



A Market-Based Approach To:

Revitalization of Minority Low-Moderate Income Communities

Phase III

Development of For Profit Corporation
(Wholly Owned by Non Profit)



Florida Minority Community Reinvestment Coalition
Urban Redevelopment Solutions, Inc. (A FMCRC Company)

Assets & Hope: Final Stage -Community Economic Development Corporation (CEDC)-

Phase 1: (completed)

- Introduction of Self-Sufficiency (TELACU) model (CEDC) in Florida to non profits
- Identify key consultants
- Identify key Low-Moderate Income Communities and non profit partners
- Needs Assessments



Phase 2: (completed)

- Development of CEDC Legal, Corporate and Accounting Infrastructures for Non Profit arm
- Legal structures for Non Profit ownership of For Profit corporation
- Promotion of CEDC model via website (www.assetsandhope.org)
- Approval of new CEDC classification model by IRS
- CEDC Community Tour

Phase 3: FINAL STAGE (2012-2013)

- Development of For Profit Corporation (owned by Non Profit) Legal, Accounting ,Corporate , Organizational Structures and Profit Distribution Strategies
- Identify and establish Key Businesses Sector Targets
- For Profit Corporation Business Plan to include diversification and expansion of income streams
- Develop and Expand REO
- Development
- Integration of Non Profit and For Profit Corporations
- Development of integrated accounting and income flow structures
- Expansion of Assets & Hope website to include document tool box
- National Tour To Educate Non Profits on CEDC Model

WHAT DOES CURRENT COMMUNITY DEVELOPMENT CORPORATION MODEL LOOK LIKE VERSUS COMMUNITY ECONOMIC DEVELOPMENT CORPORATION?



OR



CEDC

The Master Community Economic Development Engine

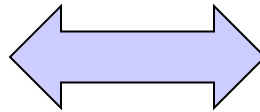
-For Targeted Minority Low-Moderate Income Community

- Utilization of Market Based Community Economic Development Model to create jobs in target community
- Utilization of For Profit Corporation (wholly owned by non profit) to target Income (Profit) Production
- Primary Function: Integration of **Inner City Assets** (consumption, labor, small business etc...) into Local and Regional Economy
- Utilization of For Profit Model Community Economic Development Corporation (CEDC) (Non-Profit/For-Profit Arms) As Community Economic Development of Target Minority Community
- CEDC serves as “**Master**” community development mechanism for targeted minority community (**Service Area**)
- Primary economic development measurements for CEDC: poverty and unemployment rates (**Jobs, Jobs, Jobs**)
- Primary community economic development focus:
small business development-workforce development-community economic development projects (housing, light industrial, commercial etc...)

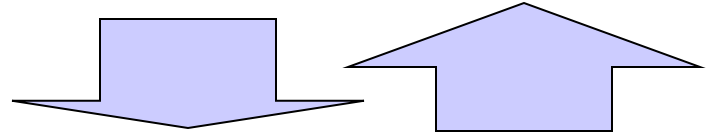
For Profit Structure:

Goal: Produce Income For Non Profit Target Programs

Non Profit or 501c3
&
For Profit Corporation
wholly owned by nonprofit
Separate Board of Directors

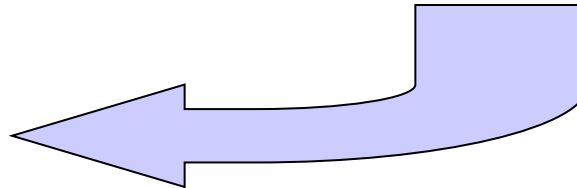


For Profit Corporation
Production of Income Streams



PROFITS:
80% Returned Back To Business Program
20% Income Back To Non Profit Programs

