3-1-2009

Financial Intermediaries for Community and Economic Development in Ohio: Market Assessment

Ziona Austrian
Cleveland State University, z.austrian@csuohio.edu

Brian A. Mikelbank
Cleveland State University, b.mikelbank@csuohio.edu

Afia Yamoah

Charles Post
Cleveland State University, c.post@csuohio.edu

Candice Clouse
Cleveland State University, c.clouse@csuohio.edu

See next page for additional authors

Ziona Austrian, Brian A. Mikelbank, Afia Yamoah, Charles Post, Candice Clouse, and David O. Kasdan

Cleveland State University
Maxine Goodman Levin
College of Urban Affairs

Financial Intermediaries for Community and Economic Development in Ohio:

Market Assessment

Prepared for:
The Finance Fund

Prepared by:
Ziona Austrian, Ph.D.
Brian Mikelbank, Ph.D.
Afia Yamoah, Ph.D.
Charlie Post
Candice Clouse
David Kasdan

March 2009

CENTER FOR ECONOMIC DEVELOPMENT

CENTER FOR HOUSING RESEARCH AND POLICY

UUP
The Ohio Urban University Program

2121 Euclid Avenue Cleveland, Ohio 44115
http://urban.csuohio.edu

FINANCIAL INTERMEDIARIES FOR COMMUNITY AND ECONOMIC DEVELOPMENT IN OHIO: MARKET ASSESSMENT

Prepared For
The Finance Fund

Prepared By
Ziona Austrian, Ph.D., Afia Yamoah, Ph.D., Candice Clouse, David Kasdan
The Center for Economic Development

Brian Mikelbank, Ph.D., Charlie Post
The Center for Housing Research and Policy

Maxine Goodman Levin College of Urban Affairs
Cleveland State University

March 2009

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

I. INTRODUCTION

This report describes the results of an in-depth market assessment study conducted for the Finance Fund by the Center for Economic Development and the Center for Housing Research and Policy at Cleveland State University's Levin College of Urban Affairs. The Finance Fund, located in Columbus, Ohio, is a statewide nonprofit financial intermediary. It finds funding and provides resources to support organizations that assist low- and moderate-income families and communities.[1] The Finance Fund works primarily within low-income rural and urban communities throughout the state of Ohio by connecting local community development organizations and small businesses with needed funding in the form of grants, loans, and nontraditional financial products. Most of the projects in which the Finance Fund acts as a financial intermediary are in the areas of affordable housing, child care and early learning facilities, small business entrepreneurship, community facilities, and commercial revitalization. The majority of the Finance Fund's clients are community-based nonprofit organizations and for-profit businesses that serve the low-income community. In order to provide the funding needed to undertake these projects, the Finance Fund helps create public-private partnerships with financial institutions, investors, charitable foundations, community organizations, and federal, state, and local governments.

The purpose of this research is to describe and quantify the needs of the Finance Fund's current and potential clients, identify the role the Fund's partners play, and understand the market potential for the services provided by the Finance Fund. This report is organized according to the tasks undertaken to accomplish the study's purpose.

Following this introduction, the next section provides a brief description of the methodology used in this study. The methodology section describes how each of the research tasks was planned and executed, including a brief description of two deliverables that are provided to the Finance Fund as electronic files. The third section provides a short description of county profiles for each of Ohio's 88 counties. The detailed data are provided electronically. The fourth section summarizes the findings from a survey of the Finance Fund's clients and potential clients. The next section discusses the main results from a survey of the Finance Fund partners and potential partners. The sixth section describes briefly an inventory of funding sources, which were compiled electronically, and the seventh section analyzes the gaps between the resources available for different community and economic development projects and projects undertaken by the communities and how they are funded. The gap analysis also discusses differences between the responses of clients and partners. The last section provides a summary and recommendations.

[1] http://www.financefund.org/

II. METHODOLOGY

This study uses several methodologies to collect primary and secondary information needed to conduct the market assessment for the services offered by the Finance Fund. The scope of work included five tasks, each with its own methodology.

The first task was to prepare a profile for each of the 88 counties in Ohio. The data, based on information from the Ohio Department of Development, are delivered as a Microsoft Excel spreadsheet that contains extensive socioeconomic information for each county. The variables fall into 29 primary areas: basic county facts, taxes, land use, largest communities within the county, population (historic and projected population and population by age and race), educational attainment, family type (family type by presence of children and family type by employment status), household income, poverty status, residential mobility, travel time to work, housing units (number of housing units, structure age, value of owner-occupied housing units, and monthly owner costs), vital statistics, agriculture, education, transportation, healthcare, voting, parks and forests, communication, crime, finance, transfer payments, federal expenditures, civilian labor force, employment and wages by sector, business starts, residential construction, and major employers. The spreadsheet is organized so that for every variable of interest, the corresponding information for all counties is listed in a single column.

The next two tasks were to survey current and potential clients (users) of the Finance Fund and current and potential partners of the Finance Fund. Two different survey instruments were developed. The surveys, included in Appendix A, were most often administered electronically, although a few surveys were sent via postal mail. The recipients included the Finance Fund's current users and partners as well as potential clients and partners, whose contact information was found through a comprehensive internet search. Both surveys were pretested prior to sending them.

The client survey was sent to 397 organizations. Of these, 232 were Finance Fund clients and their e-mail addresses were provided by the Finance Fund. An additional 165 organizations that were deemed to be potential clients were added to the database through an Internet search. Of the 397 addresses, 79 returned as undeliverable, resulting in surveys sent to 318 organizations with reliable e-mail addresses. Usable responses were received from 78 organizations, for a 24.5% response rate. The survey asks for information on the organization itself, the type of projects completed and underway, project financing, the role of financial intermediaries, and future plans.

The partners' survey was sent to 852 e-mail addresses. Of these, 491 came from a database provided by the Finance Fund and an additional 361 contacts came from an Internet search of community and economic development departments, and chambers of commerce. Completed surveys were returned by 59 organizations, for a response rate of 6.9%. Excluding the elected officials in the database, some of whom may have been in the midst of election campaigns, the response rate would have been 8.4%.

The fourth task was to identify available sources of funding for economic and community development projects. The Funding Inventory is a Microsoft Excel spreadsheet that contains extensive information about the available economic and community development funding sources accessible for applicants in Ohio. The sources range from federal government agencies to local community organizations that offer funding mechanisms for projects that are within the scope of Finance Fund clientele. Information was collected from a broad array of sources and confirmed to be accurate at the time of compilation in October 2008. The Funding Inventory spreadsheet is arranged for easy sorting and quick access to the desired information. For each funding source it shows the agency/department, program name, award amount or range of awards available, contact information, project type, and finance mechanism.

The fifth task was to conduct a gap analysis. Three types of disparities were analyzed: (1) the gap between the way clients finance their projects and the available funding sources identified in the inventory (2) the gap between the responses to the clients' survey and the partners' survey focusing on types of projects funded and those referred by the partners (3) the distribution of Finance Fund's clients, which can be used to identify potential service area gaps.

III. OHIO COUNTY PROFILES

Ohio County Profiles are delivered as a Microsoft Excel spreadsheet that contains extensive socioeconomic information for each of the 88 counties in Ohio. These profiles are based primarily on information from the Ohio Department of Development but are organized by variable to allow for easy comparison among counties for each variable.

The Ohio County Profiles include numerous variables that are divided into 29 primary areas (listed in the methodology section). This section highlights three groups of variables: county size, educational attainment, and median household income.

Which counties are the largest? Ohio counties differ significantly in their population size with the smallest county's population accounting for only 1% of the largest county. Cuyahoga County, the central county of the Cleveland metropolitan area, had the largest population in 2007 with 1.3 million people, followed by Franklin County, the central county of the Columbus metro area (1.1 million), and Hamilton County, the central county of the Cincinnati metropolitan area (842,400). The three smallest counties are rural counties located in the Appalachian region. They include Vinton County (13,400), Noble County (14,100), and Monroe County (14,200).

When county size is measured in terms of land area, the largest counties are Ashtabula (702.7 sq. mi.), Ross (688.5 sq. mi.) and Licking (686.5 sq. mi.). Ashtabula and Ross are micro metropolitan areas adjacent to the Cleveland and Columbus areas, respectively. Licking County is part of the Columbus metropolitan area. The smallest counties in terms of land area are Lake County (228.2 sq. mi.), Erie (254.5 sq. mi.), and Ottawa (255.1 sq. mi.); all three are part of metropolitan areas in Northern Ohio (Cleveland, Sandusky, and Toledo, respectively).

Which counties have the highest educational attainment, an indicator important to economic growth? The counties with the highest percentage of residents 25 years and older who hold a master's degree or higher are Greene County in the Dayton metropolitan area (13.9%), Athens County (13.1%), and Delaware County (12.9%). Greene County may have a higher percentage because of its proximity to Wright Paterson Air Force Base; Athens, a small county, may show higher numbers because Ohio University is located there; and Delaware County is in the Columbus metropolitan area where the state capital and Ohio State University are located. Ohio's average percentage for persons 25 years old and older holding a masters' degrees is 7.4%. The counties with the smallest percentages of adults with at least master's degrees are all located in the Appalachian region of Ohio: Vinton (2.2%), Noble (2.2%), and Perry (2.4%).

Similar patterns are observed when analyzing education attainment at the bachelor's level. Ohio counties with the highest percentages of their 25 years old and older population with a bachelor's degree are Delaware (28.2%) and Franklin (21.2%) counties in the Columbus metro area and Geauga County (19.9%) in the Cleveland metropolitan area. Ohio's average is 13.7%. Among the three counties with the lowest percentages of adults with a bachelor's degree are

Vinton (3.9%) and Adams (4.4%) counties in the Appalachian region and Paulding (4.5%), a rural county in Northwest Ohio.

Counties with high percentages of adult population with **no** high school education face a critical barrier to community and economic development. Data on Holmes County, a rural county with a large Amish community, reveals that 48.5% of its adult population have no high school diploma. Adams and Pike counties in Southern Ohio, both rural counties in the Appalachian region, also have high percentages of their adult population with no high school diplomas, 31.4% and 29.9%, respectively.

Median household income is a proxy for regional standard of living. Measured by 1999 income, when data for all of Ohio's counties were last available, Ohio's counties with the highest median household income were Delaware ($67,258), Geauga ($60,200), and Warren ($57,952). These are the wealthiest counties in the Columbus, Cleveland, and Cincinnati metropolitan areas, respectively. The counties with the lowest median household income in 1999 were Meigs ($27,287), Athens ($27,322), and Scioto ($28,008). Athens County has a low median household income because students at Ohio University account for a large percentage of its population. The other two counties are located in the low-income Appalachian region. The median household income for Ohio in 1999 was $40,956.

Highlighting these few variables suggests that Ohio's counties are very different from each other. They differ by region of the state and whether they are urban, part of a metropolitan area, or rural. The database includes a tremendous amount of information about each of the counties in Ohio and should serve as a valuable resource for the Finance Fund and others in understanding their markets.

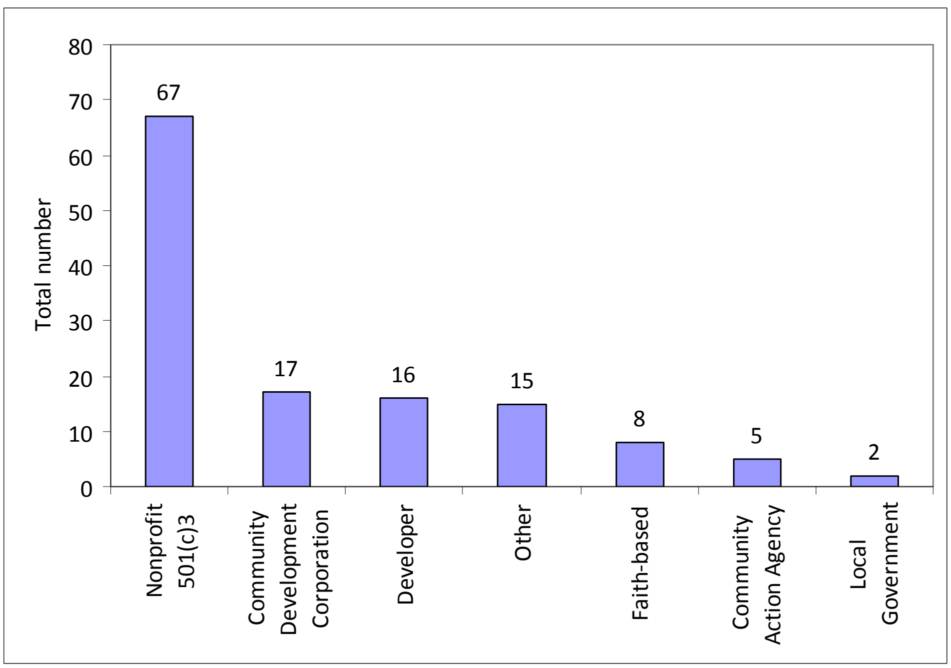
IV. FINANCE FUND CLIENT'S SURVEY RESULTS

The Finance Fund client's survey was sent to actual clients and potential clients of the Finance Fund. A total of 78 responses were received from a list of 318, a 24.5% response rate. Analysis of the responses from the survey is provided in this section.

ORGANIZATIONAL INFORMATION

The majority of organizations (86%) that responded to the survey were nonprofits (Figure 4.1). However, approximately half of the respondents who selected the nonprofit option also selected at least one other category to describe their organization. Other organization types were community development corporations, developers, "other" organizations, faith-based organizations, community action agencies, and local governments. The "other" category includes small businesses, legal services, community land trusts, social service providers, for-profit child care centers, and youth development facilities.

Figure 4.1. Type of Organization



Most of the responding organizations (62) had been in existence for more than 10 years (Table 4.1). This was followed by a distant second group (11) that was 6 to 10 years old and five organizations that were 1 to 5 years old. All the responding organizations had been in existence for at least 1 year.

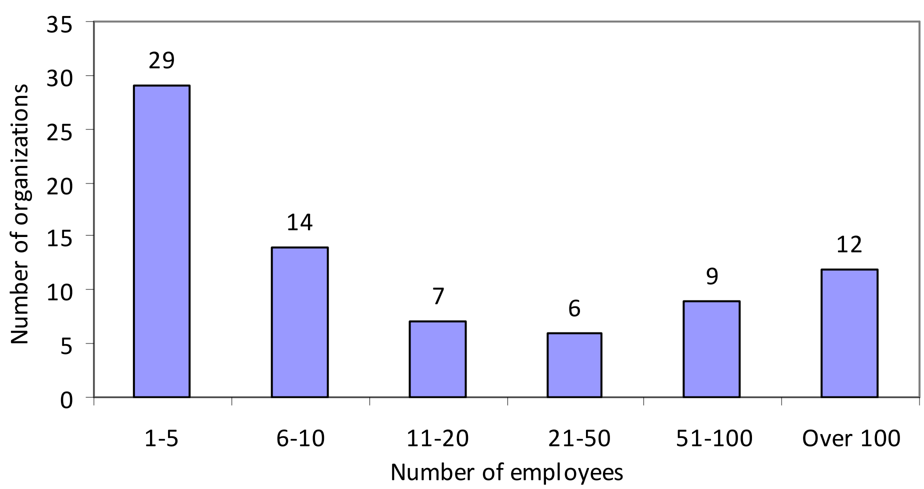
Table 4.1. Age of Organizations

Age of Organization	Number of Organizations	Percentage of Respondents
Less than 1 year	0	0.0
1 to 5 years old	5	6.4
6 to 10 years old	11	14.1
More than 10 years old	62	79.5

Size of Organization

Twenty-nine survey respondents were small organizations with 1 to 5 employees (Figure 4.2). Respondents with fewer than 20 workers formed 64% of the respondents. Twelve respondent-organizations were relatively large with over 100 employees and an additional nine organizations employed between 51 and 100 workers. While some supplemented their work load with volunteers, not all did. The next section shows the number of volunteers used by respondents.

Figure 4.2. Organization Size



Note: One respondent did not indicate their employment size.

