100, Washington, DC 20006; 202-739-9297; or email: gmoser@liscnet.org

[Back to Top] [Return to Home Page]

LISC RURAL

# Rural LISC Supporters

CDCs - Partnerships - Toolkit - Listserv - Home Page

We would like to acknowledge the generous contribution of our donors...

| | |
|---|---|
| Arizona Community Foundation | National Equity Fund, Inc. |
| Bank of America | MacArthur<br>The John D. and Catherine T. MacArthur Foundation |
| California Bank & Trust | The Meadows Foundation |
| FannieMae | Meyer Memorial Trust |
| FannieMae Foundation | NationsBank |
| Federal Home Loan Banks | The Pew Charitable Trusts |
| First Union | TCF National Bank Minnesota |
| Fleet<br>Ready When You Are | Corporation for National Service<br>AmeriCorps |
| FORD FOUNDATION | USDA<br>United States Department of Agriculture |

| | |
|---|---|
| Freddie Mac | hud |
| Key | U.S. Treasury Department |
| KF John S. and James L. Knight Foundation | Wachovia |
| W.K. Kellogg Foundation | Washington Mutual |
| LISC | Wells Fargo |

"...Through our grant to LISC, we're confident that community organizations will acquire the skills, resources and vision they need to expand and prosper."
– William Richardson, President and Chief Executive Officer, W.K. Kellogg Foundation

"...Particularly in rural areas...an intermediary like LISC brings financial strength and technical expertise in both housing and economic development...to new or growing organizations. LISC can expedite the learning curve for a rural CDC and make funders feel comfortable that the groups are being supported by someone who knows the ropes."
– Jane Henderson, Senior Vice President, Community Reinvestment, First Union Corporation

[Back to Top] [Return to Home Page]

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LISC RURAL

Rural LISC Partnerships

CDCs - Supporters - Toolkit - Listserv - Home Page

# Facts about our Partnerships

## Rural Home Loan Partnership:

- Serves homebuyers earning up to 80% of median income.
- Involves U.S. Department of Agriculture Rural Housing Services (RHS), the Federal Housing Finance Board (FHFB), the Federal Home Loan Banks (FHLBs), member banks, community development corporations (CDCs), and Rural LISC, plus the Housing Assistance Council (HAC) and the Rural Community Assistance Corporation (RCAC).
- CDCs develop homes and identify and counsel homebuyers.
- Banks make first mortgages using FHLB Community Investment Program (CIP) monies or other long term fixed rate products. RHS makes 502 leveraged loans. Intermediaries, e.g., Rural LISC, provide training, technical assistance and predevelopment capital.
- In the fourth funding year, it has grown from 9 CDCs in 9 states developing 37 homes to 78 CDCs in 35 states projected to develop 633 homes in FY 99.
- As of 8/19/99, total bank investments exceed $17.6 million. Total invested by RHS is $44 million.
- Total homes produced to date amount to 925. Total projected by end of fourth year is 1,126.

## Head Start/Childcare Collaborative:

- Serves seven communities lacking adequate childcare in Arkansas, Kansas, Maryland, Montana and Wisconsin, providing flexible all-day care.
- Involves the same key funding partners as RHLP and Head Start Bureau of the U.S. Department of Health and Human Services (HHS).
- CDCs are developing new facilities, serving 358 Head Start eligible and other children.
- HHS invests grant equity. Banks make first mortgages, some using FHLB CIP monies. RHS guarantees these loans, and leverages them with direct loans using Community Facilities Program resources.
- Rural LISC coordinates a single application process, and provides CDCs with technical assistance, project development funds and site acquisition and construction loans.
- Is creating more than 130 jobs.

[Back to Top] [Return to Home Page]

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# MEMORANDUM

DATE: August 30, 1999

TO: Stephanie Mathews-O'Keefe

FROM: Tom Warnke

RE: Possibilities for the 1 million home march

CC: Gordon Walek, Sara Brazeal

Stephanie,

For purposes of this memo, I am assuming we are not looking for the 1 millionth home, but rather for a completed development that shows best what Housing Credit investment can do in terrms of promoting complete community renewal. In that vein, I am not sure the Gabriel's Green deal in Cleveland is our best hit, but will include it herein nonetheless. Of course, the best stuff in terms of comprehensive development is in New York City, but perhaps that is getting a little old. Anyway, I am not going to discuss New York, because the options are many and well known.. Below are some thoughts on other sites that might work.

