

## Community Development Corporations: Diverse Practices across North and South Carolina

### Authors

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### Introduction

The Community Development discipline and practice continues to explore the most effective ways to mobilize people and resources at the neighborhood level in order to create mechanisms for investment locally. As community development practitioners continue to capitalize on opportunities to create practical solutions, there remains a steady need to ensure adequate pathways to find, grow and sustain local leadership. Organizations of local residents create opportunities for direct, neighborhood decision-making and empower individual engagement in present and future plans for the area. The validity of a community development bottom-up, grassroots approach requires the development of human capacity in those who are leading the management and development of these investment systems and programs. In North and South Carolina, community- and neighborhood-level action agencies and programs have a rich history of engagement and change, and provide some examples of how Community Development Corporations (CDCs) have matured over the years.

The CDC model is said to have been created in the late 1960s when U.S. Senator Robert F. Kennedy and his staff conceived of the idea for a community corporation for Brooklyn's Bedford-Stuyvesant neighborhood under the belief that the private sector's power and wealth should be involved in neighborhood opportunity and individual betterment.<sup>1</sup> The Economic Opportunity Act of 1964, United States Public Law 88-452 (EOA), authorized the formation of local community action agencies as part of the "war on poverty." In 1966, the EOA was amended to include the "Special Impact Program," which funded community development programs in urban poverty areas starting with the Bedford-Stuyvesant Restoration Corporation.<sup>2</sup> Today, CDCs are nonprofit organizations organized under the Internal Revenue Service section 501(c)(3) to support and revitalize communities, especially those experiencing economic and social distress.<sup>3</sup> CDCs most often develop affordable housing and other community services that meet local needs, such as education, job training, healthcare, commercial development and food services.

CDCs typically self-identify as such and some states have state associations to encourage professional development and collaboration. The North Carolina Association of Community Development Corporations (NCACDC) was created in 1989 with 11 charter members as a statewide membership organization designed to provide technical assistance and help build the capacity of CDCs. In South Carolina, the statewide CDC association was founded in 1994 with four CDCs. At the national level, the National Association of Community Economic Development Associations (NACEDA) represents those state associations. Locally, CDCs are sometimes called Community Economic Development Corporations (CEDC). In 2014, the South Carolina Association of CDCs changed its name to the South Carolina Association of Community Economic Development Organizations (SCACED) to more closely identify with NACEDA.

As nonprofit, tax-exempt entities, the typical funding streams for CDCs have included both public and private sources. In 2012, the North Carolina General Assembly ended its funding for 70 CDCs across the state's rural and urban areas. The loss of state funding to CDCs in North Carolina reflects a national trend in reduced funding to community development organizations. With the ebb and flow of funding from state, local and private sources, some CDCs in both North and South Carolina continue to sustain and even flourish through innovation, transformation and flexibility.

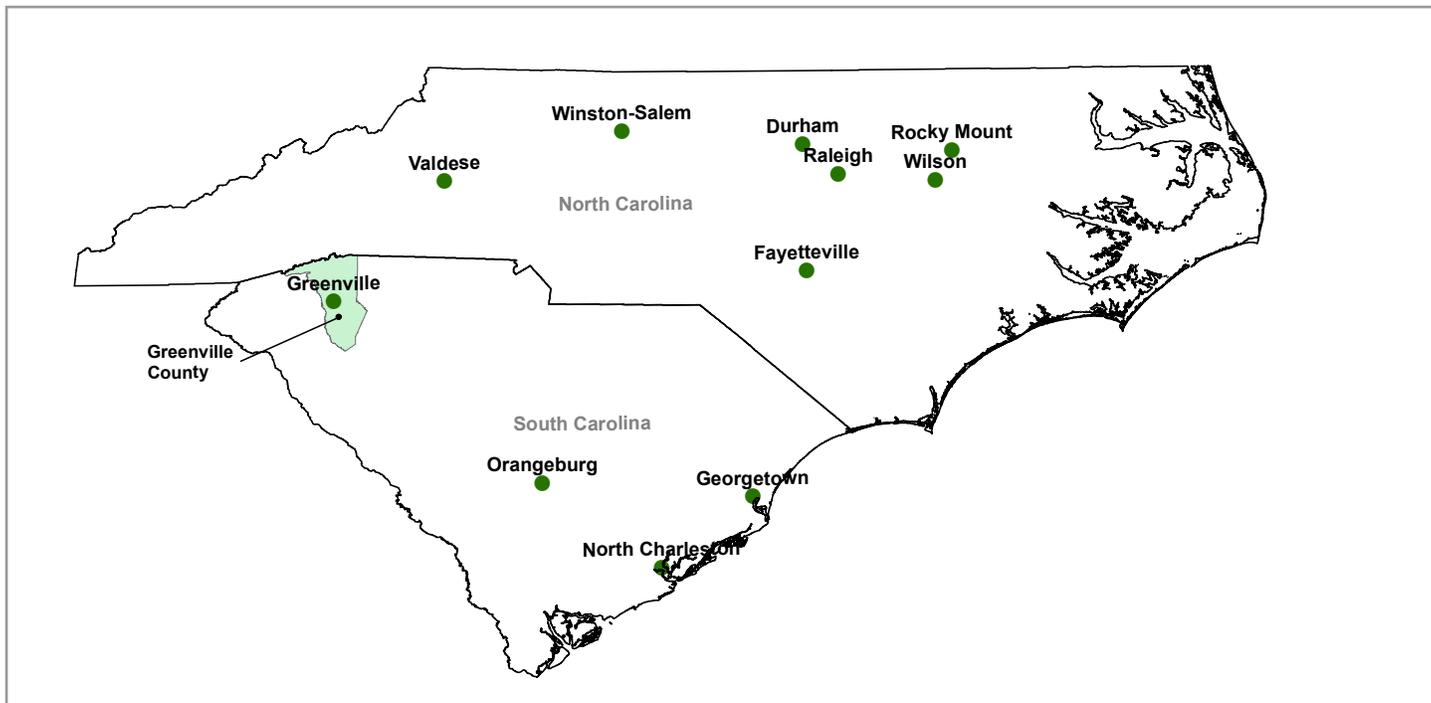
In this issue of *Community Practice Papers*, we take a look at examples of sustained and emerging business models from rural and urban CDCs across both states.<sup>4</sup> The CDCs presented here represent differing geographies, organizational longevity and business model practice (see Map 1). Examples of these practices include commercial development ventures, workforce development opportunities, business incubators, community gardens, intergenerational services and financial education.