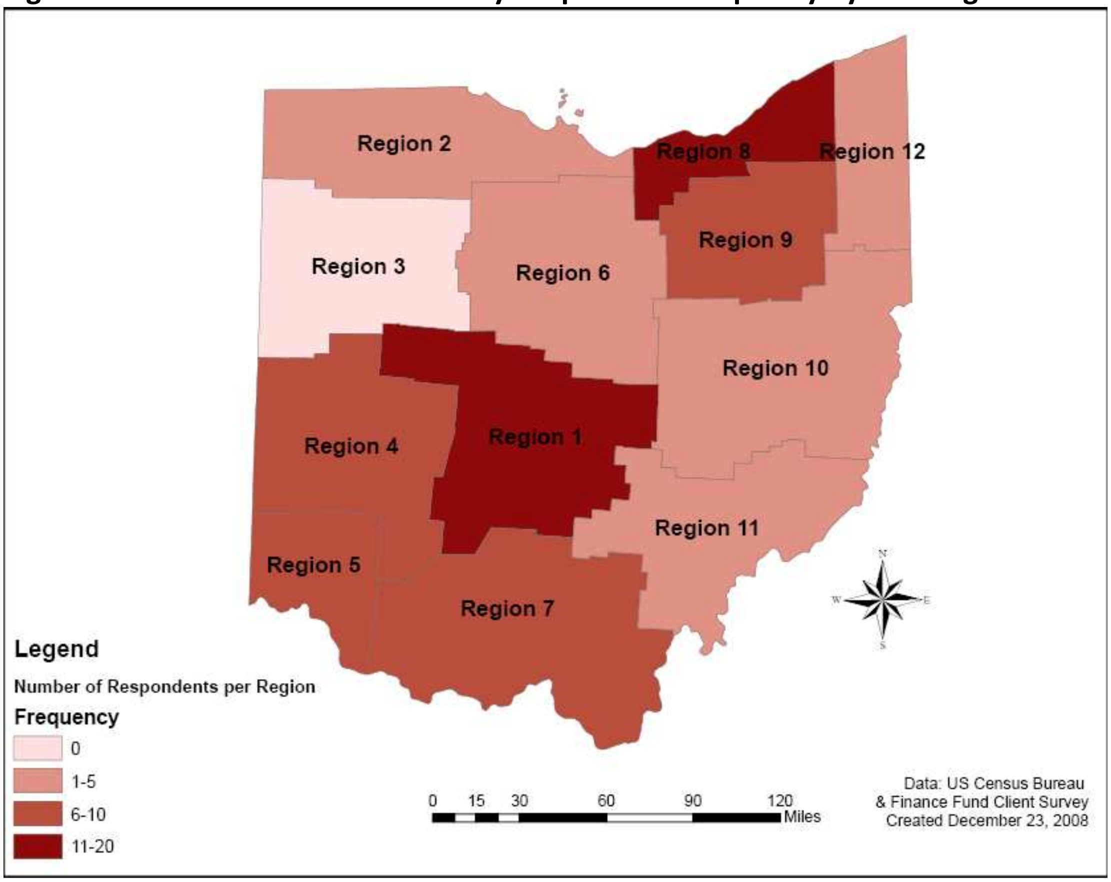
GEOGRAPHIC SERVICE AREA

Location of survey respondents is mapped by the 12 Economic Development Administration (EDA) Regions[2] in Ohio (Figure 4.3). Most respondents are clustered in Region 1 (Central Ohio –

[2] There are 12 Economic Development Administration (EDA) Regions in Ohio. The regions are: Region 1 – Central Ohio (Columbus), Region 2 – Northwest Ohio (Toledo), Region 3 – West Central Ohio (Lima), Region 4 – Western Ohio (Dayton), Region 5 – Southwest Ohio (Cincinnati), Region 6 – North Central Ohio (Mansfield), Region 7 – Southern Ohio (Chillicothe), Region 8 – Northern Ohio (Cleveland), Region 9 – Northeast Central Ohio (Akron), Region 10 – East Central Ohio (Cambridge), Region 11 – Southeast Ohio (Marietta), and Region 12 – Northeastern Ohio (Youngstown). Source: http://www.ohiomeansbusiness.com/regions/regional.php.

Columbus area) and Region 8 (Northern Ohio – Cleveland area). Region 1 had the highest number with 16 respondents followed closely by Region 8 (15 respondents). Regions 4 and 7 (Western Ohio – Dayton area and Southern Ohio – Chillicothe area) had 7 respondents each and Regions 5 and 9 (Southwest Ohio – Cincinnati area and Northeast Central Ohio – Akron area) followed with 6 respondents each. The northwest and eastern parts of the state including Regions 2, 6, 10, 11, and 12 each had 1 to 4 respondents. No respondent was located in the West Central Ohio Region (Region 3). Nine organizations that reported that they serve the whole state or other states are not represented on the map. When asked if there were organizations doing similar work in their service areas, 47% (37 organizations) said yes while 53% (41 organizations) said no.

Figure 4.3. Finance Fund Client Survey Respondent Frequency by EDA Region



VOLUNTEERS

A total of 52 organizations used volunteers in a typical week. Conversely, 24 organizations did not use volunteers and 2 did not respond to the question. Organizations that responded to the survey were asked the number of volunteers and volunteer hours used in a typical week. In addition, they were asked the number of full-time employees working in their organization. Responses to these questions were cross-tabulated and are presented below (Tables 4.2 and

4.3). For this discussion, employment size was grouped in three categories: small (1-5 and 6-10 employees), medium/mid-sized (11-20 and 21-50), and large (51-100 and over 100).

Employment Size by Number of Volunteers Used

For smaller organizations with 1 to 5 employees, 17 out of 29 organizations used volunteers (Table 4.2). Most of these organizations used less than 10 volunteers in a typical week. For organizations with 6 to 10 employees, 11 out of 14 used volunteers, with most using up to 20 volunteers per week.

A smaller percentage of mid-sized organizations used volunteers (7 out of 13, 54%) compared to small sized (65%) and large sized organizations (76%). Nine organizations with over 100 employees used volunteers, and seven organizations with 51 to 100 employees used volunteers. As expected, organizations that reported using over 100 volunteers in a typical week were large organizations.

Table 4.2. Number of Volunteers Used in a Typical Week by Organization Size

Size of Organization (Number of Employees)	Number of Organizations in Each Employment Size Category	Number of Organizations Using Volunteers	Number of Volunteers Used in a Typical Week				
			Less than 10	10 - 20	21 - 49	50 - 100	More than 100
1-5	29	17	15	1	1	0	0
6-10	14	11	5	4	1	1	0
11-20	7	3	3	0	0	0	0
21-50	6	4	1	2	0	1	0
51-100	9	7	1	2	2	1	1
More than 100	12	9	0	6	1	1	1
Total	77	51	25	15	5	4	2

Note: Total number of organizations using volunteers is 51 rather than 52 (mentioned above) because one organization did not respond to the organization size question.

Employment Size by Volunteer Hours Used

In addition to volunteers working in a particular organization, the total number of volunteer hours worked was provided by respondents. Volunteer hours worked per week were grouped into five categories: under 20, 20–59, 60–99, 100–500, and over 500 hours.

For smaller organizations with 1 to 5 employees, 10 organizations had less than 20 total volunteer hours and five organizations had from 20–59 hours (Table 4.3). For organizations with 6 to 10 employees, the majority had total volunteer hours ranging from 20 to less than 100 hours in an average week. For mid-sized organizations, the number of volunteer hours varied with almost the same number of organizations having volunteer hours in each of the five categories described above. Similarly, large organizations with 51 to 100 employees reported that they had volunteers working various hours per week. All organizations with more than 100 employees that used volunteers used more than 20 volunteer hours per week with the largest number of organizations (5) using 100–500 hours per week.

Table 4.3. Volunteer Hours Used in a Typical Week by Organization Size

Size of Organization (Number of Employees)	Number of Organizations in Each Employment Size Category	Number of Organizations Using Volunteers	Volunteer Hours in a Typical Week				
			Less than 20	20 - 59	60 - 99	100 - 500	More than 500
1-5	29	17	10	5	2	0	0
6-10	14	11	1	5	4	1	0
11-20	7	3	1	1	0	1	0
21-50	6	4	1	0	0	3	0
51-100	9	7	1	1	2	2	1
More than 100	12	9	0	1	2	5	1
Total	77	51	14	13	10	12	2

Note: Total number of organizations using volunteers is 51 rather than 52 (mentioned above) because one organization did not respond to the organization size question.

TYPES OF PROJECTS

Projects Underway or Completed in Past 3 Years

Table 4.4 shows various projects that respondents have completed in the past 3 years or that are still underway. A majority of projects that have been completed or that are underway are in housing. For example 40 respondents had completed projects in affordable housing, 33 each in housing improvements and homeownership, and 18 in supportive housing. The number of organizations with projects underway in these same project areas was 29, 19, 26, and 10, respectively. Small business entrepreneurship was another active project area with 21 organizations each with projects that were completed and projects that were still underway. Commercial revitalization and educational programs also had high numbers of organizations with projects that were completed or underway. Lower-activity project areas included school facilities and buildings, community facilities, and safe and healthy environments.

Table 4.4. Projects Completed or Underway (Past 3 Years)

Project Area	Completed	Percentage of Respondents	Underway	Percentage of Respondents
Affordable housing	40	51%	29	37%
Housing improvements	33	42%	19	24%
Homeownership	33	42%	26	33%
Education programs	29	37%	17	22%
Small business entrepreneurship	21	27%	21	27%
Child care	19	24%	7	9%
Supportive housing	18	23%	10	13%
Senior services	18	23%	10	13%
Commercial revitalization	16	21%	20	26%
Historic preservation	13	17%	10	13%
Strategic real estate investment	10	13%	9	12%
Schools facilities/Buildings	8	10%	4	5%
Community facilities	8	10%	8	10%
Environmental programs/Green communities	8	10%	11	14%
Safe & healthy environments	7	9%	8	10%
Other	4	5%	5	6%

Future Projects

Respondents to the survey were asked the likelihood of starting projects in various areas in the next 3 years. Responses to this question are categorized as “very likely or likely,” “uncertain,” and “unlikely or very unlikely” (Table 4.5). The results show that the future plans for the next 3 years are similar to the projects that are underway or that have been completed in the past 3 years. For instance, between 33 and 42 organizations reported that they are very likely or likely to undertake projects in affordable housing, homeownership, or housing improvements. Similarly 28 and 22 organizations said they are likely or very likely to start projects in small business entrepreneurship or commercial revitalization. Table 4.5 also reveals a few new project areas that organizations plan to explore in the next 3 years such as environmental programs/green communities and senior services.

Table 4.5. Likelihood of Starting Projects in Next 3 Years

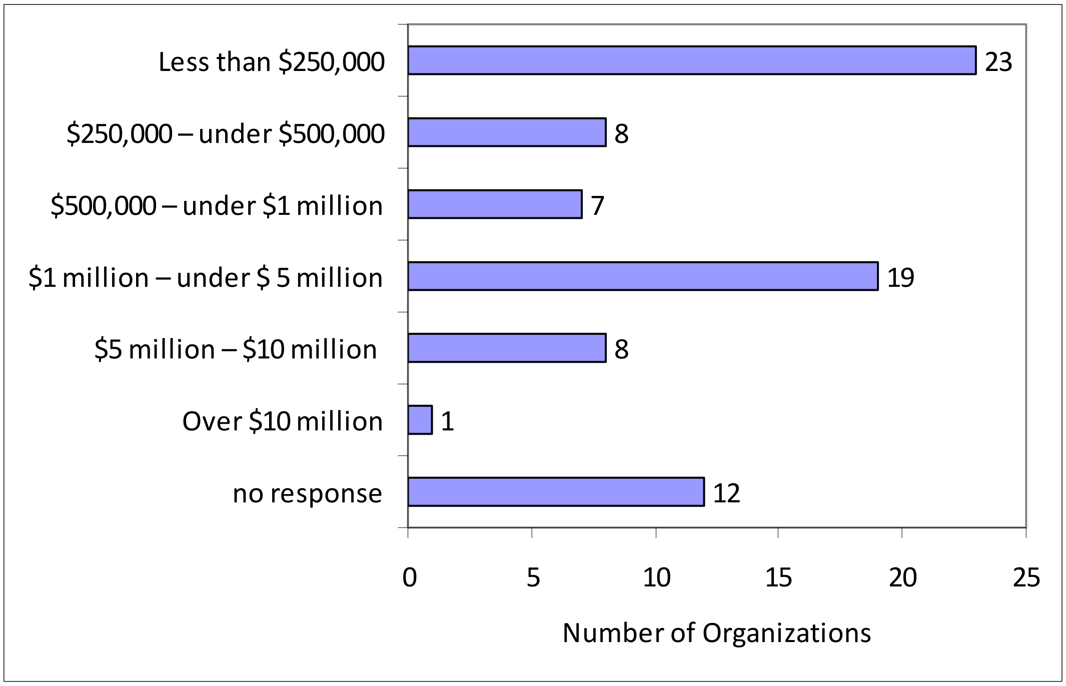
Project Area	Very Likely or Likely	Uncertain	Unlikely or Very Unlikely
Affordable housing	42	4	5
Homeownership	38	4	6
Housing improvements	33	1	7
Small business entrepreneurship	28	5	7
Education programs	24	8	5
Environmental programs/Green communities	23	8	5
Commercial revitalization	22	10	8
Senior Services	19	8	8
Supportive housing	17	6	10
Community facilities	16	5	12
Historic preservation	16	7	10
Strategic real estate investment	16	9	7
Child care	13	5	14
Safe & healthy environments	13	9	8
Schools Facilities/Buildings	7	3	16
Other Project	2	1	1

PROJECT FUNDING

Cost of Typical Project

The typical cost of projects is shown in Figure 4.4. Most respondents are working on very small projects (less than $250,000) or medium size projects ($1 million to less than $5 million). Twenty-three respondents (29%) reported that the cost of a typical project was less than $250,000; 19 organizations reported project costs averaged $1 million to less than $5 million. However, 9 organizations are engaged in large projects with 8 organizations involved in projects costing between $5 million and $10 million and 1 over $10 million. Fifteen percent (12 organizations) of the survey respondents did not answer this question.

Figure 4.4. Cost of Typical Project

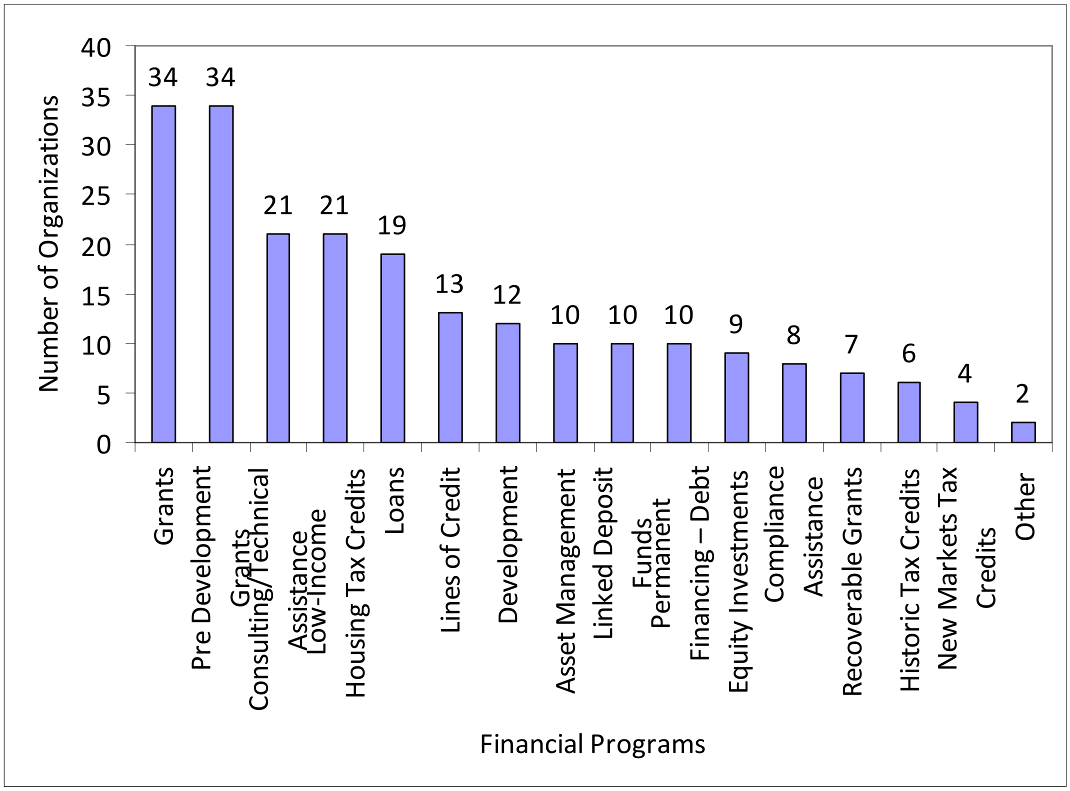


Financial Programs Used in the Past 3 Years

Figure 4.5 (below) shows the financial programs used by respondents in the past 3 years. This survey question required respondents to check all the different programs they have used; consequently, the numbers on the chart add up to more than the total respondents of the survey (78).

Grants and pre-development grants were the programs used by the highest number of organizations (34 each), followed by consulting/technical assistance and low-income housing tax credits (21 each) and loans (19). On the other hand, recoverable grants, historic tax credits, and new market tax credits were used by the smallest number of organizations: 7, 6, and 4, respectively. Two organizations reported that they used some other type of program.

Figure 4.5. Financial Programs Used by Respondents



Funding Sources and Instruments (Past 3 Years Only)

Funding sources used by respondents of the survey ranged from government sources (federal, state, county, and city/municipal government), organizations (foundations and banks), and other sources including private investments. In addition to the different sources of funding, respondents also used various instruments such as loans, grants, equity, tax incentives, tax credit, financing, and consulting. The following is a discussion about the different types of instruments used for the various sources of funding, and we note where intermediaries were used to secure funds from the various sources of funding.

Figure 4.6 shows funding instruments used by four different types of government and Figure 4.7 shows funding instruments for all other types of organizations. Both figures show that the most common instrument used by respondents was grants followed by loans. This was true for all sources of funding except banks and private investments, where loans were used more often than grants. No clear pattern emerged from the other types of instruments.

