

# MARKETWISE

## **NEIGHBORHOOD LANDSCAPES**

*Dreams in the Making*



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## The Sky's the Limit for Implementing Positive Change

Whenever I meet community development practitioners and stakeholders, I'm often amazed at their uncanny ability to turn a seemingly unachievable goal into a tangible, high-quality product. The groups highlighted in this issue of *MARKETWISE* are true testimonies that dreams are more than a fantasy or figment of the imagination; it's one of the many driving forces of community economic development. Imagine not feeling comfortable enough to walk down your sidewalk because of the fear of crime or the unpleasant sight of people living in poverty? A college president, passionate about community development, helped his school and the community turn this unsightly picture into a mixed-income community bursting with a new enthusiasm about the area's potential. What happens if you're an entrepreneur or potential business owner in West Virginia and you're unsure how to successfully transition to the next level? You take potentially groundbreaking research and decide how to best use it for your region's success. Perhaps you see homes in a town heralded for its natural beauty and serenity abandoned? Like Neighborhood Housing Services of Asheville in North Carolina, you restore the architectural integrity of the community and replicate this practice in another neighborhood that accepts development assistance. Maybe you live in a rural community where social issues such as the lack of affordable housing, seem overlooked and overshadowed by urban issues in neighboring cities. Interfaith Housing Alliance in western Maryland reacted to this scenario by building award-winning affordable housing and facilities. Suppose you are President of a Federal Reserve Bank and wonder what role community development plays in the economy? Just look to our former bank President Al Broaddus, who retired in July as a stellar example of embracing community development entities and issues throughout the Fifth Federal Reserve District. So what's my advice to entities that are unsure whether they can make sustainable change in their communities? Keep hoping and wishing because as long as there is determination and a focus, dreams really do come true.

*Jennie W. Blizzard*

Jennie W. Blizzard  
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*MARKETWISE* is published three times a year by the Federal Reserve Bank of Richmond. Free subscriptions and additional copies are available upon request; address requests to the CAO, Federal Reserve Bank of Richmond, P.O. Box 27622, Richmond, VA, 23261, or call (804) 697-8457. Material may be reprinted or abstracted provided *MARKETWISE* is credited. Please provide to the Community Affairs Office a copy of any publication in which material is reprinted. The views expressed are not necessarily those of the Federal Reserve Bank of Richmond or the Federal Reserve System, nor are they meant to imply endorsement of specific investments or programs.

## Tapping into the Power of Good in Society

by Cindy Elmore

As recent as a decade ago, the area near Read Street in Columbia, South Carolina, was a haven to drugs, prostitution and an abundance of illegal activity. "You had to be crazy to walk down Read Street," commented Heyward Bannister. Now, lovely brick ranchers and two-story homes have replaced crack houses and abandoned buildings. Beautifully landscaped yards replace the unpleasant scenery of needles and crack pipes. "I never had a shower and thank God now I have two," declares Eloise Leach of her new home after living most of her life in the city's housing projects.

As the area continued to spiral into economic decline, two historic, African-American schools, Benedict College and Allen University, also felt the community's woes and began experiencing declines in enrollment. Despite the bleak picture, change came to the Read Street community in 1994 when Dr. David Swinton, the new president of Benedict College, began his tenure. With a master's and a doctorate in economics from Harvard University, Swinton knew that community development had to be a priority for the college to flourish and began to passionately pursue community economic development activities. According to Bannister of Fannie Mae, "It is refreshing to have a leader at Benedict in Dr. Swinton who understands the importance of education and that the institution is linked to the community."

Embracing the words of the schools original charter, which were penned in 1870, Swinton pledged to tap into the "power of

***"It is refreshing to have a leader at Benedict in Dr. Swinton who understands the importance of education and that the institution is linked to the community."***

Heyward Bannister

# 10TH ANNIVERSARY



Dr. David H. Swinton  
President, Benedict College

# 1994 ~ 2004



Larry Salley  
Executive Director, BACDC



Myrtle Gordon  
BACDC board member



Heyward Bannister  
Director, Fannie Mae South Carolina Partnership Office

***“Benedict-Allen CDC has been a blessing to us. They didn’t just do bricks and mortar; they helped the people so they could afford to buy a house or get a job.”***

Myrtle Gordon

good in society.” “I felt it was necessary to work with the community to bring about transformation,” he said. When he arrived at the campus, he realized that students were afraid to walk out of the back gate. “For the sake of the college and students, we had to create a safe environment,” he explained. In order for parents to feel comfortable allowing their children to attend Benedict, Swinton believed radical changes had to take place, but he also understood the importance of community buy-in. “We began working hand-in-hand with the community to bring about change,” he said.

**Connecting with the Community**

Swinton began his revitalization efforts by creating the Benedict-Allen Community Development Corporation (BACDC) in 1995 to work with the Waverly/Read Street communities. BACDC’s board included representatives from the

neighborhoods that bordered the school, the presidents of Benedict College and Allen University, and business leaders. “We needed to have synergy between what we wanted to do and what the community wanted to do,” said Swinton. “When we started, we talked about housing, human development and business development.”

With those goals in mind, the board hired Larry Salley, a Benedict graduate with a solid background in community development, to lead the organization. According to Salley, “Dr. Swinton wanted to create an entity that was an outreach arm of the college. The philosophy is that we are in partnership with the community.”

BACDC board member and life-long resident of the Edgewood neighborhood, Myrtle Gordon knows firsthand the changes that BACDC has brought to the community. “We



***“One of my neighbors is a bridge designer and another is a teacher. We have a mixture of people from various walks of life.”***

Charles Brooks

were in the process of revitalizing the neighborhood. They [Benedict] came in and helped us. They helped us with business training and revitalizing houses. They trained people who were unskilled, so they could afford to buy homes.” A retired educator, Gordon had watched her neighborhood transform from middle-class homeowners to rental houses with absentee landlords. Praising the work of BACDC, Gordon said, “Benedict-Allen CDC has been a blessing to us. They didn’t just do bricks and mortar; they helped the people so they could afford to buy a house or get a job.”

**Creating Mixed-Income Communities**

Although BACDC has been in existence for less than 10 years, they possess an impressive list of accomplishments. Once boarded-up houses now are beautifully renovated, in-fill houses are tastefully constructed, a community park offers recreation to the neighborhood and a new business center stands ready to serve the community.

One of the organization’s major goals was to create mixed-income neighborhoods. To speed up the process, BACDC convinced Benedict College professors to purchase homes in communities around the school. This influx of educators infused diversity into the neighborhoods.

Charles Brooks III, a drama professor at Benedict, ceased his 72-mile commute from Blackville, South Carolina, when he purchased a market-rate home next door to a subsidized homeowner. An actor with stints on both Broadway and in Hollywood,



*With 18 films to his credit, Charles Brooks III adds a burst of creativity to his neighborhood and a wealth of knowledge to the drama department at Benedict College.*



*Purchasing his home in 2002, Dr. Ronnie Hopkins, Benedict College’s honors dean, opens his doors to students and acts a role model for youth in the neighborhood.*



*A native of Cameroon, Stella Kebamke teaches French at Carver Lyon Elementary School. The first-time homeowner worked with BACDC to find the financing for a home that was both affordable and well-constructed.*

Brooks brought a wealth of creativity to his neighborhood. Savoring the diversity, he said, "I have a mixture of neighbors from seniors to younger people. They are low- to moderate- and even high-income people. One of my neighbors is a bridge designer and another is a teacher. We have a mixture of people from various walks of life."

In addition to housing, BACDC has worked with Benedict College to construct a \$1 million community park with money from HUD's Historically Black Colleges and Universities grant (see page 9) and the college's financial resources. Opening in the spring of 2004, the park features tennis courts, playground equipment, basketball courts and a walking track. The park offers a safe place to play for all ages in the community with college staff and student interns providing supervision.

**Helping People Change Themselves**  
Named "CDC of the Year" by the South Carolina Association of Community Development Corporations (see sidebar, next page), BACDC has worked to strengthen individuals in the community. Explaining BACDC's approach, Swinton said, "We believe in self-help. We work with the resources in the community to help people change themselves." Through a grant from the U.S. Department of Health and Human Services, BACDC took low-income women and introduced them to the construction trade. Working with Make It New Company, Inc. (MINCO), a Columbia construction company specializing in residential and commercial renovations, BACDC conducted a housing development program that rehabilitated substandard single-family homes for resale to eligible families.

After a three-week, job readiness training program, the participants began working at MINCO, earning hourly wages and working alongside experienced craftsmen. During the first three weeks of

(continued on page 6)



◆ Adjacent to the Benedict College Community Park, BACDC restored a house that contains a community room and offices for recreation staff.

Larry Shepper, tennis instructor, offers tennis lessons to both college students and community residents.

◆ Benedict College Community Park offers an inviting green space in a safe environment.





## **Working in South Carolina's Economically Distressed Communities**

The South Carolina Association of Community Development Corporations (SCACDC) is celebrating its 10th anniversary as a statewide trade association of nonprofit, community-based development corporations. Working in economically distressed communities, the SCACDC promotes development in communities that have been left out of the economic mainstream, especially minority communities. The association builds the capacity of local community development corporations through technical assistance, leadership development, access to capital and advocacy. The organization's president and CEO, Bernie Mazyck says, "We are most proud of introducing and raising the proficiency of community economic development in the state. Our goal is to increase production of the CDC industry through the creation of affordable housing, small business development, job creation and creating wealth in low-wealth communities." Mazyck also praises the valiant efforts of BACDC. "Blending the university and its assets with the community has been Benedict-Allen CDC's greatest accomplishment," he said. "The neighborhood has been open to the university and deserves credit for its part. The school and the community are complementing each other."

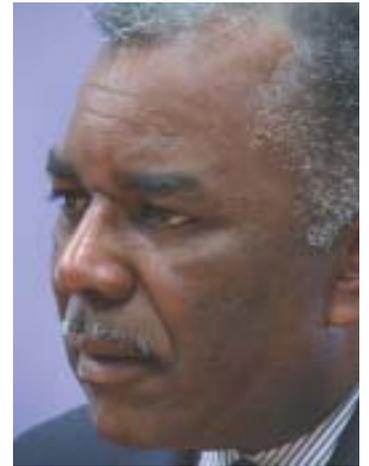


*To encourage entrepreneurs, the Business Development Center houses a business incubator, conference rooms and training facilities.*

***Encouraging minority businesses, the Benedict College Business Development Center was established in a former Pepsi-Cola bottling plant.***

instruction, Benedict College professors taught budgeting, personal finance, substance abuse prevention and construction-related topics. In the 16-week apprenticeship, the women specialized in carpentry, plumbing, masonry, heating, ventilation and air conditioning, painting or furniture restoration. After the participants were trained, they secured permanent, unsubsidized positions in the industry.

