LINKING LENDERS AND COMMUNITIES

AUTUMN 2003

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INDEX

6 What's New in the Delta?

10 Banking on Our Future

12 Get FIT! (Fiscal Impact Tool)

Weaving the Arts into Communities

Most communities are interested in attracting talented people, participating in the new economy and building quality of life. However, some may question whether trying to build a creative economy—an economy centered around arts and entertainment—is an appropriate approach when economic development resources are limited.

Community leaders in two urban neighborhoods, in Memphis and St. Louis, and two rural areas, in Mississippi and Illinois, gambled on arts and entertainment to revitalize their neighborhoods. Take a look at their success stories and think about what the arts could do for your community.

South Main Historic District: Memphis

By Ellen Eubank
Community Affairs Manager

The story of the South Main district in Memphis is a story of rebirth—a rebirth through arts, specifically.

Phil Woodard, past president of the South Main Association and local developer, has served as a father of this rebirth. He and his wife, who are also art collectors, had developed relationships with local artists through an auction. When Woodard and his wife decided in 1995 to rent an apartment downtown, they couldn't find anything. Most of the buildings north of downtown had been razed for parking. The South Main district had been designated a historic district, but most of the buildings were boarded up.

The Main Street Trolley plays an important role in bringing visitors to the South Main historic arts district in Memphis.

The area did have one thing going for it: a trolley that ran on Main Street, making the area inviting to tourists.

So Woodard bought a building on South Main, rehabbed it and rented the first floor to an artist he knew. "It was tough, but fun, and I ended up getting an award for that building," he said.

One thing led to another, and Woodard eventually bought 12 buildings, redoing them one at a time. He has renovated most of his buildings with residential space on the upper floors and commercial space on the ground floors. Commercial space is necessary on the first floor "to generate activity," he says. His choices for the commercial space are arts-related businesses because "art galleries are cool." The residential rents pay for the building and keep the commercial space affordable for artists, he says.

After seven years of redeveloping and bringing artists to the area, he now sees others jumping on the arts bandwagon. In 2000, Mayor W.W. Herenton designated South Main as the official arts district of Memphis. In 2001, the South Main Association

continued on Page 2

continued from Page 1
started the "Last Friday of the Month Trolley Tour." Each month, more than 1,000 people ride designated trolleys from gallery to gallery, where they enjoy art, music and refreshments.

Many buildings in the South Main historic district in Memphis have been turned into art galleries or shops.

There are about nine galleries now, in addition to many furniture stores and decorating businesses that have been attracted to the area by the arts atmosphere.

Woodard finances his projects with his own money and financing from local banks, historic tax credits and tax freezes available from the Center City Commission. The commission is an entity that promotes downtown redevelopment and can freeze taxes for eligible projects within its designated redevelopment area. Woodard says the tax breaks "have really made a difference in getting projects done."

South Main has become a hot residential area, especially for young professionals, Woodard says. About 1,200 people live in the area.

Woodard says that five years ago buildings in the area were cheap but empty and no one was interested in buying them. As interest has risen, prices have tripled, he says. Many buyers have a hard time succeeding, however, because of the cost of rehabbing, he says. But at least local banks are interested in financing such projects, something they refused to do a few years ago, he says. He adds that not all development is in the old buildings; there is some new construction, too.

Woodard says it is vital for an area to market its uniqueness. "We have one-of-a-kind stuff, things you don't see at the local mall," he says. "And we promote ourselves that way."

The area is attracting more established artists who can make their business work because of a built-in customer base, Woodard says. He hopes to preserve the character of South Main, build on its success and continue to keep the area affordable for artists.

"They are the anchor for this area," he says.

For more information: www.southmainmemphis.org

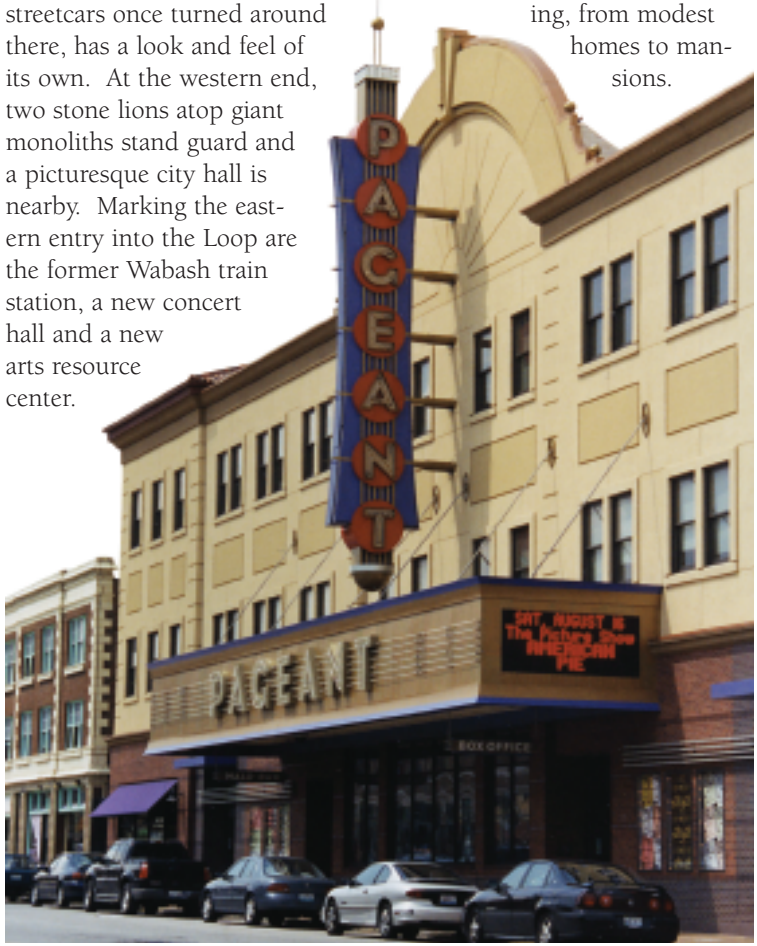
The Loop: University City, Mo.

