LISC Launches Rural Development Program

The Local Initiatives Support Corporation (LISC) is launching a $101 million national initiative aimed at the needs of CDCs operating in rural communities. It seeks to elevate and support rural community development by providing increased financial, technical, planning, policy and communications assistance to locally-based nonprofit corporations engaged in meaningful community development activities within their respective rural communities. This four-year effort will deliver grants, predevelopment and development loans, bridge financing, equity and secondary market resources to 48 CDCs working in as many diverse rural communities across the nation.

Over the past 14 years, LISC and its affiliates have marshalled nearly $1 billion in support in addition to training, technical assistance, public policy advocacy and national leadership.

A Request for Qualifications is being issued by LISC to potential participants. For a copy, mail or fax the following information to LISC: your name, title, organization, address, phone/fax, year incorporated, and population of target area. Mail to LISC, 1825 K St., NW, Ste. 909, Washington, DC 10006; or fax to (202) 785-8030 or (202) 835-8931.

Understaffed? Overworked? A VISTA volunteer could be the answer. Founded in 1965, the Volunteers In Service To America (VISTA) program focuses on personal commitment to increase the capabilities of low-income individuals and improve their lives and communities, making them self-sufficient.

Serving as critical links between local project sponsors, such as public and private nonprofit organizations, and the community, volunteers make a real difference in diverse communities throughout the country. At the same time, community organizations serving those areas receive much needed staffing.

Two of the VISTA Program Emphasis Areas are:

- **Economic Development**, which emphasizes researching, organizing and developing activities designed to generate income and enhance the economic potential of low-income urban or rural areas.
- **Housing programs**, which may focus on the repair, renovation and expansion of existing housing or concentrate on the construction of new homes at affordable rates.

(continued on back page)
Main Street
U.S.A.

In thousands of towns and cities, small and large, across the nation, a search is under way—a search for a sense of community. For more than 850 communities, this search has led to the doorstep of the National Main Street Center. Launched by the National Trust for Historic Preservation in 1980, the Center has been helping towns map out a prosperous future by breathing new economic life into neglected commercial districts. Communities have learned, one step at a time, to combine thoughtful historic preservation with sound financial planning to turn deserted streets and old buildings into lively districts of thriving shops, theaters and residences. Today, these refurbished Main Streets reflect a newfound pride in the past and inspire fresh hope for the future.

To tap into a wealth of program experience from across the country, the Center established the National Main Street Network. The network gives its members a chance to talk to an expert about field-tested solutions to common commercial district problems. Members also learn how other Main Street communities have successfully resolved issues ranging from financial and marketing strategies to legal procedures and volunteer training. Membership also brings the benefits of belonging to the National Trust, which includes access to funding.

Believing that the future of a commercial district lies in making the most of its past, the Center teaches communities how to capitalize on initial resources and how to build public/private partnerships to provide financial support. If properly planned, a Main Street program, as executed through the Four-Point Approach, eventually pays for itself in terms of new jobs, new businesses and a higher quality of life for the community.

Main Street Four-Point Approach
1. Economic Restructuring provides current businesses with tools to sharpen their competitiveness and recruits new businesses and institutions to diversify a downtown’s economic base.
2. Organization builds cooperation and consensus among all the important players—bankers, civic groups, government, merchants and individual citizens—to ensure that the Main Street program benefits from a community-wide vision of the future.
3. Promotion of Main Street must beckon customers with a welcoming, consistent image, while taking advantage of the district’s unique heritage.
4. Design of Main Street programs is to create a friendly, attractive environment that will keep customers coming back. Rather than tearing down old buildings and starting from scratch, a common sense approach to reusing buildings is engaged to enhance the long-term appeal of downtown.

The Main Street Four-Point Approach has already produced dramatic results. This revitalization process has generated more than $2.9 billion in physical improvements and produced about 21,000 net new businesses and 65,000 new jobs since 1980. Nationally, every dollar invested in the operation of a local Main Street program has leveraged $22.10 of public and private investment in physical improvement.