## History of the Community Development Movement in North and South Carolina

### North Carolina

CDCs in North Carolina date back to the late 1960s, but most of the state's CDCs were created in the late 1980s. In 1963, Governor Terry Sanford introduced a plan to reduce poverty in North Carolina through improvements in education and economic opportunity. "When Sanford took office in 1961, North Carolina's factory workers earned some of the lowest industrial wages in the nation; 37 percent of the state's residents had incomes below the federal poverty line; half of all students dropped out of school before obtaining a high school diploma; and of adults twenty-five years of age and older, a fourth had less than a sixth-grade education and were, for all practical purposes, illiterate."<sup>5</sup> Governor Sanford's legacy is his goal of self-sufficiency and sustainability, and the creation of entities to address community issues at the local level, outside government. The North Carolina Fund became the first statewide antipoverty organization in the country and was supported financially by philanthropy. In 1963, the Ford Foundation provided a \$7 million grant, the Z. Smith Reynolds Foundation provided a \$1,625,000 grant, and the Mary Reynolds Babcock Foundation granted \$875,000.<sup>6</sup> The North Carolina Fund served as the pilot project for President Lyndon Johnson's "war on poverty."<sup>7</sup> Around 1967, it was decided that funds should be extended to organizations led by African-Americans through the Foundation for Community Development (FCD). In 1973, FCD provided funds for infrastructure, housing, economic development and the accumulation of wealth in the African-American community for the Wilson Community Improvement Association and United Durham Incorporated (UDI).<sup>8</sup>

As a result of the 1966 amendments to EOA, additional community development programs emerged in the urban poverty areas of Charlotte, Durham, Greensboro and Salisbury through the creation of the North Carolina Low Income Housing Development Corporation (NCLIHDC).

**Map 1: Location of Featured CDCs in North and South Carolina**

Note: This map shows only the locations of the CDCs in North and South Carolina discussed in this issue.

In the early 1980s, Legal Services of North Carolina dedicated one fourth of its Resource Center budget to community economic development advocacy and training. The mission was to revitalize and help build the capacity of local organizations to engage in community economic development. And, in 1985, the North Carolina Legal Services Resource Center filed the state's first challenge under The Community Reinvestment Act (CRA) of 1977 for noncompliance. By 1986, CRA agreements were signed with several banks, and the lending institutions funded and implemented community needs assessments in response to the CRA. New capital derived from the agreements led to more formal community development corporation efforts in North Carolina.

Z. Smith Reynolds and Mary Reynolds Babcock Foundations funded a capacity-building project for the CDCs, and during its short session in 1988, the North Carolina General Assembly appropriated money for Minority Economic Development Project Grants and for the North Carolina Institute of Minority Economic Development. One-third of the appropriated \$1.5 million was to go to CDCs to demonstrate how the CDCs, organized under Chapter 55A of the General Statutes, could improve the lives of residents of underdeveloped

minority communities through business, commercial revitalization and housing development activities.<sup>9</sup>

During the 1988–2012 period of public funding from the state of North Carolina, the CDCs acquired housing, commercial, residential and main street assets for small business development, rental housing, single family home sales and commercial development. It was no coincidence that nearly all of the CDCs engaged in housing-related activities given the North Carolina Fund's emphasis on housing as a key to wealth creation.

