

North Carolina Community Development Initiative, Inc. Annual Report
State Fiscal Year 2011-12 Program Activities, Objectives and Accomplishments

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Receiving Entities:

The Joint Legislative Commission on Governmental Operations
The Fiscal Research Division

Submitting Entity:

North Carolina Community Development Initiative, Inc.



NC COMMUNITY DEVELOPMENT
INITIATIVE
Strategic Investments. Sustainable Growth.

North Carolina Community Development Initiative



Report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division



Submitted August 31, 2012

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Overview

We are pleased to have the opportunity to report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division. The **North Carolina Community Development Initiative** ("The Initiative") is a statewide non-profit organization with a targeted investment strategy that creates an efficient means for government, financial institutions, and foundations to invest in economic development and recovery throughout North Carolina. Acting as a conduit to highly effective community based enterprises (including community development corporations "CDCs") the Initiative and its investees produce measurable, positive and enduring results. The Initiative leverages and invests funding in projects and services that catalyze change creating and supporting jobs, businesses, infrastructure, housing, and community facilities. This results in an expanded tax base and economic opportunity in North Carolina's most difficult and underserved areas. The Initiative manages and protects each investment with due diligence, monitoring, and quality technical assistance resulting in stronger and better outcomes for communities.

The Initiative has become a national model of a public-private partnership built to stimulate economic development in underserved areas leveraging the strengths of financial institutions, foundations, and government. This model works to build local capacity in community enterprises (CDCs) which are able to get to scale and replicate various projects in difficult areas. There is now a network of these community enterprises that has the capacity and institutional knowledge to grow this practice of community economic development throughout the state.

During the last 18 years, the Initiative has supported and invested in over a half billion dollars in completed projects that have provided opportunity for the most needy, helped to stabilize families and communities, and expanded the tax base in every place of engagement.

Currently, the Initiative has forty grant investments, including twenty organizations that receive Strategic Transitional Investments, six organizations that receive Strategic Targeted Investments, and eight organizations that receive Innovation Investments. The Initiative also granted 26 stipends/grants to student leaders during its youth leadership program.

The value of the Initiative as a financial and technical support provider is as critical now as ever before. Without the Initiative's support, most of our grantees would not have the staffing capacity, track record, or organizational currency to attract the multi-faceted investments needed to carry out just one economic development project. The Initiative, serving in the

intermediary capacity, has been able to increase the financial and technical resource "pie," and along the way, present a common voice to policymakers and the public on critical issues and resource investments affecting poor communities. In addition, the intermediary model allows for promotion of innovation across the CDC network, promoting effectiveness through sound performance measurement and management as a condition of continued investment.

Programmatic Activities

While the environment has changed, major challenges still remain. The Initiative has continued work in its core areas -- financial investment to include technical assistance, innovation to include research and development, and leadership development.

Grant Investment Program

The Initiative's grant investment program awarded approximately \$2,600,000 in grants in 2011. These investments helped increase the organizational productivity of the local CDC or CBE by providing a stable consistent source for core operating costs. These investments were coupled with *Strategic Issue Management and Project Development (SIMPD)*. The Initiative pairs our financial assistance with technical assistance that is geared to the very specific organizational and program development, collaborative leadership and learning/evaluation needs of the CDC. The SIMPD program is hands on, place-based technical assistance offered to the community economic development industry statewide. The SIMPD program's emphasis is placed on optimizing organizational productivity utilizing the concepts of accountability, consistency and predictability to achieve measurable goals, outcomes and impact. This program is designed to provide high-level strategic issue management on topics ranging from organizational development to real estate development and deal analysis.

The North Carolina Community Development Initiative Capital, Inc. (Initiative Capital)

Initiative Capital, our subsidiary lending corporation, is responsible for lending and capital formation. Initiative Capital offers three lending products: Land Acquisition, Permanent Financing, and Flexible Financing. Each investment is a direct response to the lending needs of the state's nonprofit community economic development industry. Additionally, in an effort to help stabilize communities through the Neighborhood Stabilization Program, Initiative Capital will provide loan products to community organizations for the acquisition and

rehabilitation of foreclosed properties. To date, Initiative Capital has committed \$3.6 million to the purchase and rehab of foreclosed properties throughout the state.

