

# HOMES JOBS COMMUNITY

The NDC Difference:  
An Impact Look Book



 **NDC** 50  
YEARS



# The Measure of All Things

At NDC we have been collecting data to analyze the impact of our programs and services since the organization was founded more than fifty years ago. Today, this information is better known as metrics. And we believe tracking and understanding this data is an important component of making NDC an effective organization.

But the easier it gets to collect data, ever greater emphasis is placed on numbers and “data-driven” strategies. Indeed, this has become the most important tool for showing impact, and sometimes the *only* way effectiveness is judged.

We have also witnessed over the past fifty-years a movement away from holistic, locally-led approaches to economic and community development to a more top-down, sector-specific approach—a consequence, I believe, of the metrics phenomenon. How much affordable housing did you finance? How many small business loan applications did you approve? How many community redevelopment projects did you bring to fruition?

These are good questions, but the better one might be: Is the affordable housing development near social infrastructure and a small business district where entrepreneurs have access to capital?

It’s much harder to measure the synergies created by taking a holistic approach to economic development, or the multiplier effects that come from a single catalytic project. But sometimes there is tangible evidence of impact, if not a specific number.

Kings Theatre, in the Flatbush neighborhood of Brooklyn, is a case in point.

This major historic restoration project undertaken by New York City’s Economic Development Corporation – with significant advisory services and investment from NDC and its development partners – attracted enough foot traffic within a year of opening to have a noticeable effect on local retail, according to *Crain’s New York Business*. Local businesses around Kings Theatre increased hiring, and entrepreneurs opened new shops.

What’s more, there are now two new ground-up commercial developments, including a new hotel and the Flatbush Caton Market, another NYC EDC project that is currently under construction. When complete it will be a new 14-story development with 255 affordable apartments, 16,000sf for the Flatbush Caton Markets, an office for the Caribbean American Chamber of Commerce and 10,000sf of additional retail space.

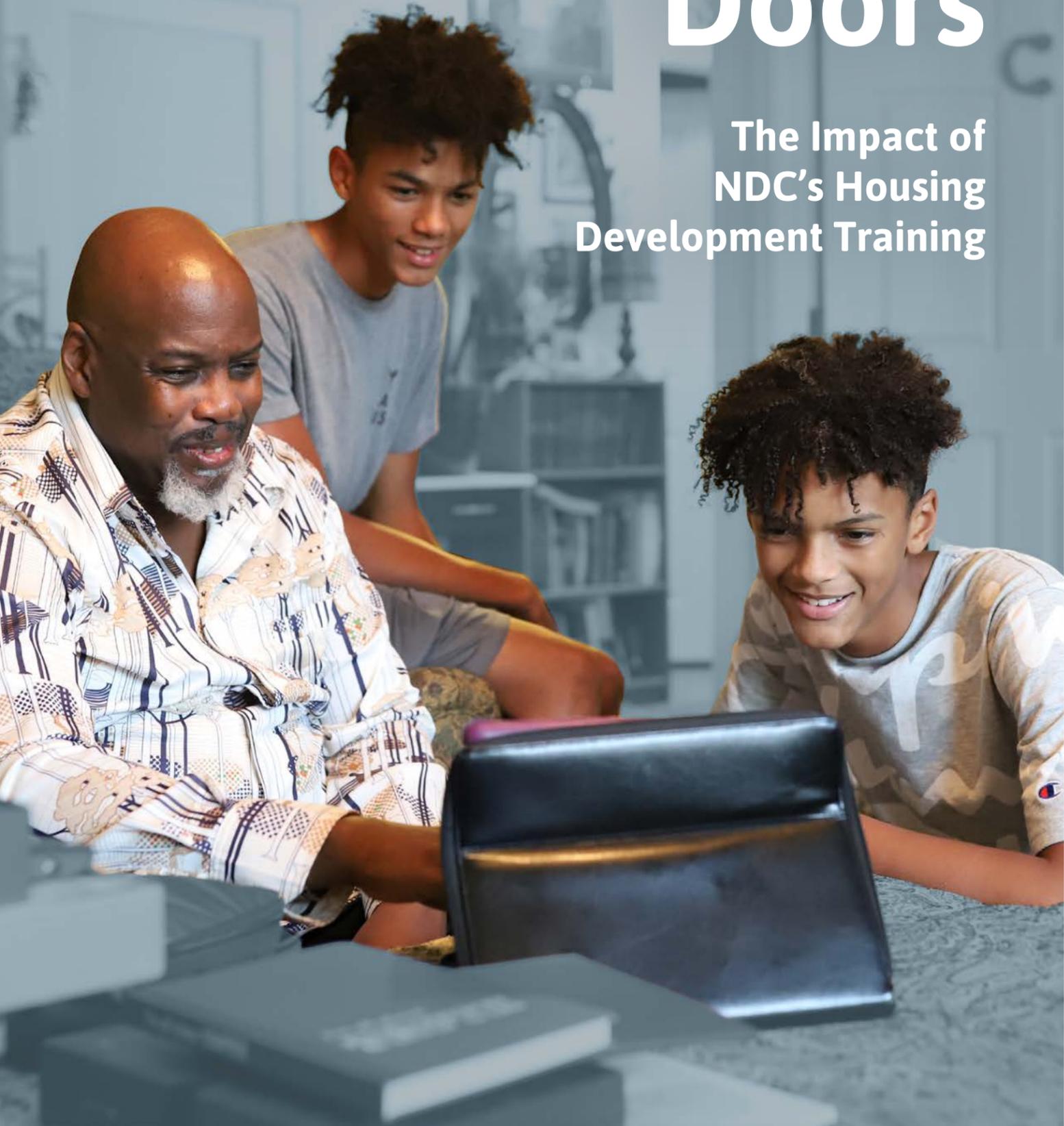
NDC has redeveloped less than a dozen historic theaters in its fifty-year history — a data point that wouldn’t seem to indicate a major impact. And yet the effect that Kings Theatre is having on the Flatbush community is real.

