



**Kenneth D. Wade**  
**Keynote Address at the Fifth Annual Mayor's Neighborhood Summit**  
**September 29, 2007, Louisville, Kentucky**

---

Good afternoon! It's an honor to be here today for the Mayor's Neighborhood Summit. I'm delighted to see so many people in the audience—it's a testament to the strong commitment made by the Regional City of Louisville and the cities participating in the Regional Neighborhood Network.

I want to thank Mayor Abramson for hosting this Neighborhood Summit and commend him for his leadership. Mayor Abramson has taken bold steps to build a stronger and safer community and his success is evident in the changes and improvements across this City. I am truly impressed by dedication, energy and resources that have been directed to improving this community.

These efforts are paying off, with recognition that this is a great place to live and work. Soon, Louisville will be in the top tier of its competitor cities. And you all will help make that happen!

It's encouraging to see all of you here today. It's great to see that so many people care deeply about their communities and are committed to making them better places to live and work. It's no easy task, but we know it can be done.

At NeighborWorks® America we've been revitalizing communities for three decades. Our mission is to create opportunities for people to live in affordable homes, improve their lives and strengthen their communities.

NeighborWorks® America seeks to mobilize public, private, and community resources to strengthen communities across the country—we often refer to it as a "three-legged stool". Each leg of the stool is essential for robust community revitalization—the public sector can't do it alone; the private sector can't do it alone; and the community can't do it alone. But together we can achieve remarkable results.

Today I'm going to talk primarily about community participation because that's what you all help bring to the table. I have heard it said that "volunteers polish up the rough spots in our communities", which is true. Resident participation is vital to the health and vitality of our neighborhoods, but unfortunately it's a critical component that's often missing. I'm delighted that's not the case here in Louisville!

But first let me tell you a little bit about NeighborWorks® America—who we are and what we do. NeighborWorks® America is a Congressionally-chartered nonprofit organization that provides financial support, technical assistance and training to revitalize communities across the nation.

Our organization grew out of a pilot program of the Federal Home Loan Bank Board during the early 1970s.

The story of our founding is important because it grounds the model by which we do business—it's the origins of the “three-legged stool.”

Many of you may remember the way they used to “revitalize” neighborhoods in the 1960s and 1970s. Under the banner of “urban renewal”—otherwise known as “urban removal”—entire neighborhoods were razed and the residents were moved to new locations, typically large scale public housing projects.

The thinking back then was if we only had enough money we could reverse the decay in cities by tearing down what was there and creating new places for people to live.

This urban renewal model predominated, although I should point out that not everyone saw this as the right solution. As early as the 1960s scholar Jane Jacobs began writing about the dangers of this approach in her seminal work “The Death and Life of Great American Cities.”

In that book, Jacobs noted that many of the neighborhoods that were regarded as “slums” were actually vibrant neighborhoods whose main challenge was that residents lacked the resources to repair their homes and improve their communities. At that time, entire communities were systematically excluded from access to capital by lending institutions. That practice, known as “redlining”, resulted from analyses of risk applied to loan applications—any neighborhood that was coded red virtually never received loans. This resulted in a downward cycle of disrepair, deterioration, vacancy and abandonment.

In the 1960s Pittsburgh was suffering from the impact of this disinvestment and urban renewal threatened to eliminate certain inner-city neighborhoods. But a homemaker by the name of Dorothy Mae Richardson was determined to save her community. Dorothy said “I could see houses starting to lean, windows rotting away. The solution was not to tear down the whole neighborhood and move everybody into public housing. The solution was to fix the houses.” It was a novel idea advanced by a committed social activist.

Dorothy Mae Richardson was an impressive community leader. She created a coalition that garnered \$750,000 in grants from two major foundations and area lending institutions. These funds revitalized her community, saving it from urban renewal. They also planted the seeds for a new nonprofit organization—Neighborhood Housing Services of Pittsburgh.

Dorothy Mae Richardson’s community revitalization model led to the creation of a pilot program in the 1970s through the Federal Home Loan Bank Board. The pilot program, called the Urban Reinvestment Task Force, proved successful in engaging lenders, local governments, and community residents in revitalization efforts. The success of the program led Congress to institutionalize it through the creation of our organization in 1978. We were founded as Neighborhood Reinvestment Corporation and today we do business as NeighborWorks® America.

To achieve our mission we work with a network of 239 community development organizations in 50 states. This makes us somewhat unique among the national

intermediaries. Members of our network are chartered affiliates, which we refer to as NeighborWorks® organizations.

