

COMMUNITY INVESTING IN ACTION: CASE STUDIES

For more information about individual cases, contact Joy Mileham or Stephanie Kendall at 703/276-1116.

ACCION INTERNATIONAL/WORKING CAPITAL Carlos Gomez, Magic Touch Computers, Chelsea, Massachusetts

In the early 1990s, Carlos Gomez was working in a clothing factory in Allston, MA. In his native Puerto Rico, he had graduated from college, worked for over eight years as an engineer and ran an independent business. But the language barrier that came with his move to the United States prevented him from getting the jobs that showcased his qualifications.

Carlos studied English and worked in the factory for years, until he could use his technical skills again with a job in a Boston-area cable company. Always entrepreneurial, he soon started his own business - selling and installing telephones out of his home - during his spare time. As his business became more and more successful, Carlos quit his job at the cable company and concentrated his time and savings into opening his own store. But he knew that if he were to truly succeed, he'd have to keep learning.

"I knew that computers were the future," Carlos says. "So I decided to study computer repair with the money I had saved."

Once he acquired his computer skills, Carlos needed money in order to expand his business. Reluctant to take on a bank loan, he thought he had no options. But then his wife, Miriam, learned about Working Capital from a friend. With a \$25,000 loan from Working Capital, Carlos was able to expand his space and buy computer equipment for Magic Touch Computers. Now, he not only specializes in computer repair, upgrades and sales, but he also teaches computer classes from his newly renovated classroom.

"I'm here to teach them for as long as it takes to learn," Carlos says with a smile. "The students are often surprised with themselves. They think they can't learn, but they can."

Carlos has come a long way from the clothing factory in Allston where he started. Now the proud owner of the only store in Chelsea that specializes in computer repair, he is enjoying tremendous success along with Miriam and their two children.

BOSTON COMMUNITY CAPITAL North Metropolitan Homemaker-Home Health Aid Service, Inc., Boston area

By renewing a line of credit to North Metro, Boston Community Capital is supporting their mission of assisting low-income elders to live in the dignity and comfort of their own homes and communities for as long as possible. The agency provides high quality home services for people in need, particularly the aged population and their families in Arlington, Burlington, Everett, Lexington, Malden, Medford, Melrose, North Reading, Reading, Stoneham, Wakefield, Wilmington, Winchester and Woburn. Home services include light housekeeping and laundry, shopping and

errands, personal care (e.g., bathing, meals, transfers, ambulation, exercises) and companion/travel services. North Metro has 40 employees and serves approximately 500 people each week.

CALVERT SOCIAL INVESTMENT FOUNDATION New Mexico Community Development Loan Fund

Near the Mexico-US border in New Mexico, 18 low-income families and three Catholic nuns are partnering to develop an environmentally sound planned community. This project, called Tierra Madre, seeks to build homes and shared community space that maximizes sustainable technology, the contours of the land, and recyclable products. A community park was constructed with used tires and discarded telephone and electric poles. The New Mexico Community Development Loan Fund (NMCDLF) provided a total of \$500,000 to finance new homes and the community areas. NMCDLF is a non-profit community development loan fund dedicated to the economic empowerment of people. NMCDLF provides credit and technical assistance for the development of affordable housing, the creation and preservation of jobs, and the provision of basic human service in low-income communities throughout New Mexico. Since inception, it has made 392 loans for a totaling over \$11.2 million and helped create or preserve over 1900 jobs. Through investments in organizations such as the New Mexico Community Loan Fund, Calvert Foundation makes it possible for local organizations to increase their support of local needs.

CASCADIA REVOLVING FUND Seven Star Women's Kung Fu, Seattle, Washington

This non-profit organization was founded 19 years ago to teach self-defense and self-determination skills to women through the martial arts. Issues of physical, psychological and economic violence are addressed through the structure and curriculum of the school. The organization strives to provide services to women of all income levels, and many of its students are low-income. Cascadia's loan helped the school purchase a permanent facility, providing it with an affordable space.