By Matt Ashby
Community Affairs Specialist

University City, Mo., has been working for decades to re-create the Loop, a six-block-long stretch of Delmar Boulevard that straddles the suburb's border with St. Louis. The area, which was once bustling with business, fell into decline, but is now emerging as an arts and entertainment marketplace.

The Loop, so named because streetcars once turned around there, has a look and feel of its own. At the western end, two stone lions atop giant monoliths stand guard and a picturesque city hall is nearby. Marking the eastern entry into the Loop are the former Wabash train station, a new concert hall and a new arts resource center.

Sandwiched in between are more than 100 boutiques, restaurants, specialty retailers, galleries and live entertainment venues. Visitors can hear music on 10 stages. The Loop is home to a variety of arts organizations, including the St. Louis Symphony Music School, the Craft Alliance and the Center of Contemporary Arts. The St. Louis Regional Arts Commission's Cultural Resource Center is moving in. The area is surrounded by a mix of housing, from modest homes to mansions.



The Pageant, a concert hall and nightclub built from the ground up, is part of the successful revitalization of the Loop, an arts and entertainment area that starts in University City and flows from that inner-ring suburb into the city of St. Louis.

Similar to what occurred in communities decades ago, residents and visitors stroll around the area, stopping to dine, listen to music, shop and just watch other people. "I think that's what makes a community a good neighborhood, a good urban community and not just a little pocket of a place," Joe Edwards says.

Nearly 30 years ago, when Edwards and his wife, Linda, opened Blueberry Hill, a restaurant that is also a venue for bands, the Loop had seen better days. Other businessmen were moving out, not moving in. Banks refused to invest in new projects. Edwards decided that his restaurant might not survive unless he took it upon himself to improve the Loop.

Since then, he has not only enticed other entrepreneurs to the area, but has taken on a series of projects. They include:

- purchase and renovation of the Tivoli, a once beautiful art film house that was rundown when he took it over.
- construction of the Pageant, a concert nightclub that attracts local and national acts and can accommodate 1,500 people.
- plans for a new theater. Edwards has started a nonprofit group to build a theater where community groups can present plays. "I hope to raise enough money as a nonprofit to build a building and the stages, run it for the first couple of years and guarantee the operating costs so foundations are more likely to give to this project," he says.
- purchase of the historic Wabash train station, which he may turn into another restaurant.

Located in the St. Louis end of the Loop, the Pageant, the train station and the new theater are all part of Edwards' attempt to stretch the successful economic development in University City into the city of St. Louis.

With Washington University nearby, there's a steady stream of progressive ideas arriving with each new batch of students that comes to the Loop for entertainment. "From university and high school students to older adults, everyone interacts and gets more comfortable with one another in the Loop, and it's really great," Edwards says.

As for financing, only recently have private banks shown an interest in the Loop, says Edwards, who invested his own money in the area. A special business district was created in 1980 and was recently expanded.

A bright yellow entrance invites children and adults into the Craft Alliance, a nonprofit center for art education and exhibits in the Loop.

Some real estate tax abatements are available.

Local governments play other roles, too. University City has enforced building and property codes and has improved street lighting and other infrastructure, mainly with federal block grants, Edwards says. The city of St. Louis has established a redevelopment corporation for the Loop area; the corporation provides a 10-year tax abatement for qualifying projects and cuts down on the paper work, Edwards says.

"We didn't necessarily start out to create an arts and entertainment district, but soon realized that we had to take a wider interest in other real estate around us and a concern for the area as a whole," Edwards says. "I think this whole six-block area will become one of the most famous streets in the Midwest in the next year or so."

For more information:
www.ucitymo.org
www.ucityloop.com

Sidewalk cafes abound in the Loop.

Small-Town Arts: Taylor, Miss.

By Ellen Eubank
Community Affairs Manager

The little town of Taylor, Miss., may be no bigger than a few city blocks, yet its thriving arts scene could give a city a run for its money. Art has been used to jump-start this town and put it on the map. The process may seem accidental,

continued on Page 4

continued from Page 3

but Taylor actually built on key assets and took advantage of its location.

Marc Deloach, owner of Taylor Arts Gallery and Mr. Earl's Bed and Breakfast, arrived in Taylor with his wife, Christine Schultz, six years ago. At that time, there was a small arts community and "a little bit of a buzz," Deloach says. Taylor also had Taylor Grocery, a popular catfish restaurant that had shut down but would reopen shortly under new owners. Taylor Grocery became key to revitalizing this town because of the restaurant's reputation.

