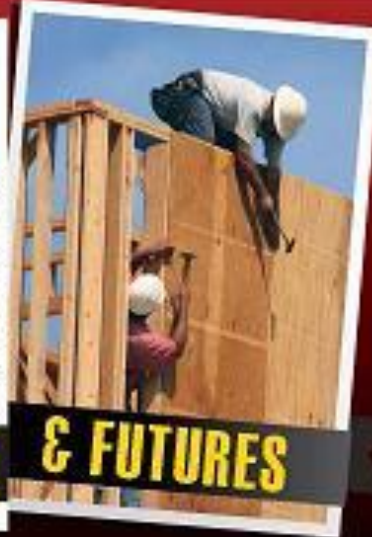
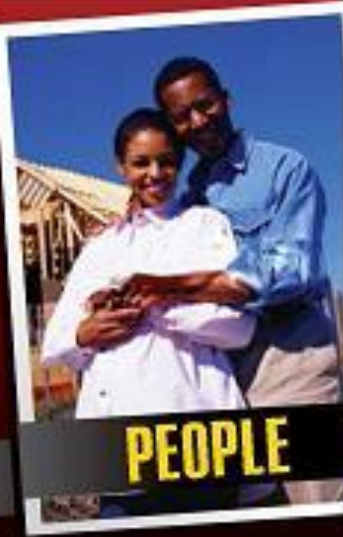


# THE INITIATIVE

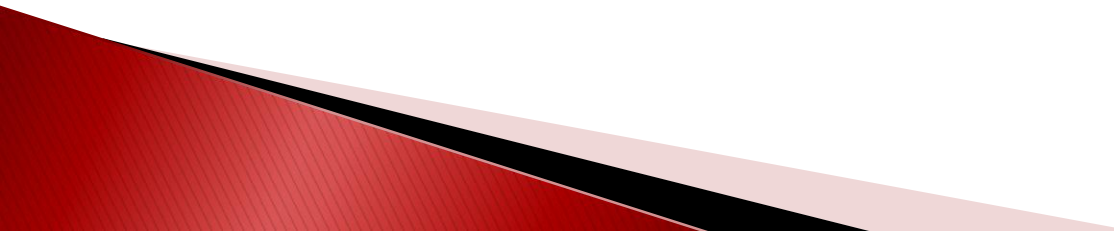
Investing In...  
[www.ncinitiative.org](http://www.ncinitiative.org)



