



Summer 1998  
Volume 1, Number 1

## Inside this Issue

- 2** ■ Director's Message
- 3** ■ "Notes from the Field"
- 4** ■ Certified CDFIs
- 6** ■ Program Outreach  
■ New Faces at the Fund  
■ Presidential Micro Awards
- 7** ■ CDFI Fund Calendar  
■ Visit Our Web Site  
■ Advisory Board

Department of the Treasury  
Community Development  
Financial Institutions Fund  
601 Thirteenth Street, NW  
Washington, D.C. 20005

# CDFI Fund Quarterly

Investing in America's Communities



Touring City Fresh Food's kitchen are Elyse Cherry, Boston Community Venture Fund's President; Secretary Rubin, Senator John Kerry, City Fresh President Glynn Lloyd and Congressman Joseph Kennedy as Chief Cook Kenny Perry prepares meals for delivery. Boston Community Venture Fund's investment will enable City Fresh to expand service from 500 to 2,500 meals a day.

## CDFI Fund Provides Access to Capital

U.S. Treasury Secretary, Robert E. Rubin and CDFI Fund Director, Ellen Lazar saw first hand the difference one CDFI is making in the communities of Boston in an April 27<sup>th</sup>, visit to City Fresh Foods, Inc., located in Roxbury. Joining them were Senator John Kerry, Congressman Joseph Kennedy and Boston Mayor Tom Menino. (Continued on page 7)

*"These specialized community-based financial institutions are revitalizing communities by helping people start or expand a small business or buy a home, with the goal of moving all Americans into the economic mainstream."*  
— Secretary Rubin

## Senator Faircloth Chairs Reauthorization Hearing

On May 13th, US Treasury Under Secretary Jerry Hawke, CDFI Fund Director Ellen Lazar, and Deputy Director Maurice Jones testified before Chairman Lauch Faircloth's Senate Subcommittee on Financial Institutions and Regulatory Relief. Also testifying were Mark Pinsky, Executive Director, National Community Capital, Philadelphia, PA; Martin Eakes, CEO, People's Self-Help, Durham, NC; and introduced by Senator Alfonse D'Amato, the Reverend Floyd Flake, The Cathedral of the Allen AME Church, New York, NY. Judy A. England- Joseph presented the General Accounting Office's early results on the CDFI Fund's programs. The House Subcommittee's Hearing on Reauthorization scheduled for June 17th will be reported in the next newsletter.



## From the Director...Ellen Lazar

*In January I joined the Community Development Financial Institutions Fund as its new Director. I am delighted to join Secretary Robert Rubin and Under Secretary Jerry Hawke in this effort to create greater economic opportunity for all Americans.*

*The public-private partnerships that have been forged by financial institutions, government and nonprofit organizations over the past 20 years have done much to revitalize many urban centers, small cities and some rural areas. The community development movement has done much to foster community-based solutions to our nation's most pressing problems. However, much more needs to be done before all Americans share in the prosperity that many now enjoy.*

*Today, the CDFI Fund is working to expand access to capital and financial services to poor urban, rural and Native American communities. The CDFI Fund's philosophy is to use its scarce resources to catalyze and jump-start new initiatives rather than permanently subsidize them. This represents a new direction for community development initiatives, by leveraging limited public resources to invest in and build the capacity of private sector institutions to finance community development needs in distressed communities.*

*Congress created the CDFI Fund in 1994. The Fund has received annual appropriations and in FY 1998 received \$80 million. Hearings are underway for our \$125 million FY 1999 appropriation request as well as for our reauthorization. We have recently received the report of the Oversight Committee, Chaired by Congressman Spencer Bachus. The suggestions and issues raised by the committee have been helpful in moving us forward.*

*The Fund has provided \$77.6 million in assistance to more than 81 CDFI s serving urban, rural and Native American Communities. These investments will leverage new capital and generate new community development activity over the next several years. The Fund has also made 92 awards totaling \$30 million through the Bank Enterprise Award Program. BEA awardees collectively provided \$130 million in financial and technical assistance to CDFI s and generated \$140 in loans, investments and services in very poor neighborhoods.*

*This year, the Fund has launched two new initiatives to build the capacity of CDFI s. A \$5 million technical assistance program will provide grant monies to CDFI s for capacity building activities. The Fund has also designated \$15 million for a new training program that will enhance skill development among CDFI s and other financial services organizations that are engaged in community development finance activities.*

