THE IMPORTANCE OF UNIVERSITY-COMMUNITY PARTNERSHIPS: THE SUSTAINABLE URBAN NEIGHBORHOODS PROGRAM, 1997-1998

By

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ABSTRACT:

Traditional town and gown partnerships are growing beyond the bureaucratic liaisons which used to define them. Today the successful approach to inner-city revitalization involves not only the expertise which university faculty and staff have to offer but the expertise and connections supplied by governmental officials and agencies and, most importantly, the organizational skills, manpower, and energetic self-interest supplied by local grassroots efforts. A coordinating body is one way of making certain that all these disparate groups and individuals come together in a timely, rational, and appropriate manner. The Sustainable Urban Neighborhoods Program, based at the Urban Studies Institute, a part of the College of Business and Public Administration of the University of Louisville, is a coordinating body which has procured much necessary funding and combined it with additional funding sources and community-wide expertise to make a successful revitalization effort. This is a report on one year of SUN's efforts.

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Introduction

The Louisville Enterprise Community is the most economically disadvantaged area of the city and ranks as one of the most impoverished inner-city communities in the United States. Plagued by economic disinvestment, physical blight, and crime, the neighborhoods of the Enterprise Community have rapidly declined because of the lack of financial, personal, and social resources. To help end this decline and revitalize the Enterprise Community, the University of Louisville in partnership with several grassroots and community partners has mounted an aggressive campaign of leadership and active participation in the neighborhood and the surrounding community. The University has recently been awarded a grant by the Department of Housing and Urban Development to establish the community Outreach Partnership Center which will be comprised of relationships between the University, community development corporations, and local agencies, focusing on four functional categories: housing, economic development, community organizing, and neighborhood revitalization.

The University has a successful track record of participation with community partnerships. There have been a few less-than-successful ventures along the way but every activity has provided the University and its faculty, staff, and students, community agencies, local governmental and non-governmental agencies, and neighborhood economic development groups with a wide variety of important information that can be directly applied to future endeavors. What follows is a brief description of one of the University-sponsored programs which has provided valuable information and leadership to the community and from which the community, as well as the University, has profited greatly.

SUSTAINABLE URBAN NEIGHBORHOODS

The University of Louisville Sustainable Urban Neighborhoods, SUN, is a project, partially funded by the U. S. Department of Education and, most recently the U. S. Department of Housing and Urban Development (COPC) whose funds are, in turn, partially matched by local churches, non-profits, industries and businesses, local foundations, and community groups. SUN's goal is to operationalize the concept of public-private partnership in order to succeed in urban renovation and rehabilitation where many others have failed. As Marilyn Melkonian, President of Telesis Corp., has observed, its vision goes " beyond just the physical improvements of the bricks and mortar". Through outreach-oriented partnerships with community development organizations, business firms, government agencies, community groups, and universities, SUN promotes human and economic development in the impoverished neighborhoods of West Louisville, with a resulting impact on the entire city. SUN's efforts to save one of Louisville's historic African-American Neighborhoods from foreclosure and eventual demolition has been a comprehensive effort towards multifaceted growth achieved through revitalization as well as rebuilding. Louisville's 'West End' (the Russell neighborhood, in particular) was a familiar portrait of inner-city American poverty, unemployment, crime and despair. The SUN effort has challenged itself, the university, individual influential people in the city, the city itself, and the residents of the neighborhood to revitalize and rebuild their neighborhoods through practical, multi-dimensional efforts.

The SUN Directive

The mission of SUN is to explore all strategies which foster the sense of community while empowering individuals in the community and promoting neighborhood revitalization and individual self-sufficiency and self-reliance, achieved through community partnerships. University of Louisville President John Shumaker remarked in 1996 that "SUN through its sheer tenacity helped turn an eyesore of blocks and blocks of boarded-up buildings into a development that the entire city can be proud of."

The SUN project focuses on five areas of involvement: human development, economic development, home ownership, general contracting, and crime prevention with measured success in all of its programs. SUN encourages national banks' involvement in community and economic development activities to fulfill the goal of ensuring access to credit. To accomplish this goal, SUN provides policy guidance on community and economic development issues to national banks. It provides training in community development for examiners, performs research on timely topics related to community and economic development, and establishes community development projects. SUN also serves as an outreach resource for banks and their community development partners, and provides technical assistance to organizers of community development financial institutions.

As part of its comprehensive approach, SUN provides oversight, monitoring, and technical assistance to the partners' network of programs, providing advocacy for low-income West Louisville residents and working closely with elected and appointed officials on budgetary and policy issues affecting the neighborhood community. Revitalization of old urban neighborhoods is crucial to preserving Louisville's cultural heritage and helping Louisville to remain a beautiful city in which to live and work. Strengthening the existing neighborhoods helps prevent sprawl, safeguard green spaces, and create healthier environments while consuming fewer resources. SUN offers assistance to housing developers and small business owners in locally designated revitalization areas, stimulates community revitalization activities that protect and enhance historic resources, and maintains and improves existing residential and commercial structures. SUN and its partners support initiatives to revitalize these neighborhoods through programs such as redevelopment assistance, business training for individuals, education, and community crime prevention as well as identifying, studying, evaluating, preserving, and protecting significant historic sites, structures, cultural landscapes, and cultural artifacts of Louisville's West End as well as less tangible human and community traditions.

SUN's successful programs illustrate the differences which university and community, public and private partnerships can have on target areas. Five areas of concentration have produced notable results. These results, significant though they may be for the local neighborhoods, are also significant examples of tools which are available to cities throughout the nation which struggle with similar problems. The decision-making processes which have developed and which are being utilized are critical tools to successful urban rehabilitation. SUN celebrates the successes and learns from the mistakes as the following synopses of the target goals illustrate.

(1) HUMAN DEVELOPMENT

Service Learning Program

The Service Learning Program is an illustration of an integrated partnership between university faculty, students, and university staff, community partners, and residents. SUN provides service-learning opportunities for University of Louisville students volunteering to work in the Enterprise Community. Students from the School of Education provide tutoring and instructional assistance for elementary and high school students. Used computers are made available to students in the community through a SUN program which encourages skills' enhancement and educational opportunities.

Evaluation tracking and information or referral services are conducted by social work students from Jefferson Community College and the University of Louisville Kent School of Social Work. It is an open door for information and involvement in the research and learning process. The Service Learning Program encourages professors to incorporate hours of service learning or service-for-paper in the course curriculum, giving students the option to explore hands-on application of course concepts. It encourages non-profit community partners to hire students as assistants in various projects, or as tutors and mentors for children with different needs. The Service Learning Program maintains a web site to advertise to current students and to attract potential students to the

University of Louisville. The results of the program show a high number of volunteer hours served in West Louisville and its web site has an increasing number of visitors per day.

Community Outreach Program

The Louisville Central Community Center (LCCC) in cooperation with SUN provides community outreach worker services to Russell Neighborhood residents. Bonnie Doan and Wes Matthews provide information about financial assistance (primarily for utilities or eviction prevention), do intake evaluation and make calls, send letters and faxes and solicit funds for clients, make follow-up calls to clients with information on job openings or upcoming events or programs which may benefit the clients, refer extreme cases to other service providers within LCCC and in the community at large, and otherwise provide an ear to neighborhood residents who need advice or someone who will listen to their concerns with no strings attached. Since July of 1997, they have made 1564 referrals, with 140 new families served and 365 persons served.

Empowernet Computer Program

The Empowernet Computer Program, in partnership with Innovative Productivity, Inc., Louisville Community Development Corporation (LCDC) and Telesis Corporation, creates and produces intensive computer training courses and distributes a significant number of recycled computers - 223 computers since December 16, 1997, according to

Julius Berthold, CFO of Innovative Productivity, Inc. Three non-profits host space for computer centers and another three are on the drawing board. The Outreach Computer Recycling Training Program was established to provide computer training to qualified organizations and individuals who have limited access to computing technologies. SUN's main concern is to inform the residents and the organizations in the communities about this program and to provide tutors or instructors for computer development skills courses. The large numbers of computers donated as well as the number of people that show interest in this program has resulted in a widening of the range of skills taught during the sessions. The sessions cover basics of the most widely used computer applications, giving the students the opportunity to build upon these skills in the future. Students receive hands-on training in operating terms and practices, assembly of a personal computer and components, using computer operating systems, and an introduction to word processing and games. Upon completion of the computer class students receive a computer from the stock of recycled computers. The computernet program is well implemented and its success is continually increasing.

(2) ECONOMIC DEVELOPMENT

Entrepreneurship Program

The Entrepreneurship Program is a program offered in two hours sessions held on Saturdays. The instructor for this program is Dr. Bruce Kemelgor, Ph.D., from the

University of Louisville, College of Business and Public Administration. This program encourages business ownership by training prospective entrepreneurs.

The aims of the program are: to develop participants' knowledge and understanding of business theory and practice and their application to a variety of situations; to develop participants knowledge and understanding of the public policy context in which community activities take place; to provide an opportunity for participants to reflect on and share with others their practice as business owners in order to improve their skills and understanding; and, to learn to build relationships with potential partners and clients. In addition, the program aims to encourage serious and sustained study in subjects which are relevant to participants' on-going work with community groups; encourages participants to consider and develop alternative strategies in relation to community; and, promotes a culture of learning in which participants are encouraged to move on to further study.

The primary features of the course are to learn how to establish their own businesses, how to develop a business plan, how to manage accounts, and how to become a successful entrepreneur. The quality of the course resides in the development of participants' understanding of business issues, as well as introducing them to networking relationships within the business community. It has been a successful introductory business skills courses for two years and attendees continually ask about other opportunities for business training and qualifications.