Deloach says Taylor actually had a lot going for it, such as its proximity to the town of Oxford, home of the University of Mississippi. Taylor is also within a few hours of Memphis and Jackson, Miss.

Taylor's residents, a blend of newcomers and long-time residents, are supportive of the arts community, Deloach says.

The original small arts community helped attract other artists, including graduates of the university and others from across the country. All have seen Taylor as a great place to live and work, Deloach says.

Taylor Grocery serves up catfish and atmosphere for customers who come from miles around.

Marc Deloach sits on the porch of Taylor Arts Gallery in Taylor, Miss. Deloach owns the gallery and a bed and breakfast in the tiny town.

In contrast to its down-home appearance outside, Taylor Arts is a modern gallery that exhibits sophisticated work inside.

Most of the artists work out of their homes and have their art in galleries and venues in many markets, he says.

Although there are only about 280 residents in Taylor, there are three full-time art businesses or galleries. Deloach and his wife have helped take this arts scene to the next level by opening Taylor Arts Gallery, which showcases the work of 12 local and regional artists.

Deloach and his wife have bought and sold several buildings in town in addition to owning the gallery and the bed and breakfast. All this has been accomplished with loans on the buildings and without outside funding. Most of their publicity has been generated through word of mouth.

An art show organized several years ago was a turning point for Taylor's growth, Deloach says. It drew a large crowd from the area. "Most people who came said they knew there were artists here but didn't know how to find us," he says. Shows are now held twice a year, on Mother's Day weekend and during the University of Mississippi's homecoming weekend to draw on the additional traffic.

While it is hard to put a value on the impact of the arts community, most see the arts as vital to the town now. The burgeoning arts community is the main attraction for Taylor,

drawing visitors from throughout the region.

Deloach says there is a new generation of artists who have moved to town and who will continue to support the development of Taylor as an arts community. Community acceptance is important as are a location and demographics that support arts businesses, Deloach says.

"An arts scene in a small town can work," he says. "We prove that. Taylor is on the map now."

Illinois Artisan Program: Whittington

By Jean Morisseau-Kuni
Community Affairs Analyst

The Illinois Artisan Program was the dream child of former Illinois Gov. James Thompson. Thompson had traveled on the East Coast and found the small cottage industries of art communities intriguing because they sold art created in the region, providing a boost to both the economy and the artists. He wanted Illinois artists to have the same opportunity to display and sell their work.

His dream became a joint venture between the state and the Illinois Museum Society, which created four artisan shops. They are scattered across the state, in Springfield, Dixon Mounds, Chicago and Whittington.

Only residents of Illinois can have their artwork displayed. Twice annually, new artists may submit slides of their work to the program for consideration. Participants agree to a 50/50 consignment to help offset the cost of running the shops. The four shops currently work with 1,600 artists throughout Illinois.

Nestled in the Rend Lake recreation area is Southern Illinois' shop at Whittington. Rend Lake, created by the Army Corp of Engineers, is a 22-mile-long lake that is used for water sports, hunting and other outdoor activities. Last year, 3.5 million people visited the area, using services that support, among other things, hotels, lodges, restaurants, Wayne Fitzgerald State Park and a golf course.

Mary Lou Galloway, director of the Whittington shop, says the shop is frequented by travelers, gallery owners, collectors, tour groups and visitors to the lake. It's easily accessed off Interstate 57. Housed in the same building with the Artisans Shop is the Southern Illinois Art Gallery and a visitors center. Galloway and her employees think of themselves as ambassadors of hospitality. They are often called upon to help travelers find lodging, restaurants and other area facilities.

But the goal of Galloway and her staff is to sell the art and promote the artists.

"We display the work of about 800 artists," Galloway says. "This is not a craft store; we are an artists' shop."

Gallery owners often come to the shop to check out the artists and to buy artwork for resale, Galloway says. Thompson also chose items from the shops to take as gifts when he traveled abroad, she says. As the reputation of the artists spreads, some of them become successful enough that they no longer need the support of the shop. "This is a stepping-stone," Galloway says.

Billy Heyduck of Charleston, Ill., demonstrates his pottery skills for visitors to the Southern Illinois Artisans Shop at Rend Lake in Whittington, Ill.

The shop has been profitable about half of the 13 years it has been open, with last year being the most successful. The state provides the budget to operate the facility, and the museum society pays all other costs. "It's a unique partnership," Galloway says.

The shop also supports a variety of programs, workshops and exhibitions for adults and children. A children's program has become a popular annual event, with more than 400 children participating last year. A sculpture standing in the front of the store is an example of an art project created jointly by a sculptor and the children. The Annual Illinois Art and Wine Festival provides an opportunity for 40 artists and 16 Illinois wineries to present and sell their wares. A variety of classes are offered year-round, covering such areas as art quilts, china painting and still-life studies.

For more information: www.museum.state.il.us

Success Stories

These four communities stand as testimonies to the economic benefits that arts and entertainment can bring to a community. Old buildings were rehabbed, new buildings were constructed, jobs were created, property values rose, new tax money was generated, and artists and entertainers found outlets for their work. Perhaps most importantly, neighborhoods came to life.

Regional Authority Works To Bolster Economy in Delta

By Lyn Haralson
Community Affairs Analyst

After four years of hard work by the staff of the Mid-South Community College, a center for training people for jobs in the transportation industry will open next year in West Memphis, Ark.

