



NeighborWorks America

An Introduction

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Introduction to NeighborWorks America

NeighborWorks America, formally known as the Neighborhood Reinvestment Corporation, is a Congressionally-chartered nonprofit organization dedicated to creating places of opportunity in communities across the country. For over 40 years, NeighborWorks has been building the technical skills and organizational capacity, supplementing resources, and amplifying the reach of local nonprofit organizations working to improve their communities.

Housing is a critical component of our national infrastructure. For families, a home represents the most basic building block of safety and stability. [Research](#) has consistently documented the important role that a home plays in almost every dimension of a child's life, linking health, education, and opportunity for the future. For communities, affordable housing is a key element of a strong economy. In fact, a 2018 University of Chicago Booth School [study](#) found that the shortage of affordable housing in major metropolitan areas costs the American economy about \$1.6 trillion a year in lower wages and productivity. NeighborWorks America works to meet this vital need, weaving together the fabric of local infrastructure through investments in housing, community development, and economic development. These investments are all the more crucial as our nation responds to the immense challenges posed by the COVID-19 pandemic.

NeighborWorks America supports a network of nearly 250 local and regional nonprofit housing and community development organizations, which provide on-the-ground support to families and communities in every state, the District of Columbia, and Puerto Rico. These organizations are developing service-enriched rental housing to address affordable housing needs, spearheading community stabilization and engagement activities to revitalize neighborhoods affected by economic downturn or natural disasters, working to rebuild pathways to improved credit, savings, and sustainable homeownership for low- to moderate-income families, and providing an array of other community-focused services related to health, education, and workforce development.

NeighborWorks America supports the NeighborWorks network and the broader community development field through:

- **Grants:** In FY 2019, NeighborWorks awarded nearly \$100 million in core grant funding to network organizations. Using this flexible NeighborWorks capital as a catalyst, organizations leverage additional sources of financing to multiply their local impact. In FY 2019, NeighborWorks' network members reported more than \$9.65 billion of investment in their communities, securing \$64 of investment from other sources for every \$1 provided by Congress to NeighborWorks America.

- **Technical assistance:** NeighborWorks offers multiple grant, capacity building, and peer exchange opportunities designed to help network organizations expand their work, pilot and replicate new approaches, build new partnerships, and improve their performance and governance. NeighborWorks Relationship Managers located throughout the country are assigned to each network organization to serve as navigators, connecting each organization with a tailored suite of resources, opportunities, and expertise to help them address their unique needs.
- **Training and leadership development:** NeighborWorks America is the nation's leading trainer of community development and affordable housing professionals, awarding over 13,800 certificates in FY 2019. Our offerings, which include a catalogue of over 250 live courses as well as numerous online learning opportunities, serve network organizations, residents, state and local agencies, financial institutions, and the housing and community development field generally. NeighborWorks continues to invest in its curriculum and materials in order to ensure that courses reflect industry standards, best practices, and current regulations, trends, and innovations.
- **Organizational assessment:** NeighborWorks takes very seriously the responsibility of carefully stewarding the precious public resources that are entrusted to us. To ensure that our network organizations remain strong and healthy in their operations, we conduct rigorous assessments before their acceptance into the NeighborWorks network and each year thereafter. We also collect quarterly and annual data to analyze our collective accomplishments and help network organizations to assess their operation and impacts. We also help our members evaluate their work through Success Measures, a NeighborWorks social enterprise that helps nonprofits and their funders measure and evaluate the impact of their community development efforts and investments.

This support adds tremendous value to both the network and the broader housing and community development field, raising the level of professionalism, increasing organizational capacity, and maximizing the impact of federal resources in communities across the country. In response to a 2017 survey, NeighborWorks network organizations affirmed the importance of NeighborWorks America programs and initiatives. According to the survey, NeighborWorks activities have helped:

- 92 percent of organizations build capacity to deliver services and programs
- 92 percent of organizations improve business practices and organizational management
- 90 percent of organizations position themselves better for future resiliency and changes in the market

Grants were highly valued, with 95 percent of organizations indicating that funding from NeighborWorks helped improve their financial sustainability and 92 percent reporting that the funding allowed them to expand their services. Training topped the list of non-grant services, with 97 percent of respondents indicating that NeighborWorks training improved the knowledge and skills of their staff.

NeighborWorks grants provide important resources for network organizations, enhancing their ability to serve their communities and leverage additional investments in infrastructure, services, and capital from other sources. These grants provide flexible resources that can be used as catalytic investments, enabling the early stages of a project to begin, filling small gaps in project budgets, and allowing each organization to pursue tailored solutions to address community priorities. By serving as “first, flexible, or final” funding for a project, NeighborWorks resources distinguish themselves from other sources of financing, enhancing their impact and increasing their value. When combined with the training, technical assistance, and other services that NeighborWorks America offers to its network, these grant dollars become powerful investments of federal housing and community development resources.

NeighborWorks awards grants through several processes. Round 1 grants are determined by a formula which takes into account each organizations’ production, organizational health rating, and participation in comprehensive community development strategies. These grants are split between Capital Grants, which can be used to support investment in real estate development and lending, and Expendable Grants, which provide unrestricted operating support. Round 2 grants are typically program-specific competitive opportunities. In addition, from 2016-2019, NeighborWorks provided an annual competitive grant opportunity for network organizations called the Strategic Investment Fund (SIF), a funding opportunity designed to be responsive to local needs and priorities identified by the applicant organizations.

In communities across the country, demand for services far outstrips availability, and NeighborWorks network organizations are eager to respond to this unmet need. Throughout the organization’s history, NeighborWorks America and its network organizations have worked tirelessly to expand their service areas and increase the efficiency and effectiveness with which they invest federal resources. Membership in the NeighborWorks network provides local organizations with the tools and support to attract and leverage private funding and develop additional fee-generating lines of business to promote overall organizational health. Over time, these efforts have led to tangible impacts, with each additional federal dollar yielding greater outcomes, as measured in households served, affordable housing units created, and lives improved.

In FY 2019, NeighborWorks reopened its affiliations pipeline, receiving 50 completed applications. Through the affiliations process, NeighborWorks is striving to reach new geographies, invest in underserved markets, maintain a national service footprint, and foster a dynamic and diverse network of excellence. Applicants were rated on the basis of their alignment with NeighborWorks strategic plan goals; presence in geographic and programmatic or service areas of need, underserved markets, rural areas and communities of color; collaborative approach to work; intentional focus on issues of race, equity, diversity and inclusion; and/or resident and stakeholder engagement in the design, implementation and evaluation of work. Eight applications were selected to progress to the assessment stage and are undergoing both financial and on-site programmatic reviews. Pending the results of the assessment phase, up to eight new member organizations will be brought into the network in late FY 2020 or early FY 2021.

**The NeighborWorks America “North Star”:
Every community in America is a place of opportunity.**

NeighborWorks America’s Strategic Plan

NeighborWorks America was chartered by Congress over 40 years ago to strengthen distressed urban, suburban, and rural communities through a national network of local community-based partnership organizations composed of community residents, private sector, and local government entities—known collectively as the NeighborWorks network—and to advance the goals of the broader community development field. In creating NeighborWorks America, Congress envisioned a highly flexible, non-bureaucratic laboratory – a place where “new ideas and approaches could be studied, refined, pilot-tested, and replicated.” It is this nimble approach that has made NeighborWorks the ideal candidate to implement varied initiatives ranging from the now-completed National Foreclosure Mitigation Program to a shared equity initiative that Congress established in the Consolidated Appropriations Act of 2019.

As an organizing framework for this document, we describe our core work using the five broad goals or themes reflected in the FY 2017-FY 2021 Strategic Plan:

- **Creating Opportunities to Live in Affordable Homes**
- **Creating Opportunities to Strengthen Communities**
- **Supporting a Strong Network of Strong Organizations**
- **Strengthening the Housing and Community Development Field**
- **Driving Operational Excellence and Stewardship**

Creating opportunities to live in affordable homes.

Throughout its history, NeighborWorks America has worked to create and preserve sustainable, affordable housing opportunities for lower-income Americans. Across the country, access to affordable housing remains a serious challenge, particularly for low- and moderate-income families, seniors, and persons with disabilities. NeighborWorks America is working to counter the housing affordability crisis by creating and preserving affordable, sustainable rental and homeownership opportunities through grants, technical assistance, and programmatic initiatives for the NeighborWorks network. In order to enhance our network organizations' capacity to further leverage public resources, we ensure that their business models are financially sound and sustainable as well as focused on increasing impact. Through the network, we bridge market gaps, bringing investment to underserved communities.

Homeownership Strategies

Assisting consumers to purchase homes affordably and sustainably—whether it is a first-time home purchase or a returning buyer—has always been a key goal for NeighborWorks America. Homeownership can provide critical stability for families, individuals, and communities and, under the right circumstances, can be a successful strategy for long-term wealth building.

NeighborWorks America offers a range of supports including professional development and performance scorecards to network organizations focused on strengthening their organizational infrastructure and management teams. NeighborWorks conducts regular assessments of each NeighborWorks organization and leverages technical assistance, topical webinars, training, technology, a customer management system, and other tools to support excellence in homeownership education and counseling programs throughout the network.

By providing technology and tools focusing on customer-centric engagement and service delivery strategies, NeighborWorks continues to strengthen the network's capacity to utilize down payment assistance programs and access innovative and affordable loan products including, but not limited to, those from FHA, VA, and USDA. NeighborWorks also provides ongoing support through webinars, site visits, technical assistance, capacity building, peer exchange, and publications covering critical and emerging homeownership program areas.

NeighborWorks requires network organizations to meet standards for service delivery and staff expertise as established in the Full-Cycle Lending® framework, a NeighborWorks-branded national certification developed by a committee of network CEOs in collaboration with NeighborWorks America in the mid-1990s. Full-Cycle Lending certification requires that staff be trained in homeownership-specific topics and ensures that customers have access to a comprehensive set of homeownership services.

In a time when access to credit remains tight for some borrowers, ensuring that homebuyers and homeowners have access to the loan products they need to finance a housing purchase, repair, and/or rehabilitation has become increasingly important. NeighborWorks organizations assist homeowners to obtain financing for home purchase and rehabilitation in a variety of ways. Some NeighborWorks organizations have been direct originators of first mortgage loans for years, some provide second mortgages, down payment assistance, and rehabilitation loans, and other organizations are mortgage brokers.

Sustainable Business Initiative

From 2012 to 2017, NeighborWorks implemented the Sustainable Homeownership Project (SHP), a pilot providing support to network members working to transform their organizational culture to function more efficiently and effectively using a social enterprise model. In recognition of the significant positive outcomes of the pilot, NeighborWorks has embarked on a longer-term initiative to mainstream the successes of the pilot, expanding from the program level to a network-wide approach through the re-named Sustainable Business Initiative. The continued support for this innovative and results-oriented initiative is consistent with our statutory purpose, to “...experimentally replicate neighborhood preservation projects which have demonstrated success” (42 USC § 8105). By distributing more broadly the learnings and tools from SHP, NeighborWorks goes back to its roots.

Organizations participating in the pilot deployed customer-centric outreach methods that increased customer retention and created cross-marketing opportunities to better serve customers while also developing a more sustainable revenue model for the long-term health of the organization. In addition, the new technology solutions increased efficiency, enhanced program management, and streamlined reporting. Participating organizations increased their earned revenue generation through fees, reducing their reliance on philanthropic and grant funding and allowing them greater independence and financial stability. According to an independent evaluation of the pilot conducted by Community Wealth Partners, participating organizations have:

- reduced the cost to deliver homeownership services by more than 50 percent;
- increased the number of new homeownership customers by over 80 percent; and,
- achieved three times the increase in new homeowners created relative to organizations that were not participating in the program.

