

Cascade

A newsletter from the Philadelphia Federal Reserve Bank about consumer credit and community reinvestment

Volume 5, Number 3
November 1988

Inter-Religious Organization Provides Affordable Housing in Delaware

"Interfaith members are seeking opportunities for meaningful involvement to resolve the complex issues that impoverish the lives of many of our citizens," said the Reverend William B. Lane, President of the Wilmington-based Interfaith Housing Task Force. This non-profit, inter-religious organization includes Catholics, Protestants, and Jews as institutional members of its Board of Directors.

"We work in partnership with other individuals and community groups throughout Delaware to create quality affordable housing," he added. "We recently rehabilitated townhouses, the Overlook Community Homes, into rental units for low-income families. There were many partners in the \$1.48 million project, including the Wilmington Savings Fund Society which provided 25-year, 10 percent financing of \$730,000, the first long-term, fixed-rate, below-market financing for this purpose from a private lender in Delaware. The E. I. du Pont de Nemours



Interfaith Housing Task Force means ecumenical and community cooperation. Pictured above, examining house renovation plans, are, left to right, Father Thomas Hanley, a Catholic priest; Barbara Williams, Eastside Citizens; Emilie Barnett, Executive Director of the Task Force; Reverend William Lane, an Episcopal priest; and Joan Rosenhauer, of the Campaign for Human Development, an affiliate of the U.S. Catholic Bishops Conference.

Company made an equity investment of \$400,000 and the State of Delaware set a precedent for itself with 25-year, one percent financing of a \$200,000 loan. The balance (\$150,000) was provided through a forgivable loan from New Castle County." (continued on page 10)

Volunteers Wield Hammers for Rehabs in Heart of Camden Housing Program

"Dependency is the killing disease of the poor." Volunteers and administrators of The Heart of Camden Housing Corporation say this and know it to be true. To change dependent renters into independent homeowners is the primary goal of this charitable corporation, which was initiated four years ago by Sacred Heart Church, South Camden. The corporation buys empty, row houses; some are HUD houses, some are bought at city auctions, some are privately purchased, or in a few instances, donated. Heart of Camden renovates these houses with volunteer labor, and sells them to poor families.

"By the end of this year, 26 families will own homes for the first time in

In this issue we talk about partnerships---so what else is new? We always talk about partnerships. We have talked about banks, community organizations, government agencies, foundations---all of the traditional partners. Now we look at the ecumenical non-profits. They believe that the gift is in the giving---and that those who work on behalf of elderly and low income people improve their own humanity and worth.



Volunteer Bob Lisowski is installing floor covering in a formerly vandalized house that had been empty for 16 years.



William J. Wisely replaces a rotting floorboard in the house his firm has "adopted." W. J. Wisely Associates, Inc., of Fairview Village, Pa., and John Darpino Associates, of Woodbury, N.J., are two data communications products firms who donate construction materials and provide employee volunteers.

their lives, and The Heart of Camden will be working on nine others," said Sr. Peg Hynes, Managing Director. "House payments range from \$110 to \$225 a month in a no-interest, long-term mortgage arrangement. The rehab work is done largely by weekend suburban volunteers. Many are church members who believe that this work is translating faith into action. We have a successful 'adopt-a-house' program and we now have a full-time skilled contractor to direct the volunteers." (continued on page 10)

Habitat for Humanity Translates Faith into Action:

"We work side by side building houses with some of the poorest people on earth. People ask, 'What about school dropouts? What about drugs?' We say, 'Give people a decent place to live and change will happen.'"

That was former President Jimmy Carter, describing the philosophy of Habitat for Humanity, a non-profit, non-denominational organization which is working to eliminate poverty housing worldwide. He and Rosalyn Carter, its two most illustrious members, were in Philadelphia along with about 100 volunteers to rehab four North Philadelphia houses in what is called the Jimmy Carter Work Camp. The two were guests of honor at a summer reception at Temple University, hosted by the Community Affairs Department of the Philadelphia Fed.

Held to introduce the leaders of Habitat to Philadelphia bankers, the reception included a salute to Carter by Fred Manning, Fed Community Affairs Officer, who said, "Your visit here as a work volunteer in an area of urban blight continues the tradition of William Penn, our founder, and invites attention to the massive problem that low income people have in obtaining affordable housing."

"I'd rather be in Philadelphia, doing construction work on a sweltering day, than be in the Virgin Islands on vacation," Carter concluded. "There's a sense of fulfillment in the transformation of families. I'd like to see Philadelphia become a beacon light for other cities with blighted areas." (Based in Americus, Ga., Habitat for Humanity is an international housing ministry that builds and renovates houses for poor families, selling them without profit in a 15 to 25 year mortgage program, at no interest. Families are required to invest 500 hours in the construction of houses for themselves and others.) By the end of this year, Habitat will have rehabbed and moved four families into four houses, each of which sold for \$25,850, in North Philadelphia. Also by the end of the year, Habitat will have chapters in 333 cities in the U.S. and in 25 countries abroad.

Manning, a member of the Board of Directors of Habitat for Humanity



Time out from construction work for Jimmy Carter, who sits with Onika, daughter of Constance Lee. The family will be moving into one of the Habitat renovations.



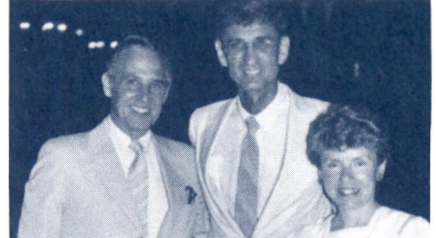
Rosalyn Carter works on a North Philadelphia rehab.

Greater Philadelphia Area, said that the organization has produced improved housing for 2,000 families in the last ten years, operating without government assistance or borrowed funds. He introduced Millard Fuller, former millionaire businessman who divested himself of his wealth, and, motivated by intense social commitment, founded Habitat and now serves as its Executive Director.

"We started in a small southwestern Georgia town, in 1976, when there was much poverty housing. Our scheme of lending money at no interest and no profit sounded subversive to many, yet before long we were building about 200 houses per week. Not fancy houses, but well-constructed, simple houses about 1,000 square feet in size," he said. "Just as it is inhuman to leave a person to starve, so is it inhuman to leave folks in indecent houses," Fuller added. "It is an unacceptable



Rosalyn Carter is pictured above with Fred Manning at the Fed's reception.



Millard Fuller, center, greets Mr. and Mrs. Lawrence Jilk at the Fed reception. Their daughter, Karyn, hiked from Portland to Atlanta with Habitat volunteers, to raise America's consciousness about housing and to build low-cost homes. Her father is Chairman of the Board and CEO of the National Bank of Boyertown.