*Swinton leads the way in transforming the community surrounding Benedict College.*



BACDC also assists with a program that is funded by the U.S. Department of Labor’s Welfare-to-Work program called Project ReConnect. Targeted at non-custodial parents, the program assists with finding employment and creating entrepreneurial opportunities. The services include adult basic education classes, GED courses, vocational training, mental health counseling, conflict resolution training, budgeting and parenting classes. Through a partnership with the college, more than 250 parents have been able to reconnect with their families or stabilize their relationships. “Project ReConnect has successfully reached out to disadvantaged, troubled, non-custodial parents,” said Swinton.

Assisting a younger population, BACDC is in the second-year of the Youthbuild program, which is funded by the U.S. Department of Housing and Urban Development (HUD). Through Youthbuild, young people build or rehabilitate houses. Since the majority of participants are high school dropouts, they work toward completing their GED while learning construction skills. “Youthbuild works with dropouts and other at-risk youth. It shows that if we can grab them and motivate them, the kids can see positive things happen,” said Swinton.

**Stimulating Economic Development**

When Swinton arrived at Benedict, illegal drug houses and nightclubs operated on the borders of the school’s campus. Residents of the neighborhood had to pay gang members to have access to the local car wash. “I went and talked to the

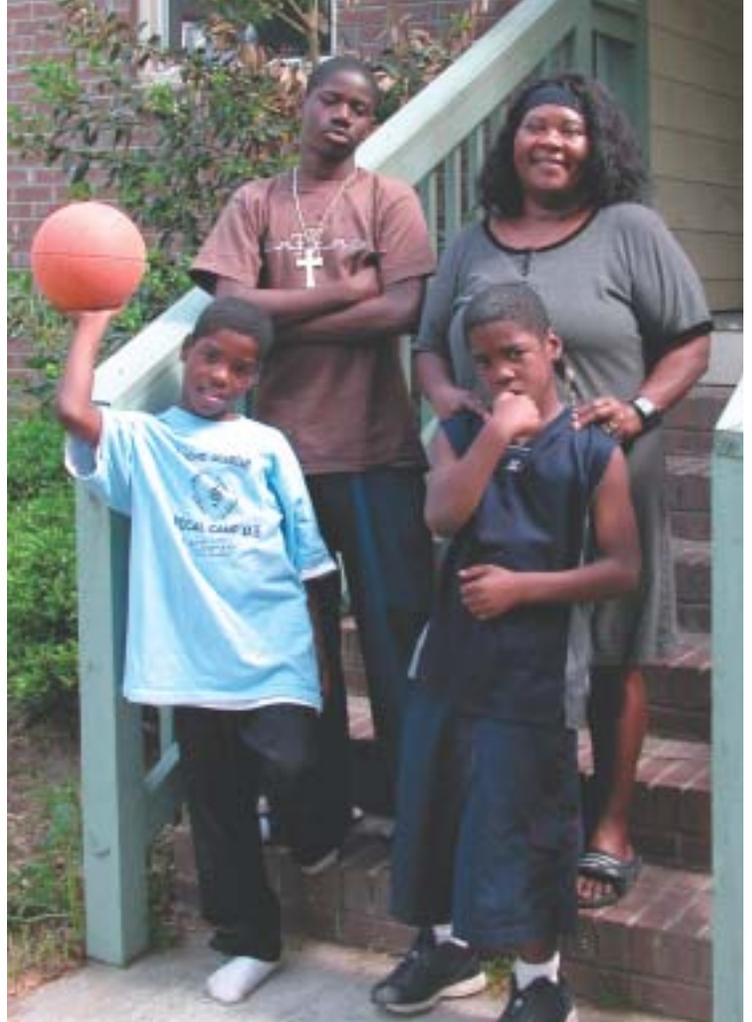




*Wendy and Paul Brawley team up to produce IMARA magazine in the incubator space at the Benedict College Business Development Center.*

owners of the nightclubs and convinced them to sell,” said Swinton. “The most difficult part was getting the community to believe in itself. To believe that it was a viable, safe community of choice. Now you can walk down the block and feel comfortable,” he said.

After erasing many of the negatives in the community, Swinton and BACDC began highlighting the positives. Encouraging minority businesses, the Benedict College Business Development Center was established on the site of a former Pepsi-Cola bottling plant. The 26,100-square-foot facility houses a business incubator, conference rooms and training facilities. According to Salley, “We did a



*Eloise Leach and her grandsons Brian and Brad (front row) and Justin enjoy spending days together in her new home.*

study and found that there was a lack of commerce in the area.”

Another study also revealed that the traffic count on Two Notch Road in Columbia ranged between 18,000 and 20,000 per day. “Since there was very little commercial and retail development in the community, we needed to spur commercial growth,” said Salley. To stimulate economic development, Benedict College is constructing the Leroy T. Walker Athletic Complex, named after a Benedict College alumnus who has coached eight Olympians in track and field. The center will include a 10,000-seat football stadium, six tennis courts, a track and field, baseball field, softball





*At a presentation ceremony by Fannie Mae that awarded BACDC with \$50,000 to hire a construction manager, Bannister summed up the secret to the redevelopment of the most impoverished, crime-ridden area of Columbia. “Jesse Jackson used to say something that I didn’t pay much attention to. He said, ‘If we want our neighborhoods to improve, we have to take responsibility.’ It’s unnatural for someone that lives outside of my household to care about it.” But now it’s only natural for the superior work of Benedict College and the surrounding neighborhood to continue striving to create a utopian society for its citizens.*

field, jogging course, bike trails, swimming pool and clubhouse. Adjacent to the athletic complex, BACDC is constructing a 50,000-square-foot, mixed-use facility with funds from the Economic Development Administration (EDA), HUD and a loan from the Federal Home Loan Bank of Atlanta. The \$4 million facility will include restaurants and shops on the first floor with commercial office space on the second floor and loft apartments on the top floor.

### **Empowering the People**

Passionate about both community development and economics, Swinton views community development as an economically sound venture. “No way, could I sit here and not try to improve the environment that the school operates out of.”

With this in mind, Swinton has developed a synergy between the college and community. “We had to have a relationship that did not have

the neighborhood looking at us as outsiders,” he said. For this reason, all Benedict College students are required to contribute 30 hours of community service each semester. Through relationships with people throughout the community, both Benedict College and BACDC encourage the community to participate in both community and economic development. “We want people to see that they can cause redevelopment to happen,” said Swinton.

### **Facing Future Challenges**

BACDC has accomplished a remarkable amount with very little money. According to Salley, 95 percent of its funding comes from outside the city. “Funding is the biggest challenge. We are always trying to figure out how to develop with limited resources,” says Swinton. In order to meet these challenges, Swinton believes that it is important to extract what has been learned from past projects. “The lessons that we’ve learned can be models not only here, but in other places in the state.” MW



## **HUD Partners with Historically Black Colleges and Universities to Revitalize Neighborhoods**

This program from HUD awards grants to historically black colleges and universities (HBCUs) to address community development needs in their localities. HUD views HBCUs as key partners in rebuilding America's neighborhoods. Annually, HBCUs compete for funds to assist in revitalization efforts. The HBCU program primarily benefits low- and moderate-income persons who are residents of the community in which the HBCU is located. Grantees carry out projects to help prevent or eliminate slums and blight, or meet urgent community development needs in their localities.





# Interfaith Housing Alliance Changes Lives One House at a Time

*by Jennie Blizzard*

***“These people are the real heroes because in addition to their jobs, they work 30 hours a week whether it’s in the heat of summer or the cold of winter... That’s a powerful asset.”***

Jim Upchurch

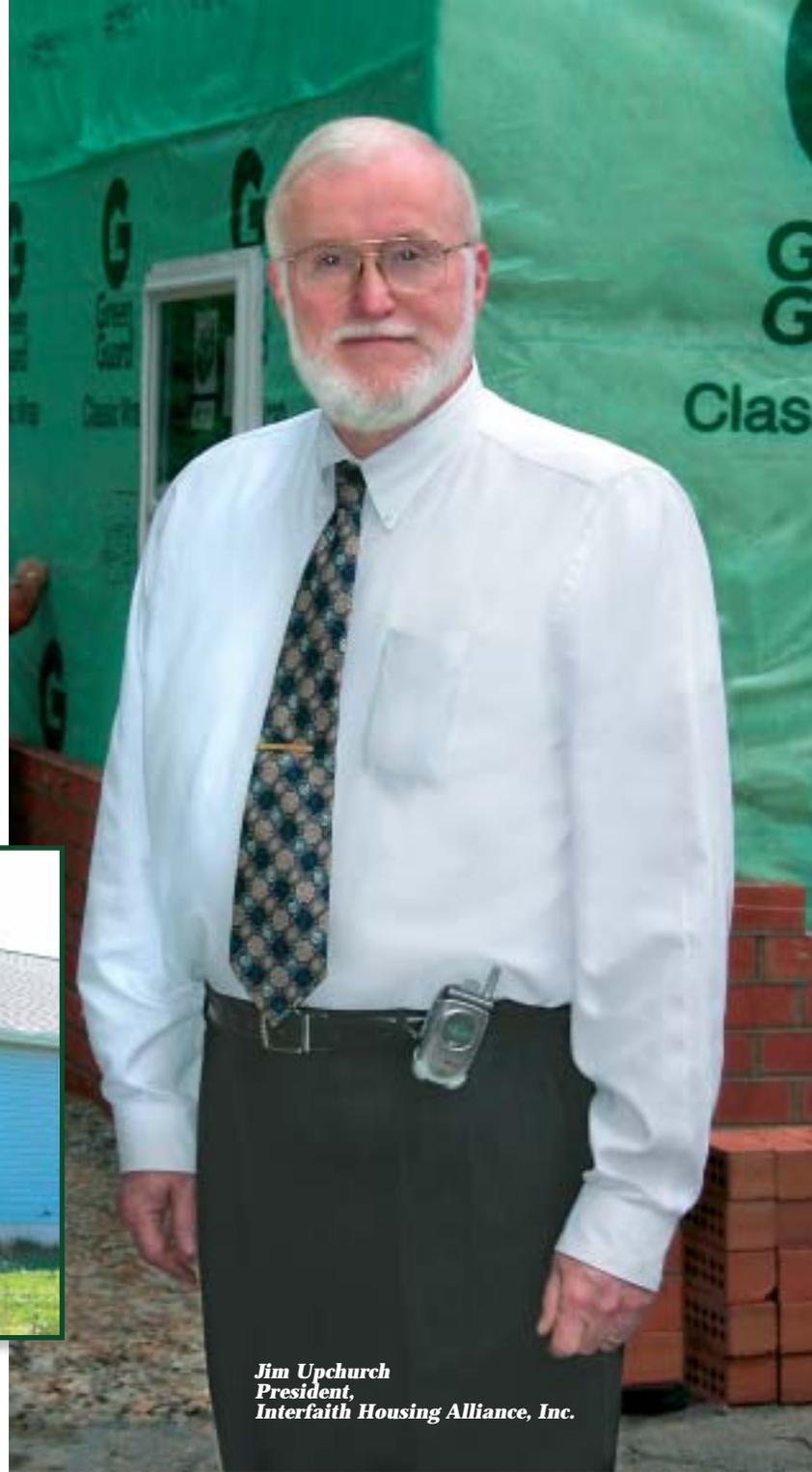
Regina Dorm’s desire to own a home seemed like a typical aspiration for a single mother of two children. However, the course she traveled to make her homeownership dreams a reality can be considered anything other than conventional. “I always knew I wanted to own a home,” Dorm said. “But I never knew I would be helping to build it.”



