



**Interview of Bernie Mazyck  
Founding President and CEO**

**South Carolina Association of Community Development Corporations (Charleston, SC)**

Interviewed by Steve Dubb, Research Director, The Democracy Collaborative, June 2011

*Bernie Mazyck is President and CEO of the South Carolina Association of Community Development Corporations (SCACDC). Founded in 1994 when the state had only four community development corporations (CDCs), the statewide association has helped grow the CDC movement to the more than 70 CDCs that operate in South Carolina today, 28 of whom are active association members. To date, SCACDC and its member CDCs have developed projects valued at \$96.8 million, with a statewide economic impact of \$156.6 million. Mazyck has also been active in the CDC movement at the national level. This May he became Chair of the Board of the National Alliance of Community Economic Development Associations (NACEDA).*

**What were the origins of the South Carolina CDC association?**

The initiation of CDCs in South Carolina started with grassroots leadership development or neighborhood leadership training. In the early 1990s, I was working for a community foundation that had a neighborhood small grants program and part of that was to provide training and technical assistance to neighborhood leaders that they felt was important for their own issues. Ironically, similar types of activities were under way in different parts of the state, which were being supported with different players.

With the groups I worked with, part of the leadership development program was exposing them to how community development organizations that are community based could help transition a low-wealth community into one that is more prosperous either through job creation, housing development or entrepreneurship development. After we exposed the leaders to several models, they became very interested in CDCs and encouraged us to help them to put such an organization in place. Similarly, that was happening in a couple of other places in the state. As we in the Low Country were made aware of these other groups, and as part of our training, we invited folk out of North Carolina and folks in Pittsburgh who had experience creating a state association as a way to support what we believed to be a new movement of CDCs. Although there were only four CDCs at the time, they felt it was important to create an association; and that was organized as the South Carolina Association of CDCs in June of 1994.

**Can you discuss the growth of the CDC movement in South Carolina over time and what programs have been most important in supporting this growth?**

As a result of the fact that we were so small when we began, we reached out to the North Carolina Association CDCs, which had a four-to-five year head start on us. What were the key

programs they put in place? Who were their key funders? One key funder for SCACDC was the Mary Reynolds Babcock Foundation out of Winston Salem, North Carolina. One of the banks was Branch Bank and Trust (BB&T). As we went about the work of putting the corporate structure in place, we also began to focus on public policy. In North Carolina, the CDCs were being supported very well by the state legislature. They were able to convince the North Carolina General Assembly to dedicate a pretty significant allocation not only to CDCs but other types of community-based economic development organizations. We wanted to follow suit and educate legislators in South Carolina regarding the benefits of investing in community economic development.

Community organizing and advocacy were early priorities. We began to have these new CDCs meet with key members of the legislature. One of the activities we launched was to take some key leaders of our legislation to North Carolina and have them see what a mature CDC was able to produce with the kind of support they had received from the North Carolina legislature.

Our goal was to broaden the net of the South Carolina legislature to understand this new type of organization, the CDC. In 2000, the legislation we were promoting since 1996 finally passed the legislature. It authorized the state to provide \$10 million in grants, loans, and tax credits to certified CDCs. From 1994 until 1998, we were largely a volunteer-driven organization. We met and convened and strategized and planned and organized throughout that period. By 1998, BB & T, the Babcock Foundation (who had been following our progress), and the Southern Rural Development Initiative decided they all wanted to invest some start-up money in the association. In 1998, the association received its first significant funding. In the interim, we got some support from NCCED [National Congress for Community Economic Development, then the nation's leading CDC association] with the endorsement by the CEO of NCCED. It was in 1998 that an operating budget was developed and a job description was prepared for an executive director or CEO and the Board decided they were ready to bring on the first staff and reached out to me (Bernie Mazyck) and asked that I do that. So I left the community foundation and decided to take this on.

From 1998 going forward is when we started to put programs in place. Grassroots leadership development has continued to be a staple. That involved retreats where we would bring grassroots leaders together to train them on community organizing but also community development and what it takes to put a CDC in place. With the support of the Mary Reynolds Babcock Foundation and the Federal Home Loan Bank, we put in the Community Economic Development studies program—that is where we got into the nuts and bolts of what a CDC does. This was our capacity building program, which enabled the establishment of a number of new CDCs and played a significant role in going from four CDCs in the state to 70.