Located in a revamped automobile dealership, the college's Delta Regional Transportation Technology Center will offer advanced and entry-level training in distribution, warehousing, heavy truck maintenance and transportation technology. Eventually, the center will provide training for high school students, too, at their own schools.

The training facility was funded in part by the Delta Regional Authority (DRA), a federal-state partnership established by law in 2000 and opening its doors a year later. Other funding agencies were the Arkansas Department of Economic Development, the Economic Development Administration and the U.S. Department of Education.

Another DRA project can be seen at the Cleveland Depot Library in Cleveland, Miss. Four rooms were converted into two new computer labs, an additional office and an English as a Second Language (ESL) classroom. The project, a partnership with the library and Bolivar County library system, enabled supporters to double the number of computers available to local citizens.

This old auto dealership in West Memphis, Ark., will be turned into the Delta Regional Transportation Technology Center next year, thanks in part to the Delta Regional Authority.

The goal of the project is to combat illiteracy in Bolivar County.

These partnerships are examples of the type of work the DRA, a federal-state partnership, was designed to do. The DRA focuses on severe, chronic economic distress in the Delta, works to stimulate economic development and fosters partnerships that have a positive impact on the region's economy. The authority has identified five critical components to ensure its success: education, transportation, affordable health care, access to capital, and affordable and decent housing.

If you had to boil the mission of the authority down to one word, that word would probably be "leverage." The authority is not just another federal agency with grant money, but a coordinating agency. Its goal is to use its grant money to leverage additional federal and state dollars to accomplish economic development in the Lower Mississippi Delta.

At the Cleveland Depot Library in Cleveland, Miss., the Delta Regional Authority helped to expand the availability of computers for area citizens. Claretha Love, a homemaker from Mound Bayou, Miss., stopped by recently to learn to use the Internet and e-mail.

To date, DRA has leveraged the organization's $28 million in grant funds into $126 million in federal and state money, which successfully funded 122 projects. Basic infrastructure development, transportation improvements, business development and job training services are among the projects completed.

Under federal law, at least 75 percent of DRA grant funds must be invested in distressed counties and parishes and pockets of poverty, with 50 percent of the funds earmarked for transportation and basic infrastructure improvements.

The DRA covers part or all of 240 counties and parishes in an eight-state area, including:

- Alabama (20 counties),
- Arkansas (42 counties),
- Illinois (16 counties),
- Kentucky (21 counties),
- Louisiana (46 parishes),
- Mississippi (45 counties),
- Missouri (29 counties) and
- Tennessee (21 counties).

The governing body of DRA is composed of a federal co-chairman appointed by the president and the governors of the participating states. The governors annually elect a state co-chairman.

For more information about the Delta Regional Authority, visit its web site at www.dra.gov or call its office at (662) 624-8600.

Fund Designed to Counter Predatory Loans

By Loura Gilbert

A St. Louis group is working to help victims of predatory lenders reduce their debt and regain good credit ratings. The group is also developing a media campaign to alert the community to predatory lending practices.

The project is the work of the St. Louis Coalition to Promote Reputable Lending, which is an organization of bankers, nonprofit counseling agencies, governments and others interested in combating predatory lending.

A focal point of the project will be the Loan Rescue Fund, which will be used to assist victims of predatory lenders. The coalition plans to set up a hot line and to offer referral services and counseling for homeowners whose debt is out of control.

After the homeowner undergoes counseling, there will be a legal review of the loan and an attempt to persuade the lender to reduce the balance. The coalition will then seek a conventional, market-rate loan to replace the predatory loan. If a conventional loan cannot be found, the Loan Rescue Fund managers will consider making a direct loan to the homeowner. The loan eventually will be sold to a conventional lender.

Beyond Housing/Neighborhood Housing Services, a local nonprofit housing organization, hopes to initially raise $1 million for the Loan Rescue Fund through its Community Lending Corp. (CLC). The funds would be secured by 15-, 20- and 30-year fixed-rate first mortgages. Lenders would earn a market rate, and borrowers would pay a slight premium to cover program costs. The CLC will service the loans for up to two years with a goal of selling performing loans to participating lenders. The coalition is proposing that governments in the targeted counties (St. Louis and St. Charles counties in Missouri and Madison and St. Clair counties in Illinois) and the city of St. Louis participate by providing loan loss reserves to minimize risk for lenders.

Although details need to be finalized, the pilot program is designed to help those who had good credit prior to the predatory situation or who would have significant value in their properties after the predatory loan is eliminated. The elderly and victims of home improvement contractor schemes will also be accommodated.

The project is an outgrowth of work by Gateway to Financial Fitness, a collaboration of Beyond Housing/Neighborhood Housing Services, the Catholic Commission on Housing and the University of Missouri Extension Service. All these organizations have offered home buyers training for a number of years and have identified the need for basic financial education as a precursor to the homebuying process.

Interested banks should contact Kate Reese at Beyond Housing/NHS (314) 533-0600.

Loura Gilbert oversees the CRA and Community Development activities for Commerce Bank's St. Louis region. She serves as chair of the Loan Rescue Committee of the Coalition to Promote Reputable Lending.

New National Resource Center Available on Web

Community development professionals have a new resource in the Center for Community Development, an online clearinghouse of investment resources.