Once entrepreneurship and small business training is completed, SUN assists financing efforts by helping to procure individual micro-loans. The main goals of this program are to encourage small business growth, to develop business and non-profit development incubator to nurture fledgling entrepreneurs, to offer training to help minority contractors acquire the business skills necessary to compete successfully in bidding and completing contractual obligations, and to provide technical assistance to small business owners and non-profit development groups.

Business Plus Training Program

The Business Plus training program which is coordinated by LCCC trains individuals in best business practices and provides technical assistance in business planning and development to micro-entrepreneurs. Aimed at the smallest of the small business sector - the home-based caterer, part-time word processor, child care provider, contractor or seamstress - the target community for Business Plus resembles the Grameen Bank's loan recipients in that they are predominantly racial, class and/or gender minorities disenfranchised from traditional sources of capital and/or training and technical assistance. By definition, a Business Plus micro-enterprise is owner-operated, employing 12 employees or less, generating annual sales under $300,000 with little or no outside financing. These micro-enterprises provide critical paths to upward mobility and, in some cases, offer one of the few alternatives to individuals trapped in poverty or low-wage jobs.

Since 1996, Business Plus has enabled 37 to attain micro-business loans, assisted in enabling 11 new business start-ups, and provided information and counseling to help with 22 business expansions. Without the assistance and information provided through Business Plus, Raylene and Jeff Browne may not have been able to open their own turnkey business and Karen and Larry Thompson may not have gained the expertise they needed to expand their small business. In 1996 and 1997, over 180 people sought business training through the Business Plus Institute representing seventy existing businesses, forty-nine start-up businesses, and over 130 management trainees. The fifty-four loans total in excess of $641,000 dollars with a loan repayment record over five percentage points higher than the national average. This micro-enterprise program illustrates that much can be achieved with an interactive team of agencies, non-profits, volunteers, university affiliates, and neighborhood residents.

Women and Minority Contractor Training Program

Local general and sub contractors within minorities in construction trades perceived a necessity for the Women and Minority Contractor Training Program which was instituted in 1996 and is coordinated by SUN and the Neighborhood Development Corporation (NDC). The WMCT Program concentrates on the business aspects of contracting and is open for enrollment for individuals who are either already working as contractors or who desire to start their own contracting firms. Its goal is to provide more opportunities for women and minorities for careers in the construction trades as general or sub-contractors. SUN staff in partnership with business and community leaders provides technical assistance to course attendees. The outcome of this initiative is promising. Classes, both enjoyable and instructive, general and specific, are eighteen weeks in duration, an increase from fourteen initially. There are already thirty-six graduates. Due to lack of space and the need to keep the classes small another 25 people have been placed on a waiting list. As an added incentive, most of the graduates have achieved substantial success in their professional endeavors. For example, Timothy Paul, owner of C&J Excavating, has expanded his business to include contracting and is certified as a minority business at the federal level and Susan Katz is expanding her real estate office to include the rehabilitation of structures for sale.

Other graduates, while not directly beginning businesses are working toward goals developed through WMCTP: Kristen Brennan is pursuing an architectural degree in anticipation of opening a design/build firm for historic preservation and Janice Johnson has brushed up on details helping her company in purchasing and renovating investment properties while Warren Starks and Lonnie Holman are taking their contractors' Masters Exams.

Workshops and Seminars

SUN co-sponsored a lecture series with the Kentucky Institute for Environmental and Sustainable Development. It featured Marilyn Melkonian, President of Telesis Corporation who was the developer of the $35 million city-view park, which anticipates providing 500 housing units to the targeted group.

SUN has co-sponsored many workshops throughout the city and in target neighborhoods particularly. For instance, a workshop entitled "Challenges and Opportunities: How to Preserve Federally Assisted Housing in Your Community" was co-sponsored with the US Department of Housing and Urban Development. Several grant-writing workshops have been sponsored which seek to underscore SUN's goal of empowering neighborhood non-profit organizations to seek and obtain their own grants to accomplish their myriad goals creating a more vibrant and less singularly dependent community.

SUN co-sponsored with the Canaan Community Development Corporation (CCDC) a Grant Writing Workshop on March 5th and 6th 1998, at the Canaan Missionary Baptist Church in Louisville, KY. The major emphasis of this workshop was to empower the participants to be able to seek out and obtain grants to support their changing community and neighborhood needs without constant reliance on single institutions. SUN focuses on capacity building and technical assistance for non-profits, for instance with the Louisville Central Development Corporation and the Neighborhood Development Corporation, and provides secondary assistance to STEDCO and the Canaan Community Development Corporation and illustrates the role that the urban university plays in their development. The Grant Writing Workshops are a highly visible and practical way in which SUN can immediately provide assistance to others leaders in the community to further the goals of smaller, very important non-profit organizations which seek to provide those services which often are not provided by larger organizations, both governmental and non-profit. The workshop's practical goals were to help attendees to learn

- The ABC's of grant writing,
- How to write a budget for a grant proposal,
- How to use Census data,
- Identification of potential funding sources, and
- How to develop a non profit 501 c(3).

There were 106 participants representing non-profit organizations, church-based organizations, small-scale business entrepreneurs, and state, city and county government representatives. Resource persons included the Rev. Bobby Huguley, Canaan Baptist Church; Dr. John Gilderbloom, University of Louisville; Ms. Mary Morrow, Louisville Community Development Bank; Anna Mae Tobbe, University of Louisville Research Administration; Sam Watkins, Jr., Louisville Central Community Centers, Inc., Ron Crouch, University of Louisville, Kentucky State Data Center; Jeff Segal, Legal Aid Society; and Russ Barnett, Executive Director of KIESD, among others.

The workshop was concluded with a mock grant writing group exercise. The feedback from the participants of the workshop elicited from evaluation completed by participants, indicated that the grant writing workshop provided a good exposure and hands on experience, in grant writing skills. Their evaluation report highlighted learning how to use data to increase the empirical stability of the proposal, the legal aspects and the mock grant writing exercise as the most satisfactory aspects of the workshop. The discussion following the exercise was among the most spirited and enlightening parts of the workshop.

(3) HOME OWNERSHIP and PLANNING PROGRAMS

The Home-Ownership Programs provide assistance to help developers build and rehabilitate structures within the inner city in order to increase home-ownership opportunities for the low-income families. An increased rate of home-ownership is the main goal of the program, which has the residual effect of increasing interest in community life and the environment. Another element is helping non-profit groups and minority construction firms, by providing financial guidance, home-ownership training, home-ownership fairs, mediation of landlord-tenant disputes and provides housing design assistance.

The outcomes of these programs are impressive. They have highly improved the availability, affordability and quality of housing in the Russell Neighborhood and surrounding Enterprise Communities. Operated by SUN and its partners in conjunction with local banks, these programs focus on foreclosure prevention by providing ownership counseling and education to first-time home-buyers that help them understand property and tenant management issues. The courses offered emphasize the advantages of home-ownership, introduce the language of real estate, teach how to clean up credit problems, and help residents gain the keys to securing a home loan among many other topics.

In close partnership with the Neighborhood Development Corporation, SUN identifies two housing priorities as being the increased home-ownership opportunities for extremely low-income households and the preservation of the current housing stock through the creation of new housing in various manners. Some involve the acquiring of vacant decayed buildings, rehabilitating them, and reselling them. In-fill housing is created resulting in new housing units on vacant, city-owned land. Infrastructure improvements, including sewers, sidewalks, and streets; public services, including: social services for the elderly, crime awareness programs, and social, educational, and recreational programs for youth are all part of the total package of goals in increasing housing supply and affordability.

The availability of affordable housing helps make West End area an economically and culturally viable place for people to live and work. SUN and its partners strive to make affordable housing accessible to and obtainable by persons with special needs. These groups include low- and moderate-income families. To help meet the needs of targeted populations, SUN and its partners in conjunction with national banks assists private developers, nonprofit organizations, and local governments who provide and expand affordable housing opportunities for Louisville's citizens. Assistance takes the form of loans, grants, and tax credits to developers for rental housing construction; technical assistance for organizations, nonprofit groups, and local governments for infrastructure and housing rehabilitation; and technical assistance to local governments as they plan and undertake projects in the community.

The **Community Design and Planning Program** focuses on cooperation with neighborhood leaders and generating a shared community and neighborhood vision through 'bottom-up' participation by at least fifty residents. A master plan and detailed site development plans for housing, commercial, recreational, and light industrial uses are used as a guide for development efforts. The quality of the plan rests in the feasibility of its implementation. SUN pays close attention to the extent to which the plan guidelines adhere to zoning codes to protect the historical and cultural characteristics of the area as well as its livability..

SUN provides direct assistance to the neighborhoods and its individuals and institutions through community design work on areas such as architectural services, interfacing with regulators, and helping developers adhere to the Urban Renewal Commission's rules and regulations governing housing development in an urban renewal area. SUN also provides technical assistance ranging from resurveying lots, redesigning houses, creating design plans and providing site visits to oversee construction to non-profit developers, with the objective of improving the availability, affordability and quality of housing in the Russell Neighborhood and surrounding enterprise communities.

Some results of these endeavors are illustrated below by the actual number of units which have been already completed and are ready for sale and occupancy within the target neighborhood but do not include those which have already been designed, planned, and included in neighborhood revitalization goals but have not yet been constructed:

TABLE 1

Organization	1996	1997
CCDC	5 Units	3 Units
NDC	3 Units	15 Units
LCDC	9 Units	14 Units
NHS	8 Units	8 Units
STEDCO	5 Units	8 Units

Dr. John I. Gilderbloom provides consultant services to LCDC and CCDC. Architect Mark T. Wright works with LCDC providing technical and design assistance and

Architect Michael Brazely provides technical assistance to CCDC. SUN provides technical assistance to developers and builders in addressing the provisions of the Americans with Disabilities Act.

