



## TRAINING OPPORTUNITIES

# Neighborhood Reinvestment Training Institute Launches Special Track on Native American Community Development

BY RITA L. FERRALL

Nearly 40 participants attended special courses on home ownership and financial fitness at the October Training Institute in Minneapolis that marked the Neighborhood Reinvestment debut of a Native American community development track. The new track featured two courses. One, called “Designing a Home-Ownership Program for Indian Country”, covered two days. The other, “Personal Financial Skills Training for Native Americans”, lasted one day. The target audiences were tribal policy makers, and front-line and senior staff, providing mortgage-based home-ownership and community development services to Native American communities.

Currently, two Native American organizations are part of the NeighborWorks® network. They are the **Sicangu Enterprise Center** on the Rosebud Sioux Tribe Indian Reservation in Mission, South Dakota,

and the **Navajo Partnership for Housing**, working on the Navajo Nation in Arizona, New Mexico and Utah.

### Developing the Curriculum

The Corporation’s efforts to develop a Native American curriculum as part of its Training Institute began a year ago with the creation of a Native American Advisory Committee. Its members include Native American tribal leaders, Michael LaPointe, executive director of the Sicangu Enterprise Center, Richard F. Kontz, executive director of the Navajo Partnership for Housing, Donna Fairbanks, consultant, National American Indian Housing Council, and representatives from Fannie Mae Foundation, Ford Foundation, U.S. Department of Housing and Urban Development, and First Nations Development Institute.

Neighborhood Reinvestment training staff did extensive research in both reservation and urban Native American communities in preparation for launching the new track. The curriculum focused participants on the key elements in creating various types of community development services that are critical to the beginnings of self-reliant and sustainable economies on Indian reservations. The training was based on “Building Native Communities: Financial Skills For Families” course materials designed by the First Nations Development Institute and the Fannie



Photo by Séan Bennett

**“The training Neighborhood Reinvestment provides is the nuts and bolts of community development. We understand the importance of establishing relationships and partnering with good people, and Neighborhood Reinvestment is a good partner and an entity we want to continue to work with.”**

*Gordon Thayer, a member of the Chippewa tribe, and executive director of the American Indian Housing and Community Development Corporation in Minneapolis*

Mae Foundation and a home-ownership manual based on the HUD/Treasury One-Stop Mortgage Center Initiative.

Neighborhood Reinvestment’s objective is to help build the capacity of local nonprofits and other intermediaries providing housing and community development services to their tribal communities. The training also will help NeighborWorks® organizations near Indian reservations to expand their services to tribal communities.

### **Building Tribal Capacity**

In a keynote address, Bobby Whitefeather, chairman of the Red Lake Band of Chippewa Indians, spoke of the need to build the capacity of Native American tribal communities as part of any home-ownership and economic-development strategy. “We are committed,” Whitefeather said, “to ensuring that the necessary resources are invested in our housing, schools and communities.” He said organizations and government entities that want to do business with Native American communities should examine how tribal governments operate, since each operates somewhat differently.

Rodger Boyd of the CDFI Fund at the U.S. Department of the Treasury spoke about the fund’s efforts to identify barriers for Native Americans in accessing capital and credit. In 1990, he said, the Navajo Reservation, of which he is a member, had only three branch banks and one automated teller machine for an area about the size of West Virginia. After using the Community Reinvestment Act and other avenues, Boyd said, Navajo residents have seen four new bank branches open and greater accessibility to ATM machines.

Gordon Thayer, a member of the Chippewa tribe, and executive director of the American Indian Housing and Community Development Corporation in Minneapolis, said: “The training Neighborhood Reinvestment provides is the nuts and bolts of community development. We understand the importance of establishing relationships and partnering with good people, and Neighborhood Reinvestment is a good partner and an entity we want to continue to work with.”

### **Facing Economic Challenges**

Native Americans face huge challenges in increasing home ownership and establishing economic-development opportunities, particularly on their reservations, when compared to the overall U.S. population. Recently, the federal government set policies in place to promote home ownership and economic development on Indian reservations.

Roberta Drake, a Training Institute faculty member who is Navajo, knows well the obstacles Native Americans face in trying to purchase a home. “Young people,” she said, “who leave the reservation, go to college or start a job often get into debt because they were never taught about credit and how to manage it responsibly.”

Drake also said mobile homes have become one of the few viable housing options available on the reservations. While they are relatively easy to purchase, she said, Native Americans often are prey to predatory lenders and subsequently pay high interest rates. ■

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MONEY TALKS

## Inspiration, Information and Money

BY JANE B. FORD

**C**an community-based housing groups use the Internet for fundraising? Yes, although not in the way people generally think. People going to a Web site and making donations directly online generally do so for large national and international charities, particularly in response to disasters. Community-based organizations are not likely candidates for this sort of fundraising. So how can your NeighborWorks® organization use the Internet to increase its financial resources?

I believe that strategic use of the Internet in three specific areas can result in increased funds for your organization.

### Information

First, it is a useful tool for providing both information and inspiration. There is an abundance of creative fund-raising ideas online. An easy way to access these is to subscribe to free e-newsletters dedicated to fundraising. The Foundation Center (one of my personal favorites) <http://fdncenter.org> offers two issues each week that focus on inspired giving and current grant opportunities. Two other sites, <http://news.gilbert.org> and [www.nonprofit.about.org](http://www.nonprofit.about.org), offer weekly e-newsletters containing relevant news and the latest trends in

the resource-development field.

Educational opportunities also abound on the net. Not only are there on-line classes for credit but also many free training courses. At the Foundation Center site, you can take a minicourse in grant writing, learn about annual campaigns and much more—all for free. Interested in a program for thanking donors, starting a capital campaign or researching prospects? Go to [www.nonprofit.about.org](http://www.nonprofit.about.org). Want inspiration from that noted grassroots fundraiser, Kim Klein? Go to [www.chardonpress.com](http://www.chardonpress.com) where you will find 50 articles guaranteed to inspire you and your board. If you want links to an astonishing number of sites that can provide both education and inspiration, go to [www.philanthropy.com](http://www.philanthropy.com), a search engine created specifically for nonprofit fundraisers.

### Donor Research

Second, the Internet can help you with donor research. Last week, I had a call from Arnold, a client frustrated because he read in the paper that a wealthy individual recently gave a significant donation to a competing organization. How could his organization approach this donor? Prior to the birth of the Internet, I would have had to leave the comfort of my home office and spend significant time at the library to search out information about this donor. With the Internet, I could begin this search with any general search engine. My favorite is [www.google.com](http://www.google.com). Once I had located the basic knowledge about this donor, I could then get information about her business. Thirty minutes later I called Arnold and told him this woman was a likely prospect for his organization.

Not only is the Internet used by nonprofits to research donors; donors often use it to research nonprofits. I told Arnold that the competing organization had much better information than his listed at [www.guidestar.org](http://www.guidestar.org)—

a likely place where that wealthy donor had sought out a good investment for her charitable dollars. If an organization has not filled out a Guidestar information form (which his had not), GuideStar relies on the program codes assigned by the IRS. These generally reflect only a small amount of the work an organization does. Arnold immediately downloaded and completed the GuideStar form. Now donors looking for organizations that match their giving interest will have the most complete information about his organization.

### Grant Research

Third, the Internet can help with grant research. You can use online search engines to get information about corporations, foundations and general giving areas. For example, if you use [www.google.com](http://www.google.com) and type in “funding for housing,” you will get more than 6,600 hits. Obviously, this is not the most useful way to search, but it is a good example of the amount of information available. This sort of search engine is useful for finding information about grants recently given by a specific corporation or to a specific cause. Last summer, a client wanted to write a grant to a local family foundation and was going to ask it for \$1,000. This foundation was not listed in the usual places, so I went online to do a general search and discovered several recent grants it had awarded. They ranged from \$500 to \$10,000. Armed with this information, the client redesigned his application and ultimately received a \$5,000 grant. In this case, a half hour of research resulted in a \$4,000 gain.

