

# 10 years ago in Facts, Figures and bright ideas



GLANCING BACK

## First NeighborWorks® Charter to Rutland West NHS

BY CHARLOTTE UNDERWOOD

As the NeighborWorks® system celebrates its 25th anniversary, how opportune that this year also marks the 10th anniversary of Rutland West NHS of West Rutland, Vermont, as the first chartered NeighborWorks® organization. Rutland West received its charter from Frank Castellanos, director of field operations at the time, during NeighborWorks® Week 1993.

Proudly serving then as Rutland West's executive director was David Dangler, who later would join Neighborhood Reinvestment. "I'm promoting chartering," Dangler said in 1993. "Everybody's going to know that chartered organizations meet certain threshold criteria" (*facts, figures and bright ideas*, July/August 1993, Vol. 12, No. 4). Dangler now serves as Neighborhood Reinvestment's national manager of rural initiatives.

When asked now to reflect on the beginnings of the chartering process, Dangler said:

"In the early '90s, I worked as a volunteer from the network on a committee looking at whether the network should have uniform standards, and if so, what should they be. I had served on the old regional and national network advisory boards, and knew how uneven the former NHS network was in terms of overall operating capacity.

"The focus became leveling the field across the country and strengthening the network. None of us knew what chartering was all about, but we wanted to do whatever we could to build value around the NeighborWorks® identity.

"I kept the Rutland West board informed throughout the 'development of standards' process. By the time an application for a charter was available, both the board and staff at Rutland West were ready to go. Being rural, we also thought we should get up early and beat the rush! And that is how we came to receive the first charter."

Rutland West, which was incorporated in 1985, strives to stay in the forefront. Its history of success includes:

- ▶ Being the first rural home ownership center in the country.
- ▶ Serving an "unbankable" population, with a delinquency rate of less than 4 percent.
- ▶ Loaning more than \$7 million.
- ▶ Stabilizing 925 families through an emergency shelter program.
- ▶ Receiving CDFI designation from the U.S. Department of the Treasury.
- ▶ Growing its service area from 4 towns to 21.
- ▶ Growing its staff from 2 persons to 11.

Ludy Biddle, Rutland West's current executive director, also is high on the benefits from chartering. Echoing sentiments of Nancy O'Brien, departing after nearly 20 years as executive director of NHS Inc. of Great Falls, Montana (see "Letter from the Field," page 72), Biddle says:

"Access to other chartered NeighborWorks® organizations contributes to our success. One example, among many, is our partnership with the four other [NeighborWorks®] Home Ownership centers in Vermont – and together the five of us are running a \$1.5 million capital campaign to raise operational funds. This will have a statewide impact. We could not do this alone." ■

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## Those Defining, “Aha!” Moments

# Neighborhood Reinvestment at 25: Personal Recollections

*In anticipation of Neighborhood Reinvestment’s turning 25 on October 31, we asked a selection of Corporate staff, board members and friends to search back through their memories and recount some special event or experience when the Corporation’s promise, opportunity and capacity for revitalizing America’s communities all came together in a defining – or “Aha!” – moment. We’re honored with these first replies. Look for more in coming bright ideas.*

### MANY FOND MEMORIES

I began my employment with the Corporation in February 1979 as a secretary, at the ripe young age of 19. There were three of us in the office, and we were part of the Western Region staff (the Corporation was divided into four regions at that time), covering the southwest territory. In the early '80s, I was promoted to field office assistant, as we added a couple more staff.



In 1986, the regions were divided into nine districts and the position of assistant to the district director was created. I applied for the job and was promoted to it. Over the years, the corporate staffing structure has changed as well as titles, and my title now is administrative specialist/district operations manager.

I had no idea when I started at Neighborhood Reinvestment that I would make this job my career. It has really been a staple in my life. I have always believed in the Corporation’s mission of “revitalizing declining neighborhoods and providing home-ownership opportunities for low- to moderate-income people.” I have found the job to be both rewarding and satisfying. I have seen many changes throughout the years, and I must say that I have been very optimistic lately as I see the Corporation’s Strategic Plan unfold.