### ***South Carolina***

The South Carolina CDCs were assisted in their early stage by the North Carolina CDCs. The Mary Reynolds Babcock Foundation and Branch Bank and Trust (BB&T) were the early funders. As North Carolina CDCs sought and received state appropriations, beginning in 1988, South Carolina attempted to follow suit, even taking legislators from South Carolina to North Carolina to see longer-tenured CDCs.

In 1998, BB&T and the Mary Reynolds Babcock Foundation provided initial funding that was supplemented by the Southern Rural Development

Initiative (SRDI). SRDI, located in Raleigh, North Carolina, was founded in 1994 by rural and community-based stakeholders, who developed partnerships with six historically black colleges and helped establish statewide CDC associations in Louisiana, Arkansas and South Carolina. In 2008, SRDI announced a more focused, intentional and streamlined long-term strategy for community asset development. This revised strategy had implications for South Carolina's CDCs because by this time, SRDI was their sole source of funding. The motivation behind SRDI's streamlined approach stemmed from their original connection to the National Network of Grantmakers (NNG), which works within philanthropy to increase resources for social and economic justice. NNG intended to restructure and sustain funding in these traditionally under-funded geographies. The restructure period means CDCs needed new sources of funding.

State appropriations to support CDCs did not pass in South Carolina, but in 2000 the state provided \$10 million in grants, loans and tax credits to certified CDCs, enacting a Community Economic Development Act for certification of entities as CDCs and community development financial institutions (CDFIs) through the South Carolina Department of Commerce.<sup>10</sup> From 2000 until 2004, the State of South Carolina committed \$5 million in state tax credits and \$5 million in appropriations; the funds were authorized but not released. In 2005, the CDCs received the first million dollars of appropriated funds in the form of grants from the South Carolina Department of Commerce, which contracted with the statewide CDC association and later became known as SCACED, to manage and train CDCs through a certification program.

Currently, funding options for CDCs in South Carolina include the following:

- The South Carolina Association for Community Economic Development's (SCACED) statewide Individual Development Account (IDA) program funded from the U.S. Department of Health and Human Services and the South Carolina Department of Social Services. The IDA program is a 3:1 matched savings account program that allows individuals to use their savings and match money toward any of three productive assets: a home, a small business or post-secondary education.

Participants are required to save their funds, participate in financial literacy education and asset based training before having access to their match funds.

- The Community Impact Fund (CIF) is funded by the Mary Reynolds Babcock Foundation. Its purpose is to make competitive grants available to member organizations for capacity building initiatives, development of affordable housing and/or other economic development projects.
- The Community Economic Development (CED) Fund was created by the General Assembly in 2000 (through the South Carolina Community Economic Development Act) to support certified CDC and CDFI sponsored projects in the state to create small businesses, commercial opportunities and jobs in underserved/rural communities.
- The CD Tax Credit Program was established in the Community Economic Development Act of 2000. Businesses, corporations, insurance companies, financial institutions and individual residents are eligible for a 33 percent credit against state tax liabilities for every dollar invested in or donated to certified CDCs and CDFIs.
- The Microenterprise Program launched in 2014 to ensure that South Carolina's smallest businesses have the capacity to create jobs, build skills and enhance the self-sufficiency of low-income households through matching grants to community organizations to offer loans.

The South Carolina Department of Commerce requires organizations that are state certified as a community-based development organization to take courses as part of the certification process in order to receive state funds through the Community Economic Development Act appropriations of the South Carolina General Assembly.

The S.C. Community Development Institute is the current capacity building program created by SCACED to offer state-required certification. The Institute is designed to give low-wealth communities the capacity to implement community economic development programs and projects and has fostered the creation of a sustained community development infrastructure in rural and urban areas of the state.

The Institute's precursor, the Community Economic Development studies program, was funded by the Federal Home Loan Bank of Atlanta in 1998.<sup>11</sup> The Institute offered a broad training curriculum on community economic development strategies and nonprofit excellence and includes courses focused on new visions and directions for sustainability. Programs offered by the Community Economic Development studies program focused primarily on housing and commercial real estate development. New training programs at the Institute now feature a broader training curriculum, which includes instruction on governance, financial sustainability (fee for service, social impact bonds (SIBs), impact investment and tax credits), board development, staff development, marketing, volunteer management, real estate and property development and management. This curriculum better addresses the new funding environment that CDCs must navigate for their financial survival. Programs are offered annually for organizations to maintain knowledge and training on new strategies and tools.

