

Raising Our Sights: Planning the Campaign's Next Phase

BY DOUG DYLLA

Many experienced NeighborWorks® executive directors and Neighborhood Reinvestment staff over the past six months have been putting their heads together to come up with a plan for the next phase of the NeighborWorks® Campaign for Home Ownership.

Though still in development, the result is an overwhelming consensus, supported by a detailed feasibility study, that the campaign should continue for an additional five years. A set of goals for the 2003-2007 campaign has been proposed and will continue to be examined between now and the campaign kickoff in January 2003.

The proposed goals fall into five categories and contain specific, measurable objectives:

1. Home Ownership Production: Create 50,000 new homeowners and target minority homebuyers to account for 35,000 of the total.
2. Home Ownership Preservation: Under the rubric of “Preserving the Dream” or “Sustaining the Gain,” assist 100,000 homeowners in preserving their dream and improving their homes (through housing rehabilitation, maintenance, repairs, delinquency and foreclosure prevention, loss-mitigation strategies, refinancing, and wealth-building assistance).
3. Outreach and Homebuyer Education: Establish a coordinated outreach, public information and counseling effort to reach 500,000 residents through educational programs and strategies (such as financial fitness classes, anti-predatory lending efforts, prepurchase and postpurchase counseling, employer-assisted home ownership programs, and expansion of NeighborWorks® HomeOwnership CentersSM).
4. Revitalization Zones: Create targeted geographic areas for research and development efforts to promote neighborhood revitalization in locations across the country (using comprehensive home-ownership strategies and Full-Cycle LendingSM services to create “foreclosure-free zones”).
5. National Alliances: Develop five key alliances with other national partners to attain the goals of the



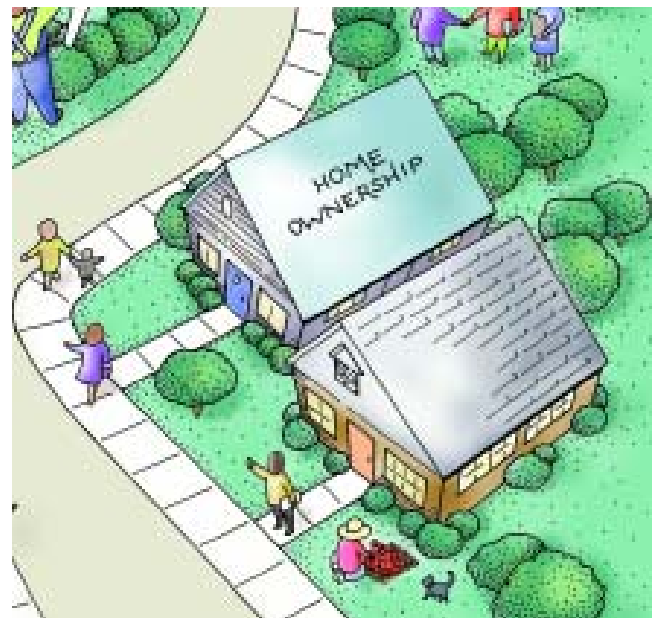
NATIONAL INITIATIVES

campaign (e.g., National Conference of Mayors, National Council of State Housing Agencies).

These goals are ambitious and were arrived at only after very careful consideration of many factors. Original and existing research was collected from public agencies, the private sector, the nonprofit sector, and intermediaries such as Fannie Mae and Freddie Mac. An analysis of economic trends and their possible impact on the campaign was conducted. (A copy of this feasibility analysis is available at www.nw.org.)

A great deal of attention was paid to demographic data collected by Census 2000 – examining such factors as immigration patterns and their relevance to marketing and other efforts; home-ownership rates among various age groups; and the significance of the longer life span we now enjoy.

Also studied was the interplay between the proposed goals and selected activities and issues that can affect their chances of being achieved. Among them are the need for financial literacy and the quality of mechanisms that have been developed for providing it among different populations; predatory lending; the dramatic growth in immigration; the desire of an aging population to “age in place”; employer-assisted housing efforts; the special challenges of rural



markets; and the “New Urbanism” movement, among others.

Although ambitious, the five goals will be very advantageous to the NeighborWorks® network’s and the country’s need for affordable housing and expanded home-ownership opportunities.

- ▶ They set a new and higher standard for the campaign, which will demand greater efficiencies, new strategic partnerships, and more organizational capacity building.
- ▶ They build on NeighborWorks® organizations’ core competencies.
- ▶ They strengthen and sustain the work of previous campaigns.
- ▶ They address compelling needs.
- ▶ They move the industry forward.

Over the next few months, campaign staff and steering committee members will continue to assess the validity of these goals and begin to gear up for the next phase. We welcome all comments and concerns about the plan, and

look forward to feedback from our colleagues within the NeighborWorks® network, as well as from our partners for the past five years.

Of special note, we are planning a special campaign event, tentatively set for November 20 in Washington, D.C., to celebrate the conclusion of the current campaign, officially announce the goals of the next campaign, and thank our partners for their generous support over the past five years. Watch for more details about the campaign celebration event in the months ahead.