Next May, the National Town Meeting on Main Street, sponsored by Main Street Arkansas and National Main Street Center, will be held in Little Rock. More information on the meeting will be announced in our March 1995 newsletter.

To find out if there’s a Main Street program in your area, call Judy Armstrong of the St. Louis Fed’s Community Affairs office at (314) 444-8646.
In the wake of Louisville's airport expansion, vacated homes in the Prestonia neighborhood had been scheduled for demolition. The Housing Partnership, a community-based nonprofit organization, thought this was an inappropriate way to deal with such quality housing stock.

Through a collaboration of public and private resources, the partnership proposed the creation of an affordable housing subdivision by relocating the homes to another area of the city.

The public and private partners overcame numerous technical and financial obstacles before the project could commence. To ensure affordability of the homes, the logistics of moving the houses became a primary concern. To keep costs to a minimum, the relocation site had to be close to the Prestonia neighborhood. Also, the route on which the houses would travel would have to be free of bridges, underpasses and low wires.

In December 1993, the Urban Renewal Agency offered a tract of land for $1 that would accommodate 79 homes and fit all of the above characteristics. The Housing Partnership was designated the developer of this south Louisville tract, which became known as Nichols Meadows.

In determining which homes would be moved to the new property, the condition of the house, number of bedrooms and market demand were considered.

To be prepared for the move, houses must be separated from their existing foundations and have their exterior brick removed. One and a half story homes have their roofs removed to ensure safe passage under the expressway bridge.

When the house arrives at its new location, a basement is dug out, and the home is gently lowered onto the new foundation. The roof and outer brick facing is then replaced.

Moving of the homes was scheduled for three phases. Phase one, which consists of 18 homes, was financed by Kentucky Housing Corp. Home buyers were required to meet specific income guidelines in this phase. Phase two, which consists of another 18 homes, and phase three, the remaining 43, will be financed through conventional participating loans granted by 11 local banks.

Under the conventional loan structure, home buyers will not be limited by income guidelines, resulting in a true economic mix of residents.

Homes range in price from $60,000 to $75,000. They have two to four bedrooms, and most have full basements and additional attic space. The cost of installing roads, infrastructure and underground utilities is built into the home prices.

The surrounding neighborhood greeted this project with open arms. The project reversed a 10-year decline in single-family construction in the area, and a new elementary school has been built recently within walking distance of the subdivision.

"These recycled homes will be a source of pride for their new owners and for our community," said Morton Boyd, chair of National City Bank.

By year end, Housing Partnership hopes to have phases one and two of the project completed.
KY HOMEcoming

Throughout the state of Kentucky, 41 affiliates of Habitat for Humanity participated in KY HOMEcoming '94. By September, the project boasted the building and dedication of 94 homes for low- to moderate-income Kentucky residents.

KY HOMEcoming

CDC Celebrates Groundbreaking

In October, the Downtown Little Rock Community Development Corporation (CDC) held a groundbreaking ceremony to celebrate the refurbishing of boarded-up apartment buildings in an area once known as a haven for drug dealers and prostitution. After two years of planning and countless meetings among neighborhood residents, local government officials, LISC and local lenders, the project is finally under way.

Funding for the $2.7 million project came from three sources: equity (National Equity Fund and LISC), public funds and private mortgage money. Doug Guthrie, president of the National Equity Fund, said his organization plans to invest $10 million into Little Rock neighborhoods over the next five years.

Although the Downtown Little Rock CDC is not the first nonprofit CDC to break ground in central Arkansas, it is the first to undertake a multi-family project. The Argenta CDC in North Little Rock has completed three single-family homes and has seven others in various stages of renovation. In August, the South Little Rock CDC broke ground for a new home in its residential area and has accepted bids for construction of two others.

Currently, central Arkansas has nine neighborhood-based CDCs. For information, call Kim Bowlin at (501) 324-8251.