Jimmy Carter was guest of honor at the Fed reception; Fred Manning was the event's host.

situation---when people are more like forgotten dogs and cats than people. Awareness has been raised here in Philadelphia. Get on the ship---it's going somewhere."

"The ship" in this case is Habitat for Humanity of Greater Philadelphia, which currently has three chapters: North Central Philadelphia, West Philadelphia and Chester County.

John McClintick, President of Habitat for Humanity, Greater Philadelphia, echoed Fuller's challenge: "On one small block we have eliminated poverty housing. In this city, there is something struggling to be born. Let's flex our muscles." He added that Habitat is a United Way donor option organization. For additional information, write to Habitat for Humanity, 1820 N. 19th Street, Philadelphia, PA 19121, or phone (215) 765-6070.

Camden Council Hears Successes Of Jaycees, Heart of Camden

You are a banker. Your mail arrives with an invitation from the Philadelphia Fed. WHAT'S THIS? Come to South Camden for a meeting? You read the invitation again:

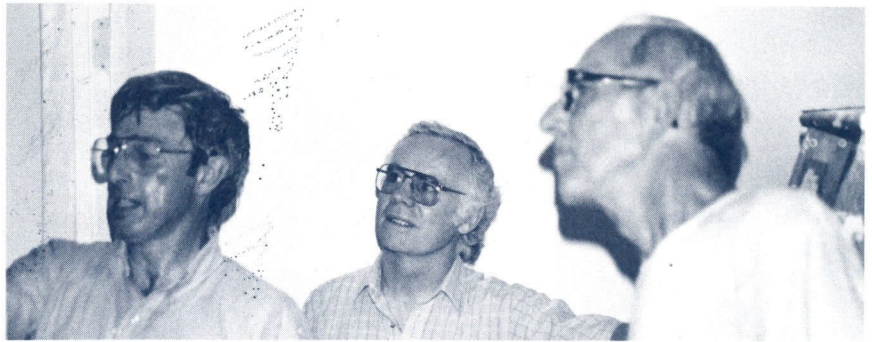
"In South Camden lies an impoverished area with only remote prospects of improvement on a neighborhood scale. However, two heroic little organizations are there---among the dilapidated buildings---brightening the lives of families by providing decent housing at affordable prices. It's an incredible challenge to the ingenuity and energy of these organizations: The Heart of Camden, and Jaycee Housing Counselling, Inc. At the meeting of the Camden Community Affairs Officers Council you will meet these extraordinary developers, and some of the homeowners."

So you go to the meeting, and you listen. You even wipe your eyes when no one is looking, because you hear a homeowner, one of the Vietnamese "boat people," say in broken English: "I have two happiness in my life. One is when I escape from communism. The other is when I get my own house."

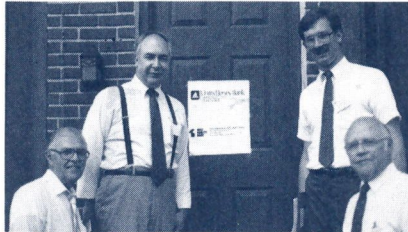
The third meeting of the Camden Community Affairs Officers Council took place in August at the Sacred Heart School, Camden. Don Kelly, Senior Community Affairs Specialist, Philadelphia Fed, introduced speakers from The Heart of Camden, who explained how their nonprofit corporation buys properties and sells them to low income families who make no-interest payments to repay the purchase price, which ranges from \$3,360 to \$13,500.

"It was refreshing to see the Fed sponsoring meetings of this type. The strength of Fed support of community groups (Heart Camden and Jaycee Housing) has an important end result: greater involvement of the financial community."

(That was Wayne Hainley, President, Glendale Bank, Voorhees, N.J., discussing the Community Affairs Officers Council meeting in Camden.)



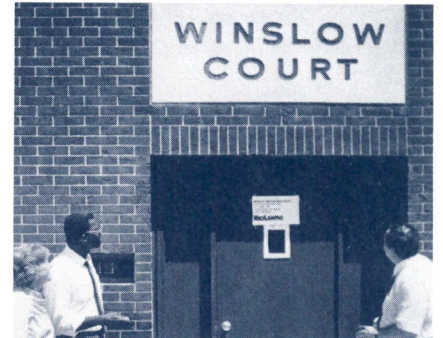
Checking out a new closet are, left to right, Peter Cote, a volunteer; Rev. Michael Doyle, pastor of Sacred Heart Church; and William Pallies, president of The Heart of Camden Housing Corporation's Board of Directors, who oversees 50 to 100 weekend volunteers.



Bankers are playing an increasingly larger role in Camden rehab projects. The sign on the door reads United Jersey Bank and First Fidelity Bank N.A. South Jersey. United Jersey provided construction loans while First Fidelity financed a permanent mortgage for 19 apartments. Pictured left to right are: Allan Brewer, Senior Vice President, First Fidelity Bank, Moorestown, N.J.; William R. Reeves, Executive Director, First Fidelity Community Development Corp., Atlantic City; William F. Whelan, Vice President, and Richard J. Abdill, President and Chief Executive Officer, United Jersey Bank/South N.A., Pennsauken, N.J.

"I am 53 years old and I've never been in a room with 30 bankers before," said Rev. Michael Doyle, pastor of Sacred Heart Church, which founded the corporation as an outgrowth of the Church's effort to assist families needing housing. In a play-on-words, for which the Irish priest is well-known, he smiled, "I'm from the South Jersey Trust," he smiled. "Trust! That's a great word. We trust people."

The bankers also heard from Frank DiVenanzo, executive director of Jaycee Housing Counselling, Inc. He explained how the organization had developed from a pre-purchase counselling agency 20 years ago---"we grew so fast we were working nights and weekends"---into a corporation which is actively engaged in



Frank DiVenanzo, right, describes a former factory now revamped into 11 two-bedroom units. His listeners from the New Jersey Department of Community Affairs are Carla Lerman, Assistant Director, and Joe Louis, Housing Advocacy. The Midlantic sign on the door signifies that the Jaycees obtained construction and permanent mortgage loans from Midlantic Bank.



Lallois Davis has been a Heart of Camden rehab homeowner for three years, and told the Council how good it was to have a home to call her own.

housing rehabilitation and other activities.

"The net result is the rehabilitation of 54 Section 8 units and 15 houses for resale since 1982, with seven Section 8 rehabs currently underway. We have had many partners for our

(continued on page 12)

From Isolation and Confrontation---to Collaboration and Mutual Advocacy

(Excerpts from a recent talk by Fred Manning, Community Affairs Officer, Philadelphia Federal Reserve Bank to the Community Development and Reinvestment Advisory Committee of Continental Bank.)

