

Fiscal Year 2023  
CONGRESSIONAL BUDGET JUSTIFICATION

# Neighborhood Reinvestment Corporation

Doing business as

**NeighborWorks® America**

March 28, 2022

**NEIGHBORHOOD REINVESTMENT CORPORATION**  
**(Doing business as NEIGHBORWORKS® AMERICA)**  
**FY 2023 CONGRESSIONAL BUDGET JUSTIFICATION**

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# Introduction to NeighborWorks America's FY 2023 Congressional Budget Justification

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 nonprofit organizations working to improve their communities. From its position as an intermediary, NeighborWorks serves as a bridge, bringing together partners from across the nonprofit, for-profit, and public sectors to achieve lasting results. NeighborWorks' flexible resources catalyze critical investments in communities, setting the stage for participation from additional partners and leveraging significant additional resources. Building on this foundation, in FY 2023, NeighborWorks will continue to create opportunities for people to live in affordable homes, improve their lives, and strengthen 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. During the unprecedented COVID-19 pandemic, stable housing protected vulnerable families from the threat of illness, provided children with safe places to participate in virtual learning, and for some, offered the ability to maintain employment as jobs transitioned—practically overnight—to work-from-home. 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 immense need that stretches from urban centers to rural communities, weaving together the fabric of local infrastructure through investments in housing, community development, economic development and community residents. These investments are all the more crucial as our nation responds to the immense economic, equity, and social 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 families of color. NeighborWorks organizations also provide an array of other community-focused services related to health, education, and workforce development.

Like their communities, NeighborWorks network organizations have been greatly impacted by COVID-19. According to a survey of network members, 99 percent experienced disruption due to COVID-19, and all have reported an increased demand for their critical services, even as they, themselves, are adapting their businesses to the realities of providing housing and critical services in a pandemic. In their communities, network organizations play a critical role, marshalling information and unlocking access to emergency resources. Across the country, network organizations stepped in to meet community needs, providing new services like utility assistance, emergency rental assistance, and emergency small business loans. NeighborWorks America has marshalled its resources to support these organizations, providing flexible financial resources to allow organizations to meet priority needs, capitalize on emergent opportunities, and weather the uncertainty brought about by the pandemic. Through the Housing Stability Counseling Program, NeighborWorks is supporting housing counseling for families at risk of eviction and foreclosure. And as the pace of the economic recovery accelerates, NeighborWorks network organizations will be key players in ensuring that resources are distributed equitably, serving low- and moderate-income and minority communities and helping them build back even stronger and more resilient.

One of the greatest challenges faced by communities across the country is a dire shortage of affordable housing. A primary driver of ever-increasing prices is the extreme imbalance between supply and demand in the housing market. According to [research](#) by Freddie Mac, as of the end of 2020, across the country there were 3.8 million fewer homes available for rent or sale than needed. Alarmingly, this deficit grew 52 percent from 2018 to 2020. Construction of new housing has lagged demand each year for over a decade, and the lion's share of new construction is clustered at the top of the market. Construction of affordable housing has been slower to bounce back than market rate housing over the decade since the 2008 financial crisis. As households struggle with the economic and health impacts of the pandemic, access to stable and affordable housing is more important than ever, particularly for low-income households and people of color.

For FY 2023, the President's budget requests \$170 million for the Neighborhood Reinvestment Corporation. At this funding level, NeighborWorks America would continue to focus on increasing its impact and investment in housing infrastructure and pandemic recovery in communities across the country. This document describes how NeighborWorks America would leverage this funding to further the goal of making every community in America a place of opportunity.

## An Introduction to NeighborWorks America

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

- **Grants:** In FY 2021, NeighborWorks awarded over \$106 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 2021, NeighborWorks' network members reported more than \$16.8 billion of investment in their communities, securing \$102 of additional investment from other sources for every \$1 provided by Congress to NeighborWorks America
- **Technical assistance:** NeighborWorks offers multiple grants, 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' skilled field staff includes Relationship Managers located throughout the country, who 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 23,000 certificates in FY 2021. During 2020 and 2021, NeighborWorks successfully pivoted the large-scale NeighborWorks Training Institute into a fully online offering, delivering 4 Virtual Training Institutes. To meet the immediate needs of learners, NeighborWorks added more than 100 online courses to the existing [catalogue](#) of over 250 live courses. These offerings serve network organizations, residents, state and local government agencies, financial institutions, and the housing and community development field generally. NeighborWorks continues to invest in its curriculum and materials to ensure that courses are effectively taught online while reflecting industry standards, best practices, as well as current regulations, trends, and innovations. In addition, NeighborWorks continues to focus on enhancing alternative delivery channels, particularly geared towards online learning.
- **Organizational assessment:** NeighborWorks takes very seriously the responsibility of stewarding precious public resources. To ensure that network organizations remain operationally strong and financially healthy, NeighborWorks conducts rigorous assessments before an organization is formally accepted into the network and each year thereafter. In addition, NeighborWorks collects quarterly and annual data to measure collective accomplishments and help network organizations to assess their operations and impacts. NeighborWorks also helps members evaluate their work through Success Measures, a NeighborWorks social enterprise that helps nonprofits

and their funders measure and evaluate the impact of their comprehensive 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

According to the survey, 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. An update to this survey was planned for 2020 but has been postponed due to COVID-19.

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. Combined with the training, technical assistance, and other services that NeighborWorks America offers to its network, these grant dollars are powerful investments of federal housing and community development resources.