*Regina Dorm’s Home*

Dorm, along with five other women, know better than most people the true meaning of the word “sweat equity” through Interfaith Housing Alliance, Inc.’s (Interfaith) Self-help Homeownership Program. The group of women worked a minimum of 30 hours a week to perform 65 percent of the construction labor on each other’s homes under qualified supervision. But they also cemented a promise: none of them would move into their homes until all five were completed.

◀ *Regina Dorm, (center) along with her sons Trey (left) and Rodney (front) and her mother Joan are all smiles as they pose in front of their new home.*



***Jim Upchurch  
President,  
Interfaith Housing Alliance, Inc.***

“These people are the real heroes because in addition to their jobs, they work 30 hours a week whether it’s in the heat of summer or the cold of winter,” said Jim Upchurch, president of Interfaith. “For them, building a house is not only having the strength to pick up things, but consistently showing up. By sticking in there and helping each other, there’s a sense of community. That’s a powerful asset.”

***Interfaith has changed the landscape of community development in rural western Maryland through a variety of affordable housing programs for low-income residents.***

Although Upchurch modestly credits Interfaith's clients for their determination, Interfaith has changed the landscape of community development in rural western Maryland through a variety of affordable housing programs for low-income residents. Servicing Allegany, Carroll, Frederick and Washington counties, Interfaith strengthens families, builds communities and promotes human dignity and economic justice by providing decent, affordable housing for people with low incomes.

**Taking Proactive Measures**

Interfaith's history began in 1990 when area leaders were discouraged and concerned about the lack of public sector efforts to address the rural community's growing poverty. "Religious leaders wanted to find a way in which the faith community could solve serious social problems," said Upchurch. "It didn't seem fair that people had to make choices between paying rent and paying for health insurance."

Upchurch joined Interfaith in 1992 after heading an international housing nonprofit, the Cooperative Housing Foundation (CHF). With over 30 years of housing experience, which began in Greensboro, North Carolina, to earn tuition for his undergraduate education, Upchurch led a team to rural Mexico for two years where they built a 10-room school, latrines and housing. After returning to the United States, he helped direct efforts to improve housing for migrant and seasonal farm workers in Florida.

In 1978, he joined the CHF to organize a large-scale housing and squatter upgrading project in Africa. Ten years later, he became president/CEO of the organization and in 1991, the CHF received the



*Interfaith's office sits in the heart of downtown Frederick, Maryland.*

United Nations' International Award for outstanding work by a non-governmental organization in the shelter sector. "Interfaith had no offices and no assets, but they had the vision and I thought I had the technical skills to help them achieve that vision," Upchurch said about his decision to join Interfaith.

Upchurch also realizes that the early successes of Interfaith hinged on the willingness of partners to take risks. "We consider our history to be a success story because it shows how communities and partners can come together to make things happen," he said. "We brought the financial industry early into the game and they took risks because there was no model. They said, 'We're convinced you can do this but we don't know how you're going to do it.' They gave us support, lines of credit and operating support." The board started mostly with religious leaders, but Interfaith soon realized that diverse professional backgrounds were needed to ensure the organization's sustainability.



***“I always knew I wanted a home, but saving for a downpayment is so hard when prices continue to escalate. It was very hard, but my neighbors and I weren’t afraid because we had one goal in mind.”***

Regina Dorm



### Reaching Objectives

By 1995, Interfaith had more than eight projects, representing more than 200 units of affordable housing for families and seniors, planned or under construction and had begun work on its first Self-help housing project. The Mutual Self-help Housing Loan program offered through the United States Department of Agriculture’s Rural Development Program helps very low and low-income households construct their own homes and reduce labor costs. “Many people don’t know it exists and it’s a surviving program,” said Upchurch. “The USDA’s 502 money and our funds maximize the output of what we have.” Upchurch also added that even some opponents of affordable housing are receptive to the program because of the amount of effort the homeowners have to put into the project. In other words, the program is viewed less likely as a “hand out.” Interest rates through the program are as low as 1 percent.

Dorm and her group members of Taneytown, Maryland, moved into their Forest Glen subdivision homes on July 2, 2003. She admits that the work was hard, but worth the effort. “I always knew I wanted a home, but saving for a downpayment is so hard when prices continue to escalate,” Dorm said. “I also had some credit issues to work out and with Interfaith’s help, I was able to clear those up. It was very hard, but my neighbors and I weren’t afraid because we had one goal in mind. And as a result of the process, I became a master at knowing how to cut wood,” said Dorm jokingly.



*Interfaith’s Self-help housing program has helped people in this Forest Glen subdivision in Taneytown, Maryland become proud homeowners.*



*The Harry and Jeanette Weinberg House, named after two Maryland philanthropists, provides housing to senior citizens.*

### Reaching Diverse Demographics

Today, Interfaith has 43 projects representing 1,183 housing units either completed, under construction or planned for future development and recently partnered with Habitat for Humanity of Frederick County to develop two affordable housing lots in Emmitsburg, Maryland. Former Habitat board member, Marvin Ausherman, donated the land, which includes 17 lots. Interfaith, in turn, provided Habitat the opportunity to assume ownership of



*Dee Danmeyer  
Executive Director,  
Habitat for Humanity*

***“Interfaith has been a leader at providing affordable housing in the western Maryland area and has made a difference in the lives of many families... We are fortunate to be able to team up with them.”***

Dee Danmeyer

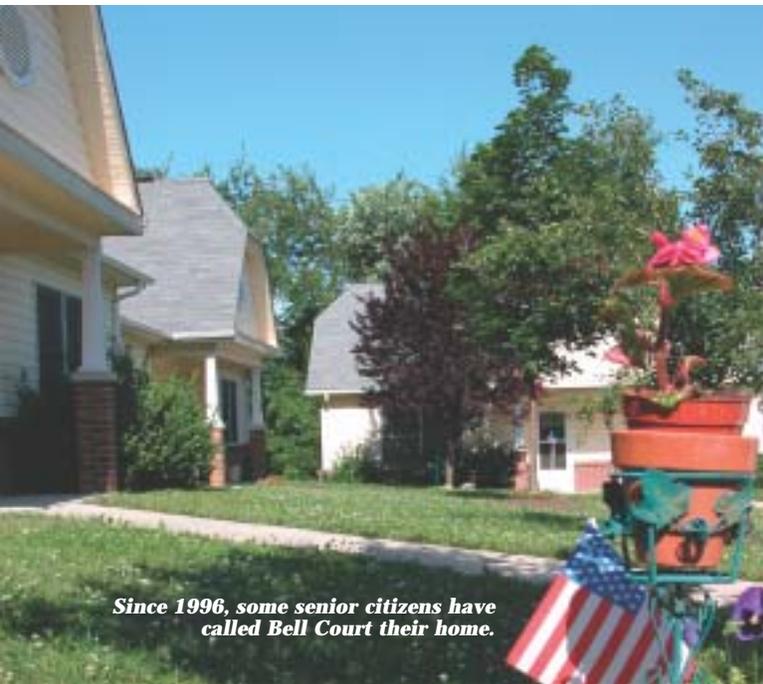
the two lots for developing affordable housing. “Interfaith has been a leader at providing affordable housing in the western Maryland area and has made a difference in the lives of many families,” said Dee Danmeyer, executive director of Habitat. “We are fortunate to be able to team up with them.”

Interfaith has been particularly active in the elderly housing market. The Harry and Jeanette Weinberg House, an elderly rental complex, sits in downtown Frederick, Maryland, and in 1994 received NationsBank’s (now Bank of America) Cornerstone Award and the Governor’s Outstanding Interfaith/Ecumenical Effort Award and an honorable mention from the Fannie Mae



***“Our rental complexes allow elderly people to be able to pay rent and make it on a Social Security check.”***

Jim Upchurch



***Since 1996, some senior citizens have called Bell Court their home.***

Maxwell Awards for Excellence. Two years later, Interfaith celebrated the opening of Bell Court, another elderly rental complex. “You can easily find a 70-year-old woman who’s trying to make it on a Social Security check and can’t find a home so she can live out the rest of years in dignity,” said Upchurch. “Our rental complexes allow elderly people to be able to pay rent and make it on a Social Security check. When you see this happen, it really drives you to want to do it again.”

Interfaith is presently restoring the Old Hampstead School, donated by Carroll County and the Town of Hampstead, and is developing the property into an 84-unit senior living apartment facility. Built in 1919 and listed on the National Historic Register, the completion date for the project is expected by fall 2005. The senior living facility will target those 62-years-and-older and people with special needs. The property will have both

***“Interfaith’s impact on housing in the western Maryland area is immeasurable. There’s no one like them in the area.”***

Rev. Brian Scott

one- and two-bedroom units. Amenities include a multi-purpose room, workshop and activity rooms, cooking and nutrition classes, an exercise room, computer center, library, wellness center, beauty salon and a kitchen facility to support social gatherings. A \$9 million award from federal tax credits and the Maryland Department of Housing and Community Development will finance the project.

### **Unconventional Territory**

In addition to developing property for the elderly, Interfaith recognizes the need for temporary housing for the homeless and abused. Acting as a developer, Interfaith has worked with nonprofits to renovate and construct shelters for the homeless and domestic violence victims. Interfaith was instrumental in developing a shelter in one of its service areas, Washington County, which accommodates 23 domestic violence victims. In Allegany County, they built a family crisis resource center that provides 20 beds and recently partnered with the Religious Coalition to build Frederick County’s first permanent emergency shelter for the homeless, the Alan P. Linton Jr. Emergency Shelter. Interfaith managed the construction and raised the majority of the funds to build the shelter, named after a Frederick County native killed in the World Trade Center during the September 11, 2001, terrorist attacks. “We knew they [Interfaith] had built other shelters and we wanted to partner with an organization who had experience,” said the Rev. Brian Scott, executive director of the Religious Coalition. The Religious Coalition, which operates the Linton Shelter, coordinates donations of time, talent, money, food and other resources to meet the urgent needs of people in the community. “Interfaith’s impact on housing in the western Maryland area is immeasurable. There’s no one like them in the area.”