Let's look at one of the changes in the banking profession in this generation. There have been many. In the early 60s there wasn't the focus in the banking industry, in the regulatory agencies or even in the advocacy groups about community revitalization that there is today. CRA did not exist, the Philadelphia Mortgage Plan wasn't around and few people dreamed there would come a day when a lot of private sector interests would be active in the field. I'm thinking of local groups like the Urban Affairs Partnership, PCNO, CDC, and Acorn. I also have in mind operations on a national scale and entities like Neighborhood Housing Services, Local Initiatives Support Corporation and Enterprise Foundation to mention a few of the most prominent intermediaries.

If you had told me at any time in my first 15 years with the Fed that each Reserve Bank would one day have a Community Affairs Officer and that we would be actively promoting community reinvestment and examining banks on their service record I suspect I would have tried to sell you some swamp land in Bryn Mawr as a good investment. But such, of course, has come to pass, thanks to a major responsibility of the past decade given us by the Congress. Now, if all this seems "long ago and far away" I'll admit to that. At the same time I claim it is helpful to occasionally pause in our journey to reflect on where we are going, why we are on the trip and what we have learned along the way.

Above everything else we've found that the cause of community renewal is a legitimate one. It is also an issue that attracts us for some very good reasons: local pride, a concern for the condition of the less fortunate, and a realization that a bank can't isolate itself from its community without harming both parties. And, last but not least, because both public opinion and Federal law are nudging lenders towards a deeper responsibility to community service and development.

A second truth obtained through experience is that community group people and bankers can raise their first impressions of each other. Moreover, they are likely to do so if they have close contacts and neither side precludes the opportunity for learning that usually follows. More than one banker has said to me in the months following a painful CRA protest that his respect for the community group increased tremendously, as did his sympathy for the group's grievances, once his knowledge of both increased and the trauma of the protest moderated. I have said that the community group movement contains a lot of unsung heroes and heroines who are among the most dedicated, and the best, of our neighbors. I am also uplifted by the positive attitude which many bankers exhibit towards their corporate responsibility.

This leads to my third maxim: joint venturing between lenders and advocacy interests is not only desirable but necessary if we're going to solve the larger problems affecting our communities. Neither banks nor neighborhood people can carry that burden alone. Nor should they be expected to, for there are other interests in government, business and society who share the responsibility. But in order to enlist the support of others you usually have to show that there is a cross-sector unity on the issue and a partnership, however modest, around the response.

Reality is that the parties need each other. Banks need community activists to alert them to the problems and to fulfill certain tasks which can be more efficiently handled by neighborhood people. And when the problem is taken care of, banks need those same people to be their advocates in the community giving the institution deserved credit for its positive action. Community groups must look for bank help on such obvious matters as access to credit, convenience of banking services and opportunity for employment. They also may need help in areas like

financial management, business planning and in gaining entree to the halls of influence.

Lenders and community groups each need to have success stories in terms of their development efforts and their collaboration to brag about. This is required to attract other partners, lighten the existing load and to prudently take on other challenges. I'm more and more convinced that large successes aren't going to occur without collaborations. Such is the importance of cultivating durable partnerships on those issues where there is no real disagreement between the players.

As we enter the second decade of CRA, I think it's critical that the dialogue between the parties should reflect the maturing we assume has occurred. This maturity should also coincide with the purposes which unite those at the table in a problem-solving mode.

To me this means that the parties both trust and accept each other as equals in their desires to enhance the quality of community life. Further, that they show this by their respect for one another. We might use the word "friends" to describe this arrangement. But that little term carries with it some heavy obligations.

You can't be a friend to another unless you help that person at various points by extending yourself and doing something dearer to that person's interests than your own. Friends are also tolerant of each other's limitations. In the strongest friendships the parties are not only slow to criticize but will defend one another against unjust comments of third parties.

If banks and community groups are going to succeed in forming partnerships which reinforce individual strengths, attract the necessary support of other sectors and make inroads on community needs, I submit we have to grow still more in our

(continued on page 9)

Two Foundations Offer Housing Support In Area



Rachel E. Bagby (right), Executive Director of the Philadelphia Community Rehabilitation Corporation (PCRC), shares a warm moment with a grateful Ozzie E. Thompson, who purchased her home with the group's assistance. The all-volunteer PCRC, a recipient of grants from both the William Penn Foundation and The Philadelphia Foundation, has rehabilitated 75 houses in North Philadelphia since 1979. Ms. Thompson bought her house in 1980 for \$5,500 with a mortgage loan from Atlantic Financial.

The William Penn Foundation and The Philadelphia Foundation are providing valuable support for housing and community development projects in the Delaware Valley.

In the first half of this year, William Penn made grants totaling \$910,500 for housing rehabilitation or housing related purposes. Its largest grants were: \$300,000 to the Hispanic Association of Contractors & Enterprises to enable it to purchase a facility for reuse as housing for older people and other community purposes; and \$240,000 to Better Homes, Inc. in Bristol, Pa. for low-income home ownership and rental programs. Last year, grants totaled \$1.05 million for housing rehabilitation or other housing efforts. Largest grants were \$425,000 to Germantown Interfaith Housing to help finance 96 units for low-income and elderly persons; and \$202,410 to National Temple Non-Profit Corporation to help finance 22 single-room occupancy units for the homeless.

Nancy K. Zimmerman, Program Officer at the William Penn Foundation, said that it makes grants for specific projects, not for general support. The foundation usually fills the gap when all other financing is in place, she said, and looks for projects with significant impact and for community organizations with good track records. "Housing is a tool to reach other goals and is not a goal in itself," Ms. Zimmerman explained. "For example, housing grants can be made under several budget cate-

gories. The amount of annual grants for housing is unpredictable and can vary widely from one year to another; William Penn reviews proposals on a continuing basis."

Both William Penn and the Philadelphia Foundation make grants in a geographic area encompassing Philadelphia and its surrounding counties; William Penn additionally has made grants in Camden. The Philadelphia Foundation last year made grants totaling about \$350,000 for housing rehabilitation, community economic development, housing counseling and placement, and housing advocacy. It made grants for general support averaging about \$11,000 to many community-based groups. Jacqueline Akins, Assistant Director of the Philadelphia Foundation, said that the foundation tends to make grants to smaller groups (identified as those which have budgets of \$400,000 or less). It has supported for many years such groups as National Temple, Better Homes in Bristol, Pa., Advocate CDC, PACE, West Oak Lane CDC, Philadelphia Chinatown Development Corporation and Better Housing for Chester. Last year, its largest housing and community development grants were for \$25,000 each to the Delaware Valley Community Reinvestment Fund and National Temple. The Philadelphia Foundation fairly often has been the first foundation willing to support a community organization, she said, adding "We're investing in people and we take risks. We look for projects which

have strong involvement, input and possibly control by neighborhood residents." John Ruthrauff, the foundation's Director, added: "The closer you get to the problem, the better you understand it." Housing is a major part of the foundation's community category, Ms. Akins said. It has funding deadlines of January 15 and July 31.

