

STORIES OF COMMUNITY IMPACT

COMMUNITY DEVELOPMENT CORPORATIONS

A 2010 Report

Community Development Corporations

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This report was prepared by Rapoza Associates for the Community Development Corporations.

The CDCs are managed by Rapoza Associates, a public interest lobbying and government relations firm located in Washington, D.C. that specializes in providing comprehensive legislative and support services to community development organizations, associations and public agencies.

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Introduction

About Community Development Corporations

Community Development Corporations (CDCs) are locally based non-profit organizations that work to revitalize urban neighborhoods and rural communities. CDCs have been working their quiet magic for decades.

The mission of CDCs is to improve the quality of life in economically distressed communities. CDCs are developers of affordable housing, community facilities, commercial and industrial facilities. CDCs are also providers of technical and financial assistance; CDCs operate loan funds to help finance small businesses, to acquire sites for development, and to rehabilitate housing and commercial facilities. CDCs are also service providers – administering job training, day care and Head Start programs, operating nursing homes and housing for the elderly, and providing tenant services in housing developments.

In the '60s, when the idea of public-private partnerships was new, CDCs were a novel experiment. Today they are a proven success, widely applauded for their ability to achieve results where other economic revitalization strategies have come up short. CDCs take public money, combine it with private capital and develop responses to community needs. As intermediaries forming public-private partnerships, Community Development Corporations (CDCs) are dedicated to using public funds to leverage private investment, building broad-based alliances, nurturing long-term relationships among stakeholders, and bringing the best thinking from both the public and private sectors to bear on community revitalization.

CDCs are professionally managed; applying rigorous standards to the community investments they make. Although they take risks that more conventional funders might avoid, they look for projects with a high potential for long-term self-sustainability — and then supply the guidance and technical assistance that can markedly improve the prospects for success. CDCs make modest infusions of public support, from federal, state, and local government agencies, go a long way because of their ability to leverage private capital. Taxpayers get a very high rate of return on their investment in CDCs. And CDCs point the way for public policy. Their work became the model for the New Markets Tax Credit program.

The upheaval in the financial services industry has resulted in credit drying up for businesses in low income communities – loan to value ratios are falling, lines of credit are disappearing, and commitments are evaporating. As a result of the precipitous decline of the availability of credit from private financial institutions, demand is increasing for the entire range of financial and technical assistance provided by CDCs and their ability to forge public-private partnerships.

CDCs work with a number of federal agencies to leverage their assistance and make projects bankable. CDCs assist small town and farming communities through the programs of the U.S. Department of Agriculture; they help finance very small businesses through the Small Business Administration; and they increase the flow of financial products and services to distressed communities through the Community Development Financial Institutions Fund of the Treasury

Department and they raise private sector capital for investment in economically distressed communities through the New Markets Tax Credit.

Community Economic Development Grants

An essential tool for CDCs is the Community Economic Development (CED) program administered by the Office of Community Services in the Department of Health and Human Services. CED direct grants to CDCs and are used to finance business and job opportunities in low income communities. CED grants are the ‘glue’ that holds deals together. CDCs operating in low income urban and rural communities have found CED grants an important tool for attracting other capital.

Section 680(a)(2) of the Community Services Block Grant (CSBG) Act of 1981, as amended, authorizes the Community Economic Development (CED) grants. CED grants are made on a competitive basis to private, nonprofit Community Development Corporations (CDCs) and are used to provide technical and financial assistance for private business enterprises and other economic development activities designed to address the economic needs of low-income individuals and families.

CDCs almost always use CED funds with other sources of public and private capital to finance commercial and industrial facilities, small businesses, and mixed use projects. The emphasis of the program is on job creation and the standards required by the Office of Community Services (OCS) are among the most stringent in the federal system.

The Community Economic Development program is the only federal program available to Community Development Corporations that exclusively targets low income communities for economic development assistance. What’s more, in this highly competitive program, CDCs must target job creation at no higher than \$20,000 per job and leverage project funding from other sources. This is the lowest standard among federal agencies.

A typical project will be in a community with poverty and unemployment rates well above the national average. These communities are places with low levels of economic activity. In addition, there are often few services and facilities available to residents. As a result of such economic conditions, businesses and projects in these communities encounter a myriad of obstacles that often prevent them from securing the financing they need from conventional sources. These hurdles include low loan-to-value ratios, uncertain and transitional markets, owners with limited credit, and limited understanding on the part of investors of the business opportunities in these areas. Many of these communities have a strong potential for economic growth, especially with the right blend of technical support and private sector investment. The American Recovery and Reinvestment Act estimates that it costs about \$92,000 to create one job, yet OCS requires job creation at no more than \$20,000 per job. At least 75% of the jobs created under CED are targeted to low income individuals.

CED - Jobs and Investment in Low Income Communities

A recent survey indicated CDCs have done a remarkable job using CED funds to leverage other dollars. In fact, the eleven CDC survey respondents raised more than \$50 million from other sources to use in their projects. This total is more than nine times the \$5.4 million in CED grants they received. The largest source of additional funds came from private for-profit financial institutions (i.e. banks, savings and loan institutions), which provided \$33.8 million or 66% of the total leveraged amount. Additional sources of leveraged dollars are CDC retained earnings (\$6.3 million or 12%), the state and local government (\$6.2 million or 12%) as well as the category “other” which includes federal resources and internally generated funds (\$3.5 million or 7%).

CDC survey respondents have created or retained a total of 1,114 jobs at an average cost per job of nearly \$4,921. At least 75% of the jobs created go to low income individuals. This performance is far better than most other federal agencies. It is also worth noting that the Recovery.Gov website estimates that it costs \$92,000 of federal investment to create a job.

The average cost per job reported above is well within the CED application criteria that generally targets projects with a cost per job of not more than \$20,000. In addition, the average starting hourly wage of these jobs can be as high as \$16, which is higher than the current federal minimum wage of \$5.15 per hour. Most of these jobs provided health benefits as well.

This is particularly impressive when one considers the communities in which CDCs are working. Of the eleven CDCs responding to the survey, seven projects are targeting areas that are in federally-designated Empowerment Zones, Enterprise Communities, or Renewal Communities. These communities are recognized as economically distressed and are eligible for certain economic development incentives from the state and/or federal government. In addition, six projects are targeting areas where either the poverty rate is greater than 30% or the unemployment rate is at or greater than 1.5 times the national average. Five projects are in areas where the median income is below 60% of the target area median income. Finally, three projects are located in federally designated medically underserved areas.

Job Opportunities for Low-Income Individuals (JOLI) is authorized under section 505 of the Temporary Assistance for Needy Families (TANF) Act. It is designed to create and job and business opportunities for individuals receiving public assistance. ***JOLI is the only program designed to create job and business opportunities for TANF eligible populations.***

JOLI grants are competitively available to non-profit organizations including Community Development Corporations to provide technical and financial assistance to welfare recipients. Grantees create jobs by helping low income individuals create successful business plans and the provision of technical and/or financial assistance to private employers in the community. The ultimate goal of the JOLI program is economic self-sufficiency by creating new jobs to be filled by individuals on public assistance.

JOLI is different from the Community Economic Development (CED) grants, which are also administered by HHS. CED is targeted to community revitalization and is not limited to welfare

recipients. CED funds may be used for construction of facilities and investment in businesses. JOLI cannot be used for construction. JOLI provides training to individuals on public assistance to start new enterprises. Eligible activities include: establishing home child care businesses, business incubators and assistance to refugees in the Gulf Coast to start their own businesses.