I have many fond memories of my tenure with Neighborhood Reinvestment. I can remember the

powerful Workshop Is, where the focus was to have leaders from the “partnership” base (residents, local businesses and city government) come together to share their ideas on what needed to be done to improve their community.

One of the biggest topics on the weekend’s agenda was the communication workshop. I can recall consultant J. Otis Smith coming in and inspiring everyone with his energy and enthusiasm. Participants got so excited about working to improve their community – together. I loved watching the dynamics at those workshops.

As an added value, the workshops were held in some really cool places: Mesquite, Nevada; Sun Valley, Idaho; Canyon de Chelly, Arizona; Nogales, Arizona – to name a few.

Another memorable experience (nightmare) that I can recall is when all Neighborhood Reinvestment staff met in Hunt Valley, Maryland, for “Diversity Training.” Wow, was that an interesting meeting! Staff were divided into different groups, and, in some cases, did not care for the stereotypes which were implied. I’m sure a lot of you old timers remember that experience!

After that, the Corporation did not have another All-Staff Meeting until the 2001 gathering in Baltimore, in which it began implementing our Strategic Plan, which I feel was quite successful. One NR!

I love to travel, so this job has really supported that hobby. Although I don’t travel as much as the management consultants, I do get the opportunity to travel to various cities around our wonderful country. I truly enjoy meeting the people whose lives have been touched by the NeighborWorks® organizations we provide services and financial support to.

Although challenging and somewhat frustrating at times – I love this place!

– Mary Davis

*Administrative Specialist/District Operations Manager  
Neighborhood Reinvestment Corporation*



## THANK YOU, DOROTHY RICHARDSON

As I thought back over all the years with Neighborhood Reinvestment, I was flooded with memories of many wonderful, dedicated people, countless heart-warming events and celebrations, lives changed for the better, and communities improved from the east coast to the west. I tried to remember all the neighborhoods I have toured in 25-plus years and my mind just couldn't encompass it all. But, the memory that bubbled to the top and that stays with me after all these years was my very first encounter with this amazing partnership concept called Neighborhood Housing Services and the woman behind it all.

The meeting that would change my life took place in the early 1970s before I ever came to work for Neighborhood Reinvestment (then the Urban Reinvestment Task Force). I was working back then as director of economic research at the Federal Home Loan Bank of Boston, and one day, a fellow named Bill Whiteside called me and said I needed to fly to Pittsburgh to meet an incredible woman whom he had recently gotten to know, named Dorothy Richardson. I had met Bill a few years before when he came to Boston and worked with the president of the FHLB, Ray Elliott, myself, and many Boston leaders on an effort to get thrift institutions reinvesting in inner-city neighborhoods. After leaving our district, he moved down to work with our counterparts in Pittsburgh, and there he met Dorothy.



I wasn't sure why I should make this trip, but I trusted Bill, and one day, I made my way to the north side of Pittsburgh, where I met Dorothy; Tom Jones, the executive director of her Neighborhood Housing Services organization; Harold Tweedy, her board president; and various other of Dorothy's friends and neighbors. We talked, we toured, we had a meal together; and before the end of the day, I was thoroughly captivated and in awe of Dorothy Richardson.

As I write this, I can still feel her warmth, her gentle manner, her absolute strength of purpose, and her goodness. She explained to me in very simple terms how she had pulled together a partnership of bankers, government officials, and neighborhood folks – all dedicated to preserving the north side of Pittsburgh and determined not to let this area that she had called home for so many years be “urban renewed.” She told me that if she had done this and succeeded, we could do the same thing in Boston, and she would help us if we needed her. By the time I flew home that night, this seemingly unassuming woman had inspired me and set me on a path that I continue on to this day.

For many years after this first meeting, Dorothy

remained supportive and encouraging and would always take time when we would meet to ask how things were going, to share stories of successes and failures, and to just be herself. Despite the accolades that came her way as the Urban Reinvestment Task Force became the Neighborhood Reinvestment Corporation and then the NeighborWorks® network, with hundreds of organizations based upon her Pittsburgh model, Dorothy Richardson never changed, never lost her roots in the community; and the memory of her remains the one that stands out for me after 25 years.