We have **5** NeighborWorks organizations here in Kentucky, two of which are right here in Louisville:

1. **New Directions Housing Corporation** here in Louisville
2. **The Housing Partnership, Inc.** here in Louisville
3. **Community Ventures Corporation** in Lexington
4. **Federation of Appalachian Housing Enterprises** in Berea
5. **Frontier Housing, Inc.** in Morehead

And we have **23** NeighborWorks® organizations serving Illinois, Indiana, Ohio and Tennessee. So hopefully some of you are already familiar with NeighborWorks® America or one of our local affiliates.

NeighborWorks® America works closely with our network of affiliates to address community needs. We provide **financial resources, technical assistance, training,** and a platform for developing partnerships and programs that can be replicated and tailored to meet local needs.

Each day we carry forward Dorothy Mae Richardson's legacy through the emphasis we place on resident participation in community revitalization. We make this a requirement for our nationwide network of nonprofit partners. Each NeighborWorks® organization must create and maintain an organizational structure that reflects a partnership among resident leaders, the business community and public officials in which residents are the numeric majority.

We also make community building and organizing a central element of our efforts to build and enhance the capacity of the community development sector. Hopefully most of you have heard about our Training Institutes. NeighborWorks® America is the largest trainer of community development practitioners in the country. Each year we host four week-long Training Institutes which attract more than 1,200 participants per event. At the Institutes we offer more than 100 intensive training courses on topics ranging from affordable housing finance to single-family and multifamily affordable housing construction and management.

NeighborWorks® Training Institutes offer professional certificates that raise the bar for excellence in community development. This year we will award more than 12,000 professional training certificates in 8 content areas:

1. Affordable housing
2. Asset management
3. Community building and organizing
4. Community economic development
5. Construction and production management
6. Homeownership and community lending
7. Management and leadership
8. Community and neighborhood revitalization

The **community and neighborhood revitalization** track advances robust community and neighborhood revitalization through a strategic process to transform neighborhoods

and communities through collaborations of residents, organizations and other stakeholders. The groundbreaking curriculum equips participants with the knowledge and tools to meet the challenges of neighborhood revitalization and facilitate positive change.

We are incredibly proud of the commitment that Louisville and Southern Indiana communities have made to build their capacity to achieve revitalization goals. Typically practitioners interested in earning their professional certification from NeighborWorks® do so over a period of time by enrolling in the Training Institutes held at locations across the country.

But the commitment made by Kentuckiana is unprecedented! You all made it possible for us to bring those training resources directly to you through our new place-based training program.

The place-based trainings are a cost-effective way to achieve a concentrated impact in a particular community. Louisville is the first city to deliver place-based training of the Community and Neighborhood Revitalization curriculum in its entirety—all 7 courses! The final courses were just completed on September 14th and 15th. Within one year a total of 17 people have completed the training program. This place-based certification for 17 people is equivalent to 51 weeks of training at NeighborWorks® Training Institutes.

The 17 folks who have earned their professional training certificates will work in teams to complete their final practicums that cover everything from community building and visioning to strategy development and impact measurement.

Let me congratulate everyone on this truly remarkable achievement that demonstrates a level of commitment to community building that is unparalleled. In particular, I want to recognize Lisa Thompson and Joe Gliessner from New Directions Housing Corp for helping to make it all happen. They not only invited NeighborWorks® to Louisville but also raised the financial resources and in-kind support that made all of the training possible.

I also want to recognize the local partners who worked with Lisa and Joe to make this success happen—the **Federal Reserve Bank of Saint Louis, Louisville Branch**; the **Louisville Metro Government**; the **Annie E. Casey Foundation's Making Connections Network**; and the **Gheens Foundation**. They linked arms with New Directions and NeighborWorks®—and, I bet we'll see exciting things happening in this community as a result.

Given the resounding success of this pilot effort, we would be delighted to take this comprehensive training on the road again. So all of you from Illinois, Indiana, Ohio and Tennessee should keep that in mind!

Louisville marked **another first** just last year when Melissa Mershon from the City's Neighborhoods Department ensured that every one of the 8 Neighborhood Specialists in her department completed their certifications in our Community Building and Organizing training.

As evidenced by these capacity-building achievements—and, by the quality of the gathering we are sharing now—it is clear that Louisville is poised to value and lift up its neighborhoods for bright, prosperous futures!  
Now, more than ever, technical skill and dedication are key to sustaining the precious resource of our nation's neighborhoods.