Leadership Development

The Leadership Institute – North Carolina (LI – NC) is a collaborative effort between the North Carolina Community Development Initiative, the North Carolina Rural Economic Development Center, and the North Carolina Association of Community Development Corporations to analyze and address trends that present major challenges, both currently and in the years ahead, to the field of community economic development.

The goal of LI – NC is to provide a unified gathering place for industry leaders to come together and discuss the identification of strategic opportunities such as the development of green communities, preservation of assets, and institutional stability and preservation.

Community Economic Development Youth Internship Program

During the summer of 2012 (fiscal year 2011-2012) we awarded 26 rising high school seniors from across the state with a Summer Youth Community Economic Development Leadership Internship. Since its inception, the goal of the summer internship program has been to interest and engage rising high school seniors in the field of community economic development and the nonprofit sector while introducing them to principles of leadership. Interns earned a stipend for eight-weeks and committed to saving one-half of the stipend for future educational cost. Students had an opportunity to interact one-on-one with national, state and local entrepreneurs, corporate leaders and policy makers in the fields of nonprofit management, law, hospitality, entertainment, and government.

Project Example including all Programmatic Areas

An example of how the Initiative acts as a catalyst to create an efficient means for financial institutions, government entities and private businesses to engage is currently under construction in Cumberland County. The project was being sponsored by Kingdom CDC and includes land donated by the Town of Spring Lake and Cumberland County bringing in federal and state resources. With the assistance of the Initiative, Kingdom provided overall leadership coordination, pre-development funding relative to market analysis, feasibility, and negotiations with city, county and private partners. The private partner provided development expertise and net worth to attract private capital necessary

to get the project built. This project would not have been possible without the Initiative's continued grant and debt investment. The private bank would not make its investment available without the Initiative's investment being deposited first. This \$8,500,000 project represents: continued yearly financial and technical support from the Initiative, \$300,000 in project grant funds from the Initiative, \$500,000 of debt from Initiative's subsidiary, \$6.5 million in a conventional bank loan, and \$1.2 million from Cumberland County.

This project contributes to the overall economic recovery. There are local purchases from vendors, engagement of local professional services, hiring of contractors and subcontractors during construction phase, a creation of 85 permanent jobs for the life of the project, and a contribution back to the local tax base for the life of enterprise.

Thank you for the continued support and confidence in the Initiative and our work.



North Carolina Department of Commerce
Fiscal Management Division

QUARTERLY REPORT ON GRANTS TO NON-GOVERNMENTAL/GOVERNMENTAL ORGANIZATIONS

Reporting Entity

North Carolina Community Development Initiative, Inc.

Quarter Ended

June 30, 2012

State FYE Reporting Date

June 30, 2011

Were all State funds received from the Department of Commerce? Yes ☒ No ☐
If the answer is No, please list the Source and Amount of State funds received.

SUMMARY OF ACTIVITY	(Commerce) Fiscal Management	(All Other State, Federal, Private)	TOTAL
	STATE	OTHER	
Funds Received This Quarter			-
Funds Received To Date (State FYE June 30 th)			-
Expenditures This Quarter	28,943		28,943
Expenditures To Date (State FYE June 30 th)	4,518,839		4,518,839

Supplemental Information:

- (1) Please complete the attached *Detail Description of State Funded Expenditures*.
- (2) Please have the authorized official certify that the amounts are accurate and the expenditures have been made in compliance with all legal requirements.

SIGNATURE

CFO
TITLE

7/31/2012
DATE

DETAIL DESCRIPTION OF STATE FUNDED QUARTERLY EXPENDITURES

(1) Please complete the detail schedule for expenditures paid with State funds received from NC Commerce *only*.

(2) Please add and highlight any expenditure descriptions not listed.

(3) Attach a brief description of each expenditure category reported.

The "Detail Description of State Funded Quarterly Expenditures" should be within your organization's current FY approved budget. If a budget line items' expenditures exceed your organization's current FY approved budget, please submit a revised approved budget with the quarterly report in which the expenditures exceed the current approved budget.