The next section is a sample of community development strategies among CDCs in North and South Carolina. Through the Richmond Fed's work with the organizations in both states, we have endeavored to provide an initial description of the new business practices employed by these organizations whether a start-up or experienced CDC. Future analysis will focus on outputs, outcomes and financial viability of the engagement sustainability practices of CDCs in North and South Carolina.

## Community Development Approaches Among CDCs in North and South Carolina

### *Transformation of a Downtown District (Goler CDC)*

**Winston-Salem, North Carolina** — Goler CDC, under the leadership of Michael Suggs, has played an integral role in the development of a new Winston-Salem skyline. Growing out of the community's Goler Memorial A.M.E. Zion Church, the CDC was established in 1998. After acquiring the 15 acres of land surrounding the church, Goler hired an urban design associate to assist with the planning. The goal was to transform the existing buildings and develop the vacant plots into Goler Heights, a downtown district designed to attract a

diverse population and renew vibrancy in downtown Winston-Salem. Goler CDC created a mixed-use community with diverse housing options, commercial development and a varied demographic population in the area.



The first housing project was the conversion of a historic tobacco factory into "The Heights," a market-rate loft apartment building with 82 units. An Arts Park developed adjacent to the community provides green space for community interaction, dog walking and features an amphitheater. Through a U.S. Housing and Urban Development (HUD) grant, Goler Manor was developed and provides a new affordable living option for senior citizens. The Craver Building on Patterson Avenue, Winston-Salem's historic "black main street," was rehabilitated into rental units, and five affordable duplex townhomes were constructed for purchase by low-income families, adding permanence into the otherwise primary rental-based neighborhood.

The CDC created convenient commercial development in the area as well, including Truliant Victory Credit Union and Member Support Center, which provides financial services for residents, and a MudPies franchise provides needed local childcare. Goler CDC and the Church's Enrichment Center have kept their doors open to residents to provide resources and community activities.



### *For-Profit and Nonprofit (Kingdom CDC)*

**Fayetteville, North Carolina** — Kingdom CDC was established in 1995 to focus solely on housing, but has now shifted to a more holistic approach that affords individuals and families in Fayetteville and the surrounding counties workforce development opportunities, financial literacy classes and homebuyer's education courses. "Education is the key to help families be successful," noted Kingdom CEO Elsie Gilmore. "Education leads to jobs, which leads to the ability to purchase a home. It's all connected."

Kingdom's first project was the construction of 18 affordable homes in a blighted area of Fayetteville, worn down from both floods and crime. Fairley Estates, the second endeavor, offered 20 more affordable houses where, according to Gilmore, previous families chose to purchase and return rather than relocate.

In 2009, Kingdom relocated its office to Main Street in Spring Lake, a nearby, more rural Cumberland County town northwest of Fayetteville and broke ground to create affordable homes there. In order to ensure long-term sustainability, Kingdom took an economic development approach using Fort Bragg, the neighboring military base, to its advantage. The CDC built its first IHOP franchise in 2010, offering military families and the Fayetteville community a new restaurant option while simultaneously creating 110

new opportunities for construction and restaurant employment in the community. The IHOP's workforce is now stable at 45 regular restaurant staff members, including operational support located in commercial space next door to Kingdom CDC's operations office. The franchise provides a consistent revenue source for the organization. Kingdom opened its second IHOP location in Holly Springs, North Carolina, in Wake County. The IHOP franchising is a win-win situation for the CDC. Kingdom's for-profit business and nonprofit operations are under the same umbrella, a business model that offers a more stable revenue stream.



### *Promoting Creativity (Olive Hill Community Economic Development Corporation)*

**Valdese, North Carolina** — Olive Hill Community Economic Development Corporation (CEDC) serves North Carolina's Burke, Caldwell, Catawba and McDowell counties. Olive Hill's reach is expansive, flexible and personalized through its specialized curricula in workforce development, business operations, foreclosure counseling and computer skills. "[The staff] walks hand-in-hand with clients throughout the whole learning process," explained Beverly Carlton, CEO of the CEDC and computer instructor. Olive Hill designs unique courses and specified training that is adaptable to the needs of the community. The on-site classrooms and a public computer lab offer business owners, students, job seekers and local residents a quiet learning space equipped with internet access, functional technology and instructors who are available to answer questions.



In the coming years, Olive Hill CEDC hopes to promote and encourage creative entrepreneurship. In a move from Morganton to its current location in Valdese, the new space provides ample room for expansion to pursue a business incubator. The CEDC foresees future businesses focused on LED light manufacturing, an industrial catering kitchen and a computer coding center. Olive Hill plans a funding strategy to offer startup financing and training to new businesses housed in the incubator. With growth and experience, each business could transition from the incubator after three years, creating a vacancy for a new tenant.

The large event center will remain intact and serves as a revenue source, as it is a space that Olive Hill uses frequently for trainings and rental to external parties. Banquet style, the room capacity is 250 and can accommodate 400 for theatre seating.