NeighborWorks Compass™

The success of the Sustainable Business Initiative, and the dramatic impact of the technology built to facilitate these business transformations, led NeighborWorks to embark on a journey to create technology solutions that enable practitioners to work more effectively and efficiently. NeighborWorks Compass, as this new system is called, was created in a “working laboratory” which included intensive collaboration and experimentation with leaders and

practitioners in the NeighborWorks network. The results from this work with 75 NeighborWorks organizations are a powerful testament to the dramatic impact new approaches and this technology will have on the housing industry.

NeighborWorks Compass is being built to be a state-of-the-art counseling management system that provides:

- A platform to meet customers where they are, including the underserved, offering a customized journey to finding financial stability and well-being, no matter where they live in the United States or what device they use;
- A system that allows counseling agencies to deliver at scale a wide array of services that cover the spectrum of community and family needs – from homelessness to homeownership to financial capabilities; and
- A tool designed to help counseling agencies deliver customized and targeted solutions to specific audiences in their local communities—from a family in a rural community that needs to qualify for a rehab loan to the elderly person in downtown Atlanta that wants to age in place.

Customers will be added to the platform in FY 2021 in phases, eventually expanding to serve the NeighborWorks network, HUD intermediaries, organizations transitioning from other counseling software platforms, and new housing counseling and education customers.

Down Payment Assistance Programs

NeighborWorks has administered several programs to provide down payment assistance programs to low- and moderate-income homebuyers. Since early 2012, NeighborWorks America, with funding from Wells Fargo and the Wells Fargo Foundation, has partnered with network organizations to launch 77 NeighborhoodLIFT down payment assistance programs in their communities. To date, over 24,000 families have become homeowners and received down payment assistance through LIFT. Prior to down payment assistance funds being available in the market, NeighborWorks assesses the participating organization to ensure its lending capacity and systems are ready to operate at scale and provides supplemental technical assistance where needed.

To date, the impact of the COVID-19 pandemic on the LIFT program has been minimal. NeighborWorks organizations are stepping up their remote service delivery with no serious problems deploying remaining dollars in active markets. However, there are some capacity strains, delayed closings, and concerns over potential struggles among buyers to keep up on first mortgage payments due to the economic downturn. In planning for the future, NeighborWorks America and Wells Fargo redesigned the program for the January 2021 rollout. Large public “launch” events will no longer occur and will be replaced by smaller Neighborhood Homebuyer Sessions when it is safe to do so. Additionally, homebuyer

education will be required prior to application and consumers earning 80% or less of the Median Family Income will be eligible to apply virtually for the program

Down payment assistance is a critical tool for promoting homeownership, particularly among lower-income households. Sixty-one percent of LIFT homebuyers earn 80 percent or less of the area median income, compared with 24 percent of conventional buyers, illustrating the extent to which a down payment can be a barrier to homeownership. Furthermore, in a survey of homebuyers who received assistance through LIFT, 42 percent of respondents reported that they pay less for housing than they did previously.

In addition to increasing the affordability of a home purchase and making the dream of homeownership a reality for customers, participation in LIFT has enhanced the organizational capacity of the NeighborWorks network organizations who have participated in the program, enabling them to attract other new resources and expand into new geographies and

“With LIFT, we were able to deploy more than \$5.5 million remotely. That raises eyebrows. The mayor, potential funders and partners are impressed by that, and we’ve used it as a model for other projects.”

-Cathy Williams
President and CEO,
NeighborWorks Columbus

lines of business. Participating organizations have enjoyed increased exposure and credibility, which has facilitated new partnerships with public and private entities, access to capital, and additional customers for other products and services.

For example, customers who do not qualify for down payment assistance are often provided alternative services to prepare them for homeownership in the future. In 2019, thirty-four NeighborWorks organizations implementing LIFT reported serving nearly 12,550 customers with homebuyer education and nearly 2,750 customers with financial literacy education.

Homeownership Preservation Strategies

Responsible homeownership strategies must include helping families both attain and retain their homes over time. Since its earliest days, the Neighborhood Reinvestment Corporation sought to assist homeowners at risk of losing their homes to deterioration and to ensure a safe and healthy living environment. This work continues today through the NeighborWorks network.

NeighborWorks organizations offer an array of services to customers whose properties require repairs. NeighborWorks organization loan specialists help with financing (often through NeighborWorks CDFIs or local revolving loan funds) while construction specialists help residents find qualified contractors, write work specifications, and oversee property

improvements so that work is done correctly and within budget.

NeighborWorks of Western Vermont is expanding its construction company to launch a new Aging in Place initiative to assess and modify homes for elderly residents of the community, helping them to avoid problems that would put them at risk or force them to move out of their homes.

This work is particularly critical when communities are recovering from natural disasters. While NeighborWorks America is not a first responder organization, we are deeply committed to restoring communities' long-term health and have actively engaged in the rebuilding of disaster-stricken communities. NeighborWorks offers training, resources, and assistance that residents and organizations need to rebuild, remediate and recover.

Foreclosure Prevention

In the wake of the foreclosure crisis in the late 2000s, Congress charged NeighborWorks with creating and administering ten rounds of the now-concluded National Foreclosure Mitigation Counseling Program (NFMC) that served over 2.1 million borrowers. Although the program has concluded, the NeighborWorks network continues to provide a full range of homeownership preservation services, assisting struggling homeowners by providing post-purchase education, foreclosure mitigation counseling, assistance with refinancing, and reverse mortgage financing.

In particular, NeighborWorks and the network are responding to increasing demands for foreclosure and eviction prevention counseling as a result of COVID-19. Half of the network organizations surveyed reported increased demand for foreclosure mitigation counseling, economic development, and/or financial capability/budget counseling. Given what will likely be long-standing, dire consequences for homeowners and renters, NeighborWorks has focused on expanding counseling capacity in the network. NeighborWorks has also begun development of a new anti-scam campaign to educate and inform the public about potential threats.

Lending Support

NeighborWorks offers specialized supports for network organizations that engage in lending, particularly to the eighty-one U.S. Treasury-designated Community Development Financial Institutions in the network. CDFIs play a critical role in promoting homeownership by offering first and second mortgages, down payment assistance for homebuyers, and rehabilitation loans. They also support the broader community development industry by offering commercial loans for economic development, real estate development, and community facilities, as well as consumer loans. In 2020, CDFIs have been providing liquidity to small businesses, establishing emergency funds, aggregating capital to bulk purchase food to provide nutrition support, and instituting deferred/forgivable payment options for loan

customers in response to COVID-19. Additionally, five NeighborWorks CDFIs processed and issued SBA letters for PPP loans in addition to twelve CDFIs delivering SBA program loans to keep people employed during the COVID-19 pandemic.

Each year, NeighborWorks America staff provides technical assistance and capacity building to these CDFIs to strengthen their applications to the CDFI Fund, helping them to compete and secure resources for their communities. For FY 2019, NeighborWorks assisted 26 network CDFIs to successfully compete for a total of over \$19 million in awards from the CDFI Fund. NeighborWorks also assists network organizations who are interested in becoming CDFIs to assess their readiness and helps existing CDFIs ensure adherence to strong business measures and compliance with requirements established by Treasury.

In addition, NeighborWorks offers significant peer-to-peer learning opportunities through an annual CDFI Summit and support for peer-driven Solutions Groups organized around specific themes or challenges. For example, NeighborWorks funded a subject matter expert to work with a group of network CDFIs to develop and test a “hub-and-spoke” model for cooperative mortgage lending. Through this model, the “hub” organization aggregates similarly structured mortgages from the “spokes” before packaging them and selling them to Fannie Mae and Freddie Mac. Because organizations would no longer need to hold these loans in portfolio, this model would provide access to fresh lending capital for all of the participating organizations, increasing their ability to serve additional borrowers and enhancing their community impact. Fahe, Inc (based in Berea, KY) is serving as the hub, taking in loans from the Hawaii Homeownership Center and Eastern Eight CDC (Johnson City, TN). Without this partnership, remote or rural organizations such as these would struggle to attract this kind of capital.

Additional Solutions Groups are creating investor pools to purchase second mortgages and working to further automate underwriting of small business lending. These Solutions Groups are an illustration of the power of the NeighborWorks network and its ability to aggregate similar needs and develop replicable solutions.

Loans made by NeighborWorks network CDFIs have tremendous local impact. In FY 2019, these CDFIs made 9,545 residential loans totaling \$441 million. In addition, NeighborWorks America organizations made \$313 million in commercial loans, split between economic development (35 percent), real estate development (36 percent), and other types of projects (28 percent). In addition to the principal investment, the commercial loans made by CDFIs leveraged \$752 million in additional investment.

Mill Cities Community Investment (an affiliate of network member Lawrence CommunityWorks in Massachusetts) positions itself as a “farm team” for traditional lenders by offering loans and building credit for their future borrowers. MCCI offers loan products including second mortgages for home improvements, interest-free loans for lead removal, and revolving lines of credit for small businesses to help manage uneven cash flow.

“The CDFI Capacity Building Initiative has been instrumental in helping NHS of Baltimore grow capacity and secure two significant capital grants from the CDFI Fund. This success has positioned us for long term growth and success within Baltimore.”

-Dan Ellis, Executive Director,
NHS of Baltimore (MD)

Moreover, NeighborWorks CDFIs provide access to capital for underserved markets. In many cases, CDFIs are able to offer creative products to make loans that other financial institutions cannot or will not make. For example, Metro CDC (Flint, MI) offers credit building and credit repair loans, specialized products designed to both provide borrowers with needed capital and improve their credit scores in order to increase future ability to attain a loan. These products are paired with financial capability training to support borrowers throughout the loan period. By utilizing SBA Loan Guarantees and engaging in tandem lending with financial institutions, Metro CDC is also able to serve the spectrum of entrepreneurial capital needs in their community.

Following their success with the LIFT program, BCL of Texas leveraged their experience and reputation to gain a foothold in new markets. To provide an alternative to payday lenders, BCL of Texas launched a Community Loan Center offering unsecured, small-dollar loans to employees of participating employers, including the City of Dallas and Parkland Hospital. These loans carry substantially lower interest rates than standard payday loans and are re-paid directly through payroll deductions, giving borrowers access to a safe, responsible loan product while also ensuring repayment. Borrowers are also offered counseling to empower them to take control of their financial lives and access other responsible financial products.

The Community Loan Center model was developed by NeighborWorks affiliate CDC of Brownsville. Based on the success of the program in the Rio Grande Valley, they have successfully franchised the model, bringing safe small-dollar loans to communities across Texas as well as elsewhere around the country.

Shared Equity Homeownership

In FY 2019, Congress appropriated \$2 million to enable NeighborWorks to launch a shared equity housing initiative. The FY 2020 Appropriations Act provided an additional \$1 million and extended the initiative until 2023. Through this initiative, NeighborWorks is working to

build the capacity of nonprofit organizations to develop long-term affordability for their communities through shared equity approaches. Shared equity housing models offer unique opportunities for families with modest incomes to purchase or occupy housing at a lower cost, while also maintaining the homes' long-term affordability, building the homeowners' or occupants' assets, and preserving or revitalizing the surrounding communities. In FY 2019, NeighborWorks completed an extensive exploratory scan of the existing research and resources on shared equity housing and conducted interviews with network organizations, other nonprofit practitioners, researchers, and national intermediary organizations to develop a comprehensive plan to guide this initiative.

In FY 2020, based on the findings of this exploratory scan, NeighborWorks offered network organizations the opportunity to apply for grants as well as assistance through e evaluation services and place-based trainings Capacity building grants will support organizations to:

- conduct feasibility or market studies to determine whether to launch a shared equity housing strategy;
- undertake a planning process to develop a business plan or action plan,
- participate in peer-to-peer learning and mentorship with other shared equity programs across the country; and,
- innovate and test new practices to strengthen and scale well-established shared equity strategies.

Through the shared equity initiative, NeighborWorks America supports network organizations employing a variety of shared equity models.

