

The Fed and LISC in Partnership

On Monday, July 11th the Federal Reserve Bank of Richmond and the Richmond Local Initiatives Support Corporation (LISC) released the results of a comprehensive study of Richmond's urban redevelopment investment practices. The study was the subject of a special breakfast and media briefing held at the Richmond Bank.

In 1999, the City of Richmond targeted the bulk of its federal Community Development Block Grant funds and its Home Investment Partnership funds, as well as other capital improvement funds and resources to carefully chosen neighborhoods. The project was known as *Neighborhoods in Bloom*. At the same time, Richmond LISC targeted its housing investment subsidies (lines of credit, loans and grants) to the same neighborhoods. The recent study assesses the impacts of these combined efforts.

As part of the study, economists researched, analyzed and measured the effectiveness and impact of targeting significant public and private investment funds to specific neighborhoods. The study revealed insights into this innovative Richmond practice and provided new approaches for conducting research into this aspect of redevelopment investment. "This is a path-breaking study that rigorously analyzes the impact of targeting public investments to further neighborhood development. The results are impressive and should help structure neighborhood redevelopment investments across the nation," said Theodore



Left to right, nationally known researchers Peter Tatian of the Urban Institute, George Galster of Wayne State University and John Accordino, Virginia Commonwealth University announce the findings of the Federal Reserve study on 'The Impact of Targeted Public and Nonprofit Investment on Neighborhood Development.'

Koebel, Ph.D., director of the Virginia Center for Housing Research, Virginia Polytechnic Institute and State University.

Key to the research was the unique method of tracking investments by household and neighborhood, as used by the City of Richmond, local community redevelopment organizations and Richmond LISC. This rich but unusual dataset, which includes five years of investments, enabled researchers to go beyond anecdotal information and conduct rigorous analysis of the data to determine the impact of targeting funds.

Projects in the Pipeline

The Point at Chestnut Hill. Highland Park Community Development Corporation has begun development on The Point at Chestnut Hill which will consist of thirty (30) newly constructed market rate single-family townhouses. Total estimated development costs are projected at approximately \$4,023,513. Units will be two- to three-story townhomes ranging from 1,700 – 1,900 sq. ft. that include 9' high ceilings, wide stairways and hardwood floors. LISC is providing a \$100,000 pre-development loan.

The Hippodrome. Hippodrome/Elk's Lodge LLC will rehab the Hippodrome theatre and Elks Lodge building located one block away from the downtown convention center. The Hippodrome Theater will return to its entertainment roots with live R&B and Blues acts. The total square feet for the Hippodrome is 13,744 sq. ft.; the Elks Lodge total square feet upon completion will be 13,635.

The LISC \$625,000 mini-perm loan will be used to help construct the Hippodrome and Elks Lodge.

Winchester Green Commercial. Better Housing Coalition's Winchester Greens commercial project consists of the new construction and leasing of two buildings totaling **12,900 sq. ft.** located on **1.5 acres** of land. BHC will also lease a portion of the 1.5 acres of land to Chesterfield County Department of Mental Health. The County will develop a Mental Health building totaling **7,500 sq. ft.** The Mental Health building will provide job training for the handicapped and mentally impaired.

This \$75,000 pre-development loan will be used to provide working capital to finance architectural and legal fees, insurance, market study, soil tests, surveys, appraisals, special use permits, origination, and other necessary permits.

William Byrd II. The proposed William Byrd II will be ninety (90) units of independent living apartment residences for seniors aged 55 and older. The first and second floors will be designed for commercial use. LISC is providing a \$100,000 pre-development loan for this project.

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Investor Update

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VENTURE CAPITALISTS *for the* American Dream

Upcoming Event: Virginia LISC will be celebrating the kick-off of its Round Six campaign, its **15th Anniversary** and the beginning of the new 5-Year plan, on the evening of **Tuesday, October 11**. More details will be forthcoming. But, for now, save the date for a fun-filled evening of surprises!

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Projects in the Pipeline
—continued from front

ElderHomes Universal Design. ElderHomes Corporation proposes to renovate and construct fifteen (15) single-family homes located in the City of Richmond and throughout Henrico and Chesterfield Counties. The average sales price for these homes will be \$195,000. The homes will be designed for families who are physically disabled. ElderHomes Corporation will use universal designed guidelines created by the American Disabilities Association (ADA). It is anticipated that the homes will be affordable to families earning between \$22,988 and \$38,000 per year. This **\$275,000** LISC loan is apportioned as follows: **\$50,000** may be used for Redevelopment expenses only. The remaining **\$225,000** may be used for Acquisition.

James River Apartments (JRA). This Virginia Supportive Housing project will consist of two (2) Section 811 sites with a total of 14 one-story apartments for individuals with physical disabilities. LISC is providing a \$100,000 predevelopment loan.

Forward thinking
Virginia LISC takes on a role
in Green and Sustainable
Affordable Housing



Thanks to a grant from Home Depot, Virginia LISC is working with two CDC partners, Better Housing Coalition and ElderHomes Corporation, to design and build or to retrofit homes in central Virginia using green and sustainable methodology. The lessons learned from these efforts will be disseminated in a virtual green tour of the building process on line, and an accompanying 6-panel brochure which will explore, among other things, the cost-benefit analysis of each green feature.

In addition, Virginia LISC staff is working with the Boston and San Francisco staffs and Greg Maher of National, to bring about a brainstorming session with US HUD, EPA and the Department of Energy to explore ways in which LISC and the three agencies can further each others' missions of providing quality green and sustainable affordable housing.