Banks sometimes find themselves alongside foundations in helping to finance housing or community development projects. For example, when the Neighborhood Action Bureau in Philadelphia wanted to

(continued on page 12)

Community leaders and bankers, there's a new paperback you should read. ***Non-Profits with Hard Hats*** vividly documents six housing ventures in Chicago, describing in case history style how non-profits built affordable housing successfully. The book illustrates the catalytic effect of these projects on area revitalization, and emphasizes that non-profit developers can work successfully with neighborhood leaders to reverse the downward slide of their communities. Co-authored by Don Kelly, Senior Community Affairs Specialist in the Philadelphia Fed's Community Affairs Department, the book costs \$9.95, plus \$1 for postage and handling. Mail your order to: Institute of Urban Life, One East Superior Street, Chicago, IL 60611.

Need A Speaker?

Members of the Community and Consumer Affairs Department of the Philadelphia Fed may be available to talk to various audiences. Speakers and their topics are: Fred Manning, Community Affairs; and Phil Farley, Regulations Assistance. For details, phone Betty Carol Floyd (215) 574-6458. Speakers are also available from Jim Dygert's Public Information Department on these topics: Expedited Funds Availability; Banking and Financial Deregulation; Business and Economic Issues; Treasury Securities; The Federal Reserve Today; and Consumer Education. For details, phone Henrietta Kiel, (215) 574-6257.

Fed Initiates Council Of Wilmington Bankers

A fourth Community Affairs Officers Council was born this summer in Wilmington. It joins older siblings in Philadelphia, Camden, and Harrisburg---all parented by the Community Affairs Department of the Philadelphia Fed. Keynoters at the kickoff meeting were Daniel S. Frawley, Mayor of Wilmington, and Benjamin M. Amos, Executive Director, Community Housing, Inc. Fred Manning, Assistant Vice President and Community Affairs Officer, explained why the Fed sponsors the four councils:

"As a central bank and as representatives of the agency to which the Congress has given related rule-making responsibilities we are interested in tracing the equitable flow of credit through society. The Community Reinvestment Act delineates an obligation on the Federal Reserve to encourage and assist financial institutions to serve legitimate credit needs of their entire community. The Community Affairs Department is a part of the Public Information side of the Philadelphia Fed. Through a variety of approaches involving publications, programs and personal contact we have created an information exchange system which can provide data on community needs, attitudes and response systems open to bank participation."

Mayor Frawley looked around the room at the 23 bankers present and smiled. "There are lots of movers and shakers in here," he said. He then discussed Wilmington's economic and social conditions, describing the problems and successes of recent years.

"We feel the squeeze now of the elimination of revenue sharing, and of 55 percent cuts in discretionary Federal funding. HUD cutbacks are making us take it on the chin. It is difficult for low and moderate income people here to find housing. On the other hand, we have done well in entry level job development. Wilmington has 10 percent of the state's population but 25 percent of its low income citizens. Our best bet for self-help is economic development." He described the town's exciting waterfront development, Christina Gateway: "We formed a consortium with the state, assembled parcels, and the proposals came rolling in.

Phase I, already completed, is part of a total \$250 million project. It includes a 319,000 square foot office building and a park with a nautical theme. Phase II, now underway, will see a 300,000 square foot office building and garage, 70 percent of which is already taken by Marine Midland. Phase III, to begin soon, will bring a hotel, shops, and restaurants to the waterfront, a festival marketplace on the order of Baltimore's Inner Harbour."

In August, the city dedicated its new 75,000 square foot, \$8.9 million public safety building in the area, the Mayor added. "We are also speeding economic development with the Wilmington Economic Development Corporation (WEDCO) which makes loans to new businesses, including 19 minority-owned firms."

"Community Housing, Inc. is 20 years old, and its product is low and moderate income housing," said Benjamin M. Amos, Executive Director. He showed slides of several successful projects and called CHI "a diversified non-profit, not only a developer of rehabbed property and new construction, but a provider of housing-related services such as a HUD-certified counseling agency and property management."

Keith Rolland, Economic Development Analyst, Philadelphia Fed, gave bankers copies of a Community Affairs consulting report, *Lenders' Profile of Wilmington*. "Its purpose is to provide information to financial institutions about local needs, community attitudes towards lenders and about the public sector programs and non-profit groups which exist to ameliorate difficult situations. It is also a road map to unrecognized lending opportunities," he said. The process of compiling the Profile took several months, he added, and evolved from 83 interviews with civic leaders, government representatives, directors of socially significant organizations, educators, business firms, and realtors. For more information on Wilmington, contact Terry Romanoli, Public Information Officer, Office of the Mayor, 800 French Street, Wilmington, DE 19801, or phone (302) 571-4100. For details on CHI, contact Benjamin Amos, 613 Washington Street, Wilmington, DE 19801, or phone (302) 652-3991.

Around The District

TRENTON is seeing rehab and new housing construction because of a participation loan pool of \$31 million. Seven New Jersey banks have combined resources to form the Trenton Housing Partnership. Cooperating banks are: United Jersey Bank, New Jersey National Bank, National State Bank, First Jersey National Bank, First Fidelity CDC, National Community Bank and Trenton Saving Fund Society.

A BONUS of \$50 for a non-profit community group? Provident National Bank, Philadelphia, has come up with that idea, offering a cash bonus for each loan referral which the bank is able to place with the Philadelphia Mortgage Plan.

PHILADELPHIA'S Continental Bank will receive a public fund deposit of \$100,000 under the Linked Deposit Program of the Pennsylvania State Treasurer's Office in recognition of the bank's service to its community.

Fed Organizes Four Councils In Third District

Four cities---Philadelphia, Camden, Harrisburg, and Wilmington---now have active Community Affairs Officers Councils, which meet quarterly with Federal Reserve representatives in an information exchange about community development opportunities. The Councils are an initiative of the Community Affairs Department and are consistent with the central bank's long-standing interest in acquainting financial institutions with successful approaches to neighborhood and area revitalization. Financial institutions represented are:

Philadelphia: First Nationwide Financial Services; Atlantic Financial; Provident National Bank; Frankford Trust Company; Meridian Bancorp; Inc.; Continental Bank; Germantown Savings Bank; Liberty Bank; First Pennsylvania Bank; Fidelity Bank; Glendale Bank of Pennsylvania; Mellon Bank (East); Philadelphia Savings Fund Society; Philadelphia National Bank; and Beneficial Mutual Savings Bank.