Of the responding organizations that used federal sources of funding, 51 used grants, 24 used loans, 18 used tax credits, and 12 each used equity and financing. Consulting and tax incentives were used by 8 and 6 organizations, respectively. Intermediaries were used in all of these instruments. For example of the 18 organizations that used tax credit, 13 (72%) used intermediaries. Intermediary usage for the other funding sources was: 4 out of 8 organizations

(50%) for consulting, 3 out of 6 (50%) for tax incentives, 10 out of 24 (42%) for loans, 16 out of 51 (31%) for grants, 4 out of 12 (33%) for equity; and 3 out of 12 (25%) for financing.

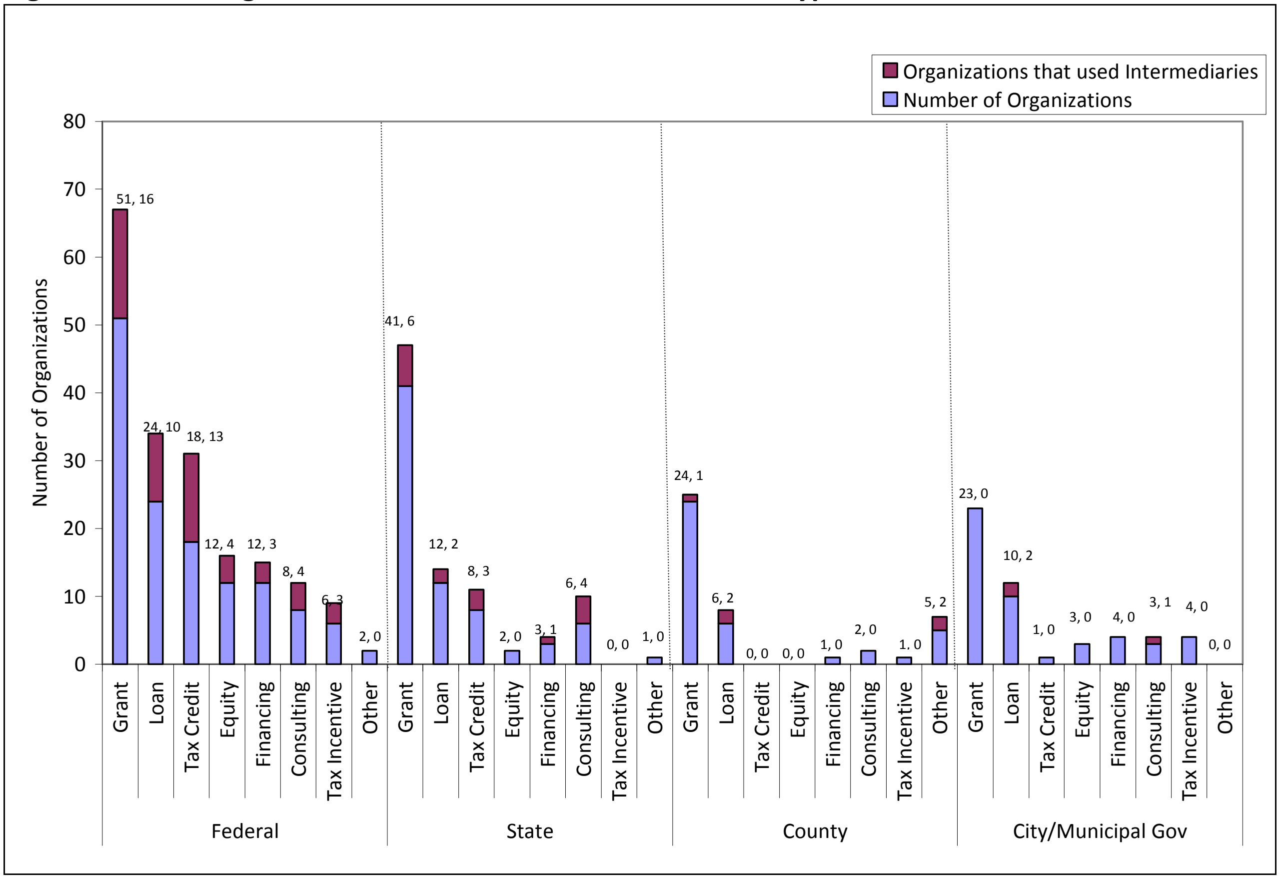
Organizations that used tax credits from the federal government were most likely to use intermediaries whereas users of the financing instrument were least likely to use intermediaries. In terms of absolute numbers, the results suggest that intermediaries played a bigger role in helping organizations secure federal grants, loans, and tax credits.

The majority of organizations (41) that used state funding received grants, followed by 12 organizations that received loans, 8 that received tax credits, and 6 that received consulting services. *Intermediaries were used to a lesser extent to obtain funding from state sources than from federal sources*. Only 6 organizations used intermediaries in obtaining state grants, 4 used intermediaries in obtaining consulting services, and 3 used intermediaries for tax credit.

Grants were the most common type of financing obtained through county governments followed by loans and other assistance. Only 1 out of the 24 organizations that obtained grants from the county government used an intermediary. Intermediaries were used by 2 out of the 6 organizations that received loans from the county government. Two organizations also reported using intermediaries to receive other assistance from county governments.

The number of organizations that received funding from the city or municipal government was highest for grants (23), followed by loans (10), financing and tax incentives (4 each), equity and consulting (3 each), and lastly tax credit (1). Intermediaries were used in obtaining only two types of financing or assistance from the city or municipal government: loans (2 out of 10) and consulting (1 out of 3).

Figure 4.6. Funding Instruments for Different Government Types



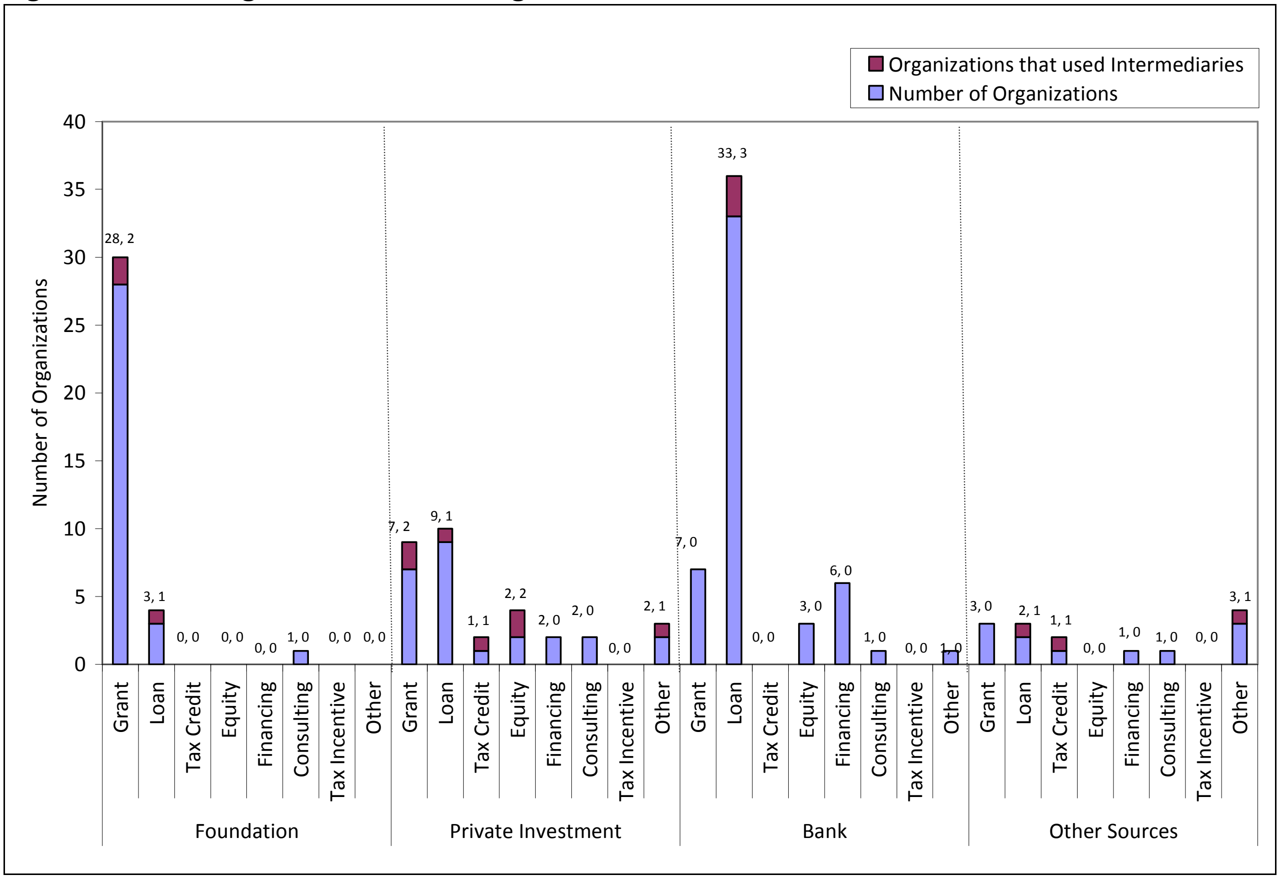
Funding from foundations utilized three instruments: grants (28 organizations), loans (3) and consulting (1) (Figure 4.7). Intermediaries were used by two organizations in securing grants and 1 organization in obtaining loans.

Unlike the sources of funding already discussed above, where grants outpaced loans, organizations that used private investment sources used more loans (9) than grants (7). All the other types of instruments used through private investment, were obtained by two organizations or fewer. Two organizations used intermediaries to secure grants (29%) and one used intermediaries to get loans from private investors.

The instruments most often used by respondents from banks were loans (33 respondents) followed by grants (7), financing (6), and equity (3). Only 3 out of 33 organizations used an intermediary to help them get bank loans; all other organizations secured assistance from banks through the various instruments without using intermediaries.

A few organizations stated that they had used other sources of funding in the past 3 years to finance their projects. Examples of these other sources and instruments include employee contributions and local fundraising. Other sources of funding provided grants and other assistance to three organizations each: loans to two organizations and tax credit, financing, and consulting to one organization each. One organization each reported using intermediaries to get loans, tax credit, and other assistance.

Figure 4.7. Funding Instruments for Organizations



Largest Funding Source for Past Projects

The survey asked respondents about the three funding sources that have provided them with the ***largest*** monetary support to their projects. The most cited funding sources were state, federal, other sources, and financial intermediaries which were mentioned by 17, 16, 11, and 7 organizations, respectively. State agencies listed as the most common funding agencies were: Ohio Department of Development (ODOD) and Ohio Housing Finance Agency (OHFA). Common federal agencies included the U. S. Department of Agriculture (USDA), Small Business Administration (SBA), Housing and Urban Development (HUD), and Health and Human Services (HHS). Other funding sources cited included church donations, membership fees, First Energy, Port Authority, and United Way. Financial intermediaries cited by respondents included the Finance Fund, NeighborWorks America, Village Capital Corporation, and Affordable Housing Trust. Other sources that were used by fewer organizations (3 or 4) were county and city governments, foundations (George Gund, Margaret Clark Morgan, Greater Cincinnati, and Cleveland Foundation), private investment, and banks.

Table 4.6 shows a list of specific organizations that provided the largest funding for respondents. The number of organizations that listed the agencies in first, second, and third place is shown on the table. Housing agencies (HUD and OHFA) were the two largest providers of funding.

Table 4.6. Agencies that Provide Largest Funding

	Number of Organizations			
Largest Funding Source	**First Place**	**Second Place**	**Third Place**	**Total**
Housing and Urban Development/ HUD Home	10	4	3	17
Ohio Housing Finance Agency (OHFA)	7	5	2	14
Health and Human Services (HHS)	4	2	1	7
Ohio Department of Development (ODOD)	4	1	2	7
U.S. Department of Agriculture (USDA)	1	1	4	6
Federal Home Loan Banks (FHLB)	0	2	2	4
Small Business Administration (SBA)	1	2	0	3
GUND Foundation	0	2	1	3
Village Capital Corporation	1	2	0	3
Ohio Housing Trust Fund (OHTF)	0	2	1	3
Department of Energy (DOE)	0	2	0	2
Office of Housing and Community Partnerships (OHCP)	0	2	0	2
Ohio Legal Assistance Foundation	2	0	0	2

Funding Sources That Have Supported Organizations Most Frequently

The survey asked respondents for the three funding sources that have supported their organizations ***most frequently***. Federal sources provided funding most frequently for respondents (19 organizations), followed by state sources (11), financial intermediaries (9), foundations (7), and other sources (7). City governments, county governments, banks and private investment provided funding less frequently.

Table 4.7 shows the agencies that provided respondents with the most frequent funding. The results indicate that HUD, ODOD, OHFA, and HHS were among the top agencies in terms of size and frequency of funding. Eight organizations listed the Finance Fund as one of their most frequent sources of funding.

Table 4.7. Agencies That Provide Most Frequent Funding

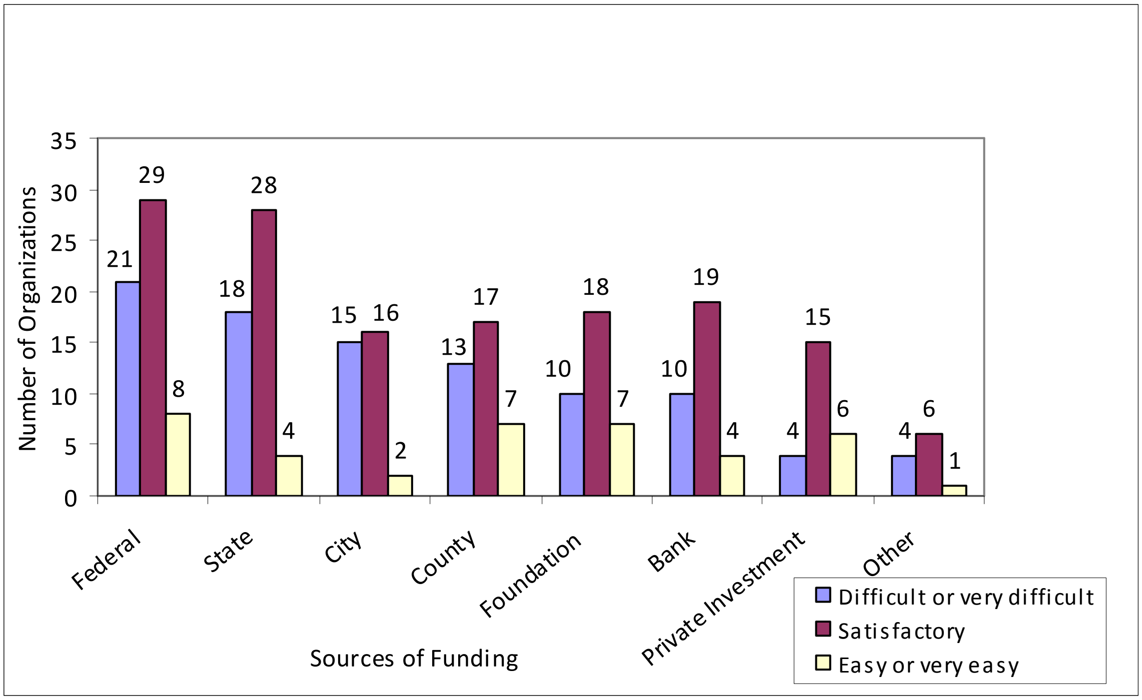
	Number of Organizations			
Most Frequent Funding Source	**First Place**	**Second Place**	**Third Place**	**Total**
Housing and Urban Development/ HUD Home	6	5	1	12
Ohio Department of Development (ODOD)	5	1	3	9
Ohio Housing Finance Agency (OHFA)	3	5	1	9
Finance Fund	7	0	1	8
Health and Human Services (HHS)	5	2	1	8
Department of Energy (DOE)	0	3	0	3
Department of Labor (DOL)	2	0	0	2
Small Business Administration (SBA)	2	0	0	2
Ohio Legal Assistance Foundation	2	0	0	2
GUND Foundation	0	2	0	2
Neighborhood Progress Inc. (NPI)	0	2	0	2
Ohio Housing Trust Fund (OHTF)	0	2	0	2
US. Department of Agriculture (USDA)	0	2	0	2

The previous section showed that organizations received their largest monetary support predominantly from the federal and state governments. This section has shown that federal and state governments were also two of the funding sources that most frequently supported responding organizations. A number of financial intermediaries were also shown to provide funding very frequently. Responding organizations therefore had state and federal sources as their largest monetary support and most frequent funders. Financial intermediaries were also important in securing funding.

Difficulty or Ease of Obtaining Funding

Respondents were asked to rate the difficulty or ease with which they were able to obtain funding from various sources (Figure 4.8). A high number of respondents stated that obtaining funding from the various sources was satisfactory with slightly fewer stating that it was difficult or very difficult. Very few organizations said that obtaining funding was easy or very easy.

Figure 4.8. Difficulty or Ease of Obtaining Funds



The Role of Financial Intermediaries

Knowledge of Financial Intermediaries

Table 4.8 shows intermediaries that respondents have heard of, applied to for funding, or received funding from. The four main intermediaries that respondents had heard of were the Finance Fund, Ohio Capital Corporation for Housing, Enterprise Community Partners, and Local Initiatives Support Corporation (LISC). However, organizations in the study applied for funding mostly to the Finance Fund and the Ohio Capital Corporation for Housing. As a result, the two main intermediaries that provided funding to respondents of the survey were the Finance Fund and Ohio Capital Corporation for Housing. This is not surprising since the survey was sent to users of Finance Fund services and potential users of any financial intermediary.