The way the state legislation was structured, it provided \$5 million in state tax credits, while \$5 million would be in an appropriation from the state budget. From 2000 to 2004, while the money was authorized, there was no appropriation. In 2005 we got the first actual \$1 million appropriation that provided grants to the CDC industry. Appropriations were made in 2005 and 2006. But in 2007 the legislature started seeing changes in the economy and the appropriation at that time ceased. Of the \$5 million that was authorized, to date only \$2.4 million has been appropriated. We have had the legislation extended three times, so that the legislature is still authorized to appropriate money.

The managing agency was the South Carolina Department of Commerce. They contracted with us to manage the grant program and they still contract with us to provide capacity building training.

We also get much of our funding from non-governmental sources. Some of our funding comes from banks, such as Branch Bank and Trust (BB&T), Bank of America, Wachovia (now Wells Fargo), Carolina First (now TD Bank) and the Federal Home Loan Bank of Atlanta. We've also played a role in attracting other foundation funding. That's kind of the origins, genesis, and process of CDC expansion in the state.

**Obviously, in some places CDCs formed in the 1960s and 1970s, while the development of CDCs in South Carolina is of more recent origin. Does the fact that most CDCs in South Carolina are less than a decade old make CDCs in South Carolina look different than CDCs in other states? If so, how?**

The similarity with other states is that most of the CDCs start or cut their teeth on some kind of housing development. That's largely because of the history of housing in the field, but it is also due to the availability of housing resources.

The difference I would see is that CDCs in South Carolina are more quickly willing and interested to consider entrepreneurial approaches, work on job development, asset development like IDAs, and might be considered more creative in how they do their work. In other words, they often perceive their mission more broadly than traditional CDCs that have been around longer in other states. That's the main difference I would see.

**Can you talk about your personal history and how you became involved with community development and CDCs?**

Largely, my involvement was limited to my experience with the Coastal Community Foundation, in Charleston, South Carolina. Before that, my focus on community development started with the work that I did with the Chamber of Commerce's job development and workforce development programs. I then moved from that agenda to the community foundation, which gave me the opportunity to explore a variety of models for community development, including the CDC model, the IDA [individual development account] approach, and the community development finance approach. I got exposure through a program at Tufts University as well as at the Kennedy School at Harvard University. I was able to drill down and get more intellectual exposure to community development while I was at the community foundation. I was there for eight years. I would give that experience the lion's share of credit and have since sought to bring that information to neighborhood and community folk that I am working with.

**Do you see any unique challenges CDC face in the South?**

The biggest challenge with community development work in the South is still that the work is

not seen as having the level of importance as traditional economic development. It is also not seen as being as important of a strategy as in other parts of the country, in part because of CDCs' more recent presence. There are those institutions that have supported our work and continued to support our work, including the banking sector. That is largely driven by CRA [Community Reinvestment Act] and how banks are all measured on their performance. They are the easiest sector to tap into for CDC work. The foundations in South Carolina—and there are many more than a lot of people realize—still do not have a lot of information about the impact of community development and CDCs. They continue to fund traditional programs in the arts and culture, but they don't fund as much community development and CDC work as foundations do in places like Maryland, Massachusetts, Ohio, and so on. So the biggest challenge is to get the financing community, funding community, and even government to fully support it. We are making inroads. But it takes a lot of time and a lot of education to bring those players along.

**Can you describe the communities where your CDC members work?**

All of the major metropolitan areas have some presence of CDCs, but South Carolina is primarily a rural state. The majority of CDCs are in rural areas, and then you have concentration in urban areas. For example, Charleston has four CDCs, Columbia has 10 CDCs. Greenville and Spartanville, which are upstate have five or six CDCs. And in smaller SMAs (statistical metropolitan areas) like Savannah River, there are two or three CDCs there. The majority are scattered in rural areas of the state. That's where a lot less capacity exist and a lot less community development infrastructure, which makes it attractive in those areas to create such an entity as a CDC.

**At last year's annual conference, a central theme of your conference was on CDCs' role in the green economy? What do you see as the role of CDCs in the green economy?**

I see CDCs playing a leadership role in the green economy, starting with the area where they have the greatest competency – affordable housing, housing retrofit, housing rehab. South Carolina is an old state and has an old building stock. You'll find homeownership in the state is very high – 72-75% -- you might find that surprising in a relatively poor state. It is not the amount of homeownership that is the problem; it is the condition of the housing stock. What you have is fairly old, dilapidated, and definitely energy-inefficient homes. When you talk with CDCs, especially in rural areas, they secure CDBG or Federal Home Loan Bank funds most of the time to rehabilitate existing homes. So the low-hanging fruit that we see is to be the go-to folk for housing retrofits – helping housing stock to be better weatherized, insulated, more efficient HVAC units, to make sure that we have housing stock that could use renewable energy sources. That part is building on CDC strengths and capacity.