Reverend Brian Scott  
Executive Director, The Religious Coalition

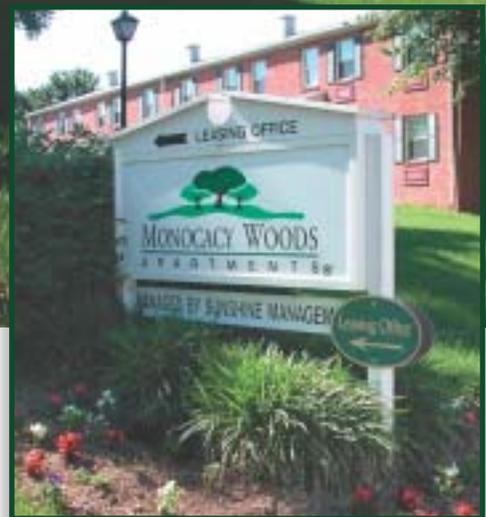




*The Alan P. Linton Jr. Emergency Shelter gives a sense of safety and security to the homeless and domestic abuse victims.*

***“We’ve had extreme cooperation in some areas and severe opposition to affordable housing in others... these problems have to be solved in the hearts and minds of people.”***

Jim Upchurch



### Future Planning

Like many nonprofits, Interfaith continues to strategize to sustain itself during tough economic times and periods of reduced public and private sector funding. “As developing affordable housing becomes harder to do, we focus on strategic planning to ensure that we can identify and overcome constraints,” Upchurch said. Diversifying projects (shelters, elderly housing, family rental and affordable housing) has proven to be a reliable strategy for Interfaith. “We don’t focus on one model. We’ve got a number of different approaches and it has to be done in a very careful manner. If the pots of money are getting smaller and you can dip into more pots, you can sustain the critical mass of your organization,” he said.

Aside from typical funding obstacles, perceptions present an additional barrier. Some areas in their service area are receptive to affordable housing while others adopt a philosophy of NIMBYism

(Not in my back yard). “We’ve had extreme cooperation in some areas and severe opposition to affordable housing in others,” Upchurch said. “These problems have to be solved in the hearts and minds of people.”

Certain policy initiatives have also created a stumbling block for Interfaith. Impact fees ranging from \$10,000 to \$20,000 have particularly burdened nonprofit organizations. “These fees raise the entry-level bar for first-time homebuyers,” said Upchurch, “and Maryland’s fixed impact fees enable a shift to regressive local government taxation. Habitat for Humanity pays the same fee for a small house as someone does to build a mansion.”



***“Our founders recognized that the enormous challenge of developing affordable housing could not succeed without forming partnerships with the faith community, public and private sectors, and the community at-large.”***

Jim Upchurch

### **A New Name With the Same Mission**

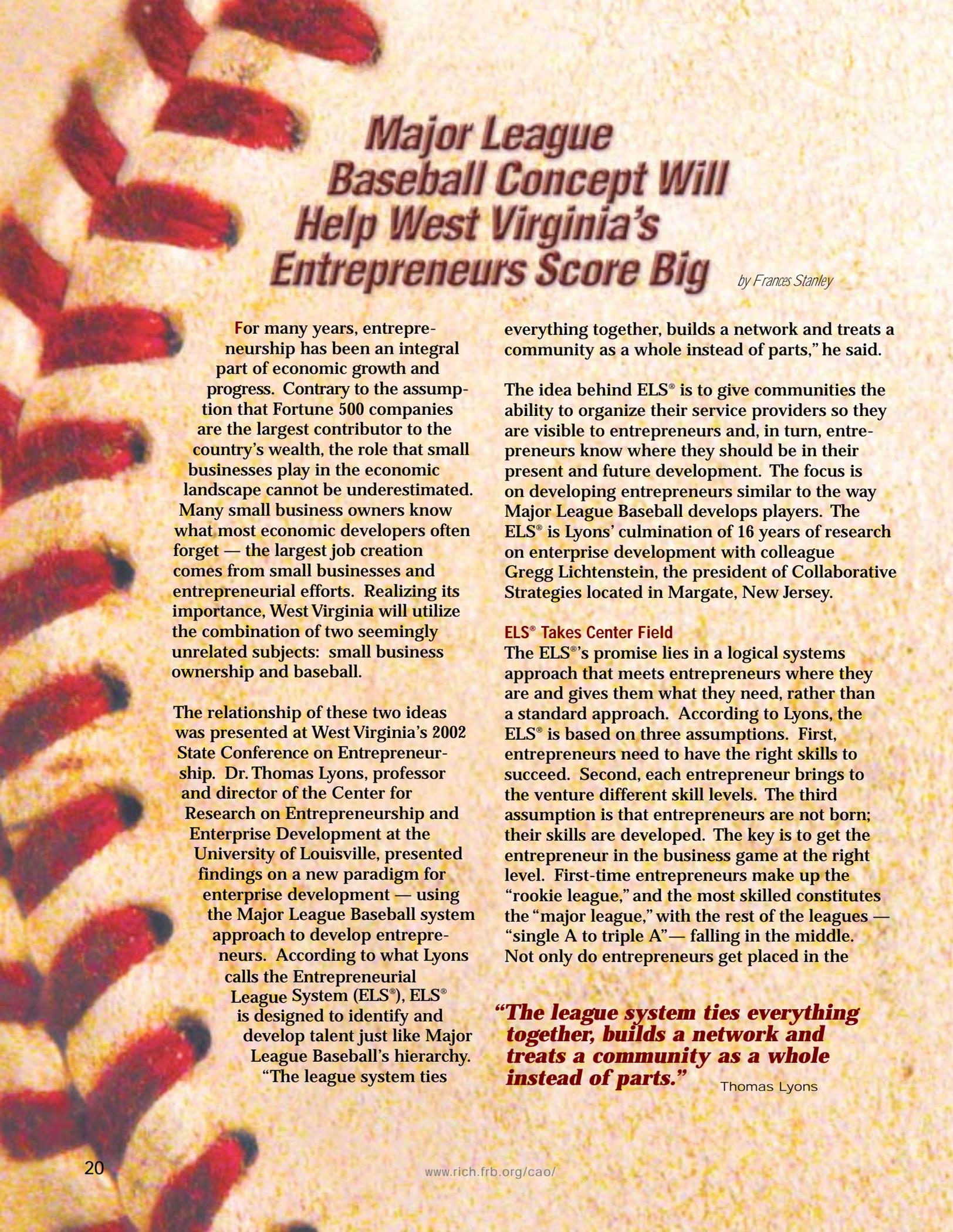
Despite these challenges, Interfaith has proven its determination to persevere and willingness to adjust to changing conditions. In March, the organization changed its name from Interfaith Housing of Western Maryland to Interfaith Housing Alliance, Inc. “Our founders recognized that the enormous challenge of developing affordable housing could not succeed without forming partnerships with the faith community, public and private sectors, and the community at-large,” Upchurch said. “The word ‘alliance’ clearly represents our strong community connections and partnerships that have enabled us to become the region’s largest not-for-profit housing developer.”

The sense of quietness that envelops western Maryland significantly contrasts the hustle and bustle of some of its neighboring cities that are located within short driving distance. Images of mountain views and lush green valleys replace the familiar sight of high-rise buildings and traffic jams. Despite the physical differences between urban and rural communities, unfortunately, the issues of poverty and the lack of affordable, decent housing know no boundaries. Interfaith not only builds independence one home at a time, but creates “new worlds” for individuals who seek to improve their living conditions. MW



## Interfaith Awards and Recognition at a Glance

- **Federal Home Loan Bank of Atlanta’s** Community Support Award
- **Federal Home Loan Bank of Atlanta’s** Partnership Excellence Award **and the** Community Partnership Award
- **Fannie Mae Maxwell Awards for Excellence** Honorable Mention
- **Certified through the** Maryland Association of Nonprofit Organizations’ Standards for Excellence Program
- **Maryland Affordable Housing Trust’s** Award for Excellence



# Major League Baseball Concept Will Help West Virginia's Entrepreneurs Score Big

by Frances Stanley

For many years, entrepreneurship has been an integral part of economic growth and progress. Contrary to the assumption that Fortune 500 companies are the largest contributor to the country's wealth, the role that small businesses play in the economic landscape cannot be underestimated. Many small business owners know what most economic developers often forget — the largest job creation comes from small businesses and entrepreneurial efforts. Realizing its importance, West Virginia will utilize the combination of two seemingly unrelated subjects: small business ownership and baseball.

The relationship of these two ideas was presented at West Virginia's 2002 State Conference on Entrepreneurship. Dr. Thomas Lyons, professor and director of the Center for Research on Entrepreneurship and Enterprise Development at the University of Louisville, presented findings on a new paradigm for enterprise development — using the Major League Baseball system approach to develop entrepreneurs. According to what Lyons calls the Entrepreneurial League System (ELS®), ELS® is designed to identify and develop talent just like Major League Baseball's hierarchy. "The league system ties

everything together, builds a network and treats a community as a whole instead of parts," he said.

The idea behind ELS® is to give communities the ability to organize their service providers so they are visible to entrepreneurs and, in turn, entrepreneurs know where they should be in their present and future development. The focus is on developing entrepreneurs similar to the way Major League Baseball develops players. The ELS® is Lyons' culmination of 16 years of research on enterprise development with colleague Gregg Lichtenstein, the president of Collaborative Strategies located in Margate, New Jersey.

## ELS® Takes Center Field

The ELS®'s promise lies in a logical systems approach that meets entrepreneurs where they are and gives them what they need, rather than a standard approach. According to Lyons, the ELS® is based on three assumptions. First, entrepreneurs need to have the right skills to succeed. Second, each entrepreneur brings to the venture different skill levels. The third assumption is that entrepreneurs are not born; their skills are developed. The key is to get the entrepreneur in the business game at the right level. First-time entrepreneurs make up the "rookie league," and the most skilled constitutes the "major league," with the rest of the leagues — "single A to triple A" — falling in the middle. Not only do entrepreneurs get placed in the

***"The league system ties everything together, builds a network and treats a community as a whole instead of parts."***

Thomas Lyons

***“The primary focus of enterprise development is to develop entrepreneurs. The secondary challenge is providing the necessary services to help them become successful.”***

Dr. Thomas Lyons



*Dr. Thomas Lyons  
Professor and Director, Center for Research  
on Entrepreneurship and Enterprise  
Development, University of Louisville*

appropriate league, service providers are also placed in the area where they can best target and serve entrepreneurs.