*The Fund is undertaking two major studies: a Native American lending study that we expect to complete by FY2000; and an impact analysis project that will provide valuable information on how the Fund's investments have created benefits within communities.*

*This newsletter will be published quarterly and will continue to grow in size and substance. We hope to include best practices, success stories and feature articles written by colleagues in the field. We encourage you to give us feedback and help us grow our capacity to better serve the institutions that invest in the people who live and work in communities throughout the United States.*

# “Notes from the Field”

CDFI Fund and Treasury officials have visited several awardees throughout the country since January – a few highlights follow:

***“Community Bank of the Bay, through the CDFI Fund’s \$1.65 million award, provides the working capital that has created a tremendous opportunity for young people to gain valuable work experience.”***

**Lawrence H. Summers  
Treasury Deputy Secretary  
April 28, 1998**

Larry Summers toured the Naval Supply Base in West Oakland, California, where the deconstruction of a three-acre warehouse has been undertaken by the Youth Employment Partnership (YEP). Community Bank of the Bay, a 1997 BEA awardee, invested in YEP, which trains hard-to-serve youth and places them in meaningful employment. As a result of this one project of YEP’s, a over 800,000 board feet of Douglas Fir will be salvaged.

***“I recently visited Self-Help and some of its borrowers, and their work is enormously impressive. We often forget how much difference even a small loan can make for a small business entrepreneur with creativity and drive...that’s one of the things that CDFIs can do very well.”***

**John D. Hawke  
Treasury Under Secretary for  
Domestic Finance, May 13, 1998**

Treasury Under Secretary for Domestic Finance John D. Hawke, visited the Center for Community Self-Help in Durham, North Carolina. Self-



Dennis Smith, Director of Training and Operations, discusses the success of the Youth Employment Partnership with US Treasury Deputy Larry Summers in Oakland, CA.

Help received a \$3 million investment in 1996 from the CDFI Fund.

***“Last year Crestar Bank was notified that we would receive a CDFI Fund Bank Enterprise Award of nearly \$500,000...today we celebrate the reinvestment of those dollars into critical community partnerships that address employment, housing development, youth services and job training.”***

**Peter Nostrand  
President Crestar Bank, May 7, 1998**

Ellen Lazar, Director, CDFI Fund, participated in a Washington DC press conference announcing Crestar Bank’s reinvestment of their BEA award in the Washington community. Six organizations were presented with checks totaling \$311,000. Crestar will re-invest the balance of their award in CDFI s in the community.

***“Understanding the community one serves is important. Alternatives Federal Credit Union is meeting the needs of its community by using its CDFI Fund award to expand existing programs and create new and innovative ones that serve the residents of Ithaca and Tompkins County.”***

**John Carlisi, Program Manager  
CDFI Program, May 11, 1998**

John Carlisi, Program Manager of the CDFI Program and Congressman Maurice Hinchey (NY-26) keynoted a celebration recognizing the closing of the CDFI Fund’s 1997 investment in the Alternatives Federal Credit Union in Ithaca, New York.

***“PPEP Microbusiness and Housing Development Corporation is a great example of what CDFIs can do. PMHDC’s enthusiasm for its mission and its commitment to the communities of central and southern Arizona is changing the lives of many low-income families and having lasting impact on the local communities they serve.”***

**Ellen Lazar  
Director, CDFI Fund May 14, 1998**

CDFI Fund Director, Ellen Lazar and Deputy Director for Policy and Programs, Maurice Jones announced the closing of the CDFI Fund’s investment in Tucson based PPEP Microbusiness and Housing Development Corporation, Inc., a 1997 CDFI Program awardee.

