



Frayser Community Development Corporation Organization Profile – May, 2018

Frayser CDC

History & Mission: The Frayser Community Development Corporation (FCDC) was formed in January 2000 to become a revitalization engine for its community.

The Frayser community's median income, in 1970, was 110% of the area's median. The flight of the community's industrial base, as well as changing residential demographics, has seen average household incomes remain stagnant, with a decline in relation to the Shelby County area to 58% in 2017. Homeownership rates fell, and crime rates and negative perceptions of public safety rose to alarming levels. A once thriving post-WW II suburb, Frayser has been the foreclosure capital of Tennessee; 38127 led all zip codes in the Memphis area every year from 2000-2015. The average house sells for about \$34,000, down from a high of \$47,600 in 2006, but above the \$17,000 average of several years ago. At last count, there were 1,500 empty homes in Frayser—11%. Of late, however, vacancies have declined, home ownership rates risen, and housing sales prices increased significantly.

Its declining past economic status notwithstanding, the Frayser community has some very real strengths. With a population of about 45,000, Frayser is an exceptionally large community that exhibits a great deal of civic pride. It contains numerous churches, schools and community-wide activities that sustain the area's identity. Residents of Frayser love their community. With sprawl and fuel prices posing problems, the neighborhood's strategic location near Downtown and Midtown bode well for future investments.

Recent CDC Accomplishments: Even with the obstacles that are common in the challenging field of community development, Frayser CDC has made real progress. The CDC has obtained several multi-year grants that have allowed it to hire staff and build an increasingly complex and competent agency. The CDC has evolved from planning stages to an implementation stage. Major accomplishments in recent years include:

- Designation in 2005 as one of United Way of the Mid-South's three CDCs.
- Designation of Frayser by the City of Memphis as a "Priority Area", and by HUD as a "Revitalization Area" and a "Renewal Community" as well as a "New Market Tax Credit" eligible community. Each of these designations brings with it development tools and opportunities.
- Establishment of the Frayser Resource Center, which was purchased in 2007 and includes the CDC's offices. This facility, with a prime commercial location, allows for significant exposure for the CDC, its programs and products. A new 800 square foot addition is in the planning stages.
- Expansion of housing production: The CDC has purchased 200 houses to date and is currently is working at a rapid pace. Funding for housing comes from a variety of sources including the State of Tennessee, private foundations, the City of Memphis as well as the CDC's reserve funds. The CDC is purchasing, fully renovating, and placing families into about 25 empty, foreclosed homes per year. A new staff member dedicated to increasing production was recently hired.

- Home renting: Given drastic changes in the mortgage market, the CDC, in the spring of 2008, initiated a program to purchase, renovate and rent houses. Tenants, who cannot currently qualify for home mortgages, are assisted with credit restoration services to encourage financial literacy and home ownership. 102 homes are currently rented. A property maintenance company has been contracted with to assure that the CDC's properties remain in top condition. Additionally, the CDC manages another 25 properties for a nearby housing nonprofit. The rental portfolio generates considerable income for the CDC, stabilizing and allowing for some degree of financial independence.
- Establishment and expansion of housing counseling programs: Frayser CDC is a HUD and THDA Approved Housing Counseling Agency. The CDC currently offers Home Buyer Education, Foreclosure Counseling, and Budget and Credit Counseling services. The CDC requires that all renters and leasers work with the CDC's counselors to continue to improve their credit standing. Funding for these programs is currently coming through NCRC— National Community Revitalization Coalition— as well as several bank foundations. A recent grant supports the hiring of a new pre-purchase counselor to assist buyers in 38127 to overcome obstacles in purchasing homes.
- Acquisition of 4 bays of commercial property across the street from the CDC's offices: These storefronts, donated to the CDC by Shelby County, were fully renovated, and a 4 year lease signed with a physical rehabilitation company. The City contributed to the renovation costs, lowering the CDC's debt on the project.
- A grant funded Home Ownership Campaign initiated in 2017 publicized the affordability of Frayser homes and provided access to lenders, realtors and Home Buyer Education. This program, which documented that in 2016 only 10% of all purchasers were owner-occupants, has changed this ratio. Initial data show that the monthly number of owner-occupants rose from 4 per month to 10 per month due to this on-going campaign.

It has been a very busy time for Frayser CDC.

Current Activities: The CDC continues to expand its affordable housing development activities- currently focusing on foreclosed homes in areas in which the CDC thinks it can make the largest impact. The CDC recently completed a \$493,000 grant from THDA to acquire and renovate homes in Frayser; additional support will be applied for in the next funding round. Banks continue to occasionally donate foreclosed houses to the CDC.

The CDC has just been awarded City of Memphis funds to build 10 new homes starting in the Spring of 2018. These will be the 1st new homes built by the CDC in 10 years. It is our hope that this will spur a new housing boom by other developers.