Martina Guilfoil, executive director of the Inglewood NHS and a long-time campaign steering committee member, summed up the campaign’s future, after one of our planning retreats, when she ruefully noted, “It’s home ownership ... and beyond!” ■

Doug Dylla (ddylla@nw.org) is national coordinator of the NeighborWorks® Campaign for Home Ownership.



National Partners Infuse Energy into Financial Fitness Training

BY CATHERINE A. SMITH

Two national partners in Neighborhood Reinvestment’s Financial Fitness training program have boosted their commitments in ways that will dramatically increase the number of qualified trainers, program sites and educated consumers.

The partners, the Federal Deposit Insurance Corporation (FDIC) and SAFECO Insurance are contributing both financial resources and curricular materials that will help adults understand credit, banking and the importance of saving – especially if they hope to step up to home ownership.

“Helping families throughout America build, manage and maintain their assets,” said Ellen Lazar, executive director of Neighborhood Reinvestment, “is a key element in community revitalization and the goal of our NeighborWorks® Financial Fitness Program”

“This is a tremendous boon to our Financial Fitness Program,” added Doug Dylla, national coordinator of the NeighborWorks® Campaign for Home Ownership, “with two new partners stepping up to the plate to join us. The FDIC and SAFECO Insurance both bring credibility, resources and expertise to help us expand our program from 24 to 40 sites during 2002.”

The Financial Fitness Program currently is being piloted at 24 NeighborWorks® organizations. Corporate and foundation partners are providing a total of \$2.5 million to fund the

program over three years. In addition to FDIC and SAFECO, national partners include Provident Financial, FleetBoston Financial, Morgan Stanley, Metropolitan Life Foundation and Visa USA. Neighborhood Reinvestment provides \$1.9 million in operating support.

FDIC’s ‘Money Smart’

The FDIC created the Money Smart training program last year to help adults outside the financial mainstream enhance their money skills and develop positive relationships with financial institutions. The program features a comprehensive guide for instructors (including scripts, overheads and interactive class exercises) and resource material for students.

“Money Smart is a valuable resource in this effort,” Lazar said, “and we are gratified to be the first national, nonprofit organization to partner with the FDIC in bringing this worthwhile program to consumers.”

Just one example of what Money Smart can mean for consumers can be seen in how the **Community Development Corporation of Long Island (CDCLI)** was able to train Mildred and Jerry Smith to alter their spending habits so they could be in a position to purchase a home.

The Smiths are married, with three children, and have a combined annual household income of about \$35,000. They began to attend financial fitness classes at CDCLI’s NeighborWorks® HomeOwnership CenterSM and to consult with Yvette Pacheco, CDCLI’s financial fitness program coordinator, in individual counseling sessions. During the training, the Smiths reviewed their credit report, discussed their monthly expenditures, and set up a savings plan. An action plan was developed to help them decrease their debts and increase their savings.



The Smiths significantly altered their lifestyle so they could reach their goal of home ownership. They have been closely following their budget, even involving their children in planning and monitoring household expenditures. They negotiated with their credit card companies to reduce interest rates by 8 percent.

“I also began to shop more wisely, and saved money by purchasing clothing on sale, using coupons and placing items on lay-away,” said Mildred Smith. “I was very proud to share with CDCLI staff that I didn’t use a single credit card to finance my Christmas gifts last year.”

Based on their success, the Smiths increased their savings, reduced their debt, and are looking forward to this summer, when they will purchase their first home.

FDIC Agreement



The FDIC formally announced its role in the partnership through a memorandum of understanding signed by Donald E. Powell, chairman of FDIC, and Ellen Lazar in

April 2002. The agreement establishes FDIC’s Money Smart training program as the principal curriculum to be used by financial fitness trainers.

“Learning how to save and manage money,” Powell said at the signing, “is essential to becoming financially independent and achieving the dream of owning your own home. But it doesn’t end there, because financial independence and home ownership are essential to safer, stronger communities and a more prosperous America. The FDIC is pleased to partner with Neighborhood Reinvestment in helping more Americans get a financial education and a start on home ownership.”

Under the agreement, the FDIC will supply free copies, in both English and Spanish, of the Money Smart curriculum for each “training-for-trainers” course offered at Neighborhood Reinvestment Training Institutes. Neighborhood Reinvestment will graduate approximately 250 trainers a year certified to teach financial fitness using the Money Smart curriculum. By year’s end 2002, the organizations anticipate that 2,000 participants will have graduated from financial fitness training using this curriculum.

SAFECO Commitment



In February 2002, SAFECO Insurance affirmed its commitment of \$75,000 for

the first year of the three-year investment cycle. It also provides access to a financial literacy program designed by SAFECO specifically for women.

Through NeighborWorks® organizations, SAFECO will be able to get its curriculum into the hands of low- and moderate-income women, who have been reported to receive the greatest benefits from the training session (although the program is open to all women).

“Although American women earn more than \$1 trillion a year,” noted Rose Lincoln, assistant vice president of public relations for SAFECO, “control 55 percent of the nation’s wealth, and handle 75 percent of family finances, many have not planned for their financial well being. Half do not have a pension plan, and less than a quarter have planned for retirement. These gaps do not have to exist.”