We are working to ensure that there is a network of entities that can finance the up-front cost of these energy improvements. At present, most of that work is being financed through utility companies. They have put in place programs for their customers that will pay the up-front costs for energy improvements through a loan. The customer will repay the loan in their energy bill. Theoretically, the amount they are saving because of these improvements will be equal to or greater than the cost of the monthly payments to repay the loan that has been used to

pay for the improvements. That's the way we see CDCs getting out front in this and being a leader in the green economy. And of course this will also create job opportunities. Part of the process involves training programs that provide certification for individuals in energy-efficient improvements. We have endorsed and are helping our constituents to secure BPI (builders professional institute) certification. It is those certifications that utility companies are requiring to do the rehab work. So that's where we see CDCs playing a leadership role and try to get out front with the branding, recognition, and contracting of our CDCs and their residents to do this work.

From there we see some other opportunities for entrepreneurship, where individuals can establish their own construction companies, their own renewable energy companies. Some of that we already see taking place.

**Are there any examples that you would like to highlight?**

The association, with an earmark from Senator Lindsay Graham (R-SC), was able to establish a weatherization and energy efficient program in partnership with our local technical college. The initial goal was to help them find employment, but we also encouraged them to pursue entrepreneurship opportunities. One of the individuals out of the class is a woman who has taken the initiative to start her own company, called Low Country Renewable Energy Solutions. Its mission and goal is to be to provide renewable energy products for residential and commercial customers.

**Has SCACDC partnered with any other universities? If so, what have been the results of these partnerships?**

We previously partnered with an HBCU [historically black college/university], Benedict College. And we have also partnered with Clemson University to launch a CDC Certificate Program. The goal there was to take our regular capacity building program and ratchet it up to another level so it could ultimately provide continuing education credits and maybe even college credits in the area of community development. That program ran two years. It is on hiatus, because we want to analyze it further. There are some cultural differences between the community economic development field and the academic field. In academia, you have theory. In community economic development, you have practice. Sometimes the two don't come together. We do see the opportunity to make this work. We are taking time to figure out what are the best opportunities to make these two cultures work together. There is a chance to re-launch.

We also have an on-going partnership with Clemson University to provide technical assistance through Clemson professors participating in our regular training programs. There is also a partnership with the entrepreneurship program at Charleston College. Students from the entrepreneurship program prepared the business plan for Low Country Renewable Energy Solutions. We are always looking for new opportunities to partner with universities.

**CDCs are best known for their housing work, but a 2008 report from your association**

**noted that six of your member CDCs run IDA programs, seven support volunteer income tax assistance sites (which help residents claim their earned income tax credit refund), 23 provide personal financial education, five provide business loans, and 16 provide a range of other services (including one that supports a grocery store)? Do you see this trend of diversification continuing? If so, what areas do you expect to see the most activity?**

We definitely see the diversification continuing. We see the community economic development field evolving. One of the big differences of our program in South Carolina and those of more traditional markets is that we don't have the depth of resources of other markets, so we have had to be more creative in how to leverage resources. In rural communities, where you don't have an abundance of nonprofits, when a CDC is created they may have to address a variety of issues – some social and some economic. Community development finance and entrepreneurship development are key areas for growth. I do see CDCs engaging with non-traditional partners like conservation folks and the agricultural sector. I see CDCs reaching out beyond housing to address entrenched economic challenges in our communities.

**In addition to the establishment of South Carolina's Community Economic Development Fund, could you highlight some of the other policy successes that SCACDC has achieved)? What are your policy priorities right now?**

Financial support for IDAs came through a state agency – it's not ongoing support, but it did provide start-up funding. We were involved with the passage of the housing trust fund act that supports local and regional housing trust funds. We were involved in an effort to recapitalize the conservation bank that provides money for rural areas of South Carolina. Those are some of the additional policy successes we have had.

As for future priorities, we are looking to pursue a state earned income tax credit (EITC) and funding for micro-business development. Both of those issues are on our radar screen.

**Shifting gears and thinking nationally, obviously the last few years have been tumultuous ones. Funding, of course, was cut under the Bush administration, then there was a boost with stimulus dollars, and now a new round of cuts is threatened. What do you see as most important challenges CDCs are facing? How are CDCs nationally seeking to meet these challenges?**

Clearly, federal funding is going to be a challenge going forward. With the deficit the way it is, the pressure to cut deep, the elimination of housing counseling dollars, significant strain on HOME and CDBG (Community Development Block Grants) and the questions being raised of the efficacy of HOME, with those challenges it is going to be more important than ever for CDCS to make their case to a broader array of partners. We have a successful record. I think we are going to have to make our case to the private sector more. The banking sector does value us, but we'll have to make our case to venture capitalists and other types of investors. We're going to have to be entrepreneurial in how we do our work. We're going to have to have earned revenue as part of our funding structure. That will demand new skills, such as: how do we raise venture capital and generate earned revenue?