A more direct way to research foundations is to subscribe to databases that help you seek funds specifically for your projects and your geographic area. In my opinion, the Foundation Center (yes, here it is again) has one of the best foundation databases, and all its information is frequently updated. You can search by funder,

grantee or general topic. Thirty dollars a month buys you access to information on 10,000 foundations and a database of 150,000 grants.

Researching the availability of federal grants for housing is made simple by using HUD's site—[www.hud.gov](http://www.hud.gov). In addition to information on currently available applications, this site offers a great deal of useful information in an easy-to-use format. I recently completed a complicated federal funding application and my work was made easier by using the online forms HUD provides with many of its grant applications.

In addition to finding likely sources of grant funding on the Internet, you can also get help in writing grant applications. I recently needed current demographic information for a state grant proposal. This would not have been too challenging if I were working with an organization that served a single neighborhood or even a single city. This organization, however, served nearly two dozen municipalities that crossed county lines. The state wanted to know such things as the median family income in each community, the number of low-income families, the ethnic and racial makeup of the residents, the median housing prices, and the number of owner-occupied units. I found two sites particularly useful for this research: [www.huduser.org/datasets/il/fmr00/medians2.html](http://www.huduser.org/datasets/il/fmr00/medians2.html) and <http://factfinder.census.gov>. There are two other sites that I have used frequently when gathering housing information: [www.rtk.net](http://www.rtk.net) and [www.ffiec.gov](http://www.ffiec.gov). There is a definite learning curve when accessing this information. At first it seems to take forever to get what you need. Each time it gets faster, and the work is worth it when those grants come rolling in.

In the words of Mal Warwick, a leading practitioner in the fund-raising field, "The World Wide Web is a boundless source of great (as well as

not-so-great) information about fundraising." Strategic use of the Internet will help you find that great information and raise more money to support your organization. ■

*Jane B. Ford (JaneFord@Mediaone.net) is a certified fund-raising professional with Ford Scott Associates in Boston. E-mail her with your fund-raising questions.*

## Financial-Fitness Training for Immigrants in Sacramento Attracts National Funders

Three Sacramento, California nonprofits, the Sacramento Mutual Housing Association (SMHA), Mercy Housing California and Sacramento Valley Organizing Community, are collaborating on financial-fitness education for non English-speaking residents. This effort has attracted financial support from three major national funders, the American Express Foundation, the Allstate Foundation and Neighborhood Reinvestment. Each funder maintains ongoing financial support for financial-fitness training.

The financial-fitness program, which grew out of an earlier collaboration among the three nonprofits on individual development accounts (IDAs), focuses on low-income immigrant residents of Sacramento's affordable housing developments. The collaborative was particularly cognizant that recent immigrants were especially vulnerable in the financial marketplace.

Allstate Foundation's grant to SMHA supports the nonprofit's efforts to further develop its financial-fitness program. Allstate provides insurance services, and for many years has supported SMHA's neighborhood revitalization programs to benefit low-income communities. More

recently, Allstate began offering financial services through Allstate Financial Services, LLC and Allstate Bank.

A grant from the American Express Foundation supports classes and outreach in Hmong, Russian and Spanish. These new classes began in October and constitute a significant contribution to services to the immigrant population in Sacramento County.

Neighborhood Reinvestment's funding allowed the collaborative to provide classes to very-low-income people not yet enrolled in the IDA program. ■

## NHS of Great Falls Partners with Montana Board of Housing on Second-Mortgage Product

Nancy O'Brien, executive director of Neighborhood Housing Services of Great Falls, has announced a new second-mortgage loan product developed in partnership with the Montana Board of Housing (MBOH) for use in NHS' statewide home-ownership program.

As its production of first-time homebuyers has mushroomed, NHS has found it increasingly harder to find the down-payment and closing-cost assistance funds needed to keep its home-ownership program going.

"The Montana Board of Housing has come to our rescue," says O'Brien, "by putting up \$1 million for down payments, with NHS setting up a loan-loss reserve to cover their risk."

The program is run in conjunction with MBOH/NHS affordable-housing first mortgages that are FHA insured or guaranteed by Rural Development or the Veteran's Administration. The second-mortgage loans are serviced by MBOH servicers, as a package with the firsts.

The MBOH down-payment loans will be amortized at 6 percent for 30 years and will be added to the monthly payments. A \$350 packaging fee will be included in the loan to help cover the costs of this rapidly escalating program. NHS does not expect that the additional payment will adversely affect most of its buyers.

NHS will continue to seek grants for non-amortizing loans for those families who need special assistance. ■

## Local NeighborWorks® Organizations and NHTSA Win CDFI Fund Awards

Eleven NeighborWorks® organizations and Neighborhood Housing Services of America (NHTSA) each have received substantial awards from the U.S. Treasury Department's Community Development Financial Institutions (CDFI) Fund.

The 11 NeighborWorks® organizations received a combined total of \$6,627,500 to support community development activities in financially underserved communities. The CDFI Fund extends the availability of credit, investment capital and financial services in distressed urban communities.

NHTSA's community development financial institution received \$1 million to further capitalize the corporation.

The CDFI Fund also certified NHTSA-CDFI as a community development financial institution. NHTSA-CDFI is an affiliate corporation of Neighborhood Housing Services of America and will make below-market-rate direct loans NeighborWorks® network organizations. ■

## State Farm Invests \$1 Million in National Loss-Prevention Partnership

State Farm Insurance Companies has committed \$1 million to lower-income neighborhoods in six cities to help make homes safer and reduce homeowner losses from such hazards as fire, theft, wind and water.

The commitment supports Neighborhood Reinvestment's national Loss Prevention Partnerships, a program of the Corporation's National Insurance Task Force.

The partnership program will provide education and financial assistance for homeowners to improve their homes' safety by repairing or replacing heating systems, roofs, pipes, wiring or other systems. The selected cities are Richmond, Virginia; New York, New York; Charleston, South Carolina; St. Louis, Missouri; Denver, Colorado, and Chicago, Illinois.

Each city will focus on one primary cause of loss. For example, Neighborhood Housing Services of Chicago assembled the Chicago Home Safety Partnership. It includes insurers, city agencies, insurance regulators and community groups. State Farm supported NHS as a pilot program, investing some \$500,000 in its loan pool, in addition to a \$300,000 grant.

"State Farm is an outstanding neighbor and a great partner," said Ellen Lazar, executive director of Neighborhood Reinvestment. "Its solid support of the national Loss Prevention Partnerships, and its leadership on the National Insurance Task Force, are helping thousands of working families to protect their single largest investment."

State Farm is the nation's largest property-casualty insurer. It insures nearly 14 million homes countrywide. ■

## Housing Counseling Earns Support from HUD Grants

Housing counseling services provided by organizations participating in the NeighborWorks® Campaign for Home Ownership 2002 will be bolstered by more than \$1.4 million in fiscal year 2002.

The funding includes nearly \$1.16 million awarded by the U.S. Department of Housing and Urban Development through its Housing Counseling grant program. Neighborhood Reinvestment, on behalf of 96 campaign organizations applying for the funding, was among three national organizations receiving the highest grant amount awarded by HUD this year.

Additionally, because of the NeighborWorks® organizations' capacity to provide housing counseling services, HUD designated Neighborhood Reinvestment to receive another \$333,333 as part of a \$1 million settlement agreement with First American Corporation under the federal Real Estate Settlement Procedures Act (RESPA). The additional funding will be used to support and expand Financial Fitness services provided by qualified NeighborWorks® organizations participating in the campaign. ■



FASCINATING FINDINGS

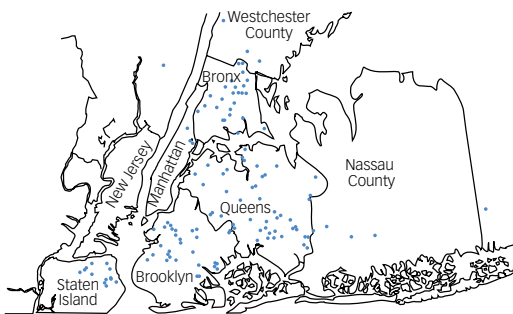
## NHS of NYC Surveys Its First-Time Buyers: Homebuyer Program Makes a Difference

BY BECKY HIMLIN WITH RAMONA BURNS

Since 1993, Neighborhood Housing Services of New York has assisted more than 2,000 families to purchase homes. NHS' first-time homebuyer program assists its customers through homebuyer education, prepurchase counseling, loans and grants for closing costs or down-payment assistance, and mortgage facilitation.