What follows are a few stories that focus on the humanity of NDC’s work—who are the people that are having an impact and who are the people these efforts are helping? There’s no comprehensive metric for these questions. The results are sometimes profound, nonetheless.

Daniel Marsh III

# Opening Doors

## The Impact of NDC's Housing Development Training



**M**ichael Clark was one of the first people to move into Sumner Gardens, a new affordable housing development in Gallatin, a small city about 30 minutes from Nashville, Tennessee.

"It was a miracle for me," says the 55-year-old single father of two teenage boys. He needed a fresh start after living with and taking care of his mother as she suffered with Alzheimer's disease. In the time period that Mr. Clark was caring for his mother, the median price of a home in Gallatin increased \$100,000 (from \$150,000 in 2011 to \$250,000 in 2018).

Mr. Clark then had his own health issues and spent time in the hospital. After recuperating he realized he needed to make a fresh start. As he was trying to figure things out, Mr. Clark happened to drive by a new apartment complex and, on a whim, stopped into the rental office to fill out an application.

"I didn't even know it was an affordable apartment, but I just applied because I liked it. I didn't think I would be able to afford it."

Much to his surprise, the Sumner Gardens property manager helped him fill out the application and qualify. What's more, the affordability of the apartment enabled him to continue pursuing a master's degree in theology while he works as a pastor officiating weddings. He's also able to raise his two sons, Micah (16) and Carmichael (14), in a family-friendly neighborhood.

The spacious two-bedroom, two-bath apartment came with an unexpected amenity that has become Mr. Clark's new hobby. "I was able to do some box gardening," he says. "You can sign up to get a spot and try it out. That was good for me—going outside and getting some sun. I love gardening."

"I'm a man a faith," Mr. Clark says. "While I was going through the application process, I knew a door was opening."