Table 4.8. Interaction with Intermediaries

Intermediaries	Heard of	Applied to	Received funding from
Finance Fund	39	21	26
Ohio Capital Corporation for Housing	34	12	18
Enterprise Community Partners	26	2	8
Local Initiatives Support Corporation (LISC)	23	3	5
ShoreBank Enterprise Group	18	1	0
Neighborhood Progress, Inc.	15	3	4
New Village Corporation	10	0	0
Village Capital Corporation	7	3	7
Other	5	4	5

Table 4.9 shows the regional distribution of survey respondents who have heard of, applied for funding, or received funding from the Finance Fund. The largest group of organizations who had heard of, applied to, or received funding from the Finance Fund were from the Columbus (Region 1) and Cleveland (Region 8) areas. Of the 34 organizations that had heard of the Finance Fund and that identified their geographical service areas, 8 were from the Columbus area and 6 from the Cleveland area. Also 11 out of the 25 organizations that received funding from the Finance Fund were from these two regions. Thus 41% and 44% of respondents who had heard of or received funding from the Finance Fund were from the Columbus and Cleveland areas. All other regions showed 4 or fewer organizations that had heard of the Finance Fund. It is surprising that although Cincinnati is located relatively close to the Finance Fund, 4 organizations had heard of the Finance Fund and 2 applied for funding; none received funding. In contrast, all respondents located in the Akron area who had heard of the Finance Fund, applied for funding and were successful in obtaining funding from the Finance Fund. *Given these results, in order to expand their client base, the Finance Fund should increase its marketing efforts to also include areas outside of Greater Cleveland and Columbus.*

Table 4.9. Location of Organizations That Have Heard of, Applied to, or Received Funding from the Finance Fund

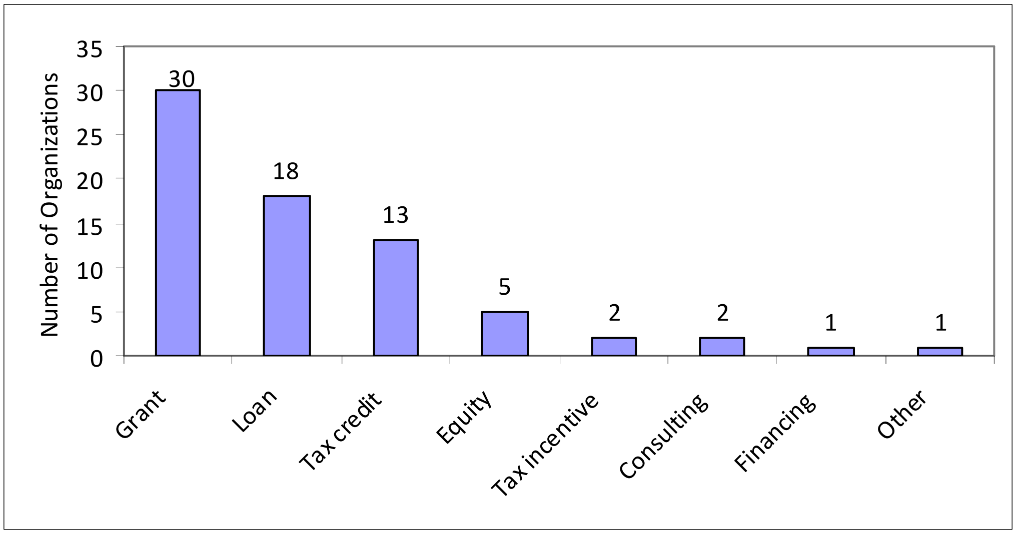
Region	Total Number of Respondents From Each Region*	Number of Organizations that have		
		Heard of the Finance Fund	Applied to the Finance Fund	Received funding from the Finance Fund
1 (Columbus area)	16	8	4	5
8 (Cleveland area)	15	6	5	6
5 (Cincinnati area)	6	4	2	0
9 (Akron area)	6	4	4	4
4 (Dayton)	7	3	2	3
6 (Mansfield)	3	3	2	2
7 (Chillicothe)	7	2	0	2
12 (Youngstown)	3	2	1	1
10 (Cambridge)	4	1	0	0
11 (Marietta)	1	1	1	1
2 (Toledo)	1	1	0	1
3 (Lima)	0	0	0	0
Total	69	34	21	25

* This total excludes nine respondents who did not provide a geographic service area.

Instruments used by Intermediaries

It was shown earlier that the two most common instruments used by survey respondents were grants and loans. These are the same two commonly used instruments when funds are received through intermediaries (Figure 4.9). For example, of the 62 organizations that received grants, 30 were assisted by intermediaries. Similarly, of the 46 organizations that received loans, 18 used intermediaries. Thirteen organizations out of 21 received tax credit with the help of intermediaries.

Figure 4.9. Instruments Used Through Intermediaries



Total Project Funding Coming through Intermediaries

Table 4.10 shows the percentage of total project funding that typically comes through an intermediary. Of the 28 respondents who provided information on their usage of intermediaries, 9 organizations received between 1% to 10% of their total funding through intermediaries, followed by 6 organizations with 26% to 50% and 5 organizations with 76% to 100%. Four organizations each received 11% to 25% and 51% to 75% of their funding through intermediaries. Approximately 68% of organizations that used intermediaries got less than half of their total project funding through intermediaries. *This shows there is room for growth in the usage of financial intermediaries to obtain funding.*

Table 4.10. Percentage of Total Project Funding Through Intermediary

Percentage	Number of Organizations
1% - 10%	9
11% - 25%	4
26% - 50%	6
51% - 75%	4
76% - 100%	5

A majority of organizations that used intermediaries to help them obtain the various financing instruments said that obtaining intermediary funding was satisfactory (Table 4.11). Only 5 organizations said it was difficult or very difficult whereas 2 said it was easy or very easy to obtain funding through intermediaries.

Table 4.11. Difficulty or Ease of Obtaining Intermediary Funding

	Difficult or very difficult	Satisfactory	Easy or very easy
Number of Organizations	5	26	2

Challenges in Using Financial Intermediaries

Survey respondents were asked (through open-ended questions) what had kept their organization from using intermediaries or using intermediaries more often. More than half of the respondents (58%) answered this question. A variety of reasons were given by respondents: a few organizations said that they used intermediaries all the time and have usually been successful in obtaining funding from intermediaries while others said they did not need the assistance of intermediaries or they did not know about intermediaries that fund the specific types of work their organization is involved in. Others also said intermediaries had access to limited funds, there was a lack of funding for the work they do, or being a small organization made it difficult for them to compete for funding. Another revealing piece of information from respondents on why they did not use intermediaries was that the intermediaries had "rigid rules and too much red tape." Moreover, they went directly to banks because they got better deals from the banks and had to go through very little paperwork so that process saved them time, effort, and energy. Additional responses were that there were no intermediaries in their area or the organization was ineligible or unsuccessful in the past so had not reapplied.

These results show that there is room for financial intermediaries such as the Finance Fund to do more marketing and provide more information to organizations that may need their services. Furthermore, if possible, financial intermediaries should endeavor to make the application process less daunting for organizations so that they would be encouraged to seek the assistance of intermediaries in the future. A question in the survey asked respondents if they would be willing to work with an intermediary in the future and 79% said they were interested in working with an intermediary. Moreover, 82% said they planned to look for new sources of funding in the next 3 years. *These results coupled with the fact that some organizations need more information on intermediaries show that there is potential for financial intermediaries to reach these organizations with their services.*

FUTURE PLANS

Seeking New Funding in the Future

While 82% of respondents (64 organizations) said they were planning to look for new sources of funding to carry out projects in the next 3 years, 8% (6 organizations) said they did not plan to seek future funding and 10% (8 organizations) left the question unanswered.

Organizations that said they were planning to search for new sources of funding were also asked where and how they planned to look for funding. Most organizations stated that they planned to "network" (attend meetings, subscribe to e-mail list servers, get information by word of mouth, and collaborate with community partners to jointly access funding), approach familiar organizations used in the past, approach funding organizations (foundations, trusts, and banks), or search the internet (sites such as grants.gov, and federal, state, county, and city governments websites). Others planned to hire consultants to help them find additional sources of funding. Specific organizations or places from which respondents said they would seek funding include the Department of Housing and Urban Development (HUD), banks, United Way of Columbus, ShoreBank, Enterprise, Coalition on Homelessness and Housing in Ohio (COHHIO), Ohio Department of Development (ODOD), state tax credit, and the Federal Register. Some respondents said they were still planning to do research on where to get funding while a few reported that they were not sure where to go for additional funding. Apparently, some organizations had no idea on how to get additional funding. *<u>Financial intermediaries and institutions seeking to expand can play a vital role in providing funding to the organizations that need to fund projects in their respective communities but need assistance to do so</u>.*

Working with Intermediaries in the Future

A majority of respondents (62 organizations, 79%) said they would be interested in working with an intermediary in the future while a small group (7 organizations, 9%) said they were not interested in working with an intermediary. The reasons given by some organizations about why they were not interested in working with intermediaries in the future were that they did not have a good fit, they did not need intermediaries, or they needed to learn more about intermediaries before they made a decision. Some said there were "too many hoops to jump through" and that the cost of using intermediaries was a deterrent. Others said they would work with intermediaries if it would be beneficial for their organization. *<u>Increased marketing by financial intermediaries such as the Finance Fund to show how organizations can benefit from their services and a decrease in the "hoops [they] need to go through" can help increase the market for financial intermediaries</u>*.

WHAT ORGANIZATIONS NEED IN ORDER TO INCREASE NUMBER OF PROJECTS UNDERTAKEN

Survey respondents were asked what they needed in order to increase their involvement in community development projects. A majority of respondents stated that they needed more resources, particularly affordable funding (grants and loans), and personnel. Others said they needed more information and technical assistance such as grant writers and GIS services. Some respondents said they would increase their engagement if the right project came along, if there were fewer restrictions from funders, or when the market/economy improved. A few respondents stated that they needed more committed partners and general commitment and local support from the community. Some responding organizations said they were relatively small and would need to grow in order to engage in more community development projects. Willingness of intermediaries to fund organizations other than those they normally fund was also given as one of the factors that would help organizations engage in more community development activities. In addition, two organizations said they were already doing a lot and one organization each said they needed more new market tax credit allocation and more volunteers.

OTHER COMMUNITY DEVELOPMENT NEEDS IN ORGANIZATION'S SERVICE AREA

The survey asked respondents to describe other community development projects needed in their service areas beyond what their organization does. Projects needed fell into six main categories: housing, small business entrepreneurship, financial education programs, better school system, economic development, and jobs. Housing projects included affordable housing, supportive housing, and senior housing. Examples of projects or services listed under small business entrepreneurship were small business development, funding for small businesses, resources to bolster small businesses, and small and micro-business loans. Respondents who said more financial education programs were needed gave examples such as education in financing, credit counseling, money management, and social services. Many respondents also stated that what was needed in their community was an improvement in the school system as well as school facilities, more projects targeted at the youth, and after-school programs. As was expected, many organizations also stated that economic development projects that included developing and improving infrastructure in their communities were needed. Other areas of need cited by numerous respondents included projects that would provide jobs, especially those that provide wages that people can live on.

In addition to these major project area needs, a few organizations identified other areas of need including commercial revitalization, improvement in neighborhoods and inner-city rehabilitation, senior services, foreclosure prevention, and cleaning up a stream in the community. Two organizations said they needed everything in their community whereas one said they did not need any other community development projects in their area.

RECOMMENDATIONS

The survey results show that several organizations had no knowledge of the existence of the Finance Fund and its services. For instance, many organizations outside the Columbus and Cleveland areas had not heard of the Finance Fund. Therefore, in order to expand their client base, it is recommended that the Finance Fund increases its marketing efforts to include other regions in the state.

Secondly, some organizations that had used or attempted to use financial intermediaries in the past indicated having difficulty in navigating through the application process. Others were not sure how financial intermediaries could benefit their organization. In addition, some organizations reported that they needed more information on financial intermediaries showing that there is potential for financial intermediaries to reach those organizations with financial services. Increased marketing by financial intermediaries such as the Finance Fund to show how organizations can benefit from their services and a decrease in the number of hoops that organizations need to jump through can help increase the market for financial intermediaries.

Moreover, many organizations reported that they planned to search for new sources of funding in the future and are willing to work with financial intermediaries. Therefore, financial intermediaries and institutions seeking to expand can play a vital role in providing funding to the organizations that need to fund projects in their respective communities but need some help in doing so.

The results show that there is room for financial intermediaries such as the Finance Fund to do more marketing and provide more information to organizations that may need their services. Furthermore, if possible, financial intermediaries should endeavor to make the application process less daunting for organizations so that they would be encouraged to seek the assistance of intermediaries in the future.

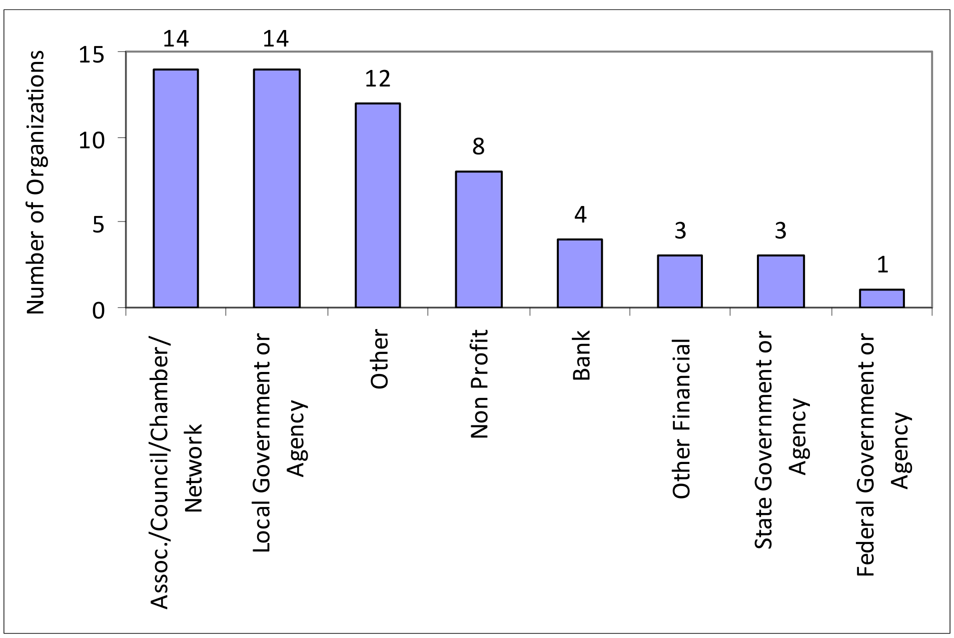
V. FINANCE FUND PARTNER'S SURVEY RESULTS

The partner survey was sent to 852 e-mail addresses; 491 of these came from a database provided by the Finance Fund. Another 361 contacts came from a web search of community or economic development departments, chambers of commerce, and related sites. About 152 of the potential survey recipients were state or federal senators or representatives, some of whom may have been in the midst of campaigns for reelection.

ORGANIZATIONAL INFORMATION

There were 59 completed surveys, for a response rate of 6.9%. As shown in Figure 5.1, two categories tied with the most responses: association/council/chamber/network, and local government or agency, both with 14. The category with the next-most responses was "other" – these respondents identified themselves across a broad spectrum of entities, including construction company, economic development corporation, and health care system.

Figure 5.1. Type of Organization



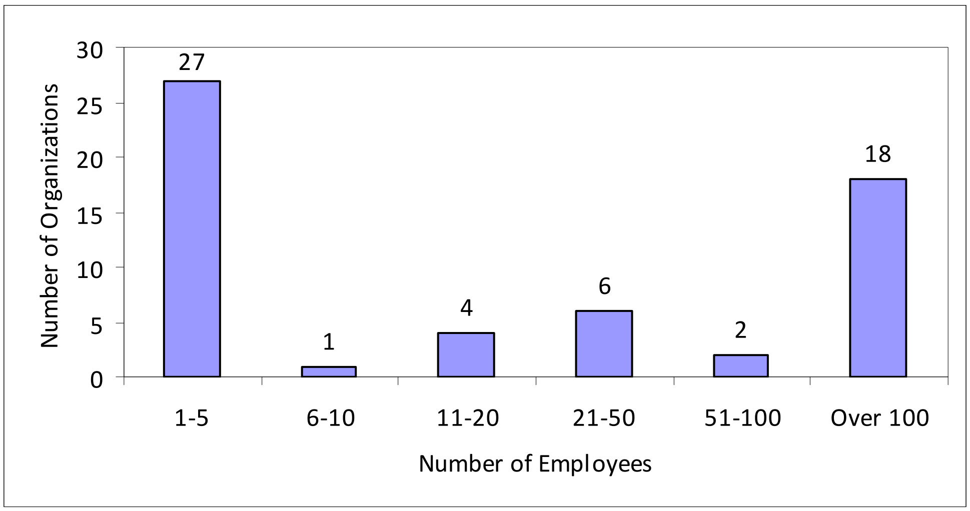
As shown in Table 5.1, 51 of the organizations that responded (86%) have been in existence for more than 10 years. Three have been in existence 6 to 10 years, three for 1 to 5 years, and two for less than 1 year.

