

How A Large Bank CDC Targets Needy Neighborhoods

Bank of America's community development corporation draws on more than a quarter-century of experience in using targeted investments to strengthen communities. Today Banc of America CDC continues to pursue community development investments under the broad authority granted to national banks by the OCC's regulation 12 CFR Part 24.

Bank of America views equity investment as a tool to build and enhance the expertise, capacity, and financial strength of non-profits, local agencies, and for-profits to undertake complex, catalytic developments. The CDC engages in direct real estate development, strategic equity investments, and tax credit investments, involving other stakeholders in particular projects targeted to meet the needs of low- and moderate-income neighborhoods.

Moreover, through its America Block-by-Block® program, the bank has targeted selected neighborhoods for multiple investments over the long term. Through this approach, the CDC can bring all of Bank of America's products and services to assist revitalization efforts involving public agencies and neighborhood groups. In Washington, D.C., for example, the CDC began targeting lower-income neighborhoods east of the Anacostia River in 1995, when it acquired the distressed and largely vacant Washington View Apartments in the Hillside community. Joining forces with the Hillside Collaborative, a group of residents and community leaders committed to creating a new vision for this historic African-American neighborhood, the CDC made a commitment to create for-sale and rental housing.

Many members of the community wanted less density. Demolishing several rundown buildings and creating a park-like recreation area accomplished this. The CDC then financed the rehabilitation of the remaining structures and oversaw the development of 353 affordable rental units. An important element in the project is a Make a Difference Center – a resident support center offering free after-school and summer programs, adult programs, a teen center, and the Washington Middle School for Girls (a private school for at-risk youth).

Neighborhood revitalization continues with the recent completion of the Overlook Condominiums at Washington View, involving the renovation of 77 apartments. Across the street, the bank's CDC in partnership with East of the River CDC, a community-based CDC, acquired Howard Gardens. Howard Gardens, a long-abandoned apartment complex used by drug dealers, was demolished. The site has been redeveloped as the Townes at Hillside, 65 affordable and market rate townhouses, now in its last phase. The bank's CDC is currently pursuing additional projects for development with East of the River CDC.

Coupled with the spirited activism of neighborhood groups such as the Washington View Tenants Association, Bank of America's partnership with the community has helped to spur recovery, according to Retta Gilliam, president of East of the River CDC.

"By combining all of our resources," she says, "we've been able to help revitalize and re-energize a wonderful community."

Banc of America CDC had similar success in Florida, where the CDC joined forces in 1999 with Tampa's city government and local nonprofits, including Housing by St. Laurence, to spur the economic revitalization of the Tampa Heights neighborhood just north of downtown.

The initial \$16.6 million project, called Mobley Park, included construction of 238 affordable rental apartments for mixed-income residents. The CDC made an equity investment of \$5.3 million and provided a \$9 million letter of credit to back Hillsborough County Housing Finance Authority bonds. A City of Tampa Housing Initiative Program loan provided an additional \$1.3 million, and Housing by St.

How A Large Bank CDC Targets Needy Neighborhoods

Laurence contributed land valued at \$1 million.

The CDC was determined to jump-start the revitalization of the Tampa Heights neighborhood, using the Mobley Park initiative to attract new businesses, create jobs, and develop more affordable housing in the area. The strategy has worked well to bring together numerous forces within a community. The Tampa Heights market is an example of what can be accomplished through collaboration.

Mobley Park Apartments – 40 percent affordable, for households at 60 percent of area median income – is fully occupied; nearby housing starts and renovations have picked up; and developers and investors have come into the neighborhood to build market-rate apartments as well as generate first-time homebuyer opportunities. Businesses – including GTE Federal Credit Union and Kforce, a nationwide professional staffing firm – have relocated their headquarters to Tampa Heights, contributing to the renewed vitality of the neighborhood.

Meanwhile, Banc of America CDC has moved ahead with several other initiatives. One such initiative includes partnering with the Home Association, a local nonprofit, to redevelop the site of the historic Centro Asturiano hospital, providing 160 apartments for seniors.

Eighty percent of the units are at rates affordable for lower-income residents, with 22 of those units targeted to those at or below 35 percent of the area median income. Transportation and other services will be available to residents, who will also have the use of an adjacent park. The CDC is also working with the City of Tampa and other entities to create significant further development opportunities on the Tampa Heights riverfront.

The CDC's efforts are also evident across Tampa Bay in the City of Clearwater, where the CDC partnered with Clearwater Neighborhood Housing Services to redevelop a blighted multifamily development in the North Greenwood neighborhood. The apartment complex was dilapidated, offering no amenities to its residents. Today the 25-building complex, known as Greenwood Apartments, has undergone a \$14 million rehabilitation including total modernization of the units, exterior remodeling, and the addition of new amenities including an onsite management office, laundry facilities, common green space, and a Make A Difference Center, with computer lab, library, and playground for children's after-school programs. The strong collaboration between the bank, Clearwater NHS, and the City of Clearwater has created more than just upgraded housing. The redevelopment has been a catalyst to attract new development to the community in the form of a new baseball stadium, road improvements, a rehabbed library, and other facilities revitalized by the city. This redevelopment project models the bank's direct role in the process of bringing for-profit, non-profit and governmental partners together with the commitment to transform a distressed community into a thriving neighborhood.