2010 Stories of Community Impact

AnewAmerica Community Corporation

AnewAmerica Community Corporation

Enrique Ovando: 510-540-7785
1918 University Ave., Suite 3A
Berkeley, CA 94704

Community Profile

- 9.1% poverty rate
- 10.3% unemployment rate
- 29% foreign born population
- 11% foreign born poverty rate



Project Highlights

- Virtual Business Incubator (VBI)
- 56 Jobs Created (year 2 of 3)
- Total Project Cost: \$950,000
- JOLI: \$459,227

AnewAmerica's mission is to promote the long-term economic empowerment of new Americans - new citizens, immigrants, and refugees - and to encourage their full participation in the political, social and cultural growth of America.

AnewAmerica was founded in 1999 by a group of community leaders representing immigrants and community development advocates who saw a continuing lack of integrated job creation, asset development, and community empowerment strategies for low-income new Americans living in the Bay Area. AnewAmerica addresses this need by offering the only model in the nation that provides entrepreneurs and their families with a 3-year holistic program where they receive customized experiential business training and coaching, college certification in business planning, access to markets, industry sector incubation, asset-building support, access to credit, and social responsibility education. As a result of our program, new businesses are launched, jobs are created, assets are built and communities are improved.

To date, AnewAmerica has impacted over 8,000 individuals through business education and/or financial literacy training. Our Assets for New Americans: Virtual Business Incubator program (VBI) has provided training and technical assistance to 671 aspiring or existing entrepreneurs and helped launch or expand 276 micro businesses which also created a minimum of 308 jobs.

AnewAmerica's VBI program serves low-income individuals including TANF recipients, new Americans and other eligible low-income residents with job creation through business incubation services in a context of social responsibility with the goal of creating sustainable self-employment jobs and eliminating the need for public assistance among those served.

Ninety-nine (99) percent of AnewAmerica's clients are low and moderate-income new Americans (immigrants, refugees and new citizens). Our constituents come from over 50 countries and speak multiple languages. Over 65% of our client base is women and 86% run family-owned businesses. Sixty-eight (68) percent of our clients are Hispanic, 23% are Asian, 4% are African, and 5% are other ethnicities. Eighty-nine (89) percent of our clients are between the ages of 25 and 54, 6% are young adults and the remaining are over the age of 55. The average household income of our clients is \$27,972.

2010 Stories of Community Impact

Bethel New Life, Inc.

Neil Bullock: 773.473.7870
4950 W. Thomas
Chicago, IL 60651

Community Profile

- 15% unemployment rate
- Predominantly African-American and growing Latino population
- Median income 72% of area median income

Bethel Commercial Center

Designed to a LEED Gold level, the building features a green roof, a photovoltaic canopy, and healthy materials.



Project Highlights

- Jobs: 75 permanent full-time
- Total Project Cost: \$4.6 million
- CED: \$1.3 million
- Other financing: State of Illinois, City of Chicago, other public sources
- Investors: Midwest Bank and Park National Private Bank

Bethel New Life, Inc.

Bethel Center

Formerly a vacant brownfield, the newly constructed Bethel Center is located in the West Garfield and Austin community, 5 miles west of downtown Chicago. Today, the 23,000 square foot Bethel Center houses employment services, child development facilities as well as a community technology center and six commercial storefronts (including a full service bank). The Center also serves as an anchor at a major transit stop which had previously been slated for closure by the City. But for this project the community would have been resigned to a contaminated vacant lot and a loss of vital transportation into the City center. The CDE, Bethel New Life used its New Markets Tax Credit (NMTC) allocation to provide a \$1.3 million construction loan for this project.

For 29 years, Bethel New Life has been dedicated to asset-based community development and constantly seeks out projects that empower individuals, strengthens families, and builds thriving neighborhoods. The Center was born out of discussions with community members and a conscious effort to build green and transit-oriented development to comply with established guidelines and metrics. Bethel New Life worked with City, State, utility and environmental consultants over 10 years to realize the dream that is the Bethel Center.

Certified as LEED Gold, the Center features a “green” roof and photovoltaic cells which reduce the building’s energy consumption. Aligning the project with the El station was key, says Mary Nelson, then CEO of Bethel New Life. In this community, only about 35 percent of residents have cars, so public transit is a way of life for most. “We see this building, at this transit stop, as an anchor,” says Nelson. “We’ve built at least 50 new housing units within walking distance as a part of the transit-oriented development. This new building is just the first step, a wonderful stepping stone to revitalizing the area.”

Designed on a tight site, the two-story building has a third-story portion that acts as a lobby for the bridge from the El platform. A steel structure forms the building’s shape, but the rest of the structure is all about concrete. The thermal mass of concrete helps keep temperatures even and consistent, and blocks noise from busy adjacent Pulaski Road and the El train. In fact, energy modeling shows that the Center exceeds energy savings requirements by 50 percent.

2010 Stories of Community Impact

CAP Services, Inc.

Karl Pnazek: 715-343-7509
5499 Highway 10 East
Stevens Point, WI 54481

Community Profile

- 26.2% poverty rate
- 9.4% unemployment rate
- 18.2% of workers in Portage County earn less than \$8 an hour



Project Highlights

- 40 Jobs Created
- Total Project Cost: \$14 million
- CAP Total: \$1.4 million
- CED: \$500,000
- Employees benefits: Jobs were filled by previously low-income individuals and provided health insurance and access to 401 k account when they successfully completed their training period

CAP Services, Inc.

Intevation Food Group

CAP Services was founded in May, 1966 by a group of citizens interested in obtaining federal designation as the Community Action Agency for Marquette, Portage and Waushara Counties. Since then CAP has expanded into three additional counties (Outagamie, Wood and Waupaca) for its community action programs and statewide for its housing and business development programs.

CAP's mission is to mobilize the resources needed by low-income households to attain self-sufficiency.

In pursuit of this mission, CAP has built a \$9 million housing loan fund, a \$5 million dollar housing loan fund, developed 425 units of affordable housing, weatherized more than 10,000 low-income occupied units, assisted 571 families in the purchase of a home, rehabilitated more than 800 units and developed more than one million square feet of commercial and industrial space.

In the spring of 2008, a group of investors contacted CAP Services about enrolling a business they were starting in CAP's Lease Purchase Program. This program was created to help new or expanding value-added businesses by providing affordable space in return for job creation.

Trying to assemble a \$14 million project in the current economic climate proved quite a challenge. CAP ultimately assembled financing from its lending arm (Community Assets for People that mixed and matched funds from four different investors), the tenant (for leasehold improvements), FCS United (for the mortgage financing), the Community Development Bank (equipment), the federal Office of Community Services (equipment), the Wisconsin Department of Commerce (equipment), the Village of Plover (equipment) and guarantees from United States Department of Agriculture (building loan), Small Business Administration (equipment loan), and M&I Bank to make the project viable. Assembling this funding package of diverse lenders took more than 15 months. Nevertheless, the tenant occupied the building on November 16th and began production January 1st.

There were two keys to the developing the project. The first was the guarantees provided by M&I Bank and the Village of Plover on the construction loan. The second was obtaining the SBA guarantee for the bank-financed equipment purchase. The OCS funds represented the equity that made the SBA guarantee viable. Without the guarantee, the lender would not have financed the purchase of the equipment. The company now has the facility and equipment needed to address the community's number one need, job creation.

CAP has three business loan funds, one for low-income entrepreneurs, one for businesses creating jobs that commit to hiring low-income people and the third for existing businesses positioned for rapid growth that need quick access to capital. CAP's makes loans available to businesses in Marquette, Outagamie, Portage, Waupaca, Waushara and Wood Counties.

2010 Stories of Community Impact

Chicanos Por La Causa, Inc.