SAFECO’s curriculum, called “Women and Money: A Guide to Financial Well-Being,” is designed to help women plan for their financial future. The 10-chapter guidebook covers such topics as goal setting, budgeting, managing credit and retirement planning. It’s intended to be used in interactive and informal training environments that foster the kind of personal connections and real-life solutions that make learning fun, relevant and effective.

One of the first local partnerships using the SAFECO materials was the **Portland, Oregon, Housing Center**.

“We use the Women and Money guide in our Financial Fitness class and in our new homeowners classes,” says Peg Malloy, the center’s executive director. “The guide emphasizes that people have choices about how to use their money. If it just gave tools for money management, then it would never help us get at the choices people make which then lead to financial problems or to wealth creation. Understanding the choices is the first step toward adopting good money management practices.”

In 2001, NeighborWorks® organizations in the Financial Fitness Training Program enrolled nearly 3,200 low- to moderate-income people and graduated more than 1,750. The average income of participants was \$24,882; the average age was 35. Minorities made up 68 percent of participants.

The 24 NeighborWorks® organizations currently piloting the financial fitness program are in Phoenix, Arizona; Inglewood, Oakland and Sacramento, California; Denver, Colorado; St. Petersburg, Florida.; Norcross, Georgia; Chicago, Illinois; Goshen and Lafayette, Indiana; Salisbury, Maryland.; St. Louis, Missouri; Manchester, New Hampshire.; Santa Fe, New Mexico; New York City and Suffolk County, New York; Tulsa, Oklahoma; Portland, Oregon; Providence and Woonsocket, Rhode Island; Oak Ridge, Tennessee; Austin, Texas; and Salt Lake City, Utah.

Neighborhood Reinvestment, FDIC, SAFECO and other financial fitness partners will work together to update editions of curricular materials, including Web-based versions. They will also collaborate on evaluating the program.

The FDIC’s Money Smart program and SAFECO’s Women & Money curriculum can be accessed through their Web sites (www.fdic.gov and www.safeco.com). ■

Catherine A. Smith is president of Community-Based Communications in Cheverly, Maryland.

Postpurchase Counseling

Preventing the American Dream from Becoming a Nightmare

BY DOUG DYLLA

The American dream of home ownership is so compelling that it seems a natural fit for housing advocates to help families overcome obstacles and purchase homes. To underscore this fact, NeighborWorks® organizations over the past decade have helped more than 53,000 families purchase and repair their homes in a multitude of innovative ways.

However, if the ultimate goal is neighborhood revitalization and stability, getting people into safe, decent, affordable housing through home ownership is only the first step. Beyond that, it takes considerable work to provide the kinds of services that enable owners to maintain their homes over time, to avoid or overcome the causes of delinquencies and foreclosures, and to become involved citizens and leaders in their communities.

Since very early in its 10-year history, the NeighborWorks® Campaign for Home Ownership saw postpurchase counseling as an integral part of its overall success. Postpurchase counseling is a key component of the Full-Cycle LendingSM approach that has led to the campaign's achievements thus far.

Postpurchase counseling has evolved, however, as the campaign expanded into different markets and as the environment in which it operated also changed. For example, 10 years ago, predatory lending was unheard of. Today it is so prevalent that dozens of NeighborWorks® organizations now have programs to combat its effects.

Why Postpurchase Services?

Why is it so important to provide postpurchase services?

In a nutshell, because failure is costly. Our studies have shown that only one out of every five persons who contact a NeighborWorks® organization for home-purchase assistance successfully completes the transaction. Typically this prepurchase counseling costs a NeighborWorks® organization between \$300 and \$1,500 a client. Often these buyers also benefit from subsidies that accompany their mortgages. If loans go into default or foreclosure, the losses can be high to the mortgage partners involved and are devastating to the borrowers. Thus, it makes financial sense to provide long-term preventive services to customers.

There are other critical advantages to offering postpurchase services. They increase the confidence of new homebuyers – making them stronger, more self-reliant and more comfortable

in their role as homeowners. They help strengthen neighborhoods by bringing new people with fresh ideas and fresh energy into the community – and by making it possible for them to stay. (Little harms a neighborhood more than a spate of foreclosures, which often lead to abandoned properties that become eyesores and blights in the area.)

Postpurchase counseling also strengthens the NeighborWorks® organization and its identity, because providing postpurchase products and services often serves a unique niche in their community. It also provides a means for retaining contact with key customers.

Most important, postpurchase services are proactive and preventive in nature. They underscore the systematic and comprehensive approach of NeighborWorks® Full-Cycle LendingSM – giving new homeowners the skills, tools and resources they need to avoid problems before they occur.

Types of Postpurchase Services

As marketing home ownership to lower-income families has become better understood, the types of products and services that are offered postpurchase have evolved. They now fall into four general categories:

1. General information, products and services that build the capacity of new homeowners.
2. Tools and education to aid in home maintenance.
3. Resident involvement and leadership development.
4. Delinquency and foreclosure-intervention strategies.

Examples of successes in each abound throughout the NeighborWorks® network.