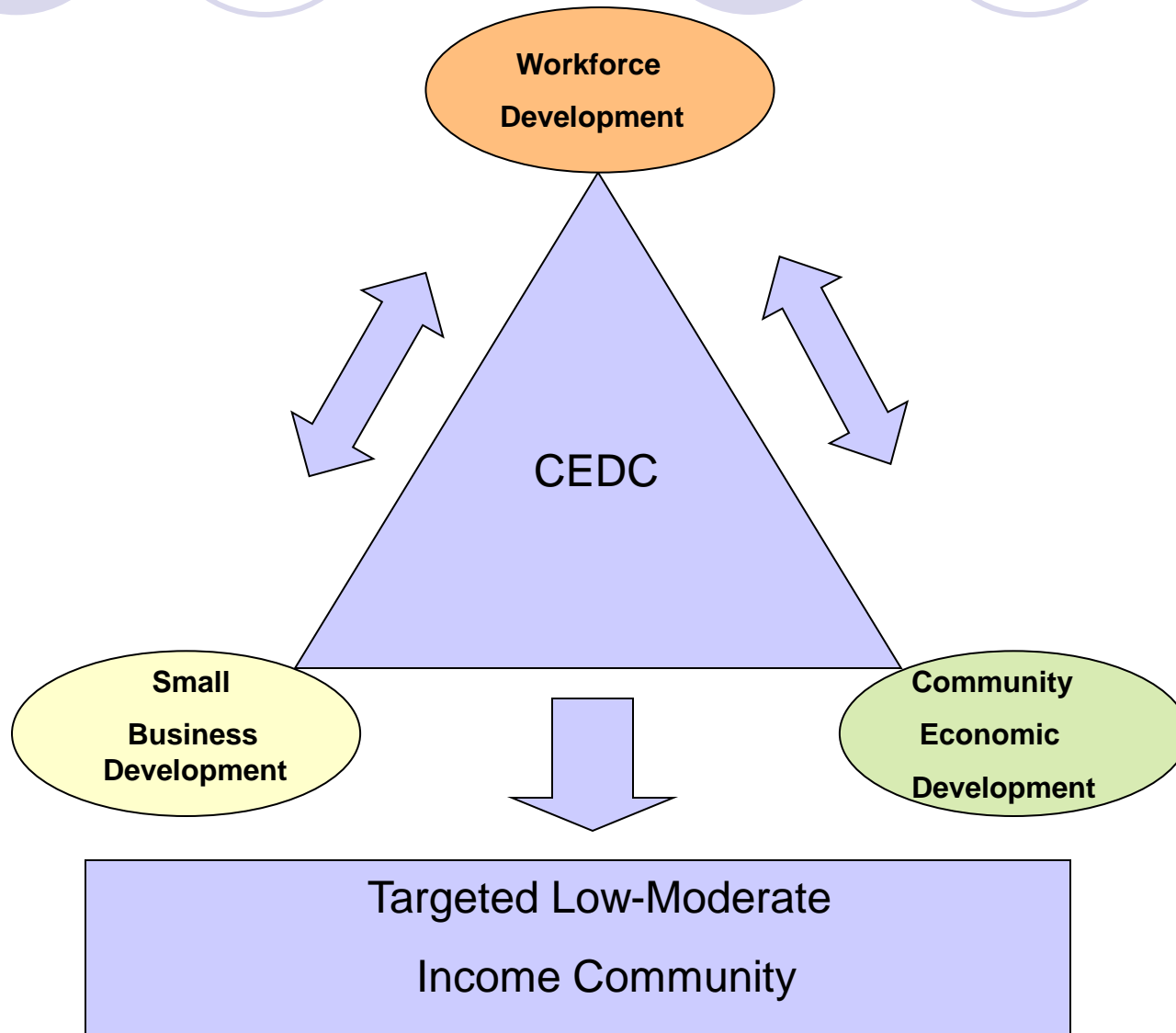
Income To Non Profit Programs



Non Profit Target Programs:
Programs and or Services Targeting Non Profit Service Area

Market Based

Community Economic Development Corporation (CEDC)
“Integration of Inner City Assets into Regional Economy”



Master Community Economic Development Corporation



CEDC self-sufficiency Principals:

Resources / Strategies

- Double Bottom Line (Jobs-Profit)
 - For-profit Business Ventures
 - Fee based services
- Leverage Resources-Funds (Joint Ventures)

Assess Internal Capacity & Structure

- Strong Internal Controls
 - Capacity for growth
- Seed funding (increase discretionary funds)
 - Political Will (Board of Directors)
- Entrepreneurial Spirit – Business mindset

