



BRIDGES | WINTER 1999

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# New Lease on Life: ECHO Programs Lend Hand to Homeless

Judy Armstrong

When Debra Kay was first released from prison, rebuilding her life appeared to be quite a challenge. She had no place to live and had lost custody of her daughter. Her attempt to turn her life around began at the Goodwill Shelter for the homeless. But after spending a year there and reuniting with her daughter, who was now 10 years old, Kay wanted more than just somewhere to stay.

"I had used drugs for 23 years, so I needed the stability of a structured program," Kay said. "As I became stronger it was time to move forward with a program that included housing for my daughter."

She found her answer through ECHO (the Evansville Coalition for the Homeless) and its transitional housing program, which provides supportive housing for homeless families with children—with an ultimate goal of moving them into permanent housing.

Kay, who now serves on ECHO's board of directors, has realized that goal, she says. "Now I'm leaving the program and moving into my very own home."

ECHO was created in 1988 by area religious, social service and government agencies seeking to increase public awareness of homelessness in the Evansville area. ECHO identified housing as one of two critical needs (health care being the second) for homeless and low-income individuals.

As a result, ECHO provided start-up funds to form the ECHO Housing Corporation in 1991. ECHO began by offering transitional and rental housing, but now offers a Lease-to-Purchase Program, as well.

## Transitional Housing

ECHO has 20 two-, three- and four-bedroom units in the Lucas Place Apartments that are designated for the Transitional Housing Program. To qualify, a family must have proof of homeless status; current income at or below 60 percent of the median income for family size; a recommendation from an area shelter, social service agency or appropriate referral source; a willingness to follow the program's rules and regulations; and a desire to become self-sufficient. Once a family has been accepted into the Transitional Housing Program, it must meet for regularly scheduled home visits with the program coordinator.

Based upon the situation, needs and abilities of each family, a service plan is developed. The coordinator may assist the family with a variety of supportive services, including but not limited to: children's programs, (such as tutoring, foster grandparents and special activities); financial management; goal setting; Out of Poverty classes; household maintenance; information and referrals; advocacy and personal counseling.

ECHO tracks graduates of the Transitional Housing program for two years after they leave the program.

Of the 38 families that have completed the program, 33—or 87 percent—went into permanent housing. Twenty-four families have been out of the program for two years, and 71 percent are still in permanent housing. The table below recaps the status of the 38 families.

## Rental Housing

ECHO has 22 units that are rented to low-income families. The single-family homes and two-, three- and four-bedroom apartments are located throughout Evansville. ECHO attempts to provide quality, affordable housing and makes a sizable investment in each property. Particular attention is given to energy-efficient features, such as windows, insulation and high-efficiency heating and cooling systems.

To qualify, families must meet income guidelines and have an acceptable rental or housing history. Leases are for one year, but may be renewed as long as the family remains income-eligible and abides by the terms of the lease. Applications are processed in the order received and may involve a waiting list. Rent amounts vary, but currently range from \$314 to \$445 per month depending on room size.

## Lease-to-Purchase Housing

The Lease-to-Purchase Program is for families who are interested in purchasing their first homes. Houses are acquired by ECHO Housing Corp., rehabbed and then sold to families with a mortgage that is affordable for their income. Families lease for a period of up to two years, with a portion of the rent going into a savings account for their down payment. To qualify for this program, families must:

- Be first-time home buyers.
- Have adjusted household income of between 40 percent and 80 percent of the median income.
- Have stable employment history or household income for the past 12 months.
- Have acceptable landlord references.
- Furnish a credit report to ECHO Housing Corp.
- Agree to complete a pre-purchase homeownership training or counseling program.
- Be capable of qualifying for a bank mortgage within the two-year lease period.

For more information about the programs offered through ECHO, contact Elaine Musgrave at (812) 423-8422.