Leasing and rental activity will continue to grow through 2018. Given the excesses of mortgage lending that have caused serious losses to families and communities, the CDC's plan is to patiently "grow" new buyers who can safely afford to invest in homes of their own. The CDC has, in the last year, made progress in securing commercial bank loans for funding to match grants to produce new units in Frayser.

A dilemma for the CDC and the community has been the difficulty of securing mortgages for buyers of homes at values below \$50,000. This was a very real issue in a neighborhood where the average home

sells now for \$39,000. Without such loans, most home sales go to out-of-town investors. Great progress has been made in recent month in finding banks willing to loan in 38127. This information, of value to all low cost neighborhoods in Memphis, is available on the website...frayserhomes.com.

The CDC's project to study and combat housing foreclosures continues. In addition to purchasing homes lost to foreclosure, the CDC has become very adept at preventing housing losses. In the Frayser market, almost no homes are lost to foreclosure by residents that use the counseling services of FCDC.

The CDC's Home Buyer Education classes began in January of 2006. As the housing market in Frayser has rebounded, class attendance has increased, and is expected to continue to grow further with help from the Home Ownership Campaign.

The CDC has used the Tennessee Neighborhood Preservation Act to file suit on dozens of neglected properties in Frayser. This tool helps to force improvements of these properties, or allow the CDC the ability to renovate them.

The CDC is looking at programs, in the Spring of 2018, which would allow for renovation help for very-low income home owners' homes in Frayser. Similar funding was available in past years from the City of Memphis, but phased out 5 years ago.

Several years ago Frayser CDC assessed and mapped the condition of all 16,000 parcels in Frayser, as well as mapping home ownership and tax arrearages. Empty and blighted properties remain a challenge. The CDC continues to work with the City of Memphis to demonstrate the necessity of reinvesting in neighborhoods like Frayser – to build the tax base and slow urban sprawl. The CDC recently completed an analysis and PowerPoint demonstrating that, in one small area, \$1M was spent on mitigating blight that resulted in an estimated rise in the City/County tax base of \$6M.

Several interns have added to the CDC's capacity to gather and map valuable data. Maps are currently being produced which will show every home in 38127 that has not had utilities for 90 days or more, as well as accurately assessing Frayser's real level of home ownership. These interns have also been instrumental in assisting in code enforcement efforts, with an emphasis on getting abandoned houses that are 'open to casual entry' boarded.

The CDC has partnered with funders to start a new redevelopment effort focused around several ASD schools that are being revitalized in Frayser. This work will address single family and multifamily housing, a large abandoned church structure located across the street from 2 of the schools, as well as financial counseling focused on families that attend the ASD schools. Again, the Neighborhood Preservation Act will be used to sue owners of blighted properties.

Staffing & Staff Capacity: Activities of the CDC are currently conducted by its 7 full-time and 2 part-time employees, and 3 interns.

Steve Lockwood, the CDC's Executive Director, joined the organization in 2002. Mr. Lockwood's experience includes three years as the Executive Director of the Vollintine-Evergreen CDC and three years as Program Director at Memphis Community Development Partnership. Prior to joining the non-profit world, he spent 15 years as a real estate developer specializing in residential rehabs.

Beverly Richardson, the CDC's Chief Financial Officer, joined the organization in 2003. A banker by training, Ms. Richardson has an MBA from Columbia University and spent over 15 year in the financial services industry. She came to FCDC after five years at a CDC in South Memphis where, as Director of Real Estate and Economic Development, she developed programs that channeled \$1.2 million into that community's residential housing stock.

Charia Jackson, the CDC's Housing Counselor, joined the staff in 2005. Ms. Jackson, who is HUD and THDA certified, graduated from the University of Memphis and became a full-time employee in 2008. She is a life-long Frayser resident.

Michelle Lucas, Rental Manager, joined the staff in November, 2016. Michelle has years of property management experience. She handles the lease-up and maintenance of the CDC's houses.

Alice Rutherford, retired from the phone company, is the CDC's office manager. She is a long-time Frayser resident.

Mary Cunningham assists with the foreclosure counseling and rental management programs and is a Frayser resident.

Josh Mohundro came to the CDC in November, 2017 as the CDC's Housing Director to help the CDC step up the pace of its housing development work.

Vernatria Turnage was hired in May, 2018 as its Pre-Purchase Counselor to remove obstacles for new homeowners in Frayser.

Ruth Gibson was engaged in the Fall of 2016, after the passing of one of the CDC's staff members, to conduct the CDC's Home Buyer Education classes.

FCDC Board of Directors

The CDC's Board has a roster of 12 members, most of whom are Frayser residents. Directors that are not residents have a strong association or affiliation with the community. Input from the Board is critical to staff's ability to do an effective job for both the CDC and the community as a whole. The Board maintains 3 standing committees: Housing, Finance and Counseling and Outreach; that continue to improve in function and expertise.

Frayser Community Development Corporation

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