### *Breaking the Cycle of Poverty (Passage Home)*

**Raleigh, North Carolina** — Described as a "tenacious organization" by board member Al Leach, Passage Home is a long-standing staple in Raleigh. The CDC not only develops affordable housing, but also offers extensive family and workforce services from its location in southeast Raleigh. Passage Home grew from a mixed-race grassroots effort spearheaded by the faith based community to address the widening gap in economic equality and the real possibility that neighbors would be left behind. Partnerships with city and county officials, public sector organizations and private corporations have helped Passage Home progress and innovate to keep pace with a changing economic and cultural environment.

Passage Home has built a village-like neighborhood around the community center. A "kid zone" provides a safe and clean play area for the neighborhood children and a free afterschool program provides children with dinner, tutoring and youth sports opportunities each day, as well as college visits and mentoring to inspire future thinking. A community garden that began as a small project has grown into an entrepreneurial endeavor for the neighborhood. One neighborhood volunteer took the lead and now has four other neighbors on staff to help. The garden has transformed into a sustainability mechanism for the Center's kitchen, as the crops are used in meals to feed the community.





With a 3.4 acre plot of land already purchased, Passage Home plans to expand and construct a larger garden and related business. An empty building and ample outdoor space give the organization room to be creative in how it structures a seed to table vision. Gardening workshops, co-working spaces, a job training kitchen and a farmer's market are all ideas under consideration. Increasing the garden's capacity will also allow for partnerships with local restaurants and new revenue streams.

### *Surviving and Thriving (Rocky Mount/Edgecombe Community Development Corporation)*

**Rocky Mount, North Carolina** — Rocky Mount/Edgecombe Community Development Corporation (RMECDC) has been in operation for nearly 30 years and has directly experienced the evolution of community development in North Carolina. What began as a conversation at CEO Joyce Dickens' kitchen table has grown into a CDC leader among its peers, and a



development partner in the city, contributing to job creation, real estate, business and cultural development, community education, neighborhood revitalization, foreclosure mitigation and asset improvement strategies in Rocky Mount, Edgecombe and Nash counties. According to Dickens, from 1988 to 2014, RMECDC provided \$152.4 million in investment in the local community through its diverse and comprehensive community and economic development approach and aggressive commercial development, restoring a section of the city center to vibrancy.



Over the years, RMECDC has worked to be comprehensive and flexible in order to absorb shocks to its operating model. With 14 area neighborhoods experiencing disinvestment and constant and continuous deterioration, the CDC is always looking for additional funding sources to begin new projects and produce further change. "Funds have become even tighter in North Carolina," explained Dickens. "With that there becomes a systematic struggle that injures the community economic movement across the state." In addition to swings in funding from the North Carolina General Assembly, the organization has survived two devastating natural disasters and the Great Recession, during which RMECDC staff and its board reconsidered its approach to affordable housing.

RMECDC has survived, even while faced with these difficulties and the challenging task of continuing to support low-income communities while remaining market-driven and self-sustaining. RMECDC's downtown revitalization projects, rental and for-sale housing units, business incubator in Edgecombe County and

Crossing at 64, a 30-acre plot of land to be used for commercial development, will all aid in maintaining the organization's sustainability and ability to produce more impact.

### *Innovation (UDI Community Development Corporation)*

**Durham, North Carolina** — UDI Community Development Corporation (UDI/CDC) has been serving the Durham community for 43 years. Originally, UDI/CDC was developed after the company's transition from a for-profit to a nonprofit entity. "We are consistently on the edge of greatness," said Ed Stewart, UDI/CDC CEO. "We have found ways to pursue risks and changes, allowing us to grow to be more innovative."

Innovation dates back to the organization's early years when UDI/CDC made the decision to purchase 91 acres when it saw the property's potential. UDI/CDC extended a new sewer line to reach the land, once labeled a "wooded wasteland." The CDC then developed the UDI Industrial Park with an employment base of 300 employees. The organization currently owns three of the six buildings on site.



For UDI/CDC, taking risks means entering sectors outside of the community and economic development space. The organization has continued to succeed and expand in part, based on its ability to work with outside groups.

"We are always looking to partner more, as others can bring strengths that we may not have, or can fill gaps where we're lacking," explained Stewart. For example, the organization eradicated a food desert through its partnership with Food Lion. UDI/CDC developed the property and then brought in the grocery.



A similar plan occurred for the UDI Urban Farm, a project funded and prepared by the CDC and operated by Endless Sun Produce, a Raleigh-based business. The farm provides affordable produce to Durham residents through the use of hydroponics farming.