In an effort to find out how NHS customers had fared in the early years of home ownership, and how they assess NHS assistance, NHS' Research and Planning Department conducted an outcomes-based survey of its first-time homebuyers.

### 2000 NHS Home-Ownership Survey Sample of 1997 Homebuyers



### The Home-Ownership Outcomes Survey

In spring 2000, NHS for the first time conducted a survey of former customers whom NHS had helped become homebuyers. The purpose was to find out whether home ownership had resulted in positive changes in our customers' lives and to determine the impact that NHS had in assisting in their purchase and preparation for home ownership.

Financial and social outcomes were of particular interest. In other words, did the customer financial positions

improve or worsen, and did their interaction with neighbors and participation in community life increase or decrease?

Customers who had closed loans in 1997 were targeted for the survey so that enough time had elapsed since their home purchase for them to begin to assess their experiences.

The survey was done by mail. Fifty-seven responses were received from a total of 150 mailed (a response rate of 38 percent).

Customers were asked to rate their responses to many of the questions on a scale indicating "not at all," "somewhat," "moderately" or "very much." Other questions had a specific set of choices, including "other," but there were no open-ended questions.

A space provided for comments gave some personal insight into homebuyers' experiences.

### Comments by Survey Respondents

"It has been over two years since I became a homeowner, and I am still experiencing a rush of excitement. After living in public housing for 10 years with two daughters, I feel proud and honored to now own a home. I have encouraged and referred co-workers, friends and family to NHS for the fine services provided. My sister just closed on her home in February thanks to NHS."

"I would like to thank NHS for all the help and support I received. I would also like to tell you how happy we are having our own home."

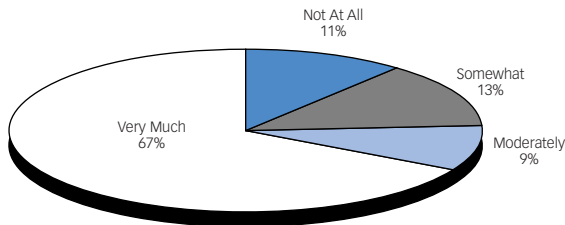
"NHS is a wonderful, helpful program that provides a much-needed service in needy communities."

"The employees were extremely helpful on the phone whenever we called to find out about our progress with all aspects of the application process."

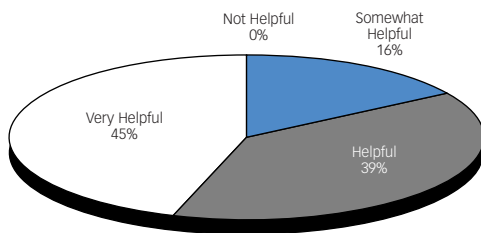
"Please tell your prospective homebuyers that home ownership is one of the best moves they could ever make!"

"NHS is the best program I have encountered yet. People at NHS make dreams come true. Keep up the great work!"

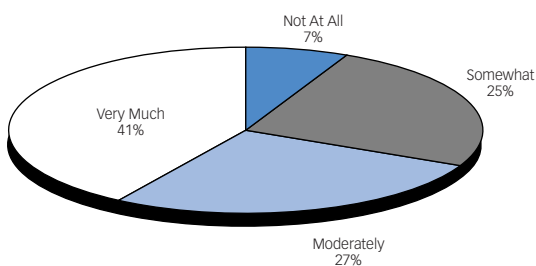
### NHS Made a Difference in Home Purchase



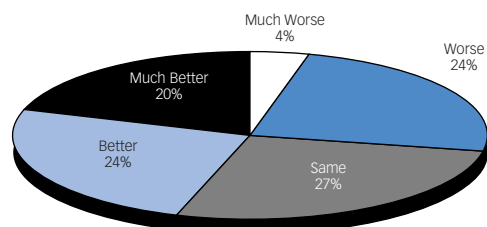
### NHS Education About Homebuying Process



### NHS Prepared for Responsibilities



### Changes in Financial Situation



### NHS Made a Difference

The results provide a positive reflection on the value of NHS services. Sixty-seven percent of respondents said NHS had “very much” made a difference in their home purchase, and another 9 percent responded that NHS had “moderately” made a difference. Competent and caring staff were credited with being “very helpful” in the purchase process by 63 percent of respondents and “helpful” by another 31 percent. Similarly, education about the home-buying process was credited with being “very helpful” or “helpful” by 84 percent of respondents.

When asked how well NHS had helped them prepare for the responsibilities of home ownership, 68 percent of respondents said NHS had “very much” or “moderately” prepared them. Responses about how well they were prepared might bear a relationship to the current financial situation facing the respondents or unexpected difficulties they faced. Challenges, such as unexpected housing maintenance or repair problems (affecting 64 percent of customers) and other unexpected expenses (affecting 50 percent of customers), may have contributed to some homeowners not feeling adequately prepared for home ownership. Yet most had been able to cope with these through cash or other resources. Only seven customers had ever been more than 30 days late with a mortgage payment, and all but one had addressed the delinquency.

### Financial Outcomes

Forty-five percent of respondents felt their overall financial situation had improved since home ownership, and 27 percent that it had stayed the same. Twenty-nine percent of those with an improved financial position associated this positive change with homeowner tax benefits.



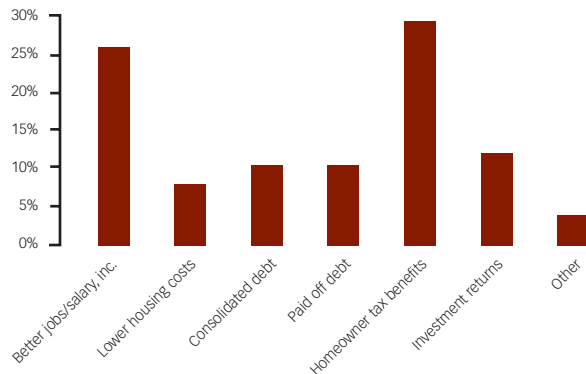
Those who felt their financial position had worsened cited increased credit card debt (31 percent) and higher housing costs (27 percent) as contributing factors.

When asked directly if the change in their financial situation was in part as a result of purchasing a home, most customers whose situation had improved considered that it had “moderately” or “very much” been a result of their home purchase (73 percent). Most whose situation had worsened considered that it had little or nothing to do with their home purchase (64 percent). All purchasers but four felt their homes had appreciated in value since purchase (93 percent). Those four felt their values had held constant. No one reported feeling that their home value had declined since purchase.

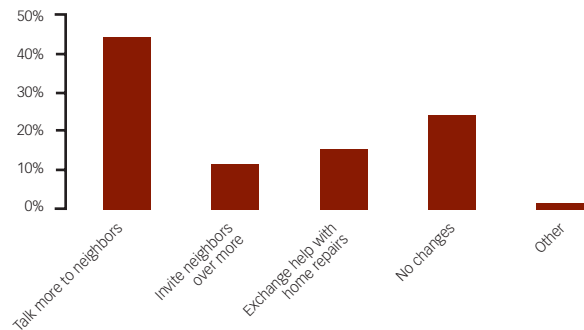
The survey provided some evidence of increased asset-building by homeowners, with half (51 percent) of respondents participating in savings or investments of some kind since becoming homeowners. Most (73 percent) had not taken out any additional loan using their home as security. Among those who had taken out loans, five respondents reported refinancing their mortgage, four reported taking out home-improvement loans, and eight reported taking out home-equity loans (mostly for debt consolidation).

Respondents were fairly evenly divided as to how they rated their ability to “easily meet all monthly loan and credit card payments.” Twenty-two percent said “not at all,” 24 percent said “somewhat,” 30 percent said “moderately,” and 24 percent said they were “very much” able to meet all monthly loan payments. Sixty percent recorded that their use of credit had changed in some way since home ownership. Increased credit card use was the most frequently cited response (48 percent) for those who had noticed changes in their use of credit, with some (26

## Reasons for Improved Finances



## Interaction with Neighbors



percent) citing reduced credit card debt and others (26 percent) citing consolidated debt.