In FY 2023, NeighborWorks America and its network would leverage a federal investment of \$170 million to:

- Create and/or maintain an estimated 52,800 jobs;
- Increase the supply of much-needed affordable housing, growing the rental portfolio of the NeighborWorks network to 205,000 affordable units owned and/or managed;
- Equip lower-income households with the skills necessary for financial health and, in many cases, eventual homeownership, by increasing their financial capability, assisting

in correcting and rebuilding credit, and providing housing counseling to 160,000 individuals;

- Support 23,000 new homebuyers, including many from underserved communities, through a suite of services including pre-purchase counseling, realty services, and financing of their home purchases;
- Promote community revitalization and economic development through our support for NeighborWorks organizations engaged in community stabilization efforts and comprehensive community development activities;
- Provide training for the community development field, issuing 15,000 training certificates;
- Build local capacity around shared equity housing models by developing tools, templates for various types of shared equity, and by providing competitive grant funding for pilots and implementation; and,
- Support stabilization and revitalization in communities impacted by economic crisis through acquisition and redevelopment of abandoned or distressed properties coupled with housing and financial counseling to facilitate homeownership and affordable rental housing.

In communities across the country, demand for affordable housing, economic investment, financial counseling, and wide-ranging community and social services far outstrips availability. Recognizing this opportunity, NeighborWorks network organizations are eager to expand their service offerings and geographic footprint to address this unmet need, including in rural and Native lands. 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, resources leveraged, affordable housing units created, and lives improved.

In FY 2019, NeighborWorks reopened its affiliations pipeline and took in 50 applications, from which eight were selected to join the network and were chartered in 2021. These new network organizations reflect NeighborWorks' focus on reaching new geographies, investing in underserved markets, maintaining a national service footprint, and fostering a dynamic and diverse network of excellence. The 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 and Native lands 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.

### **Organizational Structure**

Through its role as an intermediary, NeighborWorks is ideally positioned to support network organizations as well as the housing and community development field at large with a comprehensive package of wraparound resources, services, and tools. Specialized teams within NeighborWorks deliver a variety of support, training, and oversight services to meet the individual needs of network organizations while increasing the capacity, efficiency, and impact of the field as a whole.

### **Field Operations**

The Field Operations Division is responsible for delivering services, grants, and technical assistance to NeighborWorks organizations with the overall objective of sustaining a network of excellence. Upon joining the network, each NeighborWorks organization is assigned a Relationship Manager to help them navigate the corporation's available resources, connect with peer organizations working through similar challenges and opportunities, and serve as a thought partner to the organization's leadership, engaging in strategic thinking and visioning. Relationship managers use data compiled by NeighborWorks as well as information and input from the network to determine how best to support each organization while focusing on customer-centric approaches. Through regular contact with network organizations' executive leadership and on-site visits, Relationship Managers serve as the primary relationship and broker access to NeighborWorks services, coordinate program reviews with the Organizational Assessment Division and develop post-review assessment action plans when necessary. Field staff are spread across the country, with some located in NeighborWorks regional offices in Boston, Atlanta, Kansas City, and Denver and others operating fully remotely, providing nationwide connection between organizations working in communities in every region.

### **Training**

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. NeighborWorks' training will continue to be of critical importance to the community development field in FY 2023 and beyond. 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 FY 2023, NeighborWorks will issue 15,000 professional training certificates.**

### ***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 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 develop the Virtual Training Institute (VTI) format in response to the COVID-19 pandemic. After rapidly converting in-person class curricula to a remote format, the first VTI was held in August 2020 with over 1,200 registrants for classes that included an in-depth symposium focused on preserving and rebuilding homeownership and wealth in communities of color. VTIs provide needed training and feature existing online offerings in conjunction with content converted from in-person formats. NeighborWorks is taking a thoughtful approach to re-engaging safely in face-to-face events beginning in FY 2022, using public health metrics to benchmark protocols to keep staff and attendees safe.

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. These place-based trainings, often conducted in partnership with the US Department of Housing and Urban Development, financial institutions, and other partners, 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 strategy 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.

In FY 2023, NeighborWorks will continue to offer online training 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 2021, over 6,700 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 2021, over 1,700 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 2021, nearly 12,000 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, which help qualify participants for HUD funding and approval. Over 18,300 NCHCEC certifications have been awarded to date.

## **Organizational Assessment**

The Organizational Assessment Division (OAD) is the lynchpin to ensuring that network organizations are strong and healthy in their operations – and remain that way. Each prospective network organization undergoes a rigorous assessment before their acceptance into the network and every year thereafter. This process of risk management is not just about all of the things that could go wrong, but rather about identifying what must go right for the organization to succeed. Through its assessments, OAD turns data into knowledge that accurately identifies risk and guides decision-making to improve the performance of the NeighborWorks network.

## **National Initiatives**

The National Initiatives Division is responsible for developing, testing, and mapping innovative national programs and services designed to support individual network organizations with the overall objective of sustaining a network of excellence. National Initiatives staff are recognized as experts in the fields of homeownership and lending, financial capability, green strategies, community and resident engagement, community stabilization, real estate development, and more. The National Initiatives division plays a key role in much of the organization’s thought-leadership work, bringing forward cutting-edge programs and practices and disseminating them through the tailored supports offered to network organizations, as well as other nonprofit and governmental agencies throughout the country. National Initiatives staff develop specialized grant programs, identify opportunities for peer-to-peer learning, manage targeted technical assistance, and guide ground-breaking research.

## **NeighborWorks America’s Strategic Plan**

Since receiving its Congressional charter from Congress in 1978, NeighborWorks America has been working to reinvest in and 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 (NFMC), a shared equity initiative that Congress established in the Consolidated Appropriations Act of 2019, and most recently, the Housing Stability Counseling Program, established under the American Rescue Plan Act of 2021 to provide counseling for renters and homeowners impacted by the COVID-19 pandemic.

In FY 2022, NeighborWorks embarked on a new three-year strategic plan to pursue our mission, creating opportunities for people to live in affordable homes, improve their lives and strengthen their communities. Our core values, including our commitment to accountability and excellent stewardship, continue to anchor the work we do to advance the community development field and meet the affordable housing needs of individuals and families in communities across the country.

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

As an organizing framework for this document, we describe our core work using the four broad goals of the FY 2022-FY 2024 Strategic Plan:

- Create, preserve, and invest in affordable housing and wealth building;
- Foster stronger, more equitable communities;
- Strengthen the capacity and sustainability of the NeighborWorks network; and
- Strengthen a culture of accountability and belonging at NeighborWorks America.