- NeighborWorks Montana is working to preserve and develop manufactured housing through their resident owned community (ROC) program. As a certified technical assistance provider (CTAP) for ROC USA, they have helped 13 resident owned communities with 527 homes form in Montana and supported these communities on an ongoing basis.
- Champlain Housing Trust (VT) is strengthening their asset building programs and analyzing their shared equity resale formula to ensure that their community land trust appropriately balances the dual goals of maintaining the affordability of land trust homes while building wealth for households.
- NHS of New York City is providing training and leadership development to 3,200 residents of limited-equity cooperatives to equip them with the skills needed to preserve their developments as a unique source of affordable homeownership for low-income families.

In FY 2021, NeighborWorks will continue to support organizations interested in building or furthering their shared equity strategies. Selected grantees will receive technical assistance support through the duration of their grants. NeighborWorks also plans to develop several

tools and templates, including a short video that can be used widely as a communication tool for essential audiences to learn the basics of shared equity housing, a set of model plans to be used as replicable examples, a guide that would allow an organization new to shared equity housing to navigate through various models and select a promising approach, and educational fact sheets for key audiences such as financial capability and housing counselors.

NeighborWorks will also support evaluation of shared equity approaches, focusing on understanding the broader quality of life and community-wide outcomes of shared equity housing, to build the capacity of network organizations and other community development organizations.

The curriculum for an existing training course on shared equity housing has been updated and was offered at the NeighborWorks Training Institute in Portland, Oregon in November 2019. NeighborWorks will continue to develop and offer new and updated courses on shared equity at NeighborWorks Training Institutes along with a Shared Equity Housing Symposium in 2021. NeighborWorks will also offer several of these shared equity courses through up to six place-based trainings that organizations can apply to host in order to convene local stakeholders (including residents, board members, local government officials, local lenders, and other key stakeholders) to learn the basics of shared equity and to generate understanding, support, and buy-in. If necessary, the various trainings may be offered virtually, depending on the extent of travel limitations due to COVID-19.

Rental Housing Development and Asset Management

NeighborWorks' grants, training, and technical support assist NeighborWorks organizations to develop new housing to provide an ever-growing number of lower-income families with healthy, high quality affordable rental homes in communities across the country.

The NeighborWorks network is a significant player in the development and management of affordable rental housing. In FY 2019, the NeighborWorks network developed, acquired, and/or preserved 14,620 rental homes through investments totaling over \$2.54 billion.

NeighborWorks America provides network organizations with a strategic set of resources centered on four pillars of support for rental housing excellence—asset management, business practice, capital access, and resident services. Through a mix of flexible, catalytic grants, technical assistance, tools, training, and capital resources that provide essential “first in” investment to create and preserve rental housing and increase the technical and business management skills of network organizations, NeighborWorks helps make these mission-focused developments possible. In particular, organizations use the enterprise-level funds for acquisition, predevelopment, and development of real estate.

NeighborWorks America provides its network with important asset management capacity building resources in the form of training clinics, technical consultation, trend and data analysis, and professional certification. NeighborWorks convenes network organizations and industry leaders at in-person conferences and via the web and webinar sessions to disseminate information, discuss trends, advance innovation, and promote best practices.

NeighborWorks promotes the use of business tools including portfolio-wide key indicators data systems, production and pipeline management, active multi-year cash flow planning, and real estate business planning. On a quarterly basis, NeighborWorks compiles essential property performance data from each network organization with a significant multifamily line of business, creating a Multifamily Performance Database tool called MFInsight that offers organizations a clear picture of their portfolio's performance and an interactive interface allowing organizations to customize reports and compare performance with peers. By comparing the data for each property against other similarly situated properties, NeighborWorks is able to understand areas of strengths and opportunities for improvement for portfolio asset management to direct training and technical assistance resources. The MFInsight system is also used as an open data source for the network to harness their organization's portfolio data to inform strategic management decisions.

While managing a suite of training and tools to optimize performance, NeighborWorks is also exploring new and cutting-edge approaches. NeighborWorks is partnering to explore retro-commissioning to improve energy consumption, using resident satisfaction surveys to capture programmatic outcomes, eviction prevention programming, and developing measures for health secure housing. Sustaining and growing a well-run nonprofit real estate developer and owner requires on-going attention to financial discipline and effective business practice. In recognition of this fact, NeighborWorks offers specialized resources to support real estate development business health and productivity through its Business Strengthening program, Rental Real Estate Business Growth Cohort program, and Solutions Groups.

The Business Strengthening program pairs the leadership teams of network organizations with financial experts who can analyze the organization's financial status, business line revenues and expenses, and prepare multi-year cash forecasting models. Using these tools, network organizations gain an understanding of how the organization's strategic choices will impact their balance sheets and overall financial and production strength over time.

As the need for affordable rental housing grows across the country, growth of strong nonprofit real estate owners has never been more important. American communities are facing the tandem challenges of expanding the supply of new units while also preserving the existing stock. To further meet the needs of strong organizations, NeighborWorks America has expanded targeted support specifically to network organizations poised for significant growth over the coming five to seven years through the Rental Real Estate Business Growth Cohort

program. The Rental Real Estate Business Growth Cohort program has provided grants for expert consulting services to assist twelve participating organizations to determine the market specifics of expansion (types of properties and geographies) and plan for the financial growth needed to increase their organizational capacity to achieve this growth. This kind of large-scale growth demands new staffing, systems and capital sources over time. To assist, monthly webinars have supported exchange of tools, practices, and learning among peers.

The Solutions Groups technical assistance program is a peer-to-peer exchange for network organizations to address specific real estate business challenges and opportunities. The program helps network organizations with similar business issues form technical teams. With the aid of expert professional service consultants and NeighborWorks staff, the team develops and tests solutions for rental and for-sale development and management practices to be shared with the broader network. NeighborWorks began the Solution Groups program in 2016. Still a growing program, it has brought network organizations together to design solutions to challenging real estate and lending problems. Real estate issues include:

- assembling legal and finance experts to assist with research on rural tax credit joint operating entities to attract financing to small rural tax credit properties;
- researching how to right-size energy efficiency upgrades to maximize benefits while still maintaining affordability for lower-income households;
- documenting best practices of lease-purchase models and their implications; and
- creating a framework for organizations to determine an appropriate valuation of resident services in multifamily portfolios to support costs more fully.

In addition, as network organizations expand their real estate development and rental portfolios, they also need to diversify their capital sources. Impact investors—private sector investors who require the return on their capital and social benefit outcomes—are largely untapped by the network and are a new area of learning and relationship building for NeighborWorks America and the network. Because pursuing private capital requires a different mindset, language, and approach than traditional sources like public subsidy and philanthropic capital, NeighborWorks has launched a training and technical assistance cohort to help executives from network organizations sharpen their “pitching” skills and communication tools. The five organizations participating in this cohort have been working one-on-one over a six- to eight-month period with a team of consultants to hone their investment

Catalytic Equity Investment

With support from NeighborWorks, HOPE Enterprise Corporation launched a Qualified Opportunity Fund (QOF) to invest in Opportunity Zones. The \$7 million fund was launched in FY 2019 and has provided equity to two affordable housing developments in the Mississippi Delta that would not have been financially feasible without the QOF investment. HOPE is currently working on two additional affordable housing developments, one in north and one in south Mississippi. The Fund is also providing equity to a housing authority in Canton, MS, to fill a financing gap for a rural development.

pitches for social impact investors such as wealth advisors, mutual funds, family offices, and corporate entities. Network organizations in the cohort also have a peer-to-peer practice and critique session. The inaugural cohort concluded in July 2020.

The Tax Cuts and Jobs Act created Opportunity Zones, a tax benefit intended to spur private investment in disinvested communities. NeighborWorks organizations quickly began to look for ways to harness the tax incentives to benefit their communities, and are pursuing strategies as real estate developers, as CDFIs, and as trusted community partners. Given the increase in attention to this work, in FY 2019 and FY 2020 NeighborWorks offered network organizations the opportunity to apply for competitive grants up to \$50,000 to support efforts to attract, deploy, or create policy for Opportunity Zone capital. This funding was used to build network organizations' capacity to leverage Opportunity Zone benefits while ensuring that local communities are actively engaged in setting the direction for development and investment in their neighborhoods.

Capital Corporations

NeighborWorks also provides grants to two capital corporations, [NeighborWorks Capital](#) and [Community Housing Capital](#), which primarily serve the network. The capital corporations, which are both certified CDFIs, provide financing for the development and preservation of multifamily and single-family affordable housing. In FY 2019, NeighborWorks' grants to the capital corporations levered \$132.2 million in development, construction, and permanent mortgage capital with the specialized terms needed to make these difficult projects possible. Consistent with this drive to meet communities' needs for rental housing and affordable homes for purchase, the capital corporations are both working on providing a wider array of capital products, including enterprise-level growth capital, equity for homebuilders, and continuing to expand their already successful lending in multifamily acquisition and development.

In 2018, Community Housing Capital extended a \$6 million acquisition line of credit to the Low Income Housing Institute (LIHI). This line of credit was the lynchpin to LIHI's acquisition of vacant land close to transit in South Seattle for an 88-unit affordable housing development targeting low-wage workers. "To accomplish our mission, purchasing land is a critical because funders won't talk to you unless you already have a property. You can dream about what you want to build for an unmet need, but if you don't have a site, you can't apply for any financial assistance," said Sharon Lee, Executive Director of LIHI.

NeighborWorks Capital (NC) worked with One Roof Community Housing (Duluth, MN) to tailor a loan product that would help them build more affordable homes in areas that need it most. Through a \$2 million line of credit, NC provided financing for the construction of seventeen factory-built homes in Duluth and Grand Marais, Minnesota that will become part of a community land trust program. Half of the new homes will be affordable to households earning 80% AMI and the remainder will be for families earning up to 115 % AMI.

Strength Matters®

To increase the production and ensure the preservation of affordable rental housing, NeighborWorks America and other national partners have developed the Strength Matters initiative to support the unique information and professional development needs of financial managers of local organizations in establishing their affordable housing nonprofits as a charitable business sector capable of leveraging private investment. Strength Matters focuses on increasing the financial strength and transparency of mature nonprofit affordable housing organizations to improve their access to capital.

The Strength Matters Financial Management Conference is the only annual national event focused specifically on the professional development needs of the Chief Financial Officers and other financial managers of community development real estate organizations. Strength Matters continues to develop its Knowledge Exchange (www.strengthmatters.net) to conduct and publish research, develop best practices on financial reporting and balance sheet analysis, and disseminate learnings in enterprise-level financial strength and transparency. Strength Matters continues to develop new best practice papers, webinars, and curriculum for financial managers while offering continuing education credit for CPAs.

Resident Services

Affordability is not the only important factor in rental housing for lower-income Americans. The condition of rental housing also has a profound impact on communities. Across the country, NeighborWorks organizations own and manage rental housing that is well-built, well-maintained, and dedicated to long-term affordability. These properties often achieve important and difficult goals – serving very low-income Americans, revitalizing neighborhoods, providing affordability in areas of opportunity previously unavailable to lower-income families, and serving rural communities. This creates stability for the residents of the properties in the NeighborWorks portfolio and adds value for their neighbors, surrounding businesses, and the broader community. In many instances, these nonprofit developers and owners provide—or link the residents of this housing to—valuable services such as after-school enrichment programs for children, healthcare supports for aging seniors, caseworker access for formerly homeless veterans, and workforce development programs for unemployed or underemployed adults.

Consistent with asset management focused on both property and resident success, NeighborWorks supports the network's resident services programming through a combination of convenings, peer exchange, and small grants that advance specific practices through small cohorts of network organizations with shared interests including services focused on child development and grade-level reading proficiency, eviction prevention, and practices which reduce utility bills for residents and properties.

A cohort of NeighborWorks organizations is playing a leadership role in demonstrating the potential of residentially based programs to support school and reading proficiency. For children, reading at grade level by third grade is widely recognized as an early indicator of lifetime economic success. By supporting school success in communities through on-site after-school programs, these organizations serve thousands of children, providing critical social service amenities that support residents in stabilizing and advancing their lives and the lives of their families.