Let me turn to one of the key challenges facing our neighborhoods today—foreclosure. Our nation is experiencing a foreclosure crisis and the problem is expected to peak in 2008. The foreclosure crisis threatens to undermine decades of efforts to strengthen and revitalize communities and increase homeownership opportunities for all Americans.

NeighborWorks® America has long-promoted sustainable homeownership. Since 1993 we've assisted more than 111,000 lower-income families to become homeowners and we've counseled more than 635,000 people on the home buying process. We provide support and assistance through the entire process—from homebuyer education to post-purchase counseling and assistance with home repairs.  
But these hard fought gains in homeownership are being eroded. Many families, especially lower-income families, are at risk of foreclosure.

And while the impact of foreclosure on one family is devastating, the impact on the communities where foreclosures are concentrated is even more so. Concentrations of foreclosure result in dramatic decreases in home values, erode public safety, and affect the City's tax base, while increasing municipal fire and safety expenditures.

We know this problem is affecting your neighborhoods. Kentucky is higher than the national average on foreclosure for all types of loans. But the problem is most severe among sub-prime borrowers—nearly 7 and a half percent of sub-prime borrowers in Kentucky are in foreclosure as compared to the national rate of 5 and a half percent. Sub-prime borrowers with adjustable rate mortgages are in even greater trouble—more than 11 and a half percent are in foreclosure compared to 8 percent nationwide. The circumstances in neighboring states are similar.

### **Our Center for Foreclosure Solutions**

We saw the problem of foreclosures on the horizon and in 2005 created the NeighborWorks® Center for Foreclosure Solutions.

- We modeled our national effort on a successful HomeOwnership Preservation Program created by our affiliate in Illinois—NHS of Chicago
- Through the Center for Foreclosure Solutions, NeighborWorks® is providing a set of solutions to avert foreclosures nationwide: **raising awareness, building counseling capacity, conducting research** and developing early alert systems, and **fostering public and private partnerships in foreclosure hotspots.**
- The Center is supported by a coalition of partners from the lending, financial services and nonprofit community
- We developed a partnership with the Homeownership Preservation Foundation's toll free Hotline, **888-995-HOPE** to ensure that homeowners in financial distress have immediate access to free assistance from a HUD-certified housing

counselor. The Hotline currently has 93 dedicated counselors, and service is available 24/7, in English and Spanish.

- We have a national public service campaign in Partnership with the Ad Council, which is designed to encourage homeowners in financial distress to reach out to the Hotline for assistance before it's too late. The campaign includes TV, radio and print ads. Plus we have a co-branding component so Campaign resources can be tailored for use in local communities—all 5 of the Kentucky NeighborWorks® organizations are participating in the co-branding effort.
- Homeowners that need face-to-face assistance are referred from the Hotline to local NeighborWorks® organizations.
- We know that the present demand for assistance is just the tip of the iceberg. HOPE Hotline call volume has been increasing exponentially in response to the Ad Council campaign and press coverage. So far this year the Hotline has received more than **21,000** calls from residents of the **5 states** represented here today. Forty percent of those callers have completed counseling.
- We are also advancing local foreclosure prevention coalitions and encouraging local partnerships to maximize the visibility of this issue and advance an array of solutions tailored to respond to local market conditions. For example, the local NeighborWorks® organizations here are collaborating with the local Mortgage Bankers Association, the Greater Louisville Association of Realtors and the Home Builders Association to maximize exposure of the 888-995-HOPE hotline.

We at NeighborWorks® believe that we can make a strong contribution to addressing the foreclosure crisis, but we can't do it alone. And that's where you come in—foreclosure prevention needs to be a priority for your neighborhood revitalization work. We need your help to get the word out that assistance is available. This is especially important in neighborhoods that have been targeted by predatory lenders, neighborhoods where lower-income families, minorities and the elderly are likely to reside.

The predators are already out there—they've posted notices to telephone poles that say "We buy houses!" and "Avoid Foreclosure!" You can help those families at risk of foreclosure and stave off the wholesale destruction of vibrant communities.

In closing, although it may seem that the challenges to revitalizing your communities are daunting, you should remember the story of Dorothy Mae Richardson. A homemaker from Pittsburgh who literally saved her neighborhood from destruction and created a model for neighborhood revitalization that is still proving its value thirty years later.

Keep up the good work! Together we will create vibrant communities all are proud to call home.