Table 5.1. Years the Organization Has Been in Existence

Years in Existence	Count	Percent
Less than 1 year	2	3.4
1-5 years	3	5.1
6-10 years	3	5.1
More than 10 years	51	86.4
Total	59	100.0

Almost 80% of the organizations that responded are very small (27 have 1 to 5 full-time employees) (Figure 5.2) or very large (18 have over 100 employees).

Figure 5.2. Number of Full-Time Employees

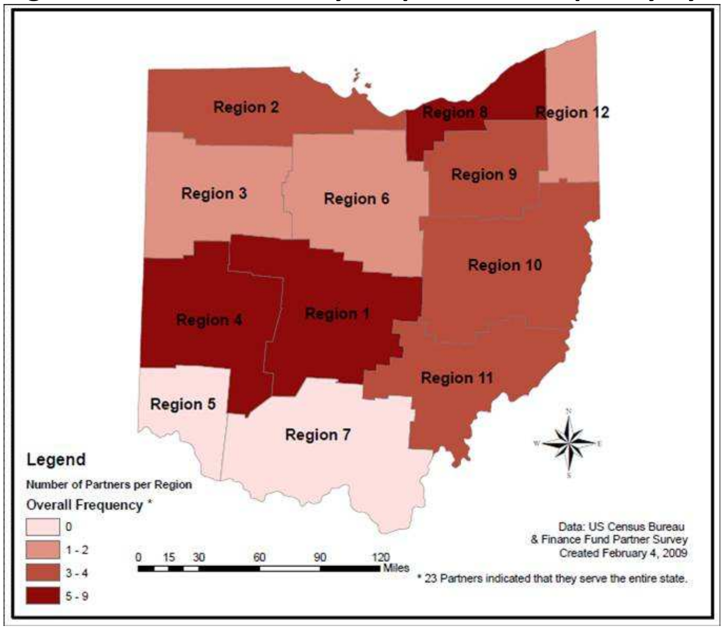


There was one nonresponse for this question.

Geographic Service Area

Respondents described their service areas in many different ways, from zip codes to collections of counties or states. In Figure 5.3, the counts of respondents by services areas are consolidated and displayed by the 12 Economic Development Administration (EDA) Regions for Ohio in which the service areas are located. Of the 36 respondents whose service areas fall entirely within single EDA regions, the highest numbers serve within Region 8 (9 respondents in the Cleveland region), Region 4 (6 respondents in the Dayton region), and Region 1 (5 respondents in the Columbus region), while Regions 5 and 7 had no respondents. Among the other 23 respondents are 12 serving all of Ohio, 4 serving Ohio plus at least one other state, 1 serving Massachusetts, 1 serving the Midwest, and 4 serving the entire nation. (There was one nonresponse for this question.)

Figure 5.3. Partner Survey Respondent Frequency by EDA Region



As displayed in Table 5.2, a little over half (56%) of the respondents serve areas that have at least one other organization that is doing similar work to that done by the respondent.

Table 5.2. Other Organizations Doing Similar Work within the Respondent's Service Area

Region	No	Yes
1 (Columbus area)	3	2
2 (Toledo)	1	2
3 (Lima)	2	0
4 (Dayton)	3	3
6 (Mansfield)	1	0
8 (Cleveland area)	5	4
9 (Akron area)	2	1
10 (Cambridge)	1	2
11 (Marietta)	1	2
12 (Youngstown)	0	1
Multi*	7	16
Total	26	33
Percent	44.1	55.9

* Multi includes both statewide and national organizations.

In the "multi" category, which includes statewide and national-serving organizations, the "no" responses included two respondents in the association/council/chamber/network category, two in the state government or agency category, and one each in the nonprofit, other financial, and bank categories.

SERVICES PROVIDED

Respondents were asked about three types of services they might provide: funding, referrals, and other services. The service most frequently reported was "referral for other services" (61%) (Table 5.3). Out of 36 organizations that refer for other services, there were 12 out of the 14 association/council/chamber/network organizations in the survey, and 6 out of the 8 nonprofits. The next highest responses were: referral for funding (56%), information dissemination (53%), and project development (51%), which were reported on at least half of the responses. Of the respondents, 46% (27 organizations) reported that they provided funding. The 27 organizations that provide funding include all four banks, and all three of the other financial sources. However, not all of the other organizations provide funding: only 2 of the 14 associations provide funding, only 7 of the 14 local governments or agencies, and only 3 out of the 8 nonprofits (not shown in table).

Table 5.3. Types of Services Provided

Type of Service	Count	Percent
Funding	27	45.8
Referrals		
For other services	36	61.0
For funding	33	55.9
Other services		
Information dissemination	31	52.5
Project development	30	50.8
Technical assistance	29	49.2
Training	21	35.6
Research/Project analysis	19	32.2
Other	18	30.5
Asset/Property management	14	23.7
Compliance assistance	13	22.0
Convening	12	20.3

The total number of respondents to the survey was 59. Respondents were allowed to choose more than one option for this question so the sum of the count column exceeds 59.

TYPES OF PROJECTS

Respondents were asked about the types of projects for which they had provided funding, referrals, or other services in the past 3 years. These results are presented in Table 5.4, which is sorted in descending order of projects for which funding was provided. Commercial revitalization was the project category for which the most respondents provided funding (34%), followed by community facilities at 31%, and homeownership and small business entrepreneurship, both at 29%.

Table 5.4. Projects over the Past Three Years

	Funding		Referrals		Other Services	
Project Category	**Count**	**Percent***	**Count**	**Percent***	**Count**	**Percent***
Commercial revitalization	20	33.9	12	20.3	14	23.7
Community facilities	18	30.5	9	15.3	8	13.6
Homeownership	17	28.8	15	25.4	8	13.6
Small business entrepreneurship	17	28.8	21	35.6	15	25.4
Affordable housing	16	27.1	17	28.8	12	20.3
Housing improvements	15	25.4	14	23.7	7	11.9
Supportive housing	15	25.4	11	18.6	7	11.9
Historic preservation	12	20.3	11	18.6	10	16.9
Environmental/Green	11	18.6	9	15.3	8	13.6
Strategic real estate investment	11	18.6	7	11.9	9	15.3
Senior services	10	16.9	13	22.0	7	11.9
Youth education	9	15.3	10	16.9	7	11.9
School facilities/Buildings	8	13.6	7	11.9	4	6.8
Other	8	13.6	3	5.1	4	6.8
Child care	7	11.9	9	15.3	3	5.1
Safe & healthy environments	5	8.5	9	15.3	9	15.3

* Percents are calculated out of 59 respondents to the survey.

In the past 3 years, the greatest number of respondents made referrals in the project categories of small business entrepreneurship (36%), affordable housing (29%), and homeownership (25%).

The project category “small business entrepreneurship” was indicated on the most responses for “other services provided” (25%), followed by “commercial revitalization” (24%), and affordable housing” (20%).

Write-in project categories that were listed under “other” in Table 5.4 include the following: college scholarship funding, training and technical assistance, advocacy, leadership development, financial education, foreclosure prevention, business real estate and equipment investment, community organizing, owner-occupied commercial real estate, and banks.

Jointly Funded Projects

It is also possible to determine the other types of projects that are likely to be funded by an organization when a given project category of interest is funded. (A complete listing can be found in Appendix B.1). Well over half of the organizations that fund one housing project category – affordable housing, homeownership, housing improvements, and supporting housing – also fund the other three housing project categories. More than half of the organizations that fund projects in the commercial revitalization category also fund community facilities and/or historic preservation projects, and half also fund affordable housing or homeownership projects. More than half of the organizations that fund community facilities projects also fund homeownership, community revitalization, affordable housing, and/or housing improvement projects. Eleven out of the 12 organizations that fund historic preservation projects also fund commercial revitalization projects, and 8 of them also fund affordable housing and/or environmental/green projects.

Projects Completed in Past 3 Years

Table 5.5 displays the types of projects with which the respondents have been most involved in Ohio over the past 3 years. Respondents were asked to list up to three types of projects. (For this reason, the counts sum to more than the total of 59 respondents. However, the percentages are calculated on the basis of the 59 respondents, providing an indication of the proportion of respondents who listed each project type.) The project type with which the most respondents had been involved was affordable housing at 24%. This was closely followed by small business entrepreneurship at 22%, commercial revitalization at 20%, and community facilities, and housing improvements, both at 19%.

Table 5.5. Projects Most Involved with Over the Past 3 Years

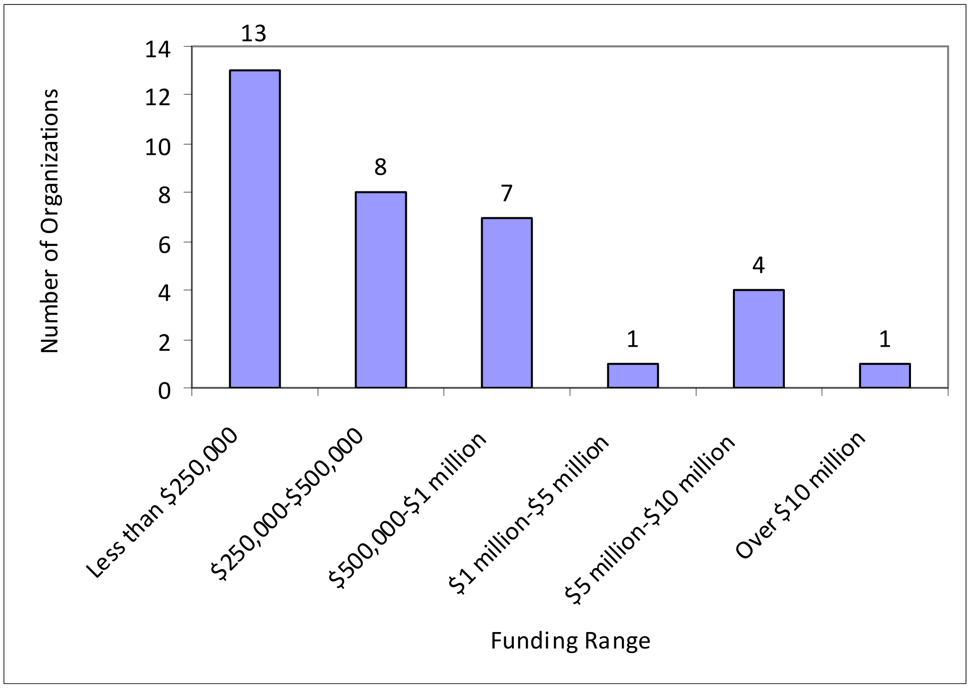
Project Category	Count	Percent
Affordable housing	14	23.7
Small business entrepreneurship	13	22.0
Commercial revitalization	12	20.3
Community facilities	11	18.6
Housing improvements	11	18.6
Other	9	15.3
Environmental/Green communities	7	11.9
Homeownership	5	8.5
Strategic real estate investment	5	8.5
Supportive housing	5	8.5
Historic preservation	3	5.1
Safe & Healthy environments	3	5.1
Child care	2	3.4
School facilities/Buildings	2	3.4
Youth education	2	3.4
Senior services	1	1.7

PROJECT FUNDING

Average Funding per Project

Three questions were asked of organizations that provide funding. The first question was about the average funding amount per project over the past 3 years (Figure 5.4). Ranges of funding were provided, and the most frequent response was “Less than $250,000,” with 13 respondents. The next most frequent ranges were “$250,000 to $500,000” (8 respondents) and “$500,000 to $1 million” (7). Only 6 respondent-organizations provide average funding above $1 million, and only 1 organization provides average funding over $10 million. Three of the four banks in the survey were among the 6 organizations that provided at least $1 million in average funding per project; two of these banks provided between $5 million to $10 million, and the remaining bank provided over $10 million. The other 3 organizations providing at least $1 million in funding were a nonprofit ($5 million to$10 million), a state government or agency ($5 million to $10 million), and a local government or agency ($1 million to $5 million).

Figure 5.4. Average Funding Per Project over the Past 3 Years



Funding Instrument Used

A second funding question was about the four types of instruments used to provide funding: equity, grants, loans, and tax credits/incentives. The most frequently used funding instrument was some type of loan, which was reported by 24 of the 39 respondents (62%) who responded to at least part of the question (Table 5.6). Regarding specific types of loans, permanent financing-debt was reported by 18, or three-quarters of those who made use of loans. Another 10 reported using lines of credit. The second most popular of the four funding instruments was the grant, which was reported by 20 respondents. Within the group using grants, 6 reported using pre-development grants and 7 used recoverable grants, but by far the most frequent reply was “other grants”, which was reported by 16 respondents. The remaining two types of instruments -- tax credits/incentives and equity -- had about the same number of providers, at 11 and 10, respectively. “Other tax credits/incentives” were the most instruments used (8 respondents) followed by new markets tax credits (6). “Other financing” tools were reported by 13 respondents. Other financing tools listed were: tax abatement, donations, capital asset and brownfield remediation forgivable loans, bonds, tax-exempt bonds, matching funds, linked deposit interest rate reduction, Community Reinvestment Act (CRA) real estate tax abatement, construction, funds from Ohio Department of Agriculture (ODA) (they contract for services with providers and reimburse them after services are rendered), state and locally funded services and supports, solar, and construction financing.

Table 5.6. Types of Funding and Instruments Used in the Past 3 Years

Instrument	Number Providing Funding
Equity	10
Grants	20
Pre-development	6
Recoverable	7
Other	16
Loans	24
Lines of credit	10
Linked deposit	2
Permanent financing - debt	18
Other loans	2
Tax credits/Incentives	11
Historic tax credits	4
Low-income housing tax credits	4
New markets tax credits	6
Other tax credits/Incentives	8
Other financing	13

Use of Intermediaries for Funding in the Past 3 Years

A third funding question asked was about how frequently a financial intermediary had been involved in providing the funding over the past 3 years. Thirty-five percent of the respondents never used an intermediary, 21% rarely used one, 12% sometimes used one, 12% often used one, and 21% always used one (Table 5.7). *Over 50% of the respondents to this question never or rarely used a financial intermediary, including 7 of the 9 local governments or agencies that responded*.

Table 5.7. Financial Intermediary Usage over the Past 3 Years

Type of Organization	Never	Rarely	Sometimes	Often	Always	No Answer
Local	5	2	1	0	1	5
Other	3	3	0	1	1	4
Nonprofit	2	0	1	0	2	3
State	1	1	0	0	1	0
Association	1	1	1	0	0	11
Other financial	0	0	0	1	0	2
Federal	0	0	0	1	0	0
Bank	0	0	1	1	2	0
Total	12	7	4	4	7	25
Percent answers	35.3	20.6	11.8	11.8	20.6	42.4*

Note: "Percent answers" are based on the 34 respondents who answered the question. The percentage for "no answer" (42.4%) is based on the 59 total respondents of the whole survey.

KNOWLEDGE OF FINANCIAL INTERMEDIARIES

Respondents were asked whether they had heard of, partnered with, and/or referred an organization to one or more of 11 organizations. The first row lists the number of respondents who responded within the category listed in the column heading (Table 5.8). For example, in the "heard of" section, there were 45 respondents who responded that they had heard of at least one of the organizations listed and/or added an organization to the list. Within the Cleveland region, 7 respondents had heard of at least one organization. There were 5 from the Columbus region and 12 from all of the other EDA regions combined.[3]

The organizations that were cited as most frequently heard of were the Finance Fund with 26 total responses, Ohio Capital Corporation for Housing with 25, and NeighborWorks America with 23. The organizations that were most frequently partnered with were the Finance Fund with 14 responses, Ohio Capital Corporation for Housing with 11, and Local Initiatives Support Corporation (LISC) with 10. The organizations that were most frequently referred to by respondents were the Finance Fund with 14 responses, and Ohio Capital Corporation for Housing with 10.

After each organization name in Table 5.8, the main city office location for the organization is provided in parentheses. It is interesting that within the Cleveland region, all 7 of the respondents to this question have heard of Neighborhood Progress, Inc. (NPI), but not all have

[3] Note: There were 59 total respondents to the survey as a whole. Of the 45 "heard of" responses, 41 listed at least one of the choices in the table; the remaining 4 had not "heard of" any choices in the table but did name an organization of their own. The other 14 respondents did not provide any information on this question. It is not possible to ascertain whether they skipped the question or did not recognize any of the organizations listed. The difference between "all" and the sum of the three regional listings is equal to the total responses by organizations that serve the entire state or are national.

heard of NPI's affiliates, New Village Corporation and Village Capital Corporation. Only 2 of the 5 respondents who serve the Columbus region have heard of the Finance Fund. Overall, however, 26 of the 45 respondents have heard of the Finance Fund, including 17 of the 21 statewide or national organizations that responded to this section of the survey.