LEVITICUS 25:23 ALTERNATIVE FUND, INC. Royal Child Care Center, New Rochelle, New York

Royal Child Care Center, Inc. is a minority owned small business that performs a vital service in a multi-ethnic suburban community where working parents are hard pressed to find adequate child care services. Located on LeCount Place in New Rochelle, this for-profit childcare center serves over 90 children from the age of 18 months to 6 years. The Center received its operating license in August 1996 and opened in September with a staff of 3 teachers and a group of 9 children. Since then it has grown to its current capacity of 98 children. The primary population served is low and low middle-income working families of New Rochelle and the surrounding region. Through funds provided by Title 20 subsidies and Westchester County Department of Social Services the Center serves a large number of welfare-to-work clients as well as private paying parents.

The Center is the passion of Robert and Gloria Conner who share ownership as well as a strong commitment to providing an environment for children that will support their present and future learning capabilities. Enrollment has reached 90 children out of a capacity of 98. The staff numbers 21 and includes a cook and janitor. The Leviticus loan of \$35,000 is part of a total

development package of \$75,000 that was closed in May 2001. Funds were used for expansion, which provided two new classrooms, a kitchen/food preparation area, staff bathrooms, a small office and four student bathrooms. The term of the loan is three years at a rate of 5 percent.

MANNA, INC.

Bobby and Lula Barnes, Washington, D.C.

For most of his life Bobby Barnes lived in rented apartments. By the time he had reached his mid-fifties, he figured that situation was not going to change. Too much debt, not enough income, he thought. Not to mention that his wife was saddled with school loans.

But six years ago all of that changed. Bobby and Lula Barnes became homeowners. Not just any home, either. They purchased a newly renovated, spacious two-bedroom place on Spring Road in Northwest Washington, D.C., with central air-conditioning. Before then, the Barnes would return home to a cramped apartment in a bad neighborhood, where they shelled out \$550 a month for a one-bedroom with a den, plus an extra \$55 or \$60 in the summer for air conditioning. "There were a lot of drugs and things right in the area," Barnes said. "I'd been thinking about wanting to move out and buy a home for a while. I've always wanted a home, ever since I became a man. It's been a dream of mine. I just didn't know how I was going to be able to swing it."

His first inkling that he should try to achieve this goal came from a friend at work who had bought a home through Manna and encouraged Bobby to give it a try as well. Bobby was a counselor as Jubilee Jobs, earning about \$18,000 a year. After contacting Manna he realized that one of the first things he needed to do was to get his budget under control and to save money. Like many people who have bought their first homes through Manna, Bobby and Lula joined the Manna Homebuyers Club. For the next two years they found themselves learning to adhere to a strict budget as they slowly but steadily paid off some credit card debts.

Bobby and Lula moved into their condo unit on Spring Road six years ago, and they have never missed a mortgage payment, or even been late with one. They now pay about \$306 a month, much less than what they paid in rent. "It's made such a difference," he said. "This place is so huge. I could retire in this place and be comfortable." And the lessons they learned from Manna continue to be a part of their lives. "They taught me the value of saving money and how to save. They also taught me how much of a difference there is between buying and renting," he added. "Saving is hard to do, but you'll do it."

MERCY HOUSING

Matt Feeney, Fraser, Colorado

Living in an apartment that was suddenly unaffordable forced Matt to explore other options. After several months of unsuccessful searching, he discovered an apartment at Wapiti Meadow in Fraser. Wapiti Meadow is a Mercy Housing SouthWest property that provides safe, decent and affordable housing for 50 families in the Fraser Valley. In addition, it is one of the few properties in the area that provides affordable and accessible apartments to serve the diverse needs of someone disabled.

Now 36, Matt coordinates the Sit-Ski program at the National Sports Center for the Disabled in Winter Park. As the only disabled instructor, Matt feels he can relate to adults and children with disabilities. Matt is also co-founder of Adaptive Adventures, a not-for-profit organization that

encourages people with disabilities to expand their personal boundaries and go beyond physical limitations. Adaptive Adventures, www.edaptive.org, offers innovative seasonal recreational programs, information services, educational outreach and sponsorship resources for people with disabilities and their families. Wapiti Meadow gave Matt an invaluable gift: his freedom. In turn, it has allowed him to make a difference in the lives of others.