*Event:*

✓ US Treasury Secretary Lawrence Summers will celebrate the completion of 1 million homes for low and moderate income Americans made possible by the federal Low Income Housing Tax Credit, an innovative financing tool that has become the primary generator of affordable housing since it was enacted in 1986 Secretary Summers will travel to a Housing Credit site and underscore how affordable housing development has served as the foundation for comprehensive renewal in neighborhoods across the country long thought beyond repair and beyond hope.

*Message:*

➢ For many Americans, the key obstacle to becoming productive members of society has been the daily struggle to put a roof overhead and food on the table However, a key federal incentive – the Low Income Housing Tax Credit – has worked for almost 15 years to ease the housing burden by encouraging private investment in affordable housing development And, as housing has become more available, residents increasingly are able to focus on broader community renewal issues in low-income neighborhoods, starting an inspiring revolution in long-distressed neighborhoods. Today, the Housing Credit has produced 1 million affordable homes and apartments, and jumpstarted revitalization in urban and rural communities nationwide.

***Possible Locations and Events:***

***Boston*** – The story of the rebirth of Egleston Square epitomizes the centrality of recreating safe and decent housing to longterm community renewal Led by a pioneering community development corporation – Urban Edge – Egleston square was transformed from a classic example of urban blight to what is today a thriving intersection on the border of Jamaica Plain and Roxbury. Key to the success of Urban Edge's strategy was the reclaiming and stabilizing of the local housing stock, in large part assisted through Housing Credit-financed rehabilitation and reconstruction. From that residential base, the local economy has rebounded, and major retailers and franchises now compete for space.

***Hartford*** – The city's Frog Hollow, Twin Acres and surrounding neighborhoods, which stretch from downtown to Trinity College on the south side, are in the midst of a remarkable transformation, led by a coalition of community development corporations – Sheldon Oak Central, Broad Park Development Corp. and Coopportunity – working in concert with the area's major institutional residents, including Hartford Hospital and Trinity. Again, a concentration of affordable housing development has served to recreate a local market and stimulate economic revival. Moreover, the involvement of Trinity, Hartford Hospital and others through the Southside Institutions Neighborhood Alliance (SINA) collaborative, speaks to the ability of the Housing Credit to foster public-private cooperation to advance community renewal.

***Newark*** – A quiet revolution is occuring on the west side of Newark's Central Ward, where two community development corporations – United Community Corporation and Corinthian Housing Corp. – have together built of rehabilitated some 400 homes and apartments and laid the foundation for the renewal of the city's most hardpressed neighborhood Together with the New Jersey Center for the Performing Arts and the new minor league baseball stadium, there is a new hope in Newark, and the city's CDCs, the two above along with New Community Corp., St. James CDC and others, are an essential part of the story.

***District of Columbia*** – On Washington's southeast side, Marshall Heights Community Development Organization has spearheaded a remarkable transformation. Comprising affordable housing, retail and office development, MHCDO has established itself as one of the country's leading CDCs, again ably assisted by use of the Housing Credit to create local stability and recreate economic activity and opportunity.

***Other Options*** – Philadelphia and the work of APM and Greater Germantown, where quality housing development has stimulated economic revival, including a new supermarket and other activity; **Richmond**, where Richmond Better Housing Coalition has worked to reclaim the city's Cary Street gateway with affordable housing renewal; and **Cleveland**, where the Cleveland Model has transformed the Mistake by the Lake into a compelling example of community-led development restoring pride and economic opportunity.

# MEMORANDUM

**DATE:** May 19, 1999

**TO:** Michael Barr and Lisa Green

**FROM:** Stephanie O'Keefe

**RE:** New Markets Tax Credit Event Locations

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As we discussed, I have prepared a list of potential sites for the President to visit to promote his New Markets Agenda. They are urban and rural, and have been undertaken by community development corporations, with the exception of the West Virginia example. The projects provide an excellent visual and compelling stories that communicate the success that distress communities can enjoy with access to capital. Each community has a number of articulate individuals that can tell their stories.

**RURAL EXAMPLES:**

***Quittman County Development Organization (QCDO) Marks, MS***

- Located in a federal Rural Enterprise Community, QCDO's major accomplishment is the formation of a federally chartered community development credit union. Currently, this 13 year-old credit union has over 4,000 members and $1 million in assets.
- QCDO's credit union has made more than $2 million in loans for home purchases and improvements, automobiles, other consumer items, and small business loans.
- Fly to Memphis, probably two hours to site.

***Kentucky Highlands Investment Corporation (KHCDC) London, KY***

- Business and Economic Development is the heart of KHIC's mission. KHIC has invested $57 million in 130 enterprises, resulting in $400 million in salaries, more than $1 billion in goods and services, the creation of over 2,000 new jobs from 1995-98 resulting in a vast reduction in unemployment.
- KHIC administers a federal Rural Empowerment Zone program.
- Fly to Lexington, approximately two hours to site.