The center's goal is to foster long-term growth of the community development investment industry by serving as a national center for research, training, pilot initiatives and policy-making discussions.

In addition to investment resources, the center has information on the CRA Investment Test, investment authority for financial institutions and regulatory matters related to community development investments.

The center is a project of the Community Affairs Unit of the Federal Reserve Bank of San Francisco.

The center's web address is www.frbsf.org/community/index.html.

Fed Study Examines Casino Gambling, Impact on Economy

A new study on the economic impact of casino gambling provides an overview of the industry and takes a look at its effect on local economies. The author concludes that, although the industry will probably experience continued growth, its impact on communities varies and cannot be generalized.

Written by Thomas A. Garrett, a senior economist at the Federal Reserve Bank of St. Louis, the report discusses the impact of casino gambling on local employment, tax revenue and retail sales. The author also suggests ways to evaluate the success or failure of casinos with regard to the local economy. Casino gambling in the Fed's Eighth District, which is based in St. Louis, is given special attention. The study includes the size, location, employment, tax rates and revenue of each casino in the District, which covers all of Arkansas and parts of Illinois, Indiana, Kentucky, Mississippi, Missouri and Tennessee.

To read ***Casino Gambling in America and Its Economic Impacts,*** go to www.stlouisfed.org/community and click on "Other Publications." For a paper copy, call (314) 444-8761.

Bank Staff Available to Answer Questions

Creating a more resilient community sounds lofty, but it can be a reasonable goal for your organization. Whether you're working on housing affordability issues or promoting financial services to new immigrants, it's important to have someone to help with fundamental financial aspects of community development initiatives. When designing community development programs, information about the financial infrastructure of the community and knowledge about capital assets can help ensure greater success.

The Federal Reserve Bank of St. Louis has Community Affairs staff members who can provide advisory services on a number of important issues affecting low- and moderate-income individuals and communities. We provide technical assistance without charge to financial institutions, community-based organizations, government entities and others engaged in community and economic development. The Bank's district includes all of Arkansas and portions of Missouri, Illinois, Indiana, Kentucky, Tennessee and Mississippi.

Topics that the Community Affairs staff may provide assistance with include:

- financing for development of affordable housing;
- policy and regulatory guidance on issues such as the Community Reinvestment Act (CRA), the Home Mortgage Disclosure Act (HMDA) and fair lending;
- identification of local community credit needs and innovative ways to address those needs;
- CRA lending, service and investment opportunities;
- financial education and asset-building strategies such as individual development accounts (IDAs) and earned income tax credits (EITCs);
- development of loan consortia, revolving loan funds or multi-bank community development corporations;
- community development financial institutions (CDFIs) and Bank Enterprise Act (BEAs) programs;
- small business, microenterprise and entrepreneurship financing sources; and
- tax credit programs, community development financing and gap financing.

The Community Affairs staff at the Federal Reserve Bank of St. Louis provides assistance to organizations and financial institutions in the Fed's Eighth District. Shown are, from left: (front row) Cindy Davis, administrative assistant; Glenda Wilson, Community Affairs officer; Ellen Eubank, Community Affairs manager; and Linda Fischer, Bridges *assistant editor; (back row) Lyn Haralson, Community Affairs analyst; Jean Morisseau-Kuni, Community Affairs analyst; Faith Weekly, Community Affairs analyst; and Mary Karr, senior officer. Not shown: Matt Ashby, Community Affairs specialist.*

To inquire about assistance for your organization, call:

St. Louis
Matt Ashby at (314) 444-8891 or Jean Morisseau-Kuni at (314) 444-8646 or 1-800-333-0810.

Louisville
Faith Weekly at (502) 568-9216 or 1-800-292-3596 (in Kentucky) or 1-800-626-4507 (outside Kentucky).

Little Rock
Lyn Haralson at (501) 324-8240 or 1-800-482-9463 (in Arkansas) or1-800-332-0813 (outside Arkansas).

Memphis
Ellen Eubank at (901) 579-2421 or 1-800-552-5132 (in Tennessee) or 1-800-238-5293 (outside Tennessee).

Federal Reserve Schedules Seminars On Reg C Amendments

Financial institutions seeking information about upcoming changes related to the Home Mortgage Disclosure Act (HMDA) can attend one of several fall seminars.

Sponsored by the Federal Reserve Bank of St. Louis, the one-day seminars are designed for compliance risk managers and others who need guidance on HMDA.

The schedule for the seminars is: Oct. 8, St. Louis; Oct. 16, Little Rock; Oct. 21, Memphis; and Nov. 13, Louisville. The amendments to Regulation C, which implements HMDA, will take effect Jan. 1.

At the seminars, information will be provided on the amendments and their effect on such issues as collection of applicant information, reporting of pre-approval requests and HOEPA status. Instruction on calculating and reporting the rate spread on loans will also be available.

For information, call Valerie Coleman at (314) 444-8434 or 1-800-333-0810, ext. 44-8434.

Clear and concise information can also be found at a new web site hosted by the St. Louis Fed: www.stlouisfed.org/hmdaregcamendments/default.html. The web site also answers FAQs and provides links, examples and compliance tips.

