

# Creating Sustainable Neighborhood Developers' Program

Sung No, Donald Andrews, Ghirmay Ghebreyesus, and Eric Porter

**Abstract**—The University Center for Economic and Entrepreneurial Development at Southern University in Baton Rouge, Louisiana, USA, developed a human capital development program entitled “Creating Neighborhood Developers’ program” in December 2015. The Center launched the program in February 2017, March 2018, and April 2019, in which the Center team members and collaborators trained individuals who were interested in acquiring and developing adjudicated properties within their neighborhood. The unique feature of the program is that it emphasizes an entrepreneurship aspect of neighborhood developments and perceives program participants to be emerging entrepreneurial neighborhood developers. The program has so far generated 1,910 attendances, 40 jobs, \$6,023,000 in income, 53 properties in development, and the purchase of 36 houses. In addition, seven indirect projects were completed and valued at \$28,513,200. The program also produced 97 certified sustainable neighborhood developers for the first time in the State of Louisiana. This faculty-driven program presents an important area of engagement, innovation, and impact where faculty members at a college or university accredited by the Association to Advance Collegiate Schools of Business, International (AACSB) can serve their local communities.

**Index Terms**—EDA university center, entrepreneurship, human capital, sustainable neighborhood development.

## I. INTRODUCTION

The vivid and dire description of “concentrated poverty” in American inner cities by Wilson [1] gave a wake-up call to policy makers, scholars, non-profit organization alike in the field of economic development. Wilson and many others [2]–[4] argued that the absence of economic opportunities for inner city residents is both a cause and a result of the declining fortunes of inner cities in America.

To alleviate this devastating problem of concentrated poverty, municipal, city, state, and federal governments have implemented a wide variety of programs over the past several decades. For example, the U.S. Department of Housing and Urban Development (HUD) has implanted a public housing program of HOPE VI, which aims to replace deteriorated high-rise buildings with attractively designed lower-density townhomes and apartments [5].

On a parallel track, the Economic Development Administration (EDA), an agency within the U.S. Department of Commerce, provides grant funding to

selected colleges and universities in the U.S. to create jobs for U.S. workers, promote American innovation, and accelerate long-term sustainable economic growth, especially in economically distressed communities. Another area of the EDA funding includes human capital development: Training. The central theme of these initiatives is that providing human capital to the poor, the underserved, and the uneducated permits them become productive contributors to the economy instead of recipients of the public assistance.

The purpose of this paper is to share a practical effort of a Historically Black College and University on human capital development: “Creating Sustainable Neighborhood Developers” training program. The results are expected to provide references for faculty services to take part in community-based work through which faculty in a business school can pursue the three strategic activities of the Association to Advance Collegiate Schools of Business, International (AACSB): Engagement, Innovation, and Impact [6].

## II. AN OVERVIEW OF THE SOUTHERN UNIVERSITY EDA UNIVERSITY CENTER FOR ECONOMIC AND ENTREPRENEURIAL DEVELOPMENT

Funded by the U.S. Economic Development Administration (EDA) in August 2013 and housed in the College of Business, the University Center for Economic and Entrepreneurial Development at Southern University and A&M College is the only Land-Grant Historically Black College and Universities (HBCU) University Center in USA. The Center aims to expand and revitalize economic development in Louisiana by providing tangible programs that enhance existing businesses and help create new venture opportunities in the economies of the target regions: The rural areas and main urban centers in Northeast, Central (LA-Region 8), and Southeast Louisiana (LA-Region 2) in USA. The Center’s activities focus on workforce development through targeted training, advancing entrepreneurship and innovation by collaborating with thought and community leaders, applied research and information dissemination to support different stakeholders in these two regions.

Through strategic partnership and collaborative efforts with mayors in small cities and towns, such as Tallulah, White Castle, Delhi, Rayville, Kentwood, Ferriday, Vidalia, and Baker in the State of Louisiana, the Center’s job creation and workforce development activities focused on training individuals who need to acquire or improve specific skills to be competitive in the job market and/or start or run a small business. The topics have ranged from contract procurement, project management, Microsoft Office, QuickBooks, e-commerce, entrepreneurship, and target

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Sung No, Donald Andrews, and Ghirmay Ghebreyesus are with Southern University and A&M College, Baton Rouge, Louisiana, USA (e-mail: Sung\_no@subr.edu, Donald\_andrews@subr.edu, Ghirmay\_Ghebreyesus@subr.edu).