FMCRC and Urban Redevelopment Solutions

**Best Affordable Housing Project:
A good Paying Job**

Focus of CEDC:

Community Revitalization

Job Creation

Poverty-Unemployment

A New Minority Community Economic Development Model

**To Create A Paradigm Shift
For Community Economic Development Of Low And Moderate Income
Communities**

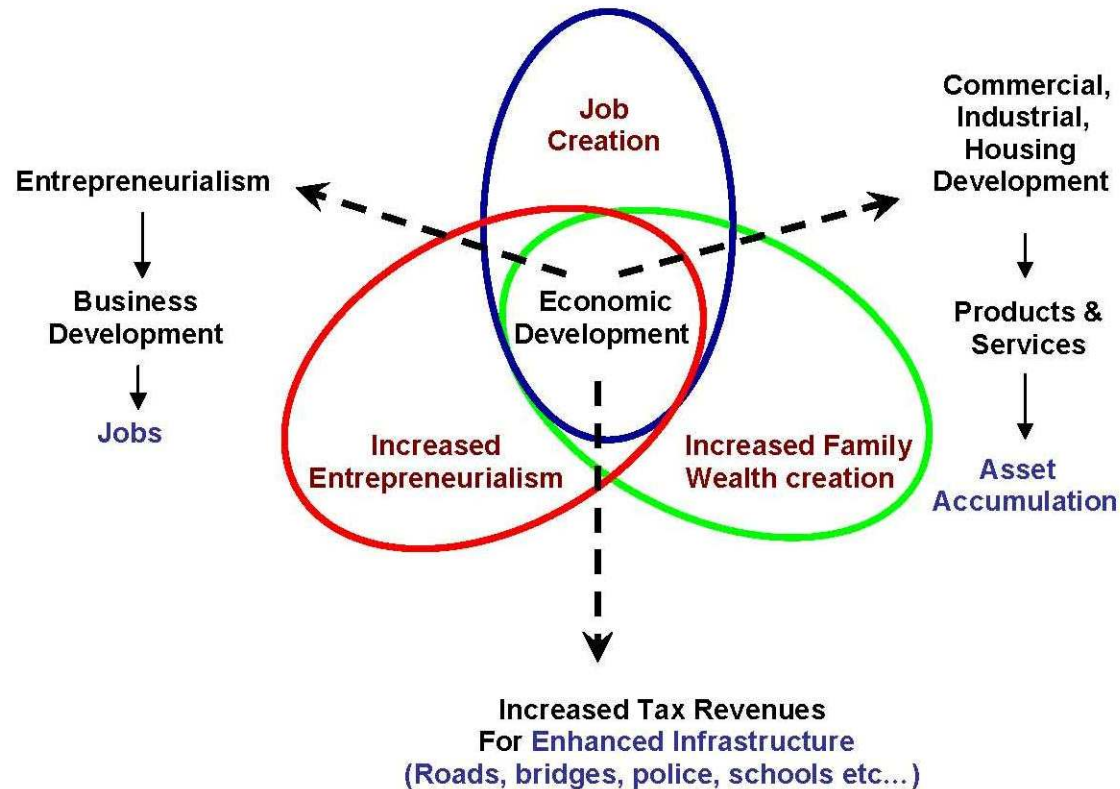
**For Profit Based Non Profit
Community Economic Development Corporations**

CEDC Mission and Vision Statement

All residents and small businesses of low and moderate income communities should have the opportunity to experience financial stability, achieve financial independence and contribute to civic participation in their local and regional economy. Toward this end, the (CEDC) Community Economic Development Corporation will create jobs, conduct research, engage residents and make recommendations for policy and community revitalization practice that ensure residents and small businesses have opportunities to develop the assets necessary for sustainable economic security and improved quality of life and the capacity to end the intergenerational cycles of poverty. The CEDC is the primary community development engine for target LMI communities.