Currently when analyzing entrepreneurs, the service provider categorizes them by the type of business or size of the company. Under the ELS<sup>®</sup>, entrepreneurs are classified into levels according to their skills. These skill sets fall under four areas. The first of these skill sets is classified as technical. Is the entrepreneur technically able to run the business? The second of these skill sets is classified as managerial. Is the entrepreneur able to run the day-to-day operations of the business? The third is classified as entrepreneurial. Does the entrepreneur recognize opportunities and have innovative solutions to overcome obstacles? The fourth is classified as personal maturity. Does the entrepreneur have self-awareness and accountability/responsibility?

The ELS<sup>®</sup> also has seven functions within the system that parallel to those in baseball. The talent and business opportunity scouts look for inventors who have not had a chance to enter and pursue the market. The talent scout looks for prospective and existing entrepreneurs to bring into the system. The business opportunity scout looks for business concepts that can be matched with an entrepreneur or entrepreneurial team. The diagnostician assesses the needs of the entrepreneur and reviews the obstacles to obtaining resources.



The diagnostician tries to get at the heart of what the entrepreneur needs. A performance coach acts as a life coach and assists the entrepreneur with personal issues. The success team manager works at each league level and acts as a business coach. An alliance broker has interaction among firms and firms across leagues. The alliance broker matches lower-skilled entrepreneurs with more highly skilled ones, who can serve as mentors to less skilled entrepreneurs. A service provider facilitator functions as a network builder bringing in entrepreneurs and service providers to work with each other. And the last function is the general manager or league coordinator. This individual needs the skills of an entrepreneur, as he or she is responsible for acquiring the needed financing for the system. Having seven different people would be ideal; however, an individual may play more than one role, especially in rural areas.

#### **Advantage Valley Joins the Line-Up**

Joe Barker, former director of West Virginia Rural Development Council and a former Community

## The ELS®

	<b>Technical</b> Ability to perform key operations of business	<b>Managerial</b> Ability to organize and manage the operations	<b>Entrepreneurial</b> Ability to identify market opportunities	<b>Personal Maturity</b> Self-awareness, accountability, emotional and creative development	<b>Type of Development Assistance Providers</b>
<b>Majors</b>	Outstanding	Outstanding	Outstanding	Outstanding	Venture capitalists, professional consulting practices, investment bankers
<b>Triple A</b>	High	High	High	High	Angel investors, emerging business consulting practices, university tech transfer offices
<b>Double A</b>	High	Medium	Medium	Medium	Manufacturing extension programs, small business development centers, small specialized venture funds, high technology incubation programs
<b>Single A</b>	High/medium	Low	Low	Low	Micro-enterprise programs, small business development centers, business incubation programs
<b>Rookie</b>	Low/no	Low/no	Low/no	Low/no	Microenterprise programs, youth entrepreneurship programs





***“Entrepreneurs that I work with think that ELS® makes sense and many have commented that they wish it had been around when they started.”***

Gayle Vest

Gayle Vest  
Advantage Valley

Development Advisory Council member at the Richmond Fed, said that he was mesmerized by Lyons’ presentation. Gayle Vest of Advantage Valley, an economic development organization formed between the two metropolitan areas of Charleston, West Virginia, and the Tri-State area of Huntington, West Virginia; Ashland, Kentucky; and Ironton, Ohio, stated that Barker, and others who attended the conference agreed, “This system made sense.”

Vest along with Barker, invited Lyons to West Virginia and for two years discussed and planned how they could use his system. After working with Lyons and Lichtenstein, Advantage Valley contracted Collaborative Strategies to train and assist the region in implementing the ELS®. In August 2003, Collaborative Strategies trained 13 individuals who were part of the Advantage Valley entrepreneur steering committee to complete the first two steps of the ELS® process — identifying service providers in the area and assessing what they provide to entrepreneurs who seek their assistance. After completing the necessary training, the committee interviewed 39 service providers in the metro area. According

### **Advantage Valley**

Advantage Valley, an economic development organization, is a partnership formed between the two metropolitan areas of Charleston, West Virginia, and the Tri-State area of Huntington, West Virginia; Ashland, Kentucky; and Ironton, Ohio. Advantage Valley markets these areas for economic development.

to Vest, all area service providers were not interviewed due to time constraints. However, after reviewing the collected information, Vest said the committee felt that it did have a representative sample of the service providers in the area. Vest also indicated that the group learned of new service providers they did not know existed.

A report was written based on the interviews and released at the committee’s February meeting. Mary Hunt, a representative of the Benedum Foundation, attended to learn about the ELS®.

***In August 2003, Collaborative Strategies trained 13 individuals who were part of the Advantage Valley entrepreneur steering committee to complete the first two steps of the ELS® process.***

In January, Advantage Valley applied for a grant from Benedum to utilize the ELS®. In March, Advantage Valley was awarded \$350,000 to provide necessary start-up funds for the ELS®. “This does not cover the total costs of the program,” said Vest, “but gets us started and we will be seeking additional funding.” The foundation of BIDCO, the economic development entity of Kanawha County in West Virginia, will serve as the fiscal agent for the grant. The steering committee of 11 individuals, representing financial institutions, government, service providers and small businesses, according to Vest, is moving ahead with the plan and named Mark Burdette, a successful entrepreneur from Charleston, West Virginia, as general manager.

Advantage Valley will be the first regional approach in the country to implement all ELS® elements. Other places, such as Louisville, Kentucky; Philadelphia; and Johannesburg, South Africa, have applied certain aspects of the system. Vest says the endeavor in West Virginia may take up to five years, but everyone involved is optimistic and views this as an opportunity to create a supply of highly skilled entrepreneurs.

#### **No Strike Outs Anticipated**

Lyons defines enterprise development as the activities and programs available to assist entrepreneurs in forming and developing new enterprises in a manner that those businesses can survive and succeed. The tools used in enterprise development include but are not limited to, small business incubators, microenterprise/micro-lending programs, small business development centers, entrepreneurship forums, venture capital forums and revolving loan funds. Enterprise development has four measurable objectives. The first objective is to increase the rate of new business formation. Secondly, enterprise development increases the rate of survival and success of the new enterprises followed by the third goal — increas-

*Assisting entrepreneurs effectively centers upon the service provider understanding the entrepreneurs’ needs and focusing on their essential skill sets.*

ing the rate of development of entrepreneurs and their new enterprises. A fourth objective is to increase the efficiency of the dissolution process if a firm fails.

So why have enterprise development’s achievements been limited? According to Lyons, it is because the focus has been on the business and not the entrepreneur. To date, enterprise development has focused on the form of the business over the function. Service providers have been unproductively competitive, their services have been fragmented and categorical and opaque to entrepreneurs. Lyons calls for a transformation for economic development at a scale that can make a difference to a community. The focus needs to move from the business and to the

#### **Benedum Foundation**

Benedum Foundation, headquartered in Pittsburgh, Pennsylvania, is an independent foundation established in 1944 by natives of West Virginia who made a fortune in the oil and gas business. In creating the foundation, their expressed wish was that grant making be focused in West Virginia and Pittsburgh. The foundation supports many efforts including community development and economic development. In that regards, the foundation supports the preservation and growth of businesses and jobs, and efforts that cultivate leadership and strengthen communities to create an environment in which economic development is likely to occur.



entrepreneur. Entrepreneurial skill sets need to be transformed to transform the business.

Assisting entrepreneurs effectively centers upon the service provider understanding the entrepreneurs' needs and focusing on their essential skill sets. Two elements define the needs of entrepreneurs, according to Lyons. The first element is the critical resources required to grow a business, and the second is obstacles that entrepreneurs must overcome to utilize those resources. Critical resources include a business concept, the physical resources and necessary skills to start and run the business, and a market for the entrepreneur's good or service. Obstacles that entrepreneurs face are the availability of resources, visibility of the resources, affordability, transaction barriers, accountability, capability and creativity. Lyons says, enterprise development should build skills to help entrepreneurs to consistently overcome those obstacles.

#### Implementing the Entrepreneurial League System

The ELS® has five steps to starting the system in a community. The first step is to identify the service providers in the area. The second step involves assessing the service providers as a group by understanding what each service provider does, understanding the nature of each service providers' clients, understanding the skill levels of their clients, identifying gaps in services across the system and by understanding how service providers interact. Currently, the West Virginia initiative has completed the first two steps. The third step is to create a service provider network to build relationships, to develop a better understanding of needs to be addressed and services offered, to build a common approach and language, to diagnose entrepreneurial needs, to identify gaps in entrepreneurial needs that are currently not being met, to improve the effectiveness of the referral

process and the hands-off approach of entrepreneurs from one organization to another, and to develop and implement strategies to insure that the system is clearly visible to entrepreneurs in the region.

The fourth step is to establish a system for developing entrepreneurs to create a regional ladder of skill development by recruiting entrepreneurs and organizing them into success teams — one at each league level. A skilled facilitator with significant business experience and coaching skills leads each success team. Teams receive ongoing coaching and mentoring, peer support, and development of game plans outlining the tactical and development tasks needed in order to succeed. The last step is an ongoing function for identifying market opportunities. There is a need to find new product development opportunities in existing organizations, to find spin-off opportunities from corporations, hospitals, and others, and to find opportunities for independent entrepreneurs that reflect either markets that are not adequately being served or regional deficiencies.

According to Lyons, the ELS® can provide entrepreneurs access to more affordable resources. The ELS® also provides business owners psychological support from other entrepreneurs experiencing similar obstacles, and opportunities to learn and develop new skills from networking with entrepreneurs in higher leagues. Service providers also benefit because they can group themselves based on what they provide to supply the service that they can best provide to the entrepreneur thus enabling services to be delivered more cost-effectively. ELS® promotes a win-win situation for communities searching to improve entrepreneurial opportunities in the area. West Virginia is one of many states that will hit a "home run" with such an innovative approach. MW





**Gerald Green**  
*NHS of Asheville board member  
and Montford resident*

# Carving Out Affordable Housing in the North Carolina Mountains

by Cindy Elmore

**S**troll down a street in the Montford neighborhood of Asheville, North Carolina, and listen to the birds chirp as the sunlight streams through the Norway spruce trees. Follow the brick, patterned sidewalks past inviting Victorian bed and breakfasts. Stop to admire the quaint cottages that pale in comparison to the trees and flowers flaunting their natural beauty. After only one whiff of the early spring, mountain air plans for relocating to this heavenly neighborhood seem conceivable. But if you're a teacher, fireman, policeman or work in one of Asheville's service-sector jobs the gates to the community can be easily slammed shut after learning about the neighborhood's housing prices.