Table 5.8. Have You Heard of/Partnered With/Made a Referral to the Following Organizations

Organization	Heard Of				Partnered With				Referred To			
	Cleveland Region	Columbus Region	Other EDA Regions	All	Cleveland Region	Columbus Region	Other EDA Regions	All	Cleveland Region	Columbus Region	Other EDA Regions	All
Total respondents to this question	7	5	12	45	5	2	5	27	3	1	2	19
Columbus and Franklin County Affordable Housing Trust Corp.	1	5	3	15	0	2	0	5	0	1	0	5
CountyCorp (Dayton)	0	2	4	12	0	0	1	3	0	0	1	5
Enterprise Community Partners (Cleveland/Columbus)	3	2	2	16	2	0	0	9	2	0	0	7
Finance Fund (Columbus)	4	2	3	26	2	0	1	14	2	0	1	14
Local Initiatives Support Corp. (Toledo/Cincinnati)	3	2	5	21	2	0	1	10	0	0	0	5
Neighborhood Progress, Inc. (NPI) (Cleveland)	7	1	2	20	3	0	1	8	3	0	0	5
NeighborWorks America (statewide)	4	1	8	23	1	0	2	9	0	0	2	6
New Village Corp. (NPI) (Cleveland)	4	1	1	10	2	0	0	5	2	0	0	3
Ohio Capital Corp. for Housing (Columbus)	3	4	6	25	0	0	3	11	2	0	1	10
Shore Bank Enterprise Group (Cleveland)	5	1	1	19	1	0	0	4	2	0	0	5
Village Capital Corp. (NPI) (Cleveland)	5	1	1	12	2	0	0	6	2	0	0	3

The final three questions in the survey were open-ended questions. A complete listing of every response can be found in Appendices B.2 – B.4. In the sections below, the responses have been summarized and consolidated into major groups.

CHALLENGES IN COLLABORATING WITH FUNDING PARTNERS

The first open-ended question asked about factors that have kept the organization from collaborating with funding partners or from collaborating with them more often. There were 45 responses to this question, and they fell into five broad categories: Organizational issues and/or conflicts (17 responses), urgency/relevance (14), awareness/understanding (7), external factors (3), and other (4). Organizational issues and conflicts were varied, including time and staffing constraints, lack of clients, geographic criteria, politics, difficulty of partnering, and perceived constraints collaboration would impose on them. Urgency and relevance responses included a mismatch in primary research or project, a non-funding emphasis, a perception that intermediaries focus on housing, investment restrictions by the Ohio law, and lack of current need. Awareness and understanding factors included lack of knowledge about intermediaries and collaborative possibilities, and the perception that intermediaries do not serve their local area.

WHAT ORGANIZATIONS NEED IN ORDER TO INCREASE NUMBER OF PROJECTS UNDERTAKEN

The second open-ended question asked about factors, other than funding, that have kept the organization from undertaking more projects that serve its mission. Again, the largest number of responses fell into the “organizational issues and/or conflicts” category (17). These responses included the lack of time and/or staff (noted by the bulk of the respondents), politics, and an organization that is not project-driven. There were also 7 responses that fell into the “issues related to potential clients/partners” category; these included awareness of their loan programs, educating/reaching the small business community, lack of clients or participation from members, and a limited number/resources of local organizations to which they can make referrals, and a limited number of developers/investors.

OTHER COMMUNITY DEVELOPMENT NEEDS IN ORGANIZATION’S SERVICE AREA

The last open-ended question asked about the most urgent community development needs in the respondent’s service area beyond the mission of the respondent organization. There were six broad categories of responses, and they all provided at least 5 responses each: Education and services (9 responses), employment (9), housing-related (9), development (8), technology and infrastructure (6), and funding (5). Education and services included responses about the need for school facilities, staff development, financial education, and services to at-risk students and adults. Employment responses included the need for more jobs, particularly good-paying jobs. Housing-related responses included several references to addressing the foreclosure crisis, a desire for affordable and accessible housing, dealing with the abundance of vacancies, and dealing with urban sprawl. Development responses included suggestions for downtown development/revitalization, revitalization of recreation and ball fields, and attracting retail establishments to replace those that have been lost. Technology and infrastructure included a desire for broadband coverage/fiber optics capacity and wireless technology, and code enforcement.

Beyond funding issues, it appears from the answers to questions 13 and 14 (Appendix A.2 – Partner's Survey) that staffing/time constraints are a major issue for many organizations. For both questions, the organizational issues/constraints categories are the most frequent responses, and within them, staffing/time constraints account for 5 of 17 responses for question 13, and 9 of 17 responses for question 14. *It would appear that one possible inroad for financial intermediaries to help make things happen could involve lessening/facilitating the staff time/effort required by the partner organization*.

RECOMMENDATIONS

Unfortunately, the response rate to the partner survey was very low. Given this, plus the fact that within the universe of respondents there are many different types of organizations, any conclusions or recommendations must be broad.

We can speculate about why the response rate was so low. Technical issues such as the survey's e-mail format or time constraints of the respondent-organizations, are of course two possible factors. However, the low response rate might also suggest something about the nature of partnering. The survey took place during an economic downturn when we would expect organizations to be interested in learning about new funding sources and collaborative possibilities. However, examining the answers to the survey question about factors that keep the organization from collaborating with (or collaborating more frequently with) funding providers (Appendix B.2), we found only 6 (out of 45) responses indicate that the respondent-organizations have done some sort of collaboration or would like to collaborate. Perhaps time was a constraint when answering the question, but it is surprising that no answer took the form "We would love to do more partnering, but we are constrained by…" instead of just listing constraints.

Another possibility, which is supported by the responses, is that many organizations have little familiarity with financial intermediaries. Of the 34 respondents who answered the survey question about how frequently they have used financial intermediaries in the past 3 years, 56% listed "never" or "rarely". Another 25 respondents did not respond at all to this question, presumably because they provide no funding (those who don't provide funding were directed to skip over the question). Taking these two groups together, about 75% of the respondents were likely to have had little or no contact (and perhaps familiarity) with financial intermediaries. Furthermore, of the 45 responses to this question, 21 responses report lack of awareness or understanding, or lack of urgency or relevance. Based on various responses to this question, the following are questions and concerns the Finance Fund might consider in contacts with prospective partners:

*Does our presentation describe not merely what we **do** but also what we **can do** to meet the partner's needs and mission?* The survey provided minimal indication of what financial intermediaries are capable of. Perhaps if more potential respondents had known how financial intermediaries could help them, more might have responded. The responses did spike a little after we changed the wording to include mention of the Finance Fund as the sponsor of the survey. Presumably, some of these partners responded because they had worked with the Finance Fund at some point.

Can we promote our statewide mandate more effectively? A few respondents indicated that they didn't collaborate more because they weren't aware of any local funders.

Also, many respondents did not have a sense of urgency about funding, while others did not see much relevance to their mission and needs. Presumably, as the economic troubles continue, there will be an increased sense of urgency, so the organizations' concerns will become even more critical in making connections. In addition, the Finance Fund might consider the following concerns:

Ca we present our mission in a way that makes it more relevant to those who know little about us? For example, the Finance Fund helps small businesses, but one respondent said funders don't share their mission, which is business development. Another suggested they are limited to for-profit business investment, so they always partner with a bank. Also, several respondents suggested through their answers that they thought the survey was mainly about housing and as such, was not related to their mission; the Finance Fund should ensure that all its target clients and partners understand their mission.

The most frequently listed reason for not collaborating with funders was in the category of organizational issues or constraints. This was also the most frequently cited category for what has kept respondents from undertaking more projects that serve their missions. Many organizations do not seem to have the time or staff to even consider collaboration.

How can we most quickly and effectively introduce our potential and make it as easy as possible administratively to collaborate with us? Is it possible or practical for the Finance Fund to handle various administrative tasks that normally would be handled by the collaborating organizations? Is it possible or practical for the Finance Fund to make initial contacts with clients of the potential collaborating organization, after which any funding with the client would be a joint collaboration between the Finance Fund and the collaborator? In this sense, is it practical for the Finance Fund to be doing marketing for the potential collaborating organization? Is it appropriate for the Finance Fund to consider training collaborators or arranging training for collaborators so that the collaborators can then make better use of the Finance Fund?

To state that funding is critical to any organization might seem obvious. A twist on this, however, occurred in the responses to a survey question (Appendix B.3) about what factors, other than funding, have kept respondents from undertaking more projects that serve their missions. In spite of that clause, 8 out of 40 respondents wrote something related to funding, with four using the word “funding” or “funds”. Apparently, funding is so critical, its mention cannot be avoided, even when respondents are told to exclude it. During this economic downturn, those organizations that can facilitate the acquisition of funding should become even more important. The responses to the partner survey indicate that funding collaboration is currently underutilized.

VI. INVENTORY OF FUNDING SOURCES FOR COMMUNITY AND ECONOMIC DEVELOPMENT

The Inventory of Funding Sources is a Microsoft Excel spreadsheet that contains extensive information on funding sources for economic and community development projects in Ohio. The sources range from federal government agencies to local community organizations that fund projects within the scope of Finance Fund clientele.

For each funding source, the spreadsheet shows the agency/department, program name, award amount or range of awards available, contact information, project type, and finance mechanism. The inventory spreadsheet is arranged according to the following headings:

- Echelon – the governmental and geographical level of the funding source including federal, state, regional, county, municipal, and foundation
- Source/Department – the particular agency, office, or division (e.g., EDA or FHA for the federal government)
- Program name – the name of the specific program funding
- Award amount – a specific amount for the funding award, the range of awards available, or the average award amount
- Contact – the individual or office named in the funding opportunity for correspondence by applicants
- Address, city, state, zip code, website, phone – specific information and links regarding correspondence and further questions for applicants
- Mission – the purpose of the funding and/or program
- Notes – any additional information pertaining to the listing (e.g. restrictions or geographical boundaries for the funding use)
- Project type – the emphasis of the funded program in terms of community and economic development categories
- Finance mechanism – the types of funding offered by the listing

The inventory provides a starting point for an investigation of funding opportunities in areas where the Finance Fund is currently working and in areas of new demand. For project types that have persistent or continuing demand, the inventory can compare known funding sources and provide an opportunity to increase funding sources. In project types where the volume is low because of lack of funding, the inventory may introduce the Finance Fund to additional sources of funding.

VII. GAP ANALYSIS

The goal of the gap analysis is to identify mismatches that can be used to improve business planning. We consider the gap analysis along three primary dimensions.

First, we look at the distribution of funding availability in the inventory as compared to the distribution of funded activity revealed in the client survey. In this regard, the analysis focused on:

- The type of funded activity (e.g., affordable housing, child care, and senior services)
- The mechanisms by which these activities are funded (e.g., grant or loan)
- The source of funding (e.g., federal, state. We refer to this as the funding echelon in our funding inventory file).

Mismatches identified in this first comparison present avenues for future funding.

Second, responses from the client survey are compared with responses from the partner survey to identify any mismatches or opportunities that might exist between the Finance Fund's client and partner network. We focus on the types of projects funded and/or referred through the client and partner networks. Mismatches identified here could signal a problem in coordinated efforts starting with the referral, going through the Finance Fund, and ending with a funded client project.

Third, the geographic pattern of client responses throughout the state is examined to identify potential service area gaps. We analyze the distribution of Finance Fund clients as a measure of its network density, and then compute response rates of those clients to measure network strength.

FUNDING INVENTORY VERSUS CLIENT SURVEY

Project Types

Table 4.4 shows the types of projects completed by the organizations responding to the client survey. As a group, housing-related projects top the list, as at least 42% of respondents had recently completed affordable housing, housing improvement or homeownership projects.

Our inventory, however, reveals that these three categories do not place in the top 5 of project types for which we identified funding sources. The funding programs relevant to small business entrepreneurship (17%), education programs (13%), safe and healthy environments (13%), and environmental programs/green communities (9%) exceeded those found for affordable housing (9%), homeownership (2%), or housing improvements (1%) projects. These analyses are based on the number of programs.

Education and entrepreneurship ranked 4th and 5th in completed projects and have similar rankings in projects underway. When looking at the likelihood of future projects, entrepreneurship, education, and environmental programs are next in rank after the housing categories mentioned above. The number of responses for environmental programs/green communities projects is notable – only 8 responded that they have completed such a project in the last 3 years, but 11 responded that they had one underway at the time of the survey, and 23 responded that it was either "likely" or "very likely" that they would start one in the next 3 years.

These points raise two potential opportunities. First, there is a clear gap between the balance of activities revealed in the client survey and the balance of finance resources identified in the inventory. The Inventory of Funding Sources therefore should present funding avenues to explore for clients looking to expand their activities into other project types.

Second, identifying a trend in recent, current, and future projects, and then comparing that to the funding inventory, can yield insights into the direction and funding needs of client organizations. For example, since affordable housing projects rank first in recent, current, and future projects, these funding sources and streams might already be well-established. As organizations take on projects in new areas, their funding resources are likely to be less well-established, and they may not be well-connected to the appropriate funding sources. Thus, the organizations looking to expand into the areas of environmental programs/green communities might be in need of guidance. The inventory identifies 25 sources for funding for environmental programs/green communities.

Similar contrasts between recent, current, and future projects exist for safe and healthy environments and community facilities. The information for child care projects might be of specific interest – 19 clients identified recent projects, but only 7 identified projects underway. Although 13 respondents identified future child care projects as "likely" or "very likely," the inventory identifies only two funding resources for this project type.

The inventory should prove useful in these types of analyses. It will provide a starting point for investigation of funding opportunities in areas of new demand. For project types of persistent or continued demand, the inventory can be compared to known funding sources, as an opportunity for growth. Finally, the inventory could be used even in project areas with low project volume. It is possible that the current lack of projects in an area is due to the lack of knowledge regarding funding opportunities.

Funding Mechanism/Instrument

Our inventory of funding resources and the client responses in Figure 4.5 are both dominated by grants. Respondents reported using grants or predevelopment grants 68 times over the last 3 years, representing 31% of all responses. The inventory identifies 140 sources of grant funding. Respondents used some type of grant more than 3 times as often as the next most frequently used finance mechanism – clearly this reveals a preference among clients. Eighty-two percent of the entries in our inventory list grant opportunities – this should represent an opportunity to introduce clients to expanded grant opportunities, especially considering the fact that over 80% of respondents planned to seek new funding opportunities in the next 3 years. [4]

Furthermore, the grant opportunities identified are *not* confined to only a few project types. Housing (comprised of affordable, improvement, supportive and homeownership), education, safe and healthy environments, and small business entrepreneurship all have at least 20 grant sources identified. Community facilities (10) and environmental programs (19) are also well-represented in the inventory data. The "other" category contains 17 grant opportunities, and most of these are broadly categorized as community development, and so may represent additional opportunities not counted in each specific category.

Funding Echelon

Figures 4.6 and 4.7 identify the distribution of project funding across the different echelons used in our inventory. Federal funding is used most often, and we have identified over 100 federal funding sources in the inventory – there seems to be consistency between the practice identified in the client survey and the availability of funding, as reflected in the inventory. The categories that stand out in terms of funding availability at the federal level are safe and healthy environments (18), education programs (15), and affordable housing (14).

State funding was the second most often used source and is also well-represented in the inventory – 73 projects were identified as using state funding and 53 funding opportunities identified. Funding resources at the state level are most often in the categories of small business entrepreneurship (17), and environmental programs/green communities (13).

Funding from foundations was used in 32 projects from the client survey. We identified 78 foundation funding opportunities, and all but four of these fall into the "grant" category. Foundations may represent an underused source of funds, and it is worth noting that it is a source that is well-skewed toward grant giving. Categories of project types include educational programs (22), other (primarily "community development" – 16), and safe and healthy environments (15).

CLIENT SURVEY VERSUS PARTNER SURVEYS

Project Type

Since funding opportunities are often referred to the Finance Fund through their partner network, we compare the type of projects being done by clients with the referral activity revealed in the survey.

Most strikingly, we found that the type of project referred (for funding or other services) most often was small business entrepreneurship (SBE). This is at odds with the client survey findings

[4] We use "opportunities" here to identify unique combinations of funding source and project type. For example, if funding a single state program offers funding for both community revitalization and community facilities, this represents two funding opportunities.

for the number of projects completed (where SBE ranked 5th), projects underway (where SBE ranked 3rd), and "likely" or "very likely" future projects (where SBE ranked 4th). The next three types of projects most often referred are housing related – affordable housing, homeownership, and housing improvements. The prominence of housing investment in the referral results is consistent with its position in the client survey. Housing projects are listed as the top three types of projects recently completed, the top three types of projects likely or very likely for the future, and they are in the top five of all projects currently underway. Thus, the mismatch revealed here is not in terms of housing projects, but in terms of small business entrepreneurship. It is the most often referred activity among the partner network, yet ranks behind several categories of housing projects among Finance Fund client and potential client activity.

It is possible that educating the partner network of the Finance Fund's housing-related activities could yield additional referrals in those project areas, especially with housing being at the forefront of many community (re)investment discussions. Alternatively, it is possible that the current SBE referrals (identified in the partner survey) are not materializing into complete, current or future SBE projects of proportionate volume (identified in the client survey). There could be structural reasons for this, and further research might identify points in the process where efforts are becoming derailed.