Edmundo Hidalgo: 602.257.0700
1112 E. Buckeye Road
Phoenix, AZ 85034

Community Profile

- Poverty Rate 26.2%
- Unemployment Rate 17.8%
- Medium Income \$34,245

Source: American Community Survey 2007



Project Highlights

- Jobs: 46
- Total Project Cost: \$821,000
- CED: \$765,000
- Other Funding Source:
CPLC-Préstamos CDFI CDE
- Employees Benefits: Standard +
Medical, Vision, Dental, Life
Coverage and 401K
- Partnerships: Kahala Corporation,
Veolia Transportation, State Farm

Chicanos Por La Causa, Inc.

Food Court/Employment Services

Chicanos Por La Causa, Inc. (CPLC) is a community development corporation (CDC) committed to building strong and healthy communities. Since its inception in 1969, it has grown to be one of the largest CDCs in the state and was ranked the fifth largest Hispanic non-profit in the country in 2009 by Hispanic Business Magazine.

CPLC serves over 125,000 individuals annually, of which approximately 95% are low-income. The organization offers a range of integrated programs and services across four major areas: Housing, Health and Human Services, Economic Development and Education.

CPLC's mission embodies a commitment to building stronger, healthier communities as a lead advocate, coalition builder and direct service provider. CPLC promotes positive change and self-sufficiency to enhance the quality of life for the benefit of those we serve.

In 2009, CPLC completed construction of the Buckeye Commerce Center (BCC) a 43,000 square foot commercial space located in "Nuestro Barrio" the home to CPLC's corporate headquarters. This low income neighborhood has a high rate of unemployment and has seen a severe decline in essential services.

In recognition of the need to help bridge the unemployment gap for the area and support the new BCC with new core services, CPLC has engaged in two new lines of business: (1) a *retail food franchise* – with a food court with three fresh and healthy choice fast food restaurants; and (2) a *temporary employment agency* with benefit management and training services within the BCC that offers an important market-based method for connecting low-income individuals with employment opportunities.

Primary financing for these two new initiatives was secured in 2009 through a \$765,000 grant from the OCS that was leveraged with a loan from Préstamos' CDFI to meet the total start up investment for the project.

CPLC Franchise & Employment Services subsidiary businesses together will conservatively create a minimum of forty-six (46) new permanent full-time jobs primarily in the transportation, financial services/insurance and food service industries. At least 75% of these jobs will be filled by eligible low-income individuals – with an average per job investment of \$17,391.

Coordination with CPLC's WIA funded Workforce Development Programs will further ensure that 75% of candidates successfully securing employment will not only come from populations qualifying under TANF income guidelines, but will also live in the surrounding neighborhoods.

2010 Stories of Community Impact

Coastal Enterprises, Inc.

Keith Bisson: 207-882-7552
P.O. Box 268
36 Water Street
Wiscasset, ME 04578

Community Profile

- Poverty Rate: 24%
- Unemployment Rate: 9.2%
- Median Income is 69% of Maine average



Project Highlights

- Jobs Created: 12 new jobs
- Total Project Cost: \$650,000
- CED: \$62,000
- Other funding sources: Finance Authority of Maine, Eastern Maine Development Corporation, Sunrise County Economic Council, Machias Savings Bank
- Employees benefits: Creates livable wage jobs with full benefits that include health insurance, personal/vacation days, holiday and bereavement leave, and free Internet at home.

Coastal Enterprises, Inc. (CEI)

Axiom Technologies

Coastal Enterprises, Inc. (CEI) is a nonprofit, 501(c)(3) Community Development Corporation and Community Development Financial Institution (CDC/CDFI) based in Maine whose mission is to create economically and environmentally healthy communities, in which all people, especially those with low incomes, can reach their full potential. Founded in 1977, it is nationally recognized as a pioneer in the field of community development. All of CEI's activities are aimed at creating assets for people with low incomes, while benefiting the wider economy and welfare of all Maine residents.

Since 1977, CEI has provided over \$556 million in financing to 2,040 enterprises with 24,496 jobs; created/preserved 1,261 units of affordable housing; provided training and counseling to 30,727 individuals and small businesses; created/preserved 4,664 child care slots; and provided leadership on a range of policy initiatives, including one of the nation's most stringent laws regarding predatory mortgage lending. Overall, CEI has mobilized and leveraged \$2 billion in private and public capital from diverse funding sources: public entities; private foundations; insurance companies; financial institutions such as banks; and religious institutions.

Axiom Technologies LLC is a provider of rural broadband internet services boasting over 2,000 residential and business subscribers (*there were 200 subscribers when CEI's first loan was made in 2006*), utilizing their Wireless Network, DSL and Circuits or through Dial-Up service. It is based in the rural town of Machias in Washington County. The company is an advocate for customized information technology education and has had a positive influence on public programs for the unemployed in the Machias area, forging partnerships with both the Career Center and the TANF/ASPIRE programs, with the assistance of CEI.

Machias is located in Washington County, Maine's poorest county. Washington County has a poverty rate of 19%, nearly double the state average of 11%. The unemployment rate in 2009 was 11%, compared to a statewide rate of 8%. In an extremely poor county, Machias is even worse off, with a poverty rate of 24%. The Median Household Income for Washington County is \$25,869, or 69% of the statewide average of \$37,240. The MHI in Machias is even lower, at 65% of the state average.

Axiom has over 1,700 potential subscribers in their database awaiting broadband service. Loan funds are needed to purchase subscriber radio units (used for wireless service a/k/a "Boxes") and job supplies. Once working capital is sufficiently funded, Axiom will purchase the necessary equipment and create several new jobs to deploy it. Overall, this new funding/project will restructure Axiom's current debt. Axiom expects to create 12 new full-time jobs that offer livable wages, benefits and upward mobility potential.

CEI participated in this transaction with several partners including the Finance Authority of Maine, Eastern Maine Development Corporation, Sunrise County Economic Council, and Machias Savings Bank. CEI financed \$75,000 of this \$650,000 project, using \$62,000 in OCS funds and \$13,000 in funds from a Program Related Investment from the Annie E. Casey Foundation. OCS funds, leveraged with other internal loan funds, enabled CEI to provide critical subordinated debt financing for this important project in an extremely rural community.

2010 Stories of Community Impact

Impact Services Corporation

John MacDonald: 215-739-1600
1952 E. Allegheny Avenue
Philadelphia, PA 19134

Community Profile

(3-mile radius)

- 24% Hispanic
- 23% African American
- 48% White
- Poverty Rate 39%
- Unemployment Rate (Sept 2010)
- City—11.8%
- Investment area—18.8%
- African American Males < 20—57%



Project Highlights

- Jobs Created: 200 Full Time 80 PartTime
- Total Project Cost: \$45 million
- CED: \$600,000
- Other Funding: Private developer, Citizen's Bank, City of Philadelphia
- Employ benefits: Health insurance after 90 days.

Impact Services Corporation

Impact Services Corporation has been pursuing its mission of empowering needy Philadelphians to reach their fullest human potential and highest level of personal and family self-sufficiency since 1974. Since then, over 22,323 people have entered the job market with Impact's help. Reclaiming abandoned industrial sites has been a complementary part of Impact's work. Economic Development efforts have reclaimed three former industrial sites and converted them to new uses including office and classroom space, a childcare center, computer labs, housing, and a range of successful job creation projects. A defunct YWCA was repurposed to become 45 units of transitional housing for homeless veterans. With a staff of 140, Impact itself is a significant creator of local jobs.

These successes provided a springboard for organizing the Aramingo Business Association, a Business Improvement District (BID), and Impact's involvement in the development of the Aramingo Crossings Shopping Center.

Working with two private development companies, Impact's participation in the \$45 million development of the 25-acre former industrial site used \$600,000 of CED funding to ensure low-income residents had access to some of the 280 jobs created to date by the project. Thus far, 69 low-income persons have been hired by the three retailers already in operation. An additional 200 employment opportunities are forecast for 2011 when Wal-Mart and four other retailers join Lowe's, Chick-fil-A, and Sonic at the new center.