As an outreach program, University of Louisville's SUN program joined University of Kentucky's Downtown Design Center to assist the Louisville Community Development Corporation in conducting a series of community history and design workshops from April 11-19, 1997. This 'charrette' engaged individuals from throughout the community, the University and local professionals in a collaborative urban design process. Students, faculty, design professionals and other volunteers collected information about the neighborhood's vibrant past through interviews, newspaper articles, books and photographs. The practical application of their research was in planning for the renovation of an inactive shopping Mall, documentation of drawings of old depleted housing stock and existing dilapidated or unrecognizably altered historic houses and house types, interior design change of the CCDC auditorium into a multi-purpose auditorium. In addition, they developed a series of proposals for revitalization of both residential and commercial property (private and public) bounded by 18th Street, Market Street, Muhammad Ali Blvd. and 28th Street. Opportunities for students to apply classroom activities to urban projects and for residents to voice their opinions about the future of their community are offered and strongly encouraged.

Affordable Housing Fair

Affordable Housing Fairs are one way in which several entities in the neighborhoods can get together an present a united program to residents aimed at helping them secure affordable and sustainable housing. Following on the heels of the highly successful 1997 Fair, the 1998 Affordable Housing Fair was held on June 13 at the Canaan Family Life Center, a co-sponsored program of SUN, the Neighborhood Development Corporation, and the Canaan Community Development Corp. There were 26 booth holders representing area lenders, realtors, developers and other housing related groups. There were two bus tours held to affordable housing sites, with seven stops at houses for sale. A copy of the handout was given to all fair participants and educational seminars were offered. Approximately 300 potential homeowners attended the fair. A prize of $3000 to be used as a down-payment or closing costs on a house was won by Joyce Bridgewater and will be held by the Louisville Community Development Bank until the time when Ms. Bridgewater is ready to close on her new house.

Conferences

In 1997, a three day conference on the "**Sustainable Inner City**", another capstone of the SUN program, was held at the Galt House in downtown Louisville. The conference was aimed at bringing together planners, city officials, community activists and any other interested community members to describe the work carried out by SUN and to enlist support and excitement throughout the community. The conference had a total of

153 attendees. Representatives and speakers were from Kentucky, Indiana, Tennessee, Illinois, Wisconsin, Ohio, Florida, Virginia and the District of Colombia. The conference sessions were led by John Watson of Van Rooy Properties in Indianapolis; Thomas Davis from the University of Tennessee School of Architecture; Ryan Moore from the University of Illinois; and Charlene Hardin, School Board Director of Milwaukee Public Schools, District 4. Marilyn Melkonian, President of the Telesis Corporation and Vice Chair of the Eisenhower Foundation was the Guest Speaker at lunch. Her session was on how developers can revitalize inner cities and presented her perspective of developers' roles in the ongoing process of revitalizing the Russell Community and others to follow.

Congressperson Anne Northup, and Dr. Marc Weiss, Senior Fellow for Community Studies at the Center for National Policy and former Special Assistant to the Secretary of the U.S. Department of Housing and Urban Development, were also actively involved in the conference. Dr. Weiss's presentation included a series of slides about redeveloping inner city neighborhoods. The slides illustrated an interesting study of how successful redevelopment programs can be implemented.

The conference was concluded with guest speaker Reverend Edward King. Rev. King is the program officer for religion at the DuPont Foundation. His session detailed the roles of the church and the community in revitalizing neighborhoods.

The overall consensus of the attendees of the conference was that it was an informative conference, well worth the time to attend, and, in fact, exciting and exhilarating. Of particular note were the breadth of information made available to conference attendees, the technical level at which the information was presented making it understandable and usable to all, and the easy of access to study locations.

The **1998 SUN Inner City Revitalization Conference** has been set for October 15 through October 17. Similar to the initial conference but also building upon foundations established at that conference, the 1998 Conference it is expected to incorporate new sessions into the conference agenda, with greater emphasize on education, revitalization and empowerment. Tours of residential and commercial development sites throughout Louisville are interspersed with presentations and dialogues led by nationally and internationally recognized experts in areas of affordable housing, community design, university and community partnerships, renewal of historic neighborhoods, enterprise development, crime prevention, neighborhood leadership, environmental justice, and economic development housing strategies. Nationally and internationally regarded speakers have already been procured to participate in this conference making it likely that the 1998 Conference will surpass the first one in every respect.

(4) CRIME PREVENTION

The Crime Prevention Program provides education for homeowners on crime prevention strategies. Crime prevention through urban design workshops are provided and GIS maps identifying "hot spots" of criminal activity were created for community groups to use in combating criminal activity with the neighborhood. Neighborhood clean-up programs and block watch neighborhoods were developed. SUN sponsored neighborhood residents, activists and leaders to attend the National Crime Prevention Institute's training course focusing on prevention through environmental design. This is based on the principle of defensible space and techniques for creating a natural surveillance. The information acquired through this course is the base structure for a newly initiated course in housing development.

The extent to which the number of participants increased is an indication of the success of this plan activity. The community residents, leaders and activists are determined to assist SUN and its partners in the process of changing the physical and social characteristics of their neighborhood. The attendance of the classes in the second year rose by 70 percent.

(5) COMMUNICATION

SUN publishes a web-page which provides instant on-line information about its programs and reports of other neighborhood, community, state, national and international activities such as meetings and seminars, conferences, workshops, fairs and other sources of information which may be of interest to people who visit the site. The site has been visited already by people from ten countries and has received 6, 778 hits since its instigation.

CONCLUSION

The Sustainable Urban Neighborhoods project is essentially a ‘goal model’. Its goal-oriented successes could provide a prelude for future project guidance and accomplishments. Its strength is based on a the comprehensive coordinated efforts of community and public partnerships. Periodic meetings of the coordinators, with staff reviews of the activities is one of the strengths of the project. SUN went into action on Jan 1, 1996. In just 6 months SUN surpassed its three year goal of assisting 200 families in the enterprise community. At Canaan Baptist Church, 65 people attended a urban sustainable development workshop and another 35 individuals are learning entrepreneurial skills from the SUN faculty. In August 1996, 10,000 people attended a home ownership fair at St. Stephen's church as a part of a large community celebration. The tremendous varying activities sponsored, co-sponsored, encouraged and empowered by SUN's staff of multi-racial, multi-national, multi-skilled individuals from all educational levels and all levels of public and private professional experience have created a particularly dynamic, and successful, group which is capable of formulating, producing, and evaluating the tasks which it has been given. The breadth of individuals who have become engaged in the activities of SUN runs the gamut from the young ,ultra-poor, disenfranchised children from poverty neighborhoods to captains of industry and presidents of universities to politicians and the clergy, and from out-of-work laborers to single-parents with no apparent hope of improving their lives.

SUN's vision to revitalize West Louisville's efforts to build a healthy community, create affordable home-ownership, provide better employment opportunities, and promote family reunification with better education and hope of achieving a bright future, remains a goal model of private-public partnerships in urban rehabilitation.

Students who have worked in various capacities within the SUN program have gained important experience and knowledge that has aided them in the job-search process following graduation. Students have had the opportunity to experience what they have learned in the classroom through research and testing of intervention models which helps the community to meet redevelopment goals more quickly and improves living standards more widely and evenly. They have acquired a better understanding of the community development issues, learning by doing from the excellent specialists that lead and assist them. They have had an opportunity to work within the non-profit, government-funded, and educational research areas and are more equipped than those with only classroom education to handle the affairs of the world outside the classroom.

SUN's successes are echoed throughout the urban development field and has received excellent reviews from specialists. It is a pioneer project and its results have been positive, concrete, incremental and measurable. The people associated with SUN are dedicated and believe in the goals of the program; a potent reason why the project has been so successful.

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News Release

FOR IMMEDIATE RELEASE

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BANKBOSTON RECEIVES RON BROWN AWARD FOR CORPORATE LEADERSHIP AT WHITE HOUSE WITH PRESIDENT CLINTON
-- Community Banking Group Receives National Recognition --

BOSTON, March 24, 1999 -- At ceremonies today at the White House, Chad Gifford, chairman and CEO of BankBoston accepted the Ron Brown Award for Corporate Leadership from President Clinton. Vice President Al Gore was on hand to extend his congratulations. It is the only Presidential Award to honor companies for outstanding achievements in employee and community relations. BankBoston received the award for its efforts to revitalize inner-city communities through its Community Banking Group.

Fully funded by the private sector, the award is named in honor of the late U.S. Secretary of Commerce Ron Brown. It is sponsored and managed by The Conference Board, a not-for-profit business research organization. The winners were selected by a distinguished panel of judges. More than 139 corporate programs from 61 companies were judged, with two-thirds of this year's entries from Fortune 500 companies.

"I am so proud that BankBoston's Community Banking Group (CBG) has been recognized nationally for the outstanding work being done to revitalize our inner cities,"

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said Chad Gifford. "About 10 years ago, when we established an inner-city focused bank, I don't think any of us realized the kind of impact our vision was going to have on disadvantaged communities and neighborhoods throughout New England. The success of our Community Banking Group, and the recognition we are receiving today, would not have been achieved without strong leadership and a tremendous commitment on the part of many people throughout the organization."

Since BankBoston began its urban banking efforts in 1990 with the creation of First Community Bank (FCB), low-to moderate-income individuals and small businesses throughout New England have had far greater access to banking services, entire communities have been revitalized, and shareholders have seen a profitable return on their investment. FCB rose from seven underperforming branches in underserved, impoverished Boston neighborhoods to what is today a profitable 42-branch, 13-city "bank within a bank" with $1.6 billion in deposits.

In addition to FCB, the Community Banking Group comprises the BankBoston Development Company (BBDC). Formed in 1997, the BBDC, became the first urban investment bank in the nation created by a commercial bank. It invests in and provides equity capital to businesses and not-for-profits that serve low-to-moderate income and disadvantaged communities. In BBDC's first 15 months of operation, it has approved $66 million in urban investments.

