



Connection

The Newsletter of Community Affordable Housing Equity Corp.

Opening New Doors®

www.cahec.com

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“Never Give Up”

Adult Scholarships Help Residents Achieve Success

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Community Affordable Housing Equity Corp. (CAHEC) was created in 1992. Our mission is “to raise and invest equity capital in low-income housing tax credit projects, to empower residents living in developments CAHEC helps finance, and to promote home ownership.”

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Please let us hear from you. E-mail ndietz@cahec.com with your comments and suggestions.

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How do we account for the appeal of success stories? Do they cater to a human fascination with the “before and after”? Do they make us feel warm and fuzzy? Or do success stories inspire us—remind us that life’s stumbling blocks can serve as challenges, not excuses for defeat?

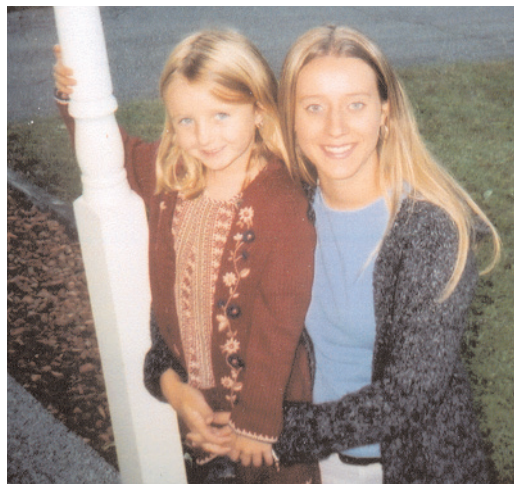
Here are the stories of two resourceful and resolute women who set their sights on a goal and prevailed. Both are residents of Oak Grove Village, an NCEF III property located in the mountain town of Jefferson, NC. Both are single mothers. And both used CAHEC’s Adult Scholarship to chart a new course for their futures.

Wendy Witherspoon

In June 2003 Wendy Witherspoon graduated summa cum laude from Appalachian State University. An accounting major, she had carefully chosen a field that she enjoyed and that would provide

many employment opportunities. But before entering the job market, Wendy saw a way to open the doors to opportunity even wider—by adding the letters “CPA” after her name.

Income wasn’t the only reason for pursuing this additional objective. Certainly Wendy



Wendy Witherspoon and Maggie, a terrific mother-daughter team, work together to achieve success.

wanted to support her daughter, Maggie, and ensure that she would always have a safe and comfortable home. Still, Wendy envi-

sioned a career that offered something more—the possibility of running a private accounting practice one day that would allow her to be at home with her children.

So, two months after graduation Wendy was back in class gearing up for the certification exam. CAHEC’s Adult Scholarship provided tuition assistance for courses considered essential for passing. After a concentrated

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George Quick: Veteran Volunteer

George Quick believes that everybody needs to have access to opportunities, and he has spent much of his life making opportunities available. For the past two decades, George has been a tireless advocate for affordable housing, health care, and community development. As a member of CAHEC’s Board of Directors, he has combined his fiscal expertise in guiding the company with a deep commitment to serving people in need.

Today George is the Director of Finance for Durham (NC) County, but when he first joined CAHEC’s Board of Directors he was president and CEO of Mutual Community Savings Bank, the largest minority-owned and managed savings bank in North Carolina. Mutual Community is primarily a home-lending entity, with particular focus on making homeownership possible for low-income families.

With this background, George emphasizes that one of CAHEC’s roles is helping to lower the debt on multifamily housing “to a level that is easily serviced”—with that savings passed on ultimately to residents with limited income.

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CAHEC PROFILE

When Erin Griffin came to CAHEC in January 2000, all of the company's finances were handled by a single bookkeeper—Erin herself. Today Erin, Vice President of Finance & Administration, manages a multifaceted department.

The department is responsible for overseeing CAHEC's finances as well as those of the general partnerships. Quarterly meetings with the department's finance and benefits coordinator and CAHEC's auditor help to ensure that the company's financial policies and procedures are held to

the highest industry standards. In addition, Erin works twice during the year with the auditor for the general partnerships to compile financial statements for investor reporting.



Erin Griffin

*Vice President,
Finance &
Administration*

The administrative staff consists of CAHEC's office manager and community relations manager. These positions are responsible for overseeing the operations of CAHEC Center, publicizing the company's achievements, and coordinating meetings and special events. Bridging the finance and administrative units of the department, the finance and benefits coordinator takes care of all facets of the company's human resources.

Previous jobs had given Erin experience in both the public and private accounting fields, but she wanted a job with a purpose beyond balancing the books. At CAHEC she found what she was looking for. "CAHEC allows me to work with numbers and enthusiastic people with a mission," she says. "It's a great fit."