EXPENDITURE DESCRIPTION	1 ST QUARTER FY 10-11	2 ND QUARTER FY 10-11	3 RD QUARTER FY 10-11	4 TH QUARTER FY 10-11	4 TH QUARTER FY 11-12	YTD TOTAL
PERSONAL SERVICES	412,403	262,814	210,363	208,146	-	1,083,726
Salaries & Wages	341,522	175,276	138,515	158,970		814,283
Fringe Benefits	66,191	77,537	71,848	49,177		264,753
Other Purchased Services	4,690					4,690
PURCHASED SERVICES	69,011	101,908	77,058	39,927	-	287,902
Travel	4,646	11,024	1,669	705		18,044
Communications/Data Processing	4,904	6,475	4,998	7,706		24,082
Postage/Freight/Deliveries		267	115	118		500
Printing/Advertising	1,697	3,871	4,468			10,036
Repairs/Maintenance/Utilities	14,477	10,425	13,287	9,936		48,125
Contracted Services	43,287	69,844	52,521	21,463		187,115
Other Services						-
SUPPLIES & MATERIALS	9,978	6,303	3,223	2,722	-	22,226
General Administrative Supplies	1,806	3,004	494	250		5,554
Other Administrative Expenses	8,172	3,299	2,729	2,472		16,672
FIXED CHARGES & EXPENSES	2,937	12,087	9,779	16,542	-	41,344
Rent/Leases	2,853	5,243	3,591	4,174		15,861
Insurance/Bonding	84	8,844	6,188	12,367		25,484
Other Fixed Charges/Expenses						-
CAPITAL OUTLAY	13,076	13,076	2,718	3,832	-	19,626
Office Equipment						-
Office Furniture						-
Buildings/Other Structures/Improvements						-
Land						-
Motor Vehicles						-
Other Capital Outlay		13,076	2,718	3,832		19,626
GRANTS	860,150	1,051,368	642,250	309,650	28,943	2,892,361
Grants to Other Entities (Sub-Awards)	860,150	1,051,368	642,250	309,650	28,943	2,892,361
DEBT SERVICE	42,191	41,326	-	-	-	83,517
Principal Payments						-
Interest Payments	42,191	41,326				83,517
OTHER EXPENDITURES	32,143	18,844	6,029	31,122	-	88,138
Other Expenditures	32,143	18,844	6,029	31,122		88,138
GRAND TOTALS	1,428,813	1,497,723	951,420	811,941	28,943	4,518,839

The totals for the detail expenditures should agree with the Summary of Activity (State Expenditures by Quarter and State Expenditures To Date).



North Carolina Department of Commerce

Fiscal Management Division

QUARTERLY REPORT ON GRANTS TO NON-GOVERNMENTAL/GOVERNMENTAL ORGANIZATIONS

Reporting Entity

North Carolina Community Development Initiative, Inc.

Quarter Ended

June 30, 2012

State FYE Reporting Date

June 30, 2012

Were all State funds received from the Department of Commerce? Yes ☒ No ☐
If the answer is No, please list the Source and Amount of State funds received.

SUMMARY OF ACTIVITY	(Commerce) Fiscal Management	(All Other State, Federal, Private)	TOTAL
	STATE	OTHER	
Funds Received This Quarter	1,248,728	12,159	1,260,887
Funds Received To Date (State FYE June 30 th)	3,746,192	944,517	4,690,709
Expenditures This Quarter	93,366	1,135,807	1,229,173
Expenditures To Date (State FYE June 30 th)	3,746,192	1,699,468	5,445,661

Supplemental Information:

- (1) Please complete the attached *Detail Description of State Funded Expenditures*.
- (2) Please have the authorized official certify that the amounts are accurate and the expenditures have been made in compliance with all legal requirements.

SIGNATURE

CFO
TITLE

7/31/2012
DATE

DETAIL DESCRIPTION OF STATE FUNDED QUARTERLY EXPENDITURES

- (1) Please complete the detail schedule for expenditures paid with State funds received from NC Commerce *only*.
 (2) Please add and highlight any expenditure descriptions not listed.
 (3) Attach a brief description of each expenditure category reported.

The "Detail Description of State Funded Quarterly Expenditures" should be within your organization's current FY approved budget. If a budget line items' expenditures exceed your organization's current FY approved budget, please submit a revised approved budget with the quarterly report in which the expenditures exceed the current approved budget.