## Creating, preserving, and investing in affordable housing and wealth building

Stable, affordable housing is a platform for personal and financial wellbeing and can provide a pathway to build wealth. 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, families of color, seniors, and persons with disabilities. To address these challenges, NeighborWorks is working to increase access to capital and catalyze and amplify innovative solutions to create and preserve affordable housing and create pathways to homeownership and wealth building opportunities.

Communities of color have historically been excluded from intergenerational wealth building by decades of housing discrimination and other structural barriers—disparities which have been further exacerbated during periods of crisis, including the Great Recession and the Covid-19 pandemic. Creating pathways to wealth building through affordable rental housing and sustainable homeownership is fundamental to creating equitable opportunity.

Looking forward, NeighborWorks will also continue to focus on reducing barriers to wealth building in communities of color by supporting customer-centric approaches which anchor responsive services for individuals at each transition point on the housing continuum. This includes offering programs that stabilize people at risk of homelessness and support them all the way through sustainable homeownership, if desired. Through new partnerships, expanded funding, and replicating successful housing solutions, NeighborWorks America will strengthen its investment in strategies that support housing stability and wealth creation.

**In FY 2023, NeighborWorks organizations will provide 491,500 affordable housing and counseling services to individuals and families.**

In FY 2023, NeighborWorks America will counter the housing affordability crisis and tackle the racial wealth gap by creating and preserving affordable, sustainable, and equitable rental and homeownership opportunities. Through grants, technical assistance, and programmatic initiatives for the NeighborWorks network, NeighborWorks will facilitate the development and preservation of housing that is affordable and sustainable for the long term, enriched with appropriate services, and an asset to the larger community.

In order to enhance our network organizations' capacity to leverage public resources, we will prioritize working with network organizations to ensure that their business models are financially sound and sustainable, while undertaking strategic initiatives to expand their access to capital. NeighborWorks will increase impact and outreach, by investing in replication and testing of innovative strategies that dramatically improve access to affordable housing.

Through the network, we will refine solutions to 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, when appropriately structured, can be a successful strategy for long-term wealth building. The NeighborWorks network is leading the way, publishing [research](#) showing that—in two thirds of US counties—homeownership is more affordable than renting, and working on pathways to create homeownership opportunities.

In particular, NeighborWorks views homeownership promotion as a key strategy for addressing the racial wealth gap. In 2020, white households—who account for 60 percent of the U.S. population—held 84 percent of total household wealth, while Black households—who account for 13.4 percent of the U.S. population—held just 4 percent of total household wealth. As a result, homeownership promotion will continue to be integral in FY 2023 for NeighborWorks America.

NeighborWorks network organizations have a proven track record of making sustainable homeownership a reality for populations that are not well served by the general market. Network organizations do this by building strong relationships with their communities and offering resources and services tailored to overcoming some of the barriers that have historically kept low-income and minority households from achieving homeownership. Network organizations serve as trusted community resources, offering housing counseling and financial capability services that are crucial for sustaining homeownership.

**In FY 2023, NeighborWorks organizations will create 23,000 new homebuyers.**

Network organizations also offer a wide variety of services that create homeownership opportunities for people of all incomes and backgrounds. This includes real estate development, affordable housing unit sales, self-help housing services, affordable lending activities, housing counseling and homebuyer education.

NeighborWorks America supports network organizations' homeownership promotion strategies by providing tailored resources including professional development and performance scorecards focused on strengthening their organizational infrastructure and management teams. 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 also continues to engage lender partners to build and maintain operational processes that support originating the layered mortgages that are instrumental to making homeownership affordable and sustainable for low-income homebuyers.

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.

### **Minority Homeownership**

As of 2019, the median Black household held only one third of the wealth of the median white household, while Black homeownership rates remained about 30 percent lower than white homeownership rates. To combat this racial wealth gap, NeighborWorks is actively engaged with several multi-sector coalitions striving to create homeownership opportunities for Black and other underserved households. NeighborWorks is committed to intentional, comprehensive action to address the racial homeownership gap. Compared to the general market, NeighborWorks network organizations far exceed the rate of service to minority households, with low-to moderate-income households of color making up over half of network homebuyers. These homebuyers often face multiple barriers, including insufficient income and household wealth to afford down payment and closing costs, inaccessible or poor credit, lack of knowledge about buying a home and sustaining homeownership, regulatory burdens, an insufficient supply of affordable housing, and racial discrimination.

Many network organizations have developed innovative and impactful strategies to address barriers and to facilitate successful homeownership for minority households. To harvest the knowledge gained through this experience and facilitate dissemination of best practices, NeighborWorks is convening a cohort of seventeen organizations engaged in this work. Participants in the Accelerating Homeownership for People of Color grant program will receive

financial support to engage with peers to identify replicable and scalable models, tools, and tactics to share with the broader network.

In July 2021, network organization Homeport and its partners launched CONVERGENCE Columbus (OH), a pilot aimed at harnessing the potential of collective action with lenders, industry and nonprofit participants and government partners to facilitate new solutions to the nation's rental and housing affordability challenges. Through its cohesive approach, CONVERGENCE promotes more sustainable, affordable homes for purchase and rental for underserved people and communities, especially minorities and low-to-moderate-income Americans. Homeport is providing counseling services to prospective homebuyers as part of an integrated system to address generations of systemic racism by eliminating barriers in trust, education, resources, and products to close the racial wealth gap through Black home ownership and stability.”

### **Housing Counseling**

In FY 2023, NeighborWorks America will continue to support the highest quality homeownership education and counseling. This includes supporting excellence in all NeighborWorks organizations’ homeownership education and counseling programs through regular assessments of each NeighborWorks organization, as well as technical assistance, topical webinars, training, technology, and other new tools designed to streamline the work of housing counselors and allow them to focus on the specific needs of their customers. In response to challenges brought on by the pandemic, agencies have continued to adapt service delivery models to better support the needs of their communities by offering more virtual services, developing new outreach and marketing strategies to reach the most vulnerable populations, and hiring staff to meet the increased demand for foreclosure counseling.