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## Program Housing Results

Time Since Completing Program	Number of Families Completing Program	Permanent		Other		Unknown	
		Count	Percentage	Count	Percentage	Count	Percentage
TOTAL	38	33	87%	4	10%	1	33%
6 Months	36	31	86%	0	0%	5	14%
1 Year	36	26	79%	2	6%	5	15%
18 Months	25	19	76%	0	0%	6	24%
2 Years	24	17	71%	0	0%	7	29%

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# Crossing the Bridge to a Prosperous Region

David H. Ciscel, Ellen Eubank

How does a region create a more prosperous future? Through more jobs? A growing community? A better environment? The 1990s have seen considerable economic growth, but this growth has not been balanced between rural and urban communities, or the urban centers and the suburban enclaves.

As we're there to enter the new millennium, there is greater recognition that prosperity encompasses more than jobs and higher incomes; sustainability and quality of life issues have become increasingly important to communities. And communities are beginning to approach these growth issues with a new spirit of cooperation and strategic thinking.

## A Forum for Growth

In October 1999, the National Leadership Forum on Regional Strategies was held in Memphis, involving professionals from across the country who are concerned with planning and growth issues. This conference, partially sponsored by the Shelby County government and several corporations with local headquarters, looked at the full range of social and economic activities that make a region a better and more prosperous place to live. With introductions from the governors of the three contiguous states—Arkansas, Mississippi and Tennessee—and a major address by the chairman and CEO of FDX (the parent company of Federal Express), the tone of regional cooperation to achieve prosperity through common goals was set.

Speakers and panel discussions touched on a wide variety of topics that support the concept of regionalism. Key issues were smart growth plans, inclusiveness, regional economic development, private sector leadership in community development, housing and sustainability. These issues can be summed up in four major themes: livable communities, economic prosperity, social capital and industry clusters.

## Livable Communities

How can a diverse population live comfortably and safely in a modern metropolitan area? This question is key to building livable communities. Over the past decade, economic growth in the form of more jobs and higher incomes has occurred in most major metropolitan areas. Yet these same cities are not always favored as places to live. As many Americans move to ever-newer suburbs, they tend to commute from that residential base back to the center of wealth creation—in the city.

The problems created by this cycle are now spreading to the older suburbs. Yesterday's newest bedroom community is now an aging community that faces concerns, such as crime, older populations and a depreciating housing stock. These communities often do not have the resources, business base or governmental infrastructure to deal with such problems.

Urban sprawl has created a "hyper-decentralized" society that is making the economy less efficient, daily travel more time-consuming and neighborhoods more isolated and fragmented. The challenge for each

segment of a metropolitan area—inner city, aging suburbs and new bedroom communities—is similar to that of small rural towns: how to link with the greater community to address current social and economic problems common to all.

While the development of these peripheral communities often came by chance—the bedroom suburb was linked by roads to the center city, or the small town had good water access for a new plant—the solution to today's problems must be by design to be successful. Communities must be re-engineered so their assets are used most efficiently and equitably.

## **Economic Prosperity**

Economic development is a vital component of building a prosperous community, but it needs to encompass more than just adding industry and jobs. True economic development builds a community, results in prosperity where everyone earns more and leads to the improvement of all kinds of amenities, from sports to museums.

Prosperity enables a community to improve its entire setting. Economic development can start a chain reaction that impacts education, health care and housing for an area's residents. Better jobs mean citizens will spend more on education. Higher levels of education mean people work more productively, earn higher incomes and contribute more to the community. Yet too often, regions approach economic development as a competition, rather than a cooperative effort that can lead to increased opportunities and improved quality of life throughout the region.

A comprehensive regional approach to economic development creates opportunities. It means connecting workers to jobs and residents to amenities throughout a region. It means understanding the role each business cycle plays in a region's quest for prosperity. Will new industries bring technological and employment challenges to the region, and will mature businesses bring sustainable employment with above-average wages? And it means building on the assets of each community to create a stronger region that then becomes more competitive in the global economy.

## **Social Capital**

There is a web of social contacts, held together by community trust, that enables people to interact in a variety of ways in an atmosphere of mutual respect. This is called "social capital." In developing social capital, communities can begin to assess themselves according to their assets, rather than their deficits.