General Information, Products and Services

- ▶ To assist new homeowners with the daunting task of becoming familiar with their home's maintenance needs, **West Side Neighborhood Housing Services of Buffalo**, New York, schedules a home visit by its construction specialist shortly after purchase. During this more than two-hour visit, the construction specialist walks the entire property with the homeowners and points out maintenance tasks and concerns. For instance, they look at how to shut off the electrical system's circuit breakers and demonstrate how to change air filters in the furnace. The homeowners are able to ask questions and are left with several useful booklets on home maintenance for further reference. These visits have been very well received, help demystify home maintenance tasks for new homeowners, and help establish a friendly relationship between the new homeowners and NHS staff.
- ▶ The staff at **Neighborhoods Inc. of Battle Creek**, Michigan, takes a very personalized and long-term approach to integrating new homebuyers into their target neighborhoods. They make home visits to new buyers and deliver welcome baskets. They organize neighborhood block parties, schedule informal classes in the neighborhood to teach



home maintenance skills, and stage other activities that foster relationships among neighborhood residents.

- ▶ **Neighborhood Housing Services of Rochester**, New York, distributes written survey forms to its customers to get feedback about its services. The surveys have been useful in reducing bottlenecks in NHS's program operations and in keeping it attuned to customers' needs. The organization also conducts seasonal home-maintenance classes.

Tools and Education

- ▶ Since most first-time buyers have been long-term renters, one of their immediate needs is for a toolkit that helps them maintain their home. Several NeighborWorks® organizations solicit contributions from hardware and building supply stores to create these free toolkits. Gift packages also can include home repair books and discount cards. These gifts engender good will and give new homeowners the basic tools they need for home maintenance.
- ▶ **The NHS of Jamaica**, New York, has operated an award-winning home-maintenance education program since 1976. It consists of 11 weeks of classes on topics such as use of tools; carpentry; electrical, plumbing and drywall repairs; and painting. Several banks and Neighborhood Reinvestment underwrite portions of the program, and a \$65 fee is charged to participants. There is generally a waiting list. The training has generated a lot of publicity for NHS as it provides in-depth maintenance training for participants.
- ▶ **NHS of the Inland Empire** in San Bernardino, California, has a four-hour home-maintenance program that is part of its prepurchase homebuyer-education courses. The organization has now added a second home-maintenance program to its postpurchase efforts.

Resident Involvement and Leadership Development

- ▶ To encourage new homeowners to get more involved in their neighborhoods and communities, **Neighborhoods Inc. of Battle Creek** has a leadership-development program that includes workshops on public speaking, media training, working with city government, community organizing techniques, and more.
- ▶ **Inglewood, California**, NHS has a highly structured, 10-week resident-leadership program that is part hands-on and part lecture. Once a week, topics are presented by Los Angeles-area organizations, such as Legal Aid. Each group of potential leaders identifies a community project or issue it wants to work on throughout the 10 weeks.

Delinquency and Foreclosure Intervention

Combating delinquencies and foreclosures has become a

very important part of keeping families in their homes. In part, this is because lower-income buyers typically have few resources to use as a "safety net" in case of job loss, serious illness, unexpected and significant home-repair needs, divorce, or other problems that often lead to short- or long-term payment problems.

In addition, the now well-documented influx of predatory lenders into communities that are home to lower-income people, minorities and the elderly is threatening to undo much of the neighborhood revitalization that has taken place over the past 20 years.

Many NeighborWorks® organizations have programs to combat the delinquencies and imminent foreclosures faced by their clients. Among their common features are:

- ▶ Early-intervention strategies, such as sending postcards or making phone calls to clients whose mortgage payments are late;
- ▶ Loan funds that can be drawn upon for short-term loans to get a buyer over a one-time hump that, if not addressed, could lead to foreclosure;
- ▶ Low-cost loan funds for rehabilitation of homes that are in such disrepair that their owners are prime targets for predatory lenders;
- ▶ Refinancing products that enable loans with high fees and/or high interest rates to be restructured; and
- ▶ Intensive budgeting and credit counseling.

Most NeighborWorks® organizations either have a delinquency and/or foreclosure-intervention program or see one on their radar screen. Just a few examples of successful programs in place are:

- ▶ **Neighborhood Housing Services of Chicago**, which, in partnership with financial institutions and the city, has developed a program and strategy to counteract the negative effects of predatory lending in NHS neighborhoods. The Neighborhood Ownership Recovery Mortgage Assistance Loan (NORMAL) program provides NHS with funding to refinance predatory loans into a fixed-rate loan. This includes negotiation with the existing lender to establish a payoff amount that deletes predatory fees originally charged.
- ▶ **Portland Housing Center** in Oregon and one of its lender-partners piloted a "loan default insurance" program whose purpose is to refinance 20 homeowners from subprime mortgage loans into more-affordable prime loans. The loan-default insurance would be provided over a two-year period to insure payments to the lender for a three-to-six month period if the homeowner defaults. The pilot targets homeowners struggling with high debt ratios living in Inner Northeast Portland, an area that has experienced high levels of appreciation and has a concentration of

African-Americans – all factors in predatory lending practices. To receive the insurance, the homeowner completes a counseling and education work plan.

- ▶ **Los Angeles NHS's** “Stop! Predatory Lending!” project focuses on specific city neighborhoods, offering affordable loans and conducting education through a major public-awareness campaign. The NHS collaborates with a number of agencies that offer postpurchase counseling to assist in serving the needs of the 10,000 expected respondents to the campaign.