*Michael Clark and his two sons Micah and Carmichael secured an affordable apartment in Gallatin TN, a small city that has experienced a big increase in housing costs.*



***"I'm a man of faith," Mr. Clark says. "While I was going through the application process, I knew a door was opening."***

The door that Mr. Clark walked through opened up largely because of Michael Bates, the Executive Director of the Gallatin Housing Authority. Mr. Bates arrived in 2013, just as population growth in this small city of 37,000 people began pushing up housing costs, largely due to its proximity to Nashville, which has experienced even faster growth and rising housing costs.

Fortunately for Gallatin, Mr. Bates brought to the Housing Authority years of affordable housing experience. He started in Indiana as the director of



Michael Bates, Exec Dir of the Gallatin Housing Authority, completed NDC's Housing Development Finance Professional certification more than ten years ago and has been developing affordable housing ever since.

PADRION SCOTT PHOTOGRAPHY

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facilities for the Gary Housing Authority. While in that position he took NDC's Housing Development training courses, which he completed in 2005 to earn his Housing Development Finance Professional (HDFFP) certification.

"With that training, I was able to work very closely with the director of the HOPE VI program in Gary," says Mr. Bates, referring to HUD's mixed-income housing development program. "That training allowed me to understand tax credits, structure deals, and how competitive it can be to get those tax credits. Every affordable housing project has financial gaps, and I was able to utilize capital funds to close these gaps on two big projects."

In total, the projects Mr. Bates worked on cost almost \$40 million, of which he helped assemble \$2,152,103 in funding to complete 254 affordable housing units.

Mr. Bates left Gary to take a job in Baltimore as the Director of Engineering and Capital Improvements at the city's housing authority. There he worked with architects and contractors, utilizing his understanding of financing to ensure that capital projects would pencil out and contractors could execute the job.

"But it wasn't until I came to Gallatin that the NDC training really became useful," says Mr. Bates. "There is no development department, there is no HOPE VI director. I am the co-developer. It's a small housing authority; I have to take on all these different roles. The board specifically wanted me to dig into the tax credits and put together deals. They needed someone with knowledge. I told them if you hire me, you'll get what you pay for."

Mr. Bates started with the housing that already existed that was in need of major renovations. He secured \$3,223,500 over ten years to renovate 19 buildings that comprise the Ridgeview Apartment complex.

In a place like Gallatin that is experiencing an affordability squeeze, developing a new affordable

complex is even more impactful. To construct Sumner Gardens, Mr. Bates applied for and received a QAP (Qualified Application tax credit) for 100 family-size units worth \$1,019,995 over ten years for a development that cost \$15M total. He also applied for and recently received a grant from the HUD Housing Trust Fund, in the amount of \$500,000 to build 16 elderly one-bedroom apartments.

"My training from NDC made me particularly qualified as a developer. That's what you need to show to compete for tax credits and win grant money," says Mr. Bates. "I now encourage my own staff to get training from NDC, because you have to deal with private investors, lawyers, consultants. That

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And the city of Gallatin needs all the secret weapons it can get when it comes to affordable housing.

"Average home sales now are close to \$350,000, up almost \$100,000 over last year," says Gallatin Mayor Paige Brown. "That is a shocking shift in our community. People at all levels of work are having a hard time with housing. Our supply hasn't been able to keep up."

As for Mr. Bates, Mayor Brown is deeply appreciative of what he brings to the table. "He leads with a lot of passion and not just about putting people in homes but putting them on a better path. He does it in a way that makes people feel appreciated and valued. He legitimately cares about helping people find success in their lives." ■

# Building the Future

## Small Loans, Big Impact



**W**hat does it take to grow a small business from one man and a truck to a \$30M company that employs more than a 150 people? There is, of course, more than one answer to that question: a lot of grit, entrepreneurial instincts, plus a bit of luck. But that is not all. Growing a business also requires access to capital.

And that piece of the puzzle is often missing for a lot of small business owners with non-traditional backgrounds.

Juan Rodriguez certainly has grit: he came to Los Angeles from Mexico, crossing the border without documentation twice. The third time he came with a passport and got a job working construction, which he did for twenty years as a unionized employee.