Mapping the capacity of a community to support housing, education or business development creates a catalog of assets to build on for future prosperity. Including diverse interests and groups and fostering communication among those groups is key to success. Regional policies that support a positive environment for the elderly or promote quality of life for families build social capital that helps the entire region. That social capital gives a region an advantage in dealing with issues and problems because citizens are already connected to each other. The community can then come together to find mutually beneficial solutions.

## **Industry Clusters**

Each region has a specialty. Specialization enables an area to take advantage of its unique characteristics and gain skill in a business activity. The area then achieves a competitive advantage in its labor force, institutions and businesses as it perfects its specialization in the larger global economy. This specialization, known as a "cluster" of industries or "growth pole," is a prerequisite to regional prosperity.

A cutting-edge industry cluster—whether it's transportation services, medical services or gaming and entertainment—can impact the entire population of a region. As the work force develops the skills needed by an industry, it benefits that industry cluster, leading to further specialization and competitive advantage. Educational institutions, other businesses and even local consumers all benefit from an industry cluster and enhance it as well. Thus, the whole business climate is enhanced, not just through traditional avenues, such as tax abatements and infrastructure improvements, but also through the dynamic use of business opportunities available from a cluster of leading-edge companies.

## The Finishing Touches

Creating a prosperous community is not an easy task; it is an outcome that occurs by design, not by chance. A regional approach to development means considering complex issues, involving diverse populations and breaking from traditional boundaries that foster isolation and competition.

Experts at the National Leadership Forum on Regional Strategies emphasized communication and involvement as key to this approach—building a better region requires work by government, business and community leaders. As communities enter a new century, this regional approach can help them achieve the viability they are seeking and find new solutions for some old problems.

### ABOUT THE AUTHOR



**David H. Cisel** David Cisel is a specialist in labor economics, issues of gender and race, and Mid-South regional economic development.



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## A Community Development Feast

Ellen Eubank

If you're considering which cities have made the greatest strides in economic development in recent years, Tupelo, Miss., may not be the first location that comes to mind. Yet it has twice been designated an "All-American City" by the National Civic League.

One key to Tupelo's success has been the Community Development Foundation (CDF), a private, economic development organization begun in 1948. Just past its 50th anniversary, CDF has succeeded in not only attracting industry to Tupelo and Lee County, but also raising the county's per capita income and investing in education and worker training. Just last year, CDF helped attract 1,000 manufacturing jobs and 1,700 service jobs to Lee County. But CDF doesn't just focus on pursuing jobs; it emphasizes community investment and improving the quality of life for area residents. And CDF works to promote the entire area, not just Tupelo. Long before terms, such as "regionalism" and "economic diversification," became buzzwords, CDF was making those concepts a reality in this region.

### The Original Recipe

Harry Martin, CDF president since 1956, says his organization seeks to be proactive, not reactive. CDF markets extensively throughout the country, and even globally. Longstanding relationships with public and private entities in the area help CDF promote Lee County with one voice. CDF has fostered the growth of diverse industries and businesses throughout the county "as a kind of insurance plan against economic slowdowns," Martin says. "Everyone benefits from the growth, not just the central city."

From the beginning, CDF has taken a strategic approach to the region's development. The "Tupelo Plan" began in 1946 when local businesses raised \$40,000 to promote their community. George McLean, editor and publisher of the Tupelo Daily Journal, spearheaded the effort to develop a strategic plan for Lee County. The plan outlined a philosophy of economic development--the pursuit of industry that mutually benefits towns and rural areas in the region. The organization formed to implement this plan, CDF, still follows that philosophy today.

### The Right Job Mix

By the early 1960s, Lee was one of the first counties in Mississippi to have an industrial payroll that exceeded its agricultural payroll. Today, Lee has more than 55,000 jobs and leads the state in manufacturing jobs. Through the years, CDF has purchased and developed the land for nine industrial parks scattered throughout the county, consistently creating sites that can be marketed to clients looking for new locations. CDF has also been instrumental in promoting local initiatives, such as the Tupelo Furniture Market, which in 10 years has become the second-largest furniture market in the country.