Tax Revenue: Build Inner City Infrastructure

BENEFITS FOR TARGETED LOW-MODERATE INCOME COMMUNITIES

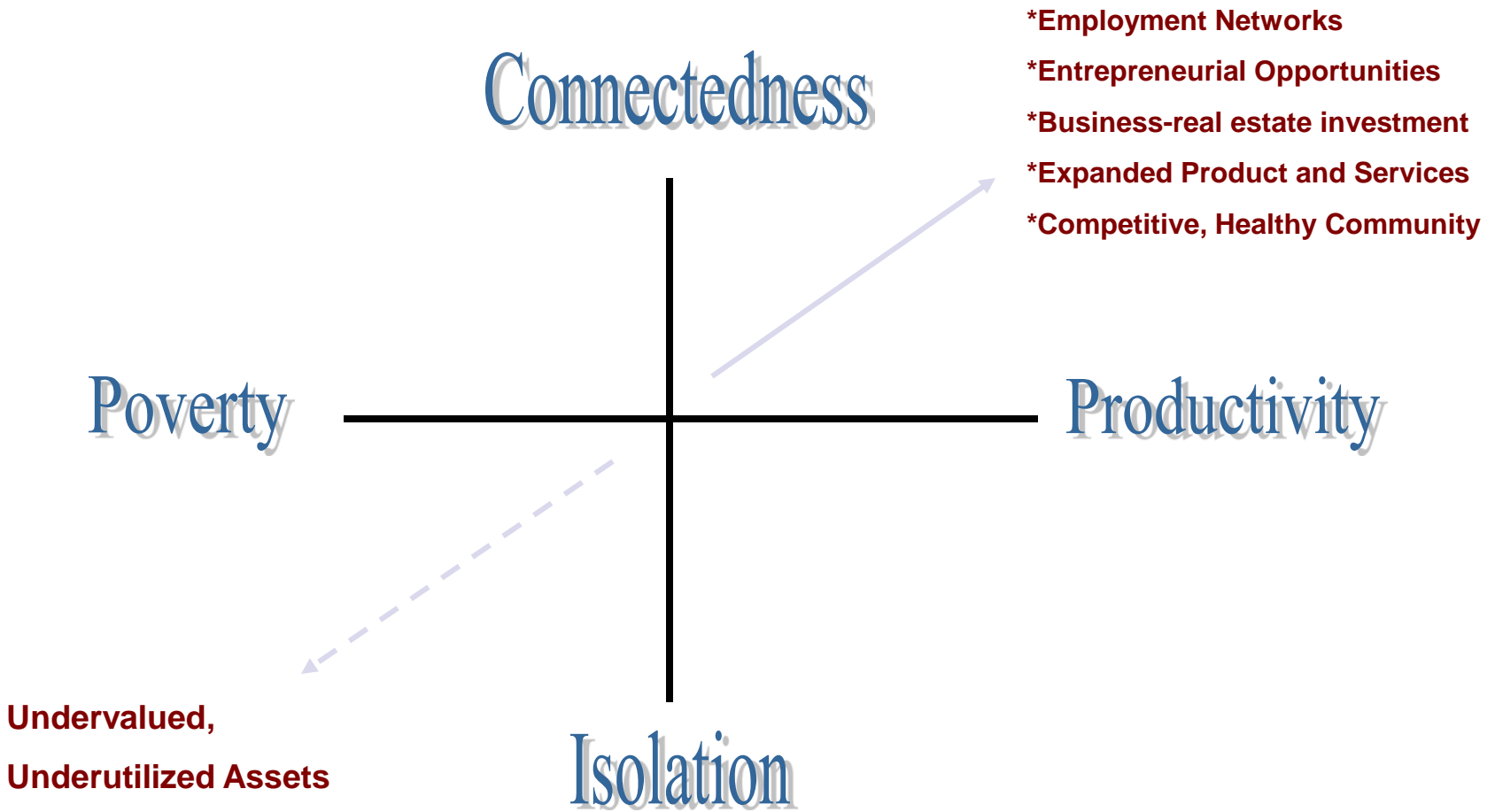


Key Critical Component:

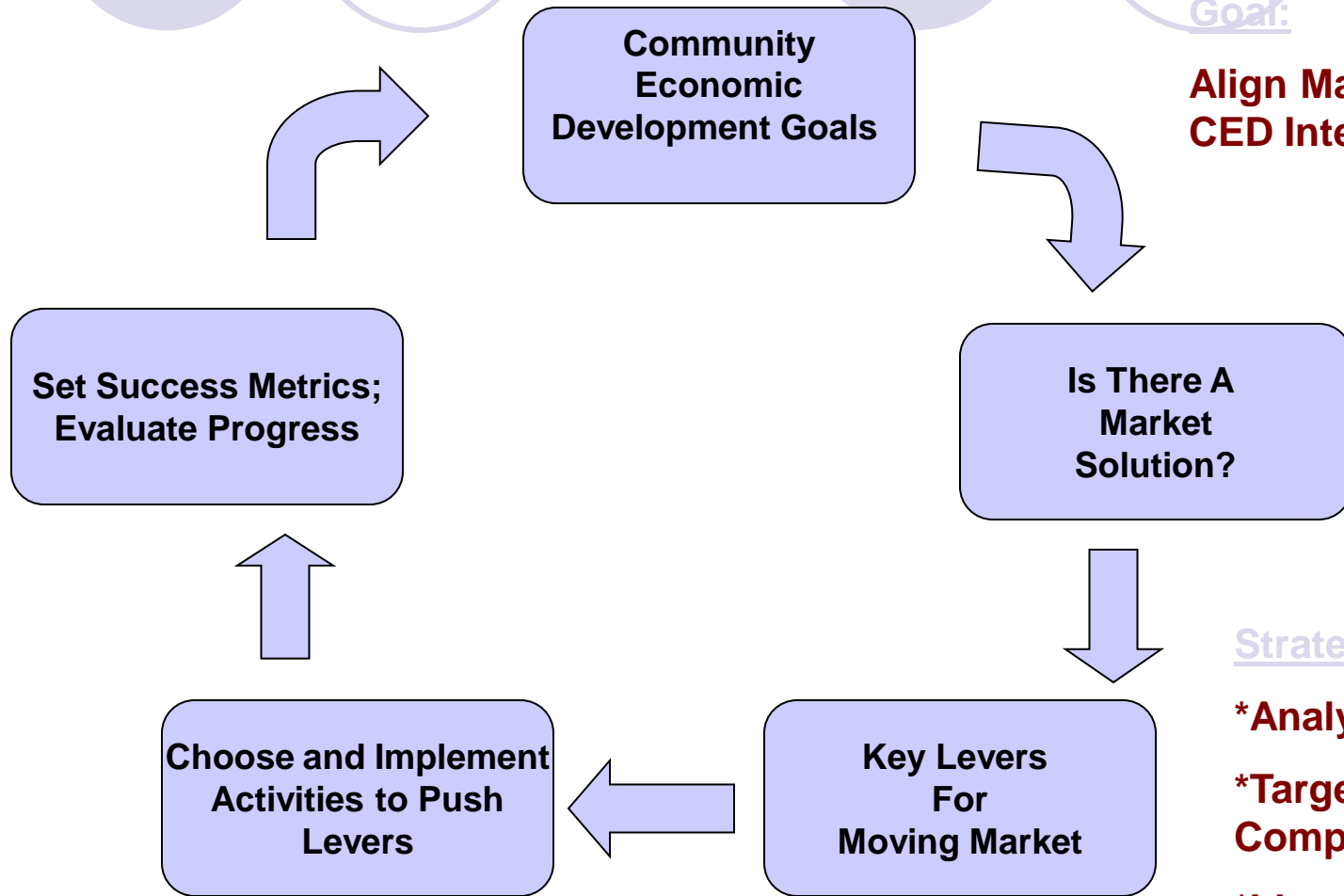


- Self Sufficient community economic development corporation (CEDC) is critical to long term sustainability and revitalization of target community
- The development of self sufficient minority community development corporation utilizing a proven For Profit model that can serve as a model for low and moderate communities

Market Failure in LMI Communities



CEDC Market Based Planning Model



Goal:

**Align Market and
CED Interests**

Strategy:

- *Analyze Market**
- *Target Market Component**
- *Identify Change Levers**

Products and Activities:

