



Connection

The Newsletter of Community Affordable Housing Equity Corp.

Opening New Doors®

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CAHEC Reactivates Advisory Council

Members Receive Update on Community Programs

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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."

Connection is published quarterly for CAHEC's friends and constituents in the affordable housing industry.

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

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After a hiatus of one and one-half years, CAHEC's Advisory Council reconvened in Raleigh on July 23. The Council was formed in 2000 as an advisory body to provide feedback on the performance of CAHEC's programs and activities, with particular attention given to the *Special Initiatives* (now called Community Programs). The July meeting served as an opportunity for the Council to regroup and get reacquainted with the Community Programs.

Two members of the original Council—Pepper Schales-Elkins of Volunteers of America of the Carolinas and Sallie Surface of Choanoke Area

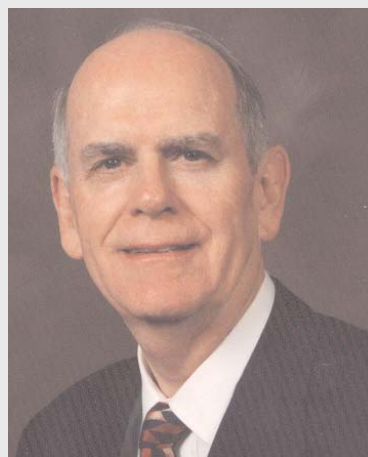
Development Association, Inc.—returned to serve another year. Joining them were Steve Beam, Raleigh Housing Authority; Dale Bettis, NC Housing Finance Agency; John Bryson, RBC Centura; Jon Gauthier, North Carolina Partnership Office, Fannie Mae; Tim Morgan, Evergreen Construction Company; Mark Shelburne, NC Housing Finance Agency; and Cindy Wiggins-Tiede, CICNC.

New members agreed to serve a two-year term. As its opening act of business, the Council elected John Bryson as Chair and Tim Morgan as Vice Chair.

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The Advisory Council enhances CAHEC's programs by offering their on-site perspectives. Front row, left to right: Pepper Schales-Elkins, Sallie Surface, Dale Bettis. Back row: Steve Beam, Mark Shelburne, John Bryson, Tim Morgan. Not pictured: Jon Gauthier, Cindy Wiggins-Tiede.



G. Maurice Capps Serves CAHEC and Communities

Luckily for CAHEC, when Maurice Capps was invited to become a board member of North Carolina's new low-income housing equity fund corporation, he agreed to serve. A certified public accountant, a bank board member, and co-general partner of Kenworth Development Group, Maurice had just the right background and experience the fledgling organization needed.

Maurice first got involved with affordable housing when friends who had purchased an old school building in Hickory, North Carolina, approached him as a CPA to discuss low-income housing and historic tax credits. After this meeting, Maurice joined the group and became one of the developers of Kenworth Apartments, a residential complex for senior citizens. In 1990, 37 units were completed in the school's main building, and in 1992 the rehabilitated gymnasium provided 18 additional apartments.

Today Maurice is the managing partner of Capps, Foster & Company. He sits on the Advisory

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CAHEC PROFILE


Kim Kimbrell, CAHEC's Fund Administrator, is a CPA who likes working with real estate. "Projects develop their own 'personalities,'" he explains. "You can remember them by the challenges they present."

Before coming to CAHEC, Kim worked as Vice President of Finance for DHIC, a nonprofit development company that builds affordable housing in North Carolina's Research Triangle area. Now responsible for overseeing CAHEC's equity funds, Kim has moved from looking at a project from the developer's perspective to examining a project from the "supply side." He describes this responsibility as taking "a fiduciary approach to providing the best IRR at the fund level for CAHEC's investors."



Kim Kimbrell

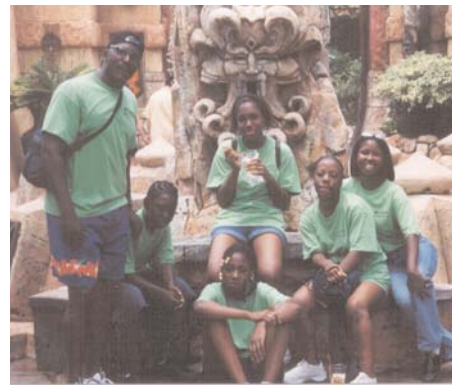
Kim's role in Investor Services involves reviewing a potential project's IRR performance within a fund, participating in CAHEC's Technical Review Committee to offer comments on future issues that could be addressed early, and maintaining all funds. All projects in a fund are "trued up" for actual annual tax and accounting results. This process allows CAHEC to recast all projections for a better view of future fund and project performance. Kim also prepares reports on the fund's portfolio for internal use.