Camden: First Fidelity Bank; Commerce Bank, N.A.; Glendale National Bank; United Jersey Bank; City Federal Savings Bank; Princeton Bank; Collective Federal Savings; First Pennsylvania Bank (N.J.) N.A.; South Jersey Savings & Loan Association; Midlantic National Bank; First Jersey National Bank/South; New Jersey National Bank; Minotola National Bank; City Federal Savings Bank; Clover Federal Savings; Fidelity Mutual Savings; Security Savings and Loan Association.

Harrisburg: Commerce Bank; Hamilton Bank; Dauphin Deposit Bank & Trust Company; First Federal Savings & Loan Association; Commonwealth National Bank; Hill Financial; Harris

York Field Trip Means On-Site Illumination

What would entice 36 bankers to make a three-hour trip from their offices to York? A chance to see the ultimate success scene in housing rehabilitation? A meeting with the players? (City, business, and community organization leaders.)

All of the above happened when Philadelphia and Harrisburg bankers, members of Community Affairs Officers Councils, went to York for a "field trip" sponsored by the Philadelphia Fed's Community Affairs Department. A special guest was Griffith L. Garwood, Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, D.C.

The summer event began at the Crispus Attucks Association, where Fred Manning, Community Affairs Officer, opened the meeting with a salute to York, "the first capital of our nation" and to the Association, for its "dynamic support of affordable housing, job placement, day-care, and recreation." He introduced "a local boy whose contributions are known nationally and internationally, and who was the inspiration for this meeting"---Al Hydeman, York's Economic and Community Development Director, and former Secretary of the Pennsylvania Department of Community Affairs.

"The late 60s brought the demise of York, with racial riots, and major stores leaving," he said. "And we really bottomed out in the 70s. But during the last six years the private sector and non-profits have joined forces." He described a city incentive, the Facade Easement Program, wherein "the city will fund 50 percent of the renovation of a building's front, up to \$50,000, if the building will be restored to its original appearance. We have just completed our 50th facade!"

Mayor William Althaus remarked, half in jest, "It's wonderful to see bankers and community activists talking to one another." He called the Crispus Attucks Association a symbol of what an organization can do to save the neighborhood and keep families together. "Remember that government, private enterprise, and



Photo by Ron Little

Bankers walked the streets of York to see redevelopment first-hand.

foundations can't do it alone. Together we must re-enfranchise those left off of the economic ladder."

York is the smallest of the 27 cities in which the Enterprise Foundation offers loans and technical assistance. Edward Quinn, President, Enterprise Foundation, explained how his organization works with "people at the poverty level and below--those who will be the future homeless." Using an Enterprise grant and technical assistance, the Crispus Attucks CDC has restored eight buildings nearby. Quinn said that when Enterprise targeted York for rehabilitation, it asked the city to come up with \$250,000. Within a few weeks city officials secured a \$100,000 grant from the state, the city chipped in \$25,000, and the business community contributed \$125,000. "Towns 20 times the size of York have struggled for years to raise this kind of money," he added, and cited John C. Schmidt, Chairman and President, The York Bank, for "leadership in the private sector campaign."

Schmidt spoke next, lauding the accomplishments of the Crispus Attucks Association, and praising the cooperation of local lenders who joined a program which makes loans for the purpose of purchasing, owning, and occupying real estate owned by Crispus Attucks CDC. The latter acquires, rehabs, does mortgage counseling, and offers these homes for sale. To date, 12 houses have been renovated and about 17 units are slated to be rehabbed by the end of this year.



A bus for bankers--and some of the attendees got a laugh out of the bus company's name, The Red Line. From it, the visitors saw residential and commercial redevelopment. Pictured above, left to right, are: Don Kelly, Senior Community Affairs Specialist, Philadelphia Fed, stepping down from bus; Griffith L. Garwood, Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System; and Douglas J. Weiser, Vice President-Regional Assistant, CCNB Bank, Camp Hill, Pa.



Speakers at a joint meeting in York of the Philadelphia and Harrisburg Community Affairs Officers Councils were (left to right): Edward Quinn; John C. Schmidt; Fred Manning; Robert Simpson; and Al Hydeman.

Robert Simpson, Crispus Attucks director, introduced the tour leaders, Janet Cohen, Housing Development Assistant, who took a group through the facility, and Armand Magnelli, Housing Director, who guided bankers on a neighborhood housing tour. The York visit ended with a bus tour of new city-wide commercial developments, led by Al Hydeman.

Fed Organizes...

Savings Association; Pennsylvania National Bank; Fulton Bank; The Hershey Bank; CCNB N.A.; Meridian Bancorp; The York Bank; and York Federal Savings & Loan.

Wilmington: Artisans' Savings Bank; Bank of Delaware; Beneficial National Bank; Chase Manhattan Bank, N.A.; Chemical Bank (Delaware); Delaware Savings Bank; Delaware Trust Company; Lomas Bank USA; Manufacturers Hanover Bank (Delaware); Mellon Bank (Delaware); Ninth Ward Savings & Loan Association; Wilmington Savings Fund Society; and Bankers Trust (Delaware).

Town Recovers with Help From Chamber Of Commerce and College

You are groping for a strategy to improve the economic competitiveness of your region. Your community's leadership group discovers two vehicles for action: the Chamber of Commerce and the community college. Unlikely? Not in Williamsport, Pa. Here's what happened: by 1985, this city of 33,000 in a metropolitan area of 120,000 had seen its heavy manufacturing base erode, its retail district slip into shabby decline, and its community college about to close for lack of funds. Yet today---three short years later---the area leads the state in economic growth. It boasts one of the nation's "Ten Outstanding Development Groups" in its Chamber of Commerce, and has the state community college system's flagship school for state-of-the-art technical training.

What enabled Williamsport-Lycoming County to revitalize itself? In an unusual move, the community's leadership group gravitated to the Williamsport-Lycoming Chamber of Commerce as the vehicle for region-wide action and recruited a proven economic developer from western Pennsylvania, Peter Loedding, as executive director. With heavy corporate and government support the Chamber increased its staff to 13, and, with a million dollar budget, became the hub of economic development action. Subsidiary agencies and programs were created.