**Choose operating
activities to move levers**

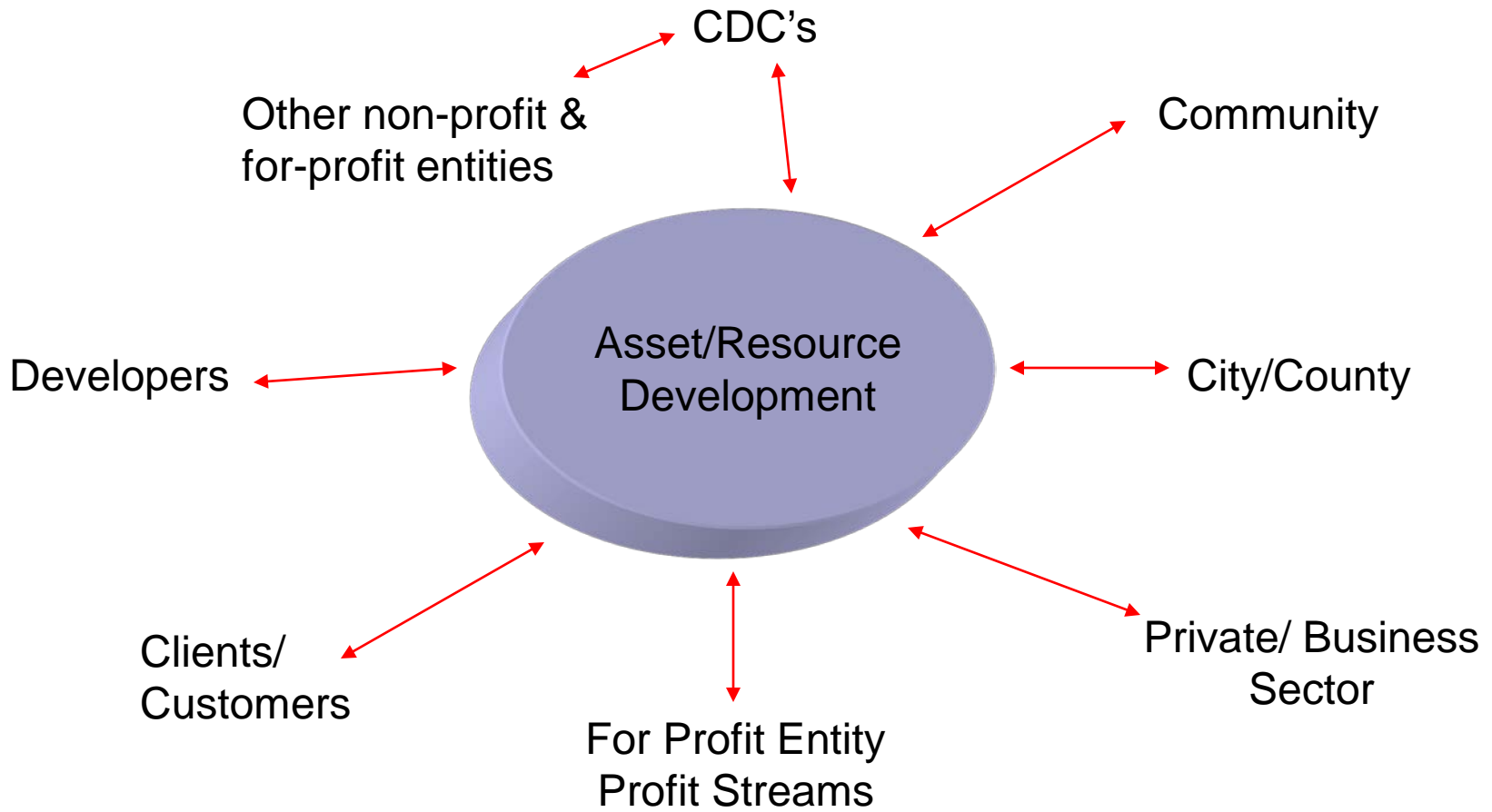
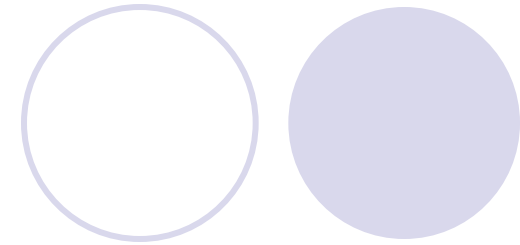
CEDC Market Based Community Economic Development Components

