

# Braiding Education, Workforce, and Community Revitalization

---

**Goal** Short-term financing that will allow a local workforce development-focused educational nonprofit to use federal funds to improve efficiencies and decrease costs.

---

**Partners** Alabama Power Foundation, Build UP Ensley

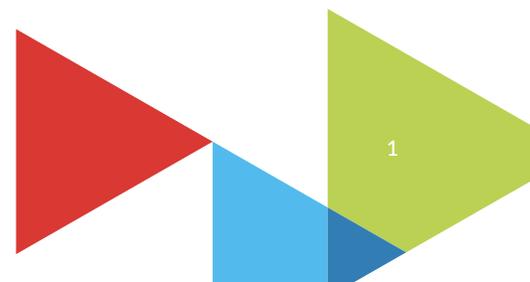
---

**Project Summary** Alabama Power Foundation has invested in a program that encourages homeowners to donate homes to a local workforce development-focused nonprofit instead of demolishing them. Build UP has created a Donate-A-House program where property owners can donate their house to Build UP in exchange for a tax deduction. Build UP will then work with the state's only licensed home mover to physically relocate the donated home to a lot in Ensley. Because of cashflow timing discrepancies between the home donation and the realization of tax savings after the following year's tax returns, Build UP requests that the Alabama Power Foundation provide the necessary short-term capital. The amount under consideration would enable Build UP to move 4 or more homes a year using this model.

The many potential benefits of this strategy include keeping a safe, stable home from filling a landfill; saving property owners the demolition costs; leveraging federal resources (tax savings) to solve local issues; providing a reduced-cost starter home to a Build UP graduate; and restoring Birmingham neighborhoods with catalytic community development.

---

**Community Impact** As Build UP is registered and approved for the Internal Revenue Service's 501(c)(3) tax exempt status, the Foundation is not obligated by the IRS to determine a charitable purpose specific to this project. With that said, this project will have many charitable potential benefits, including the environmental implications that come with reusing rather than demolishing a property and adding to a landfill as well as supporting Build UP's program by increasing the organization's access to low-cost houses.



**Backbone Organization**

Build UP is the nation’s first and only model to comprehensively address poverty and urban blight through strategically weaving program components focusing on education, workforce development, economic development, and community development. Build UP’s early college, workforce-development program supplants a young person’s high school and community college experience to directly and comprehensively address poverty and urban blight in their community.

Through a six-year process that converts densely blighted homes and properties into like-new deeded single-family, duplex, and multi-unit homes, teams of youth: learn valuable, labor market-demanded, high-wage knowledge and skills; develop personal and professional bonds with their colleagues; and reach a critical mass within their part of the community, anchoring longer-term revitalization efforts that spread to adjacent properties and neighborhoods.

Graduates of the program eventually assume the deeds to two renovated, like-new units, accruing wealth as homeowners and earning income as landlords and skilled workers. Because property is permanent, Build UP’s skill-based approach to combating poverty and blight is of and for the community.

**Investment Structure**

<b>Type</b>	PRI structured as a Line of Credit
<b>Funding</b>	Up to \$50,000 in 2019; upon completion of a successful home move will increase that amount to \$100,000
<b>Financing</b>	0.5% interest for months 0-12 for individual draws; interest payable at month 12. Interest-only monthly payments of 2% of outstanding principal beyond month 12 until principal repayment.

**Additional Note:** Build UP requests annual reassessment with the option to continue this work in the future for this or other projects as the Foundation sees fit.

