



2021 IMPACT BOOK





Letter from the President

As NDC has passed the two-year mark of the COVID pandemic in the U.S., we can now look back at those months with a sense of deep gratitude, relief and optimism. Gratitude for the ways in which our communities, our partners, investors and supporters, and the entire NDC family, came together to create a response to the economic challenges of COVID. Relief that on a scale unprecedented in our history, we were measurably effective in helping thousands of small businesses and hundreds of communities across the country withstand the economic devastation of 2020 and 2021. And optimism because we are moving forward with newly enhanced and expanded capabilities in our core work: increasing the flow of capital into economically underserved communities, for affordable housing, the creation of jobs through training and small business lending and the advancement of livable communities through investment in social infrastructure.

What made this possible? When key institutions, governments and individual leaders recognized that COVID laid bare and intensified the historic inequities in wealth and economic opportunity that have persisted throughout our history, especially for communities of color, they brought equally intensified resolve to address those inequities. And they found us already on that battlefield with more than 50 years' experience and accomplishment. In 2021 alone, they brought these resources to us for our fight

- **\$178,000,000** in capital for small business lending
- **\$105,000,000** in capital for affordable housing
- **1713** individuals joining our training and capacity building for economic development professionals

And together we found ways to make a difference not just in addressing the pandemic but in moving

forward with sustainable economic and community development. We tell the story of the immediate past and the promise of the future in the pages that follow, but the numbers are also eloquent:

- **2,395** small businesses receiving loans ranging from \$10,000 to \$5,000,000 for COVID relief, recovery, stabilization and growth,
- **1,336** units of affordable housing built in communities across the nation
- Capacity building in **84** communities, assisting them in development strategies, programs and projects
- Capacity building: formal training for **1713** economic development professionals and BIPOC development entrepreneurs

NDC has made a robust start on its second half-century. We are a brand new CDFI member of the Federal Home Loan Bank. We have been certified by A Great Place to Work, the globally recognized authority on workplace culture, based completely on staff findings. We have a pool of \$300,000,000—and growing—for small business lending. We are initiating an innovative approach to commercial rent affordability as a pilot program in Seattle. We have initiated new capacity building programs for small business entrepreneurs and new developers, taking our training capabilities to new constituents. We are helping more localities understand and deploy development resources in a changed policy environment. And through all of these initiatives—and more—we are reaching more BIPOC businesses, families and communities than ever. The story follows...

Daniel Marsh III



NDC in Action



The Future is Partnerships: Small Business Lending NDC Grow America Fund and NDC Community Impact Investment Fund

Record levels of fund-raising and small business lending made it a banner year for our two CDFI's – Community Impact Investment Fund and Grow America Fund. But the year brought something equally impactful for the future: the forging of new partnerships and collaboration that leverage our reach and lending power across hundreds of communities around the country. We were one of thirteen CDFI's selected to obtain capital and make loans under the Southern Opportunity and Resilience Fund (SOAR); one of five CDFI's selected to obtain capital and make loans under New York Forward. And not only were we one of five CDFI's selected to lend under Washington State's Flex Fund, but the State selected us to manage the statewide \$100,000,000 program. Banks, municipalities and philanthropic organizations partnered with us to support our lending in Atlanta, GA; Broward County, FL, and East St. Louis, IL. NDC is partnering with Metro St. Louis Urban League to open an Entrepreneurship and Business Development center located at the Urban League headquarters in North St. Louis. NDC helped fund the building of the center and will provide ongoing staff support. In addition to business services provided by a dozen local organizations, all of NDC's small business lending will be available for qualified borrowers.