Away from the office, Kim takes to the road—on his bicycle, that is. A serious cyclist, he logs about 5,000 miles a year. Although most of his riding takes place over the weekend in rural areas (100-120 miles) with 20 or so riders, it is not unusual for him to participate in fast, mid-week 28-mile rides for fun. It's a risky sport—last year he suffered nine broken bones from a crash caused by a dog. When it comes to managing investments, however, he's strictly risk-averse. 

Scholarship Incentive Added to Youth Recognition Program

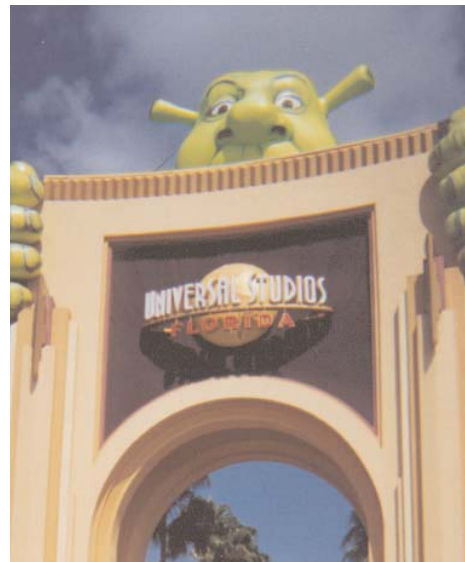
This year 18 students and 12 chaperones from five CAHEC complexes assembled in Raleigh for a celebratory banquet lunch and then boarded the chartered bus bound for Orlando. Officially known as "the recognition event," the 2003 expense-paid trip to Universal Studios and Universal's Islands of Adventure was the students' reward for completing CAHEC's annual academic-incentive program, the Youth Recognition Program (YRP).

To participate in the Youth Recognition Program, students in grades 3-12, along with their parents, sign a



Residents of Thorne Ridge Apartments in Rocky Mount take a time-out at the Mystic Fountain in Universal's Islands of Adventure.

contract with CAHEC at the start of the school year in which the kids pledge to improve their grades, maintain good attendance, and display appropriate behavior both in and out of school.



Shrek welcomes YRP students and chaperones to Universal Studios.

Those who complete the program and meet all requirements join other successful YRP participants from different sites on a multi-day excursion to a vacation destination. In previous years the groups visited Disney World and Colonial Williamsburg/Busch Gardens.

Although the YRP has been well received, 2003 marks the final year for the multi-day format. As more and more sites participate in the YRP, the single-trip format has become too unwieldy.

So beginning with the 2003-04 academic year, the recognition event will take place on a smaller scale. Next summer students who meet their contract obligations will enjoy an expense-paid day trip to a local amusement park. But there's more . . .

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Maurice Capps
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Board of Branch Banking & Trust Company in Hickory; his civic commitments also include serving as a board member of the Catawba Valley Community College Foundation and the Salvation Army Boys and Girls Club. He is a past president of the Rotary Club of Lake Hickory and a recipient of the Rotarian of the Year award.

Maurice gives credit for CAHEC's success to "all of our investors who have

made our rapid growth possible" as well as CAHEC's staff. He believes the company's future "will be determined by how efficiently and effectively we manage our properties because there will always be a need for affordable housing." 



Maurice Capps has served on CAHEC's Board of Directors for 11 years.

Advisory Council
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Community Programs Take Center Stage

Most of the meeting focused on a review of CAHEC's Community Programs, which have undergone a number of changes, including a new name, since the Council last met. When first introduced in 1999, the *Special Initiatives: Community Programs* were pilot programs that required the test of time. Now that the six programs have consistently proven themselves, CAHEC decided that "Initiatives" implied something temporary—a one-time opportunity rather than a solid, permanent set of established supportive services available to all CAHEC-sponsored developments. Hence, the decision to drop the prefatory tag "Special Initiatives."