**In FY 2023, NeighborWorks organizations will provide housing counseling services to 160,000 individuals.**

### ***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, there have been nearly 220,000 NCHEC course registrations. NCHEC certification and continuing education ensures that counselors are equipped with state-of-the-art knowledge and tools to address the full range of customer needs, from rental counseling to financial literacy and homebuyer education.

NeighborWorks is the leading provider of HUD housing counselor certification training. In response to new, more comprehensive housing counselor certification requirements instituted by HUD in 2021, NCHEC revamped its existing training offerings and developed nine additional courses dedicated to preparing counselors for HUD certification. The new classes were designed to educate practitioners on all the required competencies NeighborWorks also

created a series of webinars dedicated to test taking strategies and each of the six core competencies of the certification exam. Additionally, NeighborWorks convened study groups for housing counselors within the network, creating an effective network of peer support.

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. As of December 2021, the NeighborWorks network reported that 85 percent of the 624 network housing counselors pursuing HUD counselor certification had successfully achieved certification. Ninety-eight percent of HUD-approved counseling agencies in the network reported having at least one HUD certified counselor.

### ***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. To date, there are 569 approved adopters of the Homeownership Education Standards.

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, NCHEC shepherded the completion of new Standards for rental housing counseling and financial capability which launched in 2019.

### **Down Payment Assistance Programs**

Lack of savings for a down payment is one of the biggest barriers to homeownership for lower-income families and people of color. Down-payment assistance is a critical tool for promoting homeownership, helping close the homeownership gap and increase opportunities for underserved minority and lower-income households to reap the benefits of homeownership by building equity and wealth in their home.

NeighborWorks has administered several programs to provide down payment assistance programs to low- and moderate-income homebuyers providing sustainable, equitable wealth building opportunities. Since early 2012, NeighborWorks America, with funding from Wells Fargo and the Wells Fargo Foundation, has partnered with network organizations to launch 81

NeighborhoodLIFT (Let's Invest for Tomorrow) down payment assistance programs in their communities. As of the end of 2021, NeighborWorks organizations have deployed over \$342 million, helping over 25,000 families to become homeowners through down payment assistance from LIFT and leveraging over \$3 billion in first mortgages. When surveyed, many homeowners who received down payment assistance indicate it would have taken them at least one to five years longer to save enough for a down payment. With down payment assistance, low- to moderate-income households are able to purchase their homes and begin to build equity sooner. In a survey of homebuyers who received LIFT down payment assistance since 2016, about a third (32 percent) of respondents reported that they pay less for housing than they did previously.

In FY 2020, the most recent year for which Home Mortgage Disclosure Act data is available, 54 percent of LIFT down payment assistance clients were minority borrowers, as compared with only 30 percent in the general market. Fifty-six percent of the households assisted through LIFT earned less than 80 percent of area median income, while only 27 percent of borrowers served in the general market fall into this income bracket.

Programs are currently underway in Minneapolis/St. Paul, MN, the Greater San Francisco Bay Area, Philadelphia, PA and Houston, TX. Prior to launching a LIFT program, NeighborWorks assesses the participating network organization to ensure its lending capacity and systems are ready to operate at scale and provides supplemental technical assistance where needed. For example, NeighborWorks has supported technical assistance to increase the efficiency of network organizations' lending systems by building out online application portals and e-signature capabilities, enhancing customer experience and creating a more streamlined process. Participating network 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. In many cases, LIFT participation has also enabled them to attract additional resources and expand into new geographies and lines of business.

For NeighborWorks Home Partners (NWHP), the impact of participating in three rounds of the LIFT program goes well beyond the substantial grants that allowed them to assist more than 1,400 families buy a home in the Twin Cities over the last decade. Participation in LIFT also gave them the opportunity to demonstrate their ability to administer a high volume down payment assistance program at scale, opening doors to countless other opportunities. NWHP has leveraged the LIFT funds to bring in additional capital for down payment assistance, allowing them to continue the program at a similar scale once the LIFT funds were exhausted.

Customers who do not qualify for down payment assistance are offered appropriate alternative services, including financial education to help them budget, improve their credit, and save toward a down payment, to prepare them for homeownership in the future. The LIFT Homeownership Counseling Initiative supports a fee-for-service model that is open to any HUD-approved housing counseling agency in the LIFT geography. From its inception in 2018 to 2021, the NeighborhoodLIFT Homeownership Counseling Program has partnered with 129 organizations to serve approximately 7,200 customers with no-cost pre-purchase homeownership counseling.

After losing her home and investment properties to foreclosure, Prince George's County, MD resident Georgiann Hampton received counseling from network organization Manna, Inc. through LIFT that helped her rebuild her financial life. Through the counseling initiative, she learned how to deal with a bankruptcy that was still on her record, developed a budget to pay off existing debt, and learned how to identify predatory scams. With LIFT down payment assistance, Hampton was able to truly achieve her dream of stable homeownership.

### **Shared Equity Homeownership**

Shared equity housing models are an innovative strategy for providing access to affordable, stable homeownership for families that may not otherwise be able to access homeownership, while at the same time ensuring that the subsidy investment remains in the community to preserve affordability over time. In shared equity models, ownership of land and housing is shared between the homeowner and a nonprofit representing the community, between a group of homeowners, or through contractual structures that preserve the initial subsidy from one family to the next.

Individual families who become shared equity homeowners are generally long-time renters with modest incomes. Shared equity programs not only allow them to stabilize housing costs, but also provide the added benefit of secure ownership. On average, a family in a shared equity home leaves with \$14,000 in accrued equity when they move out of the home, and about 60 percent of shared equity homeowners have been able to use this as a steppingstone to traditional, market-rate homeownership.

Shared equity housing strategies also counteract market forces, not only ensuring that long-time residents can remain in their neighborhoods, but that the affordable housing investments they require are stretched to serve more families, so that communities remain stable and inclusive.