Ancillary to the immediate benefits of job creation and blight reduction are other positive outcomes. The eight national retailers involved in the project will create over 480 jobs with career development potential for low-income persons. City real estate tax revenues increased by \$133,757 per year; the 8% sales tax drives additional \$2.6 million in revenue to the city. Increased price competition, development of a healthier food option, additional banking services, and better local shopping opportunities are other positive community impacts. In the intermediate term, additional development and job growth is expected to accrue when the 5-year project loan is repaid by the development company and funds are reinvested in other area retail projects.

In a city where the investment area's unemployment rate is almost 19% and more than 55% of the young black men are unemployed, construction work, new permanent jobs, and expanded training and advancement opportunities are sorely needed to create a new economic base and a stronger foundation for higher levels of family self-sufficiency.

2010 Stories of Community Impact

Impact Seven, Inc.

Bill Bay: 715.357.3334
147 Lake Almena Drive
Almena, WI 54805

Community Profile

- Poverty Rate: 22%
- Unemployment Rate: 7%
- Median Family Income: \$54,000



Project Highlights

- Jobs Created: 115 jobs for low-income individuals.
- Total Project Cost: \$17.1 million
- CED: \$700,000
- New Markets Tax Credit: \$12,000,000
- Owner Equity: \$1,884,000
- Employees benefits: health insurance, vacation pay, holiday pay, sick leave, profit sharing and retirement benefits

Impact Seven, Inc.

Riverside Center

Impact Seven, Inc. (I-7) is a Community Development Corporation and a certified CDFI that was established in 1970. I-7 provides business development lending, industrial development, and community planning, housing development, and property management. I-7 has a mission to comprehensively impact the low-income population of Wisconsin, with an emphasis on its rural and distressed areas. Its focus is the creation of jobs through business development and the preservation of affordable housing. I-7 has successfully achieved a number of accomplishments.

I-7 is a statewide CDFI that has taken a comprehensive approach to community development. It has been involved in a diverse range of activities including managing 12 revolving loan funds dedicated to business development, providing venture capital and equity financing, managing a SBA 504 program, managing multiple NMTC allocations, developing more than 40 industrial buildings, providing other CDFIs with technical assistance, the development of low-income and special needs multi-family housing, managing rental properties, and rehabilitating single-family housing.

La Crosse is a city of 51,818 residents, located along the Mississippi River in western Wisconsin. The region is particularly distressed, having lost an alarming number of jobs over the past several years. The region's median family income is \$54,000. Poverty rates are in excess of 22% and unemployment at 7%. I-7, community leaders, Logistics Health, Inc., and other La Crosse area organizations took an active leadership role in the revitalization of the city and the surrounding western Wisconsin region. This partnership came in the wake of the devastation of numerous business cutbacks at key area employers.

The Riverside Center Project is the redevelopment of the blighted, historic downtown area adjacent to the Mississippi River in La Crosse. The project consists of a three-phase real estate development as well as the development of a city walk and community theater. One key component to the real estate development is the expansion of Logistics Health, Inc. (LHI). LHI is a health care services company that provides occupational health services, bioterrorism and response programs, and clinician information line services.

LHI, who is the main tenant, has brought 850 jobs to the area. Over 115 of those jobs have been to low-income individuals. In addition, approximately 80% of all jobs carry benefits such as health insurance, vacation pay, holiday pay, sick leave, profit sharing and retirement benefits. Jobs created and jobs being held by low-income workers have far exceeded the original goals set for this project which was to create 500 jobs of which 70 would go to low-income individuals. Some 175 temporary employees are also utilized on a regular basis.

To accommodate additional business office space demand, a third phase is planned. This new building, with adjoining parking ramp, will be the third in the complex and be a seven-floor building with a \$18 million total cost. Some 250 jobs are estimated to be created when Riverside III is completed, with a projected 25% of those jobs going to low-income individuals having an average starting wage of \$11/hr. New Markets Tax Credits and \$800,000 of I-7 funding will play an important role in funding this project.

In addition, the River Center complex has attracted several new business activities to downtown La Crosse, including the expansion of an adjacent museum, a restaurant, and a fitness center.

2010 Stories of Community Impact

Kentucky Highlands

Jerry Rickett: 606.864.5175
P.O. Box 1738
London, KY 40743

Community Profile

- Poverty Rate: 28.1%
- Unemployment Rate: 13.7%



Mary Davis, Judge Jeff Choate, Congressman Harold Rogers, Tom Fern, Darvey King, Benny Garland and Jerry Rickett among others at the grand opening.

Project Highlights

- Jobs: 71
- Total Project Cost: \$4.7 million
- CED: \$677,000
- Employees benefits: Health Insurance, Retirement, Vacation, Sick/Personal Time, Bereavement Pay, Employee Assistance Program, Time Sharing

Kentucky Highlands Investment Corporation

Foot Hills Academy Girls Residential Facility

Kentucky Highlands Investments Corporation (KHIC) was founded in 1968 to create jobs and build wealth throughout southeastern Kentucky. KHIC has successfully pursued this mission by financing and supporting the development of local businesses and community facilities in the 22 rural counties that make up its Target Market. KHIC designs its financing products and services to meet the specific debt, equity and technical assistance needs of businesses and entrepreneurs throughout its market from the self employed entrepreneur needing a \$500 microloan to launch a business to the established manufacturing business that lacks access to venture capital markets but needs a \$4 million capital infusion and management assistance to retool and expand.

KHIC became involved with Foothills Academy when it was established in 2001 as a residential facility for adolescent and teenage boys. KHIC has provided financing and technical assistance to Foothills Academy which has recently established Foothills Academy for girls, a child care, and residential facility for adolescent and teenage girls constructed on a 45 acre site in rural Wayne County, Kentucky. Foothills proposed residents come from at-risk backgrounds, unfit homes and social worker/court referrals. Most of the proposed residents are technically, or in fact, homeless. They need supervision and structure as well as a place to live, attend school, learn life-skills vocational training and the value of work. These are the forgotten of society, still children in grown-up bodies, who have been forced out by family or removed by authorities from home. They are too old or troubled for the traditional child welfare/foster care system, not in enough trouble - yet - to warrant being placed in a juvenile detention center and have nowhere to go.

The project entails construction of a 12,238 square foot dormitory/living building complete with group therapy, medical, office and lounge spaces to serve 48 girls. Additionally, there is a multi-purpose building approximately 7,100 square feet in size which will house the kitchen, dining and educational components of the project. This project is a sister project to the successful Foothills Academy for boys in neighboring Clinton County. Ownership, management and operational responsibility for the facility will be the same for both facilities. Since opening in 2002, Foothills Academy has doubled in size and employs over 90 people in instruction, counseling, management and oversight. It is anticipated that the Foothills Academy for girls will experience similar demand as the existing boys facility with over 120 girls currently waiting placement according to the Kentucky Cabinet for Families and Children.

Upon completion of this project, a state of the art residential treatment facility will be available in Wayne County, Kentucky for up to 48 adolescent girls at any given time. Young girls will have the opportunity to break a cycle of dysfunctional behavior as they experience the security of a safe home, the opportunity to receive an excellent education and the chance to prepare mentally, emotionally and physically to face the challenges of the world as stable, contributing adults. The local economy will benefit from the creation of at least 71 new jobs in addition to having a new large customer for locally grown food items.