### *Promoting Healthy Behaviors (Wilson Community Improvement Association)*

**Wilson, North Carolina** — The Wilson Community Improvement Association (WCIA) takes a “no-resident-left-behind” approach in its commitment to provide inclusive programs and services for all Wilson, North Carolina, community members. Although while maintaining a housing-centric mindset, WCIA believes, “When communities thrive, people thrive. Homes are just the beginning.”



The organization uses this philosophy to target Wilson’s elderly population. WCIA provides affordable senior housing at Gee Corbett Village, a neighborhood of duplex-style homes that accommodate independent living for seniors, while still keeping them close to neighbors and the services they need. Door-to-door transportation is available for medical visits, shopping trips and off-campus center activities. At the Wilson Senior Center in the heart of the village, residents can gather for daily lunches, computer training in the on-site lab, workout classes in the gym and work in the community garden.

WCIA’s intergenerational “One Step, One Seed, One Meal” program promotes a healthy and fit lifestyle for Wilson residents of all ages. “The program is a holistic approach to educate and empower, to increase daily physical activity, nutrition and healthy behavior,” said WCIA CEO Barbara Blackston who believes that while the program allows seniors and youth to exercise together, prepare meals together and learn together, it more importantly



affords the elderly with an eager younger generation of Wilson residents interested in their stories. The group gathers every Saturday for mini-workshops on nutrition, goal setting and group training sessions. Each participant goes through pre- and post-program evaluations and is required to log his or her exercise activity and food intake to ensure progress is made and goals are met.

The organization’s office, a short drive from Gee Corbett Village and the Senior Center, was once a historic African-American hospital and has been newly renovated and is open for operation, both as WCIA’s headquarters and as a business incubator. There are currently two tenants leasing the space: a barber shop/hair salon and a caterer, occupying the industrial-sized kitchen.

### *Financial Services for All (CommunityWorks Carolina)*

**Greenville, South Carolina** — CommunityWorks (Carolina) has elevated its reach to a new level after achieving CDFI status and opening its first Credit Union in Greenville, South Carolina. The consumer-driven organization is working to fulfill its mission of “building a brighter future and creating pathways for underserved families and communities through financial education, lending and investing.” Located in an innovative and booming pocket of the state, CommunityWorks has evolved its programs to enhance opportunity for Greenville individuals and families that are not currently the recipients of the fast-paced economic growth in the region.



After considering what more they could provide their community beyond the Individual Development Account (IDA) program, the CDFI created its own microbusiness lending arm. Their goal is to holistically help entrepreneurs cultivate a business, both through skill building and financing. By committing to partner with CommunityWorks, a business owner can qualify for one-on-one coaching, training opportunities and loans up to \$50,000. During the first year of the microbusiness lending program, more than 20 small businesses were served, including health care providers, fitness centers and clothing shops.

When faced with an increase in the number of payday loan centers in the state, CommunityWorks decided to open its own credit union so neighborhood families could avoid turning to unregulated lending and the high fees and interest rates that often accompany such lending. The first new credit union in South Carolina in 15 years, the CommunityWorks Federal Credit Union, located adjacent to CommunityWorks, serves customers that other banks may label as “un-bankable.” “The Credit Union team works with individuals to develop financial knowledge and skills, build their credit scores and savings accounts, and access loans to help achieve a better quality of life,” said CEO Deborah McKetty. “The goal is for the credit union’s success to generate the ability for CommunityWorks to scale up and open additional branches, expanding to reach other underserved communities.”<sup>12</sup>

### *Workforce Development through Habit Formation (Foothills Family Resources)*

**Greenville County, South Carolina** — Foothills Family Resources (FFR) is taking a behavioral economics approach to workforce development. CEO David Bolton believes that through habit formation, individuals and families can exit living in crisis-mode and achieve self-sufficiency. All of the courses offered at the Center include exercises that teach timeliness, professionalism and preparedness, complementing the relevant workforce curriculum. Guided mindfulness, positive messaging and consistent recognition are employed to help students feel motivated and eager to succeed.

FFR’s relationship with students extends beyond completion of the course. Through its Center for Working Families (CWF), a model initially developed by the Annie E. Casey Foundation, FFR promotes long-term accountability, financial stability and wealth building. Foothills Family Resources will measure the success of its work by how the lives of those they worked with have improved up to two years post-graduation. The CWF approach meets the student at the level of education they have. Each student’s instruction begins at the appropriate level, with courses ranging from GED to technical manufacturing training.

“Our focus on keeping it simple is innovative in itself,” said Bolton. “Our work is about changing the culture to one in which people want to succeed. We may have served fewer people, but we have spent far more time with them to produce lasting change.”<sup>13</sup>



Northern Greenville County, particularly the area around FFR, remains rural and disinvested, unlike its neighbor to the south, the City of Greenville. Bolton and his team hope to expand their programs to reach more in the community. FFR is considering starting a community farm to bring the community together and build student resumes, proving to future employers that they are trusted workers with experience.