EXPENDITURE DESCRIPTION	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER	YTD TOTAL
PERSONAL SERVICES	262,123	213,491	261,137	36,167	772,918
Salaries & Wages	226,819	150,143	195,781	33,630	606,373
Fringe Benefits	35,304	63,348	65,356	2,537	166,545
Other Purchased Services					-
PURCHASED SERVICES	48,468	46,884	52,125	14,219	161,696
Travel	5,535	2,359	1,590	1,484	10,968
Communications/Data Processing	7,047	7,076	7,721		21,844
Postage/Freight/Deliveries					
Printing/Advertising			1,570		1,570
Repairs/Maintenance/Utilities	9,251	10,174	13,391	12,735	45,551
Contracted Services	28,635	27,275	27,853		81,762
Other Services					-
SUPPLIES & MATERIALS	6,842	2,539	4,670	2,247	16,298
General Administrative Supplies	697	464	1,662		2,824
Other Administrative Expenses	6,145	2,075	3,008	2,247	13,475
FIXED CHARGES & EXPENSES	35,792	5,678	20,466	-	61,935
Rent/Leases	4,155	5,678	5,288		15,120
Insurance/Bonding	31,637		15,178		46,815
Other Fixed Charges/Expenses					-
CAPTIAL OUTLAY	-	-	7,410	-	7,410
Office Equipment		-	7,410		7,410
Office Furniture					-
Buildings/Other Structures/Improvements					-
Land					-
Motor Vehicles					-
Other Captial Outlay					-
GRANTS	1,365,495	623,663	671,838	33,346	2,594,341
Grants to Other Entities (Sub-Awards)	1,365,495	623,663	671,838	33,346	2,594,341
DEBT SERVICE	-	-	13,328	-	13,328
Principal Payments					-
Interest Payments			13,328		13,328
OTHER EXPENDITURES	50,229	20,975	39,675	7,387	118,266
Other Expenditures	50,229	20,975	39,675	7,387	118,266
GRAND TOTALS	1,768,949	813,230	1,070,648	93,366	3,746,192

The totals for the detail expenditures should agree with the Summary of Activity (State Expenditures by Quarter and State Expenditures To Date).

**Appendix A – North Carolina Community Development Initiative, Inc.
2012 List of Initiative Funded CDCs**

CORE INVESTMENTS

Brick Capital CDC

Ms. Kate Rumely
Executive Director
Sanford, NC 27330

Cape Fear Regional CDC

Mr. Stan Turner
Executive Director
Wilmington, NC 28402

Cleveland County CDC

Ms. Karla Haynes
Executive Director
Shelby, NC 28151

**Community Housing Development
Corporation of Mooresville/South Iredell**

Mr. Jim King
Executive Director
Mooresville, NC 28115

Durham Community Land Trustees, Inc.

Ms. Selina Mack
Executive Director
Durham, NC 27701

**East Carolina Community Development,
Inc.**

Mr. Keith Walker
Executive Director
Beaufort, NC 28516

EmPOWERment, Inc.

Ms. Delores Bailey
Executive Director
Chapel Hill, NC 27516

Housing Assistance Corporation

Mr. Patrick Kennedy
Executive Director
Hendersonville, NC 28793-2057

HandMade in America

Ms. Gwynne Rukenbrod
Executive Director
Asheville, NC 28801

Kingdom CDC

Mr. J. Carl Manning
Executive Director
Fayetteville, NC 28301

Monroe – Union County CDC

Ms. Isabelle Gillespie
Executive Director
Monroe, NC 28111

Mountain Housing Opportunities

Mr. Scott Dedman
Executive Director
Asheville, NC 28801

Northeastern CDC

Ms. Maria Garcia
Executive Director
Camden, NC 27921

Passage Home, Inc.

Ms. Jeanne Tedrow
Executive Director
Raleigh, NC 27603

**Appendix A – North Carolina Community Development Initiative, Inc.
2012 List of Initiative Funded CDCs**

Outer Banks CDC

Mr. Charles (Chuck) Poe
Executive Director
Kill Devil Hills, NC 27948

Prosperity Unlimited, Inc.