Council members learned that a seventh program has been added to the mix. The **Senior Recognition Program**, modeled somewhat after the highly successful Youth Recognition Program, is designed to encourage elderly residents to participate in activities both on- and off-site. After accumulating 100 hours in activities such as volunteer work, continuing education, and community social programs, the participating seniors will be rewarded with an all-expense-paid trip to some regional tourist destination.

The First-time Homebuyer's Program has become the **Homeownership Program**. Grants of \$2,500 to \$7,000 are now available to help families with down payments and closing costs. Participants must complete a homebuyer's training program, qualify for a mortgage, and contribute at least \$750 into a matching savings program.

Annual grants awarded to residents participating in the **Adult Scholarship Program** have been increased to \$2,000. CAHEC has also modified the "C or better" requirement in all classes. The new requirement, a 2.0 GPA, is designed to encourage students to stay enrolled in their classes rather than dropping a course late in the

term because they fear a low final grade. Also, the Adult Scholarship Program will now pay tuition and fees regardless of other funding a student might receive.

The **Technology Learning Centers** and **Resident Wellness Centers** are continuing as before but with a greater emphasis on community space planning with developers so that residents can have access to the equipment during non-office hours. The **Community Grant Program** also remains the same, but CAHEC is considering a possible change in the size of the award based on the number of units in a development.

The most significant change is seen in the **Youth Recognition Program**. Previously, the program rewarded all successful participants, representing several developments, with a single multi-day trip at the end of June. Beginning this school year, however, CAHEC will set up scholarship funds for all YRP participants. Students will receive a \$400 contribution to their funds each year upon successful completion of the program as well as an expense-paid trip to a major



Since 2001, successful YRP participants and their mentors have enjoyed a fun-filled trip.

regional amusement park. (See story, page 2.)

A dynamic set of supportive services designed to empower residents, the Community Programs continue to evolve to meet new and arising needs. Before adjourning, the Advisory Council indicated their commitment to work with CAHEC in identifying ways to strengthen existing programs and develop additional programs to help build healthy, revitalized communities. ♣

David T. Peet (1940-2003)



We are sad to report that David T. Peet, CAHEC's former president and CEO, passed away unexpectedly on September 6, 2003, after a brief hospital stay. During his 10-year tenure as president, CAHEC became one of the largest nonprofit regional equity providers in the country and grew from a single employee—David himself—to a staff of 23.

Much of David's career focused on improving the economic conditions of others. He served as the Director of Economic Development for the cities of High Point, NC, and Augusta, GA. Prior to assuming the presidency of CAHEC, he was Executive Director of Triangle Housing Partnership, a nonprofit organization dedicated to securing innovative financing for developers of affordable housing in the Research Triangle area.

In addition to working toward an increased supply of affordable housing, David provided visionary leadership to the housing industry as a whole. In 1994 he helped found and served as the first president of the National Association of State and Local Equity Funds (NASLEF). At CAHEC he championed the *Special Initiatives* programs and embarked on the VISTA pilot program with AmeriCorps as a means of improving the delivery of supportive services at CAHEC-sponsored properties.

At the time of his retirement in September 2002, CAHEC's equity funds had raised in excess of \$250 million to help finance more than 3,000 units of affordable housing throughout the Southeast and mid-Atlantic region. CAHEC will honor his legacy by continuing to build on the sound foundation he laid for us. ♣

Youth Recognition Program
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The Big Prize

In addition to a day of fun, excitement, and junk food, the 2004 group will be the first YRP participants to receive a CAHEC-funded scholarship.

With the cost savings from the format change, CAHEC will set aside every year \$400 in the name of each successful student, to a maximum of \$3,600, to be applied toward post-high school educational expenses. Students will have until age 21 to use these scholarship funds and can access them for furthering their education even if



Five developments were represented on the 2003 YRP trip: Paladin Village Apartments, Rhode Island Mill Apartments, Seven Oaks Apartments, Thorne Ridge Apartments, and White Oak Manor.



Participants from Seven Oaks take on the world.

they move away from their CAHEC-financed development.

So often, children from low-income households view a college education as out of reach. CAHEC hopes that this scholarship fund will provide an incentive not only to finish high school but to dream big as well. ♪