

News from Virginia LISC

Helping Neighbors Build Strong Communities

Small Business Loan Fund To Stimulate Economy

Morgan Stanley and Local Initiatives Support Corporation have created a loan for small business to fuel economic growth.

The LISC/Morgan Stanley Small Business Loan Fun offers low-cost, long-term financing to small businesses in select cities, including Richmond.

The loan, which follows the qualifications of the U.S. Small Business Administration's 504 Loan Program, can be used to purchase land, improvements, parking lots and landscaping. But it can also be put toward modernizing or renovating any existing facilities.



Buildings like this one, located in Richmond's Fulton neighborhood's commercial corridor, are great places for small businesses to renovate and improve. LISC hopes the loan will stimulate the economy in city neighborhoods like this one.

"It can be difficult for small businesses to get the access to capital they need to expand their businesses," said Candice Streett, Executive Director of Virginia LISC. "That's where we can help."

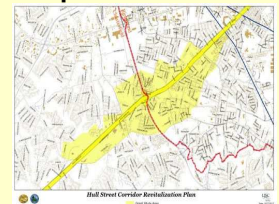
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SEED Program to Plant Businesses in Church Hill

The 2012 SEED Program is well under way with 16 applicants in the running.

Virginia LISC and Bon Secours Richmond Health Systems launched the Supporting East End Entrepreneur Development (SEED) program in 2011. This program helps to fund and mentor a new generation of

businesses in Church Hill.



Last year's grant recipients are eligible to win half as much as they received the previous year.

First-time applicants can win up to \$10,000 in grant

money to help start their business. The businesses in the running this year vary from bakeries to photographic studios to antiques to hair salons to restaurants and everything in between.

Finalists are put before judges in October who will choose the winners.

All participants turned in their applications by the Sept. 1 deadline. They also had to complete business plans, outlining how they intended to spend the grant money. LISC staff and a marketing specialist then closely examine each application, before selecting finalists to bring before the judges.

Loan Continued

With the Small Business Loan Fund, business owners pay only 10% down, borrowing up to 90% of the total financing needs. The loan also provides a below-market, fixed interest rate.

The repayment periods are longer than conventional bank loans, which are 20 years for real estate loans and 10 years for equipment loans. Therefore, the monthly payment is more affordable.

"Since the loan fund offers a lower down payment and more affordable monthly payments, owners can use the cash savings to run the business," said Streett.

But not everyone qualifies. The business must be in an eligible New Market Tax Credit census tract with high-distress criteria. The applicant must also focus on job creation.

The business must be one that will augment long-term development of a community, and it must be owner-occupied and a for-profit enterprise. Morgan Stanley and LISC planned this loan fund together to help local economies.

Virginia LISC Updates in the Community

Rebuilding Together a Success at Fulton's NRC

Rebuilding Together celebrated their 20th anniversary of being in Richmond on Sept. 22 at the Neighborhood Resource Center in Greater Fulton.



LISC Community Partnerships Manager Veronica Fleming praised Greater Fulton's Future's partnership with Rebuilding Together.



The celebration was held in Greater Fulton because it will be the focus of Rebuilding Together during Affordable Housing Week in 2013.

VA LISC in the Press

The Richmond Times Dispatch recently wrote an [article](#) on the LISC/Morgan Stanley Small Business Loan Fund. Be sure to check it out!

WRVA 1140 AM radio also did an interview with LISC Loan Officer John Bolton about the LISC/Morgan Stanley Small Business Loan Fund.

Executive Director Candice Streett was also recently featured in the Richmond Times Dispatch. In [60 Seconds with Candice Streett](#), she talks about the importance of sustainable communities.

LISC Working to Bring Consultant to Hull Street

Hull Street Road is home to a thriving Hispanic community that has increased drastically in the last 10 years. The community now wants to develop a cultural center and Virginia LISC wants to help them reach that goal.

LISC became involved in the Hull Street Corridor through the Hull Street Revitalization Project, a joint project conducted by Richmond City and Chesterfield County to revitalize the Hull Street community. Virginia LISC partnered with the city and the county to help involve the Latino community in the revival of the area.

Through this partnership, LISC has had the pleasure of working with Wilken Fernandez, a local leader in the Hispanic community. Fernandez, a Cuban native, works as a translator and interpreter at Richmond's Office of Multicultural Affairs, formerly known as the Hispanic Liaison Office. But his specialty is economics, so when the chance came for Fernandez to also get involved with the Economic Development Department, he took it.