Ms. Louise Mack
Executive Director
Kannapolis, NC 28083

Rebuilding Broken Places CDC

Mr. John Barnes
Executive Director
Goldsboro, NC 27530

Rocky Mount/Edgecombe CDC

Ms. Joyce Dickens
President
Rocky Mount, NC 27801

UDI

Mr. Ed Stewart
President and CEO
Durham, NC 27713

WCIA

Ms. Barbara Blackston
Executive Director
Wilson, NC 27893

**Appendix A – North Carolina Community Development Initiative, Inc.
2012 List of Initiative Funded CDCs**

STRATEGIC TRANSITIONAL INVESTMENTS

Davidson Housing Coalition

Marcia Webster
Executive Director
Davidson, NC 28036

Goler Community Development Corp.

Michael Suggs
Executive Director
Winston-Salem, NC 27101

Lexington Housing CDC

Antionette Kerr, Executive Director
29 East 1st Street
Lexington, NC 27293

Liberty CDC

Mercedes Miller
Executive Director
1713 North Liberty Street
Winston-Salem, NC 27105

**Robeson County Community
Development Corporation, Inc.**

Gayle Fernandez
Executive Director
Rowland, NC 28383

Unity Builders, Inc.

Bishop Terry L. Young, CEO/President
High Point, NC 27260

Appendix B – Board of Directors List

OFFICE	NAMES	AFFILIATION	BUSINESS PHONE
Chairman	Speed, James	President and CEO North Carolina Mutual Life Insurance Co 411 W. Chapel Hill Street Durham, NC 27701 email: jspeed@ncmutuallife.com	(919) 682-9201 Fax (919) 313-8739
Vice Chairman	Wilson, William	Attorney at Law Wilson & Reives Attorneys at Law 1502 Woodland Avenue Sanford, NC 27330 email: wilsonreives@yahoo.com	(800) 849-5450 Fax (919) 774-7811
Treasurer	Jeffries-Jones, Sharon	Director of CRA/Community Development BB&T 150 S. Stratford Road, Suite 330 Mailcode 001-05-03-20 Winston-Salem, NC 27104 email: sjones@bbandt.com	(336) 733-3150 Fax (336) 733-2608 Cell: (336) 816-2743

Secretary

Tedrow, Jeanne

Executive Director
Passage Home, Inc.
PO Box 10347
712 W. Johnson Street (Raleigh 27603)
Raleigh, NC 27605
email: itedrow@passagehome.org

(919) 834-0666
Fax (919) 834-0663
Cell 889-2902

Bazemore, P.E. (emeritus)

Councilman
Monroe City Council
202 South Bragg St.
Monroe, NC 28112
PO Box 867
Monroe, NC 28111
email: pbazemore@carolina.rr.com

(704) 283-6435
Fax (704) 296-9663

Corbett, Fannie (emeritus)

WCIA
504 East Green St.
Wilson, NC 27893
email: blackstonwcia@earthlink.net

(252) 243-4855
Fax (252) 243-2945

Chavis, Larry R.

President and CEO
Lumbee Guaranty Bank
403 E. 3rd Street

(910) 521-9707 ext227
Fax (910) 521-6102

Pembroke, NC 28372

email: larryrchavis@lumbbeeguarantybank.com

Deese, Frank

President

A+ Tax Service

Marshville, NC 28103

email: fdeese@gmail.com

(704) 242-8299

Edmond, Rev. G. L.

Pastor

Saint Paul AME Church

402 W. Edenton Street

Raleigh, NC 27603

email: spamechurch@aol.com

(919) 832-2709

Fax (919) 832-3445

Glaves, Howard

1268 Pebble Beach Road

Tobyhanna, PA 18466

email: hglaves@verizon.net

(570) 894-1114

Haynes, Karla

Cleveland County CDC

PO Box 2808

Shelby, NC 28151

email: cccdc@bellsouth.net

(704) 480-7701

Fax (704) 480-0744

Mack, Louise

Executive Director

(704) 933-7405

Prosperity Unlimited, Inc.
PO Box 1095

Fax (704) 938-7431

Concord, NC 28026-1095

email: lmack@prosperitycdc.org

Taylor, Richard

Executive Director

(800) 688-1413

North Carolina Advocates for Justice
PO Box 10918

Fax (919) 832-6361

Raleigh, NC 27605

Cell 919 274-4937

1312 Annapolis Drive

Raleigh, NC 27608

email: dick@ncaj.com