CDF does not "try to be everything to everybody," Martin says, preferring instead to focus on specific industries and companies in its marketing efforts. The organization is guided by a strategic plan that is reworked every 10 years to provide new direction and goals. Other communities "worry when they lose labor-intensive jobs to south of the border, but that does not matter to Tupelo," Martin says. "We follow our plan and replace those jobs with better-paying ones." CDF consistently seeks to recruit diverse businesses--representing both manufacturing and service industries--and "spread the wealth" of new and expanding businesses throughout the region.

## **The Education Ingredient**

As CDF continues to pursue industries that will provide better opportunities and higher incomes for the region's residents, the top issue in recruiting for those industries has become the availability of a skilled work force. Throughout the past decades, CDF has brought together public and private groups to enhance education and training. For 23 years, they have sponsored a teacher business education day that now brings in over 1,000 teachers to interact with business leaders as they create new ways to work together on work force development.

CDF's latest effort for education is the Northeast Mississippi Advanced Education Center, developed in connection with area schools and colleges, as well as the Tennessee Valley Authority. The center will offer advanced educational opportunities in response to local business needs. Local colleges, including Itawamba Community College, the University of Mississippi, and Mississippi University for Women, will offer classes at the center, including courses on basic work skills and professional development. The center is part of CDF's ongoing initiative to build a culture of worker development, starting in secondary schools. Workers have a wide variety of opportunities to gain marketable skills for local industries, such as furniture manufacturing and health care.

## **A Pinch of Outside Help**

As CDF completes work on its next 10-year plan, it will continue to follow its strategy of involving as many groups as possible in the planning process. CDF also values outside resources and experts who can apply their knowledge to local issues. These outside sources can help the local leadership discover Tupelo's real potential, Martin says, and help Tupelo prioritize and target companies that will build the community and attract "not only more, but better, jobs."

Martin sees the success of CDF as the natural consequence of strategic planning and aggressive marketing. All of the diverse groups in the community respect CDF, he says, because they see the benefits of what CDF does. "Results do attract people," he says. As CDF enters the new millennium, Martin says the group will focus on new industries that can contribute to their goals of increasing per capita income and building target clusters of industries. But mostly CDF will continue along the same path--strategic work that increases opportunities for Lee County residents, making it the kind of place where people want to live and work.



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## Spanning the Region

### Historic Little Rock Building Becomes Independent-Living Facility

Until very recently, the housing options for Arkansas' developmentally disabled adults were limited to institutions, assisted-living complexes or staying at home with often elderly parents. Now there is another option, thanks to the Arc of Arkansas, an organization for the developmentally disabled.

In September, the Arc moved its first tenants into the historic Trinity Courts Building on Main Street in Little Rock. Built in 1911, the structure formerly housed one of America's first HMOs and, most recently, a nursing home. When the building was donated to the Arc, the group decided to do something different—develop a one-of-a-kind, independent-living facility for the developmentally disabled. In November 1998, renovations began, and the building was transformed into a 22-unit, fully handicapped-accessible apartment complex for low- to moderate-income disabled residents and their families.

Special features—lower peepholes, lower wall cabinets, wider hallways and walkways, detachable under-sink cabinets, seats and bathtub grab bars and a high-tech, keyless entry system—help make the facility more user-friendly for the disabled. In addition, the complex features amenities that everyone can appreciate, including a fully-equipped community room, a lobby where local artwork is displayed and a beautiful courtyard.

Because the apartments are geared toward low- to moderate-income residents, a variety of funding sources were used:

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(in thousands)

**Limited Partner Equity**

Apollo Housing Capital, LLC \$1,202

Low-Income Housing Tax Credits 75

**General Partner Equity**

City Landmark Grant 76

FHLB Affordable Housing Program 110

Arc of Arkansas (ARC) 55

**1st Mortgage**, Regions Bank (\$735 construction loan also) 110

**2nd Mortgage**, Arkansas Development Finance Authority BMIR Loan 250

**3rd Mortgage**, ARC—City HOME Funds 220

**TOTAL Funding** \$2,098

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For more information, contact Steve Hitt at (501) 375-7770.