Serving Vulnerable Youth

CDC of Tampa (FL) is leveraging a grant from NeighborWorks America to provide 50 at-risk high school students with comprehensive career exploration support, resulting in an apprenticeship with a local employer.

Montgomery Housing Partnership (Silver Spring, MD) is offering the 21st Century Community Learning Center curriculum and parent engagement at afterschool homework club sites located in three affordable housing developments.

Aging in Place

According to the [AARP](#), 90 percent of older Americans desire to “age in place,” remaining in the homes and communities in which they currently live. This desire is rooted in strong connections—to friends and family, healthcare networks and other service providers, and to other community and social institutions—all of which serve as an important foundation for the health, stability, and well-being of older adults.

NeighborWorks and its network have long recognized the fundamental connection between enriching housing with appropriate services and a person’s ability to maintain maximum independence and lead a healthy and fulfilling life, particularly as they age. To that end, NeighborWorks organizations have engaged in a range of housing-based initiatives to ensure that safe, affordable housing is available in the communities where older adults wish to continue living. These services include assistance with design, construction, and financing of housing modifications to add accessibility features to existing owner-occupied housing. In other communities, NeighborWorks organizations are building and operating affordable rental housing designated specifically for seniors and persons with disabilities. Many of these developments are enriched with services tailored to meet the specific needs of these vulnerable populations.

Some NeighborWorks organizations provide services, ranging from transportation to medical appointments to nutrition assistance, to other residents of the community around their rental developments. Importantly, NeighborWorks organizations are helping older Americans through the COVID-19 pandemic with various services and on-line/digital assistance to keep their residents safe. For example:

- [Avesta Housing \(ME\)](#) purchased Chromebooks so older adults in their assisted living could stay in touch with families.

- [AHC INC. and St. Mary Development Corp.](#) are participating in a pilot program with AARP that helps older adults learn to use digital assistants and technology to improve their health and welfare.
- [St. Mary Development Corp.](#) is one of many network members that have organized food delivery to help older adults stay at home.
- [NeighborWorks Northeastern Pennsylvania](#) started a Kindness Works Challenge to encourage neighbors to post photos on social media of ways they are brightening the lives of older adults while observing physical distancing.
- [Neighborhood Housing Services of Los Angeles County](#) brought its community garden directly to older adults staying at home during the pandemic.

NeighborWorks organizations also provide specialized financial and housing counseling to seniors to protect them from scams and predatory financial products and equip them to manage their financial resources. In particular, many organizations offer counseling on the FHA Home Equity Conversion Mortgages (HECM), also known as reverse mortgages. When used responsibly, these products can allow seniors to tap into the accumulated equity in their homes, providing them with financial stability as they age. NeighborWorks offers training and certification for HECM counselors, equipping them with the information and tools to effectively counsel homeowners about their choices and help them to make decisions in their best interest.

Meeting Current and Future Needs

Pathfinder Services partners with the city of Huntington, IN to provide older adults choices that foster independence. Through their owner-occupied rehabilitation program, Pathfinder helps homeowners make repairs and accessibility modifications to their homes. For low-income seniors, Pathfinder has created neighborhood-based supportive housing by converting vacant single-family homes into shared facilities in which each tenant has a separate bedroom suite surrounding a common living area, kitchen, laundry room, and porch/patio space. The homes are built to accommodate tenants' existing disabilities and those likely to develop as the tenants age in place.

Financial Capability

NeighborWorks America is a leader in the field of financial capability, providing industry-leading financial capability training and support to both network and non-network organizations. Financial capability coaches and their managers report using NeighborWorks America trainings more often than any other, according to a recent survey by the Asset Funders Network. NeighborWorks organizations provide a broad range of financial capability services, going far beyond traditional housing counseling to include innovations in financial education that serve to strengthen household and community financial health and support the management of affordable housing.

Financial capability is a growth area for NeighborWorks, with network organizations reporting twice as many customers served in FY 2018 as in FY 2016, and the upward trend continuing in FY 2019. These numbers will continue to grow as NeighborWorks expands its understanding of the many approaches that network organizations use to promote financial capability in their communities. Increasingly, these services are integrated with other services, and partnerships with organizations focused on workforce development, housing authorities, social service agencies, etc. have broadened the reach of these programs and made them a core component of many programmatic approaches.

Looking to the future, NeighborWorks is deeply invested in scaling up financial capability programming. The COVID-19 pandemic has underscored the need to do so, with consumers increasingly interested in financial capability services. The core elements of this work will focus on structuring the replicability of financial capacity resident services in rental units and resident-owned communities, moving individuals and families from crisis to thriving residents, and helping create more rigorous data to demonstrate impact at the individual, community, and property levels. These innovative strategies will create a roadmap of effective practice, built around NeighborWorks' multi-faceted approach to financial capability. This framework will provide an effective and flexible model that organizations can adopt and integrate into their service delivery, without having to recreate programs in communities that are often underserved and under-resourced. This will ensure that all people, including those with low incomes, have the knowledge and skills they need to access economic opportunities in their communities.

NeighborWorks' support has afforded more experienced organizations the opportunity to try new strategies, invest in new resources, and focus on program refinement. Some organizations with mature resident services programs have used NeighborWorks resources to strengthen collaboration with their general financial capability programs, building a referral process and offering incentives to engage residents in financial capability services. Others have built or expanded nascent financial capability programs within resident services, providing staff training and new resources to improve services.

Eviction Prevention

Eviction is an expensive and damaging process, putting strain on both the household and the rental property itself. In an effort to prevent unnecessary evictions, NeighborWorks America has established a set of protocols for linking property management and financial capability teams when a resident is at risk of eviction. Early evidence shows that in addition to the obvious benefit to the residents, each eviction avoided results in a savings to property management of \$3,000-\$5,000. NeighborWorks has developed and is currently testing an algorithm to calculate the savings to the property that accrue from a prevented eviction. By averting the costs associated with lost rent, turnover repairs, tenant recruitment and application screening, etc., organizations can instead direct resources towards services such as personal budgeting training, public benefits screening, emergency assistance, and other supports that will improve the residents' financial well-being. NeighborWorks contracted with network organization Champlain Housing Trust, a pioneer in eviction prevention, to develop the Eviction Prevention Toolkit, a resource to assist property managers, asset managers, resident services, and financial capability teams to develop an eviction prevention program responsive to the specific needs of their rental communities. In FY 2019, NeighborWorks made tailored grants to three organizations working to further eviction prevention strategies. In FY 20, NeighborWorks created an eviction prevention guide for resident engagement. [Eviction Prevention: Tips for Effective Resident Engagement](#) was designed for organizations that have not typically served a lot of rental residents but as a result of COVID-19, were being called to prevent evictions in their communities. The guide is publicly available on the NeighborWorks website. In addition, NeighborWorks offered several webinars for network organizations focused on several facets of eviction prevention, including communications and counseling needs.

NeighborWorks is a pioneer in efforts to develop “double bottom line” strategies that support stability and self-sufficiency for households living in affordable rental housing while also safeguarding the financial health of real estate assets. NeighborWorks organizations serve renters with varied financial circumstances. Some renters may have a long-term goal of homeownership, while others may struggle to keep up with their rent and other living expenses because of lower—and often volatile—incomes. As property owners, NeighborWorks organizations have a financial stake in their residents' ability to pay rent consistently and on time, making these “double bottom line” strategies a win-win approach.

To help improve renters' financial health and stabilize rental properties, NeighborWorks developed a pilot to weave financial capability into the resident support services already offered by many NeighborWorks organizations. In 2018, NeighborWorks completed the Financial Capability for Renters Pilot, a project supported by JPMorgan Chase, to learn how best to provide effective financial capability services to renters living in affordable multifamily rental housing owned by NeighborWorks organizations. NeighborWorks provided operating grants; access to financial capability training courses; peer learning; technical assistance and coaching on program design, implementation, and best practices; and evaluation. Residents participating in the pilot had strong positive results, with:

- 29 percent beginning to set aside money for savings;
- 49 percent increasing their savings;
- 43 percent reporting feeling an increased sense of financial security; and
- 49 percent improving their credit score, with an average increase of 32 points.

Another example of a double bottom line strategy is the Rent Reporting for Credit Building Pilot, which NeighborWorks undertook in partnership with five Boston-area NeighborWorks organizations and the Credit Builder’s Alliance. For many renters, negative credit history or a lack of credit history is a major barrier to other financial goals. Recognizing the key role that credit can play in allowing individuals and families to access housing, employment, and education, the pilot was designed to demonstrate the potential impact of providing positive rental payment data to the major credit bureaus to improve tenants’ credit scores. The results of the demonstration offer strong support for the idea that rent reporting can be an important channel for building positive credit history for renter households and increasing their access to affordable credit products and services. At the conclusion of the pilot, the following results had been achieved:

- 100 percent of residents who were initially unscorable became scorable, with an average score of 688, a prime credit score;
- 79 percent of residents increased their credit score. The collective average starting score was 617, and residents realized an average gain of 28 points; and,
- 47 percent of residents had a subprime score at the start. These residents had an initial average score of 531 and saw an average increase of 39 points.

NeighborWorks and the Credit Builders Alliance continue to build on this work, and NeighborWorks staff served on the steering committee for professionals from the credit and housing industries working to disseminate learnings and best practices around credit building strategies in affordable rental housing. These efforts are a key component of NeighborWorks’ broader plan to scale rental financial capability activities.

Rent Reporting for Credit

In Baltimore, MD, AHC began incorporating rent reporting into its financial capability services about five years ago as part of the Credit Builders Alliance's Power of Rent Reporting Pilot program. Through their affordable housing and resident services, AHC has helped tenants to stabilize their financial lives. One resident, who has participated in the credit reporting program, has seen her credit score rise from the 400 range to nearly 700. "That's a lovely benefit," she said. Funding from a NeighborWorks Innovation Grant helped AHC to streamline the program and eliminate their need for a third-party processor, making it more accessible to residents and lowering the costs of administration.

NeighborWorks is also pursuing efforts to promote individual and household savings, particularly for emergencies. For many households, an unexpected expense such as a doctor's bill or car repair can have a major destabilizing effect. According to a [study by the Federal Reserve](#), nearly 40 percent of Americans reported that they would need to borrow, sell something, or could not pay an unexpected \$400 expense. Based on established expertise in savings promotion, NeighborWorks was able to secure private funding in FY 2017 to introduce the EARN emergency matched savings program and to test innovative models to replicate. Through seventeen participating network organizations, 250 savers registered to participate. Each participating household was paired with a financial coach who provided assistance with financial management skills and savings infrastructure, including establishing email addresses and bank accounts. Savers who contributed up to \$25 per month for six months were eligible for a 2:1 match, resulting in a \$450 total emergency savings fund at the end of the program. At the time the program began, only 24 percent of households reported regularly saving, but that figure had increased to 63 percent six months later. After twelve months, the average participating household had saved over \$800.

In addition to the benefits for the program participants, NeighborWorks used this experience to assess the components of a successful program, understanding that a “one-size-fits-all” approach is rarely the most effective. The learnings from the project were distilled into a design guide for other organizations considering matched savings programs, helping them to understand the key considerations and various options for structuring a program that best meets the specific needs and context of the target audience. The guide walks users through the design process, identifying the key questions and considerations and providing examples of how other organizations have implemented various policies and practices.

To build organizational capacity in the financial capability arena, NeighborWorks supported a “Coach the Coaches” mentoring pilot for financial coaches employed by network organizations. The pilot concluded in March 2018, and results indicated that the participants significantly improved their confidence, comfort, and efficiency in their overall coaching practices and increased specific skills around inquiry, action planning, and accountability. The success of these efforts has led NeighborWorks to focus on integrating coaching into additional activities. Based on the pilot, NeighborWorks distilled a series of best practices around building coaching skills and delivering financial coaching. To bring the learnings from the pilot to scale, NeighborWorks also developed two resources for financial coaches: a guide to small loans and a guide to transaction accounts. Each of these resources is comprised of both a coaching guide and a consumer-facing piece to facilitate conversations about these financial instruments.