**Residential
Development**

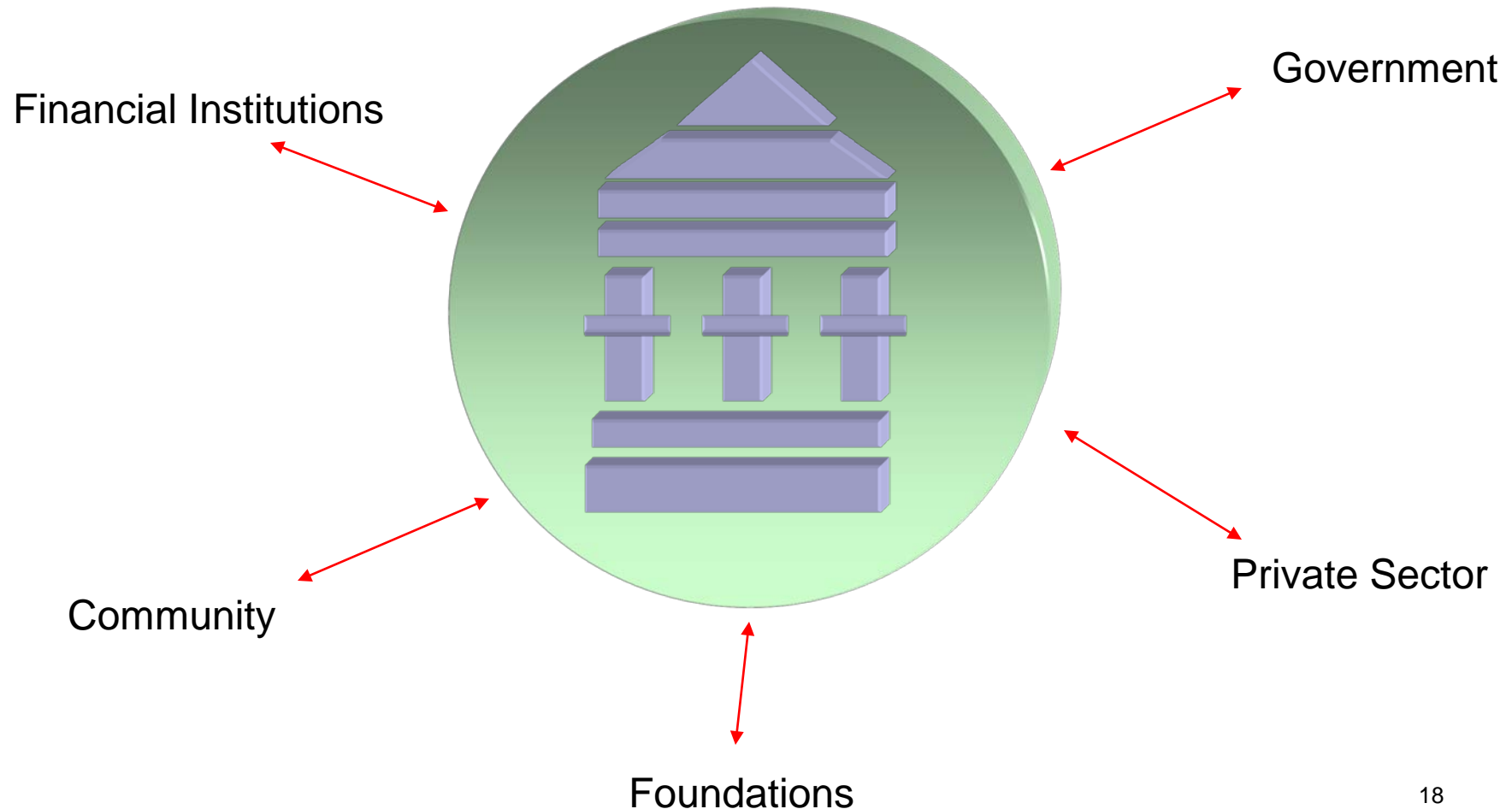
**Commercial
And
Institutional
Development**