“Like everybody else, I came here to have a better life,” says Mr. Rodriguez.

Mr. Rodriguez also has entrepreneurial instincts: while working in the construction industry he saw how difficult it could be to hire reliable construction waste haulers. So he got a truck and ten containers to cart waste for small residential redevelopment companies, working at night while he kept his construction job. With the help of his wife and his four children, all of whom are employed by the company, they grew the business to the point of hauling 200 containers of waste a month.

And then he got another idea. Most of the waste they were carting came from landscape materials: perhaps it could be recycled and sold as mulch? After getting a mulcher and locating a small storage space in Inglewood (near the LA airport), they were soon operating at full capacity. They needed a loan in order to expand.

Working with the city of Inglewood, the family was put in touch with NDC’s Grow American Fund,

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*Alex Rodriguez, COO, with his father Juan Rodriguez, CEO, who started the family-owned business while working full-time as a construction worker. The \$30M company now employs more than 150 people, including all five children.*



which works with municipalities across the country to expand small businesses and create jobs. NDC’s GAF loan allowed the company to not only expand their green waste recycling business but also start a landscape supply store to sell the mulch and other equipment. Recycling the waste not only saved on disposal costs, but the business began accepting waste from other haulers for a small fee, which they process and sell.

And that’s where the luck comes in. “We have been blessed with good deals, and the lending has been important,” says Alex Rodriguez, the eldest son who is now the COO and a co-owner of the company.

As the businesses continued to grow, the family spotted more opportunities. For example, after the 2008 economic downturn took its toll, they purchased a small construction supply chain that was going out of business but kept as many employees as possible.

“When the old company went out of business, I was the sales manager,” says Noe Reynaga, who is now the general manager of all the Rodriguez family businesses. “There wasn’t an opportunity to grow like I’ve been able to do over the last ten years. Now I manage a multimillion-dollar company.”

The most recent expansion came about when the family needed to consolidate all the storage and mulching operations, which were scattered about on leased sites. In this unlikely LA story, the company bought a ranch formerly owned by Cecil B. DeMille,

the founder of the American film industry. The ranch provides ample space for storage and recycling but also happened to come with a horse training and boarding facility, which Mr. Rodriguez has become very passionate about. While he is still the CEO, most days he can be found working with the horses.

“You run the business with your head, not your heart,” says Mr. Rodriguez. “But you can’t just work and work, there has to be a reason for working.” ■



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*With the help of his wife Maricela, CFO, Juan Rodriguez grew the construction waste-hauling company into a green waste recycling and landscape supply company.*

# A Rich History

NDC's Field Staff  
Tackle Complex  
Challenges



Scotland was founded in the late 1880s by recently emancipated families who bought land and formed an agricultural community. Left: housing built in the 1960s, and recently rebuilt (above).

**O**n a beautiful fall day in September 2019, a historic affordable housing community celebrated the completion of a years-long effort to rehabilitate the housing stock and maintain affordability without displacing any residents. In one of the most expensive counties in the US, this achievement is significant, but the unique history of the Scotland Community in Potomac, Maryland is especially noteworthy.

In 1880 William Dove, part of a formerly enslaved family living in the area, paid \$210 for 36.2 acres. This land became the foundation of a growing community comprised of emancipated African Americans. By the late 1890s fifty families lived on more than 130 acres of purchased land where they built housing, a church and school, and worked as laborers on nearby farms.

Families endured in this tight-knit enclave even as the area began to suburbanize in the Post-



The historic Scotland AME Zion Church, built in 1905, still stands.

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WWII era. As the agricultural sector declined and Montgomery County developed around Scotland, the community still did not have basic roads and utilities as late as the 1960s. And raising capital for upkeep was extremely challenging in the pre-Civil Rights era. Some families had begun to sell their land as demolition became a real threat.

After years of organizing and building allies in the civil rights community, Scotland narrowly escaped demolition when Montgomery County agreed to improvements, including installing basic utilities and rebuilding the housing. The Scotland Commu-

nity Development Corporation was formed, comprised of volunteers and residents, and ground was broken in 1968 for 25 owner-occupied homes and 75 rental units owned by the Corporation.