– **Margaret Frisbee**  
Director, Pacific District,  
Neighborhood Reinvestment Corporation

## CONGRATULATIONS

Congratulations to the Neighborhood Reinvestment Corporation on its 25th birthday. Neighborhood Reinvestment has obviously meant a lot to me recently, but, in an unusual way, it has for most of its 25 years.

My father lives in Rochester, New York, and retired early. He has always been a very charitable person, and he retired so he could devote more time to his various activities. There were many such activities, but one he often talked about was the promotion of low-income housing in the Rochester area.

Five years ago, on joining the Federal Reserve Board, I asked for and got a position on the board's Consumer and Community Affairs Committee. Indeed, I was made chair of this committee. Unbeknownst to me at the time, in so doing, I automatically became an ex officio member of the Neighborhood Reinvestment board and started learning about their activities.

The “Aha! moment” you asked about for me was a personal one – this was the organization Dad was working for all these years! Definitely, an unusual way to learn more about one's parents.



Over the last five years, I have confirmed something I knew already – that my father is a true hero – to Neighborhood Reinvestment as he is in my family.

But I have also learned something new – what a fantastic organization Neighborhood Reinvestment is. I love the blend of optimism, idealism and hard-headed financial ingenuity that I see everywhere – throughout your staff and for all the volunteers of the organization. I love the record of accomplishment in city after city throughout the country. I love the regional variation – how what Neighborhood Reinvestment does in Boston differs from

Baltimore, which differs from Chicago, Salt Lake City, Pocatello, Los Angeles, and on down the list. All different, but all effective.

A modest amount of federal funding has been converted to an incredible housing operation. Congratulations to Neighborhood Reinvestment and all of its participants.

– **Edward M. Gramlich**

*Chairman, Neighborhood Reinvestment Corporation  
Member, Board of Governors of the Federal Reserve System*

**A HOPEFUL SPIRIT**

Her face was hard set, her companion's even more so, as they took chairs beside me. The sea of empty seats didn't provide encouragement. Soon, a standing-room crowd drew out some conversation with those she knew around her. The mood was clear: This better be good, to have us here on a rainy, cold, winter Wednesday at dinnertime.

The two presenters shared the news: With a good credit record, some savings, and your Section 8 certificate, you could become a homeowner in the very near future.



The questions were hard, reflecting a sensible distrust of what seemed unbelievable. These women had heard every scam, every plea, every false dream, and they knew that their savings, hard won, needed the guardians of suspicion, caution and questions. And so they peppered the presenters, searching for facts, probing for flaws and all the fine-print details.

As their questions were answered, I could sense their

mood shifting from wary suspicion to a cautious, careful examination of the possibilities.

When they moved to sign up for individual counseling sessions, they questioned each other, probing for doubts. I could sense that nearby houses would soon have owners, proud owners, if disbelieving owners. These women's families would infuse blocks and neighborhoods with energy, pride and self-respect.

And I felt the delightful "Aha" of satisfaction that another technique was being added to the NeighborWorks® organizations' toolbox. Twenty-five years of changing the face of distressed communities is the product of thoughtful hard work by tens of thousands of local folks. That night, I was once again privileged to witness the miracle of a hopeful spirit reborn before my eyes.

Here's to another 25 years!

