

# Opportunity Zone Investment Profile



## 698 Prospect Phase I

Location: **Pembroke, NC**  
 Congressional District: **NC-9**  
 Opportunity Fund Name: **Woodforest CEI-Boulos Opportunity Fund**  
 Opportunity Fund Investor: **Woodforest National Bank®**  
 Opportunity Fund Manager: **CEI-Boulos Capital Management, LLC**  
 Investment Date: **Q3 2020**  
 Project Details: **Housing for students attending a rural state university**

## New Student Housing Expands Access to Higher Education and Bolsters University’s Strategy to Increase Student Enrollment

The University of North Carolina at Pembroke (UNC-Pembroke) is located in Robeson County, one of the poorest and most ethnically diverse counties in the state. The university’s 7,700-person majority-minority student body reflects this diversity. Thirty-one percent of students are Black or African American, 13 percent are American Indian, and 7 percent are Hispanic or Latino.

The introduction of reduced tuition costs through the UNC System’s NC Promise Tuition Plan has expanded access to higher education for low-income students and supported increased enrollment at UNC-Pembroke. However, the true promise of this initiative has not been fully realized because the development of new student housing has not kept pace with the addition of new students. The lack of housing has hindered the school’s expansion strategy and has been a barrier to enrollment for low-income students that would otherwise benefit from UNC-Pembroke’s affordable tuition costs.

Opportunity Zones equity has been leveraged to finance the [first phase of 698 Prospect](#), a multi-phase development which includes student housing, commercial, and retail space. 698 Prospect is a major economic development effort for the small, rural town of Pembroke. The project will benefit the university, its students, and the community. Robeson County is home to the 55,000 member Lumbee Tribe of North Carolina, and 698 Prospect will expand economic opportunities and community-serving retail for tribal residents.

### Projected Impact\*

|  |               |
|--|---------------|
| Full-time equivalent jobs supported:   | 54            |
| Construction jobs supported:           | 32            |
| Total wages generated:                 | \$2.9 million |
| Local fee revenue during construction: | \$259,000     |
| Annual state and local tax revenue:    | \$312,000     |

\* The National Association of Home Builder’s National Impact of Home Building model was used to project the economic impact of this investment. These estimates are calculated on a nation-wide basis and actual impact may vary.

### Community Stats

|                              | Census Tract: 9605.02 | MSA: Lumberton, NC |
|------------------------------|-----------------------|--------------------|
| Median Family Income:        | \$36,875              | \$41,334           |
| Poverty Rate:                | 45.7%                 | 28.1%              |
| Adults Not Working:          | 32.3%                 | 34.8%              |
| Minority Population:         | 80.6%                 | 74.5%              |
| Bachelor’s Degree or Higher: | 27.5%                 | 13.2%              |
| Housing Vacancy:             | 10.3%                 | 12.7%              |



*“We look at ourselves as an anchor institution and we take on that responsibility. The university, town and local economy have to grow together. We can’t grow unless the town and local economy grows with us. It’s a partnership.”*

– Jodi Phelps, Chief communications and marketing officer at UNC-Pembroke



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## Capital Stack

Impact investor [Woodforest CEI-Boulos Opportunity Fund](#) was joined by community lender [Self-Help Credit Union](#) to capitalize Phase I of 698 Prospect, a new 192-bed student housing project. Managing members of the project, [Equity Plus](#) and LU1Pembroke (collectively PB Pembroke Owner, LLC), also contributed equity.

**Total Development Cost: Approximately \$14,610,000**



- \$3 million Opportunity Zone equity investment from Woodforest CEI-Boulos Opportunity Fund
- \$10.77 million loan from Self-Help Credit Union
- \$840,000 developer equity from PB Pembroke Owner, LLC

## About the Investment

Woodforest CEI-Boulos Opportunity Fund made a \$3 million OZ investment to launch Phase I of 698 Prospect, expanding affordable living options for current and prospective low-income students attending UNC-Pembroke. The Opportunity Fund was launched in 2019 by Woodforest National Bank and CEI-Boulos Capital Management, a joint-venture between Community Development Financial Institution [Coastal Enterprises, Inc.](#) and [The Boulos Company](#), an integrated commercial real estate firm. Woodforest National Bank is the lead investor in the \$20 million Opportunity Fund, which invests in the bank's 17-state footprint; CEI-Boulos Capital Management is the fund's manager.

Woodforest CEI-Boulos Opportunity Fund's Social Impact Advisory Board provides input related to the social and environmental impacts of proposed investments by using metrics that align with goals of both CRA and the "[Opportunity Zones Reporting Framework](#)" developed by a partnership of the U.S. Impact Investing Alliance, the Beek Center on Social Impact and Innovation at Georgetown University and the Federal Reserve Bank of New York.

Community lender Self-Help Credit Union (Self-Help) provided a \$10.77 million loan to support the first phase of 698 Prospect. Self-Help is a member-owned, federally-insured credit union chartered in North Carolina and focused on creating and protecting ownership and economic opportunity for all.

## The Impact of Opportunity Zone Financing

For years, the town and university could not secure financing for new housing because many student housing lenders and investors will not consider projects at universities with less than 10,000 students. The Opportunity Zones designation was key in attracting the capital needed to create the 192-bed student housing project at 698 Prospect, and launch the broader multi-phase development.

Additional student housing will increase educational access for low-income students, which in turn will support UNC-Pembroke's goal of increased enrollment. Expanding enrollment to 10,000 students will qualify UNC-Pembroke for research grants and federal funding, allowing the school to enhance the quality of education it can offer to students

Phases II and III of 698 Prospect include additional student housing plus retail and commercial space. Pembroke lacks dining and retail options for residents, and the providing these amenities will create jobs, attract new residents and students, and generate tax revenue for local government.

## About Opportunity Zones

Opportunity Zones are a new national investment tool designed to spur economic growth and community development by encouraging long-term private equity investment in distressed urban, suburban, and rural communities across America. In 2018, local leaders in every state, U.S. territory, and Washington, D.C. supported the nomination of more than 8,700 low-income census tracts for Opportunity Zone designation. Individuals and companies can receive a series of graduated tax benefits based on the amount of time invested in a Qualified Opportunity Fund, which must have 90 percent of assets invested in real property or operating businesses located in Opportunity Zones. The Opportunity Zones policy is based on the bipartisan Investing in Opportunity Act, which was championed by a regionally and politically diverse coalition of congressional cosponsors.

## About The Economic Innovation Group (EIG)

EIG is a bipartisan ideas laboratory and advocacy organization whose mission is to advance solutions that empower entrepreneurs and investors to forge a more dynamic American economy. Headquartered in Washington, D.C., EIG convenes leading experts from the public and private sectors, produces original research, and works to advance creative legislative proposals that will bring new jobs, investment, and economic growth to communities across the nation.