A Proven Success

The low loan-delinquency rates of buyers assisted by the NeighborWorks® Campaign for Home Ownership attest to local NeighborWorks® organizations’ success in providing postpurchase services that are a significant benefit to their clients.

For the future, we hope that additional resources can be leveraged through new partnerships, which can sustain and extend the reach of these valuable services to demonstrate more visible outcomes, both in terms of successful homeowners as well as healthier communities. ■

Doug Dylla (ddylla@nw.org) is national coordinator of the NeighborWorks® Campaign for Home Ownership.

Home Safety Partnership Aids St. Louis Couple in Two-Family Home

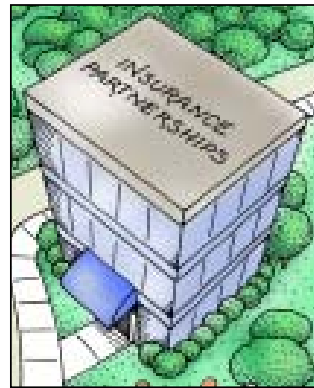
BY ERIC MADKINS

Cheryl Vaughn of St. Louis has lived in her home for more than 25 years. Always upbeat, sincere, and with a glaring sense of humor, she lets nothing dampen her spirits, not even her neurological disability, which she describes as almost literally “knocking her off of her feet.”

As a disabled resident living with her husband, Hula, in an owner-occupied, two-family dwelling desperately in need of repair, Cheryl Vaughn said she probed the telephone directory and eagerly dialed **Neighborhood Housing Services of St. Louis**.

Although Vaughn had had work done to her home previously, those repairs had focused primarily on exterior issues. After a recent home safety evaluation, performed by NHS of St. Louis staff, the Vaughns discovered that many interior repairs needed to be addressed as well. The Vaughns were then referred to NHS of St. Louis’ Home Safety Partnership (HSP), in order to apply for a low-interest loan through UMB Bank, n.a., an NHS HSP lender-partner.

The St. Louis Home Safety Partnership is an initiative to educate residents on fire safety and overall loss prevention, and provide access to affordable home repair loans in 10 targeted neighborhoods of St. Louis City. Funded by the National Insurance Task Force (NITF), the partnership consists of insurance industry representatives, UMB Bank, n.a., St. Louis Community Development Administration, St. Louis Fire Department, and local insurance company representatives.



Affordable Home Repair Loan

With the assistance of NHS utilizing funds provided by the NITF, the Vaughns were able to install a hardwired smoke detector system and address repairs related to their plumbing and electrical systems. They also installed handrails in the

bathroom to aid Cheryl Vaughn’s disability, as well as added security lighting in the alleyway.

“The fire prevention education was enlightening,” she said. “It provided me with the opportunity to share with neighbors about how to keep their home safe as well.”

She also described their experience with UMB as very professional. “When we went to closing,” she said, “everything was ready to go – very professional and timely.” She also noted that if the HSP program had not existed, she would have had no other means to make the repairs she needed. The program enabled her to make her home more livable and pleasurable, especially since she is mostly home bound due to her disability.

“In a nutshell,” she said, “my vision for seeing a change or an opportunity would have been long down the road, perhaps never. The staff of this program has shown us their concern for enabling a better quality of life for people.”

The St. Louis Home Safety Partnership has proven to be a great resource to residents of both single-family and multi-family housing. Finding such a flexible and affordable loan product, as the one offered through the HSP, is an invaluable resource to residents, and especially when offered through a NeighborWorks® organizations that can understand the needs and challenges these homes.



Cheryl Vaughn, with her husband, Hula
COURTESY OF NHS OF ST. LOUIS

Home Safety Training

Residents must complete a one-hour educational seminar provided by the St. Louis Fire Department and home-safety evaluation in order to be eligible for a home repair loan. By attending the class, residents receive a free home-safety kit, which includes a fire extinguisher, smoke detector, and literature on home safety that is provided by our sponsors and volunteers. In its first year, the St. Louis HSP has educated approximately 300 households and provided almost \$200,000 in low-interest loans and grants to make needed repairs to improve the overall safety of homes throughout the city of St. Louis.

The NITF also is partnering with representatives of Neighborhood Reinvestment's Multifamily Initiative to take a national approach to identifying and addressing the insurance and safety needs of multifamily properties across the country. The NITF Loss Prevention Partnerships Program is an insurance program designed to meet the overall needs of securing and improving homes. It is rebuilding the strength, confidence and value of communities across the country.

The St. Louis Home Safety Partnership is one of five such programs supported through the National Insurance Task Force. The Vaughns' story demonstrates that the impact of the program goes far beyond bricks and mortar,

"It's brought us a new sense of hope, happiness, joy and peace," Cheryl Vaughn says. ■

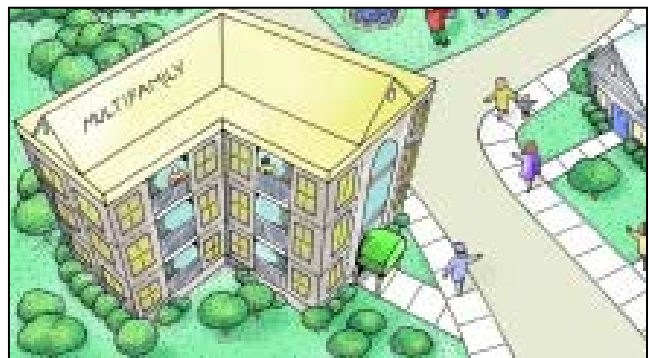
Eric Madkins is St. Louis Home Safety Partnership Coordinator, NHS of St. Louis NeighborWorks® HomeOwnership CenterSM.