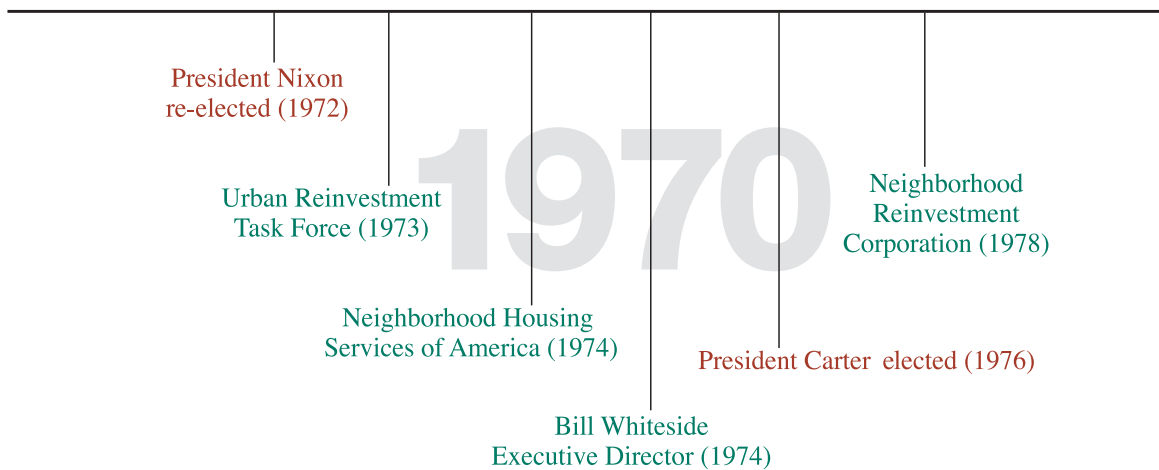
– **George Knight**

*Executive Director, 1990-2000  
Neighborhood Reinvestment Corporation*

**CREATING OPPORTUNITY**

Congratulations to Neighborhood Reinvestment on its upcoming anniversary!

It has been my good fortune and privilege to participate in the start-up and development of several organizations whose visions featured a better life for people living in older urban, suburban and rural neighborhoods. Throughout my career, which included government service and private enterprise, I seized opportunities to





initiate and support a number of public/private institutions: Freddie Mac, Urban Reinvestment Task Force, PMI Mortgage Insurance, Neighborhood Housing Services of America, Social Compact, Operation HOPE, and Neighborhood Reinvestment Corporation.

These institutions provide financial instruments including low- (and no-) down-payment mortgages, adjustable-rate mortgages, and new kinds of mortgage-backed securities. Community-development investing is not just about lending or government policies. It is about a matrix of partner people – government officials, neighborhood leaders, lenders, nonprofit and church leaders, and local business people – creating opportunity where little has existed for years. These partnerships are saving families and bringing back house after house and block after block and job after job in our older neighborhoods. They are establishing creative new methods of financing and providing new affordable housing, family financial education and other opportunities for this country's struggling families.



Today, the privilege of serving with the leaders of Neighborhood Reinvestment Corporation, Operation HOPE, Neighborhood Housing Services of America, and Social Compact make the post-Federal Reserve years have optimum satisfaction. Such service helps answer that old question, "What are you on this planet for?"

**– Preston Martin**  
Chairman, Martin Associates  
Former Vice Chairman, Federal Reserve Board

## THE POWER OF PARTNERSHIP

May 1 marked my 22nd anniversary as an employee of Neighborhood Reinvestment, but it was an event that took place within my first few weeks on the job that had its greatest impact on me and my decision to stay for 22 years.

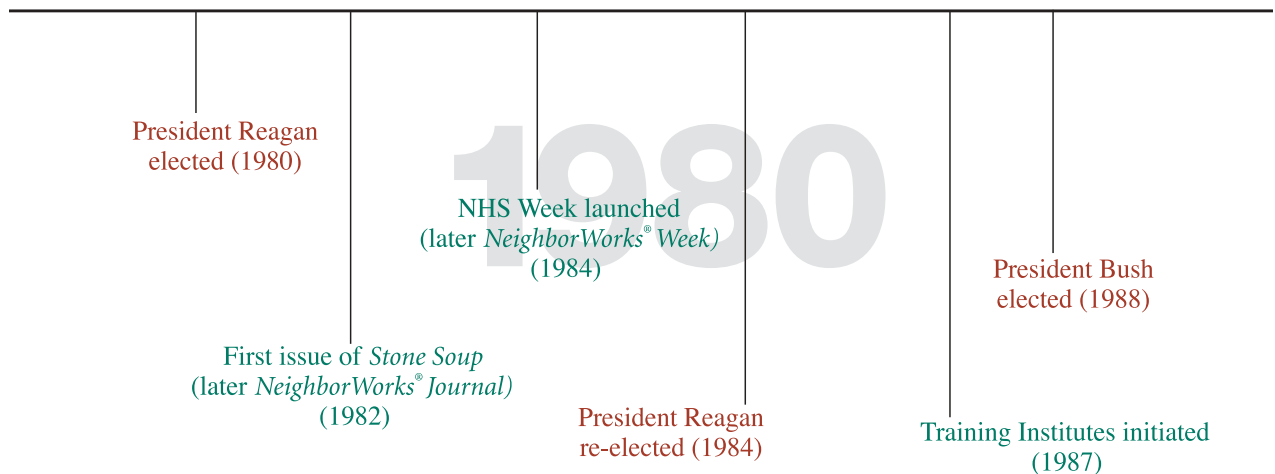
Prior to working for Neighborhood Reinvestment, I was executive director of a nonprofit social service organization. We considered ourselves “advocates,” who believed in fighting (not cooperating) with city hall and other “establishments” to get what we needed. I was approached by staff of Neighborhood Reinvestment because they were looking for a person in the community to assist a local NHS in expanding into another neighborhood.