2010 Stories of Community Impact

Midwest Minnesota Community Development Corporation

Arlen Kangas: 218.847.3191
119 Graystone Plaza, Suite 101
Detroit Lakes, MN 56502

Community Profile

- Poverty Rate: 16.4%
- Unemployment Rate: 20.8%
- Median Household Income \$38,099



Project Highlights

- Jobs: 40 new jobs created
- Total Project Cost: \$19 million
- CED: \$765,827
- Other funding source: Banks
- Employees benefits: On-the-job training

Midwest Minnesota Community Development Corporation

MMCDC is a leading private nonprofit company providing commercial lending, home mortgage lending, and housing, business and community development services in underserved rural and urban markets. MMCDC has been engaged in innovative housing and economic development work from its inception in 1971 and has become one of the largest community development corporations in Minnesota. MMCDC now controls, directly and indirectly, approximately \$316 million in capital for lending. This includes a portfolio of \$23 million, a bank with \$53 million in assets, plus \$240 million in New Markets Tax Credit financing.

MMCDC utilized OCS dollars to provide a major rural Minnesota manufacturer with a working capital loan of \$745,827 at 3.25 percent over five years. Companion bank financing of \$7 million was provided using a USDA Business and Industry Guarantee. This financing package enabled a turnaround in company performance and entry into the energy-efficient vehicle market.

Loan recipient TEAM Industries is a high-tech engineering and manufacturing firm providing underemployed and unemployed workers with on-the-job training to access living-wage jobs with benefits and a career ladder. CEO David Ricke said the financing package came at a crucial time. "After a very difficult 2009, our company has emerged as a leaner, more nimble organization, entering new markets with new products," Ricke said.

OCS funds are allowing the company to expand its front axle business and create 40 new jobs in Bagley, a small town in Clearwater County (population 8,249). Clearwater County consistently has the highest rate of unemployment of any county in Minnesota. In March 2009, the unadjusted unemployment rate was 20.8 percent; the U.S. Census Bureau reports a 16.4 percent poverty rate in 2007.

2010 Stories of Community Impact

Montana Community Development Corporation

David Glaser: 406.728.9234
110 East Broadway, 2nd Floor
Missoula, MT 59802

Community Profile

- Poverty Rate: 33.9%
- Unemployment Rate: 10.7%
- Rural town



Project Highlights

- Jobs: 48 Construction 45 Permanent Jobs
- Total Project Cost: \$8.7 million
- NMTC: \$8.3 million
- Other Funding Sources: debt financing, Glacier Bank of Butte \$2.9 million; Historic Tax Credit Investment 1.3 million; other local agency financing
- Provides neighborhood grocery store for 12,000 people

Montana Community Development Corporation (MCDC)

Historic Butte Sears Building

MCDC is a regional certified CDFI based in Missoula, Montana. MCDC's mission is to provide business financing that can transform the lives of individuals and strengthen community prosperity. Since 1989, MCDC has lent more than \$15 million to over 400 small businesses. MCDC has deployed nearly \$4 million in CDFI grants in its revolving loan fund, and a \$40 million New Markets Tax Credit allocation to jumpstart commercial projects in rural communities.

The project involves the redevelopment of the Historic Sears Building in Uptown Butte, converting it from a vacant five-story building into 80,000 square feet of mixed residential and commercial space. The project features many LEED components and will contain a neighborhood market, a non-profit science museum, and 34 market rate rental loft apartments on the second through fifth levels. The project came together with various state grants and loans from local agencies, local bank debt financing, owner equity, and tax credits from the New Markets Tax Credit program and U.S. Park Service's National Historical Preservation program.

The project sits in the heart of Uptown Butte, an area that once served as the hub of commercial activity during the historic mining city's boom town days. The building was originally built in the early 1900's and housed a grocery store on the main floor and miners' apartments on the upper floors. With the decline of the mining industry, Butte's population and economic activity shrank. The building sat vacant from the 1970's until 2006 when the current developers bought it from the City for \$10,000 in back taxes.

Since renovations began, other signs of revitalization have appeared. A restaurant has opened just across the street, a hotel revitalization project is now underway and another private investor purchased an apartment complex on the same block. The project is on track as a catalyst for rebuilding this historic commercial area, bringing with it affordable housing, jobs and essential services.

2010 Stories of Community Impact

Mountain Association for Community Economic Development

Justin Maxson: 859.986.2373
433 Chestnut Street
Berea, KY 40403

Community Profile:

- Rural community
- Population: 23,633
- Per capita income: \$11,984
- Poverty rate: 29.4%
- Unemployment rate: 10.9%



Barbara Jones and Glenda Banks established Comfort Hills to meet a need in Letcher County for assisted living services.

Project Highlights

- Jobs: 17
- Total project cost: \$100,000
- MACED contribution: \$100,000
- Jobs were filled primarily by previously low-income individuals.

Mountain Association for Community Economic Development, Inc.

Comfort Hills

MACED works with people in eastern Kentucky and Central Appalachia to create economic opportunity, strengthen democracy and support the sustainable use of natural resources. MACED's vision is for Central Appalachia to have a sustainable regional economy that meets the needs of low-income people and protects or enhances natural resources. Since 1981, MACED has lent more than \$25 million to more than 350 enterprises, creating or retaining more than 2,500 jobs in Central Appalachia. We have also worked to build the capacity of thousands of entrepreneurs and local citizens; developed innovative demonstration projects; and made major research contributions to issues ranging from sustainable forestry to economic development reform.

MACED client Comfort Hills is an assisted living facility in Letcher County, Kentucky. The business was established in 2009 by two retired social workers who saw firsthand the great need for caregivers for the developmentally disabled and the elderly. Comfort Hills offers 24-hour assisted living services seven days a week and is certified by the Kentucky Department of Aging and Independent Living. Services include direct assistance with daily living as well as help making arrangements for other services, such as with employment agencies or for health care. Comfort Hill currently has 9 employees and will grow to 17 employees when the facility is running at full capacity. These are permanent jobs created in a county with per capita income of only \$11,984.

A referral from the local community college led Executive Director Glenda Banks and business partner Barbara Jones to MACED in search of capital. Using OCS funds, MACED extended a loan of \$100,000 in September 2009 to assist with start-up costs and to provide working capital for direct costs such as food, personal items and payroll. The funding provided a crucial bridge in the lag time before state reimbursement funds were received.

Eastern Kentucky has only three other assisted living facilities despite the growing population of people needing assisted living support. Community services such as eldercare and disability support are one of MACED's targeted interest areas for lending activities because of the important community benefits they provide.

2010 Stories of Community Impact

Midtown Global Market

Mihailo Temali: 651-379-8426
663 Neighborhood Avenue
St. Paul, MN 55104

Community Profile

- 32.3% poverty rate
- 12.3% unemployment rate
- \$18,092 – median family income



Project Highlights

- Jobs: 475 Jobs Created
- Total Project Cost: \$17 million
- OCS CED: \$700,000
- More than 3,000 daily visitors
- Average yearly sales: more than \$6 million
- 25% reduction in crime in surrounding areas in the first year of operation
- Over 25 internationally themed, family-oriented events each year

Neighborhood Development Center

Midtown Global Market

Neighborhood Development Center (NDC) was founded in 1993 with the mission of training low-income entrepreneurs, offering microfinancing, and creating incubators to house small businesses. To date, NDC has trained more than 4000 entrepreneurs, lent more than \$7.1 million to small businesses, and has more than 120 small businesses operating in their 5 incubators in Minneapolis and St. Paul. Today NDC entrepreneurs employ over 2200 individuals and return \$29 million to their local economies each year.

NDC's largest small business incubator is the 70,000 square foot Midtown Global Market (MGM), which opened on June 3, 2006. Neighborhood Development Center, along with three other non-profit partners, redeveloped the formerly vacant Sears complex, in the heart of a low-income community in South Minneapolis, into the Midtown Global Market, an internationally themed public market featuring more than 40 independent small businesses selling fresh food, specialty grocery, prepared food, and gifts from around the world. The MGM has created more than 475 jobs since its inception and attracts over 3,000 visitors daily, with average monthly sales of over \$500,000.

