

HECA on Mission to Build Affordable Housing in 12 Counties

By Tabitha J Lacy

Michele Jenkins-Utomi is a CEO on a mission.

Her goal – build a pipeline of affordable housing in a 12-county region of Central Alabama, and a pipeline of people to buy them.

“You can’t have one without the other,” she says.

Ms. Jenkins Utomi is the first Chief Executive Officer of a community-spirited venture, the Housing Enterprise of Central Alabama (HECA). HECA opened for business in April 2003 to support affordable housing development by lending money to for-profit and non-profit developers to build and renovate safe, decent housing for low- and moderate-income families.

And what, exactly, does she mean by “affordable?”

“We’re talking about homes that teachers, fireman or retail clerks can afford,” she said. For low- to moderate-income households, “affordable” would be homes valued at approximately \$81,300 to \$154,470.

There is a tremendous need for affordable housing statewide, according to “Sweet Home Alabama,” a 2003 report based on Census data published by the Alabama Housing Finance Authority in Montgomery. “... Younger persons, renters, and some segments of the minority population are more prone to substandard housing and lack of affordability. ... Negative housing conditions are also found at higher rates in the rural areas.”

Many are addressing the problem, with some successes. But no other operation in Alabama brings the combination of resources to the table that HECA does.

What makes HECA unique? First, it is comprised of four investor financial institutions: AmSouth Bank, Regions Bank, Compass Bank and New South Federal Savings Bank. All have a history of reinvesting in the communities in which they do business. But this is the first time that the four have joined forces to address housing on such a large scale.

Also, HECA works in tandem with a non-profit, the Housing Fund of Central Alabama (the Fund.) The Fund became operational at the same time as HECA, with funding provided by HECA member banks and area foundations, including The Community Foundation of Greater Birmingham, the Walker Area Community Foundation and the Calhoun County Community Foundation. The Fund's charge: To be a "supporting organization" to other public charities, and to partner with HECA in providing grant dollars to non-profits for core operating support and other initiatives.

Together, HECA and the Fund have funding capability of nearly \$64 million.

Another unique aspect of HECA is its reach – 12 counties surrounding the Birmingham area: Bibb, Blount, Calhoun, Chilton, Cullman, Etowah, Jefferson, St. Clair, Shelby, Talladega, Tuscaloosa and Walker.

The regional piece is critical, and reflects the goals of the organization that started HECA. Region 2020 is a non-profit that advocates regional cooperation to improve quality of life in Central Alabama in areas such as housing, education and the arts. HECA grew out of a two-year affordable housing initiative led by Ted Kennedy, founder of BE&K Inc.; Maria Campbell, the former State Superintendent of Banks, currently Chairman, Financial Services, SC&D Strategic Solutions; and Ann Florie, Executive Director, Region 2020. That grassroots work identified the need for a central organization that would address a variety of housing issues.

"The amount of work that Region 2020 and its committees put into (the formation of HECA) was tremendous," said Mr. Kennedy, who is Board Chair of HECA and the Fund.

“They listened to every conceivable interest group; they held many working sessions. We got a strong feel for not only what was needed, but also for what the frustration was.”

Those findings led to the HECA mission: Address the need for capacity and accountability among private and non-profit developers; provide flexible and gap financing not otherwise available; and serve as a coordinating organization for all affordable housing industry participants.

Ms. Jenkins-Utomi agrees that those are lofty goals. But she is determined to see them through. A Huntsville native, she worked for the Washington D.C. office of Local Initiatives Support Corp., the nation’s largest community building organization, prior to joining HECA.

“We’re fortunate to have someone with Michele’s national credentials leading HECA,” said Doug Jackson, a HECA board member and Chief Compliance Officer at AmSouth Bank. “As a native, she understands the challenges unique to Alabama. But she also has brought a willingness to take a fresh look at the affordable housing need.”

HECA just passed its one-year mark. The venture has several projects underway, which together should result in about 1,000 new affordable housing units over three to four years. Among them:

- HECA provided 50 percent of the funding for the DRCS Home Ownership Center in the East Lake Community of Birmingham. The center opened in April 2004 as a resource for credit counseling, homebuyer training and mortgage counseling. HECA partnered with the City of Birmingham and DRCS (Debt Relief Counseling Services) on the project.
- HECA and development partner Aletheia House are working on the acquisition and rehabilitation of three, 39-unit rental properties in the Avondale neighborhood of Birmingham.

But don't believe for a minute that Ms. Jenkins Utomi plans on stopping at home building and renovation.

“HECA understands that neighborhood building is not just about building houses, but about building whole communities,” she says. “We want to transform distressed neighborhoods into healthy communities – that is really what we’re striving to accomplish everyday.”

For more information, contact HECA at 323-9888. The office is located in downtown Birmingham at 1731 First Ave. N., Suite 120. Or e-mail HECA at info@housingenterpriseal.org. HECA is an **Equal Housing Lender**.