I took the job, primarily because I didn't trust what I thought they were going to do in the community. After all, who could trust an organization who “partnered” with city hall and banks?

After a couple of weeks on the job (the position was that of development coordinator), I was invited to attend a board meeting of the NHS I was hired to assist. Now, I had seen the board list on stationery. Every bank president in town was on it, along with the director of community development (as an appointee of the mayor) and a code enforcer, all people I had “fought” with at one time or another in my prior position. There were also several residents, who made up the majority of the board. In all, there were 17 members.

When the NHS executive director started preparing for



the board meeting and put out 20 chairs, I thought he was delusional. “These people don’t actually come to meetings,” I thought to myself.

My perspective of community development, community change, and community impact changed that night. First, the entire board showed up, every bank president, the mayor’s key staff, and every community resident representative. The meeting was humbling. In those two hours, more was accomplished in making decisions toward improving the community than in the two years I had been struggling as executive director of the other organization.

At first, I feared that I was co-opted, but I soon came to appreciate and proselytize for the power of partnership. Through the years, it amazed me to watch people come to learn about each other as people, and not just as “positions.” The humanization of participants is one of the greatest byproducts of partnership, along with community reinvestment and community empowerment.

The partners have changed through the years, but the principle hasn’t. The whole will always be greater than the sum of its parts, and partnership, as promoted by Neighborhood Reinvestment and the NeighborWorks® network, should always ensure the inclusion of all of the parts.

**–Joan Straussman**

*Organizational Assessment Manager, Special Initiatives  
Neighborhood Reinvestment Corporation*

### THE MAGIC OF THE PROCESS

The process developed almost 30 years ago by Bill Whiteside, Jim McNeirney and others to replicate

Pittsburgh Neighborhood Housing Service (NHS) throughout the country was truly genius. It created NHSs in more than 200 cities, which over time became lasting institutions, important in their communities because of their success in revitalizing declining neighborhoods and/or developing affordable housing.

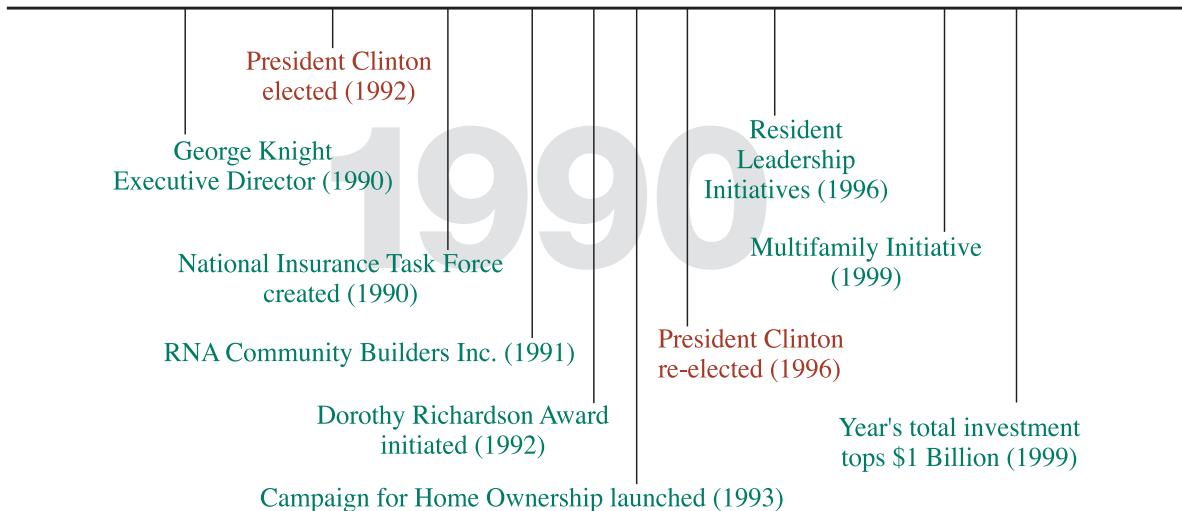
The development process to start a new NHS involved a series of five workshops: 1) partnership formation, 2) site selection, 3) resident inclusion, 4) organizational formation, and 5) incorporation