The Industrial Properties Corporation, which administers financing programs for businesses, developed two high-tech industrial parks, with a third in the works. Under the Urban Industrial Properties Corporation is the Cooperative Resources Improving Business program through which legal, accounting, management and development services are supplied to small businesses. The Developers' Alliance organized and coordinated developers interested in downtown commercial areas. The

WACC, at press time, had agreed to affiliate with Penn State University, according to Dr. Miles D. Williams, Dean of Employee and Community Relations at WACC.



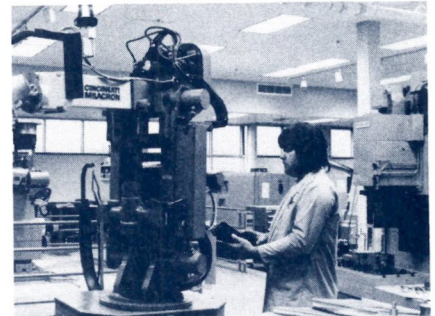
Enrollment is up at WACC, due to the new Advanced Technology and Health Sciences Center---a futuristic educational facility.



Peter Loedding

Tourist Travel Information Center was opened by acquiring and restoring a neglected rectory along historic "Millionaires' Row." The Leadership Lycoming Program trains promising leaders from area businesses, communities and institutions. The Lycoming Foundation provides loans to fill in the financing gaps of businesses locating into the area. The Chamber and the Williamsport Foundation sponsored seminars in which 100 leaders identified development priorities for the next 20 years and established action task forces.

In 1988, the Chamber had no less than 600 prospects for business relocations into the area! According to Loedding, a key success element is that the Chamber is the only stop a business needs to make. (How has the Chamber acted effectively? After the local Frito-Lay plant closed, executives from Kellogg Company flew in from Michigan to look into the possibility of purchasing the plant's equipment. With a mere 24 hours notice, Loedding and the community leadership met them, explained the area's advantages, the convenience of working through only one agency to arrange a relocation, and sold



Trained machinists for area industries come from WACC, where they learn about automated machining in a manufacturing lab called "the factory of the future."

them the idea of buying the whole plant!)

One of the major advantages the Chamber can point to is Williamsport Area Community College (WACC). According to John Detwiler, President of Commonwealth Bank, "The college is the single most important factor in attracting industries to this area." In 1985, WACC was about to close because local school districts withdrew financial support. Under the visionary leadership of President Dr. Robert Breuder, the college chose to motivate students by becoming "a leader and definer of issues in the battle for economic viability" and challenging the decline that had gripped the region.

It would provide state-of-the-art technical training that could "radically update existing industries, train individuals for growth-area employment, or be a magnet for new businesses moving into the area." The risk was in the decision to do so even though the existing market was not yet demanding this level of training. The pragmatic vision offsetting the risk was that the existence of a

(continued on page 10)

Shared Housing Means Income, Companionship

Shared housing can enable older homeowners to continue living independently in a family-type environment. The main motivation for sharing one's home typically is the need for additional income; other factors are the desire for companionship, security and assistance with maintenance. When two or more unrelated persons share a residence, they each have a private bedroom and share a common space, such as the living room and kitchen. Shared housing basically involves "match-up" programs, in which a homeowner is matched with a tenant; or group residences, in which four or more persons share a large home.

Among several shared residences in Philadelphia are St. Peter's House, a three-story stone house in Germantown designed in the 1870s by architect Frank Furness. The house is shared by eight people, who presently pay \$185 to \$195 monthly. Meanwhile, two adjacent houses in North Philadelphia are being joined together to form the Rachel Bagby House, to accommodate 12 people.

Philadelphia National Bank, which has financed the renovation and conversion of several houses into group residences, is providing a \$70,200, 9 3/4 percent, 30-year loan for renovation of the Rachel Bagby House. Herb Bowers, Vice President in PNB's Urban Lending Department, said that shared housing "makes life a little easier" for older people, and can be safer than living alone.

The Shared Housing Resource Center (SHRC) in Philadelphia provides assistance to sponsors, and distributes publications and resources on the subject. The Center was established in 1981 by Gray Panther activist Maggie Kuhn, who has lived in shared housing for nearly 30 years. The Center recently was awarded grants of \$175,000 from the William Penn Foundation and \$100,000 from the Pew Memorial Trusts to develop new group residences and match-up programs in this region, including the cities of Camden and Chester.

For further information, contact: Joyce Mantell, Executive Director, SHRC, 6344 Greene Street, Philadelphia, PA 19144, (215) 848-1220.

From Isolation...

understanding, our patience and our flexibility with each other.

We're talking, clearly, about something which isn't spontaneous or easy for the human condition. I give you a sobering thought in this regard. If you consider how hard it is to change yourself you'll appreciate what little chance you have of trying to change others. Especially so if you see change as always the other guy's need. Let us, however, begin that effort.

Banks and community activists have each come too far in recent years and experienced too much to now disdain the bright future that a sound partnership can promise.

Sometimes the best responses any of us can provide for society's problems are very close to our person. An example is present in the words Mother Teresa of Calcutta expressed when she received the Nobel Prize. Asked, "What can we do to help promote world peace?" she replied "Go home and love your family."

I conclude with this question and answer applied to our mutual interests in building a better community: "How can we improve conditions in our neighborhoods?" "Find ways of working with and for each other."

Investors' Deposits Can Improve Housing Scene

The National Bank of Boyertown has a novel investment program for socially-sensitive depositors. It generates funds for low-income housing, and contributions to local non-profits who are working to improve housing conditions. Called the SHARE Deposit Program, it includes Money Market accounts, and five-year Certificate of Deposit accounts, which pay interest at one percent below market rate. This rate reduction is matched dollar-for-dollar by the Bank in either reduced rate loans or contributions to specific community development projects. "These investment dollars will result in improved neighborhoods, more community pride, and will actively shape the future of Berks County's neighborhoods," commented Lawrence Jilk, Chairman and Chief Executive Officer. For further information contact him at (215) 369-6236.

Fed Hosts Community

Willard G. Rouse discussed "Blending Downtown and Neighborhood Needs for Development" at the October 7 annual Community Affairs Conference. Hosted by the Philadelphia Fed, the conference also included a talk, "The Chairman's Report on the Task Force on Community-Based Development" by Lance C. Buhl, Manager, Corporate Contributions, BP America, Inc., Cleveland, and a panel discussion, Q. "Do Bank-Owned CDCs Make a Difference?" A. "Ours Did!" Panel participants were Donnell Reid, Vice President, Mercantile Bank, St. Louis, and Reynold A. Boezi, Vice President, Seagate Community Development Corporation, Toledo, Ohio. "New Ways of Bridging the Financing Gap" was the topic of a talk by Julie Gould, Director of the Office of Low and Moderate-Income Housing Initiatives, Federal National Mortgage Association, Washington. Dr. Bernard C. Watson, President of The William Penn Foundation, discussed "Bringing Foundations into the Partnership for Community Revitalization."