That conversation has begun with NACEDA [National Alliance of Community Economic Development Associations] and other CDCs in the country. Clearly in South Carolina we are already beginning those conversations with the construction sector, the development sector, social entrepreneurs, and private sector businesses, so they can see the value of CDCs in community economic development work. In a number of states, CDCs are working to create state tax credits to serve as incentives to attract investment from the business sector and others. Based on the challenges we see at the federal level, we have to look to other ways to capitalize our work.

**As you noted above, HOME has been attacked recently in the press. In your opinion, how well has HOME worked?**

HOME has worked very well. What came out in the *Washington Post* article is all about context and what is happening on the ground. At a 50,000-foot altitude, certain things will jump out at you. But when you look on the ground level you can see the circumstances that exist, and they can be explained. That's the case with many programs. Community economic development projects require an array of funding partners. If any of those partners are slow or fail to play their role, it puts the whole program on the slow track. We are quick to indict the program, but it requires a deeper understanding of the issues and complexities of community development.

**The last decade, of course, has seen the rise of a predatory lending industry that strips away the assets and wealth that community development groups try to build. How has South Carolina and your member CDCs been affected by the foreclosure crisis?**

Much like many other states, we have been affected. The downturn in the housing sector has affected us as well. But in South Carolina, the community development field got ready. We studied the foreclosure data and convened meetings to educate our constituents about the issue. We got our heads focused for on the causes of foreclosures in South Carolina and made sure we had folks ready to use NSP (Neighborhood Stabilization Program) dollars when the program rolled out of Washington. We were prepared to execute NSP. We also have a good network of folks working on loan modification. We have a system under way in the state that is working very hard to address the issue of foreclosure. It is operating. We still have foreclosures. But we are working very hard to resolve them. We may be a little better off than some states because we had a good group of folks working on the front end to prevent folks from going to foreclosure. We still have many challenges associated with the foreclosure issue. It is affecting our homeownership pipeline, but we are fortunate that we have an infrastructure that is working to address that.

**Can you discuss SCACDC's work in the Neighborhood Stabilization Program (designed to assist cities to put foreclosed property back into productive re-use)?**

We're on the other side of first round of that program, in that we are converting foreclosed housing stock back into housing opportunities for others. In some cases, this has meant rental

housing. We are now on the other side and we are starting to see the ultimate impact or benefit of the reinvestment. It is going to be a long haul. It is my hope that we will be able to stay the course and be very active. We are realizing it's going to take a little longer than we initially thought.

**What are your priorities going forward, both at the state level and the national level?**

For both levels, it's going to be capital, funding and finance. That's got to be a top priority. It is all about sustainability, especially during this economically questionable period. I think, going forward, the priority is going to be to continue to make the case for our relevance. We need to be able to articulate very clearly the impact that we are having, so that we can become and continue to be a main institutionalized player to bring about prosperous communities across the state and across the country.

**If you had to choose three accomplishments of SCACDC's work that you are most proud of, what would be?**

We always put at the top of the list our CED Act, the community economic development legislation that we got passed. That puts policy in place that makes our work in the eyes of many in South Carolina legitimate. I would also say the association has been able to market and present CDCs as a key player in building prosperous communities. We are seeing more institutions coming to us requesting our expertise. The third one would probably be growing leadership in many parts of the state and also across demographic areas. For South Carolina, leadership is often viewed as the property of a certain select group of folk. We have been able to expand the definition and provide a broader range of leaders in state policy development and state economic development strategy.

**Anything else you would like to add?**

In South Carolina, when it comes to issues of race and class, the CDC work in South Carolina has brought to bear leaders in the African American community that shows there is talent within that community and success in that community. Although CDC work is not an exclusive benefit to the African American community, it has elevated minority leaders in the state. We have a number of folks in our field who have been elected to local offices and the General Assembly in our state. Along with the broad definition of leadership development, the ability to grow leaders with the minority communities has been very positive.

*For more information on the work of the South Carolina Association of Community Development Corporations, please see the website of SCACDC at [www.communitydevelopmentsc.org](http://www.communitydevelopmentsc.org). For information on the National Alliance of Community Economic Development Associations, please see the website of NACEDA at [www.naceda.org](http://www.naceda.org).*