## Transformation Diminishes Affordability

When Gerald Green bought his home (circa. 1898) 13 years ago in Montford, the quiet serenity that envelops it today and the escalating housing costs did not exist. Recalling an incident that occurred when he first moved to the neighborhood, Green said, "Once when I was doing neighborhood watch, I was beaten up by drug dealers." With crime erased and houses rehabilitated, Green estimates that the 2,600-square-foot home that he purchased for \$60,000 would now sell for \$450,000.

Montford's decline began in the 1960s and was accelerated by the energy crisis in the 1970s. The hard-to-heat Victorian houses were abandoned for new suburban homes with larger lots. Many of the homes in Montford



were subdivided into apartments, becoming hangouts for criminal activity. According to Neighborhood Housing Services of Asheville's (NHS) executive director, Chris Slusher, "Montford was drug-ridden, red-lined and no one wanted to be in it."

In 1985, a group of concerned neighbors conducted a week-long series of community meetings called The Montford Forum. Through these efforts, preservationists successfully listed Montford on the National Register of Historic Places. Neighbors also collaborated to form a vision for the neighborhood. The city of Asheville created an overall redevelopment plan for the Montford neighborhood and began pumping millions of dollars into civic improvements. Meanwhile, a group of concerned citizens worked with the city to establish NHS of Asheville.



During its 15 years in the Montford neighborhood, NHS of Asheville has constructed 22 new single-family homes.

***During its 15 years in Montford, NHS rehabbed 14 homes that would have been demolished, built 22 new single-family homes, produced 11 new apartment units and developed a mixed-use commercial/residential project through low-income housing tax credits and public/private partnerships.***

NHS and the city of Asheville established a partnership. The city provided funding to acquire dilapidated homes in Montford, and NHS, following historic preservation guidelines, rehabilitated and sold them to income qualifying households. During its 15 years in Montford, NHS rehabbed 14 homes that would have been demolished, built 22 new single-family homes, produced 11 new apartment units and developed a mixed-use commercial/residential project through low-income housing tax credits and public/private

partnerships. A former city planner and current NHS board member, Green gives credit to NHS for the dramatic differences in Montford. "NHS has been part of the change. They took on some of the worst challenges."



*Chris Slusher  
Executive Director, NHS of Asheville*

In addition to rehabilitating houses, the city implemented community development block grants and HOME funds totaling millions of dollars to make infrastructure improvements. Streets and sewers were repaired. Brick sidewalks were reinstalled to recreate the original look of the neighborhood. Water and sewer lines were extended to vacant lots so they could be developed with affordable housing.

With all the redevelopment in the community, investors started looking for real estate bargains and tax credit deals. "Since 1979, I've seen serious changes," said Betsy Reiser, a NHS board member and local realtor. "Early on we were helping people fix-up houses. Now, we are trying to figure out how to keep houses affordable." Slusher agreed, "With Montford's resurgence came gentrification."

To keep the community economically diverse, NHS began building houses on available lots and continued rehabilitating dilapidated homes. NHS used 30-year, deferred second mortgages and its downpayment assistance program to make the homes affordable for low- to moderate-income



*Chris Slusher discusses some of the issues still facing the Montford community with Betsy Reiser, a NHS board member and local realtor.*





homebuyers (see *Bridging the Gap for Homeowners on this page*). Although the neighborhood is nearly built out, NHS has continued to construct houses on the community's fringes.

Today, Slusher is concerned about whether houses that were originally rehabbed or built as affordable will eventually be sold as market-rate. To address this problem, Slusher is actively seeking to establish a community land trust (see *Community Land Trusts Preserve Affordable Housing Stock on this page*). "We learned a great deal through our work in Montford," said Slusher. "We did many things right and there were other things we could have done better. Though Montford is becoming more gentrified every day, we know that had it not been for NHS's presence there in the beginning, there would be very little affordable housing in the neighborhood now."

### Quick Success Brings Growing Pains

Building a strong NHS in Asheville and experiencing success in Montford did not come without growing pains. When Slusher came to NHS



Homes rehabbed or built by NHS of Asheville range from attractive ranchers to roomy two-story models.

## Bridging the Gap for Homebuyers

Since 1989, NHS has provided approximately 125 home loans including many to first-time buyers with downpayment assistance, totaling over \$1.5 million. Homes constructed by NHS are sold to families whose income levels are less than 80 percent of the area median income. Using both federal and local monies with conventional bank loans to acquire the land and build houses, NHS uses some of the funds as zero percent, deferred mortgages (or soft second mortgages) or second mortgages with low interest rates. This assistance lowers the amount of money that the homebuyer has to borrow from a bank or other financial institution to purchase the house.

The financial assistance remains with the property until the property's title is transferred, the first mortgage is paid off, the property is refinanced or the property is no longer the owner's primary residence. In these events the assistance is repaid to NHS. NHS also offers funds for downpayment/closing costs to first-time homebuyers. Through the use of federal and local funds, the program bridges the gap in financing for the homebuyer. Currently, NHS services its portfolio of approximately 90 loans (downpayment/closing costs assistance, acquisition assistance, renovation loans) in-house.



## Community Land Trusts Preserve Affordable Housing Stock

In a community land trust, a nonprofit organization buys land and holds it in trust for the community's benefit. Typically, a community land trust rents or sells the home to a buyer who fits the criteria set by its community-based board. The homeowner leases the land from the trust for a period determined by the board, usually 99 years. Since the trust retains ownership of the land, it lowers the initial home price for the buyer.

In a community land trust, homeowners can improve the land and pass the house on to the heirs. However, the homeowner is limited in the amount of profit that is realized on the sale of the house.



***Today, NHS has grown to a staff of seven with focused programs. With the assistance of Self-Help Credit Union, NHS reviewed its loan portfolio and reduced the delinquency rate from 35 percent to 3 percent by working with clients to restructure defaulted loans.***

with a strong background in architecture, historic preservation and nonprofit management in August 2000, the organization's financial situation came to light. "NHS grew too fast. By the time I came on board, they were in serious financial trouble," Slusher explained.

In order to survive, Slusher reduced the staff from five members to two and began focusing the organization on its original mission of providing affordable housing. Enlisting assistance, he persuaded former board members that had served during the organization's initiation to return to active status. By March 2001, Slusher and the board recognized that the financial crisis was due to years of inefficiencies in the building program and cost overruns on a mixed-use facility funded through a combination of low-income housing tax credits and public/private partnerships. "When I came on the board, NHS seemed lost and unsure of its mission," said Green. "There was a sense of hopelessness because they were on the verge of bankruptcy."

With Slusher's leadership, the board began evaluating the properties owned by NHS and its programs. "We retired over \$2.5 million in debt by liquidating assets to repay lenders," said Slusher. Both Slusher and the board realized that the mixed-use project was financially draining the

organization. "The tax credit project was a lost child. So, Chris and the board began making strategic decisions to save the organization," said Green. Realizing the value of the 16 residential units and the 4,500 square feet of commercial space to the Montford neighborhood, after the completion of the project, Slusher and the project's investors decided to partner with Volunteers of America of the Carolinas to manage the property for the next 14 years.

In the summer of 2001, NHS revamped its single-family home construction program to use modular construction instead of stick-built homes. Since the organization had been losing money on the traditionally built homes, modular construction offered improved cost efficiency, decreased construction time and quality construction (*see page 31*). Today, NHS has grown to a staff of seven with focused programs. With the assistance of Self-Help Credit Union, NHS reviewed its loan portfolio and reduced the delinquency rate from 35 percent to 3 percent by working with clients to restructure defaulted loans. The organization is financially solid with a singular mission of providing affordable housing. "Now, we are focusing on homeownership. We build new homes, lend money for downpayment assistance and work to develop communities," said Slusher.

*(continued on page 32)*

## Unmasking the Truth about Modular Homes

General misconceptions keep many people and community development organizations from considering modular homes. According to industry leaders, modular houses do not depreciate in value like manufactured housing (mobile homes). According to bobvila.com, "It turns out modular homes are in many ways superior to stick-built homes, and, once assembled cannot be distinguished from their traditionally built counterparts."

Today, the term "modular" is being replaced with "system-built." Using system-built technology, homes are constructed in a controlled environment. The units are transported to the building site and placed on a pre-built foundation. Then, the units are fastened together, taking a fraction of the time that it takes to traditionally build a house, and usually cost much less. A well-built modular home should have the same longevity as its site-built counterpart, increasing in value over time.

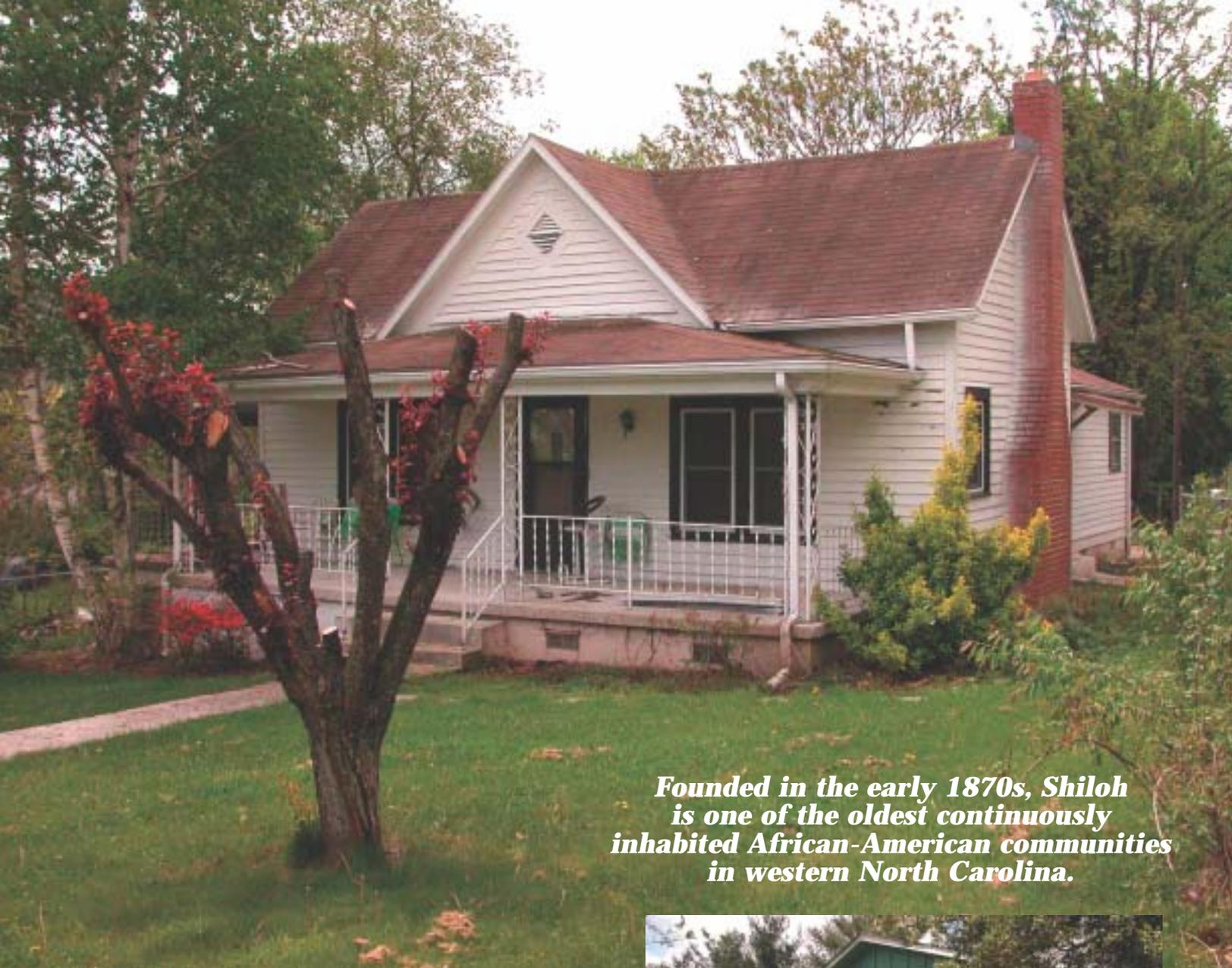
According to Steve Snyder, executive director of the Modular Building Systems Association, "Modular homes are placed on a permanent foundation just like stick-built homes. They are real homes and appreciate in value as a comparable site-built home." He noted that most conventional mortgage companies do not finance manufactured housing, but offer the same interest rates and terms for modular homes. Pointing out the advantages of modular construction, Snyder believes the homes are better built because more materials are involved in the construction and the homes are inspected in both the factory and at the construction site.