## Social Outcomes

Interaction with neighbors had increased since home ownership for 76 percent of respondents—most of that an increase in talking to neighbors. Eleven customers reported exchanging help with home repairs, and eight said they invited neighbors over more since becoming homeowners. Four exchanged help with child care.

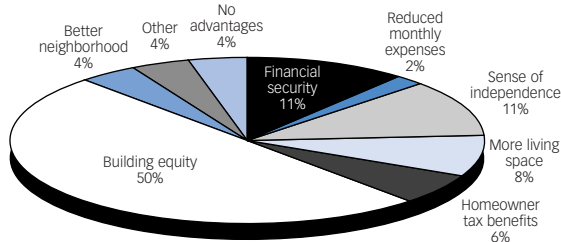
While the majority (62 percent) said they were not active in community organizations, and most (61 percent) felt their level of community activity had not changed since homeownership, there are indications that some homeowners are becoming more active (15 percent). Religious organizations, block associations and parent-teacher associations were the most frequently cited types of organizations in which our customers reported involvement. One explanation could be that the homeowners are still new to the community and may take more time to get involved.

## The Home-Ownership Experience

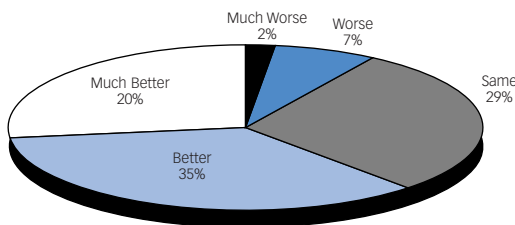
An overwhelming 91 percent of NHS customers said they would recommend home ownership to others. Despite the difficulties some had faced, the benefits certainly outweighed the disadvantages. The main benefit cited was the opportunity to build equity, which 50 percent of the respondents cited as the greatest advantage of home ownership. Financial security and a sense of independence were each cited by 11 percent. Clearly, having a place to call your own and the opportunity to make a stable investment are powerful ideals for our customers.

Increased monthly expenses (33 percent), increased

### Greatest Advantage of Homeownership



### Conditions in New Neighborhood



responsibility (24 percent), finding time for home maintenance (18 percent), and expensive house repairs (16 percent) were important disadvantages of home ownership cited by our customers. As noted, there were some respondents (32 percent) who said in their responses to another question that they felt “not at all” (7 percent) or only “somewhat” (25 percent) prepared by NHS for the responsibilities of home ownership.

Information gathered from this survey about some of the difficulties faced by first-time homebuyers in the early years of home ownership can help NHS prepare customers to realistically assess and successfully face these challenges common to homeowners in New York City.

The survey asked customers to choose the most important factor they considered in their home purchase. The price of the home was most important for 21 percent of respondents. A home with rental income, safe neighborhood and house condition were each cited by 15 percent as the most important factor. Good condition of the neighborhood was cited by 12 percent. Most of these choices also appeared when customers were asked to cite their second-most important factor in home purchase: 28 percent cited the price of the home, 19 percent the good condition of the neighborhood and 19 percent cited the condition of the house. Good schools featured very little in the responses, and factors that spoke to the convenience of the location of the home—near job, transportation and friends/family—barely appeared in the responses at all. It must be noted that a number of respondents chose several (or even all) of the available choices, but these had to be disregarded as invalid responses.

The last survey question asked respondents to rate the condition of the housing and streets in their neighborhood, compared to their previous neighborhood.

Evident in the results is that the majority of our purchasers have moved to neighborhoods with better conditions. Thirty-five percent rated their current neighborhood as better than their previous neighborhood, and 27 percent as much better. Twenty-nine percent said conditions were the same. Only 9 percent felt their current neighborhood conditions are worse than where they previously lived. Thus, the quality of life and the financial positions of most of our homeowners have changed for the better. And NHS is credited with making a difference. That’s success worth repeating. ■

*Becky Himlin is director of research, planning and information services, and Ramona Burns is a student intern, with Neighborhood Housing Services of New York City.*



# Fellowship Papers Explore Retaining Seniors, Funding CDCs

One studied strategies for helping communities retain their senior citizens; the other explored revenue-generating strategies for community development corporations. Together, they worked as recipients of the 2001 Emerging Leaders in Community and Economic Development Fellowship program.

Now their research has been published by the Joint Center for Housing Studies of Harvard University and Neighborhood Reinvestment Corporation.

*Aging in Place: Coordinating Housing and Health Care Provisions for America's Growing Elderly Population* is by Kathryn M. Lawler, a 1996 graduate of the University of Notre Dame and candidate for a master's in public policy at Harvard's Kennedy School of Government.

*Entrepreneurial Community Development: Exploring Social Enterprise and Strategic Alliances for Community Development Entities* is by Ellen Stiefvater, a graduate of the University of Wisconsin-Madison and, also, a candidate for a master's in public policy at the Kennedy School.

The emerging leaders fellowship recognizes outstanding students with interests in housing and community development and gives them the opportunity to add practical, analytical and technical skills to their academic course work.

Over the summer Lawler and Stiefvater developed their analytical projects in 10 weeks of on-site research with Neighborhood Reinvestment. They interviewed practitioners, scholars and legislators, gathered information on best practices, and met with Joint Center faculty. They worked extensively with local organizations in the NeighborWorks® network and attended a Neighborhood Reinvestment Training Institute.

Lawler, in her paper, explored the impact of dramatic demographic shifts. "The ratio of working Americans to retired Americans," she says, "will drop from 5 to 1, to 2 to 1 over the next 50 years." She goes on: "Today the most current connections between elderly health and housing are tenuous at best. As a result, the most desirable and most cost-effective methods of aging-in place—is difficult, even under the most ideal conditions."

Stiefvater's research centered on varying options for supporting community development in an environment where funding is quickly disappearing. The paper addresses recent initiatives on the part of CDCs to earn income by selling goods and services or gaining resources through strategic alliances.

"CDEs (community development entities) that build housing have long been in close partnership with developers and contractors," Stiefvater says, "and some of these relationships have likely turned into mutually beneficial, win-win arrangements. However, there has been little documentation or discussion of how these relationships can go beyond the philanthropic." ■

See [nw.org](http://nw.org) for the complete text of these studies.

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# Risky Business

BY RON JOHNSTON

Community development corporations (CDCs), whether they know it or not, are in the business of risk management. The word “risk” originates from the Italian word *risicare*, meaning “to dare.” That is what CDCs do; they dare to invest in neighborhoods, in properties and in individuals that other investors routinely reject, ignore or exclude, based on risk.

While it is hard to dispute that community development often involves a great deal of risk, a lot of nonprofit CDCs have not established anything approaching a deliberate, dedicated process to assess, categorize and manage risk on either a project basis or the organization as a whole. The lack of preparedness can disable or even permanently sink an organization. Therefore, community development organizations must pay greater attention to the business of risk management.

No organization sets out to fail, yet by not preparing for certain predictable events, some organizations do, despite their best intentions, stumble into failure. By identifying what is an acceptable level of risk, and having the capacity to manage it, organizations are more likely to sustain their presence and build capacity to serve their communities.

Illustration by Filip Yip





## What Are the Risks?

The Nonprofit Risk Management Center refers to risk as “any uncertainty about a future event that threatens your organization’s ability to accomplish its mission.” Likewise, the Subcommittee and Working Group on Risk Management Principles of the Financial Services Roundtable defines risk as “the potential for loss, either directly through loss of earnings or capital or indirectly through the imposition of constraints on an organization’s ability to meet its business objectives.”

A risk is any threat to an organization’s ability to carry out its mission, sustain one or more of its operations, and maintain or enhance its reputation.

Conventional banks are in the business of being compensated for taking limited risks. According to a report from the Financial Services Roundtable, banks’ goals are to ensure that:

- ▶ Risks are understood;
- ▶ Risks are within tolerances established by the board of directors;
- ▶ Risk-taking decisions are consistent with strategic business objectives;
- ▶ Risk-taking decisions are explicit and clear;
- ▶ The expected return compensates for the risk taken;
- ▶ Capital allocation is consistent with risk exposure; and
- ▶ A bank’s performance incentives are aligned with risk tolerances.