Between FY 2019-2021, Congress appropriated a total of \$5 million to enable NeighborWorks to launch a shared equity housing initiative to build the capacity of nonprofit organizations to ensure long-term affordability for their communities through shared equity approaches including community land trusts, deed-restricted homes, limited-equity housing cooperatives, and resident-owned manufactured housing communities.

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. After completing an extensive exploratory scan of the existing research and resources on shared equity housing in FY 2019, NeighborWorks developed a comprehensive plan to guide this initiative and launched four grant programs in FY 2020.

In addition to grants, participating organizations received evaluation services and local trainings. The initial capacity building grants were made to:

- Ten organizations to conduct feasibility or market studies to determine whether to launch a shared equity housing strategy,
- Eight organizations to undertake a planning process to develop a business plan or action plan,
- Thirteen organizations to participate in peer-to-peer learning and mentorship with other shared equity programs across the country, and,
- Seven organizations to allow well-established shared equity program operators to innovate and test new practices to strengthen and scale this work.

In early FY 2022, NeighborWorks awarded an additional nine capacity building grants totaling \$325,000, as well as two production grants totaling \$1 million. The production grants supported two feasibility grants, four planning grants, two peer learning grants, and two innovation grants. Production grants were awarded to Champlain Housing Trust in Vermont to support the development of approximately 40 new units of shared equity housing in the Burlington region and to CASA of Oregon to develop 90 new units of resident-owned manufactured housing in the Rogue Valley area.

Through the shared equity initiative, NeighborWorks America is supporting network organizations employing a variety of shared equity models tailored to the specific needs and circumstances of their communities. Network organizations using shared equity approaches include:

- NeighborWorks Montana is working to preserve and develop manufactured housing through its resident owned community (ROC) program. As a certified technical assistance provider (CTAP) for ROC USA, they have helped 15 resident owned communities with 606 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. They also recently piloted the use of New

Markets Tax Credits to create shared equity housing in Winooski, Vermont using a shared equity innovation grant from NeighborWorks.

- Durham Community Land Trust used their innovation grant to explore the use of accessory dwelling units (ADUs) on land trust land to expand lasting affordable housing opportunities for renters with low incomes. They have broken ground on their first ADU property in the land trust.
- Asian Americans for Equality (AAFE) in New York City is building upon their affordable homeownership program which uses the limited equity cooperative model by partnering with their CDFI affiliate to explore a more streamlined process to provide loans to cooperative owners.

In FY 2022, NeighborWorks is continuing to support organizations interested in building or furthering their shared equity strategies by developing 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 or “roadmap” 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 real estate practitioners and financial capability and housing counselors.

Selected grantees are receiving technical assistance support through the duration of their grants. NeighborWorks is also working with four organizations to support the evaluation of shared equity approaches, focusing on understanding the broader quality of life and community-wide outcomes of shared equity housing. These findings from these evaluations will be disseminated as part of the learnings from this initiative.

NeighborWorks is also developing and enhancing professional development offerings to build the capacity of community development organizations. The curriculum for an existing training course on shared equity housing has been updated and three new courses are on track to be launched by mid-2022. NeighborWorks also provided the introduction to shared equity course at three different place-based trainings, giving host organizations the opportunity 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. NeighborWorks will be hosting two additional place-based trainings in Spring 2022.

In February 2021, NeighborWorks America held a virtual symposium highlighting the use of shared equity housing strategies to create permanently affordable housing, further stretch public investment, and prevent displacement of long-time residents due to rising housing costs. The event, “Shared Equity Housing: Creating Lasting Affordability and Community

Ownership,” attracted over 330 participants and featured a keynote from Vann Newkirk II, Senior Editor at *The Atlantic*, and Shirley Sherrod, co-founder of the New Communities Land Trust in Albany, Georgia. Other panels highlighted the potential for shared equity solutions to help address the racial wealth gap, showcased partnerships around shared equity programs in action, and included three virtual mobile tours during which participants were able to hear from residents and nonprofit program leaders while viewing stops on a Google Maps Street View tour.

### **Homeownership Preservation Strategies**

NeighborWorks has long recognized the importance of comprehensive homeownership strategies that help families not only attain, but also retain, their homes over the long term. Homeownership preservation takes many forms, from counseling individual households struggling to keep up with their mortgage payments to saving a physical structure from deteriorating past the point of habitability. Threats to homeownership not only risk the dislocation of a family, but also the dissolution of any accumulated wealth, creating problems both now and in the future.

**In FY 2023, NeighborWorks organizations will preserve homeownership for 11,500 households.**

Since its earliest days, the Neighborhood Reinvestment Corporation has sought to assist homeowners at risk of losing their homes to physical deterioration and to ensure a safe and healthy living environment. This housing and neighborhood revitalization work continues today through the NeighborWorks network.

**In FY 2023, NeighborWorks organizations will facilitate repairs of 80,000 homes.**

NeighborWorks organizations offer an array of services to customers whose properties require health and safety repairs or weatherization upgrades, from loan specialists who help with financing (often through NeighborWorks CDFIs or local revolving loan funds) to construction specialists who can help residents find qualified contractors, write work specifications, and oversee property improvements to ensure work is done correctly and within budget.

NeighborWorks Grays Harbor (WA) paired grant funds from NeighborWorks with local weatherization support to stretch their resources to serve additional households. A note from one assistance recipient, who previously had no working source of heat in his home, expressed his appreciation: "The high efficiency furnace that was installed will be a life saver. With the weatherizing of my home, it is airtight and always stays warm," he said. "Winters in my home have in the past been trying and expensive." In addition to the new furnace, the project included plumbing and electrical repairs, as well as air sealing and installing weather stripping and door sweeps, insulating the attic, walls and door, and even replacing a broken window.

## **Foreclosure Prevention**

The NeighborWorks network provides 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 the wake of the late 2000s foreclosure crisis, 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 before concluding in 2018. Although this program has concluded, foreclosure counseling continues to be an important component of network organizations' housing counseling programs.

Since the onset of the pandemic, NeighborWorks and the network have been responding to the increasing demands for foreclosure and eviction prevention counseling. Half of 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 from COVID-19 impacts, NeighborWorks will continue to focus on counseling readiness in the network.