Multifamily Initiative Turns Operating Data into Resource

BY HAROLD NASSAU

When the NeighborWorks® Multifamily Initiative was formed four years ago, its first task was to create a data system that would both show how its members' portfolios were performing and also set standards of excellence for members to strive for. Our goal was to achieve a measurable level of performance that would make the initiative and its members stand for quality housing that can endure.

To be an active member of the initiative, participating NeighborWorks® organizations must provide quarterly reports that track seven fundamental indicators of property performance. These include cash flow, vacancy, collections and so forth



But we know that successful affordable housing also requires residents' support, as well as managing real estate. So participating NeighborWorks® organizations also prepare an annual report that describes the services they provide their residents. This report also gives us a description of the property, its financing, and its tenancy.

Data Reports

The initiative uses the quarterly operating reports to create an aggregate report of the initiative as a whole, and to

compare the performance of each Initiative member to the whole portfolio. This report goes back to the members, so they can track their progress over time and also compare themselves to their colleagues. The report includes graphs that allow local staff and board members to get the “big picture” that makes asset management work.

Over the past four years, the Multifamily Initiative has grown from 15 to 52 members. As it has grown, so too has the data base. It now includes more than 250 properties, comprising some 19,000 units. The aggregate report now runs to 650 pages. But the reports prepared for each participating organization are a more useful 10 to 15 pages.

Measuring Gains

Initiative members are making great efforts to improve the performance of their properties. The data system tells us we are having real success. We learned, for instance, that two-thirds of the portfolio has strong cash flow. But even more encouraging are the trends. Over the past two years:

- ▶ The percentage of excellent grades in controlling expenses has gone from 27 percent to 45 percent.
- ▶ Excellence in rent collection has gone from 32 percent to 65 percent.
- ▶ Excellence in vacancy has improved by 10 percent.

Success stories are not only statistical. The reports also have helped members follow the capacity-building programs they designed when they entered the initiative. A few examples:

- ▶ **Gilman Housing Trust** of Newport, Vermont, and **AHEAD** of Littleton, New Hampshire, have restructured how they manage their property management systems.

- ▶ Many organizations have improved their data collection.
- ▶ **Urban Edge** of Roxbury, Massachusetts, and **AHC Inc.** of Arlington, Virginia, have improved their already excellent programs because the data pointed out specific areas to focus on.
- ▶ **Lafayette**, (Indiana) **NHS** and **NHS of Chicago** are developing long-term financial and capital plans for their portfolios.
- ▶ And many organizations, like **Nuestra Comunidad** of Roxbury, have created asset management committees and involved their boards more deeply in the ownership of their portfolios.

Role as a Resource

Large challenges, of course, still lie before us. The data system has also shown, for example, that many properties need better financing rather than better management. But here, too, the data help by analyzing members’ financial sources of development. To the surprise of many, the biggest single source is conventional mortgages. And the story the data system is helping us tell will help in finding new resources.

In the process, initiative members already have become “data veterans.” When a recent initiative spreadsheet contained a minor calculating error, 16 members immediately reported it. Our local organizations can point with pride to the system they have built with Neighborhood Reinvestment. ■

Harold Nassau (hnassau@nw.org) is an asset management specialist with the NeighborWorks® Multifamily Initiative.

Community Organizing Pilot Outcome-Based Community Organizing: Moving into the Vanguard

BY JAMES JOHNSON

“Organizing is based on the belief that people have the ability to name their problem(s) and identify the additional information and resources they need to solve them. Organizing is a process that brings the talents, resources and skills of people in the community together to increase their collective power to transform themselves and their community and work for social change. Organizing is more than mobilizing and service work. It involves leadership development, building rela-

tionships and consolidating thoughts and ideas into structures creating sustainable change.”

When this definition of community organizing was finally agreed to – after months of work – by a group of NeighborWorks® executive directors, they all cheered – some in joy for future successes to come, and some in relief for an end at last to the challenging and draining process of creating the definition.

Regardless of their reason, they all saw promise in a process that had started in 1999 through a series of conversations, and led in February 2002 to 20 organizations participating in a workshop at Neighborhood Reinvestment’s Training Institute in Atlanta for the Phase I kickoff of the Community Organizing Pilot.

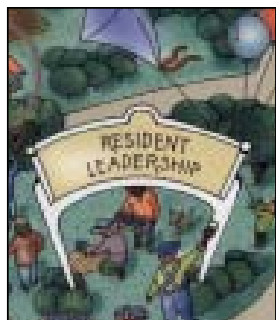
Running from February 2002 to February 2003, Phase I seeks to show the best community organizing practices and produce a framework for evaluating community organizing.

Selected organizations have received training on creating and reporting data for Neighborhood Reinvestment’s



outcome-based, data-collection strategy. A support team of six consultants – all seasoned organizers – has been working on-site with assigned organizations on developing organizing action plans.

