

NORTH CAROLINA COMMUNITY DEVELOPMENT INITIATIVE

RALEIGH, NORTH CAROLINA

The North Carolina Community Development Initiative (Initiative) was created in 1994 to strategically invest funds from various sources in the work of community development organizations across the state. Nearly two decades later, the Initiative leads a collaborative effort with public, private, academic, and nonprofit partners to create economic growth in the state's poorest and most distressed communities. By strengthening and revitalizing these communities, the Initiative strengthens the state's economy overall.

The Initiative and its lending subsidiary, Initiative Capital, catalyze community development by making strategic investments that support the work of high-impact, community organizations across North Carolina. As a certified Community Development Financial Institution (CDFI), Initiative Capital has provided financial investments to community development corporations, nonprofit housing and commercial developers, and growing businesses in North Carolina since 1999.

Initiative Capital focuses its lending and equity investments in housing and commercial and community facilities projects that promote economic growth, particularly in low-resource communities. It offers loans for permanent and bridge financing, construction, neighborhood rehabilitation and stabilization, and business growth, as well as equity investments in early-stage businesses.

Over the years, Initiative Capital has been awarded \$500,000 in Technical Assistance awards and \$500,000 in Financial Assistance awards from the CDFI Fund. This funding helped provide Initiative Capital with the infrastructure and systems it needed to be successful. In 2013 alone, Initiative Capital provided more than \$1.3 million in loans.



KINGDOM COMMUNITY DEVELOPMENT CORPORATION

In 2011, Kingdom Community Development Corporation (Kingdom) developed a plan to generate sustainable revenue for its community economic development projects by creating and operating local businesses, including an IHOP restaurant in Spring Lake, North Carolina.

To help support this ambitious, \$8.5 million project, Initiative Capital provided Kingdom with \$500,000 in permanent financing, \$300,000 in project grant funds, and technical assistance. Initiative Capital was able to provide this initial investment due to the support it has received from the CDFI Fund. In turn, this investment leveraged another \$6.5 million loan from Carter National Bank, \$1.2 million from Cumberland County, and a donation of land from the Town of Spring Lake.

The IHOP restaurant opened in 2011 and has exceeded all sales projections. Because the restaurant uses local vendors and professional services, this project has contributed to the local economic recovery in Spring Lake, a community with a 10.8 percent unemployment rate and a 39 percent poverty rate. In fact, this project created 30 construction jobs, 56 full-time positions, and 12 part-time jobs, and will generate an estimated \$150,000 in local property taxes each year. The restaurant has been such a success that Kingdom has acquired a location and has been approved for a second IHOP franchise.

CONTACT

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Initiative BY THE NUMBERS

(2008 TO 2013)

- JOBS CREATED OR RETAINED: 1,160
- NUMBER OF BUSINESSES ASSISTED: 2,418
- NUMBER OF AFFORDABLE HOUSING UNITS DEVELOPED: 413
- TOTAL DOLLAR AMOUNT LOANED: \$10M
- TOTAL DOLLAR AMOUNT INVESTED: \$20K
- TOTAL DOLLAR AMOUNT LEVERAGED: \$176.4M
- CERTIFIED AS A CDFI IN 2000

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