In FY 2021, Congress again called on NeighborWorks to administer a large grant program to support families in danger of losing their homes. With \$100 million appropriated through the American Rescue Plan, and just twelve weeks after enactment of the statute, NeighborWorks launched the Housing Stability Counseling Program, which provides counseling services to both homeowners and renters facing eviction or foreclosure as a result of the COVID-19 pandemic.

## **Stop Home Scams**

In January of 2021, NeighborWorks partnered with about 90 other local and national organizations including the National Fair Housing Alliance, National Federation of Credit

Network member Habitat for Humanity of Michigan teaches scam awareness in courses on housing education and consumer protections. Housing and Family Services Manager Anitra Austin said "We want people to be cautious, to make sure they can identify whether something is a legitimate notification or a scam. It's a constant issue. Scams can be difficult to track. But we hope that with the information we provide and the resources we share, the number will decrease."

Counselors, ROC USA, Wells Fargo Foundation, and the US Department of Housing and Urban Development to launch the [StopHomeScams](#) campaign. The campaign provides consumers facing financial struggles as a result of COVID with information about housing scams, where to report a scam, and how to connect with a housing counselor. Key educational materials have been developed in multiple languages, including Spanish, Mandarin and Vietnamese. As part of the campaign, NeighborWorks distributed \$295,200 in grants to 48 Network organizations for local marketing and outreach, leveraging the knowledge of the community-based organizations along with national advertising. To date, the campaign has achieved more than 200 million impressions overall (digital ads, website, events, etc.), with 60,000 visits to the website at an average rate of 5,000 per month.

### **Not OK? It's OK**

In early 2021, research from the Urban Institute found that over 3 million mortgage borrowers were in active forbearance programs under the CARES Act, but that an additional 400,000 delinquent borrowers would qualify for these programs because they had missed one or more mortgage payments as a result of the COVID-19 pandemic. To increase awareness of forbearance programs, NeighborWorks and other members of the Mortgage Markets COVID-19 Collaborative, including mortgage servicers, trade associations and government agencies, launched the “Not OK? That’s OK” campaign to ensure that eligible customers know about the available programs and know who they need to contact to access the relief. In January 2022, the campaign’s collateral was revised to coordinate with Housing Assistance Fund outreach. The new collateral contains messaging for specific partners, including servicers, housing counselors, and local municipalities.

### **Lending Support**

In a time when access to credit remains out of reach for some borrowers and home prices are rising exponentially, 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. To bridge these gaps, many NeighborWorks have developed sophisticated lending lines of business, providing residential—as well as commercial and consumer—credit for their communities. These lenders offer a diverse set of products, including direct origination of first mortgage loans, second mortgages, down payment assistance, rehabilitation loans, while other organizations serve as mortgage brokers.

NeighborWorks offers specialized supports for network organizations that engage in lending, particularly to the 83 U.S. Department of the Treasury-designated Community Development Financial Institutions (CDFIs) in the network whose work mission it is to serve low- to moderate-income communities. In addition to the established CDFIs, 35 network organizations are in various stages of exploring adding or expanding their lending lines of business. Roughly half of these organizations have already received technical assistance awards from the CDFI Fund

in support of this work. To further advance these efforts, NeighborWorks is developing a pilot to test the impact of using mentorship pairings between these organizations and established CDFIs from within the network. Through this partnership, the more seasoned lender will hold meetings, review planning documents, and participate in conversations with leadership of these organizations to guide their strategic growth.

A majority of network CDFIs utilize their designation for addressing residential lending gaps in their communities. NeighborWorks' CDFIs play a critical role in promoting homeownership by offering first and second mortgages, down payment assistance for homebuyers, and rehabilitation loans, often with more flexible underwriting and terms than those available from traditional financial institutions. This unique ability to pair alternative credit measures with tailored financial products and services allows CDFIs to reach underserved communities, communities of color, and hard-to-reach rural places, creating wealth-building pathways where few previously existed. Consumers with low or no credit, who are disproportionately Black and Latinx, can be particularly vulnerable to predatory products that hinder their ability to recover from a financial shock. NeighborWorks organizations' CDFIs are able to design and offer credit products tailored to the unique profiles and needs of their customers, making safe, responsible credit available to borrowers who many not otherwise be served. NeighborWorks CDFIs are piloting models for alternative products, and some offer small dollar consumer loans to cover unexpected expenses or income disruptions. Network CDFIs also support the broader community development industry by offering commercial loans for economic development, real estate development, microfinance/small business development, and community facilities, as well as consumer loans.

**In FY 2023, NeighborWorks organizations will deploy \$350 million in residential loan capital.**

Each year, NeighborWorks America staff provides technical assistance and capacity building to network CDFIs to strengthen their applications to the CDFI Fund, helping them to compete and secure resources for their communities. Now in its tenth year, NeighborWorks' Capacity Building Initiative provides technical and strategic support, offering guidance and application review to organizations applying for Financial Assistance or Technical Assistance awards from the CDFI Fund. In FY 2022, 42 organizations are expected to participate in the Initiative. 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 the Treasury Department. In FY 2021, NeighborWorks assisted 71 network organizations to successfully compete for a total of nearly \$104 million in awards from the CDFI Fund.

*“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)

To help scale the work of CDFIs, NeighborWorks invests in innovative models and strategies to aggregate similar needs and develop replicable solutions. 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. This model unlocks access to the secondary market for the lenders, providing them with fresh lending capital, increasing their ability to serve additional borrowers, and enhancing their community impact. Network member 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. Network organizations are also developing additional means of increasing access to capital by becoming members of Federal Home Loan Banks and partnering with their state housing finance agencies. In addition, NeighborWorks organizations are exploring new relationships with credit unions—and sometimes even establishing their own—to increase their liquidity.