### *Inspiring Hope (Increasing H.O.P.E.)*

**North Charleston, South Carolina** — Increasing H.O.P.E., or Helping Others Prosper Economically through its Financial Training Center works to get to know its clients personally, backed by its core values of innovation, integrity, respect, passion and collaboration. CEO Dorothea Bernique believes that obstacles in one's personal life are what hinder financial success. Increasing H.O.P.E.'s curricula is designed to help individuals assess the fundamental issues holding them back from economic stability. The Financial Training Center strives to be that one-stop-shop, as well as a support system to guide clients through their journey to financial independence.

While financial education is not necessarily innovative in itself, the organization has applied a unique marketing strategy to increase both its reach and revenue. Increasing H.O.P.E. uses inspiring terminology to invite clients into the office. "Just our name alone brings people in," explained Bernique. "We serve our clients and never judge them. We want to help them realize that financial capability is fundamental to every part of life." Positively worded signage is abundant around the training facility used in an effort to decrease any intimidating factors often associated with the word "finance." Increasing H.O.P.E.'s product line provides a way for the organization to fund itself as well as help its clients. Sets of DVD training programs are available for sale at the office and on the organization's website, along with the Kingdom Conscious Money Management training, a book about responsibility.

The CDC develops affordable housing, offers credit counseling and foreclosure mitigation services and has a Small Business Training program. The six-topic

structure of the training is targeted for startups or companies in their early stages, 12–18 months, to help build solid business foundations. The personal development component addresses professionalism, while legal, financial, customer service and sales are also incorporated into the program.



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### *One-Stop Shop for Housing Development (New America Corporation)*

**Orangeburg, South Carolina** — New America Corporation is located in the heart of Orangeburg, South Carolina, an underserved, rural town that is home to two historically black universities — South Carolina State and Claflin University. Orangeburg has high levels of poverty but is intellectually thriving as evidenced by the increase in visits and program participation in the Orangeburg County Libraries. During the 2016–2017 fiscal year, use of library cards increased and multiple uses by individual card holders increased. Visits increased by 8,000 and participation in library programs increased by 2,000; 13,200 individuals attended 843 programs, and 18,000 individuals per month visited the main branch, including participants in daycares, students and seniors.<sup>14</sup> Additional focus on programs to improve education,



create jobs, boost safety and add affordable housing is the goal of the S.C. Promise Zone, which includes Orangeburg in the six-county area federally designated for 10 years beginning in April 2015. The library is at the hub of the educational programming.

Students who attend the universities often leave after graduation. “Orangeburg is a place of historical significance that needs to be restored,” remarked Adolphus Johnson, founder and CEO of New America. Through education, housing and small business programs, the organization is working across sectors to help individuals accomplish their goals for housing, educational attainment, employment or small business development.

New America has taken a new approach to affordable housing by funding, constructing and managing the homes during the construction and post-construction phases. All of the homes New America has built are available for lease, which provides a consistent income source for the organization. As a nonprofit developer, New America is able to take more risks and initiate projects that other for-profit developers may not.

Many nonprofits hire outside teams to do construction work, but Johnson serves as the site-manager for each project, putting into practice both his construction and development experience. New America hires local contractors to do small repairs on five to 10 Orangeburg houses per year, contributing to the local employment and assisting residents with needed repairs.

New America places an emphasis on impact and uses progress evaluations to monitor construction timelines and completions, combined with anecdotal information to weave the stories and the completion numbers to accurately measure impact.



### *A New CDC (Prime CDC)*

**Georgetown, South Carolina** — CEO Katrina Cohens was serving her community long before Prime CDC was formally established in 2016. With experience leading an in-home care agency, summer camps and afterschool programs, she found that these efforts were not meeting the greatest needs in the area. “I wanted to be a bridge to resources for those struggling to make ends meet,” said Cohens. The CDC is engaged in various sectors, working to affect positive change in Georgetown, Horry and Williamsburg counties. These efforts include financial literacy boot camps, health and community services for individuals with disabilities and special needs, and case work with the Department of Juvenile Justice (DJJ).

Prime's DJJ program is the first of its kind for a CDC. M-Power, an acronym for Making Positive Outcomes While Embracing Responsibility, promotes proactive outreach, helping make families aware of the services that exist to help juveniles adjust post-sentencing. Through case management and family support, Prime CDC's goal is to keep adolescents on positive paths post-release, using education and support as tools to make certain they do not become repeat offenders.



As a start-up CDC, Prime has already shown potential for impact during its first formal operating year through the inception of the DJJ program. Cohens hopes to grow the organization's self-sustaining contract work, making it possible to allocate other funds towards building capacity of signature programs. Other future strategies include transforming a vacant elementary school into a shelter for the area's homeless.

