

BUSINESS FIRST

BUSINESS PULSE SURVEY:

[What is your favorite Kentucky Derby Festival event?](#)

Guest Comment

Bank organization takes its mission in West End seriously

Business First of Louisville - March 23, 2007

by [Pedro Bryant](#)

Special to Business First

Louisville Development Bancorp Inc. (LDB) was created in 1996 to stimulate economic growth within the West End, Smoketown, Shelby Park and Phoenix Hill neighborhoods of Louisville by providing an array of financial and development resources.

As a bank holding company, LDB operates two for-profit subsidiaries and one nonprofit affiliate. Working together, our common goal is to partner with the community to provide resources that one typically would not find at a financial institution.

Each entity has a different area of expertise that dovetails together to provide a powerful synergy that improves the quality of life for individuals, businesses and neighborhoods. In addition to financial performance, we gauge success with five measurable objectives:

1. Small-business expansion.
2. Increase in homeownership.
3. Improvement in the quality and value of real estate.
4. Increase in the quantity and availability of goods and services.
5. Connecting residents to career path employment.

Bank services with flexibility

One entity is the Louisville Community Development Bank (LCDB), a state chartered commercial bank that began operations in 1997.

One of the unique features of the bank is that it does not offer transaction (checking) or savings accounts. The primary funding source is certificates of deposit, including a Community CD for the socially conscious investor who is interested in seeing development opportunities throughout all of Louisville's neighborhoods.

The bank also is a member of the Certificate of Deposit Account Registry Service, or CDARS network. The bank's affiliation in the program allows it to insure deposits more than \$100,000 and up to \$30 million.

The bank also provides loans to businesses and homeowners. We often are asked why someone would consider us for loans when there are so many other providers of financial services in the community.

LCDB was created to be different. For example, the bank offers more flexible terms and conditions, including higher loan-to-value limits and longer amortization periods.

Real estate opportunities

The Louisville Real Estate Development Co. (LREDC) is the for-profit real estate development subsidiary of LDB. LREDC has a dual goal of increasing homeownership and improving the quality and value of real estate.

LREDC is the developer of the Villages of Park DuValle, and it is charged with the development of 450 single-family homes in Park DuValle, a revitalized West End community where deteriorated public housing once stood. Of the 353 units already completed, 261 have been sold to first-time homebuyers. LREDC is partnering new ventures and growth opportunities throughout our community.

Contributions via nonprofit

The Louisville Enterprise Group (LEG) is the nonprofit affiliate of LDB.

LEG contributes to the mission of LDB by supporting entrepreneurs in the development and growth of their business. This is done by providing technical assistance in the form of business skills training and review, nonbank loans and/or lines of credit and facilities management.

Some of the 2006 impact measures for LEG were: 644 entrepreneurs received technical assistance; 1,564 attended classes, seminars and workshops.

One little-known service for contractors is LEG Plans Room for area contractors to come in and review plans for any contracting work being performed in Jefferson County by the Louisville-Jefferson County Metropolitan Sewer District, the Louisville Water Co. or the University of Louisville. We put the plans room in place in 2006 in partnership with Louisville-Jefferson County Metro Government to be a resources opportunity for contractors.

Making its mark locally, nationally

In 2004 and again in 2005, Louisville Development Bancorp was awarded New Markets Tax Credits (NMTC) allocations totaling \$70.5 million from the Community Development Financial Institution Fund of the U.S. Treasury Department.

The NMTC program enabled LDB to attract \$70.5 million in new investments into qualifying census tracts by offering investors federal income tax credits equal to 39 percent of the amount of their investment. LDB was selected to receive the NMTC allocations after applying for and competing in a very selective process, and it is one of a limited number of organizations nationwide that received multiple allocations.

LDB will apply again in 2007 for another allocation. The bank holding company will be competing against some of the largest financial institutions and other organizations throughout the country for the \$3.5 billion in NMTC to be awarded later this year.

Pedro Bryant is president and CEO of Louisville Development Bancorp Inc. For more about the New Markets Tax Credits program and the LDB, see a previous Business First story at <http://louisville.bizjournals.com/louisville/stories/2006/08/14/story2.html>. Send comments on this article to rray@bizjournals.com.