NeighborWorks also provides financial support to align and expand capacity to allow for network organizations to realize efficiencies through shared back-office operations. In particular, NeighborWorks’ grant and technical assistance creates opportunities for smaller organizations to engage in strategic decision-making about which functions to keep in-house and which to outsource. Through facilitated peer-to-peer learning, network organizations assist one another with this evaluation and create mutually beneficial partnerships. Established CDFIs are effective partners for emerging CDFIs who develop their capacity by acting as brokers, bringing customers to the larger organization. As the emerging CDFIs further develop, they gradually add capacity to take on the lending function, taking responsibility for additional components of the lending process incrementally.

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. In FY 2021, a virtual CDFI Summit attracted 215 registrants for three days of workshops, panel discussions, peer-exchange, and presentations from leading thinkers and policymakers. The theme of the event, “Opportunity and Resilience: Meeting the Moment,” provided a platform for lenders of all complexities and at all levels of the organization chart to learn and develop. In particular, the Summit showcased successful innovations developed in response to the circumstances of the pandemic. For example, CDFIs that had historically focused on mortgage lending quickly pivoted to administer small business loan capital received from federal, state, and regional agencies. The cache of CDFI and NeighborWorks designations made these organizations highly sought-after partners for this new work.

Loans made by NeighborWorks network CDFIs have tremendous local impact. In FY 2021, network CDFIs made 5,653 residential loans totaling \$333 million. In addition,

NeighborWorks America organizations made \$7.6 billion in commercial loans, split between economic development (91 percent), real estate development (5 percent), mixed use development (1 percent), and other types of projects (3 percent). In addition to the principal investment, the commercial loans made by CDFIs leveraged \$6.9 billion in additional investment. The boom in commercial lending was largely due to participation in federal pandemic recovery programs, primarily the Paycheck Protection Program.

Moreover, NeighborWorks CDFIs create 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 their future ability to attain a conventional 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.

In response to COVID-19, CDFIs provided crucial liquidity to small businesses to maintain jobs of essential workers. They also established emergency funds, aggregating capital for bulk food purchases to feed unemployed workers and instituted deferred/forgivable payment options for loan customers facing pandemic-related challenges. Additionally, five NeighborWorks CDFIs participated in lending through the Paycheck Protection Program, in addition to twelve CDFIs that delivered SBA program loans that have kept people employed during the COVID-19 pandemic.

In the wake of the pandemic, [Prestamos CDFI](#), a division of NeighborWorks network member [Chicanos Por La Causa](#), has served nearly half a million business through the Paycheck Protection Program (PPP), with more than three fourths of the loans going to minority-owned businesses. By the end of FY 2021, Prestamos reported \$6.6 billion in loans, supporting hairstylists, artists, custodians and more. "From the get-go, our team has been so motivated to reach the underserved, to reach the smallest-of-small businesses," Jose Martinez, president of Prestamos says. "It worked." To increase their capacity and reach additional small businesses across all 50 states, Puerto Rico, and Guam, Prestamos partnered with Blueacorn, a fintech company.

## Native CDFIs

Recognizing the unique and acute constraints that limit access to capital for Native communities, NeighborWorks is proud to support the four Native CDFIs in the network. In 2021, Oweesta Corporation and Lakota Fund received their NeighborWorks charters, joining Native Partnership for Housing and White Earth Investment Initiative, an affiliate of network member Midwest Minnesota Community Development Corporation. Collectively, these organizations deepen NeighborWorks' ability to directly serve Native communities and tribal

lands, while also supporting the infrastructure and capacity of other organizations that serve these communities.

NeighborWorks America, as part of the CDFI Fund's Capacity Building Initiative, provides a wide range of ongoing capacity building opportunities including specialized training, technical assistance, and peer learning in a variety of formats and locations to participating Native CDFI. These offerings cover key areas of organizational capacity development, including organizational management and board governance, planning and implementation, lending and development services, management staffing and personnel, operations, and resource and financial management.

### **Single Family For-Sale Development**

A severe shortage of affordable homes available for purchase is one of the greatest barriers to homeownership. According to a 2022 [study](#) by the National Association of Realtors and Realtor.com, there was 57 percent less for-sale inventory on the market in 2022 than in 2019. At the same time, data from the [NAHB/Wells Fargo Housing Opportunity Index](#) found that home affordability in January 2022 reached its lowest affordability level since the beginning of the index in 2012, with supply-chain bottlenecks and rising interest rates putting upward pressure on home prices.

NeighborWorks is exploring opportunities to address these constraints through the For-Sale Opportunities Project, launched at the end of FY 2021. The work explored innovative housing solutions and strategies that demonstrated success in supporting production of affordable for-sale housing. Engagement with network organizations and stakeholders produced a slate of recommendations to NeighborWorks to increase the support of these homebuilders. These recommendations will begin to be implemented in FY 2022, beginning with a webinar series on innovative homebuilding solutions, highlighting responses to affordable home market trends, use of New Market Tax Credits, and manufactured and modular home designs that may help address the increasing challenges of labor and material shortages. In coming years, NeighborWorks is planning to host a national convening, offer technical assistance, and provide support to homebuilders planning to rapidly scale their businesses.

### **Rental Housing Development and Asset Management**

Over a third of the nation's households live in rental housing, and certain demographics – young people, racial and ethnic minorities, and those with lower incomes—represent a disproportionate share. According to [research](#) from the Pew Research Center, about three-fifths of people in the lowest income quartile rent their homes, as do 87.6 percent of people with net worth below the 25th percentile. Nationwide, rents continue to accelerate, putting additional pressure on an already inadequate supply of affordable housing. According to [estimates](#) from the National Low Income Housing Coalition, the United States faces a shortage

3.4 million affordable rental homes.

In 2023, NeighborWorks America will continue to work to meet the diverse affordable housing needs of communities nationwide by creating and preserving quality affordable rental housing. NeighborWorks' grants, training, and technical support will assist NeighborWorks organizations to scale up their production, developing new housing to provide an ever-growing number of lower-income families with healthy, 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 2021, the NeighborWorks network developed, acquired, and/or preserved 13,800 rental homes through investments totaling nearly \$2.42 billion, bringing the total network rental portfolio to nearly 196,000 units. NeighborWorks estimates that in FY 2023, the network will add an additional 14,000 rental homes to its portfolio, bringing the total units owned and/or managed to 205,000.

