

Programa de Educación Comunal de Entrega y Servicio Inc. (P.E.C.E.S)



The Missing Link for Community Economic Reconstruction:

Creation of the **Puerto Rico Community Predevelopment Fund (PRCPF)**



Presented by:

- **Pedro Morales-Oquendo, D.B.A.** – Senior Vice-President, Social Entrepreneurship, P.E.C.E.S. *[Dedication and Service Community Education Program]*
- **CPA Giovanna Piovanneti, Esq.** – Executive President, Corporación para el Financiamiento Empresarial del Comercio y de las Comunidades (COFECC)/Lendreams *[Corporation for the Entrepreneurial Financing of Commerce and Communities]*

- PECES -A leader in **community development** since 1985
- Social, educational and economic development services to over **25,000 persons annually** in 40 low-income communities in 18 municipalities;
- First response and **disaster relief experience**, including 120 houses rebuilt.
- Beyond helping individuals, we build **stronger and more resilient communities.**



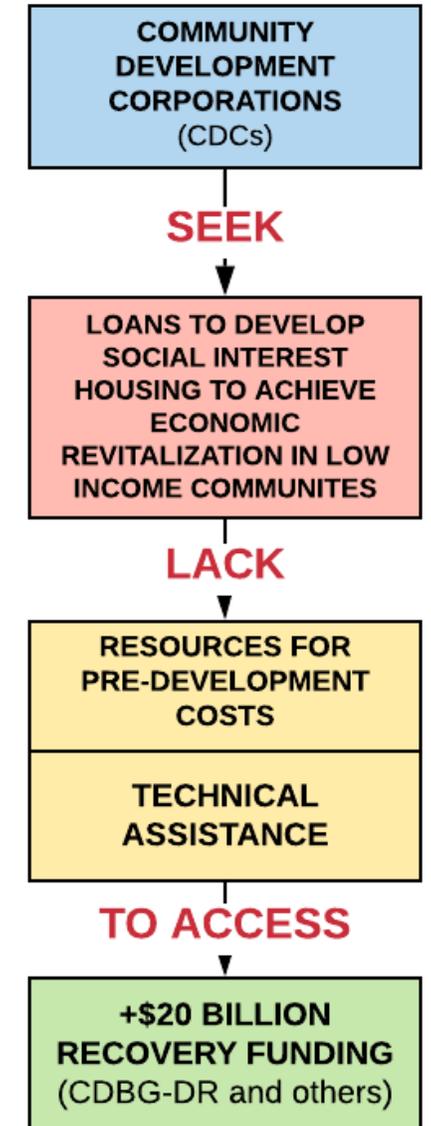
- COFECC – Since 1982, has provided access to **+\$180 million in loans** to over **1,000 small businesses** responsible for **+5,000 job opportunities.**
- A current **loan portfolio** of 280 small business with a principal balance of **+\$60 million**, which includes a large share of commercial real estate.
- **CDFI** (U.S. Treasury), **SBA** microlender, **SBA** certified development company, **SBA** community advantage lender and **USDA** rural development lender

OPPORTUNITY: Plenty of private (i.e. Opportunity Zones) and public (i.e. \$20b/CDBG-DR) economic development opportunities investment opportunities for community economic and housing revitalization, amid thousands of low income individuals to be **NEED:** the most **significant barrier** of local CDCs to access housing and community development initiatives is the **lack of funding to cover the predevelopment stages of their projects.**

ACTION: P.E.C.E.S., COFECC, 6 local CDCs, and proven local/stateside technical assistance experts will procure NGO/CDCs **access to pre-development loans for affordable housing and economic revitalization** in low-income geographies.

MECHANISM: a revolving fund (**PR Community Predevelopment Fund, PRCPF**) for pre-development costs to be **repaid in full with a modest interest** rate once the NGO/CDC secures public/private financing. Proven peer **stateside and local technical assistance providers** will strengthen project planning, compliance, hands-on collaboration, and funding diversification, among other capacity-building imperatives.