NeighborWorks is also working to support local efforts to expand the scale and capacity of financial capability programming. At the end of FY 2019, NeighborWorks concluded an eighteen-month Learning Lab with six network organizations focused on improving

engagement and retention for households in need of financial coaching. Participating organizations adapted successful financial capability services for residents to replicate programs for new audiences, developed partnerships with financial institutions and manufactured housing communities to serve vulnerable rural populations, helped shared equity homeowners build savings, and streamlined coaching programs to expand financial capability capacity for others in the community. The strategies used in the Learning Lab have been shared with the broader NeighborWorks network through a series of webinars and are the foundation for the Financial Capability Learning Intensive Forum.

In the fall of 2020, NeighborWorks will offer a four-week virtual Financial Capability Learning Intensive Forum that combines skills-based instruction with facilitated peer learning and plenary presentations. The Forum will be aimed at building the capacity of NeighborWorks organizations to deliver impactful financial capability programs. Following the event, NeighborWorks will continue to support the participants through ongoing webinars, virtual peer sessions, small-group dialogues and additional training for staff focused on financial capability services in rental housing.

Creating opportunities to strengthen communities

Creating healthy, vibrant communities involves more than simply providing affordable rental and homeownership opportunities. This is particularly important in the current environment, where many communities are struggling to respond to the COVID-19 pandemic while continuing to address lingering impacts of the housing crisis or the problems of rapidly rising housing costs that severely limit affordability. Recognizing the diversity of neighborhood needs, NeighborWorks America focuses on initiatives that are responsive to market conditions and the needs of network organizations, capitalizing on local strengths to enhance quality of life for community residents. Creating strong communities requires community development organizations to adopt a holistic approach that addresses an array of issues, including access to transportation, infrastructure, safe places for children to play, high-quality schools, healthy food, and employment opportunities.

The success of place-based community development efforts hinges not only on the strength of community development organizations and quality of their services but on their ability to engage community residents and stakeholders. Community stakeholders are best positioned to articulate local priorities, define a community's needs and identify the most promising opportunities. Resident engagement is vital to ensuring the success and sustainability of community development initiatives.

NeighborWorks America is committed to the economic vitality of urban, suburban, and rural communities across the nation. By offering a diverse portfolio of services, can tailor support to community-based organizations working to address their unique needs, including:

- Place-based community stabilization strategies aimed at restoring the physical conditions, redeveloping abandoned or distressed properties, infrastructure improvements, economic vitality, and image of communities;
- Community engagement strategies that celebrate the strengths of communities and ensure investments reflect the priorities of residents, neighborhood businesses, and other key stakeholders;
- Investments in housing and community that improve the health, safety, and general well-being of residents; and
- Targeted focus on meeting the needs of rural and underserved communities including a growing focus on rural areas confronting persistent poverty.

Responding to COVID-19

The NeighborWorks network has been greatly impacted by COVID-19. According to a survey of network members, 99 percent experienced disruption due to COVID-19, and 45 percent had experienced significant disruption as of the end of June 2020. NeighborWorks organizations have a proven track record of responding to emergencies and natural disasters and have rallied to meet the challenges presented by the COVID-19 pandemic. When the pandemic began, network organizations moved quickly to adapt their own operations to the reality of telework and social distancing in order to support the health and safety of their staff as well as their clients and communities. Network organizations reported incurring at least \$15.3 million in unanticipated costs over the period of March-May 2020 due to the impact of the pandemic.

Organizations had to immediately invest in technology in order to transition to working virtually, incurring costs as they bought laptops/tablets for staff and loaners for residents, and buying, installing, and training staff on video conferencing and other remote work tools. They also had to increase cleaning regimens and respond to increased demand for services.

Network organizations with rental portfolios instituted preventative measures, including additional cleaning, installing hand sanitizer and washing stations, closing common areas, and closing properties to the public to reduce risk of outbreaks.

Network organizations providing homeownership education and counseling ceased in-person services as shut-down orders were instituted by state and local jurisdictions, including canceling homebuyer education classes. Those classes are moving to exclusively telephonic and virtual counseling. Some organizations already provided remote services, but those that did not moved quickly to purchase and implement virtual education and counseling platforms.

While network organizations were shifting to remote operations, they were also experiencing increased demands for the services they provided. Eighty-six percent of network organizations reported increased demand for food services through May 2020, 68 percent reported increased demand for health services, and close to half of organizations reported increased demand for foreclosure mitigation counseling, economic development, and/or financial capability/budget counseling. NeighborWorks network organizations rose to the challenge, expanding and innovating to meet the needs of their communities. Examples of best practices across the network include:

- **Coastal Enterprises, Inc.** (Brunswick, ME) is a Community Development Finance Institution (CDFI) serving the state of Maine and beyond. Most of CEI's borrowers work in fields that involved food, childcare, hospitality and other small businesses, and almost all were impacted by the economic impact of the pandemic. CEI responded by providing temporary relief to the borrowers by processing loan modifications. In the first month of the pandemic, CEI business coaches received over 300 requests from business owners for guidance on accessing resources, and, in the first three months, CEI advised over 2,000 business owners and entrepreneurs relating to COVID-19. CEI also started processing more of its "Wicked Fast" micro loans to assist business owners bridge resources.
- **Champlain Housing Trust** (Burlington, VT) transformed its transitional living motel for families, Harbor Place, into an isolation motel for people exhibiting symptoms but who haven't tested positive for COVID-19. CHT also purchased a van to loan to the community health center to bring testing to people living in congregate living situations (shared kitchen and bathrooms) or who are homeless.
- **Homeport** (Columbus, OH) staff immediately reached out to residents and began assessing needs and providing access to medical care, food boxes, etc. where needed. The organization also devoted resources to an emergency fund to assist community members with a variety of needs related to lost or furloughed jobs, illness, or other effects of the pandemic.
- **Fifth Avenue Committee** (Brooklyn, NY) utilized its adult education staff to conduct digital literacy training for local tenant leaders in public and rent stabilized housing to help to get the word out about NYC's Test and Trace program. The organization's Operation Community Food Basket distributed fresh fruit and vegetables every seven to ten days to thousands of local tenants, seniors, immigrants, food pantries, and local businesses serving front line workers.
- **Frontier Housing** (Morehead, KY) used social media in new ways to educate community members on important personal financial topics. Frontier's staff financial coach started a weekly Facebook Live show to discuss topics related to budgets, savings, and credit and debt help. Topics have included "How to Utilize Your Stimulus Check" and "Let's Talk Budgeting". Tips on avoiding IRS scams are also part of weekly Facebook updates.

- **Neighbor to Neighbor** (Fort Collins, CO) is the leading eviction prevention provider in Northern Colorado, providing over \$225,000 in emergency rent assistance and housing counseling to over 600 households each year. N2N responded to skyrocketing need, providing as many services each month as they had previously provided over the whole year. In support of these efforts, the organization streamlined its application process and brought it online (in English and Spanish), increased from three to five counselors (including bilingual staff), and provided \$500-\$750 in rental assistance to all households based on need.
- **Little Tokyo Service Center** (Los Angeles, CA) launched its hot meals program, buying meals from struggling Little Tokyo restaurants and then subsidizing them so seniors can purchase for \$3.00. The service is provided three times a week. Additionally, LTSC is delivering food pantry items to seniors and low-income families, including fresh produce and eggs purchased from a local CSA program. LTSC is also helping many small businesses set up take-out operations, online sales, expanded marketing, and to apply for new assistance through the Small Business Administration and other grants and loans.

Community Initiatives

NeighborWorks America supports community-driven and comprehensive community development efforts to build vibrant, healthy communities that provide equitable opportunities for people to thrive. Through our grant support, technical assistance, trainings, and peer-to-peer learning opportunities, we advance:

- Place-based community stabilization strategies aimed at creating a strong and balanced real estate market, safe and attractive conditions, and a positive neighborhood image;
- Community building and engagement strategies that foster resident leadership, collective capacity, social connections, and community health and well-being; and,
- Systems-level strategies that bring together community stakeholders to address complex challenges to promote community health and equity.

In FY 2019, 163 network organizations were engaged in multifaceted and cross-sector approaches aimed at improving lives and strengthening communities. Examples of local efforts supported by NeighborWorks include:

- **Neighborhood Development Services** (Ravenna, OH) is promoting a recovery of the downtown by reoccupying vacant spaces and creating new jobs for residents. The organization recently restored a landmark theater, increasing visitors and foot traffic, attracting other business to the downtown area, and enhancing property values and municipal revenues.

- The Primavera Foundation (South Tucson, AZ) created a new park in a neighborhood that previously lacked access to safe exercise opportunities and open green public spaces. To enhance and enliven this new public space, the organization partnered with young local artists to install a series of murals that honor the neighborhood's cultural heritage.
- St. Joseph's Carpenter Society planned a series of resident engagement activities for the Cooper Plaza neighborhood in Camden, New Jersey. These activities built social capital and complement St. Joseph's physical revitalization efforts, which have included rehabbing and selling more than 50 homes and sponsoring more than 100 façade improvements.

Building Resident Leaders

NeighborWorks America's Community Building and Engagement (CB&E) program works to help network organizations develop the potential of local resident leaders and support community-led initiatives. The CB&E program supports the efforts of residents and resident associations to engage in planning processes and take action to improve the vitality and safety of the communities they call home.

An important component of the CB&E program is the Community Leadership Institute (CLI), which is the cornerstone of NeighborWorks America's work to develop resident leaders. The CLI enhances the capacity and commitment of local organizations to empower community leaders and increase their knowledge, skills, confidence and collective ability. As a result of ten national CLIs, as well as many similar events at the local and regional level, more than 8,000 community leaders have come together to work with their neighbors to bring about positive change. This has led to collaborative planning and decision making at the local level, leveraged additional resources, and supported a wide range of community-based projects.

The CLI experience consists of team building, onsite training, networking, and a year-long action project. NeighborWorks network organizations and other partners bring together teams of eight community residents, along with staff from their sponsoring organization, to attend the annual in-person training event. At the CLI, participants attend workshops, participate in plenary sessions with their peers, visit local community projects, and begin planning for a project in their community. These projects are then eligible for a \$4,000 grant from NeighborWorks America, which supports implementation over the following year. The cumulative effect has been community-driven solutions, ongoing resident participation and

investment, and the establishment of the community leadership necessary to create and maintain strong communities.

CLI Success

New Kensington CDC (NKCDC) in Philadelphia, Pennsylvania sponsored a team of residents involved with Somerset Neighbors for Better Living (SNBL) to attend a recent CLI in order to strengthen their newly formed civic association, improve their outreach, increase resident engagement in decision-making, and create neighborhood cohesion. Following the CLI, SNBL got to work on their project, reactivating and expanding their “Welcome Committee” and holding biweekly planning meetings with new residents from across the neighborhood.

The NKCDC CLI team also planned an annual summer event, the Multi-Cultural Community Day, which celebrates the diversity of the community. The most recent event brought out over 200 neighborhood residents to enjoy a day of music, food, sports, youth activities, and the sharing of resources. Through the event, residents who normally do not interact came together to appreciate the variety of cultures present in the neighborhood. The Community Day also succeeded in increasing awareness of SNBL and its work in the community. This was reflected in a noticeable increase in meeting attendance, which grew by over 60 percent in the month after the festival.

Middle Neighborhoods

In FY 2020, NeighborWorks partnered with the National Community Stabilization Trust to co-lead the Middle Neighborhoods Initiative. Middle neighborhoods are a category of neighborhoods that are neither clearly healthy and thriving nor overtly distressed. Long seen as stable communities for middle- and working-class families, many middle neighborhoods are on the precipice of growth or decline. By bringing attention to middle neighborhoods, this initiative supports the continued health and vitality of these places so that they can remain safe, affordable communities that offer a high quality of life and access to opportunity.