I jokingly called these workshops the High Holy Days of Neighborhood Reinvestment, because they were considered critical (even sacred) ingredients to the successful development of an NHS. The workshops were the major events and benchmarks that brought all the founding members together to make key decisions about the role and function of the organization they were bringing into being to revitalize one of the declining neighborhoods in their city. Usually, six committees, staffed by Neighborhood Reinvestment’s local coordinator and field representative, met between workshops to develop recommendations to the workshops.

The foundation of NHS is the partnership among government, business and resident leaders. Each brings resources and expertise critical to NHS’s success. Neighborhood Reinvestment formed the first partnerships of any great number in the country; long before “partnership” was a buzz word.

Following an assessment, which determined the interest of each partner group in forming an NHS, and the signing of an agreement between the city and Neighborhood Reinvestment to develop an NHS, Neighborhood





Reinvestment staff cultivated leaders of the partner groups and recruited them to an out-of-town workshop, where the potential partners would decide if they wanted an NHS in their town.

This was Workshop I, the partnership-formation workshop, called here the highest of Neighborhood Reinvestment's High Holy Days because forming the NHS partnership was so critical to the success of a new NHS. The goals were for the partners to decide if they wanted to create an NHS in their town and if they were willing to become the partners in this endeavor. If they agreed, they formed development committees to shape the new entity.

At the workshop, there were videos about NHS, with testimonies from satisfied (not to mention enthusiastic and articulate) partners of established NHSs; there was a session to enhance communications among the potential partners; and there were live and in-person testimonials from the partners and executive director of a nearby NHS. In their testimonials, these resource people told why they were involved in NHS, why the NHS partnership was critical to making neighborhood revitalization actually happen, and what critical roles their partner group played in the NHS.

But the magic that occurred at Workshop I sessions were the partner caucuses and report-outs at the following plenary.

In the '70s, you have to remember, there was mistrust, if not outright hostility, between residents and city government (don't even think about Urban Renewal in my neighborhood), between residents and lenders (remember redlining?), between lenders/business leaders and city government (what could they possibly know about solving urban problems?).

Against that backdrop, each partner group during the

caucuses determined what it needed from each of the other partner groups and what it was willing to commit for the effort to be successful. After the caucuses, staff placed like flip charts together (e.g., what city government and what business leaders needed from residents together with what residents were willing to commit).

The whole group would move from area to area, with two partner groups reporting what they needed from the third partner group and the third reporting what it committed.

The commonalities were staggering. Almost always what the two partner groups needed from the third was what the third group said it was willing to commit! Participants were amazed. They could see that a real partnership among the three was possible. They were excited and optimistic about working together, as partners, to tackle neighborhood revitalization. They were willing to commit to forming an NHS. They were willing to form committees and to participate in the four remaining workshops. They were willing to work for nine months to form their NHS. The magic worked.

Witnessing the partner caucuses at my first Workshop I was an "Aha! moment" that dramatically demonstrated to me the vital role of a national organization in the creation of an important, lasting nonprofit in a local community. It showed me that Neighborhood Reinvestment is also a very significant partner of NHS. It made me proud to be part of Neighborhood Reinvestment.

**– Tommy Timm**  
Management Consultant,  
Neighborhood Reinvestment Corporation