Eric Porter is with ComNet, LLC, Baton Rouge, LA, USA (e-mail: comnetllc@yahoo.com).

marketing of small business. These training programs attracted 882 participations. The programs are designed for those in or out of the workforce and offer high-quality instruction and hands-on skills that transfer directly to the workplace.

Based on these engagements with our stakeholders for three years, Drs. Andrews, Ghebreyesus, and No (the Center team members) and Mr. Eric Porter (an entrepreneur) as a team developed in December 2015 and launched the first “Creating Neighborhood Developers” program on February 11, 2017. The purpose of the Creating Neighborhood Developers’ program is to train current residents as emerging entrepreneurs, who are willing to be committed stewards of their communities to rid the neighborhoods of blighted, unsafe, and unsightly properties, thereby fostering existing social fabrics and civic infrastructures needed to revitalize the neighborhood and providing environmental, social, and financial sustainability.

The sessions of this bottom-up economic development program were held at the 21st Century Global Communication Room and Financial Analysis and Security Trading Lab at the College of Business, Southern University, Baton Rouge, Louisiana, USA. The eight-week long training modules were taught every Saturday, 9:00 am-12:30 pm, and ended April 1, 2017.

### III. CREATING NEIGHBORHOOD DEVELOPERS’ PROGRAM AT THE SOUTHERN UNIVERSITY EDA UNIVERSITY CENTER FOR ECONOMIC ENTREPRENEURIAL DEVELOPMENT

#### A. An Overview of the Program

The first “Creating Neighborhood Developers” program consists of eight modules: (1) A three- hour overview of the program; (2) understanding the impact of business cycles and financial market conditions on the availability of funds to real estate industry, (3) acquisition; (4) provisional capacity assessment; (5) funding; (6) development and construction; (7) licenses – permits – certifications; (8) project management. Drs. No and Ghebreyesus coordinated the program (i.e., marketing, recruiting, documentations, and moderating). Dr. Donald Andrews taught and collaborated with the other organizations. Mr. Porter taught, moderated, and coordinated with 30 practitioners/instructors from government, private, public institutions. The entire course was also delivered to participants in Monroe (215 miles to the north of Baton Rouge) and Alexandria (112 miles to the north of Baton Rouge) using live video stream and was archived. Average attendances were 100 each Saturday.

The second “Creating Neighborhood Developers” Program (March 10 – May 12, 2018) expanded its modules and included QuickBooks, Xatimate, personal finance, financing, and disaster recovery & risk management in a response to a local economic development district demand, which became a ten-week long program. The Center also initiated and added a certification examination to its program. Drs. Andrews and No and Mr. Porter constructed practice exam questions and administered the certification exam. Out of 91 registrants, 52 participants passed the exam and became the first sustainable neighborhood developers in

the State of Louisiana.

On April 6, 2019, the third “Creating Neighborhood Developers” Program (April 6 – May 11, 2019) implemented nine modules. The nine modules are sustainable neighborhood development (1 hour), firm structure, regulations, and taxes (3 hours), advanced acquisition- cooperative endeavor agreements (5 hours), financial capacity (2.5 hours), QuickBooks (1.5 hours), developer’s institute funding sources (4 hours) and understanding blueprints (2.5 hours), estimating and bidding projects (1.5 hours), and project management, contract management, and scheduling (4 hours). The duration of the program was twenty-five hours in total over the six weeks. Almost all participants at program highly praised the program by exclaiming that this program is worth \$5,000 worth or more! A couple of participants who commuted from New Orleans area (about 70 miles to the south of Baton Rouge) expressed a wish that the program similar like this would open in their community the next year.

In general, the program intended to create a pool of well-informed and qualified neighborhood developers. Once the emerging developers complete the courses, they become knowledgeable with the process of (1) identifying and acquiring adjudicated properties, (2) identifying and securing funding for economic development, (3) planning and implementing economic development projects, and (4) obtaining construction licensing for those individuals who could not only serve as neighborhood developers, but can also become building contractors.

#### B. The Unique, Creative, Original Aspects of the Program

Building successful neighborhoods is not a new idea [7]. There have long been policymakers’ efforts that aim at improving conditions in America’s distressed neighborhoods [8]. The Federal, state, and local governments and non-profit organizations have been pushing for sustainable regional developments. These efforts focus on either housing-based projects (HOPE VI, Homeownership Zones, the Neighborhood and Family Initiative, the Neighborhood Preservation Initiative) or economic and human capital developments [9].