As part of this initiative, NeighborWorks will support the Middle Neighborhoods Community of Practice, which brings city officials and neighborhood-based organizations from across the nation together with policy makers, academics, financial institutions, and foundations interested in these efforts. The Community of Practice convenes for peer-to-peer learning to share local best practices for supporting middle neighborhoods.

Healthy Homes and Communities

A range of factors—including housing, employment, income, and access to transportation and education, among others—shape the length and quality of life of people in communities. In recognition of the deep ties between housing, community development and health, NeighborWorks supports efforts aimed at addressing the social determinants of health. In 2014, NeighborWorks created the Healthy Homes & Communities Initiative to leverage these interconnected systems to improve health and well-being. Since then, we have deepened our

focus on community health through a series of demonstration projects, convenings and peer learning opportunities.

In FY 2019-2020, NeighborWorks supported a Learning Community focused on deepening partnerships between community development and health organizations. Through this Learning Community, a small cohort of NeighborWorks network organizations came together through a series of virtual and in-person meetings to develop communication tools to support their efforts to develop partnerships with the health sector. At the conclusion of the Learning Community, the cohort published their findings in a guidebook that can assist other network organizations in assessing potential health partners, communicating how their work addresses the social determinants of health, and crafting proposals to secure financial resources. Using some of these tools and approaches, Learning Community member St. Mary's Development Corporation in Dayton, Ohio was able to secure support from a health clinic for a new affordable housing development and helped to launch a statewide service connection network.

In FY 2020, partially in response to the COVID-19 crisis, NeighborWorks launched an assessment of community health worker programs across the NeighborWorks network. Community health workers are trusted members of the community who are hired to provide a broad range of services to improve health outcomes. They can create connections for vulnerable populations, reduce social isolation, provide culturally appropriate health education, conduct health screenings, and deliver food and medicine, among other services. The assessment will document how network organizations currently operate and finance community health worker programs and will explore how NeighborWorks might support additional organizations in piloting, launching, or expanding these programs.

NeighborWorks also continues to partner with a wide range of other national organizations to support work at the intersection of health, housing and community development. An example of these partnerships is our work with the Build Healthy Places Network, which provided support in FY 2020-2021 to launch a second Learning Community. Build Healthy Places Network is also partnering with NeighborWorks to publish a series of factsheets that demonstrate the many ways that community development contributes to positive health outcomes.

Rural Initiative and Native Strategies

Many rural communities face complex challenges including entrenched poverty, substandard housing, a lack of infrastructure and affordable housing, economic shifts, declining and aging populations, isolation, and the increased prevalence of natural disasters. Support services are spread over large geographies, and funding and capital are scarce in many rural communities. NeighborWorks America’s network of rural-focused organizations brings together specialized understanding, talent, tools and capabilities to address these needs. Two thirds of NeighborWorks organizations serve rural Americans. In recognition of the unique needs of these communities, NeighborWorks’ Rural Initiative offers specialized supports to local and regional organizations serving rural communities, including many Native American communities and areas experiencing persistent poverty.

Recognizing the need for housing in rural Washington, the Low Income Housing Institute (Seattle, WA) is leveraging grant funding from NeighborWorks to expand its capacity to develop affordable multifamily rental housing in the communities of Oak Harbor, Hoquiam, and Olympia. These projects involve building in coastal, post-industrial towns often located on poor or contaminated soil in areas with high seismic risk near former Native American settlements, which leads to additional flood, environmental, structural, and archaeological issues.

Low wage workers, particularly those in seasonal occupations, are often relegated to the “last, least” housing – overcrowded, in poor condition and last to be leased. In South Florida, Rural Neighborhoods, Inc. (Florida City, FL) is expanding its innovative Rural Employer-Assisted Community Housing (REACH) shared housing model to serve an additional 128 farm, fishing, and other workers, assisted in part by employer subsidies. This innovative model provides safe, affordable housing for these workers, solving many of the main problems they typically face.

NeighborWorks is uniquely situated to convene practitioners and other stakeholders, both from within the network and beyond. Building on the success of the 2017 Hope in the Delta convening focused on the Mississippi Delta, NeighborWorks brought together experts and practitioners in Knoxville, TN in September 2019 for a conference entitled “Reclaiming Appalachia: Investing in Community, Cooperation and Change.” Fahe, Inc., a network organization, co-hosted the event, which highlighted their work in the region and advanced the national dialogue about ways to address persistent poverty areas.

NeighborWorks continues to leverage its partnerships with USDA Rural Development and other regional and national entities to connect organizations serving rural communities with resources and tools. NeighborWorks staff also sit on the governance boards of social enterprises ROC USA and Next Step, organizations that create affordable manufactured housing opportunities by supporting resident-owned communities and increasing the availability and affordability of Energy Star-rated replacement homes. In FY 2020, the Rural Initiative also supported a Manufactured Housing Learning Community – a small cohort of

network organizations that are exploring strategies to remove barriers to increasing production of affordable manufactured housing.

NeighborWorks also works to safeguard the stock of existing housing in rural communities through the targeted Safe & Sound home rehabilitation and replacement program. Through Safe & Sound, NeighborWorks has supported resident-owned manufactured housing communities and has provided more than \$3M for replacement and rehabilitation of dangerous older units.

Capital Needs Assessment

Rural network members frequently cite the lack of access to capital as a barrier in addressing community needs. To tackle this challenge, the Rural Initiative is currently vetting the results of this gap analysis with rural-serving CDFIs in the NeighborWorks network in order to prioritize recommendations for financing options, loan products (existing or proposed), and pilot programming to support identified capital needs.

Native Strategies

In FY 2019, NeighborWorks began a process to develop and define intentional strategies for serving the unique needs of Native communities. In FY 2020, NeighborWorks finalized a Native Strategy Report, informed by Native stakeholders at the national and local level. The report includes a set of recommendations that are informing goals and plans for FY 2021 and beyond. However, NeighborWorks continues to engage with Native communities through a range of programs, services, and partnerships including:

- Providing technical assistance and grants to support Native people and communities through network organizations serving Indian country;
- Developing and delivering Native-specific training to support homeownership in Indian Country through partnerships with national Native partners such as the National American Indian Housing Council and First Nations Oweesta;
- Providing thought leadership and facilitation for the Federal Reserve Bank of Minneapolis' Center for Indian Country Development Lending Systems Focus Group, an industry-wide effort to enhance the availability of mortgage loans on Tribal Trust Land;
- Deepening partnerships with national and regional Native intermediaries to increase NeighborWorks' impact in Native Communities; and,
- Co-convening a national gathering of Intermediaries working in Indian Country in Spring/Summer 2020.

USDA 502 Direct Mortgages

Since 2012, NeighborWorks America has worked to develop and strengthen a network of high capacity USDA-certified Section 502 Direct Nonprofit Loan Packagers in order to increase access to homeownership in rural areas for low- and very low-income people. Nonprofits offer the most cost-efficient pipeline for loan packaging, and by training network organizations to fill this critical niche, NeighborWorks is enabling them to earn fees sufficient to support a sustainable line of business. As USDA has expanded coverage to twelve states, NeighborWorks has supported five regional USDA pilot demonstrations, including four demonstrations with NeighborWorks organizations. The goals of this initiative are to increase usage of the Section 502 Direct program, shorten the timeframe required for low-income rural Americans to complete a home purchase, and expand access to both homebuyer education and loan-packaging services. NeighborWorks members have continued to make a significant contribution to rural homeownership using the USDA Section 502 Direct home mortgage program. In FY 2019, 71 NeighborWorks organizations packaged and/or facilitated 1,185 loans totaling \$197.6 million, representing about 20% of the total national \$1 billion appropriation for the program.

Measuring Community Impact through Success Measures

Evaluation is essential to assuring impactful, successful comprehensive community development. Success Measures, a specialized outcome evaluation resource for the community development field, is based at NeighborWorks America, operating as a fee-for-service social enterprise. To date, Success Measures has supported nearly 900 community-based organizations and funders, including members of the NeighborWorks network, to evaluate a range of community revitalization initiatives and related community development outcomes.

Success Measures offers an integrated set of evaluation, capacity building, advisory, and technology services for organizations seeking to learn from the results of their programs and investments. The Success Measures participatory approach engages residents and other stakeholders in the evaluation process and equips them with the appropriate tools to document outcomes, measure impact, and inform change.

The Community Impact Measurement (CIM) project is an ambitious effort across NeighborWorks to more fully capture, document, and share rigorous data about the impact NeighborWorks organizations have over time in their communities, beyond the immediate housing production and investment. CIM provides network organizations with rigorous evidence to demonstrate the impact of their community-level work. Participants in the project, which launched in FY 2013, collected robust baseline data on physical conditions (by block and property) and quality of life (perceptions of community, safety, neighborliness and engagement) in their target communities.

Follow-up data for Phase 2, collected from FY 2016-2017, showed positive change in 80 percent of the participating communities. Nearly half of the communities recorded a measurable increase in resident satisfaction with living in their community, while in 87 percent of communities, one half or more of the residents expressed optimism that the community will improve in the next three years. In FY 2020-21, participating organizations are completing collection of a third round of data, allowing for further understanding of how these organizations impact their communities over time.

In FY 2021, NeighborWorks will support a second cohort of the Strategy and Impact Demonstration, bringing together network organizations with NeighborWorks staff, experts, and coaches with the goal of helping them find new ways to measure their impact, track outcomes and plan for new strategic initiatives. Organizations were coached around how to correlate secondary or supplemental data with their CIM data to get a clearer picture of their work and develop targeted strategies based on their analysis.

In addition to the Community Impact Measurement project, Success Measures supports organizations in measuring other outcomes of their work. The Health Outcomes Demonstration Project was a three-year national initiative to measure and demonstrate the impact of housing and community development programs and activities on resident and community health. Through the project, which concluded in 2019, twenty community-based organizations across the country received technical assistance, capacity-building resources, peer learning opportunities and grant funding to evaluate the health outcomes of a range of programs that address the social determinants of health. The results of the project, presented in a [final report](#), are being disseminated nationally in the community development, public health, community health and related fields as an important contribution toward reducing health disparities and improving health for all Americans. In FY2020 Success Measures collaborated with the NeighborWorks Community Initiatives team to develop tools and methods to measure outcomes relating to arts and community development.

Disaster Recovery

NeighborWorks and its network organizations have deep, on-the-ground experience helping residents and communities prepare for, survive, and recover from natural disasters such as hurricanes and floods. Our network organizations remain active even when first responders have moved on to the next emergency, providing services, counseling and referrals to aid in a recovery that can span multiple years.

In recent years, NeighborWorks has awarded grants to organizations working in communities impacted by floods, wildfires, earthquakes, hurricanes, and other natural disasters. Some of these grants are used for immediate disaster relief efforts, while other resources support staff

capacity to administer large-scale grant funding and client management services as well as long-term recovery efforts, including grants and loans to repair and rebuild affordable housing.

After Hurricane Harvey displaced 30,000 Houstonians and damaged over 100,000 homes, Avenue CDC created a long-term recovery plan that includes replacement housing designed with resiliency in mind. Avenue CDC leveraged a grant from NeighborWorks America to ramp up housing production of single-family homes by 47 percent and build their capacity to respond to an RFP for the \$1 billion in CDBG-DR disaster funds designated for Houston.

NeighborImpact (Redmond, OR) is making preparations to fulfill their role as Oregon's designated relief center in the event of a Cascadia earthquake. A grant from NeighborWorks America is supporting the installation of generators, ensuring an uninterrupted power supply and the provision of emergency services as the organization positions itself to provide food, housing and support services for survivors.

Based on experience from Hurricane Katrina and Superstorm Sandy, NeighborWorks America has developed a [comprehensive guide](#), available in English and Spanish, for communities to help plan for—and recover from—natural disasters. NeighborWorks provides responsive supplemental grants and technical assistance in a disaster's aftermath to support recovery work and meet the immediate needs of communities. NeighborWorks also offers a suite of [professional development](#) certifications and [place-based training](#) to help prepare practitioners and their partners for disasters.