Fiscal Research Division  
February 10, 2011

# Overview

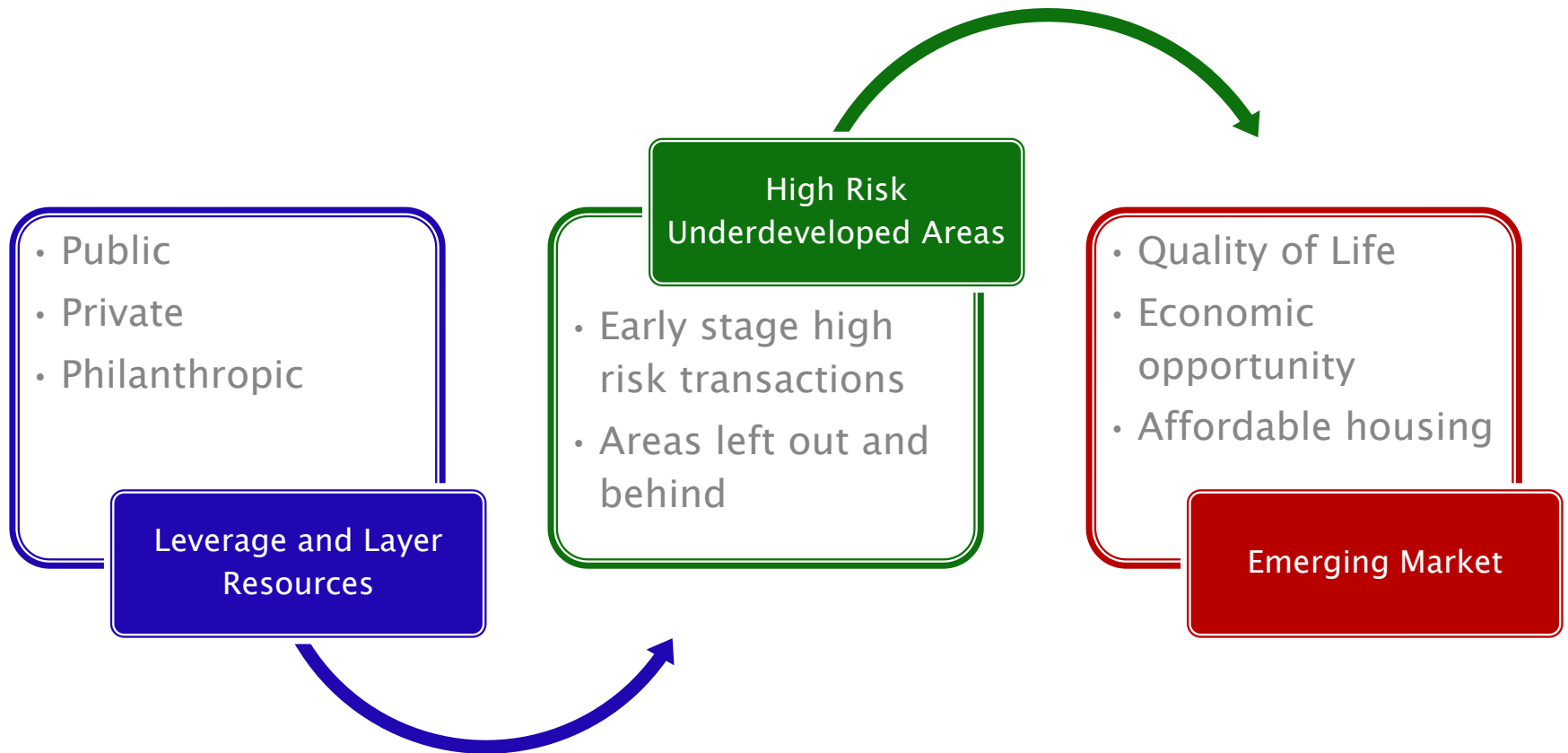
The North Carolina Community Development Initiative (“The Initiative”) is a statewide targeted investment strategy that creates an efficient means for government, financial institutions, and foundations to invest in economic recovery throughout North Carolina.