Focus on Organizing



“Phase I of the Community Organizing Pilot has really allowed us to focus,” said Katherine Murphy, vice president of operations at Housing Partnership Inc. of West Palm Beach, Florida. “With the help of Neighborhood Reinvestment’s support team, we were able to see clearly the process needed to guide our efforts. Writing the steps down has allowed our staff to get a clear understanding of the work that lies ahead.

“We seek to bridge the communication gap,” Murphy continued, “between various homeowner’s associations, and empower them to move ahead, using strategies that have been successful in neighboring communities. We believe we can document success in addressing very challenging problems such as racism, classism and reversing the feelings of victimization.”

The 20 selected NeighborWorks® organizations have designed action plans and will be using a Web-based reporting system to document their monthly progress, showing both qualitative and quantitative data. In collaboration with Neighborhood Reinvestment’s research and information management departments, the program will collect the data and create vehicles to share successful strategies with the network.

The collected data also will help Neighborhood Reinvestment and the Resident Leadership Initiative create organizing standards for the network, as well as the community development field.

Initial Emphasis on Data

“Many NeighborWorks® organizations believe in their organizing work, and know they are successful,” said Fernando Menendez, principal consultant of the Thinking Tools Group and member of the support team. “We are just giving them the tools to prove it.” The support team will continue to assist organizations in their efforts to complete their outcomes and objectives.

The Community Organizing Pilot is designed in two phases. Phase I will escalate the processes of how community organizing is monitored and evaluated. It seeks to examine the strategies and best practices of outcome-based community organizing within a community development perspective. The overall goal of Phase I is “resident-led community change.”

While data continues to be collected in Phase I, the infrastructure of the pilot will be designed in Phase II. Drawing on lessons learned in creating other NeighborWorks® initiatives, meetings have been planned to identify definitive strategies for the Community Organizing Pilot’s infrastructure and long-term stability.

In addition, the Resident Leadership Initiative has collaborated with Neighborhood Reinvestment’s financial industry relationship managers on developing funding strategies and building relationships with national organizing funders.

An array of opportunities will be created, for:

- ▶ Technical assistance in planning and implementing community organizing;
- ▶ Focused training in community organizing for staff and board members, including evaluating the effects of organizing;
- ▶ Peer-to-peer learning and sharing of best practices through quarterly discussions, conference calls, and a listserv; and
- ▶ Funding for community organizing.

Moving to the Vanguard

Why the need for community organizing? In earlier discussions, directors expressed their belief that “community organizing and advocacy are important elements of the work for all network organizations, regardless of differences in size, program and circumstance.” The program is based on the premise that solving community problems in community development cannot happen through one, single approach, or even through just physical or technical means.

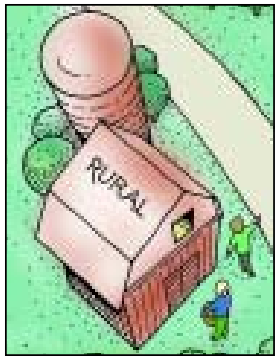
There are other organizing initiative models for community development corporations (CDCs), such as the RHICO initiative (sponsored through a partnership between the Local Initiatives Support Corporation’s Neighborhood Development Support Collaborative and the Massachusetts Association of Community Development Corporations). They focus on strengthening community organizing in CDCs statewide.

We will learn from the successes of other community organizing initiatives, while maintaining a focus on strengthening the organizing capacity of NeighborWorks® organizations on a national scale. This work around outcome-based organizing will put Neighborhood Reinvestment in the vanguard of the community development field, and produce partnerships leading to sustainable resources for community organizing through the Community Organizing Pilot. ■

James Johnson (jjohnson@nw.org) is a resident leadership specialist with Neighborhood Reinvestment’s Resident Leadership Initiative.

Rural Steering Committee Sets Broad Agenda, Proposes Action Plan

After lively discussions in Chicago, the Rural Initiative national steering committee in April agreed that Neighborhood Reinvestment's Rural Initiative is committed to comprehensive rural community development. This means a mix, the steering committee said, of housing, economic development, and other locally determined strategies that together can strengthen and revitalize rural communities.



The steering committee further suggested an immediate action plan that would increase the flow of resources, heighten visibility, and encourage new and existing capacity-building opportunities for rural organizations.

Resources will be increased by:

- ▶ Building a new national partnership with USDA Rural Development;

- ▶ Encouraging Neighborhood Reinvestment to formally recognize and channel resources to RNA Community Builders; and
- ▶ Expanding partnerships with the other national initiatives.

Visibility will be heightened by:

- ▶ Designing a marketing campaign for rural NeighborWorks® organizations;
- ▶ Linking the rural campaign to the new national NeighborWorks® campaign; and
- ▶ Compiling, analyzing and disseminating relevant data and best practices in a user-friendly manner.

New and existing capacity-building opportunities will be achieved by:

- ▶ Increasing the rural content in all existing Training Institute events;
- ▶ Encouraging regional training events;
- ▶ Encouraging Neighborhood Reinvestment to grow the Chautauqua as a premier national event;
- ▶ Creating a complete rural Program of Study; and
- ▶ Collaborating with other organizations with a rural focus. ■

For further information, contact David Dangler, ddangler@nw.org.