The \$17 million dollar project was truly a community effort that could not have happened without considerable support from a variety of partners. In addition to funding from the Office of Community Services (OCS), the project utilized both New Markets and Historic Rehabilitation Tax Credits to entice private equity (US Bank), and also received significant financing support from US Bank, Wells Fargo and M&I banks (equity equivalent loans), local foundations and the Ford Foundation nationally (grants), and the City of Minneapolis (flexible subordinate financing). Funding from OCS played a catalytic role in driving the project's overall financing structure as an equity contribution that helped leverage the New Markets Tax Credit investment.

The Global Market was created to revitalize a challenged urban corridor, at a key location where three low-income, high crime neighborhoods - Phillips, Powderhorn, and Central-come together. The neighborhoods have a very high proportion of residents of color and recent immigrants. Over 32% of the population is living below the poverty level, and the unemployment rate is 12%. The median family income is \$18,092, and 78.4% of housing is occupied by renters rather than homeowners.

The Midtown Global Market has been a beacon in the heart of South Minneapolis. In addition to job creation and economic opportunity, the project has created a dynamic, safe, community gathering place that offers fresh organic fruits and vegetables and grocery items to a previously underserved community, and has done so in a manner that is enticing and compelling enough to draw customers from all around the city. Since the Midtown Global Market opened its doors, the project has consistently drawn more than 1 million customers a year and has established itself as a powerful economic engine. Its corresponding impact on crime and improving the surrounding community's image has been profound.

2010 Stories of Community Impact

New Community

New Community

Joseph Matara: 973.623.0682
233 West Market Street
Newark, NJ 07103

Community Profile

- 23.9% Poverty Rate
- 17.4% Unemployment Rate
- \$33,887.00 Medium Income



Project Highlights

- Jobs: 25 full time
- Total Project Cost: \$4.5 million
- CED: \$500,000
- Other funding sources: Banks, foundations, State of NJ

New Community Corporation (NCC) in Newark, New Jersey is among the largest and most comprehensive community development agency in the country. Founded in 1968 by Msgr. William Linder, New Community was born out of the civil unrest that spread through inner cities like Newark during the late 1960s. The goal of New Community is to help community residents improve the quality of their lives to reflect individual dignity and personal achievement.

New Community's programs include a one-stop Family Resource Center that serves thousands of clients annually with everything from emergency food allocation to assistance paying utility bills. NCC's Harmony House is a transitional residential facility with the capacity to house 102 homeless families and serves hundreds of clients every year, most of them single mothers and children. The corporation also owns and manages more than 1,700 units of housing for seniors and families, ranging from high-rises for the elderly to family townhouses. NCC's latest housing development, Roseville Commons, officially opened its doors in September. It is a 50-unit residential/commercial complex on Orange Street targeted at low and very low income residents, including special populations like homeless veterans and the visually impaired.

The New Community Workforce Development Center is a state-of-the-art, \$4.5 million continuing education facility and New Jersey's premier One Stop Center. The three-story, 25,000 square foot center on Bergen Street in Newark's Central Ward is the result of a unique partnership between New Community, foundations, various financial institutions and government agencies and a \$500,000 CED grant. Housed within the facility is the School of Licensed Practical Nursing, the School of Culinary Arts, Gateway-To-Work (a welfare to work program), ShopRite Supermarket Job Preparation Partnership and Youth and Adult Automotive Training Center.

-The highly successful School of Nursing, developed in response to the severe nursing shortage, achieves nearly 100 percent job placement rate. There is currently a waiting list of 3,000 potential students.

-The School of Culinary Arts, through a collaboration with local restaurants, hotels and country clubs, has seen its students immediately step into jobs as chefs upon graduation from the nine-month program. Approximately 880 students have graduated from the school.

-The Automotive Training center, in a partnership with the Ford Motor Company offers a 15-month program in a fully-equipped facility that provides technical training in auto repair with job placement upon graduation. The center has served 540 students to date.

-Gateway to Work is about moving people into the workforce and towards self-sufficiency, while discouraging previous attitudes of dependency. Gateway utilizes a rapid transition to work model, stressing immediate job readiness and employability skills.

-Wakefern Corporation (ShopRite) partners with New Community Corporation to provide cashiering and customer service training for Associates. Associates are provided with hands-on training on ShopRite computer-based systems and store operations procedures. Associates who successfully complete this program are guaranteed a cashier/customer service position with one of 13 ShopRite Supermarkets.

Recently, First Lady Michelle Obama, in support of her "Let's Move" initiative, is looking to eradicate "food deserts" areas where millions of persons live without access to healthy and affordable foods. NCC recognized this problem some years ago and with the help of CED and other like minded partners, constructed the first new grocery store in Newark in years. The Pathmark Center provides healthy food staples to thousands of local residents.

Both our Workforce Development Center and the Pathmark Complex were conceived and developed to serve an urgent need and continue to be integral to the overall health of the neighborhood. Both these projects would not have been possible if it were not for the generous participation of our partners - the foundations, the municipal and federal governments and the private financial institutions that share our goals

2010 Stories of Community Impact

Northern Initiatives

Dennis West: 800.254.2156
P.O. Box 7009
Marquette, MI 49855

Community Profile

- Poverty Rate: 14.4%
- Unemployment Rate: 14%
- Michigan has fallen from 18th in the Country in per capita income to 36th during the period 2000 to 2008



Project Highlights

- Jobs Created: 60 projected
- Total Project Cost: \$3,200,000
- CED: \$800,000
- Employees benefits: Businesses that have diversified will be hiring from the ranks of the unemployed

Northern Initiatives

Northern Initiatives, a private, non-profit Community Development Corporation, began in 1985 as an academic institution of Northern Michigan University in an effort to stem the tide of out-migration from the area. Today, Northern Initiatives (NI) serves small, rural businesses in northern Michigan and northeast Wisconsin. NI has been providing business loans for over fifteen years and has financed over \$30,500,000 in business start-ups and expansions.

Recently, Northern Initiatives was awarded an \$800,000 grant from the Office of Community Services (OCS). NI will use this grant to provide working capital to small businesses in the Upper Peninsula of Michigan to modernize and/or expand their operations and hire new workers. With this grant, Northern Initiatives has the capacity to distribute up to fifteen low-cost loans for small businesses that will generate at least sixty new jobs in the Upper Peninsula (UP) and retain another two hundred jobs in the region.

The UP unemployment rate is much higher than the national unemployment rate. In April 2010, the state of Michigan had unemployment of 14%, compared with a national unemployment rate of 9.9%. The region's poverty rates coupled with the damage caused to the UP's industrial base help quantify the number of Upper Peninsula families facing economic uncertainty. Additionally, the UP is geographically isolated and farther away from major markets. This distance contributes to fewer employment opportunities that pay living wages, and residents are reluctant to move away from their extended families.

With this grant, Northern Initiatives will generate growth in four areas of local economies: 1) Manufacturers recovering from economic trouble who are diversifying to meet new market demands; 2) Lean and green manufacturers who are pursuing process and energy improvements; 3) Food system growers and value added food processors who are increasing healthy local and fresh food access; and, 4) Cultural and nature tourism businesses that are expanding to meet the needs of twenty-first century tourists. Many businesses in the Upper Peninsula fall into one of these four categories and are ready to expand, but lack the capital to do so. As many traditional investment sources are hesitant to work with small businesses, these expansion opportunities are delayed or lost entirely.

Northern Initiatives will meet these needs with the grant from OCS by establishing a revolving loan fund that will support eight to fifteen manufacturers and other small businesses. This grant will help these businesses and manufacturers diversify their markets into high growth areas, including advanced manufacturing, aerospace, biotechnology, homeland security, health care, information technology, and green energy. In addition to capital, NI will provide these businesses and manufacturers with support through a financial skills training program, Profit Mastery, that will help them understand the flow of money through their business.