A Philadelphia "First": Trainees Get Community Affairs Exposure

Newly-hired college graduates in Continental Bank's management training program are provided with "a working knowledge and sensitivity to the bank's philosophy to satisfy the needs of all segments of our market area," according to Ray Desiderio, Senior Vice President. The bank-wide program includes an internship, or work rotation, in the Community Development and Corporate Responsibility Department, which is responsible for community reinvestment and relationships with neighborhood groups, non-profit developers, CDCs, and public agencies. "I observed services which met the needs of all individuals, regardless of their race or socio-economic status," said recent trainee Lena Lyons, while Steven H. Santini added, "My work rotation showed me how a banker should respond to the credit needs of the entire community."

Town Recovers...

best-of-its-kind, futuristic training institution would create a demand for itself. Area leaders bought into the vision and came through with enough resources to enable WACC to leverage matching support from the Commonwealth of Pennsylvania. In 1987, the college opened a \$21 million Advanced Technology and Health Sciences Center with an awesome array of training equipment and facilities in such technologies as automated manufacturing (integrated robots and sophisticated machinery), fiber optics, lasers, plastic and polymer chemistry, computer maintenance, and integrated communications systems. For the best vocational training in Pennsylvania, students from all over the state are now willing to pay the tuition of \$3,600 per year (among the highest of the country's community colleges). The average age is 27, and 60 percent come from households with family income below \$15,000. Students are drawn to the college because it provides industry with a technically-skilled labor force.

How has WACC accomplished this? The college's relationship to industry is "symbiotic" and each of the college's 63 specializations has an advisory committee of industry people, thus establishing a key linkage. Teachers are hired directly from the businesses and industries the college seeks to serve. The college has created the Center for Business and Industrial Advancement to provide tailor-made training programs in school or plant, sometimes utilizing the state's Customized Job Training funding program. WACC interfaces with regional and state development programs such as the Ben Franklin Development Partnership, and is part of the state's Industrial Resource Center's program, in which technology created at Penn State's research facilities is field tested and designed for transfer to industrial use. In addition, the National Science Foundation has designated WACC as the nation's first Technology Transfer Center.

The emergence of the dynamic Chamber of Commerce, and the responsive support for the WACC renewal plan, came about through

the strength, boldness and action of a leadership collaborative. Area bankers have been in the forefront of this group; among them, Bill Davis and John Detwiler, Commonwealth Bank and Trust; George Groves, Northern Central Bank; Lee Fenstamaker, Williamsport National Bank; Ted Hulyo, Bucktail Bank and Trust; Ted Reich, Jersey Shore State Bank; and Robert Klein, Founders Federal Savings and Loan. Banks offer scholarships to WACC students, provide financial services to the Chamber and to WACC, contribute to the Industrial Properties Corporation to acquire properties for development, and, according to Loedding, become a team among themselves, coming up with unique financing packages to enable strategic development to take place.

"I've never seen a community with banks as aggressive as they are in Williamsport in relation to economic development strategy, including the essential risk-taking. Banks take some large, though calculated, risks. But unless they did so they could find themselves part of a community that has no future," Breuder said. Adds Edward G. Boehne, President of the Federal Reserve Bank of Philadelphia, "What's happened in the Williamsport area is an economic success story worthy of national attention. I'm especially proud of the local bankers; their efforts have been outstanding."

For information contact: John Detwiler, President, Commonwealth Bank, (717) 327-3802; Peter Loedding, Executive Director, Williamsport-Lycoming Chamber of Commerce, (717) 326-1971; or Dr. Robert Breuder, President, Williamsport Area Community College 1-800-367-9222 or (717) 327-4761.

Inter-Religious...

Enterprise Foundation is a consultant to Interfaith in its organization, construction and financing activities and helped to create it in 1986. Emilie M. Barnett, Executive Director, joined in 1987, coming from Cleveland, where she founded and directed a similar Interfaith organization, and devel-

oped housing for low-income and elderly people.

"We are planning four single town-house rehabs, several in partnership with churches and organizations in a Hispanic neighborhood. Our strategy in all cases is to develop housing with a community-based partner. At our present sites these include neighborhood associations, community centers and local churches. Their responsibilities in the partnership include approval of the housing plans (new or rehabilitated), monitoring the progress of construction, establishing criteria for prospective residents, marketing and tenant selection as well as continuing social and ongoing community support of the residents. When we are creating rental units a separate and experienced non-profit management firm has primary marketing and management responsibilities but in consultation with our neighborhood partners," she said.

For details on housing projects contact: Interfaith Housing Task Force, 900 Washington Street, Wilmington, DE 19801 or phone (302) 654-7180.

*"The only gift is a portion of thyself."
Ralph Waldo Emerson.*

Volunteers Wield...

The Heart of Camden has a waiting list of local families who are screened for reliability and good character. Those who buy the houses are expected to return five hours per month in service to the corporation, which is, in effect, service to the community. "Most families put in more than five hours of service, which takes many forms. There is telephoning, distributing flyers, baking and gardening. The teenagers are especially helpful with move-ins. We appreciate their muscles," she said. Rev. Michael Doyle, the church's pastor, stressed that the new homeowners gain not only human dignity but a practical stake in Camden's revitalization. For information, contact The Heart of Camden, Inc. (609) 966-6700.

"He has a right to criticize who has a heart to help."- Abraham Lincoln

NHS: New Partner in Camden Housing Scene

There'll be some changes made. In Camden's Lanning Square East neighborhood, that is. Seven housing units will be rehabbed early next year, for low and moderate income households. These two-story brick rowhouses will cost about \$28,000.

This will happen because there's a new partnership in Camden, a nationally proven partnership of neighborhood residents, lenders, and local government. The Neighborhood Housing Services (NHS) of Camden, Inc. has been launched there, after months of groundwork by Terry Vickers, Field Services Officer, Neighborhood Reinvestment Corporation. (The latter is the Congressionally-chartered nonprofit "mother" of local NHS programs.) Vickers stated that one of the lead liaison persons was Arijit De, Associate Director of the Camden Redevelopment Agency, and cited him for his early work as liaison between the City of Camden, various agencies, and NHS. De is a member of the NHS Board of Directors. Among others are two bankers: Leonard Fedullo, Midlantic Bank; and Phillip DiAngelo, City Federal Savings Bank. Another Board member is Don Kelly, Senior Community Affairs Specialist at the Philadelphia Fed. The majority representation on the Board is made up of neighborhood residents, in line with NHS national principles.

