



**FOR RELEASE**

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## **N.C. Community Development Initiative receives \$10 million investment from State Farm Insurance**

**KANNAPOLIS** — The N.C. Community Development Initiative received a historic \$10 million investment today from State Farm Insurance Company, an influx of money that will boost the group’s already-growing capacity to fund affordable-housing developments and other programs for low-income residents throughout North Carolina.

While all the details were not made public, the term of the investment is 10 years.

“We cannot call it a gift, because we’ll pay it back,” said Abdul Rasheed, chief executive of the Initiative. “But to say the rate is reasonable is an enormous understatement. This is very, very generous of State Farm. It’s a great day for the Initiative and low-income communities across North Carolina.”

The site of today’s announcement — the Happy Hollow affordable-housing neighborhood in Kannapolis — was chosen with purpose. The city-funded redevelopment project is being managed by Prosperity Unlimited, a Kannapolis community development corporation and Initiative grantee working to ensure that affordable housing is available for the opening of the community’s much-anticipated \$1.5 billion biotech campus. While the community anticipates a general windfall from the campus, leaders at the Initiative and Prosperity Unlimited ([www.prosperitycdc.org](http://www.prosperitycdc.org)) want to ensure that average citizens are not excluded from new, higher-paying jobs or shoved aside by higher housing prices. Rasheed said the Happy Hollow program, which includes about two-dozen single-family homes, is a prime example of the work the Initiative will continue supporting with State Farm’s investment.

That philosophy played a role in the decision by State Farm to support the Raleigh-based Initiative, said Duane Farrington, senior vice president of State Farm.

“State Farm understands the importance of strong community: It is part of our brand,” Farrington said. “Supporting the Initiative and its grantee organizations, such as Prosperity Unlimited, gives us an opportunity to be good neighbors to the communities

we serve."

Today's investment is not the first time State Farm has supported the Initiative. The State Farm Bank presented the Initiative with a \$100,000 gift in 2006.

The N.C. Community Development Initiative ([www.ncinitiative.org](http://www.ncinitiative.org)) is a statewide public-private partnership that provides leadership and capital investment to high performance community development corporations — as well as other community based economic development endeavors — to improve the quality of life for people in low resource communities all over North Carolina. Nationally recognized for its work, the Initiative and its grantees are involved in worthwhile projects and programs literally from the state's mountains to the coast. What sets it apart from other such groups, in part, is its insistence on fiscal accountability from its grantees. The Initiative also encourages its grantees to pursue plans for fiscal self-reliance within a reasonable amount of time of receiving funding. This year, the Initiative has provided roughly \$3 million in loans and grants. The group expects that figure to climb to about \$ 5 million next year, Rasheed said.

Rasheed thanked the North Carolina General Assembly for providing ongoing funding that allows the Initiative to leverage such investments. He also stressed that today's announcement couldn't have come at a better time.

"We are at a critical juncture in North Carolina," he said. "While many people are prospering, so many others are not. Residents in communities throughout our state need help. This generous investment will enable us to extend our own investment in low-resource neighborhoods across North Carolina. That's what this all about."

While Rasheed noted that State Farm has a particular interest in affordable housing, there are no strings attached to the investment. Other potential uses for the money include commercial real estate and social enterprise projects. Rasheed emphasized that a top priority for NCCDI in the coming years will be pursuing housing initiatives that include a strong environmental component.

"That's the future, combining affordable housing with environmental protection, even in urban settings," he said. "We must do a better job of taking care of our environment."

Examples of the Initiative's work can be seen in communities throughout North Carolina:

- In a section of Asheville plagued by substandard housing and crime, Initiative grantee Mountain Housing Opportunities is putting families back in a secure housing environment. Before 1997, not a single new home had been built in the Clingman Avenue neighborhood in the past half-century. Since Mountain Housing began its work, more than 50 new homes have been constructed.
- Under the direction of Initiative grantee Brick Capital Inc., the old Wicker School property re-opened last fall amid great celebration in Sanford. The school, set on a

12-acre property, was constructed in the 1920s as a school for Sanford's black community, but it had fallen into disrepair. After much hard work and an influx of capital from the Initiative, the building is now home to a small business center with conference-room facilities; a dental center that provides training for students from Central Carolina Community College and care for area children; a tutorial center for local families; a quality childcare facility; and a computer center open to all Lee County residents and local college students.

- In Fayetteville, Initiative grantee Kingdom Community Development Corp. is going into the motel and food-service business. The project calls for the development of a joint Motel 6 and IHOP Restaurant on a site off N.C. 87 near Spring Lake. The goal is sustainability — the ability to raise revenues to support Kingdom's ongoing operations and goals, such as affordable housing, community development initiatives and other ventures intended to revitalize the Fayetteville/Spring Lake communities.
- In Durham, Initiative grantee UDI Community Development Corp. is building sustainability a different way. UDI has formed Carolina Steel Construction LLC, a manufacturer of steel studs and steel framing. The company sells these products to developers of commercial and residential real estate, with a heavy emphasis on those who develop affordable residential housing. Carolina Steel will manufacture and assemble galvanized steel studs, framed wall panels and roof trusses. The company will ship the products directly to job sites for new home construction. Revenues will go back to UDI for use in its broader mission of community development.