Northern Initiatives has directly supported the creation and retention of more than 1,640 jobs through the operation of a revolving loan fund. The grant from OCS will provide Northern Initiatives the resources to help create sixty new jobs available to low income individuals and retain two hundred current jobs in the Upper Peninsula.

2010 Stories of Community Impact

Pacific Asian Consortium in Employment (PACE)

Kerry Doi: 213.353.3082
1055 Wilshire Blvd, Suite 1475
Los Angeles, CA 90017

Community Profile

- Poverty Rate LA County (2009) 15.3%; some PACE neighborhoods it is greater than 50%
- Unemployment Rate: 12.6% (September, 2010)
- 14% of population is Asian Pacific Islander compared to 11.2% for the state and 3.6% nationally



Project Highlights

- Since initial funding in 1993: leveraged an additional \$7.5 million in funding
- Total Initial Project Cost: \$835,200
- CED: \$492,600
- Other funding sources: City of Los Angeles; Bank of America; Citibank; Comerica; HSBC; Northern Trust; Union Bank; Annie E. Casey Foundation; USBank; Hanmi Bank; U.S. Small Business Administration; CDFI Fund
- Businesses Created/Expanded: 10,162
- Jobs Created to date: 15,372

PACE Business Development Center

PACE was founded in 1976 to be the first organization to address the employment needs of the burgeoning Asian Pacific Islander populations. In 2009 and 2010 PACE served more than 60,000 low income people including ethnic minorities, immigrants, refugees and asylees living in Los Angeles County with 6 primary programs that promote PACE's mission "to create economic solutions to meet the challenges of employment, education, housing, business development, and the environment in the Pacific Asian and other diverse communities"

Programs include:

- Workforce Development – Providing job skills, training and placement for 5,000 job seekers annually including green job training.
- Energy & Environmental Services-providing weatherization, emergency energy. payment assistance, energy savings education and alternative energy installations.
- Early Childhood Education -27 sites serving 1600+ low income children annually.
- Business Development – Serving more than 1,500 entrepreneurs annually including a Women's Business Center, an SBA Microenterprise Intermediary Loan Fund and a CDFI in formation.
- Affordable Housing - 4 developments with 190 units of affordable, safe housing.
- Financial Education & Asset Building.

In the aftermath of the destruction from the Civil Unrest of 1992, thousands of small business owners in Central Los Angeles found themselves out of business—and out of a job. The majority of these business owners were minorities—many immigrants, refugees or asylees who had no other source of income and no ability to find any other type of job. PACE immediately responded to the needs of these entrepreneurs and began offering business assistance. Realizing the depth & on-going nature of the need, PACE also submitted an application to the Office of Community Service and the JOLI program to fund a business development center.

The PACE Business Development Center (BDC) opened its doors in the spring of 1993 with a \$400,000 grant from JOLI. The JOLI funding proved to be a catalyst that has leveraged more than \$8.5 million in funding 20 times the original funding. This funding has come from financial institutions, foundations, local government—and another JOLI grant that PACE received in 2006 to expand the BDC by opening a satellite office in the San Gabrielle Valley.

In addition to the funding, more than \$45 million in private capital has been invested in the 10,162 businesses—and the low income communities they serve. It is also important to note that these businesses have provided \$323,264,324 to local governments in fees and sales tax revenue. Recently it has become increasingly difficult for small businesses to obtain bank financing. To address this need PACE has created two revolving loan funds. The first was created with private contributions and has been separately incorporated as PACE Finance Corporation. It recently received funding from the CDFI Fund as an "emerging CDFI". The second fund was awarded \$750,000 from the Small Business Administration with a \$100,000 loan loss reserve fund contributed by Comerica Bank. With new legislation just signed by the President Obama, this fund can now lend up to \$50,000 per business and can grow to \$5,000,000.

Los Angeles County has the largest population of Asians & Pacific Islanders (API) of any county or state in the nation. Contrary to the "model minority" myth, the majority of the Southeast Asian population continues to struggle with economic, educational, & other challenges to a degree seldom understood by policy makers & government institutions. This population lives in neighborhoods that are linguistically isolated; have higher poverty rates than for any other ethnic group; have a higher rate of community members receiving public assistance than for any other ethnic group; have lower educational attainment than the general population; and are far less likely to own homes than other ethnic groups.

2010 Stories of Community Impact

PathStone Corporation

Dana Brunett: 585-340-3385
400 East Avenue
Rochester, NY 14607

Community Profile

- Poverty Rate: 13.7%
- Unemployment Rate: 8.4%
- Local community has experienced a great deal of job loss as a result of longstanding employers such as Kodak and Xerox implementing extensive job reductions over the past five years creating an environment of economic uncertainty.



Project Highlights

- Jobs: 10 Created
- Total Project Cost: \$720,000
- PathStone: \$200,000
- Ontario County \$350,000
- Empire State Development \$110,000
- Employees benefits: Jobs will be filled by low and moderate income individuals who will be provided health benefits and retirement plan after completion of a probationary period.

PathStone Corporation

Newtex Industries, Inc.

PathStone Corporation a non-profit, 501(c)(3) regional Community Development Corporation organized in 1969 provides economic development, social, educational and other services in New York as well as in New Jersey, Ohio, Pennsylvania, Indiana, Virginia, Vermont and Puerto Rico. PathStone is a visionary, diverse organization empowering individuals, families and communities to attain economic and social resources for building better lives.

PathStone's mission is to build family and individual self-sufficiency by strengthening farm-worker, rural and urban communities. PathStone promotes social justice through programs and advocacy.

As a result of this mission PathStone provided services to over 67,000 individuals in 2009 and has assisted over 3,700 first time homebuyers, over 2,600 units of multi-family housing and over 4,500 units of rehab and weatherization projects and provided financing for 338 small businesses totaling over \$11.8 million impacting over 3,500 jobs and leveraging an additional \$44 million in new investment.

PathStone worked with Empire State Development and Ontario County officials to assist Newtex Industries with a \$720,000 equipment upgrade project in support of its new Z-Flex™ Aluminized product line. The upgrades, including new coating and cutting machines, will allow the heat and fire-resistant performance textile manufacturer to expand production and perform new operations in its Victor, NY facility. As the most trusted name in the industry for over 30 years, Newtex is the pioneer and leading global producer of high temperature textiles for thermal management and fire protection. As a result of this project Newtex will hire 10 new employees and retain an additional 47 employees.

Because of the difficult economy and related losses due to a reduction in sales Newtex found it difficult to obtain traditional financing to fund their expansion into the new Z-Flex product line which was essential to their future sales and development. As a result, PathStone agreed to finance \$200,000, Ontario County \$350,000 and ESD \$110,000 to allow Newtex to purchase the necessary equipment and begin development of their new product line and enhance future sales. Without this assistance Newtex would not have the ability to produce the new products and jeopardize their future and that of their existing 47 employees.

Newtex is located in Victor, NY, Ontario County, just 15 miles from Rochester, NY. This is a bedroom community which is supported mostly through sales taxes derived through local retail operations. With a total population of 100,888 Ontario County is predominately rural.

2010 Stories of Community Impact

TELACU

Jose Villalobos: 323.832.5453
5400 East Olympic Blvd.
Los Angeles, CA 90022

Community Profile

- Poverty Rate 22.6%
- Unemployment Rate 17.5%



Project Highlights

- Jobs Created: 36
- Total Project Cost: \$3 million
- CED: \$686,000
- Other funding source: TELACU
- Employees benefits: Medical/Dental Insurance, Life Insurance, 401k Plan

TELACU

Expansion of Weatherization Division

Forty-two years ago, TELACU was established as a pioneering institution committed to service, empowerment, advancement, and the creation of self-sufficiency to serve and meet the needs of the greater East Los Angeles community. Utilizing a unique model – The TELACU Model – for community and economic development, each and every business TELACU owns and operates has a double bottom line – self-sustainability that is inseparable from social impact.