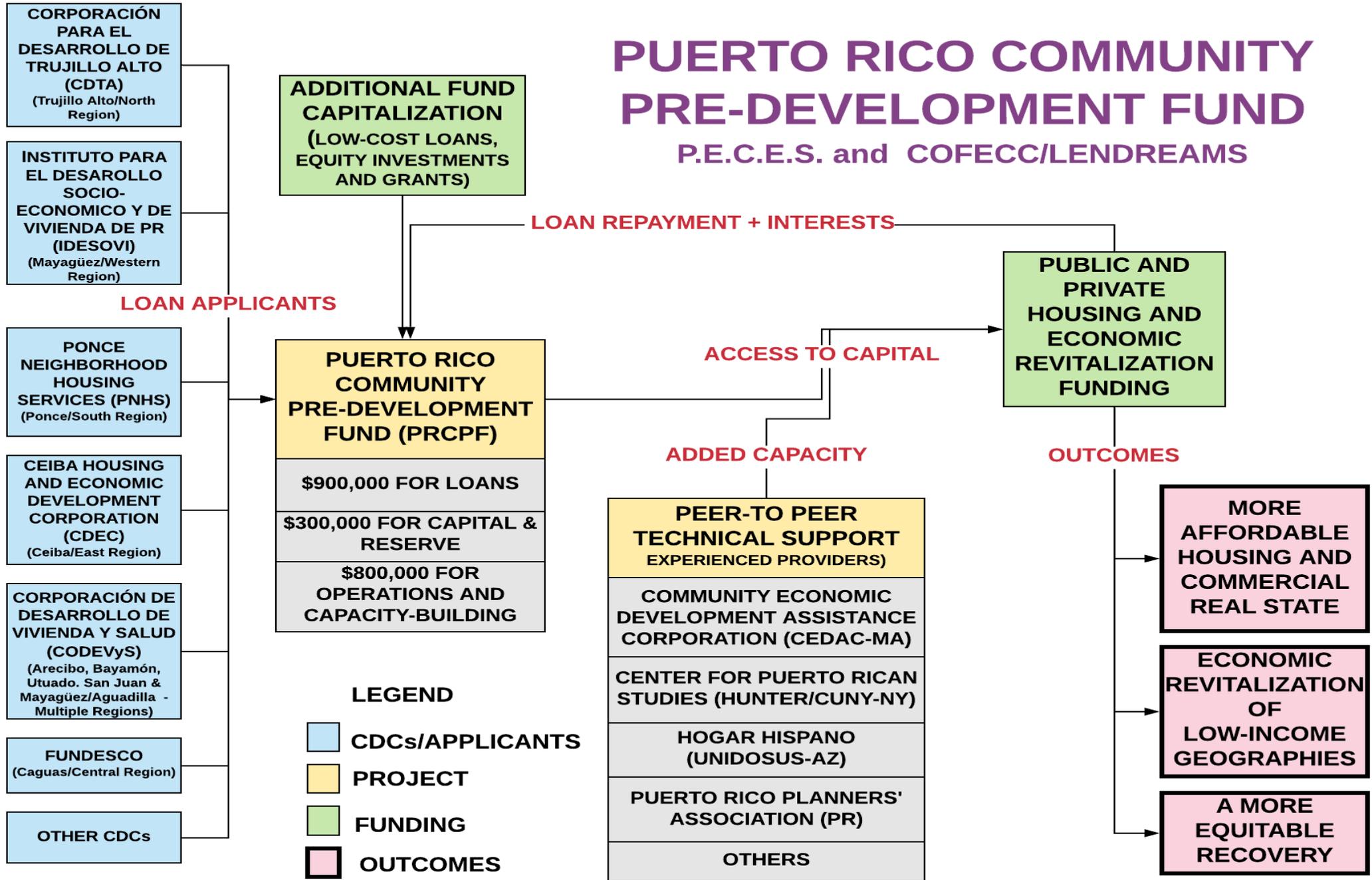
THE MISSING LINK



How it works

PUERTO RICO COMMUNITY PRE-DEVELOPMENT FUND

P.E.C.E.S. and COFECC/LENDREAMS



PRCPF IMPACT

- The fund will have a **multiplying, ripple and recurring financial impact**, it will be a revolving fund that will keep growing, that will facilitate CDCs to **access millions** in funding to develop affordable **housing** for low income individuals and to **revitalize** inner cities and other low-income and disaster/earthquake stricken geographies. [At least 100 housing units projected in three years]
- **Attract and aggregate capital from diverse sources** (including CRA) for affordable/social interest housing and commercial real state in low-income geographies, needed to **accelerate economic revitalization**.
- Strengthen the local CDC/Non-Profit community economic development **ecosystem**, expose them to **innovative financial instruments**, and foster their **equitable participation** in the recovery.
- Peer technical assistance will develop **sustainable capabilities** and **working alliances** with other local/stateside CDCs [at least 18 professionals projected]

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Funding request: \$2 million for 3 years

- **\$1.2 million to capitalize the Fund**
 - \$900,000 for loans
 - \$300,000 as fund equity, and as a reserve
- **\$800,000 for operations** (start-up costs, fund and program management, technical assistance delivery, evaluation, etc.)

After 3 years we project:

- At least a 50% loan repayment income (\$450,000)
- Other income from low-cost loans, equity investments and grants.



CONTACT: **Pedro Morales-Oquendo, D.B.A.** – pmorales@proyectopecesinc.org
CPA Giovanna Piovanetti, Esq. – gpiovanetti@cofecc.net