Eventually a recreation center was built (and rebuilt in 2014) that became the center of the community. Kids played together at the rec center and families watched out for each other, even as some long-time families moved on and newcomers in search of the American dream moved in from places like Egypt and Bangladesh.

By the turn of the 21st century, however, the rental housing was again in need of significant renovation. The low-cost construction from the late 1960s was not holding up, and raising capital for improvements remained a challenge. Several recent attempts to rehabilitate the housing ended in frustration—that is, until the National Development Council began working with the residents and volunteer Board.

NDC collaborated with the community to solve a conundrum: how to upgrade the housing and maintain affordability while keeping this unique community intact. Problem-solving under these circumstances required both financial and community-building expertise. With the guidance of NDC, the Board chose Enterprise Community Partners to renovate the rental housing.

Years of hard work is paying off as a mix of new and long-time residents – including descendants of the original families who settled this land – are carrying forward the history of this community while benefitting from the resources and amenities that Potomac, MD has to offer: good education, jobs with upward mobility, beautiful parks, clean air and water, and a great quality of life.

“Working with the Scotland residents and the Board to preserve this community for future generations is one of the most important projects I’ve worked on at NDC—and certainly the most unique,” says Kwaku (KC) George, who leads NDC’s Atlanta office and works throughout the Southeast. “The history here is extraordinary and its very survival is a testament to the strength of the residents who call this home.”

**Several recent attempts to rehabilitate the housing ended in frustration—that is, until the National Development Council began working with the residents and volunteer Board.**



The Scotland Neighborhood Recreation Center, rebuilt in 2014, is the heart of the community. Box gardening outside the Rec Center with Everybody Grows, a local nonprofit.



Iris Crawford (third from right) at a teen fashion show at the Scotland AME Zion Church, July 1968. She can trace her lineage back to the founding Dove family, which purchased the first tract of land that would become the Scotland Community. Born in Scotland, she raised her two kids here and now has a newly renovated home.

**“Growing up in Scotland was the best,” says Iris Crawford. “It is family-oriented, all the parents are involved.”**



Asmaa Seifeldin’s parents came to America in 1996 from Egypt and found their way to the Scotland Community. She now has her own unit with her husband, is raising her kids in the community, and works part-time at the rec center.

**“I love living here. My kids know people I grew up with. Everyone here has close relationships. The community center is always open if someone needs to be picked up at the bus stop.”**



Sifullah and Shazia Kahled and their two kids recently moved to Scotland after the renovations were completed. The couple is from Bangladesh.

**“It’s a tremendous idea here,” says Sifullah. “I know a little bit of the history. It’s precious. Everyone respects each other, we share food with our neighbors, the kids play together. The local school is very good. It’s a blessing for us.”**



Scotland Board members (L to R) Diana Tillery, Kay Freeman (who is also a Scotland resident) and Donna Boxer.

**“NDC was critical to this project moving forward,” says Donna Boxer, a volunteer Board member who handles financial matters. “This was not an easy project and there were a lot of complicating factors. But the results are wonderful and this community will endure for generations to come.”**

# Scotland Stories



**IMPACT AT A GLANCE**

**\$855M+**  
Affordable  
Housing  
Investment

**\$754M+**  
New Markets  
Tax Credit  
Allocation

**\$2.1B+**  
Social  
Infrastructure

**\$252M+**  
Small  
Business  
Loans

**75K+**  
Practitioners  
Trained

**100+**  
Client  
Communities



**OUR WORK**

NDC acts as partner, teacher, investor, developer and lender, bringing together advisory services and capital for community and economic investment. We work with local and state governments and community-based organizations to help them create and implement their own unique development strategies.

Since 1969 our training, products and services have evolved to reflect the changing policy environment and meet emerging needs. Today we are the most experienced and comprehensive economic and community development nonprofit in the U.S., working in every one of the 50 states and Puerto Rico.



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