### About the Authors

Jeanne Milliken Bonds is the senior manager, Regional Community Development, and Emma Sissman was an intern from 2016–2017 in the Community Development department of the Federal Reserve Bank of Richmond.

### Acknowledgements

For comments and suggestions, we thank staff at the Federal Reserve Bank of Richmond. We are grateful to the CDCs featured in this issue for sharing their valuable perspectives with us.

### Photo Credit

All photos were taken by Emma Sissman.

### Resources

For additional information on the CDCs featured in this issue, please visit their websites.

[Goler CDC](#)

[Kingdom CDC](#)

[Olive Hill Community Economic Development Corporation \(CEDC\)](#)

[Passage Home](#)

[Rocky Mount/Edgecombe Community Development Corporation \(RMECDC\)](#)

[UDI Community Development Corporation \(UDI/CDC\)](#)

[Wilson Community Improvement Association \(WCIA\)](#)

[CommunityWorks \(Carolina\)](#)

[Foothills Family Resources \(FFR\)](#)

[Increasing H.O.P.E.](#)

[New America Corporation](#)

[Prime CDC](#)

## Endnotes

- 1 Von Hoffman, Alexander. (2012). The Past, Present, Future of Community Development in the United States. In *Investing in What Works in America's Communities: Essays on People, Place & Purpose* (pp.10–55). San Francisco, CA: Federal Reserve Bank of San Francisco and the Low Income Investment Fund.
- 2 Ibid.
- 3 In some instances, local units of government create CDCs that later become separate organizations.
- 4 Interviews by Jeanne Milliken Bonds and Emma Sissman: Michael Suggs, Goler CDC, Winston-Salem, N.C., January 31, 2017; Elsie Gilmore, Kingdom Hall CDC, Fayetteville, N.C., January 19, 2017; Beverly Carlton, Olive Hill CEDC, Valdese, N.C., February 13, 2017; Jeanne Tedrow and Al Leach, Passage Home CDC, Raleigh, N.C., January 12, 2017; Joyce Dickens, REMDC, Rocky Mount, N.C., February 13, 2017; Barbara Blackston, WCIA CDC, Wilson, N.C., January 27, 2017; Ed Stewart UDI CDC, Durham, N.C., January 23, 2017; Deborah McKetty, CommunityWorks (Carolina), Greenville, S.C., February 1, 2017; David Bolton, Foothills Family Resources CDC, Greenville County, S.C., February 13, 2017; Dorothea Bernique, Increasing H.O.P.E. CDC, North Charleston, S.C., February 16, 2017; Adolphus Johnson, New America CEDC, Orangeburg, S.C., February 9, 2017; Katrina Cohens, Prime CDC, Georgetown, S.C, February 17, 2017.
- 5 Memo from Billy Barnes, Director of Public Information, to George Esser, Executive Director, North Carolina Fund (n.d.), Series 8.2, North Carolina Fund Papers, Southern Historical Collection, The Univ. of N.C. at Chapel Hill. Esser was a law and government professor at The University of North Carolina at Chapel Hill and a member of the Institute of Government faculty
- 6 Korstad, Robert R. and James L. Leloudis, *To Right These Wrongs: The North Carolina Fund and the Battle to End Poverty and Inequality in 1960s America*, University of North Carolina Press.
- 7 "The War on Poverty" was proposed by President Lyndon B. Johnson during his State of the Union address on Wednesday, January 8, 1964. The United States Congress then passed the Economic Opportunity Act of 1964, United States Public Law 88-452, which established the Office of Economic Opportunity (OEO) to administer the local application of federal funds targeted against poverty, Enacted by the 88th United States Congress, 78 Stat. 508, Effective August 20, 1964.
- 8 NC CDC Association, Memoranda of Howard Fuller and Nathan Garrett. 1967.
- 9 North Carolina General Assembly House Bill 2524/ S.L. 1987-1097, Ratified CH.1097 on July 11, 1988.
- 10 South Carolina General Assembly Senate Bill 80/Session 113, 1999–2000, Rat #0344, Act #0314 of 2000, June 14, 2000, A Bill to Amend Title 34, Code of Laws of South Carolina, 1976, by adding CH. 43 and amending Article 25, Ch. 6, Title 12 by adding Section 12-6-3530.
- 11 Interview of Bernie Mazyck, President and CEO, South Carolina Association of Community Economic Development Organizations (SCACED), September 16, 2016, by Jeanne Milliken Bonds.
- 12 Interview of Deborah McKetty, CEO, CommunityWorks (Carolina), Greenville, S.C., January 23, 2017, by Jeanne Milliken Bonds.
- 13 Interview of David Bolton, CEO, Foothills Family Resources CDC, Greenville County, S.C., February 13, 2017, by Jeanne Milliken Bonds.
- 14 Data provided by Orangeburg County.