## Money Management for Savvy Students

Representatives from 14 Louisville-area banks, Kentucky Housing Corp., Red Cross ACCEPT and the Louisville Branch of the Federal Reserve Bank of St. Louis have joined forces with high school students and the Jefferson County Public Schools to create a personal finance curriculum for high school seniors. Money Management for Savvy Students is designed to prepare seniors for the real world of earning, saving and borrowing. It helps students develop the skills they need to use money to their advantage and avoid financial pitfalls.

The program reached 700 students during the 1997-98 school year and 1,500 students during 1998-99. So far this year (1999-2000), the curriculum has been taught to 760 students in 32 classes with 91 bankers representing 11 area financial institutions as volunteer teachers.

For more information on the program, call Lisa Locke at (502) 568-9216.

## Updated Community Profiles to be Released

The St. Louis Fed is revising and updating profiles of two District communities—Little Rock and Memphis—that will be available for distribution shortly. New community profiles of the Hannibal, Mo., and Quincy, Ill., areas are also being released.

The community profiles are designed to get financial institutions involved in programs that will meet the community development lending, service and investment needs of these areas. The profiles identify programs that may help fill those needs and encourage public/private partnerships that typically involve the efforts of city, state and federal agencies, local community organizations and financial institutions.

The revised profiles include updated demographics, needs assessments and government program descriptions. Also, the section identifying local community organizations has been revised to reflect the latest services and programs offered. Lenders may choose to partner with community organizations or access available government programs to increase their community development participation.

The Little Rock and Memphis profiles are the first in a series of community profiles to be revised. Throughout the next two years, lenders in other parts of the District should watch for new or updated profiles for their communities. Available profiles, many of which will be revised, are:

- Fayetteville-Springdale-Rogers and Texarkana, Ark.
- Evansville, Ind.
- Louisville and Owensboro, Ky.
- Columbia, St. Louis and Springfield, Mo.
- Jackson, Tenn.
- Lower Mississippi Delta Region (rural counties in Arkansas, Kentucky, Mississippi, Missouri and Tennessee)—original profile and revised directory of programs available.

As the community profiles are completed, they will be distributed to financial institutions and others in the community. Profiles are also available on the Community Affairs home page of the St. Louis Fed's web site, [www.stlouisfed.org](http://www.stlouisfed.org).



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<https://www.stlouisfed.org/publications/bridges/winter-1999/resources>

## Resources

### **Fed's Research and Information Center Now on web**

The Consumer and Economic Development Research and Information Center (CEDRIC) is a new public communications web site launched by the Federal Reserve System. The site provides timely information about major events and publications related to consumer, community and economic development issues across the country. Useful features of CEDRIC include web links to each of the 12 Reserve Bank sites, from which you can download regional consumer and economic development information and access research articles, working papers, studies and Community Affairs publications. You can find CEDRIC on the web at [www.chicagofed.org/webpages/region/community\\_development/cedric/index.cfm](http://www.chicagofed.org/webpages/region/community_development/cedric/index.cfm).

### **Mortgage Credit Partnership Resource Guide**

Communities in several parts of the United States have conducted or are beginning Mortgage Credit Partnership (MCP) projects to help ensure equal access to credit. Leading such an effort can be both a challenging and rewarding opportunity. It requires a level of commitment reserved for true community leaders. You are invited to assume that leadership role by initiating an MCP project and bringing together the local pieces of the home-buying process in your community. A step-by-step resource guide that will help you form and host this type of project is now available. For a copy of the resource guide and brochure that describes the MCP process, contact the Federal Reserve Bank of St. Louis at (314) 444-8761.

### **1st Source Community Development Resource Guide**

1st Source, a new Internet site, is designed to help you find resources for affordable housing, business development, community infrastructure and agribusiness. 1st Source users can describe their projects by clicking on specific characteristics, such as the type of project, the kind of financial or technical assistance needed and the project location. 1st Source will then locate grant and loan programs and other resources that fit those characteristics and provide a brief, one-page summary. If a program looks promising, users can contact the agency through the Internet link, telephone number or address provided. The new site, developed by the Federal Reserve Bank of Kansas City, can be accessed at [www.1stsource.com/](http://www.1stsource.com/).