ABA’S Community Development Award Winner

Boatmen’s Bank of Southern Missouri, located in Springfield, received the American Banker Association’s 1994 Community Development award for its BASIC (Boatmen’s Accounts, Services, and Investments for the Community) program for low- to moderate-income residents. In addition to offering low-cost checking and savings accounts and a home improvement loan product with a 2-percent discount on the rate, BASIC has an affordable housing mortgage component that has been very successful.

From its inception in March 1993 through October of this year, Boatmen’s has made 259 affordable housing mortgages totaling $8,637,135 to home buyers who either make 80 percent or less of the median income or purchase a house in Springfield’s low- to moderate-income census tracts. On these adjustable rate loans, made at 95 percent of value without PMI, a 1-percent loan fee is waived when the applicant completes a “Home Ownership and You” class offered by a local college.

“We have been pleasantly surprised with the consistent demand for the program,” said Vice President Brian Fogle. “And we are quite pleased with the performance of the portfolio. To date, it is very similar to our experience with our regular portfolio.” For information, call Fogle at (417) 227-6111.

Multi-Bank CDC Serves Memphis Neighborhood

The Memphis Multi-Bank Community Development Corp. (MMBCDC) was formed by First Tennessee Bank, Union Planters National Bank and National Bank Of Commerce in 1991 with a $400,000 construction pool to initiate redevelopment in the historic Greenlaw neighborhood in downtown Memphis.

The MMBCDC is a nonprofit that assists residents with down payments, below-market mortgage rates and renovations. It has also been involved in new construction with 30 to 35 houses constructed and renovated since 1991. In addition to down payment assistance and grants and below-market interest rates, the CDC offers the following services:

• Assistance with prequalifying potential home buyers through financial counseling and mortgage loan workshops; and
• Prescreening of all applicants to find out if they qualify before they spend any money.

In addition to providing affordable housing, the CDC’s goal is to make the neighborhood a viable, stable area that is attractive to the private sector to increase the value of homes in the neighborhood.

For more information, contact director Shen Gruber at (901) 526-6627.

Mark your calendars and plan to attend our

Rural America Conference

Designed for financial institution officers, government officials and business and community leaders interested in rural America community and economic development lending

March 7-8, 1995

Peabody Hotel, Memphis, Tenn.

Sponsored by the Federal Reserve Banks of Atlanta, Dallas, Richmond and St. Louis

Registration information will be mailed soon.
Minority Business Development Centers
Fulfill Full Agenda

Technical assistance providers reach out to serve minority entrepreneurs

The Minority Business Development Agency (MBDA), the only government agency created to foster the establishment and growth of competitive minority-owned business, was established by executive order in 1969.

With its national headquarters housed in the U.S. Department of Commerce, MBDA has six regional offices in Atlanta, Chicago, Dallas, New York, San Francisco and Washington, D.C. Four district offices are located in Boston, Miami, Philadelphia and Los Angeles. MBDA awards grants and cooperative agreements to local government agencies, for-profit and nonprofit business development organizations and trade associations for providing management and technical assistance and market development services to minority entrepreneurs.

The agency’s Office of Program Development identifies public and private resources for minority enterprises; the Office of Operations arranges the delivery of management and technical assistance to minority-owned businesses to increase their participation in growth industries; and the Office of External Affairs provides advocacy, outreach and public information services.

Through MBDA, the Department of Commerce supports over 100 Minority Business Development Centers (MBDC) across the country.

Minority Business Development Centers

The Minority Business Development Center Program is a federally sponsored effort offering business assistance services to the minority community nationwide. These centers are staffed by experienced business professionals with the skills needed to help clients start, improve or expand a business. Services offered through MBDCs include assistance with:

- Marketing;
- Finance and accounting, including preparing loan packages;
- Construction;
- General management;
- Personnel management;
- Manufacturing; and
- International trade.

Services provided by MBDCs are made affordable through both private support and federal funding so that MBDCs can provide each client with in-depth management and technical assistance for a nominal fee. Services are tailored to the individual needs of a minority business or prospective business.