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"We have a vested interest in making sure the people who work and live in America's inner cities have the resources and the tools to be competitive," said Ira Jackson, BankBoston executive vice president and chair of the BBDC board. "These are well-run, profit-making entities, and we have been able to demonstrate through sound business practices that doing well and doing good are not mutually exclusive."

A key element to the success of the Community Banking Group, and a real differentiator in the marketplace, is its approach to dealing with the diverse cultures in its market area. Early on, when FCB was created, the idea was to provide specialized urban banking expertise and resources to partner communities. FCB introduced extended branch hours, developed consumer education programs, hired residents who speak different languages and understood varied cultures, advertised in community newspapers, and used targeted ethnic marketing techniques. A network of community development officers (CDOs) work within the community to forge strong ties with customers and lead workshops on basic banking, money management, and credit issues.

"Growing up in the Roxbury neighborhood of Boston, I witnessed first-hand the flight of businesses from the streets and the economic downturn that had befallen my community," said Gail Snowden, executive vice president and group executive of the Community Banking Group. "BankBoston saw a need to provide basic banking services to inner-city people, recognizing that if we can help to transform disadvantaged neighborhoods into those that are economically viable, the impact would be great not only on where I grew up but on the nation overall."

BankBoston's model in serving urban markets has spurred business opportunities and economic rejuvenation far beyond the scope of its own operations and the communities it serves. More importantly, by approaching the inner city as an emerging market, BankBoston has demonstrated that community development is sustainable, that this corporate commitment can be profitable, and that offering capital, credit and technical assistance to entrepreneurs and a new generation of risk-takers, can create jobs, opportunity and wealth that can transform the inner city and help it enter the economic mainstream.

As the new millennium approaches many banks are now emulating BankBoston's inner-city initiatives. However, yet again, with the establishment of the first investment bank for the inner city and a commitment to future innovation, BankBoston is creating a new paradigm.

BankBoston (NYSE: BKB), with assets of $73.5 billion and some 25,000 employees, is the nation's oldest commercial bank and New England's only global bank. BankBoston is engaged in consumer and business banking in New England; delivering sophisticated financial solutions to corporations and governments nationally and internationally; and full-service banking in leading Latin American markets. The Corporation's common stock is listed on the New York and Boston stock exchanges.

# # #

COMMUNITY BANKING GROUP AT BANKBOSTON
FACT SHEET

Overview

BankBoston formed the Community Banking Group (CBG) to function as a catalyst for wealth creation and economic development in low- and moderate-income, historically underserved, and culturally diverse markets. Its businesses support the banking needs of individuals, minority- and women-owned enterprises, commercial real estate developers, and public/private sector partnerships. The Community Banking Group performs a leadership role in advancing a comprehensive approach to community economic development and the Community Reinvestment Act.

CBG's view of community reinvestment has expanded beyond job creation, mortgages and the development of affordable housing. It values partnerships with local government, hospitals, private businesses, academic institutions and local citizens. Its success in the revitalization of communities comes from a comprehensive approach that, in addition to jobs and housing, includes education, transportation, health care, wealth creation, and community infrastructure.

CBG plays a leadership role in providing financial expertise to individuals and public/private initiatives. Much of this is done by sustaining services and education, through affordable housing and home ownership opportunities, through small business assistance and, retail and commercial development. By design it helps stabilize underutilized urban economies.

BankBoston was an early mover in its commitment to underserved communities and in setting and encouraging high standards for Community Reinvestment Act (CRA) performance. BankBoston has achieved the highest CRA rating "Outstanding."

Component Businesses, Gail Snowden, executive vice president and group executive

First Community Bank
BankBoston Development Company
Developmental Real Estate

First Community Bank - Gail Snowden, president

Created by BankBoston in 1990, this innovative "bank within a bank" meets the financial needs of consumers and small businesses in New England's urban neighborhoods. Offering the complete range of BankBoston products, its services are tailored to multicultural customers, with a respect for the distinct customs and languages that are at the heart of diverse communities.

- Serving 13 cities in 42 branches throughout Massachusetts, Connecticut and Rhode Island.

-more-

Massachusetts branches:	Boston, Cambridge, Worcester, Springfield, Holyoke, Lawrence, Lowell, Haverhill, Lynn, Revere
Connecticut branches:	Hartford, New Haven
Rhode Island branches:	Providence
Supermarket branches:	In Stop & Shop locations in Lynn, Revere, and and Dorchester, Massachusetts.

- Deposits: $1.6 Billion.
- Employees: 400
- Multilingual staff
- A national model for urban banking

BankBoston Development Company - Grady Hedgespeth, President
Launched in 1997, it is the nation's first urban investment bank, chartered as a community development corporation, to provide direct equity into businesses. This for-profit BankBoston subsidiary provides financing and advisory support to entrepreneurs in low- to moderate-income areas, as well as minority- and women-owned enterprises.

Creates jobs, increases wealth, and provides a firm foundation for a client's success through:

- Equity Investments (direct equity to businesses, real estate development, joint ventures, and community funds).
- Debt Financing (access to credit and debt financing to support urban, minority- and women-owned businesses and not-for-profits).
- Low Income Housing Tax Credits (investments to support affordable housing development) and commercial historic rehabilitation tax credits.
- Employees: 13
- 1998 Results: Debt: $4,026,500 to 472 companies
  Equity commitments: $4,075,000 to 10 companies
  Tax credit committments: $61,000,000 resulting in the creation or rehabilitation of over 1300 units of affordable housing.

Some Key Projects:

- $500,000 equity investment in JobLink, a minority-owned temporary and permanent employment agency for skilled, semi-skilled and entry-level workers, providing a vehicle for the welfare to work initiative. The investment will allow JobLink to expand its employment base by 25,000 jobs over five years in Southern New England. (JobLink is the largest employer of minority and low income workers in Rhode Island).

- $800,000 in equity financing for minority-owned construction and development firm in Boston that has been operating in the inner-city for more than 20 years. Enabled company to secure a contract for a new development in one of Boston's urban neighborhoods with a strong need for a cornerstone economic development project.

Developmental Real Estate - Michael Hatfield, Director

BankBoston has a record of commitment and success in building, redeveloping and energizing urban communities across New England. Its lenders work with professional developers, builders, for-profits and non-profits with expertise in real estate and business persons wanting to invest in smaller-income producing properties. In addition, it draws on multiple sources of funding, including BankBoston Development Company.

- Market area: MA, CT, RI, NH
- Developmental Real Estate produces rental income, either in residential or commercial property.
- Type of property financed: Apartments/other residential, retail or office space, mixed use (residential and commercial)
- Construction financing, mini-permanent financing, tax credit financing, bridge financing, letters of credit, lines of credit.
- Extensive experience working with city and state governments throughout New England.
- Through 1998: $70 million in loan outstandings.
- Employees: 9
- Key Projects: $750,000 construction loan for 65 unit, low-income housing in New Haven, CT; $750,000 acquisition of 65 lower income elderly housing units in Lynn, MA; $21 million line of credit to Massachusetts Housing Investment Corporation; $1.5 million in improvements to shopping mall in Roxbury, MA; $100,000 construction loan with City of Hartford for rehabilitation of twelve-unit housing; $125,000 construction loan with city of Lynn participation for Minority Cultural Center.

# # #

4/99

The Boston Globe
August 30, 1998

GLOBE STAFF PHOTOS / FRANK O'BRIEN

University of Rhode Island student Carmelo Rodriguez works in the shop at Job Link Inc. in Providence.

Wealth, not welfare

Dennis R. Iacobbo (left) and Ali T. Cabral founded Job Link 15 years ago. The first 14 years were spent in survival mode. With an investment from BankBoston, the two can now take more of a long-range approach.

By Lynnley Browning
GLOBE STAFF

For decades bankers looked at inner city and saw only poverty and hopelessness. Today, BankBoston sees opportunity

THEY HAD HELPED scores of down-and-out New Englanders find work, building a job placement company whose cornerstone is a conviction that entrepreneurship can succeed where welfare has failed. Then Ali T. Cabral and Dennis R. Iacobbo ran into a wall.

The men needed cash to keep their Providence firm growing. But banks did not want to lend to a scrappy inner-city outfit serving a low-income market. "How many banks did we go to?" asks Cabral. "How many banks are there?"

Hope lay in a trash can, where a tossed flier described an investment bank for entrepreneurs to whom "the street" means not Wall Street, but the grittier streets of the inner city.

A year later, the bank, which is part of BankBoston Corp., owns a stake in the men's company, Job Link Inc. The investment is a test case of what many say is a long overdue reappraisal of the economic viability of inner-city America.

In financial circles, BankBoston's newest urban banking effort, known as BankBoston Development Co., is seen as a pioneering experiment in what has been called America's last emerging market. By looking at blighted areas through the lens of potential wealth and profits, rather than welfare and philanthropy, the venture hopes to disprove the notion that minority-owned and low-income businesses exist in an economic no-man's land.

Low-income housing loans and inner-city branches of mainstream banks have become more common in recent years. But direct investment in small businesses in poor areas is still rare.

Doubters say the inner city cannot be as good a business bet as other areas. Some bankers term such investment "strategic philanthropy." And community advocates disagree over the power of markets to triumph over decades of discrimination.

But to some policy specialists and activists, BankBoston's urban venture capital initiatives suggest a potential sea change in financial America's relationship to the troubled inner city.

As financial institutions merge and pledge billions of dollars to meet low-income banking needs as required by law, community activists are pressuring the behemoths to go beyond cheap loans and to invest in urban businesses the way they would in technology start-ups.

The pressure reflects a major shift in approach to the inner city. What began in the 1960s as the civil rights movement and moved on to antipoverty campaigns and grass-roots community activism may be evolving from a social model into an economic paradigm rooted in market principles.