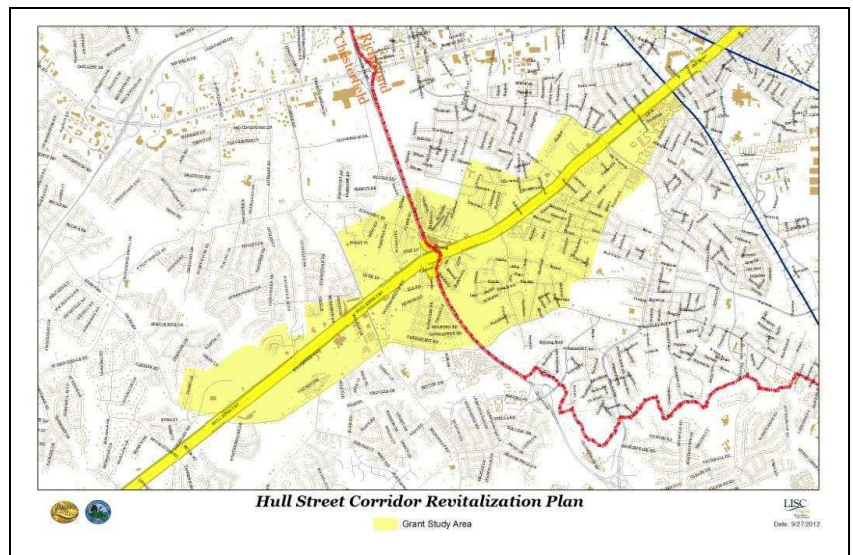
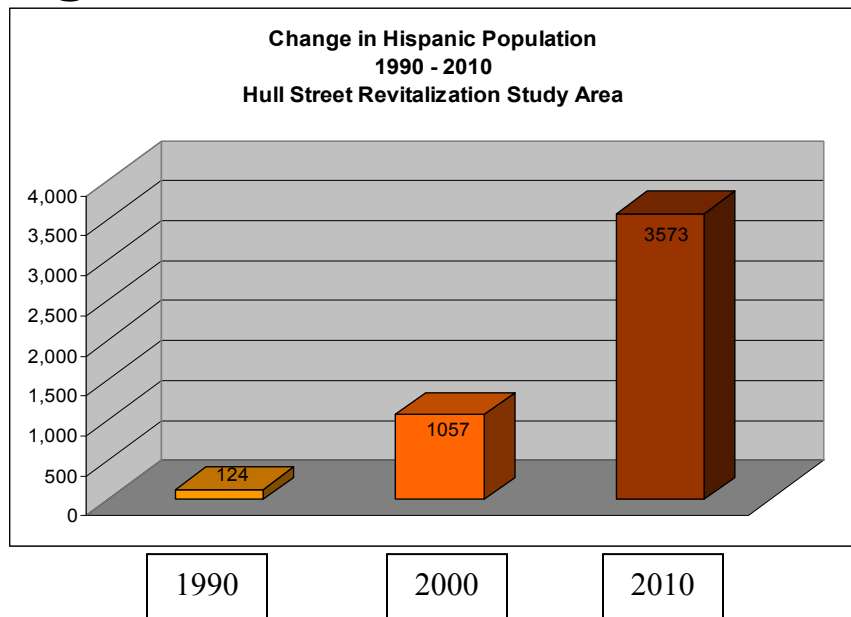
"That's how I got involved with the Hull Street Revitalization Project," said Fernandez. "The Economic Development Department needed a grass roots organization in the Hispanic community to give input and support. There were no Hispanic organizations in the area, so I took the lead and started creating one."

As part of the Hull Street Revitalization Project, Fernandez created the Club de Comerciantes de Virginia, or the Virginia Merchant's Club, an association for Latino businessmen in the area.

"I have been creating relationships with different Hispanic businessmen in the area for years, and that's what gave me the confidence to reunite them and bring them together," said Fernandez.

But he did not stop there. Fernandez and the Club de Comerciantes have a new mission—the Kalpulli Project.

The Kalpulli Project is the idea of Fernandez's friend Martin Gonzalez, owner of La Milpa restaurant. Gonzalez's vision was to have a cultural and learning center in the area to help educate and celebrate the community.



They have already found the building they want to use, located in the same shopping center as La Milpa restaurant.

Building a cultural center is easier said than done. It takes a lot of time and money to organize people and start the process of turning an old location into a community epicenter.

"We explained to them that there needed to be a nonprofit to lead this project, and the question became how can LISC provide them with the support to get formally organized," said Veronica Fleming, Community Partnerships Manager for Virginia LISC.

VA LISC is now in the process of finding a consultant for the job.

"We want a consultant who is fluent in Spanish and who also has an extensive background in organizational development," said Fleming.

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Consultant Continued

There are four prospects that LISC is considering and the hope is to have the consultant determined by early October. From there the planning starts in full force.

"The consultant will sit down with the Club de Comerciantes and will help them draft articles of incorporation, identify board members, develop a strategic plan, raise money and hire staff," said Fleming.

Fernandez believes the center is key to helping revitalize the community.

"Most of our people that come here to the U.S. don't have the proper vocation, and they come here for the opportunity," he said. "This center will help educate people in terms of how to succeed and it will help them develop professional and occupational skills."

HUD "Partners in Housing" Advanced Preservation Training

Multifamily owners and senior level management company staff are invited to a free and informative HUD workshop on advanced approaches to preserving affordable multifamily properties.

This training builds upon the Basic "Partners in Housing" course. The Basic course is not a prerequisite, but participants must be familiar with HUD Multifamily programs, including Section 202 Direct Loans, Section 236, Section 8 rental assistance renewal options, and refinance programs such as Section 223(f) and Section 221(d) (4). **Day one will focus on rental assistance and days two and three will focus on Section 202s and Section 236 loan prepayment and refinancing (including LIHTC deals).**

Industry experts will lead participants through case studies and discussions on option for refinancing and repositioning multifamily properties. We will also share the latest information on HUD programs. Training sessions will take place in five different cities. To register for one of the sessions and learn more about the program, please use the following link:

<http://tdpsvs.com/hud/>

Sessions kick off in Denver on October 23-25 and run through January 2013 in Denver, Chicago, Los Angeles, Philadelphia and Boston.

Participants should come with calculators and be ready to work through detailed, applicable preservation case studies.

LISC would like to thank **Bank of America, The Cameron Foundation, and Bon Secours Richmond Health System** for their recent support.

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