Rick Benack of Boatmen’s National Bank of St. Louis says the center’s reputation precedes itself. “When we get a client from the MBDC, we know that they are prepared with the paperwork and ready to answer any questions,” he said. “When the Center sends a deal to the bank, they know it’s bankable.”

For a financial institution, establishing a working relationship with an MBDC may expand its market and increase the number of loans it makes to small, minority-owned businesses. In return, banks may refer its minority-owned small business customers to the Center when they are in need of additional services.

MINORITY BUSINESS DEVELOPMENT CENTERS
Serving the Eighth District

ARKANSAS
Little Rock MBDC
100 Main St., Suite 430A
Little Rock, AR 72201
(501) 682-9100

INDIANA
Gary MBDC
567 Broadway
Gary, IN 46402
(219) 883-5802

Indianapolis MBDC
4755 Kingshighway Dr.
Suite 103
Indianapolis, IN 46205
(317) 257-0327

TENNESSEE
Memphis MBDC
346 S Main St.
Memphis, TN 38103
(901) 526-1237

Nashville MBDC
14 Academy Place, Suite 2
Nashville, TN 37210-2026
(615) 255-0432

ILLINOIS
Chicago Mega Center
105 W Adams St., 7th Floor
Chicago, IL 60603
(312) 977-9190

MISSOURI
Kansas City MBDC
1101 Walnut St., 15th Floor
Kansas City, MO 64106-2143
(816) 471-1520

St. Louis MBDC
231 S Berniston St.
Suite 750
St. Louis, MO 63105
(314) 721-7766

KENTUCKY
Louisville MBDC
611 W Main St., 2nd Floor
Louisville, KY 40202
(502) 589-6232

MISSISSIPPI
Jackson MBDC
5285 Galaxie Dr., Suite A
Jackson, MS 39206
(601) 362-2260
VISTA volunteers might find themselves recruiting local volunteers to work on construction/rehabilitation sites or seeking low-income families to purchase the newly constructed housing. In the Memphis area, VISTA volunteers work with several community development organizations under the sponsorship of the United Way of Greater Memphis. These organizations have benefited greatly by having a meaningful addition to their staff to assist with their various projects. For example, the Memphis Multi-Bank Community Development Corp. has two VISTA volunteers to work on planning the construction of eight homes in the Greenlaw neighborhood in downtown Memphis.

St. Patrick’s Neighborhood Housing Development in Memphis also has two VISTA volunteers who assist in neighborhood outreach work, such as credit counseling and helping residents with budgeting and homeownership counseling. Frances Riley, Executive Director of St. Patrick’s, thinks the program is ideal for an organization such as theirs that has little money but great need.

Larry Tifverman, local coordinator for the Memphis VISTA program, sees it as a domestic Peace Corps. Apart from the chance to serve their community, Tifverman says that volunteers benefit from the program in another way: Organizations will often hire the volunteers after seeing their work performance during the year spent with the organization.

VISTA volunteers live where they serve—in low-income areas. Volunteers are matched with projects based on the need of the community and the interests and abilities of the volunteer. For more information, call (800) 424-8867 or write to: Volunteers In Service To America, 1100 Vermont Ave., NW, Dept. VI9201, Washington, D.C., 20525.

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Home Ownership Made Easier

The Consumer Credit Counseling Service of St. Louis (CCCS), a nonprofit organization, recently announced its H.O.M.E. (Home Ownership Made Easier) program designed to guide the home buyer through the entire purchasing process. The nine-hour workshop, held in three evening sessions, has been approved by underwriters of several special lending programs, such as Fannie Mae. Topics covered during the sessions include: preparing for home ownership; understanding the home buying process; budget preparation; qualifications, such as down payment requirements and credit and employment history; shopping for a home; the mortgage process; maintaining the home; and managing costs.

This workshop for low- to moderate-income home buyers was developed with the University of Missouri-St. Louis Extension Service. The program is available throughout the Eighth District, and lenders are encouraged to contact Vicki Jacobson, CCCS director of education, at (314) 647-9004, ext. 138, for information on the workshops or individualized prepurchase home buyer counseling offered by CCCS.

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