"New Jersey National Bank, represented by Noreen A. Casey, assisted us with incorporation and did research for our employee benefits program," Vickers said. Five employees, headed by an executive director, will be named soon by the Board, which has already hired Kevin Bogan, an experienced general contractor, as construction manager.

"Already busy as 'the eyes and ears' of NHS is Al Murphy, on loan to us from the City of Camden," Vickers added. "He gets kids to clean up the properties, manages our tool lending library, and works with adults in many ways.

The local government is a crucial

(continued on page 12)



Rose Howe

Howe To Handle Consumer Affairs

Rose Howe recently joined the Community and Consumer Affairs Department of the Philadelphia Fed as Consumer Affairs Representative. Her primary responsibility is handling telephone inquiries from consumers, including giving advice on credit rights; explaining such laws as the Equal Credit Opportunity Act; assisting consumers in learning how to establish credit; and referring them to additional sources for help. She also provides the public with Fed consumer protection publications and other information relating to wise financial decisions.

Ms. Howe has had wide experience in working with the public. Most recently, she was project coordinator with a Chester, Pa., organization, CHANGE (Chester's Human Action Network to Generate Excellence). She was responsible for assisting in the development of six projects in the areas of program management, public relations, fund raising and budget monitoring. Prior to CHANGE she was employed by the National Urban League, New York, where she handled budget preparation, conferences and exhibits, fund raising and public relations.

Beginning her professional career in her native city, Philadelphia, Ms. Howe worked with Rev. Leon Sullivan's OIC/A (Opportunities Industrialization Centers of America) where she served in many capacities for almost 20 years. She was administrative assistant to the executive vice chairman, sales development specialist, and coordinator of foundation solicitations. Ms. Howe attended LaSalle University and has a Mas-

ter's Degree in Human Services from Lincoln University.

Another staffing development in the Community and Consumer Affairs Department: Barry Cutler resigned after 16 years service to accept a position as Compliance Officer with a financial institution in northern New Jersey. Now filling his position as Senior Regulations Analyst is Grace Theveny, who was formerly Consumer Affairs Representative.

Meet Credit Needs with Community Partnership

When you're a community bank you want to be perceived as a welcoming place by your customers. That's why officials at Meridian Bancorp, parent company of Meridian Bank and Delaware Trust Company, were concerned when they took an informal survey in low and moderate income marketing areas and found a high discomfort level among certain members of the community. To better respond to the credit needs of its communities, company officials formed the Meridian Community Partnership, a corporate-wide program.

"Although we only started in May, we have already brought in customers who might not otherwise have been comfortable with a financial institution," said Nora Mead Brownell, Director of Corporate Community Relations and CRA coordinator, who is responsible for the program. "We are going out to small businesses and community-based nonprofits, a market that has traditionally been ignored."

Mellon (East) Sends Seminars into Community

Mellon Bank (East) is helping meet the financial management needs of low income and elderly people by offering seminars on financial subjects ---right in the community. Since its inception in March, 1987, the program has provided seminars to more than 60 neighborhood organizations, with attendance of about 2500 persons. An organization may request one of five different slide-illustrated "Neighborhood Banking Seminars" (two of which are presented in Spanish if required) by phoning Karen Freeman, (215) 848-8585.

NHS: NEW...

member of the partnership, and the City of Camden is transferring all of its vacant structures and land in the rehabilitation area to NHS at nominal cost. The city has also committed \$280,000 in Community Development Block Grant funds to NHS. Another major resource is the NHS Revolving Loan Fund, which will be initially capitalized at \$190,000. Of that amount, \$50,000 comes from the Neighborhood Reinvestment Corporation and the balance from the city's CDBG funds. The Fund ensures that Lanning Square East residents have access to the financing they need for mortgages or home improvement.

For details write NHS of Camden, Inc., 657A Berkley Street, Camden, NJ 08103 or phone (609) 541-0720.

Camden Council...

projects, including the City of Camden and the New Jersey Department of Community Affairs, which provided the Section 8 contracts for the rehabs. This broad base of public sector support has enabled us to gain crucial funding from banks, and from the Campbell Soup Company's foundation," he said.

"Five banks have helped us. Early on, United Jersey lent us money to

buy a truck---it's paid for now---and made a construction loan for rehabbing the former Star Theatre, which is now our headquarters. Midlantic made both construction and permanent loans for the Winslow Court project, a former factory which we turned into residential units, and for the firehouse project. A senior day care program now takes place on the first floor of the former firehouse, while on the second floor are two three-bedroom apartments for low income renters. First Fidelity CDC and Constitution Bank made construction loans while Fidelity Bank made permanent mortgages on additional projects," he pointed out. DiVenanzo lauded these five institutions for their support, and cited a local architectural firm, Leon Levin Associates, for their work on all the projects.

Terri Benson, Project Coordinator, described Project Self-Sufficiency, in which single heads of households are given housing assistance, and education and employment advice, training, and placement.

DiVenanzo made an impassioned plea to bankers in his closing remarks: "High interest is a problem. We need low interest mortgage money in Camden, where there is a desperate fight for funds. If we don't turn the neighborhoods around, we lose the city. We need banks' sup-

port. Without banks we can't succeed. It is up to banks to make the decision to help; community groups can't make that decision."

Stephanie Culbreath, Jaycees' book-keeper, rental manager, and housing counselor echoed his concerns, adding, "What good is the aquarium alone? Wouldn't it be nice to visit the entire city, not just the aquarium and waterfront, before driving home? People in Camden need help in regaining pride---just as the city itself needs to regain pride." For more information write: Jaycees Housing Counselling, Inc., 1840 S. Broadway, Camden NJ 08104 or phone (609) 541-1000.

Two Foundations...

rehabilitate a building and convert it into its own offices and six apartments for HUD Section 8-eligible tenants, it assembled a financing plan in 1986 consisting of: a no-interest construction loan from Philadelphia Urban Finance Corporation; permanent financing from Philadelphia National Bank (PNB), Philadelphia Housing Development Corporation and the Non-Profit Energy Management Corporation; a seed money grant from PNB; and a grant from the William Penn Foundation.

CASCADE

Federal Reserve Bank of Philadelphia
Ten Independence Mall
Philadelphia, PA 19106-1574

FORWARDING & ADDRESS CORRECTION REQUESTED

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE PAID
Philadelphia, PA
PERMIT No. 529