SPANNING THE REGION

THE REGION SERVED BY THE FEDERAL RESERVE BANK OF ST. LOUIS ENCOMPASSES ALL OF ARKANSAS AND PARTS OF ILLINOIS, INDIANA, KENTUCKY, MISSISSIPPI, MISSOURI AND TENNESSEE.

New Mississippi Law Fosters Job Creation in Rural Areas

The Mississippi Rural Impact Act, signed into law this past summer, establishes a $10 million fund for the purpose of creating jobs in rural areas.

The fund will provide grants or loans to rural communities trying to attract business. In turn, the communities will use the fund to guarantee loans to small businesses. The grants could be used by a community to buy land, construct sewers, rehabilitate buildings or construct new buildings.

For information, call the Mississippi Development Authority at (601) 359-3552.

New Center in Kentucky Promotes Affordable Housing

The Kentucky Housing Corp. (KHC) in Frankfort, Ky., recently opened its Center for Affordable Housing Finance, a one-stop resource for builders, organizations and developers of affordable housing.

The center has an open-window funding application process that allows applicants to submit requests for a variety of funds year-round. A series of web pages familiarizes users with the center's funding programs and guides them through the application process. Users can also find forms, documents and information related to managing a project and understanding compliance regulations.

For details, visit www.kyhousing.org/center/default.cfm or call (502) 564-7630 or 1-800-633-8896 (Kentucky only).

Budding Architects Learn about Affordable Housing

Future architects are learning how to design affordable housing, thanks to a partnership among the University of Kentucky, Frontier Housing Inc. and the Kentucky Housing Corp.

With $300,000 from the housing corporation, the university established the Affordable Housing Design Research Fund and created a professorship in the College of Architecture to teach students affordable housing planning, design and construction.

Earlier this year, students in the program used a new method to design prototype houses for a subdivision being built in Morehead, Ky., by Frontier Housing, a nonprofit organization. The universal design method is a building concept that incorporates products and general design layouts into residences to make them usable by the largest number of people and improve marketability of the residence.

The Kentucky Housing Corp. requires that housing developments that receive 50 percent or more of the total project cost from the housing corporation must meet a list of minimum universal design requirements.

For more information about the program, call the Kentucky Housing Corp. at (502) 564-7630 or 1-800-633-8896 (Kentucky only).

More information about universal design standards is available at www.kyhousing.org under "Technical Resources."

Illinois Links State Deposits to Satisfactory CRA Ratings

Illinois banks that want to receive state deposits must embrace the Community Reinvestment Act (CRA) of 1977 or risk losing their designation as depository institutions. The new State Funds Reinvestment Requirement Act states that if a bank is subject to the CRA, it must have a rating of satisfactory or better to be eligible for the deposit of state money. The act also requires the state treasurer to review complaints alleging fair-lending violations by the banks. If it is determined that a bank has violated fair-lending standards, the bank may be removed from the list of state depositories.

The CRA is a federal law that requires federal regulatory agencies to encourage banking institutions to help meet the credit needs of the entire community in which they are chartered to do business, including low-income areas.

Downtown St. Louis Offers Free Wireless Internet Access

The city of St. Louis and a local technology company, 02Connect, have teamed up to provide free wireless Internet access to the public in a 42-square-block area of downtown.

The target audience for the service is people enjoying downtown's outdoor spaces, cafes and parks, said Chris Dornfeld, a spokesman for the mayor's office. The service will allow visitors, business travelers and citizens to access the Internet any time it is convenient and will be the largest free wireless Internet area in the United States, he said.

02Connect is donating antennas and the network equipment as well as Internet access. The city is providing power, access to street signal poles and some help mounting the small antennas.

The first pieces of the network are already operational along the Gateway Mall. The complete network was expected to be up and running by Oct. 1, 2003.

What Exactly Is BOOF?

St. Louis Children Find Out

Operation Hope received an enthusiastic welcome to St. Louis on June 18 during a kick-off event attended by more than 50 people at the Herbert Hoover Boys and Girls Club.

Federal Reserve Bank of St. Louis President Bill Poole and Operation Hope Chairman John Bryant spoke to an excited group of fifth-grade members of the Herbert Hoover Boys and Girls Club. The two introduced the Banking on Our Future (BOOF) program, which was developed by Operation Hope. This was the first time the non-profit organization has partnered with a local affiliate of the Boys and Girls Clubs of America.

"You must vow never, ever, ever to be poor again," Bryant told the children. "Being broke is temporary, but being poor is a depression of your heart and spirit."

BOOF uses a network of volunteer bankers to teach the children four core modules: the basics of banking, how to open and maintain a checking and savings account, the importance of credit and the power of investments. After the kick-off event, staff members from the Reserve Bank's Community Affairs Office led the BOOF group for five more weeks. On the sixth week, club members took a tour of the Reserve Bank, seeing firsthand the security, cash and check areas of the bank.

Operation HOPE was founded 10 years ago in Los Angeles. The organization's mission is to bring economic self-sufficiency to America's inner-city communities.

Federal Reserve Chairman Alan Greenspan and several Reserve bank presidents are participating in the Operation Hope programs across the country.

This past spring, the Federal Reserve began its own personal financial education campaign, called "There's a Lot to Learn About Money." To find out more, go to: www.federalreserveeducation.org.

Children from the Herbert Hoover Boys and Girls Club gather around St. Louis Federal Reserve Bank President Bill Poole during a recent Banking on Our Future event. The program teaches youngsters about financial responsibility.