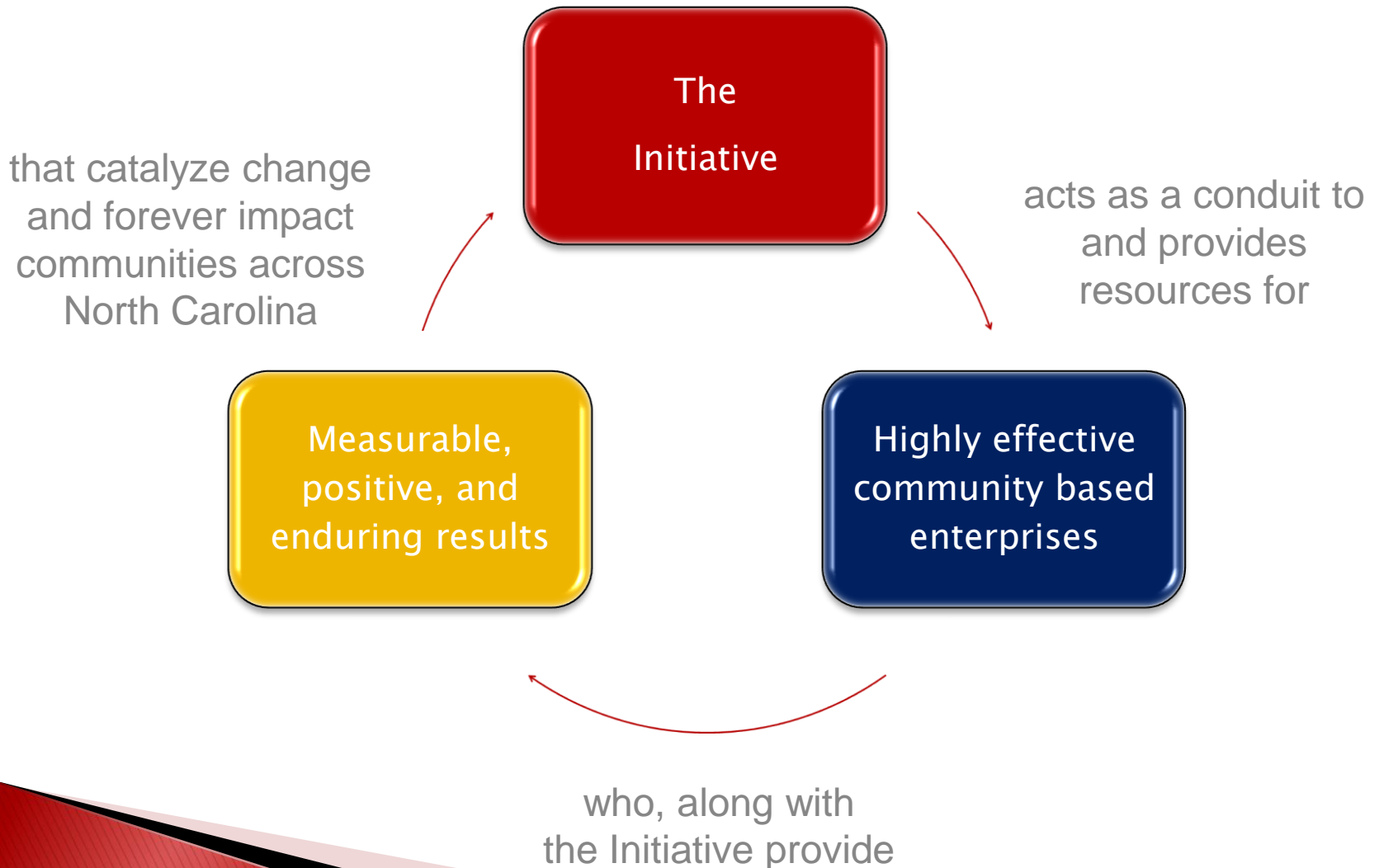
# Over the Years

- ▶ In the last 17 years the Initiative has:
  - Supported and invested over a half billion dollars in completed projects
  - Stabilized families and communities
  - Expanded the tax base
- ▶ \$10 million capital investment from State Farm Insurance Company
  - Example of support of the Initiative's model

# Our Unique Model



# How We Operate



# Programmatic Areas



## Financial assistance

- Grant programs designed to build an organization's capacity and complete projects
- Loan programs designed to facilitate economic development projects



## Research and development

- Test, document, and disseminate information about model tools, practices, and programs
- Fund strategic first-time projects for community based enterprises
- Sponsor demonstration projects and evaluations



## Organizational development support

- Provide specific organizational and program development assistance
- Assess the leadership and learning/evaluation needs of each organization

