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Community First Fund Vies for \$2.5M Award

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LANCASTER, Pa - Community First Fund has been named one of four semifinalists eligible to receive \$2.5 million from Wachovia Next Award for Opportunity Financing.

So, just what is opportunity finance?

People have differing views of what Community First Fund does, according to Daniel Betancourt, president and chief executive of the Lancaster-based nonprofit business.

Some see it as a type of bank, others think of it as a business incubator, and still others view it as a vehicle that helps create affordable housing.

"I guess they would all be right," Betancourt said.

Like a bank, Community First Fund, 30 W. Orange St., loans money provided by investors. It also receives public and private funds to loan for economic development projects, provides affordable loan capital and comprehensive technical assistance and offers small loans to developers who invest in residential housing projects.

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Daniel Betancourt, president of Community First Fund, hopes to see his organization win \$2.5 million this year.

Once known as an issuer of revolving loan funds, Community First Fund is now categorized as a community development financial institution. Ten CDFIs will compete for a portion of an \$8.5 million pool of Wachovia Next Award award money, in partnership with The John D. and Catherine T. MacArthur Foundation.

Community First Fund will compete for a \$2.5 million award with other CDFIs with \$10 million to \$50 million in assets dedicated to investing.

What makes a CDFI different from similar groups such as the Economic Development Co. of Lancaster County, Betancourt said, is that it serves seven different counties (not one) and it's not mandated by governmental guidelines that determine who qualifies for loans.

"We're able to make our decision off the needs of the borrower, so our decision changes by borrower. We're able to be flexible depending on the circumstances and the type of business and the strength of the business owner," Betancourt said.

Community First Fund recently provided funding for such diverse projects as: \$500,000 for furniture, fixtures and equipment for The Lancaster Arts Hotel; a working capital loan of \$43,389 for Hair at DFB Studios; a \$20,000 line of credit for Fries Flowers, and a \$15,000 loan to purchase inventory for The Fun-est Toy Store Ever! in Ephrata.

Loan applicants must have a business plan that will offer a positive impact on the community and "an understanding of the strength of the financial resources of the borrower."

"It's a loan. We want to make sure that we think we're going to get paid back as well," Betancourt said. "We have a payback rate of 97 percent, historically."

Established in 1992 as the Susquehanna Valley Community Development Loan Fund, Community First has closed more than 650 loans exceeding \$19 million since 1996 in underserved communities from offices in Lancaster, York, Harrisburg, Reading and Exton.

This is the second straight year Community First was named a semifinalist for the Wachovia Next Awards. The winners will be announced Dec. 10 at a ceremony in Albuquerque, N.M.