Strengthening Families and their Communities: Affordable Housing

In 1995, NDC expanded its work in providing safe and affordable housing by establishing the NDC Corporate Equity Fund (CEF) to raise and invest capital in affordable housing around the country. Since that time, CEF has grown steadily. In 2021 alone, \$100.5 million was raised, to build 1,336 residential units across the country. We are the proud owners of a diverse portfolio, with projects ranging in size from 10 to 262, in urban and rural communities in 31 states, Puerto Rico, and DC, each one with an impact that goes beyond the bricks and mortar of the homes, to strengthening families and their communities. 2021 saw the continuation of that growth in both capital raised and capital invested, in projects that are already making positive changes in their surroundings and their communities. We've been able to continue to grow our investor base, bring back dormant investor and work with new investors. We've continued our focus on investing in service-enriched housing, financing the Tacoma (WA) YWCA's transitional housing for victims of domestic violence, the first in the state since 1976, meeting basic needs and providing support services; and Maywood Apartments providing affordable assisted living in a community with a high poverty rate, and bringing new life to a blighted, abandoned area in the center of the Village of Maywood, IL.





Impact in Bricks and Mortar: New Markets Tax Credits

NDC received a New Markets Tax Credits (NMTC) allocation of \$50,000,000 in 2021 for the calendar year 2020. It's a highly competitive process, requiring a deployment strategy that promises to achieve the overall goals of the program. Our winning strategy: invest in healthcare, manufacturing and multi-service community facilities, with highly sought outcomes of investing in minority-owned (or controlled if it's a non-profit) companies; creation and retention of living-wage/good-benefit jobs; and jobs that are accessible to low-income persons and persons with barriers to employment.

The NMTC award is only the beginning. Impact comes only with deployment. We cleared Treasury Department deadlines for deployment with 55% of our credits invested before the end of Q1, 2022. Projects funded: expansion of the Grady Health System Ponce de Leon, Atlanta, which provides the majority of AIDS/HIV treatment in the state of Georgia; Super-Pufft, Perry, FL, a minority-owned, high quality job manufacturer of foods for the snack industry; East Cliff Family Health Center, Santa Cruz (CA), providing 10,000 low-income adults and children comprehensive health care; and Academy for Global Citizenship, a charter school and health center in Chicago.



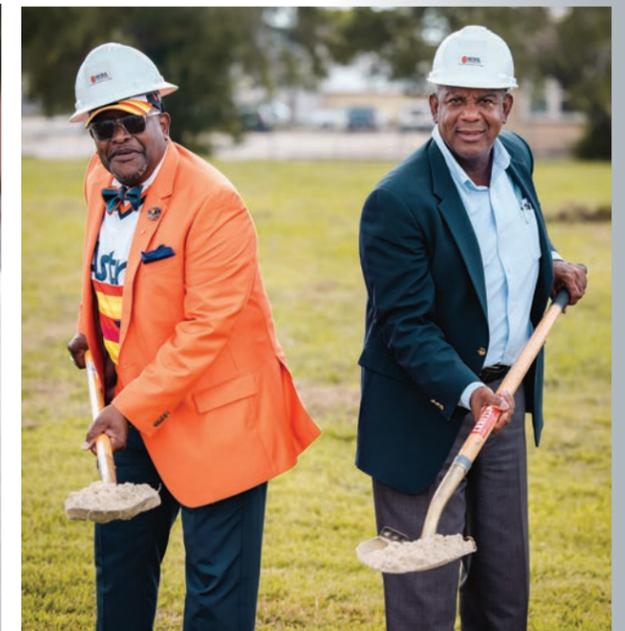
An Innovative, Sustainable St. Croix: East Team

In the continuing evolution of NDC technical assistance, we have been engaged to oversee the development of the \$30 million, 29-acre St. Croix, VI Tech Village: 66 units of moderate income housing, 18,000 square feet of commercial office space and a photovoltaic array that can produce 1 MW and store 3MW of electricity. More than half of land will be devoted to "green" uses, including both commercial and community agriculture. NDC will oversee the supervision of the design and engineering process, entitlement process, financing and construction. Groundbreaking is expected in the second half of 2022.

Tech Park was initiated by the University of the Virgin Islands Research and Technology Park (RT) to promote economic diversity and educational opportunities, and to provide the housing and affordable office space that are essential to attracting the agricultural research and technology firms that are RT's target sectors. While NDC has been involved with large-scale development before on behalf of client communities, what's incrementally new for NDC is the responsibility for the entire arc of the development, from concept through occupancy.