# Project Example – Kingdom CDC

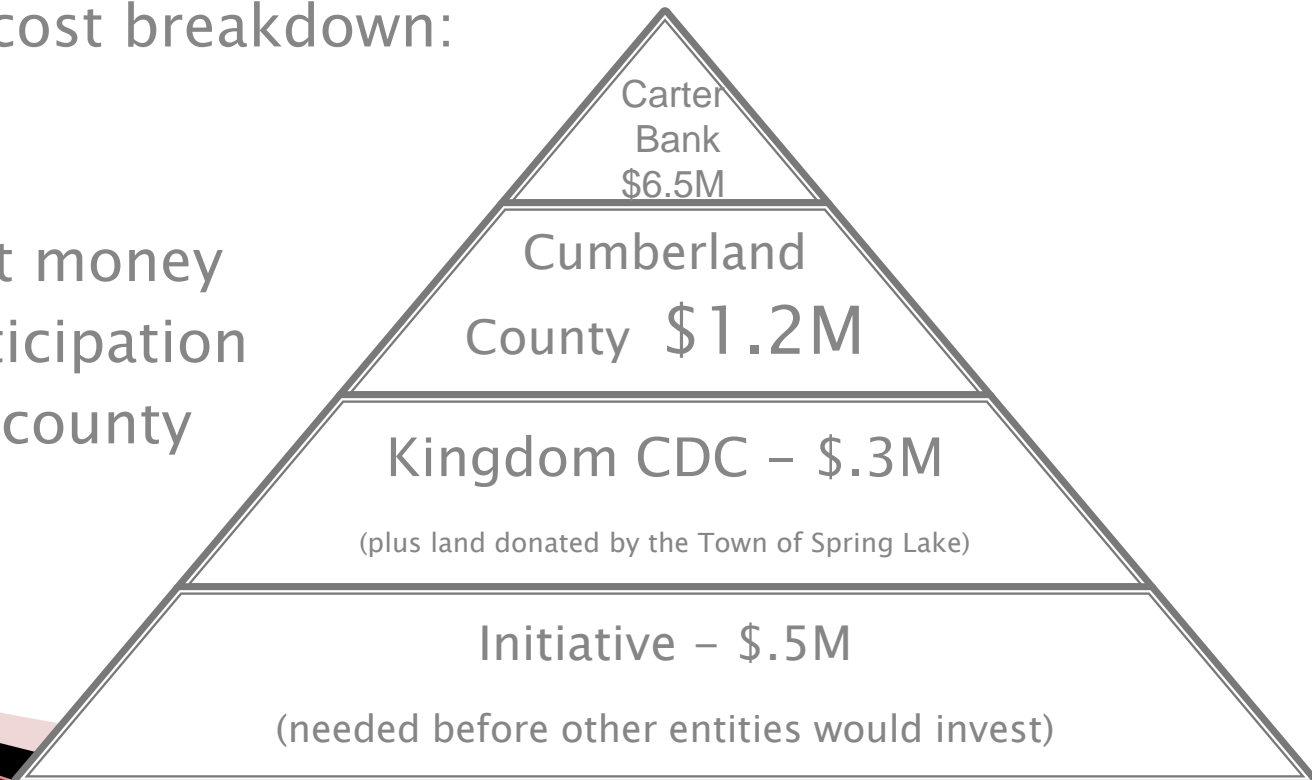
- ▶ Construction of a Candlewood Inn and Suites hotel (108 rooms) and International House of Pancakes (IHOP) restaurant (180 seats)

- ▶ Construction cost breakdown:

- \$8.5 million

- ▶ Initiative grant money leverages participation from city and county

- \$300,000





Property  
appraised  
value upon  
completion  
\$9.7 M

58 Permanent Jobs

Annual Projected  
Real Estate Tax:

2011 - \$144,530  
2012 - \$147,440  
2013 - \$ 150,350  
2014 - \$153,260  
2015 - \$156,170  
2016 - \$159,080

# EnviroSteel®

- ▶ Passive solar steel frame housing product
  - NC State
  - Six trademark plans targeted for affordable development
  - Long term energy savings – \$38 per month
  - Creates long-term value in North Carolina neighborhoods



# Performance Measures

- ▶ The Initiative (2009–2010)
  - \$8,500,000 in investments
  - 110 different investments in CDCs and other community based organizations
- ▶ Affiliated CDFI, Initiative Capital (2009–2010)
  - Provided 32 loans totaling \$4.7 million
  - 41 units of affordable housing
  - 103,715 sq. ft. of commercial property