In contrast to most of the community development programs in USA, the Southern University EDA University Center emphasizes an entrepreneurship aspect of the neighborhood developments. The underlining premise of the program curriculum is that revitalizing and developing a neighborhood is a risk-taking business. The program perceives its participants to be emerging entrepreneurial neighborhood developers who are willing to improve or develop their neighborhoods or districts where they live.

Fig. 1 presents a time-sequential flow chart of ten-week program curriculum along with duration. Each of the ten-week program, on average, runs four hours, is seemingly mutually exclusive, but collectively aims at training participants as sustainable neighborhood developers. Presenting the objectives of each week module may provide a perspective program adopter with some specificity on the seemingly unrelated modules in the program.

The objectives of Week 1 module is first to overview the impact of business cycles and financial market condition on

the availability of funds for the real estate industry and second to provide participants a long-term view and a well-timed cycle. Acquisition module in Week 2 is designed to provide beginning and small developers with the basic knowledge and methodology needed to identify, research, and acquire properties for potential development projects through various processes. QuickBooks training is to provide an efficient venue to participants who want to pay bills, invoice customers, create receipts, reconcile checking accounts in one accounting book, and finally generate reports. Personal Finance in Week 3 is to help participants understand the risks and consequences of bad credit or mismanagement of credit, and provides credit management strategies. Provisional Capacity Assessment in Week 4 is to assess program participants' decision to become an emerging developer by evaluating whether or not they have the qualities and abilities to become a small developer. Funding module in Week 5 is structured to provide a basic overview of loan packaging along with real-world examples and helpful tips. The course is directed to anyone who is interested in borrowing money to start, grow or expand his/her businesses. It also provide local and state entities to present the organizations housing and rental developers program to fund projects that provide safe, affordable housing for the people of Louisiana.



Fig.1. Flow chart of creating sustainable neighborhood developer's program.

In Week 6, Development & Construction is to provide information regarding the development and construction planning of a housing project and teach the emerging

developer how to plan, implement, and achieve milestones in the development phase. In Week 7, License-Permits-Certifications-Insurance is to train participants how to acquire construction licenses, pull construction permits, obtain state certifications, and acquire the proper insurance. In Week 8, Understanding Blueprints, Bidding Projects, and Construction Documentation is to help participants (1) better understand technical drawings design, draft, diagram, scale drawings, outline, sketch, pattern, map and layout and (2) estimate and let bids out to contractors for building participants' projects. In Week 9, a computer-based hands-on training on Xactimate is to train participants how to utilize Xactimate software for cost estimation of building projects, such as gathering loss information, sketching a diagram of the building structure, selecting the related project cost, and reviewing and verifying estimate accuracy. In Week 10, Project Management, Contract Management and Scheduling module is to ensure participants properly to manage people, scheduling, planning, and budgeting. The ten-week program closes with graduation ceremony for certified sustainable neighborhood developers who attended at least 90% of the ten-week program and got at least 70% of the correct answers of the certification exam conducted in Week 11 and Week 12.

"Creating Neighborhood Developers program," as a university-based program, trains current residents to become committed stewards of their communities to get rid of the neighborhoods of blighted, unsafe, and unsightly properties, thereby fostering existing social fabrics and civic infrastructures needed to renovate and improve the neighborhood and providing environmental, social, and financial sustainability. The operational structure of this university-based neighborhood development program started with faculty members and an external entrepreneur using a bottom-up approach. As in a principal and agent relationship, emerging neighborhood developers who went through the program and passed the certification exam are principals, who are in charge of economic development in the region.

The three-year program generated 1,910 attendances. The other tangible outcomes are the creation of 40 new jobs and the generation of \$8,623,000 in income. Fifty-three properties were developed; 36 houses were bought. Seven indirect projects were completed and valued at \$28,513,200. The program also generated 97 certified neighborhood developers for the first time in the State of Louisiana.

### C. The Results and Impact of the Program

The goal of the EDA University Center is to expand and revitalize economic development in Louisiana through (1) job creation and workforce development and (2) advancing entrepreneurship and innovation. The Center embarked on several workforce-training projects in the past six years. One of the projects is "Creating Neighborhood Developers" program. The objective of the program is in line with the goals of the Center. The program intended to produce entrepreneurial workforce in revitalizing and creating sustainable neighborhood. The first-year (December 5, 2015; February 11 – April 1, 2017) program (a budget of \$8,000) generated 75 program completers and five working groups in the area of neighborhood developments. The second-year

(March 10, 2018 – May 12, 2018) program (a budget of \$12,000) generated 91 program registrants, 52 certified sustainable neighborhood developers, and five working groups in the area of neighborhood developments. The third year (April 6, 2019 – May 11, 2019) program (a budget of \$12,000) generated 52 program registrants and 45 certified sustainable neighborhood developers.