With 46 branches in poorer Boston neighborhoods, BankBoston already has one of the most aggressive inner-city banking programs in the nation. Now, New England's second-largest financial institution is one of a thimbleful of banks nationwide to buy stakes in low-income, minority-owned, and disadvantaged

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BankBoston unit sees wealth in urban areas

Its strategy is based on economic principles, not on philanthropy

■ EMERGING BUSINESS 60

Continued from Page C1

businesses. Formed last year, BankBoston Development Co. plans to provide more than $100 million in funding to such businesses over the next four years.

Even South Shore Bank, the Chicago institution that pioneered banking in poor urban areas, began investing directly only earlier this year.

"BankBoston is increasingly seen as the model, bar none," said professor Michael E. Porter of Harvard Business School, who studies inner-city economics. "Their strategy is causing banks across the country to think about how they serve inner cities."

Other banks are following in BankBoston's footprints.

Citicorp, the big bank that is merging with insurance giant Travelers to form the nation's largest financial services firm, recently came through BankBoston for pointers on inner-city banking. So did Chase Manhattan, which already has an inner-city branch system, and Dime Savings Bank of New York. And a group of big New York banks has formed the New York Community Investment Co., pooling $7 million to fund equity investments in low-income businesses.

Standing on a side street in Roxbury, BankBoston Development Co. president Grady B. Hedgespeth described what may become a national model for urban business revitalization. BBDC's goal, he said, was less to redress societal wrongs and more to create wealth among businesses and areas locked out of the mainstream. "We joke that we just want to be the bank in the 'hood," Hedgespeth said, Boston's Financial District towering in the distance. "We think it's very critical to be unapologetic about creating wealth in neighborhoods like this. No community without wealth has power."

The bank in the 'hood is a far cry from the nonprofit outfits, social service organizations, and government agencies traditionally associated with urban renewal. These days, profits are the name of the game.

"What we do is not charity or philanthropy – it's a business. We make money on this," said Gail Snowden, who heads BankBoston's community banking practice, which includes the inner-city branch network and urban investment unit. With $1.6 billion in deposits, the branch network, founded in 1989 and known as First Community Bank, has been profitable for the past six years.

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Tapping into spending power

NURTURED IN COMMUNITY GROUPS AND AT a few universities, the notion that the economic basket case of many inner cities may actually be a financial breadbasket is just now filtering out to banks. A recent study estimated that US inner-city consumers have $85 billion in retail buying power – 7 percent of the nation's total. That's more than the total buying power of Mexico. The study, by Boston Consulting Group and The Initiative for a Competitive Inner City, a Boston-based community development organization, also found that inner-city retail areas often have higher sales per square foot than their suburban counterparts.

The concentrated buying power offsets costs related to crime and employee turnover, researchers found. But a dearth of competitive shops and a lack of business financing mean inner-city demand often goes unmet – in Boston, by 30 percent. The figure reflects the percentage of disposable income that inner-city consumers take to more upscale neighborhoods because they lack retailing choices in their own areas.

Still, inner-city wealth is an oxymoron to many bankers.

Despite an increase in low-income loans and mortgages under the Community Reinvestment Act – a 1977 federal law requiring banks to meet the credit needs of disadvantaged areas – many banks still view low-income banking as a nuisance and inner-city venture capital as a pipe dream. A few have set up their own community financing units – but many simply hand CRA money and investment decisions over to community organizations.

"There is still an attitude among many banks that all you really have to do is buy tickets to community group events, take out an ad in the newspaper, and say you're done," said A. William Boler, economic director of Business for Social Responsibility, a San Francisco group that helps firms do business in the inner city.

So far, BankBoston Development Co. has made 10 equity investments worth $7 million and committed another $5 million in debt financing. It has also spent $58 million on traditional low-income housing. If things go well, Hedgespeth said, the bank could spend up to $1 billion on venture capital, affordable housing, and loans to inner-city and low-income businesses by 2002.

That BBDC lumps together cheap mortgages with its novel venture capital business has sparked criticism that BankBoston's initiatives are not so dramatic. The bank has moved into venture capital at a time when the strong economy has lifted many boats, suggesting to some that its commitment is one of timing, not of investment principles.

And despite touting the bottom-line value of urban banking, BankBoston largely coordinates its required community reinvestment out of its public relations section. "There's no question they see this as strategic philanthropy, and not as business as usual," said a policy specialist who asked not to be named.

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GLOBE STAFF PHOTOS / GEORGE RIZER

BankBoston's Grady Hedgespeth discusses the plans of James LaFond-Lewis (left) and Richard Letarte for a restaurant in Roxbury.

Linking capital with need

GROUND ZERO FOR BANKBOSTON'S EXPERIment is a converted stable in the hard-scrabble heart of south Providence.

The building is home to Job Link, which has placed 100,000 workers, 90 percent of them minorities, in jobs since Cabral and Iacobbo founded the firm in 1983. Around half the positions have turned into full-time jobs. For 15 years, the men have scrambled every week to make sure clients, who range from a national hardware chain to local data entry firms, pay on time so that they in turn can pay the 600 or so workers they place. The hand-to-mouth exercise had kept its owners, who became friends in high school, from growing the business.

"We never had a big chunk of cash to build," Iacobbo said.

A friend who found the discarded BankBoston flier told the bank about Job Link. In June Cabral and Iacobbo sold about one-third of their company to BBDC for $500,000. In addition to the money, they get strategic advice on marketing and planning designed to take Job Link – which had profits last year of $150,000 on revenues of $10 million – to new levels. The goal of BBDC, which now has a board seat at the company, is to sell its stake for a profit down the road.

Job Link recently landed a contract to provide up to 500 workers to a local catalog company – a deal Iacobbo said he and Cabral would not have had the time or skills to analyze without the bank's advice.

Now, after years of scrabbling, Job Link aims to double the number of workers it places each year.

"The BankBoston deal has boosted our ability to go out and get clients and compete with the big guys, like Manpower," Cabral said, referring to the national job placement company. "Before, we'd always had one hand tied behind our backs."

Cabral stood in a pleasant, warehouse-style room, where disabled workers seated under an old-fashioned ceiling fan assembled shiny grommets for one of Job Link's clients, a hardware store. A bright blue tarpaulin, stretched across one ceiling corner, caught water dripping from a leak. An adjoining room hummed with activity as workers packaged glue sticks. "This is a training area and testing ground, where we can try people out and prepare them before sending them on to other things," Iacobbo said.

Next door is a training room full of new computers. The company regularly offers English-language tutorials. When Job Link opens its doors at 6 a.m. each workday, the main room quickly fills with applicants. "Some walk two miles to get here, because they know they can get on our vans and we'll take them to the suburbs, where the jobs are," Cabral said.

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To many, 'jury is still out'

HARVARD BUSINESS SCHOOL'S PORTER grounds his thesis of inner-city economic viability in the power of information to open up markets. Research on low-income spending patterns, for example, will result in promising retailers receiving financing and more companies opening urban branches. Financial institutions that open the ledgers of entrepreneurs such as Cabral will find diamonds in the rough. To ignore this market, Porter said, is to ignore a changing America's growth market of the future.

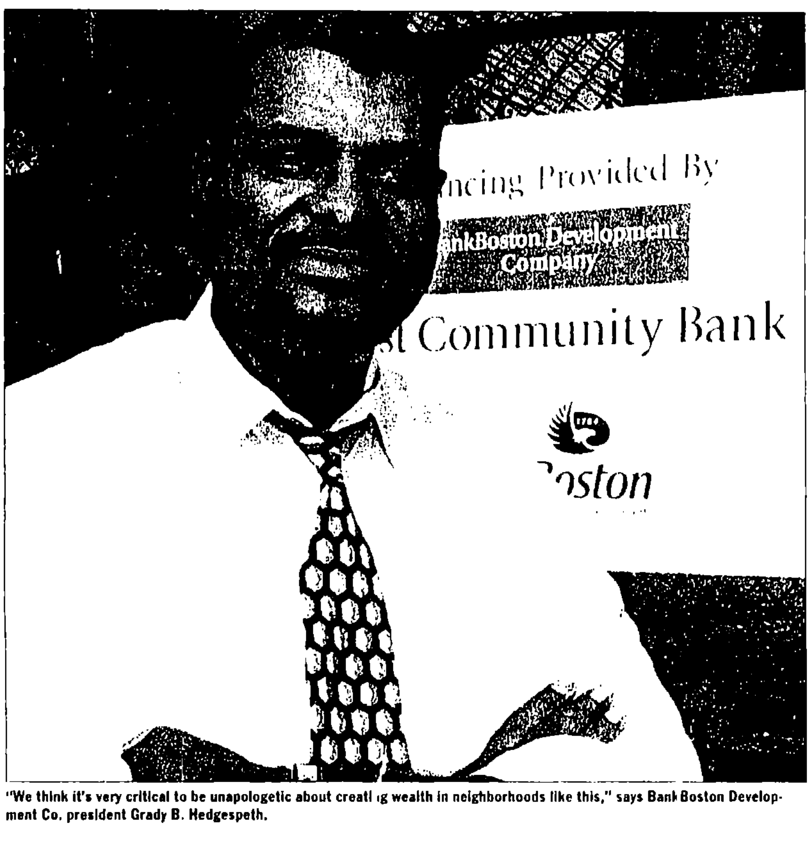
But data and studies are not enough to convince most bankers that inner-city businesses are a good bet. "What motivates things is not an academic explaining it, but a bank making money on it," said Jean Pogge, senior vice president at South Shore Bank. "The jury is still out."

Still, if Boston's past role in jumpstarting low-income lending across the country is any sign, BankBoston's urban venture could set a standard. A 1991 study by the Federal Reserve Bank of Boston showing massive discrimination, or "red-lining," by banks in mortgage-lending to minorities is widely credited with toughening the Community Reinvestment Act.