These same goals could easily be adapted to CDCs, community development financial institutions (CDFIs) and other special-purpose lenders, such as many NeighborWorks® organizations—noting, again, that the goal is not to eliminate risks but to be prepared for and properly account for them.

## What Are Acceptable Levels of Risk?

Neighborhood Reinvestment views risk management as “a discipline for dealing with the possibility that a future event will cause harm.”

The first thing to make clear is that these events can and do occur at any time—to any and all organizations. They can include, for example, the departure or poor performance of key personnel (sudden loss of funding); sudden loss of fee-generated income; unforeseen start-up costs for a new project or program; or economic, regulatory or political changes that impact the organization. All these and more can affect organizational balance sheets and the

**No organization sets out to fail, yet by not preparing for certain predictable events, some organizations do, despite their best intentions, stumble into failure.**

ability to meet objectives—whether the organization is General Motors or an inner-city CDC.

That these risks do occur should not lead to negative conclusions regarding program performance. It is the measure of the level of risk being taken versus the organizational capacity to bear that risk that is the critical relationship.

One of the chief attributes of the NeighborWorks® system is the risk-management oversight of individual network organizations by Neighborhood Reinvestment. Neighborhood Reinvestment relies on both on-site and off-site assessments to determine the risk-versus-capacity relationship. It attempts to provide meaningful and continuous information to the leadership of individual organizations, as well as to stakeholders. Neighborhood Reinvestment relies on an ongoing flow of current financial and programmatic data from each organization—much of it self-reported—to conduct its risk/capacity analysis.

## Identification, Analysis, Mitigation

Neighborhood Reinvestment’s risk-assessment model is predicated on three major categories: risk identification, risk analysis and risk mitigation. These areas are often interrelated and generally interdependent. That is, upon identifying inordinate risk Neighborhood Reinvestment seeks to provide detailed analysis as a basis for an intervention or mitigation strategy.

A clear example is in the area of loan-loss reserves. Many of our NeighborWorks® organizations have, over the years, accumulated a fairly large and diverse portfolio of mortgage loans they manage. The health of this portfolio is tied directly to the health of the organization.

Any loan-loss reserve strategy has its central theme the core principle of value. The true value of a loan portfolio can only be measured by the timeliness and the actual amount of loan payments that are received. This is a constantly changing threshold.

The way risk is managed is through a reserve where a

designated amount of capital is placed to offset delinquencies as well as partial or full non-repayment. The size of the reserve depends on the actual performance of the loan portfolio. More often, this is determined by a systematic approach, known as a risk-rating system, and is generally based on an organization's historical experience with its portfolio.

This loan-loss reserve strategy in essence allows the value of the portfolio to be self-insured. Many details, too complex

to be covered here, should be considered prior to the designation of a loan-loss reserve fund. However, it is easy to see that without a properly managed reserve, an organization with a large lending operation can easily jeopardize its ability to originate new loans—if not its entire organization.

**Comes With the Territory**

Most community development practitioners assume that risk is a part of their ongoing work. They dare to push the

**MANAGING RISK IN THE NEIGHBORWORKS® NETWORK**

To Neighborhood Reinvestment and NeighborWorks® organizations, risk management is reduced to an analysis of risk factors that potentially affect three distinct areas:

- ▶ **Corporate Risk** - that directly threatens the financial health and/or programmatic viability of Neighborhood Reinvestment Corporation;
- ▶ **Network Risk** - that directly threatens the financial health and/or programmatic viability of our overall national NeighborWorks® network; and
- ▶ **NeighborWorks® Organization Risk** - that directly threatens the financial health and/or programmatic viability of individual NeighborWorks® organizations.

Risks, in turn, are assessed according to eight indicators:

- ▶ **Competency or Transition of Key Personnel:** Transition of executive director, financial manager or board president may cause problems; mitigation elements might include advance planning, collaborative relationships and supportive funders.
- ▶ **Loss of Resources or Support from Funders:** Risk occurs when an organization loses key funders or revenue-generating activities fail to meet their goals. Mitigation strategies include formal and ongoing cash-flow projection reports, strong communication

links and leadership-development maintenance.

- ▶ **Production Stability:** Substantial “ups” and “downs” in production and/or failure to meet contractual production goals leading to resource deficits directly affects risk. Risk mitigation might include analysis of economic-marketplace dynamics, understanding competitive forces, internal staff training, etc.
- ▶ **Shift in Program Direction:** The potential for greater risk is present when an organization initiates or more heavily concentrates on a new programmatic direction without considering experience and/or training in the new area of focus. Mitigation would include ongoing corporate planning, adequate cash-flow analyses and adherence to corporate mission.
- ▶ **Poor Board and/or Partnership Oversight:** Risk occurs when an organization's board and leadership structure becomes less actively involved and/or fails to understand or maintain its legal and fiduciary responsibilities. Mitigation would involve updated management-information systems and processes, a balanced and renewed leadership-development strategy, and ongoing board-recruitment activities.
- ▶ **Balance Sheet Composition—Asset Imbalance:** There is often a higher organizational risk asso-

ciated with a higher degree of debt, concentration of assets in a limited asset base (such as a single property) or if notes receivable are considered unlikely to be paid. Again, mitigation would include solid MIS and financial-management systems that provide some degree of self-generating risk prediction (ratio formulation, trend analysis, etc.).

- ▶ **Economic, Regulatory and Political Environment:** Risks may increase due to changes in the external environment, such as regional recessions resulting in plant closings, political shifts, regulatory mandates, etc. While increasingly difficult to predict and even more difficult to mitigate, marketplace and political changes often result in high-risk environments. Possible risk-intervention strategies might include economic-trend analyses, long-range organizational planning, and establishing and maintaining collaborative partnership opportunities.
- ▶ **Internal Systems—Financial and Organizational Management:** This risk includes a wide range of financial and legal considerations, including contract compliance, paid payroll taxes, timely unqualified audits, sound loan servicing, key insurance, etc. Risk mitigation would include maintaining updated financial- and information-management systems, development of internal



envelope, to exceed the norm in trying to create neighborhoods and communities that are places of choice for persons of mixed incomes, races and ethnicity.

Real-life risk issues that impact our work focus much more on understanding and preparing to take those risks that we know are unavoidable in distressed communities and underserved rural areas. Neighborhood Reinvestment understands and recognizes this in its grant-making, audit and monitoring functions, as well as in its overall

endorsement of the innovative and creative activities and strategies employed by NeighborWorks® organizations.

Risk comes with the territory in our business. Identifying, analyzing and mitigating that risk—when and where possible—does as well. ■

*Ron Johnston (rjohnston@nw.org) is director of Neighborhood Reinvestment's risk management unit.*

quality control models, and ongoing internal auditing.

NeighborWorks® organizations run the gamut of exposure to the above risk indicators, and our experience has been that, for the most part, risk identification is key to adequate mitigation.

Unless there are staff who are given clear and specific tasks to evaluate potential risks, it can often be difficult for an organization to accurately identify risk factors itself, since the reality of “day-to-day” operations often overshadows perceptions of non-immediate risks.

### **Illustration: Key Personnel**

One example can be found with a highly visible, highly productive organization located in a major city in the Northeast. With the complexity of several subsidiary corporations, and an ongoing difficulty in generating timely and informative financial reports and audits, it was hard for the board and executive director to fully understand the need for senior staff oversight of all their financial operations. Combine this with a salary ceiling and a highly competitive marketplace for recruiting and retaining qualified financial personnel, and you had an otherwise-solid and well-respected organization without a clear picture of its overall financial condition.

Here was a risk level characterized by the indicator “Competency or Transition of Key Personnel.” Once identified as a high risk through

external assessment, the mitigation course became clear.

### **Illustration: New Program Direction**

Another typical area of high risk that often goes undetected is the rapid build-up of an organization's real-estate development component. A very successful home-ownership-focused program in a midsize city in the Southeast was the recipient of a large amount of funding for an affordable-housing subdivision. Land was donated and subsidies were in place for what seemed to be a natural programmatic progression for the 15-year-old program. A ready-made formula for success.