In early 2019, NeighborWorks, along with the Community Foundation of Puerto Rico and Enterprise Community Partners, launched the Puerto Rico Nonprofit Capacity Building Network, a new initiative to increase the capacity of nonprofits in Puerto Rico by providing training, networking opportunities and funding to meet critical community needs including housing, education, health, and resilience. This initiative will enhance coordination among stakeholders working to rebuild and restore communities affected by Hurricanes Irma and Maria and more recently, a series of earthquakes, and create a stronger future. The initiative kicked-off with a workshop that brought together over 100 partners representing non-profits, private developers, consultants, banks, and the Department of Housing (Vivienda) to learn about recovery from previous disasters,

“NeighborWorks is honored to be part of this important work that leverages our 30 years of community development investment in Puerto Rico and supports the tireless efforts of nonprofits on the island that continue to help rebuild infrastructure, homes, businesses and lives after the devastating hurricanes of 2017.”

-Marietta Rodriguez,
CEO NeighborWorks America

discuss the CDBG-DR action plan, and learn about what local non-profits have been doing on the island. In FY 2020, the Federal Reserve Bank joined onto the initiative as a partner. Cohort

meetings were held in 2020, and additional activities such as nonprofit leadership training and Board Source trainings for the cohort meetings are being planned.

Supporting a strong network of strong organizations

NeighborWorks America has long recognized the importance of investing in the capacity, strength, and sustainability of the network. Ensuring that network organizations are stable and well run allows NeighborWorks America to confidently steward valuable taxpayer resources.

Regional Infrastructure

NeighborWorks delivers services, grants and technical assistance to local NeighborWorks organizations through regional offices around the country. There are currently four regions: Western Region, based out of Denver, CO; Midwest Region, based out of Kansas City, MO; Southern Region, based out of Atlanta, GA; and Northeast Region, based out of New York, NY and Boston, MA. The regional vice president (RVP) for each region leads NeighborWorks' engagement with the region's network organizations and serves as the public face of NeighborWorks within the region.

Each network group is assigned a Relationship Manager who serves as a connector, conduit, resource, and strategic advisor to the organization. Based on a deep understanding of the unique context of each network organization, the Relationship Manager serves in a partnership role with organization leadership, helping to implement changes, facilitating strategic planning sessions, and assisting with developing and maintaining relationships with funders, government officials, and other organizations.

Organizational Health Tracking System

A critical aspect of ensuring excellence in NeighborWorks' network is NeighborWorks' annual commitment to assess the financial health, organizational management, and performance of each NeighborWorks organization. Following the assessment, NeighborWorks works with each organization to ensure that they are poised to implement the improvements in business processes and organizational structure recommended through the assessment process. For organizations experiencing challenges, these assessments are the foundation for corrective actions designed to restore the health of the organization. Whenever possible, NeighborWorks provides specialized supports to these organizations to assist in their recovery. However, when these efforts are unsuccessful, organizations may be disaffiliated from the NeighborWorks network.

OHTS in Action

Following a NeighborWorks review that identified multiple organizational health challenges for a Midwest Region organization, the NeighborWorks Relationship Manager used the assessment as a tool to help get the organization back on track. The review helped the organization focus on improving their financial sustainability and board oversight for resource development. The NeighborWorks Business Strengthening program helped the organization have the tools needed to accurately forecast revenues and resources by line of business. The organization received an 'Exemplary' health rating from OHTS in December 2019 based on the improvements the organization made with the assistance of NeighborWorks America.

To provide ongoing assessment of each network organization, NeighborWorks uses a system of on-site and off-site assessments; an annual review of independent audits submitted by each NeighborWorks organization for compliance and financial health; the collection, validation and evaluation of data; and NeighborWorks America's Organizational Health Tracking System (OHTS). NeighborWorks uses this information to assess risk factors, analyze capacity to mitigate risk, make recommendations on how to increase organizational capacity and performance, and allocate resources. The results of these assessments are monitored and reported to appropriate staff within NeighborWorks America and directly to each NeighborWorks organization. In FY 2019, 87 percent of network organizations received ratings of "Exemplary" or "Strong."

In response to the challenges caused by the COVID-19 pandemic, NeighborWorks seized on the opportunity to use its resources to ensure that its annual assessments help network organizations strengthen their operations and improve their stability, efficiency, and effectiveness. Looking to the future, NeighborWorks will continue its commitment to investing in strengthening the governance of network organizations and promoting new ideas and opportunities for collaboration between network organizations.

Professional Development and Leadership Training

NeighborWorks has several offerings designed to hone the skills of network organization leaders, equipping them with tools and resources to improve the functions of their organizations and, ultimately, the outcomes they achieve for their communities. NeighborWorks provides tailored professional development for the technical specialties within our field, including rental housing asset managers and nonprofit CFOs. To support these core positions, which are critical to the outcomes and business success of their organizations, NeighborWorks hosts annual convenings exclusively for these professions.

NeighborWorks has found that the two most common reasons nonprofit housing organizations fail are weak leadership, including board governance, and poor financial management. As a

funder, NeighborWorks requires consistent and strong board governance throughout the network. To meet this requirement, NeighborWorks actively works to strengthen network organizations' boards through technical assistance, training, coaching, and peer learning opportunities.

Excellence in Governance

NeighborWorks offers its Excellence in Governance program to help the boards of network organizations create lasting, adaptive change and transform from simply being responsible to being exceptional. Using a performance-based framework paired with governance principles and consistent coaching, each participating board defines their own success and measures effectiveness in the context of the organization and the community it serves. With the conclusion of round five in October 2020, there are now over 65 program graduate organizations. The sixth round of Excellence in Governance is slated to start the summer of 2021.

Achieving Excellence

The NeighborWorks Achieving Excellence Program is a 16-month program conducted in collaboration with Harvard University's Kennedy School of Government. Seasoned executives and senior staff of community-serving organizations are guided with cutting-edge content, one-on-one executive coaching and structured peer group work as they learn to transform their organizations for an increased focus on results and outcomes—all by tackling a real-life challenge that is critical to the success of their organizations. To date, over 400 leaders have participated in Achieving Excellence. The tenth class will take place from February 2021 to May 2022.

VISTA Program

Since 2009, more than 1,000 AmeriCorps VISTA (Volunteers in Service to America) volunteers have completed service with the NeighborWorks network, and 50 members are currently in service. VISTA volunteers' activities are diverse, ranging from creating new partnerships with schools, to marketing and designing better outreach materials, and developing and implementing business systems such as data collection or resource development. VISTAs help train other staff on these systems and on strategies such as using social media and other technologies. In FY 2021, NeighborWorks anticipates placing 60 full-year VISTA members with network organizations.

Social Enterprise Development

For many network organizations, real estate development has long served as a means to earn revenue to drive organizational financial strength. In addition to supporting this line of business, NeighborWorks promotes innovations that bolster network organizations' financial sustainability and self-sufficiency. Given fiscal pressures and competing demands on public resources, NeighborWorks has encouraged network organizations to adapt their business models by diversifying their lines of business and shifting towards earned income models in which program costs are supported, in part or in whole, by associated revenues. In many cases, shifting towards a social enterprise model has allowed NeighborWorks organizations to expand their impact to additional geographies or customers while becoming increasingly resilient in the face of swings in subsidy programs and funder priorities.

Building New Business

When Affordable Homes of South Texas Inc. (AHSTI) began to see an increase in its customer loan defaults, they traced the problem to spikes in insurance rates following a damaging hailstorm. The resulting high payments had put a significant financial strain on customers. In response, AHSTI leveraged tools, partnerships, and experience from NeighborWorks' Sustainable Business Initiative to launch a much-needed independent brokerage, Hope Insurance Agency, to help customers comparison shop among insurance companies. As a result, AHSTI realized a seventeen percent drop in delinquencies among its customers.

Bringing Jobs and Opportunity

Famicos Foundation (Cleveland, OH) is expanding the Glenville Youth Landscaping program from a summer program whose only customers were seniors to a financially sustainable enterprise that services the entire Glenville community.

Strategic Investment Fund

In recognition of the potential effect that relatively small, targeted investments could have on a network organization's operations, production, and community impact, NeighborWorks provided an annual competitive grant opportunity for network organizations called the Strategic Investment Fund (SIF) during FY 2016-2019. To compete for an award, network organizations submit proposals that align with at least one of the following objectives:

- delivering new, innovative, and/or increased services;
- reaching into currently underserved communities (persons and/or places);
- collaborating with residents, stakeholders, and/or other organizations; and,
- improving the effectiveness and sustainability of the organization and/or programs and services.

The funding opportunity was designed to be responsive to local needs and priorities identified by the applicant organizations. For FY 2020, NeighborWorks repurposed the funds originally budgeted for the SIF funding opportunity to provide \$20,000 in emergency grants to each network member to use for unanticipated costs related to the pandemic, such as technology upgrades, cleaning or retrofitting offices, PPE for staff or residents, or purchasing food or supplies for residents.

In FY 2020, NeighborWorks undertook a comprehensive evaluation of the SIF opportunity, including a thematic analysis of funded proposals and a complete review of processes, including stakeholder interviews. The purpose of the evaluation is to help NeighborWorks understand the impact of the grant opportunity, what worked well, and identify potential changes to future grantmaking by NeighborWorks. Plans for whether to offer the SIF grant opportunity in future years are pending the results of the evaluation.

Examples of projects funded through SIF in past years include:

- Penquis Community Action Program (Bangor, ME) designed and piloted a new manufactured home loan product for Maine's rural, low-income families.
- Asian Americans for Equality (New York, NY) is redesigned its after school program for low-income high school students to integrate service learning and provide more education and assistance with college preparation, including financial aid.
- Community Action Partnership of North Alabama hired a nursing/healthcare coordinator to provide management & oversight of volunteers with the goal to increase the number of at-risk homebound adults able to age in place.
- Fahe (Berea, KY) implemented a multi-sector response to the opioid epidemic in coal-impacted eastern KY with the support of a locally based Community Coordinator who will coordinate stakeholders & resources, strengthening communities and recovery efforts.
- Hudson River Housing (Poughkeepsie, NY) stabilized the downtown area by assisting entrepreneurs to grow into vacant storefront space in the Main Street corridor.

Support for Capacity Building, Strategic Planning, and Leadership Transitions

The affordable housing and community development field has enjoyed the benefit of a generation of talented professionals who have committed their careers to this work. Many of these leaders, whose uniquely high retention and long tenures have offered stability and tremendous depth of experience to local organizations, are now reaching the end of their careers, and boards of directors are faced with the challenges of managing leadership transitions. In FY 2019, 28 percent of network organizations reported being in some phase of transition, whether it be starting to plan, engaging in a search, hiring, or supporting a new CEO/ED in their first years. To smooth the impact of these transitions, NeighborWorks America

has made concerted investments to support proactive succession planning, board training, and leadership development, cultivating the next generation of executives who will continue to uphold the tradition of excellence.

Race, Equity, Diversity, and Inclusion

As part of its commitment to developing strong leadership, NeighborWorks has placed a strong emphasis on advancing race, equity, diversity, and inclusion (REDI) efforts, both within NeighborWorks America and its network organizations. To that end, in 2017, NeighborWorks launched the inaugural REDI cohort comprised of sixteen network organizations dedicated to developing and strengthening diversity and inclusion efforts within their organizations. During an 18-month series of convenings, members developed strategies and received ongoing coaching to drive REDI-related work within their organizations and communities. The first REDI cohort completed its term in early 2019 and the second REDI cohort of ten organizations commenced meetings in late 2019. NeighborWorks and the network continue to investigate other ways to advance equity and inclusion in the community development field, including investing in efforts to cultivate and support a more diverse leadership pool of high-performing mid-career professionals.