Nearly 6 percent of the $145 billion in loans made by US banks to small businesses in 1996 went to firms serving low-income areas, an amount proportionate to that group's share of the US population, according to the American Bankers Association. But community organizations complain the figure is distorted by elastic definitions of poorer areas and inner-city businessmen.

BankBoston is unapologetic about targeting not just minority-owned businesses but any company serving disadvantaged groups. Two men who don't live in Roxbury recently received $670,000 from BankBoston's community banking group for doing business in that neighborhood. Hedgespeth said the bank had selected the men, James LaFond-Lewis and Richard Letarte, because they would build one of the few restaurants in the vicinity. BBDC has also paid $250,000 for a stake in Meyers Capital Management, an asset management firm that caters to gay and lesbian investors.

To Cabral and Iacobbo, whose first jobs were administering antipoverty programs in the late 1960s, abstract debate over what kinds of disadvantaged firms merit investment is not important. "Back then, we saw a lot people coming through the doors just looking for jobs, not welfare," Cabral said. "You know, those welfare programs aren't around anymore. But we're in business."



"We think it's very critical to be unapologetic about creating wealth in neighborhoods like this," says BankBoston Development Co. president Grady B. Hedgespeth.

The Southern Sector Initiative

The Southern Sector Initiative is a program designed to encourage multiple opportunities to invest and support the economic and community building that is already happening in Southern Dallas.

Involvement could take the form of investment, relocation, expansion, job creation, residential or commercial building, educational tutoring and mentoring, or other volunteer endeavors.

Every business can participate — there is a role for everyone!

Community partners stand ready to assist you in determining the role or investment best suited to your organization.

Dallas Working Together

DALLAS IS FLOURISHING

The City has enjoyed sensational growth during the past decade, seeing a resurgence of real estate development, corporate relocations, and an unemployment rate below 4 percent.

Unfortunately, development in the Southern Sector still lags behind other areas, due to a lack of investment and misconceptions about crime, an available labor force and consumer purchasing power. Continuing business as usual will do nothing to bring revitalization to the Southern Sector.

The Southern Sector is defined as the area of Dallas south of I-30 on the east and south of the Trinity River on the west.

It is a large, geographic area made up of very diverse communities.

Representing 49% of the City's land mass, the Southern Sector boasts less traffic congestion, lower land costs, major thoroughfares and access to a large, stable supply of labor.

The Southern Sector also offers a 90% tax abatement for 10 years on real property or a 50% tax abatement for five years on business personal property.

Despite these resources and opportunities, the economic state of the Southern Sector falls far behind that of the Northern Sector.

The per capita income is $11,350, 60% less than the Northern Sector; the unemployment rate exceeds 10%; and there are 65% fewer stores than in the Northern Sector.

Recent survey findings support the fact that while there are challenges to addressing the concerns within the Southern Sector, there are many opportunities for the business community to *"do well, while doing good."*

Developing a fact-based view about the opportunities and understanding how businesses make money in the Southern Sector weren't the only highlights discovered.

Substantial for-profit opportunities exist as well as partnership opportunities with residents and social service agencies in the area.

The time has come for Businesses to pull together to advance the fortunes of the Southern areas of Dallas: to work with others in order to help all of us.

ECONOMIC DEVELOPMENT OPPORTUNITIES

The economic development study conducted by McKinsey & Company was to determine whether strong economic incentives exist for mid-size and large private companies to invest and operate in the Southern Sector, and to identify management's best practices employed by companies already operating successfully in the area.

They concluded that well-run businesses can earn attractive returns by addressing under-

served consumer markets, tapping a large, diverse labor force and acquiring strategically valuable cost-competitive locations.

In addition, they found:

1. Economic development is critical to the revitalization of the Southern Sector.

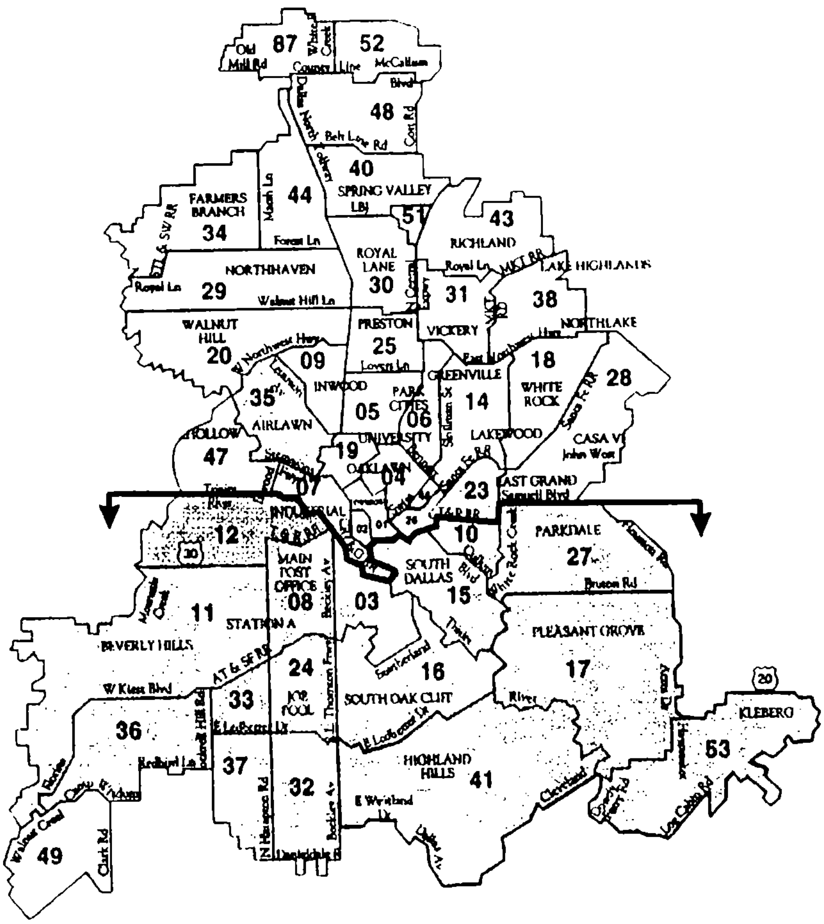
2. Due to misconceptions about crime, available labor force and consumer purchasing power, few companies have targeted the Southern Sector for capital investment.

3. Companies evaluating expansion options should seriously consider investing in the Southern Sector of Dallas.

There is no reason why every business in the region cannot be involved in Southern Dallas.

By doing so, businesses will make the City a better place to live and work, expand economic opportunity and inclusiveness for all citizens, and bring about positive broad-based, lasting change.

Southern Sector offers $6.7 Billion purchasing base



HUMAN SERVICES AND COMMUNITY BUILDING OPPORTUNITIES

The study conducted by G/S King Consultants and the United Way of Metropolitan Dallas highlights community assets within the Southern Sector which can serve as building blocks for revitalization.

Opportunities exist to partner in the areas of employment/jobs, education, housing, and social services.

Many neighborhoods in Southern Dallas offer established institutions which anchor the area and provide regular consumer traffic. Institutions like:

- Methodist Hospital
- DART Rail Stations
- Fair Park
- Dallas Zoo
- Bill J. Priest Institute
- Red Bird Airport
- Dallas County Community College District
- Veteran's Administration Hospital

Besides labor-related and location/land-related resources, the studies also found these benefits:

- Network of Community-based Organizations
- Scenic Topography
- Large, Young and Diverse Consumer Base

The Southern Sector: Extremely Viable For Business and Job Development or Expansion.

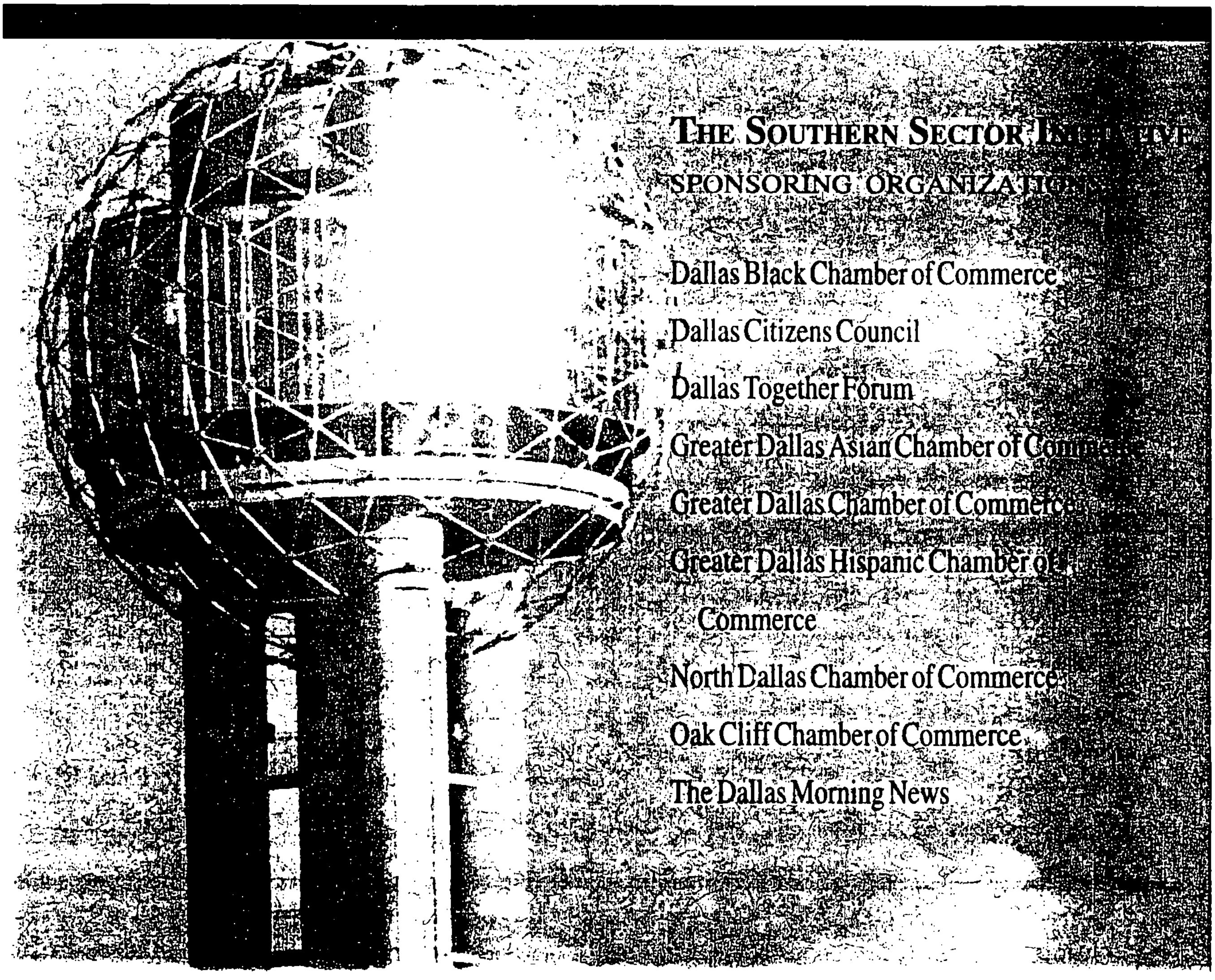
Businesses that have already made an investment in Southern Dallas include: Bank One, Minyard's Food Stores, NationsBank, The Texas Theatre, Imaginuity, Wells Fargo Bank, Redbird Development Corporation, MBA Consultants, and many more.