The program itself is very educational and practical. We received overwhelmingly positive feedbacks from the participants in Creating Neighborhood Developers program. As expressed by many participants: “The program is worth more than \$5,000, although the registration fee was only \$50.” The program also motivated several elderly participants to continue their education. One of the graduates from the first-year program became an entrepreneurial practitioner in housing alliances and served as an instructor in the second year, selected as one of the most valued instructors.

The Center presented “Creating Neighborhood Developers” program at the 2018 University Economic Development Association (UEDA) Summit in Milwaukee, Wisconsin, USA. Our presentation received the Best Practice award and the Journal of Economic Development in Higher Education Editor’s Choice Award.

#### *D. The Strategic Partners of the Program*

In 2014, the Center faculty team members along with Mr. Eric Porter, president of ComNet, delivered targeted training and advancing entrepreneurship in the City of Monroe, Louisiana, USA. The Center’s strategic partnership and collaborative efforts with ComNet, LLC led to the launch of a new training program. In October 2015, Mr. Eric Porter proposed “Creating Neighborhood Developers” program; the Center restructured and expanded the initial proposal by adding entrepreneurial and financing modules. The final program was named “Creating Neighborhood Developers: An Entrepreneurial Approach” program.

During the program implementation, the following collaborators helped the program as presenters, instructors, mentors, and thought leaders: Greater New Orleans Housing Alliance, Jericho Road Housing Initiative in New Orleans, Mid City Redevelopment Alliance in Baton Rouge, Society for Financial Education & Professional Development, Inc. in Washington D.C., Neighborhood Restoration of Baton Rouge, Expert Maintenance and Contracting Services in Lafayette, East Baton Rouge Parish Office of Community Development, Louisiana Housing Corporation, Affluent Home Loans, Bancorp South Bank, Capital One, Louisiana Economic Development, Gulf States Insurance Association, and Baton Rouge North Economic Development District.

After successful run of the program, the Center was invited to join an alliance group of Baton Rouge North District, East Baton Rouge Economic Development Unit, and Louisiana Housing Corporation. After the initial meeting, a consortium was put in place to institutionalize a revitalization plan where the Center continues to generate certified neighborhood developers; Baton Rouge North Economic Development District provides these certified neighborhood developers with adjudicated properties for developments; in turn, Louisiana Housing Corporation would provide funding to develop the blighted properties. This collaboration would promote entrepreneurial

ecosystem, revitalize the existing neighborhoods and guarantee environmental, social, and financial stabilities in the neighborhoods and districts.

#### *E. The Replicability, Scalability, and Sustainability of the Program*

“Creating Neighborhood Developers” program can be replicated, scalable, and sustainable. The Center completed the documentation of the ten-week program modules (the course descriptions, learning goals, and contents). All face-to-face classes were archived. The certification examination process is available at the Center’s website: [www.subruniversitycenter.org](http://www.subruniversitycenter.org). A test bank for each module was compiled and certification exams were reviewed and audited. All these resources are ready to use.

In July 2018, the Center launched “Creating Neighborhood Developers” program in the City of Monroe in response to a request from a non-profit economic development group. Six modules out of ten were delivered for two days. The New Roads Economic Development Unit at the City of New Roads also requested for “Creating Neighborhood Developers” training program. The request was a result of the historic flooding in Louisiana, USA. A no-name storm in August 2016 flooded 48 out of the entire 64 parishes in the state. This deluge put 80% of the City of New Roads under water. Currently, the City works on a strategic plan to relocate its entire city to upper grounds.

One of the non-profit economic development groups from Flint, Michigan, USA a participant in the 2017 UEDA Summit, attended our presentation and reached out for a possible replication of our program for the City of Flint. There are many cities outside Louisiana that can replicate and implement “Creating Neighborhood Developers” program. A few of the candidates include the Cities of St. Louis, Missouri; Detroit, Michigan; Cleveland, Ohio; Buffalo, New York; Rochester, New York; Baltimore, Maryland; Syracuse, New York; Erie, Pennsylvania, Toledo, Ohio, and Flint, Michigan, which have been struggling with abandoned buildings and distressed neighborhoods in part due to population loss by more than 25% over the past 20 years.