Third RNA Chautauqua Celebrates 'Pulling Together'

BY KRIS PEARSON

There's a punch line to an old "Down East" joke that goes, "You can't get there from here." It plays on the isolation of rural communities from just about everything. But it also reflects how some rural community developers feel about reaching the broad-based goals they've set for their organizations.

RNA Community Builder's third, biennial Chautauqua, hosted in May by **Housing Development Corporation of the Clinch Valley**, was an opportunity for rural NeighborWorks® staff and board members to lessen the isolation and work together on reaching their community development goals.

Sixty-two people, representing 32 rural programs in 17 states and Neighborhood Reinvestment's Rural Initiative, gathered in Oak Ridge, Tennessee, for the Chautauqua, a Native American word for "coming together," pronounced "shah-taw-kwa." The theme was "Pulling Together," and it

was evident from the host of ongoing discussions that participants were making full use of the opportunity to compare notes and tap the expertise of their colleagues.

Chautauqua included a variety of focused discussions, including an update on the progress of RNA and the evolution of Neighborhood Reinvestment's Rural Initiative, small-group problem-solving activities, and a guest speaker who focused on integrating economic development and housing development activities into true, community development efforts.

A tour of HDC of the Clinch Valley's "Kingwood Homes" project in nearby Rockwood, provided a hands-on example of the dynamic possibilities of nonprofit self-sufficiency. The project reflects HDC's commitment to finding innovative partnerships that provide affordable-housing investments without relying on government subsidies.

The Rockwood project consists of 37 nearly identical "worker homes," purchased, gutted and renovated by HDC, using a \$1.4 million loan from the local AmSouth Bank. The 800-square-foot homes, which had been badly deteriorated rental units on a two block stretch of road, are being sold by HDC for \$38,000 each. Eleven local lenders are offering mortgages with as little as 3 percent down at



closing. The result is homes that are affordable to buyers making only a little more than the area's minimum wage.

As Chautauqua's host, HDC of the Clinch Valley extended true southern hospitality, arranging for a bluegrass band and a local storyteller, as well as providing sweet potato fries and tours of the local area. Participants returned to their organizations energized and with lists of

new ideas and contacts for bridging the isolation felt by so many rural practitioners.

In addition to RNA, Chautauqua also was sponsored by Bank of America, Fannie Mae and Neighborhood Reinvestment. ■

Kris Pearson is executive director of RNA Community Builders.

Announcements

Insurance Initiative

National Insurance Task Force Symposium in San Francisco

If you have ever asked yourself:

"What is an insurance partnership?"

"In what ways can insurance companies partner with community-based organizations?"

"How do these partnerships help improve communities?"

"How do I begin building a relationship with representatives of the insurance industry?"

Then you don't want to miss the National Insurance Task Force's (NITF) Annual Insurance Symposium August 7 at the Neighborhood Reinvestment Training Institute in San Francisco. Titled "Insurance Partnerships: Changing the Face of Communities," it will demonstrate the impact that insurance programs and services have on communities, and share with participants the mid-program progress of a national loss-prevention collaboration between insurance companies and community organizations.

In addition to learning about new partnership tools developed by the NITF, panel discussions and workshops will cover insurance issues faced by multifamily housing units and discuss partnership strategies to address toxic mold issues in community housing. Overall, participants will gain an understanding of the business and social affects that community-insurer partnerships are

having on America's communities.

Come and join community-development practitioners, insurance regulators, insurance educators, and insurance company representatives as they discuss and plan strategies facing urban personal and commercial lines markets in America's communities. You don't want to miss this unique opportunity to understand the significance of these partnerships in the community-development field and how you can be a part of this dynamic movement to promote neighborhood change through public and private partnerships. Don't miss it.

Risk-Management Special Course at Washington, D.C., Training Institute

Three years ago, the National Insurance Task Force (NITF) created a two-day training on insurance and risk management for homeownership counselors and their clients. After several trainings, attendees began to ask for an expansion of the program to cover the overall management of local community-based organizations.

Based on this demand, the NITF recently created a risk-management program for managers of community development organizations. Called "Managing the Risks of Nonprofit Management," the program will be presented for the first time December 9 and 10 at the Neighborhood Reinvestment Training Institute in Washington, D.C. It is designed to give managers a framework for evaluating the operation of their offices. The risk management process is being used by thousands of for-profit and

nonprofit organizations throughout the world. The program is designed to bring the process to communities all across the country.

Created by risk-management professionals in concert with community development practitioners, the program is designed to go through the risk management process and give attendees a slide show to be delivered to local community businesses if desired.

The basic steps in the process are setting risk management objectives, identifying exposures, exposure evaluation, alternative development, plan development, and review and revise. Each step is explored, using examples such as property protection, liability concerns, employment practices, and client services.

The course will benefit those who are currently in management positions within the community development field, as well as those moving into these positions.

Resident Leadership Initiative

Community Organizer Symposium Set for Miami in Late Fall

The 2002 Community Organizer Symposium will be held October 30-November 2 in Miami, Florida. This annual event for NeighborWorks® network community organizers provides high-quality training as well as networking opportunities for organizers to share best practices and strategies.