HAVE YOU HEARD

Federal Office Updates Metropolitan Statistical Areas

Forty-nine new Metropolitan Statistical Areas (MSAs) have been created by the federal Office of Management and Budget (OMB), bringing the total to 370. The OMB also redefined existing MSAs by adding or subtracting counties.

The classification, updated every 10 years, was created to provide nationwide, consistent definitions for collecting and publishing federal statistics for a set of geographic areas. This year, the OMB designated two new sets of statistical areas: Micropolitan Statistical Areas and Combined Statistical Areas.

The Metropolitan and Micropolitan Statistical Areas include about 93 percent of the U.S. population. MSAs have at least one urbanized area of 50,000 or more people. Micropolitan Statistical Areas have at least one urban cluster of at least 10,000 but fewer than 50,000 people. Combined Statistical Areas consist of adjacent Metropolitan and Micropolitan Statistical Areas, in various combinations.

Detailed information about the changes is available at www.whitehouse.gov/omb. Go to "Bulletins."

Manufactured Housing Qualifies For HOME Investments

Participating jurisdictions can use HOME Investment Partnerships funding to buy or rehabilitate manufactured housing units and then sell or rent them to low-income families, according to a Department of Housing and Urban Development (HUD) advisory. The money can also be used to purchase land to be used as manufactured-housing sites.

HUD defines "manufactured housing" as any type of non-motorized, portable unit built on a chassis, connected to utility hookups and intended to be used as a dwelling.

For details, visit www.hud.gov/offices/cpd/lawsregs/notices/2003/03-05.pdf.

One-stop Shopping for Grants Available on Internet This Fall

Starting in October, those seeking federal grants will be able to browse for funding from 26 agencies at a new one-stop Internet shop. The goal of the federal program, dubbed the "Grants.gov initiative," is to provide one place where customers can find and apply for more than 600 grants. The web portal will be the single point of entry for groups seeking grants and will offer general information and secure processing of transactions or applications. Users will also be able to sign up for e-mail alerts that will notify them when grant competitions have opened.

To read more, go to www.grants.gov.

CALENDAR

OCTOBER

16
Introduction to Community Development Finance—Ullin, Ill.
Sponsor: Federal Reserve Bank of St. Louis
(314) 444-8646

20
Second Annual Community and Economic Development Finance Forum—Peoria, Ill.
Sponsors: Illinois CDFI Coalition in partnership with the Peoria Area Chamber of Commerce and the Economic Development Council for Central Illinois.
www.iff.org/content.cfm/illcdficoalitioninitiative

23-27
Helping Small Towns Succeed—Jackson Hole, Wyo.
Sponsor: Heartland Center for Leadership Development
www.heartlandcenter.info

27-28
EDTS Annual Loan Fund "How To" Training Conference—New Orleans
Sponsor: Economic Development Finance Service
www.nado.org/edfs/index.html#strength

NOVEMBER

2-4
Building Sustainable Communities: From Philanthropy to Venture Capital—Cambridge, Mass.
Sponsor: Investors' Circle
www.investorscircle.net/Conference2003.html

5-7
Enterprise Foundation Network Conference—Baltimore
Sponsor: The Enterprise Foundation
www.enterprisefoundation.org

6-9
From Corporation to Community: Building a Network for Change—Austin, Texas
Sponsor: Net Impact
www.net-impact.org

7
Big Ideas for Small Business—Cincinnati
Sponsors: City of Cincinnati, Cincinnati Office of the Federal Reserve Bank of Cleveland and the Hamilton County Development Co.
www.clevelandfed.org/CommAffairs/index.htm or (216) 579-2903.

NOVEMBER

13
Expanding Your Company's Reach: Opportunities in the African American Economy—Kansas City, Mo.
Sponsors: Federal Deposit Insurance Corp., Federal Reserve Bank of Kansas City, Fannie Mae and the Ewing Marion Kauffman Foundation
(816) 881-2687

DECEMBER

8-12
Neighborhood Reinvestment Training Institute—San Francisco
Sponsor: Neighborhood Reinvestment Corp.
1-800-438-5547 or nrti@nw.org

JANUARY

14-16
Reinventing America's Older Communities—Penn's Landing, Pa.
Sponsors: Federal Reserve Bank of Philadelphia, Brookings Institution, Reinvestment Fund and Smart Growth America.
Contact yvette.cooper@phil.frb.org.

RESOURCES

Investments in Progress: Make a Deal, Make a Difference in the Urban Core of the St. Louis Region—Investors are the target audience of a new web site that highlights development opportunities in the St. Louis region's urban core. Hosted by the St. Louis Regional Chamber & Growth Association (RCGA), the site also lists successful private and public investment of recent years. The St. Louis urban core is defined as the older areas of the city of St. Louis, most of the inner ring suburbs of St. Louis County, and older communities in St. Clair and Madison counties in Illinois. To view the site, go to www.stlrcga.org/investments_in_progress/.

Neighborhoods, Regions and Smart Growth Tool Kit—The National Neighborhood Coalition says its guide provides "an easy-to-understand, 'big picture' explanation of how neighborhood development and regional growth affect one another." The kit advises neighborhood advocates on how to work effectively with regional leaders. The kit costs $20 and includes a list of resources, a checklist for action and guidance on building an agenda for change. Call Leah Kalinosky at (202) 408-8553 or e-mail her at leah@neighborhoodcoalition.org for information.