In terms of sustainability, the program can be self-sufficient. According to our past class evaluation survey, the participants stated that they were willing to pay up to \$500 for the program. The total cost of running the 10 modules of “Creating Neighborhood Developers” program was \$12,000. The Center had 91 paid registrants in March 2018; 52 paid registrants in April 2019.

#### **IV. CONCLUSION**

The Southern University EDA University Center has been successful in supporting its community development efforts through “Creating Neighborhood Developers’ Program.” Through the program, the Center has increased its visibility and creditability by reaching out to local residents and business owners in surrounding municipalities. The completion of three annual programs with 97 certified neighborhood developers are some examples of the tangible outcomes that the Center has had in surrounding areas. Just like other non-profit and educational institutions involved in community development work, the College and the Center

have faced several problems and obstacles along the course of program completion. These are a lack of funding, limited organizational capacity, and staffing issues.

Over the past three years, the Center generated over 200 participants in the programs. Ninety-seven out of these participants passed the certification exam of Sustainable Neighborhood developers. Many of them are very active to execute their knowledge that they developed during the training program.

In sum, this faculty-driven program of creating sustainable neighborhood developers presents an important area of engagement, innovation, and impact where faculty members at a college or university accredited by the Association to Advance Collegiate Schools of Business, International (AACSB) can serve their local communities.

While the outputs of the program have been compiled, the impacts of the programs on participants and surrounding communities are yet to be estimated. To carry out an impact analysis of the program, the Center is in process of conducting a survey, which contains a series of short-term based questions, such as changes in participants' knowledge, skills, attitudes, and opinions about neighborhood developments. The survey also elicits responses to mid-term outcome questions, such as participants' changes in behavior or action that results from their new knowledge and experiential learning from the program. The survey data would be used to assess the effectiveness of the program as well.

#### CONFLICT OF INTEREST

The authors declare no conflict of interest.

#### AUTHOR CONTRIBUTIONS

Sung No, Donald Andrews, Ghirmay Ghebreyesus, and Eric Porter as a team developed and implemented "Creating Sustainable Neighborhood Development" program and contributed to the writing of the paper.

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**Sung No** is W.E. "Bill" tucker endowed professor of economics and finance in the College of Business, Southern University and A&M College, Baton Rouge, LA, 70813, USA. He is a recipient of Judges' Award for the Best Practice Initiative in university-based economic development and a leading-edge national example of regional transformation for economic prosperity at the 2018 Annual Summit of University

Economic Development Association, Milwaukee, Wisconsin, 2018. He is the coordinator of "Creating Sustainable Neighborhood Developers' Program," which has been recognized by peers nationwide as an original, scalable, and sustainable solution to developing a sustainable neighborhood. He is also a co-director of EDA University Center for Economic and Entrepreneurial Development at Southern University and A&M College.

**Donald Andrews** is the dean of the College of Business at Southern University and A&M College in Baton Rouge. Donald provides the leadership to move the college forward based on a strategic planning process to achieve continuous improvement in the educational programs and services that are provided to the College's stakeholders.

**Ghirmay S. Ghebreyesus** is the chair of the Department of Accounting, Finance and Economics, and director of EDA University Center for Economic and Entrepreneurial Development at Southern University and A&M College, Baton Rouge, Louisiana. Dr. Ghebreyesus did his graduate studies at the University of Strathclyde in Glasgow, Scotland and completed his Ph.D. in economics in 1988. After graduation, he moved to the United States. He joined Grambling State University, Grambling, Louisiana in the early 1990 and served as an assistant and associate professor of economics for 13 years. In August 2002, Ghebreyesus joined the College of Business at Southern University. Dr. Ghebreyesus is involved in many areas of university life, including student advisement and recruitment, research, grant writing, curriculum development, and organizing business conferences. He is also a member of several business organizations including the Academy of Economics and Finance, National Economic Association and Southern Economic Association.

**Eric Porter** is the senior partner with ComNet, LLC, founded in 1998. He had held various senior level positions with Emery Worldwide, AT&T and MCI Communications. In 2005, after a long corporate career, Eric embarked upon a new phase of his life: entrepreneurship. Armed with a severance package and a driving will to succeed, ComNet acquired Regional Broadband of Lafayette, LA. In the aftermath of Hurricane Katrina in 2005, the acquired start-up blew its projections off the charts. In 2006, ComNet, LLC expanded to include construction, construction management and program management services. Eric Porter is also a recipient of Judges' Award for the Best Practice Initiative at the 2018 Annual Summit of University Economic Development Association, Milwaukee, Wisconsin, 2018. He is the co-founder of "Creating Sustainable Neighborhood Developers' Program."