CDFI’s Role in Large-Scale Disaster Response

Wayne T. Meyer, President
New Jersey Community Capital
October 16, 2013
About NJCC

NJCC is a 25-year old community development financial institution (CDFI) that transforms disadvantaged communities through strategic investments of capital & knowledge

Our Track Record

New Markets Tax Credit Allocations: $80 million
Third Party Managed Assets: $128 million
Total Commitments across New Jersey: $482 million

Total Impact:
7,200 housing units
9,000 education slots
6,600 early care spaces
4,200 jobs
Affordable, quick loans to Sandy-impacted small businesses and community developers. Stabilizes communities throughout the short and mid-term recovery.

**Program Details**

- Loans of $10,000 - $65,000
- Fixed interest rate at 3%
- Loan terms up to 3 years
- Rapid approval: avg. of 7 days

**Outcomes to Date**

35 loans closed
$1,415,000 deployed
215 jobs created or preserved
Administering a $5 million grant program to help homeowners cover the gap in Sandy-related home repair costs.

Program Details

- Grants up to $30,000, provided by the Hurricane Sandy New Jersey Relief Fund
- Eligible homeowners must be approved by the State RREM program
- Low and moderate income households (under $100,000)

Projected Outcomes

$5 million in grants
200 – 300 homeowners assisted
Stabilizes hardest hit communities
Re·Start
THE SHORE

Bulk-purchase of 651 distressed mortgages in Sandy-affected regions. First ever FHA direct sale to a nonprofit.

Program Details

- Keeps families in their homes through principal reduction
- Incorporates financial education
- Stabilizes communities
- Re-performing mortgages sold back into market
- Repurposes vacant properties as affordable housing

Projected Outcomes

651 mortgages (800+ units)
$177 million in Unpaid Principal
Questions?

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CDFIs' Role in Large-Scale Disaster Response

Mark Regier, Isaiah Fund
October 16, 2013

About the Isaiah Fund

- Nation’s only permanent interreligious major disaster response pooled loan fund.
- Committed to rebuilding in low-income communities affected by major natural or human-made disasters on a non-sectarian basis.
- Currently focuses on Gulf Coast rebuilding efforts after Hurricanes Katrina & Rita and Mid-Atlantic rebuilding following Hurricane Sandy.
- Capitalized at $6 million with a $500,000 new investment committed.
Hurricane Katrina Lending

Reconcile New Orleans

$500,000 post-construction equipment loan to Reconcile New Orleans supported its recent restaurant expansion.

Reconcile New Orleans trains teens and young adults in the hospitality industry and helps them find jobs.

The restaurant is located on a central commercial corridor in a key NOLA neighborhood where Isaiah focuses its lending.
Hurricane Sandy Lending

- Plan to invest in CDFIs and other institutions serving low-income communities hardest hit by Hurricane Sandy for development and rebuilding of affordable housing, community facilities, and small businesses.
- Currently completing due diligence on our first Sandy loan, which we expect to make this fall.

Intellectual Capital

- Isaiah Fund convenes leaders from the faith-based disaster response, philanthropic, public, private, and community development finance sectors to evaluate efforts and develop new approaches to long-term disaster response.
- In October 2011 and March 2013, we held Convenings for 100 leaders to discuss community investment needs following Katrina and Sandy.
- Committed to continuing development of intellectual capital around long-term disaster response needs and approaches.