(top to bottom) Grady Health System Ponce de Leon; East Cliff Family Health Center; St. Croix, VI Tech Village.



What's Old Is New Again: NDC as Developer

Port Arthur, TX, a city where we had worked for more than 15 years providing planning and development advice, capacity building, small business lending and project financing, adopted a visionary plan in 2015 to restore its historic downtown as a vibrant destination for living, working and playing. Once again, NDC was called to take on a crucial development role for a project that will begin to create the residential communities necessary to fulfill that vision. Ground was broken in October, 2021 for Renaissance at Lakeshore, a 108 unit multifamily apartment complex, being developed by NDC in partnership with Port Arthur's Legacy Community Development Corporation. In addition to the garden-style and town home units that will offer workforce housing, there will be community space to add to the area's resources for social, recreational, educational, and cultural activities.



NDC Training Goes Cyber



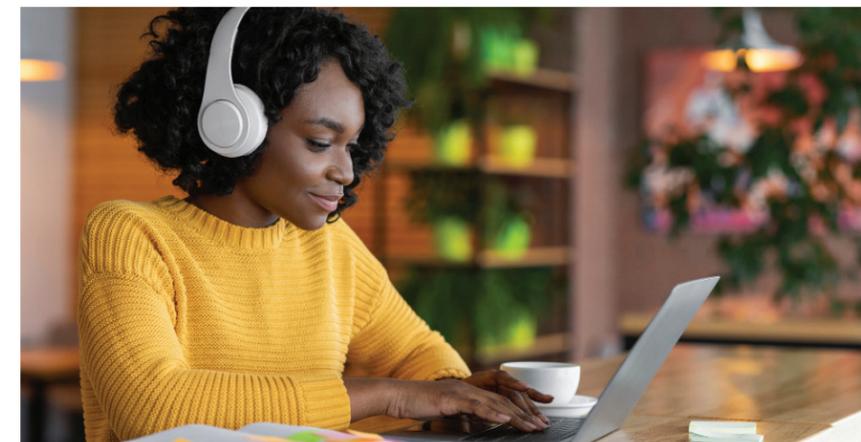
NDC is now making its legacy training (see sidebar) more broadly accessible, to more diverse participants, removing or reducing the obstacles of time and money for smaller non-profits and public agencies. Recognizing the wide range of backgrounds, ages and learning styles among community development professionals, the difficulty and expense of week-long courses that can require travel, the limited financial resources of smaller non-profit and community-based organizations and, for now, the COVID challenge to travel and in-person gatherings, we have launched on-line options that will ultimately offer the full sequence of courses and certification for participants.

Two models – fully on-line, or a combination of on-line prep and classroom problem solving – will be offered. Currently available is a fully-online ED 101, the first course in our business credit analysis curriculum. The second offering, will be part online, part classroom ED 201, Business Credit Analysis will be available.

NDC training has always received generous support from philanthropies and financial institutions that recognize the critical importance of financial skills in helping communities meet their needs for affordable housing, small business growth and social infrastructure.

When NDC began its work more than 50 years ago, there was no recognizable profession of community development finance. As our founding NDC'ers moved across the country in those early years to help localities create and implement community development strategies, they found that the skills and capabilities needed to lend and invest capital in projects were lacking in the otherwise capable and dedicated people they worked with. The small NDC staff could not fulfill that role in the scores of localities they served, so the pragmatism that has characterized our work over those decades made the solution obvious: train the professionals they found, in the art and science of development finance, thus creating with little fanfare a new profession in the public and non-profit sector of community development.

Since that time, NDC has trained thousands of professionals in economic development, creating a workforce that is able to advance progress in small business development, job creation, affordable housing and social infrastructure. The original model was weeklong courses, with rigorous classroom interactive instruction, a final exam and a progressive sequence of courses in each subject culminating in certification. Some universities asked us to bring our courses to their campuses, for college credit. Later additions include shorter webinars on specific development financing tools.