## Program Outreach

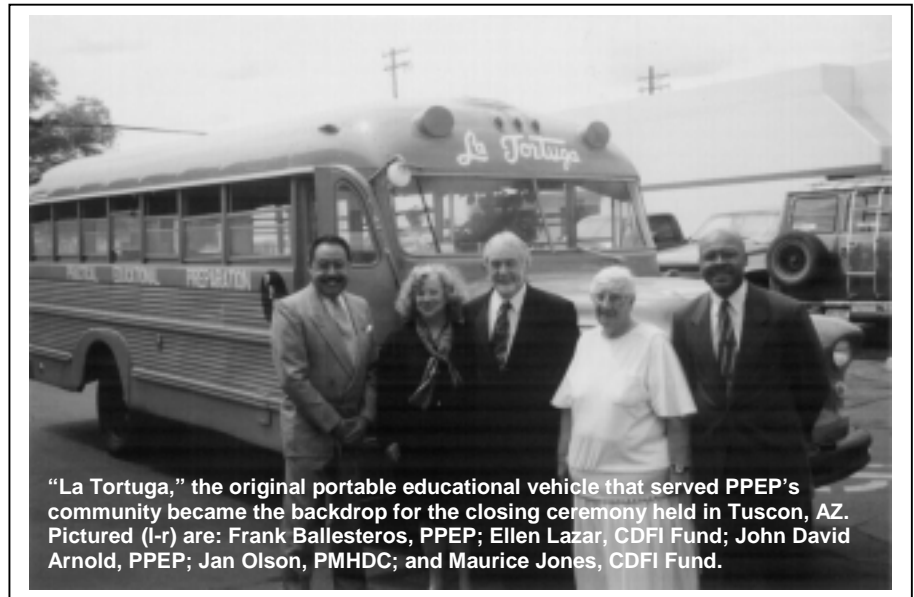
The CDFI Fund Staff led 13 workshops designed to serve potential applicants, and explain the application process and regulations governing the CDFI Program, held throughout the country in April and May. The free informational workshops provided a forum for potential applicants to learn more about both the core and new technical assistance components of the CDFI Program.

“The workshops were an incredible success,” said John Carlisi, Program Manager, CDFI Program. “The ability to have our staff interact with potential applicant not only provided valuable information for those who attended, but also the staff to understand the issues facing CDFIs”.

“These workshops provided a terrific vehicle to publicly launch our new technical assistance component,” said Fred Cooper, Program Manager, Training and Technical Assistance,. “This new program will increase the capacity of CDFIs to achieve greater community impact.”

A total of 425 individuals, from 33 states attended the 13 workshops.

The CDFI Fund gratefully thanks the Federal Reserve Bank system and their staffs for hosting workshops in Boston, Chicago, Cleveland, Dallas, Houston, Los Angeles, Minneapolis, New York San Francisco and St. Louis; the Federal Home Loan Bank of Atlanta; and the Office of Thrift Supervision in Washington, DC.



“La Tortuga,” the original portable educational vehicle that served PPEP’s community became the backdrop for the closing ceremony held in Tuscon, AZ. Pictured (l-r) are: Frank Ballesteros, PPEP; Ellen Lazar, CDFI Fund; John David Arnold, PPEP; Jan Olson, PMHDC; and Maurice Jones, CDFI Fund.

## New Faces at the CDFI Fund

The CDFI Fund welcomes several new employees who have joined in our mission to promote access to capital in America’s distressed communities. The following includes only recently hired senior staff:

- John Carlisi, CDFI Core Program Manger, formerly National Grant Programs Director, Fannie Mae Foundation
- Jean Morrow, Awards Manager, formerly Grants Policy Analyst, U.S. Department of Energy
- Helen Szablya, External Affairs Officer, formerly Vice President for Public Service Outreach and Communciations, Fannie Mae Foundation
- Sheila Zukor, Financial Manager, formerly Financial Systems Analyst, U.S. Treasury

## Time is Ticking

### Presidential Micro Awards

Secretary of the Treasury Robert E. Rubin announced the opening of the 1998 round of the Presidential Awards for Excellence in Microenterprise Development at the Association for Enterprise Opportunity’s Annual Meeting in Washington, DC on April 22, 1998. The application deadline is July 31, 1998.

The Presidential Awards are non-monetary awards and were created to highlight best practices in microenterprise development and thereby raise awareness of its importance to all Americans. The inaugural awards were presented to seven organizations at a White House ceremony in 1997. Jeannine Jacokes, Bank Enterprise Awards Program Manager also manages this program.

For more information, or to obtain an application packet, please contact the CDFI Fund at (202) 622-8662.

## Visit our Web Site

Visit our web site – at [www.trea.gov/domfin/cdfi](http://www.trea.gov/domfin/cdfi) and you will find:

- 1997 annual report
- Complete listing of certified CDFIs
- CDFI Program Awardees – 1996 and 1997
- Bank Enterprise Awards Program – 1996 and 1997
- Presidential Microenterprise Awards – 1996 and 1997
- Notice of Funds Availability (NOFA), regulations & applications for 1998 round of all programs
- Calendar of program awards, training sessions and workshops
- This and all subsequent newsletters
- Updates on new staff joining the Fund and a complete staff listing

What you won't find! As yet, you are not able to send us e:mail, nor apply directly online for any of our programs – but, stay tuned – we hope to be fully on-line by October.