# Budget FY 2010

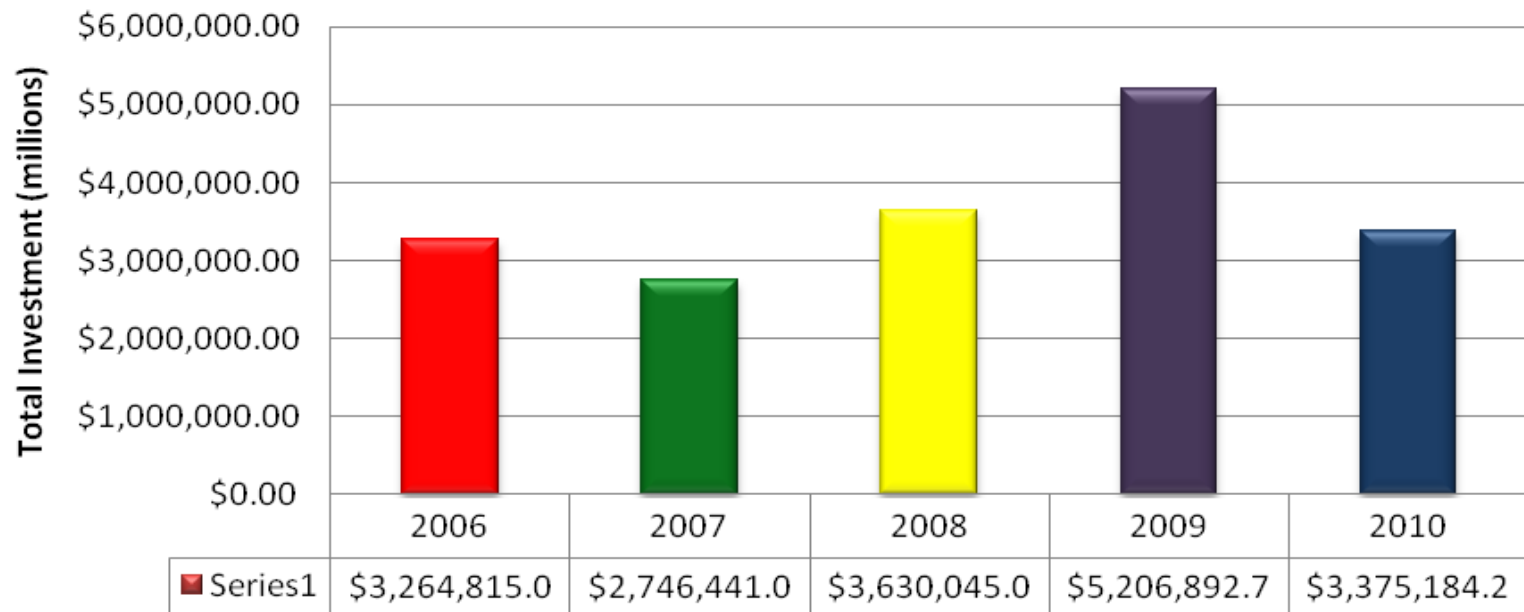
Breakout of Source Funds	
North Carolina Department of Commerce	\$4,782,300
Z. Smith Reynolds	\$750,000
F.B. Heron	\$100,000
TOTAL	\$5,632,300

## ► Use of State Funds

- Percentage and dollar amount used for administrative expenses
  - 12% – \$604,176
- Percentage and dollar amount used for grant programs
  - 88% – \$4,370,472
  - None used for non-grant programs