SELF-HELP CREDIT UNION **LuLu's Deli, Charlotte, N.C.**

Jenny Hardman, a female entrepreneur, worked with Self-Help to turn her deli into anchor of downtown Charlotte. Hardman's venture, LuLu's Deli, employs eight people. Hardman came to Self-Help when she looked to move out of a convenience store. Self-Help was able to provide \$40,000 in financing in partnership with a City of Charlotte program encouraging central city development. "We wanted to fund an independent business while the trend of other financial institutions was to fund and develop larger-scale and corporate-backed franchises," explained Jerry Vaughn, director of Self-Help's Charlotte regional office. Hardman says that the loan from Self-Help was vital to her business' expansion. "Without Self-Help we wouldn't have had any inventory in the store," she said. "Other banks treated us just as a start-up. Self-Help was much more personable and willing to work with us."

SHARED INTEREST **Northern Province, South Africa**

Shared Interest is a not-for-profit social investment fund designed to enhance low-income South Africans' access to credit previously denied them because of their race, gender, or income. Shared Interest and its Swiss associate, Research and Application of Alternative Financing for Development (RAFAD) established the Thembani International Guarantee Fund (TIGF) in South Africa in 1996. Through TIGF, Shared Interest guarantees South African bank loans to community development financial institutions engaged in South Africa's reconstruction process. The guarantees enable economically marginalized South Africans in townships, rural and urban areas to become increasingly self-sufficient as they try to build homes and very small businesses and develop constructive new relationships with South African financial institutions.

Northern Province remains one of South Africa's poorest. It continues to be a net exporter of people who flock to other areas of the country in search of the jobs and income-generating activities that are sharply curtailed by the province's limited investment in manufacturing and services, harsh climate and restricted access to credit. Last year, TIGF issued its first guarantee in Northern Province to Mtunzini Residential (Pty) Ltd - which has since delivered 200 low-cost houses in the Casteel Bushbuckridge North Housing Project. This year TIGF issued a guarantee to the Agishana Credit Company to supply credit for micro- and small businesses. TIGF's \$166,666 guarantee enabled Agishana to obtain \$333,333 in credit from Standard Bank, making it possible to move beyond its central office in Pietersberg toward opening five new branch offices in the province.

Agishana employs a strict and successful methodology. It makes loans of R300 to R1,000 (\$45 to \$152) to clients who borrow in groups of up to five people. Participants organize themselves into these groups and take responsibility for each others' loans. Individuals seeking to borrow more than R1,000 (\$159) can approach Agishana directly, or "graduate" from the borrower groups.

Agishana's loan officers work with both urban and rural clients, but limit their operations to a 15 square kilometer radius. Workers are required to visit each client two to four times a month for training, support, monitoring and collections. They are expected to issue R110,000 (\$16,666) a month in new loans, and maintain a recovery rate of at least 97 percent.

SHOREBANK

Gareda Diversified Business Services, Chicago, IL.

"South Shore Bank has played a very important role in the success of my business - they are gracious enough to know that you can't collateralize service - and service is my business," says Gwen Duncan-James, president and CEO of Gareda Diversified Business Services.

Gareda provides nursing care and homemaker assistance throughout Chicago and employs almost 900 people, many of whom were formerly unemployed. The company offers training and enthusiastically supports outside educational opportunities. "I don't like the term 'unemployable.' I employ people who don't realize their potential - but under our direction they come to understand that their services are very much needed," Gwen states.

South Shore Bank's Business Banking department has provided the company with lines of credit and a mortgage loan. Gwen recalls one instance when the funds she needed to cover payroll were delayed. She called her loan officer to see if there was any way the bank could help. A few hours later Gwen received a call from the loan officer with a solution. "It was such an unorthodox situation, but it was the beginning of the turnaround for Gareda. I'm thankful the bank never turned its back on us."

SOUTHERN DEVELOPMENT BANCORPORATION

West End Grocery, Pine Bluff, Arkansas

With a loan to Michael and Debra Hall, Southern exceeded its \$100 million development loan milestone. The couple have owned and operated West End Grocery of Pine Bluff since 1997. The store provides a convenient place to buy groceries for the low- to moderate-income residents of the neighborhood. More importantly, the revenue spent at West End Grocery stays in the community. The Halls recently received a loan to expand their business and add barbershop services.