## Access to Capital (from page 1.)

The Venture Fund, a subsidiary of Boston Community Capital, was created in 1996 “to serve as an intermediary that links people with resources to entrepreneurs in low-income neighborhoods that have the determination to succeed, but who lack the resources to do so,” said Elyse Cherry, President of the Venture Fund. City Fresh, which provides ethnic meals-on-wheels to the elderly in several Boston communities, is the most recent investee of the Boston Community Ventures Fund. “The CDFI Fund’s \$1 million investment in Boston Community Capital was a critical component in our capitalizing the Venture Fund,” said DeWitt Jones, President of Boston Community Capital.

WorkSource Staffing Partnership, Inc., the first investment of the Venture Fund, is a permanent placement company that helps welfare recipients, and other at-risk individuals, make the transition from unemployment to good jobs. To date, WorkSource has placed more than 120 individuals in jobs earning between \$8.00 to \$3.50 per hour.

After touring the busy kitchens of City Fresh, Secretary Rubin led a round table discussion with 23 of Boston’s leading bankers and community development specialists on the future of community development financial institutions and their role in building healthy communities.

Boston Community Capital’s award is one of 81 awards totaling \$80.4 million made to CDFIs during the first two rounds of the CDFI Program.

## CDFI Fund Calendar

### Key Initiatives and Programs

#### Appropriations for FY 1999

- Senate Subcommittee Hearing - March 12, 1998
- House Subcommittee Hearing - March 15, 1998

#### Reauthorization of Legislation

- Senate Subcommittee Hearing - May 13, 1998
- House Subcommittee Hearing - June 1998

#### CDFI Program - 1998 Round Core Component

- applications closed June 12
- awards announced early September

#### Technical Assistance Component

- applications closed June 11
- awards announced early September

#### BEA Program

- applications closed February 12
- awards announced early September

#### Presidential Awards for Excellence in Microenterprise Development

- application deadline July 31
- awards announced October

## CDFI Fund Advisory Board

John A. Litzenberg, Chairman  
Program Officer  
Charles Stewart Mott Foundation

Frank T. Ballesteros  
Deputy Chief Executive Officer  
PPEP Microbusiness and Housing  
Development Corporation, Inc.

Arthur C. Campbell  
Deputy Under Secretary for Rural  
Economic & Community Development  
Department of Agriculture

Richard S. Carnell  
Assistant Secretary for Financial  
Institutions  
Department of the Treasury

Connie E. Evans  
President  
Women’s Self-Employment Project

John Gray  
Associate Deputy Administrator, Office of  
Capital Access  
Small Business Administration

Elizabeth L. Homer  
Director  
Office of American Indian Trust  
Department of Interior

Awilda R. Marquez  
Deputy Assistant Secretary for Program  
Research and Evaluation  
Economic Development Administration  
Department of Commerce

Clara G. Miller  
Chair of the Board  
National Community Capital Association

Carol J. Parry  
Senior Vice President, Community  
Development Group  
The Chase Manhattan Bank

George P. Surgeon  
Chief Financial Officer  
Shorebank Corporation

John E. Taylor  
President and CEO  
National Community Reinvestment  
Coalition

**The Community Development Financial Institutions Fund is a wholly-owned government corporation within the U.S. Department of the Treasury. It's vision: An America in which all people have fair and equal access to capital and financial services. It's mission: Promote access to capital and local economic growth by directly investing in and assisting in community development financial institutions (CDFIs) and expanding financial service organizations' lending, investment, and services within underserved markets.**

**CDFI Fund Management Team**

**Ellen Lazar, Director**

**Maurice Jones, Deputy Director for Policy & Programs**

**Paul Gentile, Deputy Director for Management/CFO**

**"CDFI Fund Quarterly" is published every three months by the CDFI Fund and co-edited by Helen Szablya and Bill Luecht.**

**Phone (202) 622-8662**

**Fax (202) 622-7754**

***If you receive duplicate issues of this newsletter, please notify us.***

Community Development  
Financial Institutions Fund  
601 Thirteenth Street, NW  
Suite 200 South  
Washington, D.C. 20005

ADDRESS CORRECTION REQUESTED