Erin moved to North Carolina from New York eleven years ago and earned a degree in business administration at Meredith College. When not at work or at home with her husband, one-year-old son, and 155-pound French mastiff, she enjoys going to the mountains and the beach. ♪

CAHEC Brings New Housing to Appalachia

It all started with a casual conversation, the way so many good ideas and worthwhile projects often do. Peter Poynter, a real estate developer in Harlan, KY, was chatting with Mike Coldiron, the head of the Cumberland Valley Housing Authority, about the lack of affordable housing in their small town. Rental subsidies were plentiful. Names of eligible tenants filled apartment waiting lists. The problem centered, according to Poynter, on the "terrible shortage of adequate housing stock in Harlan." Specifically, safe and decent rental units were a rare commodity in this Appalachian community.



Twelve single-family homes will add more housing to this residential neighborhood.



The townhouse component of Olympic Homes is currently being built on the cleared land pictured above. Harlan's Wal-Mart will be a short walk away.

As Poynter continued to speak with others about Harlan's housing problem, he learned about tax credits. Harlan's one LIHTC property had been built in 1988; it was fully occupied and maintained a waiting list. Ready for action, Poynter teamed up with George Breathitt, an affordable housing consultant, and approached CAHEC. The culmination of all of this talking, Olympic Homes, became a reality when the project closed on November 3, 2003.

Olympic Homes, a CEF VI-A property, is somewhat unusual among the projects in CAHEC's portfolio: a scattered-site development consisting of two different building types in a thoroughly mixed-use area, the result of no county zoning regulations. Olympic Homes will be built on two sites, one abutting a strip shopping center and the other adjacent to railroad tracks. (A landscape buffer is included in the plans.) Twelve townhomes are being built on the first site, and 12 single-family houses with a playground will be built on the second. All will be available to families earning below 60% of the area median income.

Located in the coal mining country of eastern Kentucky, Harlan, like other localities dependent on a single industry that's in decline, is feeling the effects of a depressed economy. Unemployment is high, the population is aging, and unsuccessful attempts to

entice more manufacturing and commercial businesses to the area underscore the town's relative isolation from buyers and suppliers. With mining on the wane, the school system

and regional hospital are the largest employers, yet many workers who serve the town and its residents cannot afford to live in the limited decent housing in the area.

"It's like the proverbial Gordian knot," said Poynter. "If we first

tackle transportation to make Harlan more accessible, then we'll have to upgrade the infrastructure. Then, if the physical improvements were attractive to potential employers, we would still need to improve our educational facilities. And so on. All of the problems are so intertwined that it's hard to know how to unravel any single one of them."

Olympic Homes won't provide Harlan with a solution to its many challenges, but perhaps it can help loosen the Gordian knot just a bit. ♪

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period of intensive study, Wendy sat for the two-day exam in early November. Test results will be released in February. In the meantime, she's getting some on-the-job experience as a temporary accounting clerk.

Pride played a large role in keeping Wendy motivated. She believed that after becoming a teenage mother, people expected less of her. "I wanted to prove them wrong," she says. "I wanted to show them that I was better because of what I had been through and that I wasn't going to let anything get in my way."

Determination was another factor in Wendy's success, as she makes clear: "I never thought of school as an option. People would tell me not to quit, and I would be offended that they even thought that I would. I never ever considered giving up or settling. I constantly reminded myself of the future that I could have. I never gave up on any of my dreams."

Looking back on her accomplishments, Wendy takes credit for becoming "an expert multi-tasker" and time manager. She says, "I learned to make every single second of every day count, and I eliminated distractions, such as television, from my life." Wendy also recognizes Maggie's contribution to the family's promising future. According to her mother, Maggie is easy tempered and can keep herself well entertained. "Without these qualities in my daughter," Wendy acknowledges, "my life would have been so much more difficult."

Wendy describes herself as a very busy person. She attends Oak Grove's resident council meetings, special events, and homeownership classes. Concerned about health and loving the outdoors, she gets plenty of exercise: she plays tennis, vol-

leyball, basketball, and softball on league teams. She takes pleasure in walking and riding her bike, and she and Maggie enjoy trips to the library, park, and zoo. Above all, Wendy loves being a mother and wants a big family.

For other single mothers considering college, Wendy offers this advice: "You have to decide that you will succeed and constantly remind yourself of the end result. Never let yourself consider quitting. Consider it like a job that has to be done." A college degree, sums up this focused and determined college graduate, "is definitely an attainable goal."