The TELACU Model is based upon the belief that there is no more viable business venture than one that is economically sound, enhances the community, and positively impacts people's lives. Quality, affordable homes are developed for first-time homeowners, and beautiful residential complexes are constructed and operated for families and senior citizens. New community assets like schools, infrastructure, shopping centers, and municipal facilities are built, creating well-paying jobs and revitalized communities for local residents. Responsive financial institutions are managed to provide access to capital for small business owners and hardworking families. And educational opportunities are expanded to create a greater future for young people and veterans.

In September 2008, TELACU was awarded a CED grant for the expansion of its weatherization division, which provides energy efficiency services to low income households in the greater Los Angeles and Riverside areas. As a result of ever increasing energy prices, low income families have been disproportionately impacted by these increases. Working in partnership with the utility companies, TELACU has been working to minimize these adverse impacts while reducing the consumption of and reliance on fossil fuels. At the beginning of the grant period, TELACU Weatherization (TWX) provided weatherization services to 10,000 households per year. As a result of the grant, TELACU is on track to service 18,000 low income households in 2010 and 28,000 homes in 2011.

TELACU will be creating 48 low income jobs and, as of November 2010, has created 36 jobs. Weatherization jobs have moved beyond requiring basic carpentry and insulation-type skills to more technical skills involving heating and air conditioning skills and the installation of new green systems such as solar. Working in conjunction with some of its partners such as the East Los Angeles Skill Center and Los Angeles Trade Tech, TELACU has been able to provide its employees with the training needed to acquire the necessary skill sets. The outside training is supplemented with additional in-house training by the experienced staff. TELACU also partners with agencies that work with low income individuals such as the Mexican-American Opportunity Foundation, the Los Angeles County Department of Public Social Services/GAIN, WorkForce Development Center, WorkSource, Chicana Service Action Center/Worksource, HUB Cities, One Stop, CalJobs/Employment Development Department to recruit and identify individuals to fill its open positions.

TELACU has been successful in leveraging the grant funds and, to date, the grant funds have been leveraged 4.4 to 1.

2010 Stories of Community Impact

The Northwest Side Community Development Corporation

Howard Snyder: 414.447.8230
4265 N. 30th Street
Milwaukee, WI 53216

Community Profile

- Citywide poverty rate: 27%
- Unemployment rate: 10.4%
- Project area poverty rate: 43%



Project Highlights

- Total Project Cost: \$35 million
- Jobs: 1200 jobs
- CED: \$800,000
- CED funding will help create 40 jobs for low-income individuals
- Other funding source: City of Milwaukee Tax Incremental Financing District, State of Wisconsin DNR, U.S. EPA
- Employee benefits: Medical, Dental, 401K

The Northwest Side Community Development Corporation

Century City

Founded in 1983, the mission of the Northwest Side Community Development Corporation (NWSCDC) is to remake the economically depressed northwest side of Milwaukee, once a booming industrial district surrounded by thriving middle-class neighborhoods, into a preferred destination for businesses and residents. NWSCDC is Milwaukee's oldest community development corporation, founded not long after the auto industry began its 30-year decline in Milwaukee.

Over the years NWSCDC has evolved into a business-focused agency that stresses collaborations with public and private entities over ownership of property and programs. NWSCDC makes loans and provides technical assistance and workforce development services to businesses.

In 2010 the Northwest Side Community Development Corporation (NWSCDC) was awarded OCS grant funds in the amount of \$800,000 to assist in the financing of the first phase of *Century City*, an 84 acre landmark industrial redevelopment project in the heart of the City of Milwaukee's "30th Street Industrial Corridor."

NWSCDC plans to use the award to loan up to \$700,000 to the Redevelopment Authority of the City of Milwaukee (RACM) the owner of *Century City*. The financing will help fund the costs of environmental remediation, demolition, building renovation, and site improvements at *Century City*. As a result of the first phase of development at *Century City* 40 jobs for low-income people will be created over a period of 3 years.

RACM envisions the *Century City* industrial park to be the anchor tenant of the high-technology and green technology manufacturing district that is emerging in Milwaukee's "30th Street Corridor" from the ruins of the auto manufacturing industry. The NWSCDC, with loans backed by OCS awards have played a critical role in assisting the city in its effort to remake this area into a hub of high-tech and green tech manufacturing by lending to several catalytic commercial real-estate developments and directly to high-tech manufacturers to create jobs and economic activity in this area. The *Century City* is the culmination of decades of work in planning and development by the City of Milwaukee, NWSCDC, other non-profit groups and OCS.

The Redevelopment Authority of the City of Milwaukee (RACM) purchased the land for the *Century City* project in 2009. It was previously the Tower Automotive site and A O Smith prior to that. RACM is developing parcels in stages. A major Brownfield removal effort is already underway on portions of the site. RACM plans to use *Century City* as a 58 acre industrial park, with 17 acres of commercial space, and 5 acres of housing. RACM estimates that 1,200 permanent jobs will eventually be created at the site.

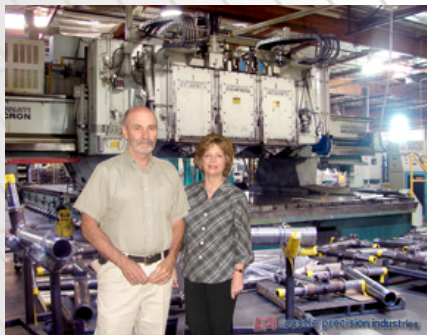
2010 Stories of Community Impact

Valley Economic Development Center

Roberto Barragan: 818.907.9977
5121 Van Nuys Blvd., 3rd Floor
Van Nuys, CA 91403

Community Profile

- Poverty Rate: 18.9%
- Unemployment Rate: 13.9%
- Urban area
- Median Income of community - \$19,032
- Underserved low to moderate income community



Project Highlights

- Jobs: 50 new jobs created
- Total Project Cost: \$4 million
- EDA: \$1 million
- Other funding source: Private

Valley Economic Development Center (VEDC)

Castle Precision Industries, Inc

VEDC is the largest non-profit business development corporation in Southern California and offers financial assistance, consulting, training, and workforce solutions to small and medium sized businesses. The combination of lending and training programs successfully anticipates the needs of growing businesses in our ever-changing economy and has created a focused vision of economic opportunity, effective organization of resources, and the fostering of job creation. With seven locations throughout the Los Angeles area, VEDC has been supporting the small business owner for more than 30 years with the goal of creating and sustaining jobs and fostering a better quality of life in the communities we serve.

Gary Berger and William Windette founded the STL Enterprises in 1973 as a small aircraft parts brokerage firm. Over the years, the company emerged as an aircraft component manufacturer. The company has now grown into a parent company with three subsidiaries including Castle Precision Industries which produces their own aircraft parts, repairs and overhauls.

Castle Precision Industries has a long history of profitability. However, in the aerospace downturn that followed 9/11 the company found itself struggling. In 2003, with lenders breathing down their backs, Castle Precision's owners contacted VEDC. The agency was able to put together a loan package and referred Gary Berger and William Windette to a bank to secure additional financing.

"The financial assistance and support we received from VEDC was crucial to the survival of the company at that time." said Gary Berger, CEO, Castle Precision Industries. "Since the debt restructure in 2007, the company sales have doubled and we have created more that 50 new jobs."

In the last 12 months, Castle Precision Industries generated revenues of approximately \$19 million dollars. CIRCOR International, Inc. has just announced that its wholly owned subsidiary, CIRCOR Aerospace, Inc. has completed acquisition of Castle Precision Industries which will be integrated into CIRCOR's Aerospace segment.