Since modular homes are built to withstand transportation from the factory to the building site, proponents of modular homes have long maintained that they are stronger than site-built structures. A Federal Emergency Management Agency study following Hurricane Andrew in 1992 found that wood-frame modular homes in hard-hit Dade County, Florida, stood up to the devastating winds better than stick-built homes. The finding stated, "Overall, relatively minimal structural damage was noted in modular housing developments. The module-to-module combination of units appears to have provided an inherently rigid system that performed much better than conventional residential framing."

Snyder also emphasized, "Affordable does not mean cheaper. Modular homes are constructed of quality materials in just a different way. They are a very cost-effective option for community development organizations." Defying all myths, modular homes are also designed just like traditional houses, ranging from one-story ranchers to two-story Victorians. Snyder suggested that CDCs visit [modularhousing.com](http://modularhousing.com) for a list of modular home manufacturers or contact his organization to discuss the possible use of modular homes in future community development projects.

Based in Henderson, North Carolina, Gateway Community Development Corporation has used modular construction to its advantage. Recognized by the Fannie Mae Foundation for its quality construction, Gateway's A.L. Harris Estates includes 32 homes of which many are modular. "Many homebuyers chose the modular homes because they were quicker to put up. They needed affordable housing and could not wait to get in a stick-built house," said Margaret Ellis, executive director of Gateway CDC. According to Ellis, "The modular homes are more affordable because there is less for the contractor to do."





***Founded in the early 1870s, Shiloh is one of the oldest continuously inhabited African-American communities in western North Carolina.***

### **A Historic Community Awaiting Revitalization**

As a result of their strong resurgence, NHS began looking for other places to put its experience to work. “The board realized that Montford could sustain itself. So, NHS wanted to offer itself as a resource to another community,” said Slusher. In 2002, NHS established a neighborhood partnership with the historic Shiloh community in south Asheville to initiate a resident-led, community-based revitalization.

Founded in the early 1870s, Shiloh is one of the oldest continuously inhabited African-American communities in western North Carolina. In the late 1800s, George Vanderbilt purchased a tract of land for his Biltmore Estate. He bought the “Old Shiloh” property from its residents, many of them



*Above are examples of Shiloh's earlier homes.*

***Today, there are many underlying pressures in the community including encroachment from surrounding businesses, inadequate infrastructure, aging housing stock, heavy traffic and illegal drug use within the community.***



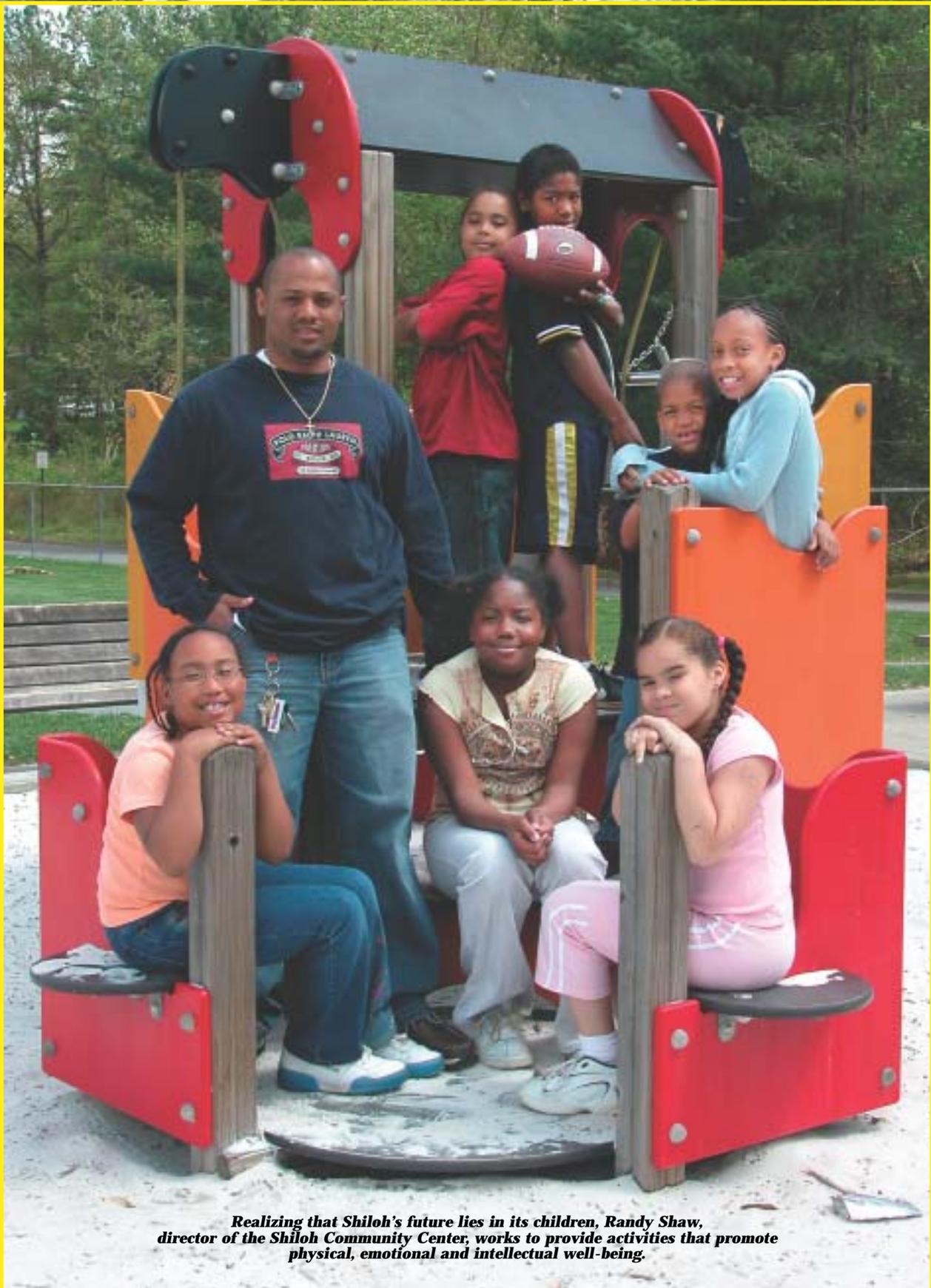
***Johnnie Walker, president of the Shiloh Community Association, and Norma Baynes, Shiloh Community Association liaison and NHS board member, are working to restore peace in Shiloh.***

employed by Vanderbilt, and relocated them to “New Shiloh,” which is directly across the street from Biltmore Forest – an upper-income, residential neighborhood that was carved out of the Biltmore Estate in the early 1900s.

From the Hebrew word “shiyloh,” which translates into tranquil or peace, Shiloh is known to its residents as a peaceful community where people know each other. Norma Baynes, a retired nurse and Shiloh resident said, “The Shiloh community has a legacy. Our ancestors lived where the Vanderbilt Estate is today.” There are many underlying pressures in the community including encroachment from surrounding businesses, inadequate infrastructure, aging housing stock, heavy traffic and illegal drug use. Johnnie Walker, president of the Shiloh Community Association and a retired teacher, said, “The ‘New Shiloh,’ which is the only Shiloh generations of us have ever known, is the place where we as well as our parents, grandparents and neighbors were raised and educated. That’s why we are trying to keep Shiloh intact and revitalize it.”

According to Green, “Being with the city’s planning department, I knew the pressures in Shiloh. It seemed to be the type of area that could use NHS’s experience.” NHS began talking with the Shiloh community in 2002 and offered to assist with developing a community plan. At a June 2002 meeting of the Shiloh Community Association, NHS introduced itself to the community, explaining its building and loan programs. Offering to assist with revitalization, NHS invited the community to join them in the work. “They were needed. They have joined in a partnership with us,” said Walker.





***Realizing that Shiloh's future lies in its children, Randy Shaw, director of the Shiloh Community Center, works to provide activities that promote physical, emotional and intellectual well-being.***

***“There’s an opportunity in Shiloh because it plugs into the city’s plan. A core group of people is already in place. When we determine funding, we look to see if it is the right time for the right community. It’s the right time for Shiloh.”***

Tim Richards



*Tim Richards, Program Officer,  
Community Foundation of Western North Carolina*

### **Bringing Peace Back to Shiloh**

NHS connected the city of Asheville, the Shiloh Community Association, nonprofits, businesses and the citizens of Shiloh in an effort to revitalize the community. With funding from the Z. Smith Reynolds Foundation, NHS hired a community outreach coordinator to provide ongoing leadership support to the revitalization process, which is estimated to take three to five years.

In October 2002, Henry Moore, former assistant manager of Savannah, Georgia, facilitated a weekend work session in Shiloh. With more than 60 people in attendance, Moore challenged residents to define goals for the community and develop individual visions. According to Shiloh Community Association liaison and NHS board member Norma Baynes, “My vision is to see Shiloh have a health care facility, a school, a library, programs for drop-outs, tutoring and a police substation. We also need the help of city officials for new infrastructure like better sewage, electrical and gas lines.”