However, several risk indicators came into play that ultimately provided serious exposure to the organization. Most prominent was “Shift in Program Direction.” Although the organization felt it had considered the pros and cons of embarking on a real estate development project, it had not fully embraced a planning process that included board and other funders prior to accepting the challenge (and the project funding). Nor had it prepared itself administratively for the various spin-off effects such a large programmatic shift would have on its existing operations.

Although the organization did hire an additional staff member to “manage” the project, many risk areas were subsequently identified beyond

this staff member's primary role. On the accounting side alone, no provisions were made to adapt the existing chart of accounts to allow for proper accounting. Little if any real project tracking systems were put in place to provide for early warning signs as to construction-cost monitoring, draw delays, etc. And, perhaps most importantly, the liability exposure of board members and officers was greatly underestimated.

The project was completed and several lessons on risk management were learned in the process. The organization now has a much deeper appreciation of the importance of identifying and assessing risk as it embarks on new ventures.

### **Cost of Doing Business**

These are but two of many such experiences throughout our network and within the overall community development field that can be cited. The importance of understanding the dynamics involved with risk, and preparing your organization for managing it, is crucial as our projects and real-estate ventures become larger and more financially complex.

The cost of doing business is something we all need to understand. Identifying, assessing and mitigating risk is a basic part of that cost. For nonprofit organizations in the community development and affordable housing business, it is a cost we no longer can afford to ignore. ■

## The Good Fight Gale Cincotta: 1929-2001

BY BRUCE GOTTSCHALL

For more than 26 years, I enjoyed the special privilege of working with Gale Cincotta as a founding board member at **Neighborhood Housing Services of Chicago**. Gale taught us all to trust in the wisdom of the street, to never give up and to fight the good fight. Sadly this summer, Gale's personal fight with cancer overwhelmed her, and she passed away on August 15.

Gale's dedication and commitment to the neighborhoods of Chicago and the nation will long be remembered and honored.

She already was a national figure in the mid-1970s when we were founding Neighborhood Housing Services. Her activism had begun in the late 1960s when she became president of the Organization for a Better Austin, and drew on Saul Alinsky-style community-organizing tactics in fighting against panic-peddling, blockbusting, slum landlords, and for improved elementary schools in the neighborhoods.

In 1972, she helped found the National Training and Information Center, a training and research center for grassroots neighborhood organizations, and National People's Action (NPA), a national coalition of community groups working on such issues as housing and banking, education, crimes, jobs and youth.

But her attacks against redlining and her role in enacting the Home Mortgage Disclosure Act of 1975 and then the Community Reinvestment Act of 1977 brought Gale her greatest renown. Neither bill would have become law, said Sen. William Proxmire at the time, without NPA's research and local organizing activities.

Social injustice continued, of course, and Gale was relentless in attacking it. She fought endlessly to strengthen CRA. She fought against crime and drugs and for livable jobs. She founded the Illinois Coalition Against Predatory Home Loans, which compelled the city of Chicago to pass the first anti-predatory lending ordinance in the country and led the state to pass regulations against predatory lending.

Gale Cincotta, speaking here at a Chicago rally, was a national leader for community organizations.

Courtesy of National Training and Information Center



Because of Gale's leadership and dedication, we learned that it could be done, and we can make a difference. She also taught us to trust in the wisdom of the street and never to give up—keep battling.

The path Gale followed, from her block in Chicago's Austin neighborhood to the local public school, from city hall to the halls of Congress, is an inspirational journey that we all should honor and keep alive.

On Gale's passing, Ellen Lazar, executive director of Neighborhood Reinvestment Corporation, called her "a great spirit and inspiration for so many of us." John D. Hawke, Jr., Comptroller of the Currency and a Neighborhood Reinvestment board member, saluted Gale as "an American original, who developed the practice of community advocacy to a fine art."

At NHS of Chicago, as a tribute, we rededicated our annual Neighborhood Partnership Award, of which Gale had been the first recipient, as the Gale Cincotta Neighborhood Partnership Award. It is given for outstanding leadership in rebuilding the neighborhoods of this nation, and now also will recognize Gale's inspirational commitment and leadership.

She would want nothing less than for all of us to keep on fighting for our neighborhoods. ■

*Bruce Gottschall is executive director of Neighborhood Housing Services of Chicago.*



LETTERS TO THE EDITOR

## It's your turn.

Letters, comments and suggestions are welcome. Praise and criticism are both useful. Please send your correspondence to Allan Martin, Publishing Director, *bright ideas*, 1325 G Street NW, Suite 800, Washington, DC 20005 or [amartin@nw.org](mailto:amartin@nw.org).

Help us implement some of the valuable comments from our readers by sending us stories, photos, questions, book recommendations and reviews. You might get published!

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### Some valuable comments from our readers:

“Ideas for new programs” are very useful . . . would like to see “questions from NeighborWorks® organizations about specific issues.”

— Don Chatfield, Executive Director  
Primavera Builders, South Tucson, AZ

“Please keep in mind that there are ‘bright ideas’ outside the NeighborWorks® network. If the CD industry wants to be as effective as possible, it is important that we look beyond our own networks to share and gain information about best practices. I thoroughly enjoy receiving/reading *bright ideas* and the *Journal*.”

— Fred Wacker, Director  
Southeastern Regional Office  
Fannie Mae Foundation, Atlanta, GA

Articles dealing with “housing polices and research are most useful.” A great improvement to the magazine would be a “book review section as well as an abstract section of recent relevant reports.”

— Robert T. Starks, The Harold Washington  
Institute for Research and Public Policy,  
Northeastern Illinois University, Chicago,  
IL

The “existing format/features are OK, but would like to see improved coverage of the Hispanic/Latino community.”

— John P. Hernandez, Vice President  
J. P. Morgan Chase & Co., Houston, TX

“... would like to see more technical detail—financial case studies.”

— Dennis Mitchem, Board Member  
Cabrillo Economic Development  
Corporation, Camarillo, CA

All current features are useful. However, I would “add coverage of rural/non-urban housing needs and solutions.”

— Lisa Rotvold, Eastern Dakota Housing  
Alliance, Hillsboro, ND

“I like it.”

— George Knight, Alexandria, VA  
Former Executive Director,  
Neighborhood Reinvestment Corporation

I find features regarding “rural issues” useful. However, “less inane cheerleading would be an improvement to the magazine.”

— Ken Folson, Gulf Central CDC,  
Brandon, FL

## Sacramento MHA Honors State Sen. John Burton of San Francisco

The Sacramento, California, Mutual Housing Association (SMHA) has honored state Sen. John Burton (D-San Francisco) with its prestigious Statewide Impact Award. The award recognizes the senator's 30 years of advocating for affordable housing and supporting efforts against homelessness.

His Senate accomplishments include the following:

- ▶ Established Senate Task Force on Homelessness;
- ▶ Fought for increased funding, from \$1 million to \$25 million, for California's Supportive Housing Initiative Act;
- ▶ Increased the Emergency Housing Assistance Program from \$2 million to \$14 million; and
- ▶ Wrote pending legislation that would create the Residential Security Deposit Guarantee Program, to help low-income renters move into new housing by paying their security deposit in installments.

Senator Burton is president pro tem of the state Senate. He believes outreach services and sensible housing programs are key to people getting their own keys to a safe, affordable home.

To receive a SMHA award, said Sacramento city council member Dave Jones, "means that the recipient is supporting community development efforts in a manner that reflects SMHA's mission and values. SMHA strives to build community and develop leaders while it develops safe, affordable housing."

Last year's recipient, Phil Angelides, California state treasurer, presided as the keynote speaker at the November 13 awards banquet.

For additional information regarding the SMHA Awards program, contact SMHA's executive director, Rachel

Iskow, (916) 453-8400, ext. 24.

## New Hampshire in Hot Water

The **Concord Area Trust for Community Housing (CATCH)**, a New Hampshire NeighborWorks® organization, is piloting a solar-driven project in one of its most recently developed apartment units. The project will save both money and natural resources.