Recent developments in the Southern Sector include: The Dallas Morning News, Enterprise Rent-A-Car, JP Development Corporation, Walgreen's Pharmacy and others.

CALL TO ACTION

Take advantage of the opportunities: set up a tour of the Southern Sector, determine what role best suits your company, then contact a community partner to become involved in revitalizing the Southern Sector.

For further information or to receive a complete Southern Sector Initiative Report (which includes both studies) please contact the Foundation for Community Empowerment at (214) 777-5570 or take a look at the website www.ssidallas.org.



FCE PROGRAM AREAS

Through a process of meeting with the leaders of community-based organizations and residents, FCE has sought to understand this community's issues, needs, capabilities and assets. Based on the information gathered, FCE formed the following five program areas:

1. CHURCH PARTNERSHIPS
GOAL: To actively involve the church in community building initiatives, which leads to the spiritual, moral, physical, psychological, and economic health of neighborhoods.

2. ECONOMIC PARTNERSHIPS
GOAL: The development of a thriving economy with an employed population and a high level of business and retail services in the South Dallas/Fair Park area.

3. EDUCATIONAL PARTNERSHIPS
GOAL: To create, encourage, and support educational initiatives which will lead to educated students with transferable and expandable skills, safe schools, lower dropout levels, and committed teachers and administrators.

4. HOUSING PARTNERSHIPS
GOAL: To mobilize the City, community organizations, and financial institutions in order to increase the supply, rehabilitation, and accessibility of safe, decent, and affordable housing and homeownership in the South Dallas/Fair Park area.

5. SOCIAL DEVELOPMENT
GOAL: To build a delivery system where every resident of the South Dallas/Fair Park area has access to quality social and human service provisions in accordance with their needs.

VISION OF AN EMPOWERED COMMUNITY

We believe the key to an empowered community is residents, independently and through their community-based organizations, taking an active, hands-on approach.

South Dallas/Fair Park residents dream of the things every citizen should have:

- Thriving, neighborhood economies with plentiful jobs and locally owned shops, restaurants and businesses.
- Stable homes with strong families and quality education opportunities for people of all ages.
- Abundant recreational activities for youth and children of all ages.
- Understanding for the distinct culture and history of the neighborhoods.
- A continued strong sense of community.

To learn more about any of these partnership programs or to join our quest for an empowered community, please contact 214.777.5570.

Founder: J. McDonald Williams
Executive Director: Jon Edmonds
Program Manager: Candace Gray
Executive Assistant: Melissa Neugent

Foundation for Community Empowerment
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Suite 845
Dallas, Texas 75201
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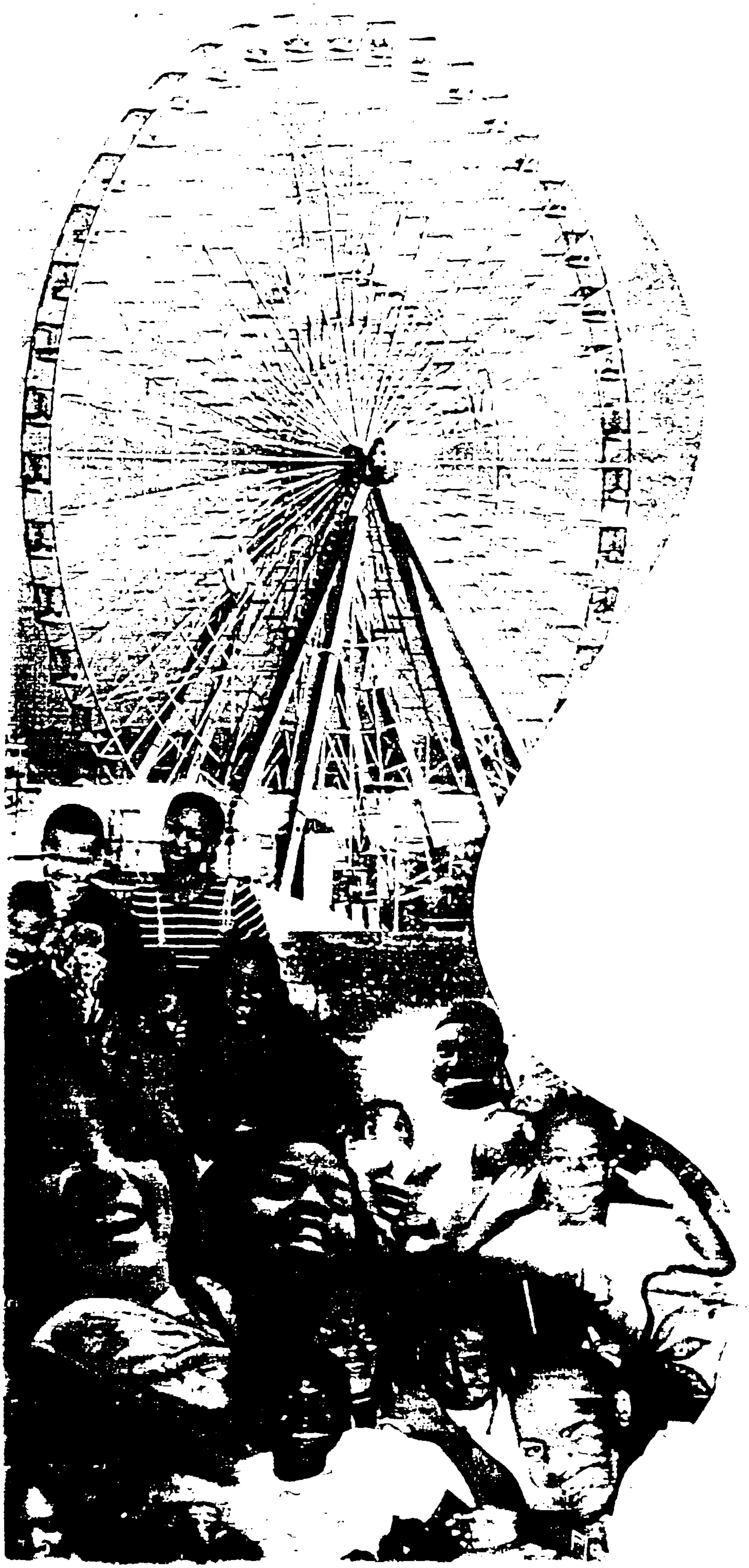

FCE
FOUNDATION for COMMUNITY EMPOWERMENT

FCE MISSION

The Foundation for Community Empowerment (FCE) seeks to revitalize low-income communities in Dallas through the empowerment of residents and the support of community-based initiatives.

FCE GUIDING PRINCIPLES

The Foundation for Community Empowerment (FCE) was founded by J. McDonald "Don" Williams, Chairman of the Trammell Crow Company in 1995, at which time the organization was known as Neighborhood Renewal Strategies. In 1996, the organization further focused its activities, changed its name to FCE and in 1997, received status as a 501(C)3 nonprofit organization.

FCE was created out of a desire to make a contribution to the re-building of low-income communities in Dallas. The organization seeks to build bridges of opportunity, and to foster relationships where investments of money, time, people, and resources should be made.

At FCE, our vision, is the same as the residents who dream of a better community in which to live and work: decent and affordable housing, good schools, and plentiful job opportunities.

FCE will:

- Serve as a facilitator and catalyst to encourage empowerment, innovation, collaboration and coordination in community revitalization efforts.
- Source support, technical assistance and technology to community based organizations and individuals that enhance their program and organizational capacity to meet the needs of the community.
- Act as a focal point to increase the understanding of, and commitment to community revitalization by Dallas citizens.
- Encourage residents to direct, be involved in, and/or approve revitalization efforts and activities.
- Look first to build the capacity of existing community initiatives, organizations and assets.
- Encourage focus on meeting the comprehensive, inter-related needs of the community.
- Use its funding, influence and resources as a lever to generate additional resources for the community.
- Maintain a long-term perspective.
- Encourage the community to benefit from technology where possible.