The Foundation of Asset Building: Financial Services for Lower-Income Consumers—The Woodstock Institute report profiles five banks that have a commitment to build their customer base by reaching out to unbanked households. The banks offer affordable checking, lifeline accounts and financial literacy programs and use creative strategies to market their products. The report also has an inventory of lifeline banking and financial literacy resources. To order a copy of the report, call (312) 427-8070.

Rural Community Development Banking Resource Directory—Banks interested in lending, investing or providing retail financial services in rural communities can find descriptions of resources and contact information in the directory. Organizations and web sites are categorized under rural housing, commercial lending, general information, public facilities lending, community revitalization and rural development farm loan programs. To access the directory, go to www.occ.treas.gov/cdd/Rural.htm.

BRIDGES

Bridges is a publication of the Community Affairs department of the Federal Reserve Bank of St. Louis. It is intended to inform bankers, community development organizations, representatives of state and local government agencies and others in the Eighth District about current issues and initiatives in community and economic development. The Eighth District includes the state of Arkansas and parts of Illinois, Indiana, Kentucky, Mississippi, Missouri and Tennessee.

Contributors:

Glenda Wilson
Community Affairs Officer
Editor

Linda Fischer
Assistant Editor

Ellen Eubank
Community Affairs Manager

Matthew Ashby
Community Affairs Specialist

Lyn Haralson
Community Affairs Analyst

Jean Morisseau-Kuni
Community Affairs Analyst

Faith Weekly
Community Affairs Analyst

If you have an interesting community development program or idea, we would like to consider publishing an article by or about you. Please contact:

Linda Fischer
Assistant Editor
Bridges
Federal Reserve Bank of St. Louis
P.O. Box 442
St. Louis, MO 63166

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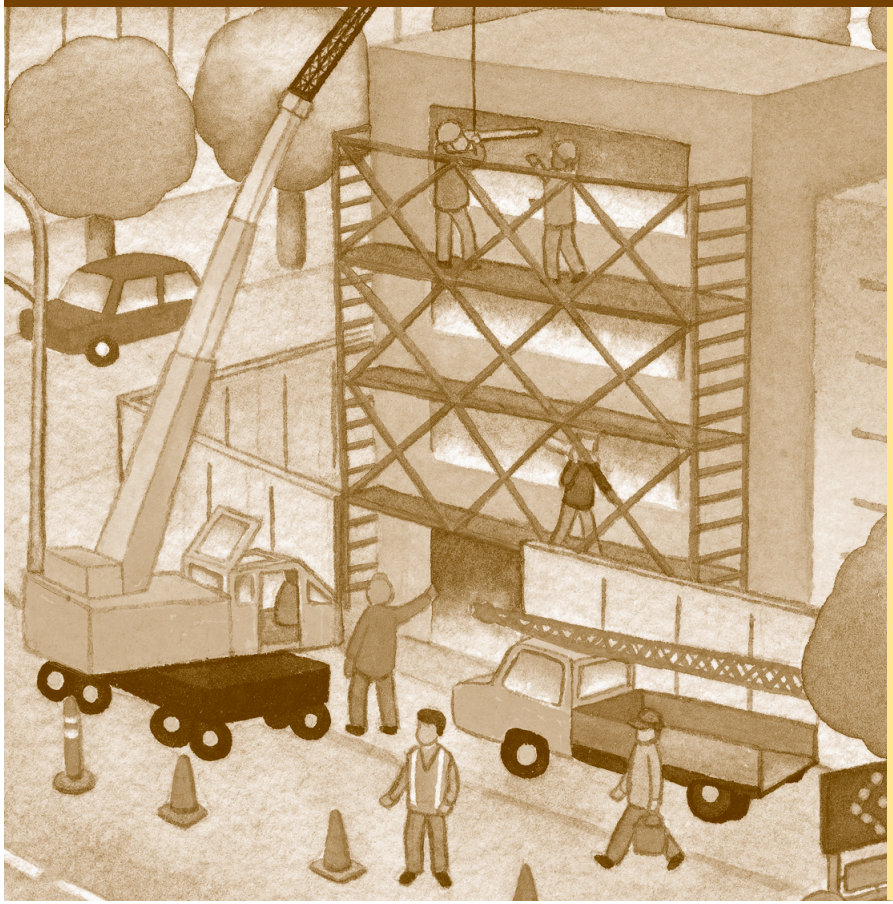
Free subscriptions and additional copies are available on request by calling (314) 444-8761 or by e-mail to communityaffairs@stls.frb.org.

The Federal Reserve *Fiscal Impact Tool*



What impact does economic development have on tax revenue and government costs in your city, county or region? The Federal Reserve *Fiscal Impact Tool* (FIT) helps local economic developers answer that question by estimating tax gains as well as government costs associated with growth. The software provides a framework for developing a quick estimate of fiscal impact with limited effort and data gathering. FIT also contains city, county and state economic data, including: retail trade data from the U.S. Bureau of the Census, time series on population and per capita income, and historical county and state labor force statistics. Find out how to obtain your copy of FIT by visiting www.federalreserve.gov/community.htm.

THE FEDERAL RESERVE BANK of ST. LOUIS

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