It might also be of interest that nearly as many partners provide project funding (46%) as provide referrals for funding (56%). Furthermore, there are notable differences in the types of projects funded directly and the types of projects referred for funding. While SBE and housing topped the list of referred projects, two categories ranked above them in terms of funded projects. These are commercial revitalization and community facilities. There was relative balance between funding and referrals for small business entrepreneurship (17 vs. 21), homeownership (17 vs. 15), affordable housing (16 vs. 17), and housing improvements (15 vs. 14). This balance did not extend to commercial revitalization (20 projects funded vs. 12 referred) and community facilities (18 vs. 9). The Finance Fund should be cognizant of the funding priorities within its partner network. While partners seem to fund roughly the same number of projects as they refer in *most* project categories, this is not universally true.

Should this be a concern? Although neither commercial revitalization nor community facilities ranked in the top five of past, current, or likely/very likely future projects, 26% of clients reported having a commercial revitalization project underway and 22% thought a future project in this category was "likely" or "very likely. " Thus, it is clearly an area in which clients are active currently, and which they are considering for the future. It would seem, then, that there is a potential opportunity here. If partners are typically providing partial project funding and then seeking additional funding resources, the Finance Fund could better educate their partner network in the ways the Finance Fund could participate in commercial revitalization and community facilities projects. Alternatively, if partners are *either* funding a project *or* passing it along, it would be wise to recognize that some partners might in effect be competitors.

Expansion of the partner network to generate more referrals in this area could be a source of growth. Keep in mind, however, that since we analyze survey responses as a single group, this pattern could be a coincidence; however, as a group, the types of projects partners most actively fund are (proportionally) least actively referred. It might be unrealistic to count on the partner network for significant business expansion in these areas.

THE CLIENT NETWORK: GEOGRAPHY

Finally, the Ohio distribution of the client survey activity may shed additional light on potential expansion opportunities. For this portion of the analysis, we analyzed separately the survey recipients that originated from the list of contacts provided by the Finance Fund. The regions containing Cincinnati (Region 5), Cleveland (Region 8), and Columbus (Region 1) had 24, 51, and 64 contacts, respectively (Figure 4.3 shows the region labels). These were the only regions with more than 20 contacts. The Toledo region had 18 contacts, the Akron and Youngstown regions each had 16, and the Dayton region had 11. In each of the remaining five regions, the client list provided by the Finance Fund had fewer than 10 contacts. For convenience, we label these three groups as the major regions, the mid-major regions, and the remaining regions. The distribution of Finance Fund contacts across these types of regions might be considered the "density" of the regional contacts, and this density matches closely the overall distribution of the population – it is greatest in the regions anchored by large cities, less in regions containing medium-sized cities, and substantially less in Ohio's remaining regions.

The density of the network is different from the strength of the network across these three different types of regions. We measure the strength of the client network using the response rates of clients identified through the list provided by the Finance Fund. The overall response rate of this sub-sample was 30%, compared to a 10% response rate of those potential clients identified by the research team. A survey response was 3 times more likely from clients identified by the Finance Fund. We interpret this as a positive reflection of the Finance Fund's interactions and history with their client base.

Among those identified by the Finance Fund, major regions and mid-major regions were quite similar to the average and each other in their response rates, at 27% and 28%, respectively. It is interesting to note that the response rate from the other Ohio regions was 52%. Thus, although the number of clients in these regions was small (29 in total), they responded at an unusually high rate. This could indicate that even though the client network in these areas is less dense, the Finance Fund's presence/influence is particularly strong among clients there.

VIII. SUMMARY & RECOMMENDATIONS

The purpose of this research is to describe and quantify the needs of the Finance Fund's current and potential clients, identify the role the Finance Fund's partners play, and understand the market potential for the services provided by the Finance Fund.

The majority of respondents to the client survey are nonprofit organizations that have been in existence for more than 10 years, have fewer than 20 employees and use volunteers. Most respondents are working on very small projects of less than $250,000 or medium-size projects of $1 million to $5 million. Many of the projects undertaken by these organizations are housing projects and many of the respondents use grants and loans to finance their projects. Many are planning to look for new sources of funding to carry out projects in the next 3 years in similar types of projects to those in which they have been involved.

The study indicates that financial intermediaries seeking to expand their services can play a vital role in providing funding assistance to the organizations that need to fund projects in their respective communities. A majority of respondents said they would be interested in working with an intermediary in the future but several had no knowledge of the existence of the Finance Fund and its services, especially in regions outside Northeast Ohio and Columbus. This suggests that financial intermediaries, such as the Finance Fund, should increase their marketing to show how community organizations and others can benefit from their services.

The study also shows that some organizations that had used or attempted to use financial intermediaries in the past had difficulty in navigating through the application process, whereas other organizations were not sure how financial intermediaries could benefit them. It is obvious that some organizations need more information about financial intermediaries suggesting that there is potential for the Finance Fund and other financial intermediaries to reach those organizations with information about their financial services. Increased marketing will show how organizations can benefit from the services offered by financial intermediaries.

The majority of the partners who responded to the survey have been in operation for more than 10 years. Many are very small with less than 5 employees, but a significant number of them are large with more than 100 employees and tend to work throughout Ohio and the United States. Partners provide funding themselves, refer to other organizations, or engage in other types of services. The type of projects funded by partners includes commercial revitalization, community facilities, homeownership, and small business entrepreneurship. The most frequent range of project cost was less than $250,000, according to information given by clients. However, there were also projects costing between $250,000 and $500,000 and between $500,000 and $1 million. Loans were used primarily by responding partners to fund these projects, in contrast to responding clients who most often used grants.

The responding partners indicated a low level of collaboration with funding partners and intermediaries. One reason may be unfamiliarity with financial intermediaries. Other reasons include staffing constraints, types of projects, geographic criteria, and real or perceived difficulty of partnering and constraints imposed by the intermediary.

The study identifies a gap between the balance of activities revealed in the client survey and the available funding resources identified in the inventory. The inventory also offers possible funding avenues in new project areas where funding relationships have not yet been established. For example, the inventory identifies 25 sources for funding in the area of environmental programs and green communities. The inventory can also help clients that use mostly grants to fund their projects; the inventory identifies 140 sources of grant funding in many project areas.

Projects in the area of SBE are the most often referred projects among the partners network. However, it ranks behind several categories of housing projects among Finance Fund clients. This implies that the Finance Fund needs to educate its partners of its housing-related activities so they will provide more referrals in this area. Moreover, housing-type projects are not the highest-ranked among the projects being directly funded by the partners and could lead to more referrals to the Finance Fund.

The study's overall conclusion is that there is room for financial intermediaries such as the Finance Fund to do more marketing and provide more information to partners and organizations that may need their services. Marketing should be statewide and focus on how the Finance Fund can meet the needs of its potential clients and partners. Furthermore, if possible, financial intermediaries should endeavor to make the application process less daunting for organizations so that they would be encouraged to seek the assistance of intermediaries in the future.

During the current severe economic downturn and the difficulties in the credit markets, the role of financial intermediaries may be even more critical.

APPENDIX A:

CLIENTS AND PARTNERS SURVEY INSTRUMENTS

APPENDIX A.1. SURVEY ON COMMUNITY DEVELOPMENT EFFORTS AND NEEDS – CLIENT'S SURVEY

Survey Objective and Informed Consent
Cleveland State University is undertaking a survey sponsored by the Finance Fund to identify and understand the users of financial intermediaries in economic and community development efforts. Results from this statewide survey will be used to analyze the needs and progress of community development financing.

You will be asked some questions about your organization and projects. All responses will be confidential and no organization names, contact names or addresses will be shared. This survey should take approximately 20 minutes to complete. Please respond to this survey by December 19, 2008. There are no risks involved in participating in this study other than those experienced during the course of everyday life.

Please contact the Cleveland State University Institutional Review Board at (216) 687-3630 if you have questions regarding your rights as a research subject. Your participation in this survey is voluntary. Completion of the survey means you consent to participation in this study.

Questions about this survey should be addressed to Dr. Ziona Austrian (216) 687-3988 or z.austrian@csuohio.edu) or Dr. Brian Mikelbank (216) 875-9980 or b.mikelbank@csuohio.edu).

Your Organization

1. Type of organization (Please check all that apply)
   - ☐ Nonprofit 501(c)3
   - ☐ Community Development Corporation
   - ☐ Local government
   - ☐ Faith-based
   - ☐ Developer
   - ☐ Community Action Agency
   - ☐ Other ______________________________

2. How long has your organization been in existence?
   - ☐ Less than a year
   - ☐ 1-5 years
   - ☐ 6-10 years
   - ☐ More than 10 years

3. How many full time employees does your organization have?
   - ☐ 1-5
   - ☐ 6-10
   - ☐ 11-20
   - ☐ 21-50
   - ☐ 51-100
   - ☐ Over 100

4. In an average or typical week, please state how many people volunteer at your organization and the number of total hours they contribute?
   ______ (number of volunteers)
   ______ (hours contributed)
   ☐ Do not use volunteers

Your Service Area

5. What is your geographic service area? (Please identify by county, city or zip code)
   ____

6. Are there other organizations doing similar work to you in your service area?
   ☐ Yes – If yes, please name one or two ____________________________
   ☐ No

Projects Completed in the Past 3 years

Please provide information about the projects that your organization has completed in the past three years or are currently underway and indicate the names of any major partners.

7. In the past 3 years, what types of projects have been in your portfolio? You can check both the "Completed" and "Underway" columns for a given project where applicable and provide the name of your major partner. (√ all that apply)

	Completed	Underway	Major Partner
Affordable housing	☐	☐	____________________
Housing improvements	☐	☐	____________________
Homeownership	☐	☐	____________________
Supportive housing	☐	☐	____________________
Child care	☐	☐	____________________
Education programs	☐	☐	____________________
Schools Facilities/Buildings	☐	☐	____________________
Senior Services	☐	☐	____________________
Community facilities	☐	☐	____________________
Commercial revitalization	☐	☐	____________________
Environmental programs/ Green communities	☐	☐	____________________
Historic preservation	☐	☐	____________________
Safe & healthy environments	☐	☐	____________________
Small business entrepreneurship	☐	☐	____________________
Stimulating economic activity	☐	☐	____________________
Strategic real estate investment	☐	☐	____________________
Other ___________________	☐	☐	____________________

Financing
Please give us some general information about how your projects are funded.

8. What is the average cost of your typical project?
   - ☐ Less than $250,000
   - ☐ $250,000 – under $500,000
   - ☐ $500,000 – under $ million
   - ☐ $1 million – under $ 5 million
   - ☐ $5 million - $10 million
   - ☐ Over $10 million

9. In the past 3 years, what 3 funding sources have provided the largest monetary support to your projects?
   ____
   ____
   ____

10. In the past 3 years, what 3 funding sources have supported you most frequently?
   ____
   ____
   ____

11. Please indicate below the sources of funding used by your organization in the past 3 years. In the ***Instruments Used*** column, check which kind of funding was received (loan, grant, equity, etc.). In the ***Percentage of funds received*** column, indicate the estimated percentage of the total funds obtained from that source for any instruments used (please use the following ranges: **1-10%, 11-25%, 26-50%, 51-75%, or 76-100%** for questions 11a through 11h). In the ***Intermediary Used*** column, indicate if an intermediary was used in obtaining that financing. Not all instruments are applicable to all funding sources.

a. Federal Government Financing

Source	Instruments Used	Percentage of all Federal funds received	Intermediary Used?
Federal Government	☐ Loan	_____ %	☐
	☐ Grant	_____ %	☐
	☐ Equity	_____ %	☐
	☐ Tax Incentive	_____ %	☐
	☐ Tax Credit	_____ %	☐
	☐ Financing	_____ %	☐
	☐ Consulting	_____ %	☐
	☐ Other _________	_____ %	☐

Obtaining federal government funding was…
☐ Very difficult ☐ Difficult ☐ Satisfactory ☐ Easy ☐ Very easy

Approximately what percentage of your federal funding typically comes through an intermediary?
_____ %

(Use the following ranges for percentage of all funds received: 1-10%, 11-25%, 26-50%, 51-75%, 76-100%).

b. State Government Financing

Source	**Instruments Used**	**Percentage of all State funds received**	**Intermediary Used?**
State Government	☐ Loan ☐ Grant ☐ Equity ☐ Tax Incentive ☐ Tax Credit ☐ Financing ☐ Consulting ☐ Other ________	_____ % _____ % _____ % _____ % _____ % _____ % _____ % _____ %	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Obtaining state government funding was…

☐ Very difficult ☐ Difficult ☐ Satisfactory ☐ Easy ☐ Very easy

Approximately what percentage of your state funding typically comes through an intermediary?
_____ %

c. County Government Financing

Source	**Instruments Used**	**Percentage of all County funds received**	**Intermediary Used?**
County Government	☐ Loan ☐ Grant ☐ Equity ☐ Tax Incentive ☐ Tax Credit ☐ Financing ☐ Consulting ☐ Other ________	_____ % _____ % _____ % _____ % _____ % _____ % _____ % _____ %	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Obtaining county government funding was…

☐ Very difficult ☐ Difficult ☐ Satisfactory ☐ Easy ☐ Very easy

Approximately what percentage of your county funding typically comes through an intermediary?
_____ %

d. City/Municipal Government Financing

Source	**Instruments Used**	**Percentage of all City funds received**	**Intermediary Used?**
City/Municipal Government	☐ Loan ☐ Grant ☐ Equity ☐ Tax Incentive ☐ Tax Credit ☐ Financing ☐ Consulting ☐ Other ________	_____ % _____ % _____ % _____ % _____ % _____ % _____ % _____ %	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Obtaining city/municipal government funding was…

☐ Very difficult ☐ Difficult ☐ Satisfactory ☐ Easy ☐ Very easy

Approximately what percentage of your city/municipal government funding typically comes through an intermediary? _____ %

(**Use the following ranges for percentage of all funds received: 1-10%, 11-25%, 26-50%, 51-75%, 76-100%).**

e. Foundation Financing

Source	**Instruments Used**	**Percentage of all Foundation funds received**	**Intermediary Used?**
Foundation	☐ Loan ☐ Grant ☐ Equity ☐ Tax Incentive ☐ Tax Credit ☐ Financing ☐ Consulting ☐ Other ________	_____ % _____ % _____ % _____ % _____ % _____ % _____ % _____ %	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Obtaining foundation funding was…

☐ Very difficult ☐ Difficult ☐ Satisfactory ☐ Easy ☐ Very easy

Approximately what percentage of your foundation funding typically comes through an intermediary? _____ %

f. Private Investment Financing

Source	Instruments Used	Percentage of all Private funds received	Intermediary Used?
Private Investment	☐ Loan ☐ Grant ☐ Equity ☐ Tax Incentive ☐ Tax Credit ☐ Financing ☐ Consulting ☐ Other ________	_____ % _____ % _____ % _____ % _____ % _____ % _____ % _____ %	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Obtaining private investment funding was…

☐ Very difficult ☐ Difficult ☐ Satisfactory ☐ Easy ☐ Very easy

Approximately what percentage of your private investment typically comes through an intermediary? ___ %

g. Bank Financing

Source	Instruments Used	Percentage of all Bank funds received	Intermediary Used?
Bank Financing	☐ Loan ☐ Grant ☐ Equity ☐ Tax Incentive ☐ Tax Credit ☐ Financing ☐ Consulting ☐ Other ________	_____ % _____ % _____ % _____ % _____ % _____ % _____ % _____ %	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Obtaining bank funding was…

☐ Very difficult ☐ Difficult ☐ Satisfactory ☐ Easy ☐ Very easy

Approximately what percentage of your bank financing typically comes through an intermediary? _____ %

h. Other Sources of Financing

Source	Instruments Used	Percentage of all other funds received	Intermediary Used?
Other _______	☐ Loan ☐ Grant ☐ Equity ☐ Tax Incentive ☐ Tax Credit ☐ Financing ☐ Consulting	_____ % _____ % _____ % _____ % _____ % _____ % _____ %	☐ ☐ ☐ ☐ ☐ ☐ ☐

	☐ Other ________	_____ %	☐

Obtaining Other Sources funding was…

☐ Very difficult ☐ Difficult ☐ Satisfactory ☐ Easy ☐ Very easy

Approximately what percentage of your other funding typically comes through an intermediary?
_____ %

12. In the past 3 years which of the following financial intermediaries have you…

	Heard of	**Applied to**	**Received funding from**
Enterprise Community Partners	☐	☐	☐
Finance Fund	☐	☐	☐
Local Initiatives Support Corporation (LISC)	☐	☐	☐
Neighborhood Progress, Inc.	☐	☐	☐
New Village Corporation	☐	☐	☐
Ohio Capital Corporation for Housing	☐	☐	☐
ShoreBank Enterprise Group	☐	☐	☐
Village Capital Corporation	☐	☐	☐
Other___________	☐	☐	☐

13. Which of these intermediary programs has your organization used? (check all that apply)

☐ Asset Management
☐ Compliance Assistance
☐ Consulting/Technical Assistance
☐ Development
☐ Equity Investments
☐ Grants
☐ Historic Tax Credits
☐ Lines of Credit
☐ Linked Deposit Funds
☐ Loans
☐ Low-Income Housing Tax Credits
☐ New Markets Tax Credits
☐ Permanent Financing – Debt
☐ Pre Development Grants
☐ Recoverable Grants
☐ Other _____________

14. Of all the funds you received through intermediaries, what is the percentage of each financial instrument?

Source	**Instruments Used**	**Percentage of all Intermediary funds received**
Intermediary	☐ Loan ☐ Grant ☐ Equity ☐ Tax Incentive ☐ Tax Credit ☐ Financing ☐ Consulting ☐ Other _________	_____ % _____ % _____ % _____ % _____ % _____ % _____ % _____ %

Obtaining Intermediary funding was…

☐ Very difficult ☐ Difficult ☐ Satisfactory ☐ Easy ☐ Very easy

Approximately what percentage of your <u>total</u> project funding typically comes through an intermediary? _____ %

15. What has kept your organization from using an intermediary or using intermediaries more often?

____

Future Plans

Please provide the types of projects your organization is planning for the next three years.