Out of this group, the Shiloh Task Force was formed to guide revitalization efforts. Consisting of Shiloh residents, city representatives, nonprofit organizations and for-profit businesses, the Shiloh Task Force committed to a two-year process which included developing a small area plan for the community.

Funded through a New Horizons grant from the Community Foundation of Western North Carolina, NHS hired a facilitator to work with the Shiloh Task Force. Their funding also provided financial preparedness training for Shiloh residents pursuing homeownership. According to Tim Richards, program officer for the Community Foundation of Western North Carolina, “There’s an opportunity in Shiloh because it plugs into the city’s plan. A core group of people is already in place. When we determine funding, we look to see if it is the right time for the right community. It’s the right time for Shiloh.”





Virgil Smith,  
President and Publisher, Asheville Citizen-Times

***“Having discussions and talking about issues is important in a community that has been ignored for years.”***

Virgil Smith

Virgil Smith, president and publisher of the Asheville Citizen-Times, has also provided funding to keep the dialogue going in Shiloh through the taskforce. “The key thing that I saw was a community helping itself through collaboration and dialogue,” he said. “Having discussions and talking about issues is important in a community that has been ignored for years.”

**Shiloh’s Newest Residents**

Working in Shiloh for the last 18 months, NHS has constructed nine and sold eight houses. One new homeowner, Lakesha Feimster, said, “On two occasions I just drove in my driveway and cried because I could not believe that I owned this house.” A department secretary at a local hospital, Feimster is also a full-time student at the University of North Carolina at Asheville. In order to purchase her home, she saved \$6,000 for the downpayment and worked with the Self-Help Credit Union to secure the primary financing. Self-Help referred Feimster to NHS who provided a second, 30-year, deferred mortgage. In addition, NHS worked with MANNA Food Bank to stock the home’s pantry.

Like Feimster, Marco Jeronomo’s dreams of homeownership came true with the help of NHS. Searching for a home for over a year, Jeronomo was delighted to find a house constructed by NHS in Shiloh. A native of Mexico who works for a local car dealership, Jeronomo believes that everyone can own a home. Closing on his house in early 2004, he said, “If you work hard and save your

money, you can become a homeowner.” Both Feimster and Jeronomo are examples of how NHS has refocused its efforts to provide affordable housing in the Asheville area.

According to Beth Carter, director of development and marketing for NHS, “Teachers, nurses, firefighters, hairstylists, these are our clients. Everyone who comes into our office has a story. We help them become homeowners.” Although the spectacular views from Asheville’s world-famous Grove Park Inn showcase the city’s natural beauty, the contrasting needs in neighborhoods like Montford and Shiloh are concealed. For this reason, NHS’s extensive efforts to reclaim and rehabilitate neighborhoods so that all of Asheville’s citizens have the opportunity to live in healthy, vibrant communities adds an irreplaceable dimension of beauty to a perfectly picturesque town. MW



Beth Carter, Development & Marketing Director,  
NHS of Asheville with Chris Slusher

***“Teachers, nurses, firefighters, hairstylists, these are our clients. Everyone who comes into our office has a story. We help them become homeowners.”***

Beth Carter



*“On two occasions I just drove in my driveway and cried because I could not believe that I owned this house.”*

Lakesha Feimster



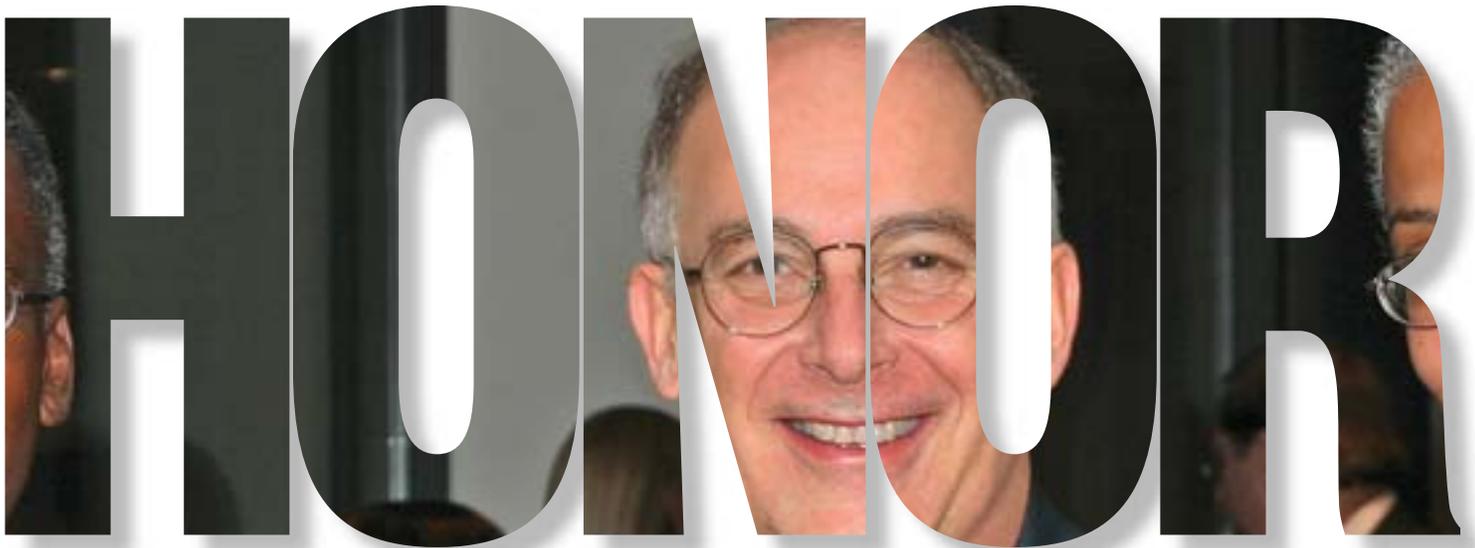
*“If you work hard and save your money, you can become a homeowner.”*

Marco Jeronomo



### ***Low Wages & High Cost of Living Equate to an Affordable Housing Shortage***

It's easy math. When wages are low and the cost of living is high, affordable housing demand rises. In Asheville, the average price tag of a home is \$191,949. Ranking eighth among 12 North Carolina metropolitan areas, Asheville's average wage per job is \$28,187. Among nine metropolitan areas in North Carolina, Asheville's cost of living is the second highest. Since the median household income for a low- to moderate-income family of three in Asheville is \$35,700, the maximum home purchase price for which they could qualify is approximately \$95,000. Since the average home price exceeds \$190,000, an affordable housing shortage exists in Asheville.



## To a Community Development Ally

### *A Tribute to President Al Broaddus*

**T**wice a year, the Federal Reserve Bank of Richmond's President Al Broaddus formally meets with some of the region's more experienced community economic development professionals. With a pen in his hand and a notebook placed in front of him, Broaddus listens intently, taking copious notes as the group describes economic conditions facing their low- to moderate-income constituents. Many may wonder how a man who spends the majority of his time poring over quantitative data can squeeze in a millisecond to meet with people who know very little about the complex data he encounters on a daily basis.

"Community development is good business and good economic policy, as well as the right thing to do for our neighbors," said Broaddus to attendees at the Virginia Housing Coalition's 20th Birthday Celebration in 2001. The adage "actions speak louder than words" is especially appropriate for this man who retired on July 31. Throughout his tenure as president of the Richmond Fed, Broaddus has not only embraced, but also tenaciously supported the Community Affairs

*"Al understands the importance of local markets and that the health of the macro economy depends on the health of local economies. He has shown his direct support and concern for all communities in our District."*

Dan Tatar

function. "Al understands the importance of local markets and that the health of the macro economy depends on the health of local economies," said Dan Tatar, assistant vice president and community affairs officer at the Richmond Fed. "He has shown his direct support and concern for all communities in our District."

From touring towns almost totally washed away by Hurricane Floyd, to visiting neighborhoods on the Eastern Shore of Virginia that have experienced such poverty that indoor plumbing is considered a luxury, Broaddus realizes that it's not a simple story of the "haves" and "have-nots."



*From touring towns almost totally washed away by Hurricane Floyd, to visiting neighborhoods on the Eastern Shore of Virginia that have experienced such poverty that indoor plumbing is considered a luxury, Broaddus realizes that it's not a simple story of the "haves" and "have-nots."*



*Here, Broaddus meets with Alice Coles, a community advocate of an impoverished Eastern Shore community.*

Instead, it's a tale of determining what can be done to help bridge the economic gap and gain an understanding of the challenges that nonprofit service-providers tackle in addressing these unfortunate situations. Despite his prominent status and high-level of intellect, Broaddus never went to communities to offer solutions, but as he said during the Eastern Shore community tour, he was there to "listen and learn."

Besides community tours, Broaddus' most extensive involvement with the Richmond Community

Affairs Office (CAO) was the creation of the Richmond Fed's Community Development Advisory Council (CDAC), which meets biannually. Created in 1998 by Broaddus and the CAO to increase communication between the Fed and the public concerning community issues, the CDAC keeps the president abreast of community development concerns. Additionally, these discussions provide "real world" data that play an important role in the Fed's monetary policy decisions.

“When I first became a member of the CDAC, I had no idea what to expect,” said Ray Skinner, a member since its inception. “My image of a Fed president was that of a stuffy, boring egghead who cared little about the interests of low-income and minority communities. Al Broaddus turned out to be the antithesis of that image. I found him to be a warm, caring individual with a genuine concern for low-income families in both urban and rural areas.”

The Richmond community has greatly benefited from Broaddus’ strong interests in community economic development issues. In addition to serving as former chair of the board for the United Way, he is currently a member of the executive committee of Richmond Renaissance. As a partnership among the corporate community, African-American community and Richmond City government, Richmond Renaissance leads the community in building greater vitality, particularly in the downtown area through economic development.

But now, there are very deserving recipients of most of Broaddus’ time: his family. So as he exchanges 80-hour work weeks and endless streams of meetings for strolls on the beach and spending time with his twin granddaughters, Maggie and Anna, his compassion and concern for those less fortunate will continue to impact those who know him. “I feel blessed to have been able to meet and get to know someone of Al’s stature and character,” said Skinner. We’ve all been fortunate to meet a man who has given himself so freely to the ideals of community development. <sup>MW</sup>



Photo courtesy of Ken Beebe

CDAC members Ray Skinner and Greta Harris pose with Broaddus after the group presents Broaddus a replica of a thriving community at his final CDAC meeting.

*“When I first became a member of the CDAC, I had no idea what to expect...”*

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*Al Broaddus turned out to be the antithesis of that image.”*

Ray Skinner



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