**Industrial
Light Industrial
Development**

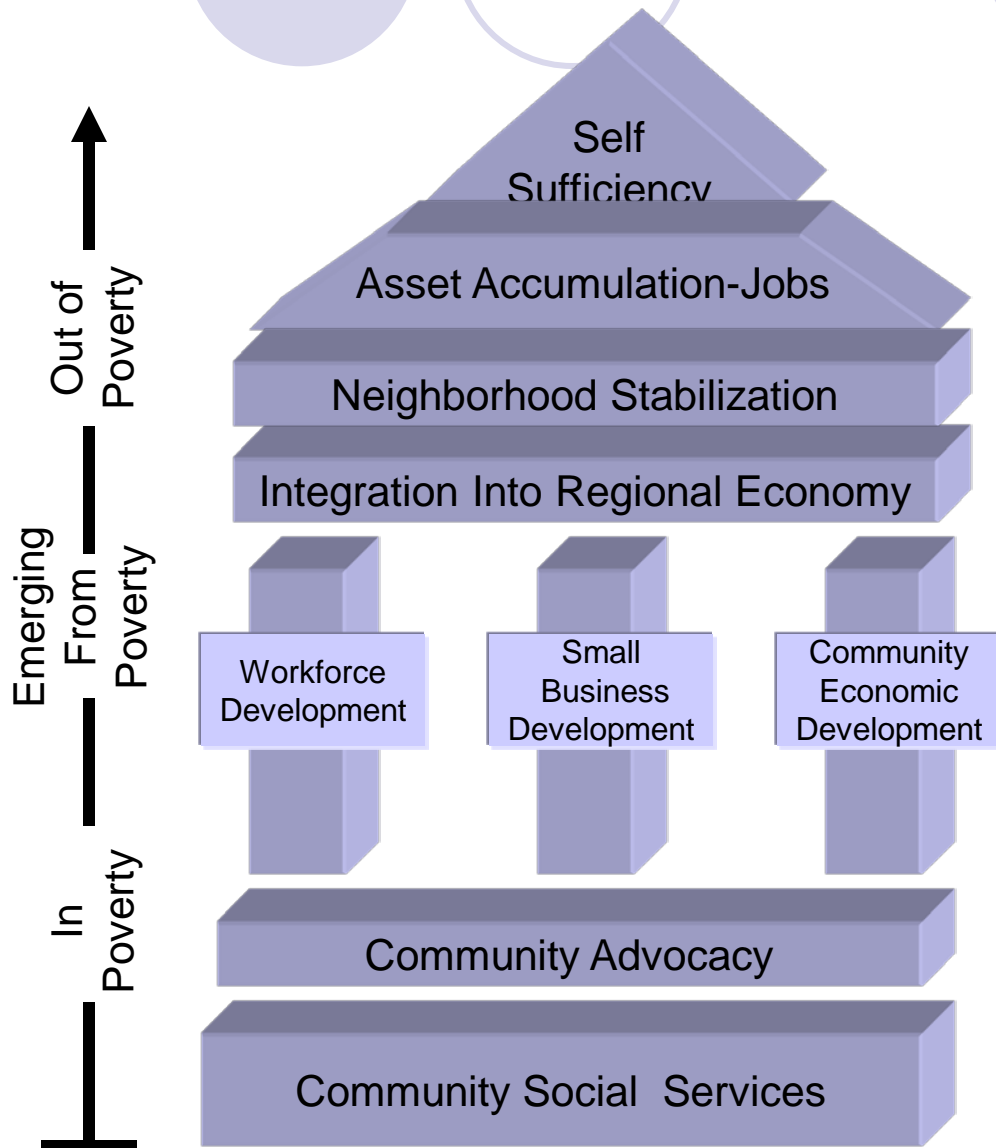
ASSET AND RESOURCE DEVELOPMENT- “Leverage”



Success will depend on building our model via Partnerships



THE CEDC MODEL....



Self- Sufficiency
OF
Nonprofit

IS
Primary
Goal