In collaboration with Solar Works Inc. of Wilton, New Hampshire, CATCH obtained grant funding for the project from the New Hampshire Governor's Office of Energy and Community Services. The grant will pay for a portion of a solar hot water system to be installed in one of five buildings in Concord's south end that CATCH rehabilitated last summer.

Solar Works Inc.'s CL64-80 solar domestic hot water heating system runs year round, requires no maintenance, operates automatically and should last for more than 20 years. On a sunny day, the system can produce approximately 80 gallons of water, ranging from 120° to 140° Fahrenheit, enough to accommodate a household of four or more. In cloudy periods, the solar heater automatically switches to natural gas. Except for the lower monthly bills, tenants are unaware that their water heater is different from any other.

Joe Harrison, CATCH's director of housing production, said, "We look forward to utilizing more energy-conservation ideas in future affordable-housing developments. This makes sense from a business standpoint; it helps our tenants; and, of course, it helps the environment."

Robin Read of the governor's office said the state "encourages the practical use of solar energy systems" to help New Hampshire residents become less reliant on fossil fuels and reduce air pollution and global warming. Over the last

20 years, hundreds of solar hot water systems have been installed across New Hampshire, and most still provide a significant reduction in monthly fuel bills.

Although no one likes to waste money or natural resources, a low-income family is particularly vulnerable to high energy bills.

*For more information, contact Mary Downes, director of community partnerships at CATCH, (603) 225-8835, ext. 25.*

## It Happened in Pocatello

At **Neighborhood Housing Services of Pocatello**, Idaho, big things, indeed, are happening. In September, NHS held its first neighborhood-leadership symposium on "Unlocking the Door to Future Success." In October, the HomeOwnership Center<sup>SM</sup> celebrated its 400th closing.

Leadership-symposium workshops addressed important issues within the community. The workshops were held throughout the one-day symposium, and at noon the group celebrated local neighborhood leaders who organized and developed effective projects within their neighborhoods.

One of the highlights was the Strong Neighborhoods Workshop. The Leadership Symposium Committee televised a mock city council session with the help of local city council members and a local-access television station. The purpose was to teach residents how to speak with authority to the authorities.

The dramatic effect of involving residents in the government process was heartening to see. After listening to the council members' feedback, residents learned they don't have to have special training or political connections to address issues to the council. The workshop strategically developed attendees into resident leaders by simplifying the advocacy process. A tape of the session will let residents study it further.

The 400th closing featured Louise

Hartman, a 74-year-old, whose home of 40 years suffered from serious drainage issues that caused the property to flood every time it rains. The NHS loan will allow Hartman to move into a newly completed NHS house. NHS will take over Hartman's house, raze it and build a new home on the site.

Hartman was a baker for School District #25 for many years and worked hard to raise six children as a single mother after her husband died. Unfortunately, this was not the only hardship she had to endure. Hartman lost three of her four sons to tragic circumstances and the fourth suffers from terminal liver disease.

A few weeks before the closing, Hartman's daughter and son-in-law contacted NHS to see if there was any help possible for their mother. Familiar with the NHS of Great Falls, Montana, the two thought NHS of Pocatello might be the perfect option.

"Not only are we excited about reaching this milestone," said Richard Stallings, NHS executive director, "we are thrilled that we are helping our 400th customer move from a dilapidated property to one of our brand new homes.

"As luck would have it," Stallings continued, "we are just finishing two homes on the corner of Walnut and Jefferson that were started by two Americorps teams this summer. We couldn't think of a more wonderful situation."

*To learn more about Neighborhood Housing Services of Pocatello, contact [rstallings@pnhs.org](mailto:rstallings@pnhs.org).*

## **NeighborWorks® Members Clinch City Council Race**

Tom Beehan and Willie Golden are members of the **Housing Development Corporation of the Clinch Valley** in Oak Ridge, Tennessee, who have been elected to the Oak Ridge City Council. Beehan said the main issue for the city

is attracting new residents. His goals include providing a mixture of older homes in good condition and new homes at competitive prices and promoting growth in industrial and retail markets. Golden listed the main issues for the city as providing affordable housing and securing additional revenue to keep the tax rate down, more employment opportunities, and more funding from the Department of Energy.

## **We Love New York**

Sarah Sheon Gerecke has been named chief operating officer of **Neighborhood Housing Services of New York City**. She will assist the executive director and manage the operating, programmatic processing, financial and accounting functions as well as the administration and human resource areas. Before joining NHS, she served for seven years as vice president of housing programs with Westhab Inc., Westchester County's largest nonprofit housing and social services agency. A Bronx homeowner, Gerecke also is an adjunct professor at the NYU Wagner School of Public Service.

Francine Justa, executive director of Neighborhood Housing Services of New York City, was named one of six James A. Johnson Community Fellows in a special ceremony held in Washington, D.C., in July. The Johnson Fellowship program, sponsored by the Fannie Mae Foundation, recognizes and rewards leading urban and rural affordable-housing and community-development professionals. Fellows receive an opportunity to pursue personal and professional development goals through a \$90,000 grant, which includes a \$20,000 educational travel and study stipend. ■

Photo by Séan Bennett



Jean Byars, who spent nearly a decade telling people's stories as *bright ideas'* editor, retired October 31, with promises to spend more time in her gardens and limit her work to consulting.

"The best stories are written by people out there in the trenches," she once said. "Our purpose is to let the world know what they're doing."

Jean Byars came to Neighborhood Reinvestment in 1989, bringing experience that ranged from the War on Poverty in Texas to suburban newspapers in Maryland. After a brief period with *bright ideas* as a staff writer, Byars

## Jean Byars Retires: Telling Stories That Mattered

in 1992 became its editor. As editor, she oversaw the evolution of the publication from a bimonthly tabloid, to a quarterly, to a full-scale magazine.

Her job, as she saw it, was to help people tell their stories. "They all are doing work that really matters," she said. "I worked to help them tell their stories better."

Her own personal favorite was about the Zambrano family and the home they had newly purchased through a special program of NHS of Chicago in the city's Back of the Yards neighborhood.

"On a sunny day in April," Byars wrote, "Remedios Zambrano proudly leads visitors through her family's new home." After explaining how it is the first house the family has owned since moving from Mexico 24 years earlier, Byars goes on:

"The sun shines unimpeded by furniture across the tongue-and-groove hardwood floor in the front room. There are very few pieces of furniture in this or other rooms throughout the five-bed-

room, two-bathroom, brick house. The mother of this nine-person family is not concerned about chairs and chests of drawers; her first wish is for a washing machine. The nearest laundromat, she explains, is five blocks away."

Later, Byars recalled, "It was so clear this was such a close family. Everyone cared. They all knew what they were working for. NHS had made it possible."

Now, in retirement, Byars will turn to the gardens that have come to surround her home in the Twinbrook area of Rockville, Maryland. Over time, she says, the gardens have been expanded until now they've all but replaced the grass.

Reminiscing about Neighborhood Reinvestment, she said, "I looked a long time before I found this job, and have enjoyed not only the work I do, but the many people who have become very close friends. I have always been grateful for the privilege of working with such a diverse staff."

## Congress Sends VA-HUD Appropriations to White House

Congress has cleared and sent to the White House, for the President's signature, the fiscal year 2002 VA, HUD and Independent Agencies appropriation bill, which includes funds for Neighborhood Reinvestment. The President later signed the bill.

In the bill, Neighborhood Reinvestment is slated to receive \$105 million, with two set-asides—one, for \$10 million, to continue work on the Section 8 home-ownership option; the other, for \$5 million, to support mixed-income rental-unit development. As you may recall, the Administration had asked for \$95 million for Neighborhood Reinvestment for fiscal 2002.

The bill covers the period October 2001 through September 2002.

## Strategic Plan Moves Toward Final Stages

In recent weeks, Neighborhood Reinvestment has moved on several fronts to finalize its strategic plan.

First, individuals and business units have continued to provide help in refining the thinking and language of the plan. The latest round of comments and reactions to the draft goals, strategies and outcomes helped put critical "finishing touches" on it.