***Coastal Enterprises, INC (CEI). Wiscasset, ME***

- CEI has created or sustained over 5,000 jobs, provided business counseling and technical assistance to over 6,000 fledgling enterprises and participated in $100 million of financing for 500 ventures.

- CEI launched a solicitation of its $5 million CEI Ventures, a Maine limited partnership. This venture capital investment vehicle will be Maine's first "social investment" fund

### *NGK Sparkplug Plant, Pocatalico, West Virginia*

- This is not a community development story.
- This factory employs 500-600 people in a high unemployment area.
- The Japanese took a chance putting it here, and are extremely happy with the result.
- NGK 's success helped get Toyota to West Virginia.
- This is Rockefeller's project, and he has offered to introduce the Tax Credit Legislation in the Senate.
- Fly to Huntington and one hour to site.

## URBAN EXAMPLES

### *Abyssinian CDC, Harlem, New York*

- Last month, the long-awaited Harlem Pathmark supermarket opened its doors. The 50,000 square-foot, full-service facility has generated 250 permanent and part-time jobs, 75 percent of which are held by Harlem residents. A full service Chase Bank branch is inside the Pathmark. It is in the Empowerment Zone, along with a new Sterling Optical and Starbucks.
- The visual is spectacular.
- The Abyssinian CDC has used nearly every urban program the Administration has promoted with much success.
- It is in Rangel's CD
- The only problem is recent coverage of the supermarket.

### *Asociacion de Puetorriquenos en Marcha (APM), Philadelphia, PA*

- Borinquen Plaza, comprised of a 44,000 square foot Thriftway Supermarket at 5th and Berks Streets in North Philadelphia, is sponsored by APM, one of Philadelphia's leading nonprofit neighborhood-based developers.
- This full-service store has created 175 new jobs, 85 percent of which are held by community residents.
- It is in the Zone.
- Another great visual, in one of the most devastated neighborhoods in the country.

### *Greater Dwight Development Corporation (GDDC), New Haven, CT*

- Dwight Place, a 78,000 square foot shopping center at the corner of Whalley Avenue and Orchard Street, is sponsored by Greater Dwight Development Corporation (GDDC) and includes a 56,000 square foot Shaw's Supermarket, a BankBoston branch office and a Hollywood Video.
- This full-service supermarket project was a collaboration effort with Yale University, and it has provided substantial employment opportunities. There had been no supermarket in the corporate limits of New Haven in 17 years.
- It is in the Enterprise Community.
- It also looks great, with substantial additional retail development around it.

### *Community Development Corporation of Kansas City (CDC of KC) Kansas City, MO*

- Community Development Corporation of Kansas City works in an area where $154 million in development activity has occurred, $46 million developed by CDC of KC alone
- The Linwood Shopping Center, located in the Empowerment Zone, is a two-phase project with phase one, an 80,000 sq. ft center costing $5.5 million, consisting of a Hallmark Cards Store, Osco and Walgreen's Drug Stores among others. Phase two, Linwood Square Shopping Center, is a 58,500 sq.

ft development costing $6.5 million, and will house a clothing and video store among other retail shops

### *Renaissance Cooperative Houston, TX*

- The Renaissance Cooperative is a consortium of community development corporations, working in the expanded Empowerment Zone, brought together to help make Houston's Third Ward a better place to live. The consortium consists of the Neighborhood Recovery CDC, and the MacGregor Area CDC
- The Renaissance Shopping Center is a 72,084-sq. ft development with a 24,500-sq. ft. H.E.B. supermarket as its anchor tenant. The total development cost of the project was $4.7 million.

### *South East Effective Development (SEED) Seattle, WA*

- South East Effective Development, established in 1975, is responsible for more than $40 million in re-development activity in the Rainer Valley neighborhood of southeast Seattle. SEED operates economic development, housing, arts, youth employment and training programs.
- Rainer Valley Square is an 110,00-sq. ft. supermarket anchored shopping center completed in 1994. The total development cost of the project was $12 million and it houses a Drug Emporium drug store, Starbucks coffee store, and a video store SEED is in the process of completing the acquisition of 12 cares of land adjacent to Rainer Valley Square to develop a phase two of the project.

We also have worked with CDCs on supermarkets in Jamaica Plain, in Boston and Cleveland. I couldn't reach our program folks to get more information, but can follow up with them on Monday.

Finally, I am sure you are looking at Crenshaw, in LA. There is CDC involvement in that development, although I do not have the details. I can get information from our program folks there if you need it as well.

Let me know if you need any more information.