# Total Grant Making Volume

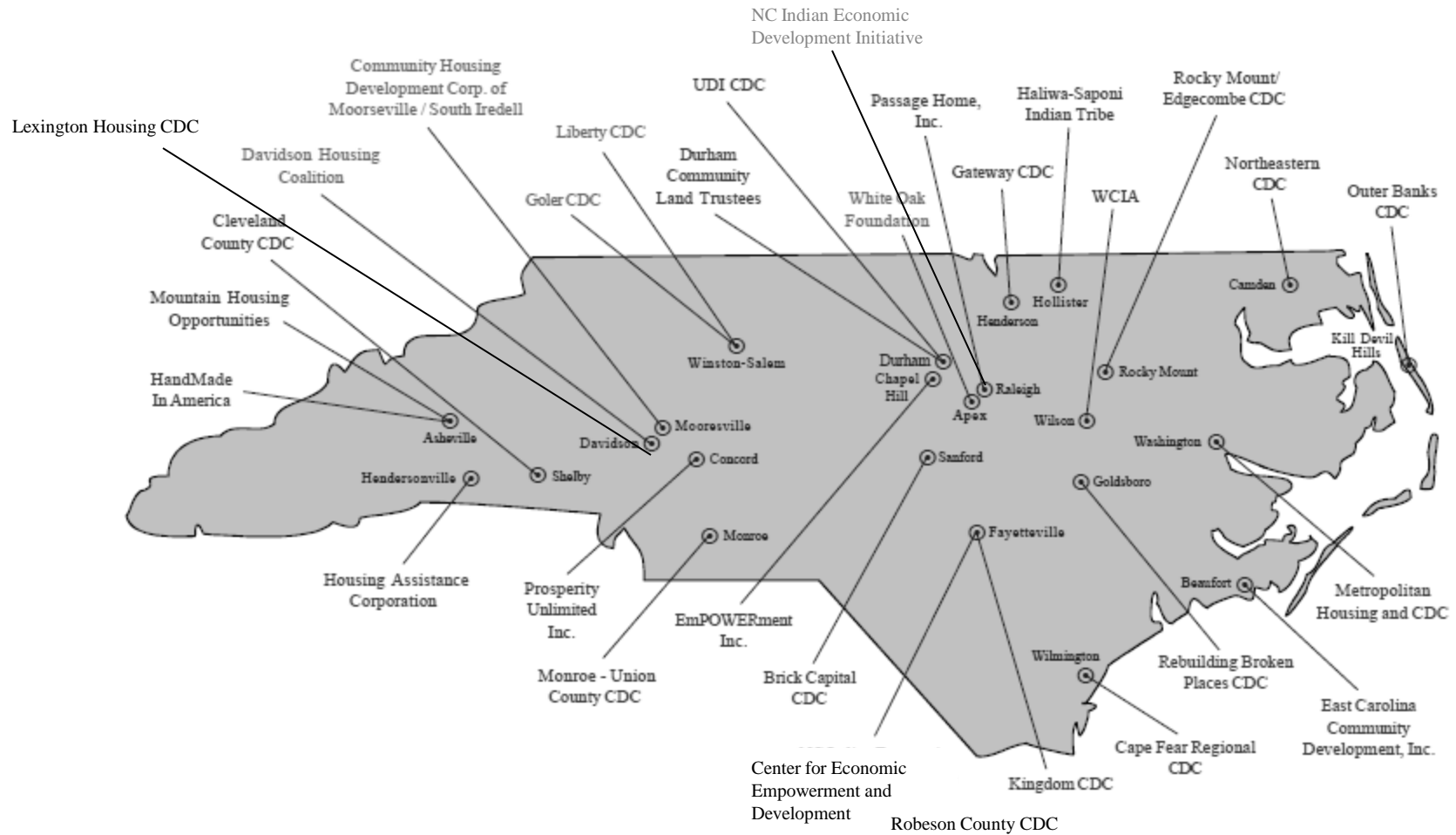
## NC Community Development Initiative, Inc. Investments - Five Year Trend



# 2010 Production Data

Production Measures	ANNUAL				Total Since Inception
	2007	2008	2009	2010	1994-2010
Fixed Asset Value	\$34,486,332	\$47,533,520	61,040,239	\$65,257,092	\$566,260,020
Value of Commercial Real Estate	\$1,485,000	\$1,485,000	\$2,693,000	\$3,861,742	\$129,255,722
Jobs Created	613	797	180	156	9,842
Small Businesses Counseled	629	128	1,348	932	10,635
New Real Estate Taxes Generated	\$286,497	\$412,358	\$367,509	\$4,956,493	\$10,449,029
Housing Units - New and Rehab	777	1112	605	281	7877

# Grant Investments



# Funds

Breakdown of Funds		
Funds held in cash	\$10,519,842	
	\$4,167,989	Donor restricted for programs
	\$1,088,167	Restricted by debt covenants
	\$1,747,667	Short term investments designated for debt service
	\$3,516,019	Operations and grant program

Percent of funds (all sources) used for administrative purposes - 13%

# Employees

Salaries of Top Five Highly Compensated Individuals	
Chief Executive Officer	\$139,913
Chief Lending Officer	\$95,000
Chief Operating Officer	\$95,000
Chief Financial Officer	\$82,000
Residential Real Estate Development Officer	\$70,000

## ► Explanation of Benefits Available

- Health Insurance
- Life Insurance
- Long-term disability
- Flexible Annuity Plan
- AAA membership
- Health Reimbursement Account

# Board Operations