Mae Lafferty

According to Mae Lafferty, "Sometimes you have to regroup in order to go forward," and that's exactly what Mae did. Recently divorced, Mae is a single mother who recognized that she needed to be a role model for her children. In the process of "regrouping," she found herself on the road to realizing her dreams.

An early step in the right direction came when she and her teenage daughter moved into Oak Grove Village. To her surprise, she discovered that she "could afford to live in a nice home" and pursue her dream of having a degree. She enrolled in Wilkes Community College and held down two jobs. CAHEC's Adult Scholarship followed shortly thereafter.



Mae stands outside the community building at Oak Grove Village.

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CAHEC Launches Emerging Investor Fund

Simultaneous with the introduction of CAHEC's current tax credit fund, CEF X, CAHEC rolled out its first emerging investor fund [aptly named Emerging Investor LLC ("Partnership")]. Created to accommodate the needs of emerging investors (those looking to invest a minimum \$500,000), the Partnership provides financial institutions an opportunity to invest in housing tax credits and fulfill the investment test of the CRA.

"The majority of sponsors have traditionally overlooked the needs of emerging investors," explains Dana Boole, CAHEC's President and CEO. "In short, it's much easier to accommodate the needs of a single \$5M investor than five \$1M or ten \$500,000 investors. What this Partnership provides is a conduit for emerging investors to participate in a tax credit equity fund while allowing CAHEC to streamline its reporting process."

The essence of the program is quite simple. Investors contribute a minimum \$500,000 to the Partnership, and once the Partnership is fully subscribed, it invests in CEF X. As do direct investors, emerging investors receive all pertinent financial information (including tax returns, audits and K-1's) directly from CAHEC.

In turn, CAHEC benefits from reporting efficiencies. Rather than forwarding fund performance information (property investments, benefits schedules, yield performance, etc.) directly to investors, CAHEC reports to the Partnership and then the emerging investors extrapolate information as needed.

CAHEC expects a half dozen emerging investors, largely from North Carolina, to invest in this inaugural Partnership. It is anticipated that future partnerships will be more representative of CAHEC's mid-Atlantic and Southeast footprint. ☺

Leadership Update



Roger Earnhardt

CAHEC's Board of Directors has named Dana Boole President and CEO. Dana had been serving as the company's Executive Vice President and Interim CEO since September 2002.

At the Board's annual meeting in December, Roger Earnhardt was appointed Chair for 2004. ☺



Dana Boole

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Much to Mae's dismay, her son had dropped out of high school during his parents' separation. When his mother went back to school, however, the young man did some regrouping of his own. He earned his GED with such a high passing score that he was one of two students awarded a full scholarship to attend Wilkes Community College. The Lafferty family was on a roll.

Last spring Mae received her associate of arts degree with honors. She was elected to Phi Theta Kappa, the international honor society for two-year colleges, and named Outstanding Student on the college's Ashe County campus. Admitted to Appalachian State with a scholarship, she decided to defer her entrance for two years until her daughter finishes high school. Then she will embark on earning a bachelor's degree in English with a concentration in creative writing.

In the interim, Mae is working as an Americorps*VISTA. Her assignment entails coordinating the delivery of supportive services as well as overseeing CAHEC's Community Programs at Highland Village in Sparta, NC, and Oak Grove. At both sites she has installed CAHEC's Youth Recognition Program. In addition to after-school homework sessions, the two youth groups are engaged in a friendly competition, designed by Mae, that builds upon the students' research and analytic skills. The winning team earns a pizza party—Mae's treat.

Of course Mae encourages all eligible residents to further their education by applying for the Adult Scholarship. "I'm living proof," she tells tenants contemplating a return to school but focusing mainly on the obstacles. "You are bigger than your problems." [↗](#)

To learn more about the Adult Scholarship or CAHEC's other Community Programs, call Jill Tanis at (919) 420-0063, ext. 218.

George Quick
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But he also sees CAHEC's mission on a much larger scale. "What's unique about CAHEC as an equity provider," he says, "is our willingness to set up programs to help people move to the next stage, to become self-sufficient. Housing agencies can provide housing but don't seem to push people out of their dependent situation. We push people to where they can provide for themselves."

For his part, George has volunteered his time and experience to serve numerous local organizations. He has chaired the boards of Durham Regional Hospital; the Durham YMCA; the Durham County Private Industry Council; and UDI, a nonprofit development corporation. He has been a director of the North Carolina Museum of Life and Science and CICNC, an affordable housing loan consortium. At CAHEC since the organization's early days, he has helped steer the company to its current level of success.

George refers to CAHEC's Community Programs as making "a valuable contribution." When it comes to making a valuable contribution, George Quick should know. [↗](#)