16. Rate the likelihood of your organization starting <u>each</u> one of the following projects in the next 3 years? (check all that apply)

	Very Likely	Likely	Uncertain	Unlikely	Very unlikely
Affordable housing	☐	☐	☐	☐	☐
Housing improvements	☐	☐	☐	☐	☐
Homeownership	☐	☐	☐	☐	☐
Supportive housing	☐	☐	☐	☐	☐
Child care	☐	☐	☐	☐	☐
Education programs	☐	☐	☐	☐	☐
Schools Facilities/Buildings	☐	☐	☐	☐	☐
Senior Services	☐	☐	☐	☐	☐
Community facilities	☐	☐	☐	☐	☐
Commercial revitalization	☐	☐	☐	☐	☐
Environmental programs/ Green communities	☐	☐	☐	☐	☐
Historic preservation	☐	☐	☐	☐	☐
Safe & healthy environments	☐	☐	☐	☐	☐
Small business entrepreneurship	☐	☐	☐	☐	☐
Stimulating economic activity	☐	☐	☐	☐	☐
Strategic real estate investment	☐	☐	☐	☐	☐

Other ____________________	☐	☐	☐	☐	☐

17. Are you planning to look for new sources of funding to carry out these projects?
    - ☐ Yes. If yes, where/ how do you find new sources of funding? _______________________
    - ☐ No

18. Would you be interested in working with an intermediary in the future?
    - ☐ Yes
    - ☐ No – Why not? ____

19. What would you need to engage in additional community development projects?

    ____

20. Beyond the focus of your organization, what other community development projects are needed in your area?

    ____

To obtain a copy of the results of this survey, please include your name, title, organization name, mailing address and e-mail address.

Name ____
Title ____
Organization Name ____
Mailing Address ____
E-mail Address ____

Thank you for completing the survey.

APPENDIX A.2. SURVEY ON COMMUNITY DEVELOPMENT EFFORTS AND NEEDS – PARTNER'S SURVEY

Survey Objective and Informed Consent
Cleveland State University is undertaking a survey sponsored by the Finance Fund to identify and understand the roles of financial intermediaries and other facilitators in economic and community development efforts. Results from this statewide survey will be used to analyze the needs and progress of community development financing.

You will be asked some questions about your organization and projects. All responses will be confidential and no organization names, contact names or addresses will be shared. This survey should take approximately 15 minutes to complete. Please respond by December 19, 2008. There are no risks involved in participating in this study other than those experienced during the course of everyday life.

Please contact the Cleveland State University Institutional Review Board at (216) 687-3630 if you have questions regarding your rights as a research subject. Your participation in this survey is voluntary. Completion of the survey means you consent to participation in this study.

Questions about this survey should be addressed to Dr. Ziona Austrian (216) 687-3988 or z.austrian@csuohio.edu or Dr. Brian Mikelbank (216) 875-9980 or b.mikelbank@csuohio.edu.

Your Organization

1. Type of organization
   - ☐ Federal government or agency
   - ☐ State government or agency
   - ☐ Local government or agency
   - ☐ Association/Council/Chamber/Network
   - ☐ Bank
   - ☐ Other financial organization
   - ☐ Other ______________________________

2. How long has your organization been in existence?
   - ☐ Less than a year
   - ☐ 1-5 years
   - ☐ 6-10 years
   - ☐ More than 10 years

3. How many full time employees does your organization have?
   - ☐ 1-5
   - ☐ 6-10
   - ☐ 11-20
   - ☐ 21-50
   - ☐ 51-100
   - ☐ Over 100

Your Service Area

4. What is your geographic service area? (Please identify by state, county, city, or zip code.) ____

5. Are there other organizations doing similar work to yours in your service area?
   - ☐ Yes - Please name one or two _____________________________________
   - ☐ No

Services Provided

6. What types of services do you provide? (Check all that apply.)
   - ☐ Funding

   Referrals:
   - ☐ Referrals for funding
   - ☐ Referrals for other services (non-funding)

   Other services:
   - ☐ Asset/Property management
   - ☐ Convening
   - ☐ Compliance assistance
   - ☐ Information dissemination
   - ☐ Project development
   - ☐ Research / Policy analysis
   - ☐ Technical assistance
   - ☐ Training
   - ☐ Other (specify): __________________________________

7. In the past 3 years, for what types of projects have you provided funding, referrals, or other services, and with whom did you collaborate? (Check all that apply.)

Project category	**Funding**	**Referrals**	**Other services**	**Collaborator**
Affordable housing	☐	☐	☐	_______________
Housing improvements	☐	☐	☐	_______________
Homeownership	☐	☐	☐	_______________
Supportive housing	☐	☐	☐	_______________
Child care	☐	☐	☐	_______________
Youth education programs	☐	☐	☐	_______________
School facilities/buildings	☐	☐	☐	_______________
Senior services	☐	☐	☐	_______________
Community facilities	☐	☐	☐	_______________
Commercial revitalization	☐	☐	☐	_______________

Environmental programs / green communities	☐	☐	☐	________________
Historic preservation	☐	☐	☐	________________
Safe & healthy environments	☐	☐	☐	________________
Small business entrepreneurship	☐	☐	☐	________________
Stimulating economic activity	☐	☐	☐	________________
Strategic real estate investment	☐	☐	☐	________________
Other _______________	☐	☐	☐	________________

8. In the past 3 years, with which types of projects (refer to project categories listed in Question 7 above) have you been most involved in Ohio?

   ____
   ____
   ____

Does your organization provide funding? If your organization does <u>not</u> provide funding, skip to Question 12. If your organization does provide funding, continue with Question 9.

9. What is the <u>average</u> funding amount per project you have provided in the last 3 years?
   - ☐ Less than $250,000
   - ☐ $250,000 to under $500,000
   - ☐ $500,000 to under $1 million
   - ☐ $1 million to under $5 million
   - ☐ $5 million to under $10 million
   - ☐ Over $10 million

10. Please indicate the types of funding provided by your organization in the past 3 years. In the *Instruments Used* column, check all instruments you have used. In the *Percentage of all funds provided* column, circle the percentage range of total funds you provided using that instrument (relative to all funds provided).

Instrument used	**Percentage of all funds provided**
☐ Equity	_____ % (1-10, 11-25, 26-50, 51-75, 76-100 for equity total)
Grants ☐ Pre-development grants ☐ Recoverable grants ☐ Other grants	_____ % (1-10, 11-25, 26-50, 51-75, 76-100 for grants total)

Loans ☐ Lines of credit ☐ Linked deposit funds ☐ Permanent financing - debt ☐ Other loans	_____ % (1-10, 11-25, 26-50, 51-75, 76-100 for loans total)
Tax Credits / Incentives ☐ Historic tax credits ☐ Low-income housing tax credits ☐ New markets tax credits ☐ Other tax credits / incentives	_____ % (1-10, 11-25, 26-50, 51-75, 76-100 for tax credits/incentives total)
Other financing (specify) ____________________	_____ % (1-10, 11-25, 26-50, 51-75, 76-100 for other financing total)

11. Over the last 3 years, how often was a financial intermediary involved in providing this funding?
☐ Never ☐ Rarely ☐ Sometimes ☐ Often ☐ Always

12. Which of the following organizations have you...

	Heard of	**Partnered with**	**Referred an organization to**
Columbus and Franklin County Affordable Housing Trust Corp.	☐	☐	☐
CountyCorp	☐	☐	☐
Enterprise Community Partners	☐	☐	☐
Finance Fund	☐	☐	☐
Local Initiatives Support Corp. (LISC)	☐	☐	☐
Neighborhood Progress, Inc. (NPI)	☐	☐	☐
NeighborWorks America	☐	☐	☐
New Village Corp. (NPI)	☐	☐	☐
Ohio Capital Corp. for Housing	☐	☐	☐
Shore Bank Enterprise Group	☐	☐	☐
Village Capital Corp. (NPI)	☐	☐	☐
Other _____________	☐	☐	☐

13. What factors, if any, have kept your organization from collaborating with funding providers or from collaborating with them more often?
____

14. Other than funding, what factors, if any, have kept you from undertaking more projects which serve your mission?
____

15. Beyond the mission of your organization, what are the other most urgent community development needs in your service area?
____

To obtain a copy of the results of this survey, please include your name, title, organization name, mailing address, and e-mail address. Thank you for completing the survey.

Name	
Title	
Organization name	
Mailing address	
E-mail address	

APPENDIX B:

ADDITIONAL RESPONSES FROM PARTNERS' SURVEYS

APPENDIX B.1. PROJECT CATEGORIES WITH FUNDING ACTIVITY

For each of the 16 project categories, the total number of respondents whose organizations funded that type of project is shown in Table 5.4, and then the next three most popular project categories which were funded by those organizations are also displayed. (There are sometimes more than three shown in the case of ties.) The top two categories – commercial revitalization and community facilities, are both in the top three when either of them is considered. Also, all four types of housing projects are highly connected when it comes to funding.

Project Category	Funding Count	Other Project #1	Count	Other Project #2	Count	Other Project #3	Count
Commercial Revitalization	20	Community Facilities	12	Historic Preservation	11	Affordable Housing / Homeownership	10
Community Facilities	18	Homeownership / Commercial Revitalization	12	Affordable Housing / Housing Improvements	11		
Homeownership	17	Affordable Housing / Community Facilities	12	Housing Improvements / Supportive Housing / Commercial Revitalization	10		
Small Business Entrepreneurship	17	Affordable Housing / Commercial Revitalization	8	Housing Improvements / Supportive Housing / Senior Services	7		
Affordable Housing	16	Supportive Housing	13	Homeownership	12	Housing Improvements / Community Facilities / Commercial Revitalization	10
Housing Improvements	15	Supportive Housing	11	Affordable Housing / Homeownership / Community Facilities	10		
Supportive Housing	15	Affordable Housing	13	Housing Improvements	11	Homeownership	10
Historic Preservation	12	Commercial Revitalization	11	Affordable Housing / Environmental/Green	8		

Project Category	Funding Count	Other Project #1	Count	Other Project #2	Count	Other Project #3	Count
Environmental/Green	11	Commercial Revitalization	9	Historic Preservation	8	Affordable Housing / Community Facilities / Strategic Real Estate Investment	7
Strategic Real Estate Investment	11	Commercial Revitalization	9	Environmental/Green / Historic Preservation	7		
Senior Services	10	Affordable Housing	9	Housing Improvements / Supportive Housing	8		
Youth Education	9	Affordable Housing / Homeownership	6	Supportive Housing / Child Care / Community Facilities	5		
School Facilities/Buildings	8	Community Facilities / Commercial Revitalization	4	Seven with Three	3		
Other	8	Small Business Entrepreneurship	4	Youth Education	3	Seven with Two	2
Child Care	7	Affordable Housing / Homeownership / Community Facilities	6				
Safe & Healthy Environments	5	Affordable Housing / Commercial Revitalization	4	Six with Three	3		

Appendix B.2. Factors Which Keep the Organization from Collaborating with Funding Providers

Note: These statements are quotes from the respondents.

Awareness and understanding

Awareness and understanding

Knowledge of collaboration available

Knowledge of them; Lack of application for loan funding

Lack of information about organization

Not aware of how the above are applicable to our region

Unaware of what they do

We're not in their local area

External

Dealing with larger nonprofit entities with strong internal finances

Economy; lack of state, local, federal funds

Lack of funding for collaboration

Organizational issues/constraints

Building under renovation

Capacity of the organization

Deal structure would not support additional debt

Do not want to be charter type organization-restrained on services to our clients

Ease of partnering, Communication

Lack of clients

Lack of intraorganizational networking

Lack of relationships; politics

Lack of time and funding – our regional planning commission is funded through the county commissioners and county engineers; we try to obtain grants for our projects.

Limited means and unfamiliarity combined with different priorities

Organizational criteria, especially geographic criteria

Our corporate status as a non-profit association

The city of XXXX did not have one person dedicated to these opportunities for businesses.

The need to focus effort on their approval schedule.

They mostly have a lack of presence in XXXX Co.

Time

Way our programs are designed

Urgency/Relevance

County does not provide matching funding

Current needs are minimal

Different goals, missions

Don't do housing programs

I do economic development – you are asking mostly housing questions

In general, this work does not apply directly to what services we offer

Lack of shared mission (business development)

Limited to for-profit business investment; always partner w/bank

Not involved in funding, we promote our town and businesses

OCDCA is not involved in direct financing of real estate projects.

We collaborate all the time with partners we know about but Ohio Law only allows us to invest in state depository banks

We do industrial development, only occasionally tangential with housing

We have often referred projects to area organizations that provide funding, but have not historically been a funding source ourselves.

We primarily do research, so there is not as good a match between what we do and the work of some of these

Other

Nothing

We collaborate as much as possible.

We collaborate with many other foundation and corporate donors.

We do not currently offer RLFs at the community level. We do have good working relationships with State, CICs, CDCs, and local lending institutions.

Appendix B.3. Other than Funding, Factors Which Have Kept the Respondents from Undertaking More Projects that Serve Their Missions

Note: These statements are quotes from the respondents.

Economy

Economic factors; i.e., challenges in the real estate market

The high risk nature of the type of financing – general economic conditions

Funding

Capital

Capital markets for bonding

Funding

Funding & capacity

Lack of business willing to invest

Lack of funds internally

Lack of shovel ready sites, infrastructure, lack of broad bank

Public infrastructure has been a problem for XXXX Co. but that is tied for funding.

Organizational issues/constraints

Availability of Staff

Deliberate focus on a few issues, staff time constraints

Lack of personnel

Lack of relationships; politics

Lack of time and staff

Organization is not project driven

Our mission is not housing

Political climate; man hours

Same as #13 (do not have one person dedicated to these purposes for businesses)

See #13 (organizational criteria, especially geographic criteria)

Sometimes we aren't eligible to apply for certain programs because we are a Council of Government and not a non-profit.

Staff experience and expertise, knowledge of available programs

Staff is only part-time

Staffing issues. As a small community, each of the staff members is required to wear multiple hats each day. Other communities have five or six people to do what I do alone.

Time, priorities

Uncertainty about appropriate county mission

We are already engaged in a variety of areas and have high activity level for our small size.

Potential Clients/Partners

Attracting families who are ready to change their lives

Awareness of our loan programs

Educating/reaching the small business community

Insufficient number of participants from the neighborhood

Lack of clients

Lack of member participation

Limited number of resources and area organizations to which we can make referrals, and limited number of developers/investors

Other

N/A

N/A

N/A

None

Nothing

Nothing. We relaunched our program and it has been exceeding our projected funding levels.

APPENDIX B.4. OTHER MOST URGENT COMMUNITY DEVELOPMENT NEEDS IN THE SERVICE AREA

Note: These statements are quotes from the respondents.

Development

Downtown Cleveland development

Downtown revitalization

Economic development

Economic development, jobs

Finding new ways to help create wealth in neighborhoods / financial literacy

Increase retail establishments to replace those lost

Redeveloping blighted commercial areas and redeveloping old mid-sized industrial sites into "job-ready" facilities

Revitalizing deteriorating areas, recreation, and ball fields

Education/Services

Education and jobs

Financial education

Health care, education and training

Providing services to at-risk youth and adults

Quality education; affordable medical care

Safety services facilities; school facilities

School buildings; urban renewal

Staff development/recruiting and training

Upgrade of schools, infrastructure

Employment

Good paying jobs

Job creation; access to quality health care; infrastructure development

Jobs

Jobs, housing, infrastructure (streets, bridges)

Jobs, infrastructure

Maintaining jobs & small businesses

New living wage job creation

We do economic development- jobs for people is the most important issue

Workforce development

Funding

Access to capital

Available funding sources for affordable housing

Business access to working capital

Currently anyone willing to invest

Money, neighborhood stability, staffing

Housing

Addressing the foreclosed housing stock

Affordable, accessible housing

Foreclosure and vacant properties, poverty, workforce development

Foreclosure assistance

Foreclosure, vacant properties, job loss

Foreclosures, job losses, vacant housing, planning for shrinking communities

Improving housing stock

Urban sprawl---foreclosure epidemic has lessened values---property loss has weakened market

Vacant and abandoned buildings, both residential and commercial.

Technology/Infrastructure

Broadband coverage, public sewer in the more densely populated areas

Capital improvements

CMSD improvement; crime

Code enforcement

Fiber optic network capacity

Infrastructure improvements and enhancements, including improved wireless technology (internet, cell, satellite services)

Other

None

Stabilization of economic conditions

There are many needs in which we are engaged