A New Constituency: NDC Training OMAHA Developers Academy

2021 was no exception for evolution and innovations in training (see sidebar). The year saw several, and one of the most momentous was a pivot to serve a whole new constituency: for the first time providing high quality, integrated real estate development training for minority and women developers. We had recognized that, as in many other aspects of economic life, opportunities in development are not equitably available to BIPOC or women. And we also recognized that those developers would be more likely to tackle unmet needs in their communities.

NDC created its new SEED (Supporting Empowered Emerging Developers) Academy, designed to build skills and capacity in all stages of the real estate development process, from creating a concept through site acquisition to financing, construction and completion. These are small, focused groups that attend a five-day intensive course, and subsequently become part of a network to share best practices and gain support to tackle larger and more complex projects that meet the needs of underserved and mixed-income communities. A team of participants recently responded to a development opportunity in Omaha and while they were not chosen for the project, the City has reached out to work with them on possible future opportunities.

Exploring NDC's Core Service

NDC provided technical assistance on Los Angeles County's Vermont Manchester mixed use project.



Technical Assistance (TA) is NDC's founding legacy service; TA has been our identity from the early 1970s onward and everything else we have done and are doing has grown out of that foundation. The original model – guiding and advising our client communities through complex development projects and financing challenges, identifying and deploying financing in new ways; helping local governments design and implement economic development programs -- was created in a policy environment of robust federal support for community and economic development. As that policy environment evolved, so did our offerings: small business lending; affordable housing investment and development; community development project financing through bonds

and tax credits; program implementation and administration.

But TA remains our core. What does TA 2022 look like? If we had asked that question in 2019, the answer would have been very different. Like just about everything else in American life, our work has been profoundly impacted by COVID-19. In almost every instance, it now entails COVID recovery, stabilization and growth programs, and new roles that help our client communities carry out exponentially expanded economic development responsibilities. But the old roles continue as well, albeit addressing 21st century challenges that include sustainability, neighborhood change and displacement, more robust community involvement, and larger, more complex projects.

The clearest way to answer the question of TA 2022 is to give a capsule view of two of our current engagements.

The first is with Los Angeles County, the largest county in the country, with more than ten million residents.

- Provide TA on the breakthrough LA County's Vermont Manchester \$250 million dollar mixed use project: 180 units of affordable housing; grocery and other retail stores; a school; a transit plaza and a Metro training facility. This includes the underwriting of the project's Section 108 Loan application as well as guidance on the overall financing structure & project management related to the NMTC allocation included in financing. In addition to HUD Section 108 and NMTC financing, the project also includes LIHTC, CDBG, CDBG-CV, TOD, HCD AHSC and IIG as well as local Measure A funds.
- Provide advice and guidance on economic development loan portfolio management (CDBG, EDA & Metro) including loan packaging & processing, underwriting & credit analysis and loan modifications.
- Provide staff training and capacity building via NDC Training courses as well as specialized trainings as necessary.
- 3rd party administration of the following CARES and ARPA relief programs including design, implementation, and processing:
 - Small Business Revitalization Grant Program I & II
 - Keep LA County Dining Grant Program
 - Emergency Loan Program
 - LA County Small Business Rent Relief Grant Program
- Provide consolidated plan, fair housing, and other related topics consulting services to develop the 2023-2027 Consolidated Plan and the Assessment of Fair Housing Plan for the County of Los Angeles.

The second is with Hamilton County, Ohio, which comprises the Cincinnati metropolitan area. There are 19 small cities and 17 villages in Hamilton County, which is responsible for much of the community and economic development for those constituent cities. While Cincinnati is in that county, it is responsible for its own economic and community development.

- Assist in training the new Community Development Administrator and staff members on regulations and compliance with Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) and cross-cutting federal requirements.
- Provide technical assistance on HUD programs and activities.
- Assist with the preparation of HUD Annual Action Plan and HUD Consolidated Annual Performance and Evaluation Report (CAPER).
- Attend and assist the County during HUD's monitoring visit(s) and assist with the preparation of County's response to any monitoring findings.
- Assist with the HOME-ARP Allocation Plan and subsequent substantial amendment to FY 2021 Annual Action Plan
- Assist the County with the HOME RFP process.





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