Second, a special meeting of board of directors reviewed the draft plan and provided input and guidance. In this session, their questions and comments helped to further clarify and prioritize the plan's goals and strategies.

After the meeting, Corporate officers and the Strategic Planning Steering Committee spent a day and a half reviewing the comments from board members, Neighborhood Reinvestment staff and NeighborWorks® organizations. They considered the implications of each suggestion and determined

which ideas and language should be incorporated in the next (and, hopefully, final) version.

The Corporation now is moving to present the plan for board consideration at its next meeting December 17. Once the plan is adopted, it will be distributed to staff to begin the process of mapping out the more-detailed activities, timeframes and resources needed to implement our strategies.

The goals and strategies of the plan are broad. They frame a vision for Neighborhood Reinvestment that builds upon its success, while challenging the Corporation to expand the impact and reach of its efforts. It calls for enhancing the capacity of the NeighborWorks® network to revitalize their communities and assume a key leadership role in community development. To do this, the Corporation intends to expand the resources available to the NeighborWorks® system and enhance its visibility.

**PEOPLE**

**Gwen Koehler** is the Rocky Mountain district's new community revitalization and business planning management consultant. She worked for, and then ran, Denver's nonprofit Weed and Seed Initiative for seven years, developing community policies and crime prevention programs in several inner-city neighborhoods. She is also experienced in business planning, marketing and fundraising in both the nonprofit and for-profit sectors. Formerly a teacher, she has a master's degree in nonprofit management and training in mediation and dispute resolution.

**Marietta Rodriguez** is a home-ownership specialist for the Campaign for Home Ownership working out of the Denver office. Her work focuses on the Section 8 home-ownership program, a new \$5 million program that helps promote home ownership for lower-income families using the Section 8 vouchers. Rodriguez has worked as a management consultant in the Rocky Mountain district, served on the Single Family Practice Group and recently developed a Spanish version of the Training Institute's Homebuyer Education Methods class. Previously, she worked at the NHS of Santa Fe.

**Jose Perez** is a new management systems management consultant based in the New York City office. He has a strong mission orientation and has volunteered many hours as a member of South Bronx NHS's loan committee. His last position was one of the top mortgage loan originators at Banco Popular where he conducted many seminars and workshops and was responsible for community-outreach activities. He was a member of the product-development committee and worked on

multimedia presentations, creating ACCESS databases, graphic design and desktop publishing. Perez has been a computer instructor for the last two years, teaching fundamentals of computer science. He has received certificates as a Microsoft Certified Professional and in Network Administration and Design. He previously was a loan officer for NHS of New York City, where he provided mortgage education, credit and budget counseling, loan packaging and underwriting, and worked on several product-development projects.

**Deirdre Gonsalves** is a new staff development specialist in the Corporation's Washington, DC office, who was formerly employed as the school and community resource coordinator at the SEED Public Charter School in Washington, DC. Her professional experience includes working with Maryland's Howard County human rights office on the grassroots national project of Study Circles, which addresses conflicts and concerns with adults through mediated dialogue and cross-cultural communications. She has also worked as a counselor, association coordinator and registrar with The Black Student Fund, The Maryland Association of Community Services for Persons With Developmental Disabilities and Sylvan Technology Center. A seasoned and proven professional in staff development, she has a B.A. in mass media from Hampton University and an M.Ed. in counseling from Howard University.

**Jeanne Troxell** is a senior administrative assistant for the risk management unit in Neighborhood Reinvestment's Kansas City office. She began work with the monitoring and analysis work group under

the direction of Richard Pryor in July. She previously worked at the Sprint Corporation as executive secretary. Her prior work experience includes director of promotions at TicketMaster as well as office manager and financial manager for the Citizen Labor Energy Coalition. Her educational experience includes studies in early childhood education at Stephens College in Columbia, Missouri, and coursework in business administration at the University of Missouri at Kansas City.

**Frank Sepulveda** is a new risk management consultant working out of the Corporation's Boston office. Fluent in Spanish, he comes to us with nearly 20 years of experience in the affordable housing field, having worked for several network organizations such as Urban Edge, Boston NHS and the Coalition for a Better Acre. Most recently he was executive director of Dudley Neighbors Inc., a local community land trust. He has a bachelor's from Harvard College, a master's in community and economic development from New Hampshire College and has completed coursework at MIT in real-estate development.

**Charles D. Tansey** is an advisor working on a range of community development issues. He reports to Steven Tuminaro in the external affairs unit. Until recently he served as associate deputy administrator for capital access at the U.S. Small Business Administration. He spent the previous 25 years in corporate finance, corporate banking and economic development at the Chase Manhattan Bank, the Bank of New York and Commonwealth Capital Partners. Tansey has helped design, set up, raise funds for and manage three CDCs and a

microlender in New England, providing affordable housing, assisted living, and minority entrepreneurial debt and equity finance. He is a graduate of Phillips Academy, Andover and Brown University.



**Leslie Credle** is a senior administrative assistant for the risk management unit in the Boston office.

She previously worked for YouthBuild where she developed critical computer skills including Access database design and management, SQL language and Visual Basic. She has also designed and created Web pages. A resident of one of the original Boston NHS neighborhoods, Credle is completing a degree in management information services.



**Bill Peterson** has joined the publications unit as the new Web content manager. He was previously

employed with the Asian Development Bank. Based in the Philippines for many years, he was most recently responsible for the design, development, content management and operation of the bank's Web sites. He has had considerable experience in supervising Web teams, managing projects, and designing and implementing training and development programs for management/organizational development; financial, economic and social analysis; computer skills development and language training. Peterson also worked for the U.S. government as a personnel psychologist, designing selection tests and doing survey research. ■

# Calendar

## December 2001

- 31 Final day for selection of Wells Fargo Foundation Year Two – Home Ownership Centers for Media Event\*

## January 2002

- 4 Registration and tuition payments for February training institute in Atlanta due  
Deadline for non-NeighborWorks® organizations to register for the February training institute in Atlanta
- 15 **Multifamily Round II Grant** – Supplement to NeighborWorks® organizations\*  
**NeighborWorks® Week Round II Minigrant** – Supplement to NeighborWorks® organizations\*
- 16-19 **Nonprofit Housing Management Specialist Training** – San Antonio
- 23-26 **Joint Pacific-Rocky Mountain district resource development clinic** – Salt Lake City

## February 2002

- 18-22 **Neighborhood Reinvestment Corporation Training Institute** – Atlanta  
For information: (800) 438-5547; (202) 220-2454; [www.nw.org/training](http://www.nw.org/training)  
Community Organizing Pilot Program's documentation and research clinic/Phase II planning meeting; Training Institute – Atlanta  
Multifamily Initiative New Member Asset Management Clinic; Training Institute – Atlanta  
National Insurance Task Force Meetings  
Contact: Todd Pittman, phone: (404) 347-6203; fax: (561) 658-5790
- 20 **Campaign Manufactured Housing Symposium** – Atlanta
- 20-22 **Campaign New Member Orientation** – Atlanta

## March 2002

- 13-17 **Nonprofit Housing Management Specialist Training** – Denver, CO
- 15 **Multifamily Round II Grant** – Application Due.\*  
**NeighborWorks® Week Round II Minigrant** – Application Due.\*
- 18-22 **Executive Director Symposium**; Miami, Florida.\*

## April 2002

- 2-6 **Neighborhood Reinvestment Corporation Training Institute** – Chicago
- 3 For information: (800) 438-5547; (202) 220-2454; [www.nw.org/training](http://www.nw.org/training)
- 4 **Multifamily Initiative/Neighborhood Capital Corporation Annual Meeting** – Chicago.

## May 2002

- 1-3 **Chautauqua Event** – Oak Ridge
- 8-10 **Loss Prevention Partnerships Retreat**
- 16-19 **Community Leadership Institute** – Great Lakes District\*, Louisville

## June 2002

- 1 **Multifamily Round II Grant** – Notifications to NeighborWorks® organizations\*  
**NeighborWorks® Week Round II Minigrant** – Notification to NeighborWorks® organizations\*
- 1-8 **National NeighborWorks® Week**

\*Denotes available to NeighborWorks® network members only.