Strengthening the housing and community development field

NeighborWorks America is the national leader in housing and community development training, providing professional training and certification, community leadership development, and tools and services to staff and board members of nonprofits, housing finance agencies, public housing authorities, financial institutions, and various municipal and state agencies. NeighborWorks training addresses pressing community needs with a relevant, cutting-edge curriculum tailored to build the skills of community development practitioners nationwide. In fact, in a 2017 survey of network organizations, 97 percent of participants indicated that training provided by NeighborWorks improved the knowledge and skills of their staff.

In-Person Training

Established in 1987, the national NeighborWorks Training Institute (NTI), an intensive five-day “mobile university,” is a centerpiece of NeighborWorks training. Each NTI offers more than 100 courses and dozens of certification courses to between 1,400 and 2,500 participants. These industry-leading training opportunities offer immersive learning experiences with some of the field’s preeminent instructors as well as the opportunity to network and connect with other practitioners working in communities across the country. Afternoon workshops, mobile labs, and a one-day policy and practice symposium focusing on topical issues and important themes round out the offerings, making NTIs one of the most effective means of developing the expertise and capacity of professionals working across the housing and community development industry.

In FY 2020, NeighborWorks quickly pivoted to a new format, the Virtual Training Institute (VTI), in response to the COVID-19 pandemic. The first VTI was held in August 2020 and had over 1,260 people register for classes including an in-depth symposium focused on preserving and rebuilding homeownership and wealth in communities of color. VTIs provide an opportunity to continue to provide needed training and consist of our existing online offerings. In FY 2021, NeighborWorks plans to host NTIs in Seattle, WA, Kansas City, MO, and Pittsburgh. If COVID-19 were to prevent face-to-face training from taking place, then NeighborWorks will offer Virtual Training Institutes as replacement training events.

For communities looking to bring focused training to a group of local/regional practitioners, residents, and other stakeholders, NeighborWorks offers “place-based” training. These highly customizable training experiences bring NeighborWorks’ faculty into regional venues to conduct trainings for 25 to 200 participants, offering one or more courses complete with materials and interactive activities. In 2019, NeighborWorks delivered 90 of these trainings, including through contracts with the US Department of Housing and Urban Development, financial institutions, and other partners. These place-based trainings serve an important role as a secondary classroom delivery mechanism by making training opportunities more affordable and accessible for a wide range of participants.

Online Training

In response to the needs of community development practitioners who do not always have the time or resources to travel to NeighborWorks Training Institutes or place-based trainings, NeighborWorks America has also developed a robust and diversified online learning curriculum with several formats to suit a range of needs. This has become especially important during the COVID-19 epidemic when face-to-face training events, such as NTIs or place-based trainings, are not possible.

Online training is offered in three formats:

- Self-guided courses are interactive computer-based courses available to practitioners twenty-four hours a day, seven days a week. These courses cover much of the same content as in-person courses but allow participants the flexibility to log on and off and complete a course over a 60-day period. Each class incorporates learning checks to ensure that participants are gaining knowledge. In FY 2019, over 3,000 participants enrolled in self-guided online courses.
- Faculty-led courses are an online option similar to online university programs that allow participants to take a live NeighborWorks course with sessions spaced over a period of three to six weeks. Each course accommodates multiple participants, forming an online “learning community” that can continue beyond the duration of the course. Courses incorporate interactive learning tools (e.g., discussion boards,

live webinar sessions with the instructor), and allow participants to discuss their unique challenges with their faculty and fellow learners. In FY 2019, 215 participants enrolled in faculty-led online courses.

- Interactive Webinar Training courses are highly focused, 90-minute faculty-facilitated online trainings to develop new skills or learn the latest best practices. These live training sessions engage participants in exercises and interaction with the course content to ensure meaningful learning and skill development rather than passive listening. Each session ends with a quiz to test for comprehension. In FY 2019, 814 participants enrolled in interactive webinar courses.

Professional Certificates and Certifications

To complement the array of courses and flexible learning modes, NeighborWorks administers professional certificates and industry certifications. These offerings provide participants with a structured, comprehensive opportunity to develop in their professions while delivering greater impact to their organizations and communities. Upon completion of required coursework and testing, candidates can earn:

- Professional certificates in eight content areas—comprising approximately 9-12 courses and a final comprehensive test
- One-week skill-building certifications in thirteen specific competencies
- Seven professional certifications awarded through the NeighborWorks Center for Homeownership Education and Counseling (NCHEC), which help qualify participants for HUD funding and approval. Over 8,000 NCHEC certifications have been awarded to date.

In 2019, 138 people enrolled in professional certificate programs across the various tracks bringing the total number of candidates enrolled to over 2,300. Seventy-four completed certifications, bringing the total to almost 700 since the professional certificate programs were created.

NeighborWorks Center for Homeownership Education and Counseling (NCHEC)

The NeighborWorks Center for Homeownership Education and Counseling (NCHEC) provides specialized certification and continuing education for housing and financial counseling practitioners throughout the country. Since its launch in 2004, NCHEC has awarded nearly 18,000 professional certifications, with over 147,000 training certificates of completion.

In response to the HUD housing counselor certification requirements, NCHEC revamped its existing training offerings and developed nine additional courses dedicated entirely to HUD Certification preparation. The new classes were designed to educate practitioners on all the required competencies, ensuring compliance with regulations and assisting counselors in passing the test for HUD certification. Two courses – one a deep dive into the content of the

exam and the other dedicated to test taking strategies and tackling test anxiety – offered a full week of in-person training. A series of webinars dedicated to test taking strategies and each of the six core competencies of the certification exam was also created. Additionally, NeighborWorks convened study groups for housing counselors within the network to support one another in their preparations. In FY 2020, in response to the need for remote training and socially distant counseling resulting from COVID-19, NeighborWorks doubled the number of interactive webinars, allocated additional scholarships, and developed new webinar content on delivering telephonic and virtual housing counseling.

NeighborWorks is the leading provider of HUD housing counselor certification training. Since 2017, NCHEC has issued 8,129 certificates of course completion across the nine HUD prep courses. As of mid-February 2020, 5,005 certificates were issued for webinar training, and 3,124 for the in-person classes. NCHEC has worked with key partners including HUD, state and local governments, and financial institutions to increase the number of available trainings and scholarships for counselors.

NeighborWorks has also developed training for practitioners to address escalating student loan debt and other credit challenges to ensure individuals and families have access to the education, skills, resources, and support needed to make informed decisions that allow them to achieve and sustain financial security.

NCHEC continues to play a role in disaster recovery training, offering a series of specialized training courses at NeighborWorks Training Institutes and Place-Based Trainings. In addition, NeighborWorks continues to update the [Navigating the Road to Housing Recovery](#) disaster guide, currently in its 6th edition and available in English and Spanish. This holistic online guide provides resources to anyone affected by natural disasters such as hurricanes or wildfires.

National Industry Standards (NIS)

NeighborWorks has played a key role, along with its partners, in the development of the National Industry Standards for Homeownership Education and Counseling. The Standards were developed by a broad cross-section of groups including national lenders, Freddie Mac and Fannie Mae, HUD, mortgage insurers, and the staffs of local, regional, and national counseling organizations, to ensure a higher quality of homeownership education and counseling. When a counseling organization adopts the standards, it strengthens the professional credentials of its homeownership educators and counselors to ensure consumers have access to high quality, ethical and comprehensive housing information and services.

In recent years the community development field has recognized that homeownership, while laudable, is only part of the strategy to ensure consumers have access to stable housing and

financial well-being. The Committee recognized the need to cultivate housing counseling agencies' capacity to provide rental housing and holistic financial education, counseling, and coaching programs. Serving as the administrator and a member of the National Industry Standards Committee, the NCHEC shepherded the completion of two new Standards in Rental Housing Counseling and Financial Capability, drawing upon a variety of sources including existing standards used by the U.S. Department of Housing and Urban Development (HUD), the Consumer Financial Protection Bureau (CFPB), academia, and local, regional, and national housing counseling and financial capability organizations. The new Standards launched in June 2019, culminating the multi-year project which included significant external stakeholder engagement, two public comment periods which elicited over 200 unique comments, and an internal investment in technology updates. Current adopters—of which there are approximately 1,430—and agencies new to the Standards are being informed via a multi-faceted marketing campaign.

Consortium for Housing and Asset Management (CHAM)

Mission oriented owners of affordable housing are facing mounting pressures to preserve aging stock, protect affordable housing targeted by for-profit investors. Nonprofit and Mission Owners must effectively operate increasingly complex portfolios and optimize returns to support community programming. In recognition of the ongoing need for professionals with the highly specialized skills to address these challenges, NeighborWorks supports the Consortium for Housing and Asset Management (CHAM), a collaboration of leaders in the fields of nonprofit affordable housing production and community development. CHAM's mission is to enable community-based organizations and others in the nonprofit housing industry to responsibly own and professionally manage affordable rental housing to keep these properties economically viable over the long term. CHAM courses are offered at all NeighborWorks Training Institutes. CHAM's annual conference provides state-of-the-art asset management techniques and builds a strong professional culture.

Driving operational excellence and stewardship

NeighborWorks America creates value by using resources both efficiently and effectively while helping network organizations to do the same. By statute, NeighborWorks' Board of Directors is comprised of senior representatives of the federal financial regulatory agencies (the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Federal Reserve Board, and the Office of the Comptroller of the Currency) along with the Department of Housing and Urban Development. The active, engaged Board, which meets at least six times per year as a full Board, with additional Audit Committee meetings, ensures that the organization maintains a high level of accountability and transparency.

NeighborWorks continues to pursue financial and management best practices to maximize the value of its resources. These practices include continued improvements to IT systems,

procurement processes, enterprise risk management, and internal financial controls. In addition, NeighborWorks has taken significant steps to implement efficiencies within the organization in recent years, including freezing many unfilled positions, closing and downsizing regional offices, and restructuring the training department to incorporate other programs that provide services outside the network in order to enhance the effectiveness of the corporation's resources.

Financial Oversight and Audits

NeighborWorks is committed to achieving and maintaining the highest levels of financial oversight and performance. NeighborWorks America itself undergoes two annual audits by a nationally recognized independent audit firm:

- a financial statement audit conducted in accordance with auditing standards generally accepted in the United States (GAAS) that provides an opinion as to whether the financial statements present fairly, in all material respects, the Corporation's financial position, results of its operations, and its cash flows in conformity accordance with generally accepted accounting principles (GAAP); and,
- an organization-wide compliance audit commonly referred to as a Single Audit under government auditing standards (GAS) and 2 CFR §200, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Beginning with the FY 2015 audit, CliftonLarsonAllen, LLP, selected by the Corporation's Board of Directors in a competitive bid process, has served as the Corporation's auditor. The auditor reports directly to the Board. For FY 2019, NeighborWorks received an unmodified "clean" opinion, signifying that the financial statements are presented, in all material respects, in accordance with applicable financial reporting framework on both its financial statements and on each major federal program. The FY 2020 audit will be conducted by BDO USA, LLP, also selected by the Corporation's Board of Directors in a competitive bid process.

To assure compliance with established financial and operational procedures, NeighborWorks America also employs a full-time Internal Auditor and staff whose responsibilities are like those of an Inspector General in larger federal agencies and involve a continual review of financial transactions, internal controls and adherence to established procedures. To assure objective review of transactions and procedures, the Internal Auditor reports directly to NeighborWorks America's Board of Directors and works very closely with the Board's Audit Committee.

Conclusion

NeighborWorks America has served communities across the country for more than four decades, leveraging tremendous investment and operating the country's most effective affordable housing and community development delivery system. NeighborWorks America's business model prioritizes swift responses to crises such as the COVID-19 pandemic, while maintaining targeted investments and tailored community solutions with accountability and measured impact.

NeighborWorks America and its network are uniquely positioned to support a focus on affordable housing as we reinvest in our nation's communities. Our grassroots organizations are made up of seasoned professionals with local housing expertise, deep respect from multi-sector local and regional partners, and a national reputation for getting the maximum return on scarce federal dollars.