> ***"We seek to support those leaders who, against all odds and at great personal sacrifice, are giving their daily life to renewing our most neglected neighborhoods."***
>
> Don Williams, Founder FCE

THE SOUTH DALLAS/FAIR PARK MMUNITY

FCE's initial focus is the South Dallas/Fair Park community served by Madison High School, Lincoln High School and their feeder schools.

This area is a predominantly African-American population of over 30,000 people.

Madison High School

In the early part of the century, South Dallas, which was mostly farmland, was where the Jewish community first developed. The Jewish merchant class built stylish homes on South Boulevard and Park Row.

Hatcher, Second, Oakland, Forest and Grand were bustling streets of commerce complete with delicatessens, clothing and grocery stores, street hawkers and sidewalk sales.

The area remained a segregated community until the mid-1950's. African-Americans residing in the area could not cross Lagow to the east because it was considered for "whites only". African-Americans could not shop downtown and were limited in the schools they could attend.

Segregation forced closeness within the African-American community. Churches, the bastion of the community and community leaders offered advice and positive leadership.

African-Americans were forced to establish their own areas of commerce because of the limitations on where they could shop, eat and travel. South Dallas became a self-sustaining community.

Over the last four decades, economically viable neighborhoods have declined due to White and African-American middle class flight to the suburbs.

Those who remained in the area have worked to bring the community back to its former glory. Working together, residents, community groups and business leaders can make a difference.

Today South Dallas/Fair Park stands ready for revitalization and rebirth.

DALLAS TOGETHER FORUM
P.O. Box 2159
Dallas, TX 75221-2159
Phone (972)801-5555
Fax (972)801-2399

THE DALLAS TOGETHER FORUM: ORIGIN AND PURPOSE

The Dallas Together Forum was formed in the summer of 1991 and originated out of a Goals for Dallas initiative the previous year.

The purpose of the Forum, as conceived by Goals for Dallas, was to bring together business and professional leaders in a racially balanced group to work for improvement in race relations in the Dallas area, with particular emphasis on economic equity issues.

Since its inception in September 1991, the Dallas Together Forum has been co-chaired by three of its members. Currently Tom Lazo, Ron W. Haddock, and James A. Washington are serving as co-chairmen, together with 13 African-Americans, 20 Anglos, 3 Asian-Americans, and 10 Hispanic members.

The Dallas Together Forum's membership includes the chief executive officers of Dallas' largest companies and the leadership of various business organizations, including the Asian American Chamber of Commerce, the Dallas Black Chamber of Commerce, the Dallas Citizens Council, the Dallas Hispanic Chamber of Commerce, and the Greater Dallas Chamber of Commerce. The group is unique among current or previous groups in Dallas in that it combines:

1. Racial diversity roughly proportional to the population of the city;

2. The chief executive officers of Dallas' largest companies; and

3. An explicit commitment to race relations and minority economic development as the sole reason for the group's existence.

The group meets six times per year to identify issues of common concern and, where appropriate, to initiate action. In addition to improved communication and understanding, specific action may be carried out through individual members of the Forum, through their businesses, through the various business groups represented in the Forum, and/or through concerted action on the part of the Forum as a whole. Subjects of interest and focus on the part of the Forum have included public and private sector minority procurement programs, potentially divisive issues between the African-American and Hispanic communities, the development of Paul Quinn College, racial tensions in and around the Dallas Public Schools, the development of the *Private Sector Covenant for Workplace Diversity and Minority Economic Opportunity*, and the adoption by community leaders of the *Declaration of Shared Beliefs*.

12/18/98

Dec aration o ' Shared Beliefs

Dallas Together Forum

Preamble

The Dallas Together Forum is committed to making Dallas a better place to live and work for all of its citizens. The Forum's purpose is to bring about broad-based, lasting improvement in relations between racial and ethnic communities. It accomplishes this by collaborating with community leaders to create an environment in which mutual respect exists for all Dallas citizens. To that end, the Dallas Together Forum members commit themselves to the following shared beliefs and request other leaders to participate.

Shared Beliefs

We believe that:

- Dallas can only reach its full potential when ethnic diversity in social and cultural values is universally appreciated and encouraged.
- absolute commitment to progress in the economic well-being of all citizens and to the inclusiveness of all constituencies in the institutions of the community is required.
- the well-being of all Dallas citizens depends upon its leaders.
- leaders are responsible and accountable for managing personal behavior to an even higher standard than citizens – leadership requires visible support of racial harmony.
- more than racial tolerance is required; a proactive role for every community leader in advancing racial harmony and in speaking out publicly against actions of racial prejudice and bigotry, no matter the source, is imperative and necessary.
- while a community leader's responsibility to advocate for a particular group is understood, the goals of cohesiveness and coalition building in the full community cannot be ignored.
- mutual respect is reflected by leaders through non-judgmental language, actions and beliefs.
- sensitivity to each other through education and consistent practice of cultural awareness, understanding, patience and acceptance is required.
- local leadership – government, religious, business, social and professional – must serve as role models for the citizens of Dallas, especially our youth.
- open, honest and constructive communication, complemented by active listening and respect, is necessary for advancing these beliefs.

I recognize and acknowledge that, as a community leader, I have a greater responsibility than others for ensuring that racial harmony and respect exist. I believe in the Declaration of Shared Beliefs of the Dallas Together Forum and pledge my personal actions will reflect these beliefs and my personal support will advance these beliefs in institutions I influence.

______________________________ Signature

______________________________ Name

Private Sector Covenant for Workplace Diversity and Minority Economic Opportunity

Preamble.

In keeping with its mission, the Dallas Together Forum pledges itself and its members to this Covenant. This Covenant derives from the Forum's commitment to make Dallas a better place to live and work for all of its citizens.

The Forum's purpose is to bring about broad-based, lasting change in community race relations. Its goal is to help Dallas develop a spirit of inclusiveness and to translate the region's growing racial diversity into a positive, rather than a negative, factor. To that end, the Dallas Together Forum commits itself to the following Covenant and will invite other Dallas-area citizens and organizations to participate.

This Covenant is concerned specifically with ethnic minority economic opportunity. The fact that it does not address other equally important concerns – such as economic opportunity for women – in no way reflects a lack of concern for these issues.

Shared Beliefs.

1. Over the long term, the health of the community, the productivity of our workforce, the competitiveness of our organizations and the quality of life available to our citizens and their families depend on full participation in the economic life of Dallas on the part of all segments of the community.
2. Ethnic minority participation in the economic life of Dallas falls significantly short of this standard.
3. Rectifying this will require efforts of many types by many groups, including:
   a. Initiatives by established organizations to expand minority economic opportunity.
   b. Initiatives by minority individuals and minority businesses to capitalize on the opportunities offered.
   c. Initiatives by financial institutions to provide better access to capital for minority business.
   d. Dramatic improvements in the effectiveness of public education.
   e. Effective public sector minority business enterprise programs.
   f. Initiatives by religious and social organizations and by society as a whole to rebuild a sense of responsibility and accountability among all citizens.
4. Local businesses have a special role to play and in many respects will lead the way for others.
5. Jobs and wealth derive ultimately from an effective competitive response to customer demand for value and quality. Expansion of economic opportunity for all stakeholders begins with that premise.

Goals.

1. Increased opportunities for ethnic minority suppliers, with emphasis on higher value added products and services.
2. Increased employment opportunities for ethnic minorities at every level, including professional positions, middle and senior management and boards of directors.
3. Increased capital availability for ethnic minority owned businesses.
4. A culture in the workplace where diversity is encouraged and appreciated.
5. Better public facilities and more private investment and jobs in areas populated primarily by ethnic minority citizens.

6. Broad business community support for, and promotion of, the infrastructure of ethnic minority business, such as minority chambers of commerce, the Greater Dallas Chamber's minority economic development program, the Dallas/Fort Worth Minority Business Development Council, and the DFW Regional Certification Center.
7. Improved output from public schools, responding more effectively to workforce needs in the 1990's and beyond.
8. Larger allocations of corporate civic and philanthropic support for projects of special concern and interest to ethnic minority citizens.
9. Resourcefulness in identifying and capitalizing on other opportunities to promote ethnic minority economic opportunity, recognizing that each organization may develop options unique to its own situation.
10. Innovation in identifying and removing barriers to the attainment of the above goals.
11. Establish accountability; measure results.

Action Plan.

Selecting from among these goals those which are most appropriate to its own situation, each participating organization will establish each year Dallas-area specific goals for progress in the coming year and will measure actual results for the year just finished.

Each participating organization will select the measures best suited to reporting its goals and results. As a minimum, participants will report actual Dallas-area accomplishment in terms of: (1) the total dollar amount of purchases from ethnic minority firms, (2) the ethnic minority percentage of new hires, and (3) the ethnic minority percentage of professional/management/board positions newly filled. and *

The Dallas Together Forum will publish and give wide distribution to a compendium of the Covenant organizations' goals and results as a way of encouraging excellence, reinforcing accountability and setting an example for others.

The Asian-American Chamber, the Dallas Black Chamber, the Dallas Hispanic Chamber and the Greater Dallas Chamber will each appoint from among the Dallas Together Forum membership a representative to an Advisory Committee. This Committee will develop and provide means of supporting participating companies' efforts to achieve ambitious goals. The Committee will also select companies deserving special recognition based on exemplary results.

Implementation.

The attached Endorsement Letter will be used to sign up organizations for the Covenant.

As soon as the Forum members have signed on, other area organizations will be invited to participate.

Participating organizations' goals for the coming year and results for the preceding year will be published annually by the Dallas Together Forum during the first calendar quarter, beginning in 1994.

Time horizon.

The full attainment of our goals is a long term undertaking. Nevertheless, this particular initiative is seen as a concerted effort of approximately five years, with the last reporting period for this Covenant being the first quarter of 1999.

*involvement in the Southern Sector of Dallas, ranging from store locations, investments, hiring employees, school partnerships or volunteer or other philanthropic commitments.