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.

Affordable housing development typically requires a lengthy process of assembling complex financial packages with layered subsidies including various federal and local funds. These sophisticated transactions benefit tremendously from NeighborWorks funding, which typically makes up only a small portion of the total package but plays an outsized role. NeighborWorks' unique enterprise-level funding can be used for acquisition, predevelopment, and development of real estate. By providing flexible resources, NeighborWorks enables network organizations to use the funding to launch projects, attract additional resources, and fill gaps where needed.

NeighborWorks America has positioned itself as a leader in asset management expertise, providing the network with capacity building resources in the form of training clinics, technical consultation, trend and data analysis, and professional certification that promote the long-term health and sustainability of the rental housing portfolio. NeighborWorks convenes network organizations and industry leaders at in-person conferences and via the web to disseminate information, discuss trends, advance innovation, and promote best practices. Through its leadership of the Consortium of Housing and Asset Management (CHAM), NeighborWorks shares best practices, research, and asset management assessment tools from the network with the larger affordable housing industry.

NeighborWorks promotes the use of business tools including portfolio-wide data systems, production and pipeline management, active multi-year cash flow planning, and real estate business planning. To provide each network organization with a clear picture of their portfolio's performance, NeighborWorks compiles quarterly property performance data through MFInsight, a multifamily performance database tool with 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 identifies areas of strength and opportunities for improvement for portfolio asset management. These findings are then used to direct training and technical assistance resources, creating a performance and evaluation feedback loop. 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 to improving rental housing management and operations. NeighborWorks is partnering to explore retro-commissioning to improve energy efficiency, using resident satisfaction surveys to document and measure programmatic outcomes, and designing and implementing eviction prevention programming.

Sustaining and growing a well-run nonprofit real estate development and management organization requires ongoing 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 the Business Strengthening program, Portfolio Strengthening program, and the Rental Real Estate Growth Cohort program.

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

NeighborWorks's Portfolio Strengthening clinic and grant program offer network organizations tools and resources to help improve the performance of their portfolios, manage risks, and capitalize on opportunities in their portfolios. Approximately six organizations participate each year in the Portfolio Strengthening clinic, which is designed to create culture change by including senior staff and board members. Participants in the clinic are then invited to apply for grant funds to enable the change. In FY 2021, network organizations used grant funds to leverage significant other third-party investment to positively impact a property or a significant

portion of their portfolio financially by improving the operating efficiency, marketability, and cash flow of the property. In other cases, the grant funding enabled restructuring, refinancing, or disposing of a property that is no longer optimal for the portfolio.

As the need for affordable rental housing grows across the country, the organizational strength and health of nonprofit real estate owners has never been more important. As network organizations tackle the tandem challenges of expanding the supply of new units while also preserving the existing stock, NeighborWorks America has expanded targeted support to network organizations poised for—or in the midst of—significant growth over the coming five-to-seven years through the Rental Real Estate Growth Cohort program. Through a multi-year engagement, NeighborWorks is providing direct support for rental real estate growth business plan development and implementation. The program launched in 2019 with twelve participating network organizations. While some members of the initial cohort have completed their business plans, others are re-tooling their plans in response to changes in local market conditions and pandemic-driven shifts in state rental housing priorities. A second cohort of eleven additional organizations began the program in 2022.

The Rental Real Estate Growth Cohort program provides grants for consulting services to assist participating organizations with preparing business plans for accelerated growth of their portfolios. Business planning includes analysis of the organization’s financial status, its rental real estate development and rental portfolio financial performance, and the local real estate development and acquisition market. The business plans include a five- to seven- year capital plan, a change management plan, and a cash and capital forecast. These business plans form the basis for a decision tool detailing exactly how organizations will increase the size of their rental portfolios. In addition to these supports, NeighborWorks also convenes the cohort on a monthly basis to facilitate exchange of tools, practices, and learning about the pressures and challenges of accelerated portfolio growth.

## **STRENGTHMATTERS®**

Recognizing the importance of well-trained, sophisticated financial managers to the production and preservation of affordable rental housing, NeighborWorks America and other national partners have developed the Strength Matters collaborative to support the specialized information and professional development needs of financial managers of affordable housing nonprofits. By focusing on increasing the financial strength and transparency of mature nonprofit affordable housing organizations, Strength Matters improves their access to capital, lowering their costs and opening up additional opportunities.

The Strength Matters Financial Management Conference is the only annual national event focused specifically on the professional development needs of chief financial officers and other financial managers of community development real estate organizations. Strength Matters continues to publish original research, develop and share best practices on financial

reporting and balance sheet analysis, and disseminate learnings around enterprise-level financial strength and transparency. Through its signature program, a financial reporting bootcamp, Strength Matters ensures that nonprofit rental housing entities are able to produce financial reports consistent with generally accepted accounting principles for the industry.

Strength Matters is a CPE sponsor registered with the National Association of State Boards of Accountancy (NASBA) and all of its webinars, virtual, and in-person education programs and conferences offer CPE credits for certified public accountants. The Strength Matters curriculum is expanding to include enterprise risk management (ERM) to support a broader set of business practices for organizational risk assessment and respond to the evolving needs of CFOs, senior financial managers, and other senior leaders of community development real estate organizations. Primary work covering the value and practical scope of ERM began with the Strength Matters audience at the Fall 2021 annual conference. A full curriculum development plan will be prepared in FY 2022.

### **Consortium for Housing and Asset Management (CHAM)**

Mission oriented owners of affordable housing are facing mounting pressures to preserve aging stock and 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.

### **Capital Corporations**

NeighborWorks also provides grants to two capital corporations, [NeighborWorks Capital](#) and [Community Housing Capital \(CHC\)](#), 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 addition to project-specific lending, the capital corporations provide unsecured enterprise lines of credit, which are especially important for network organizations with limited liquidity or unrestricted net assets. These lines of credit can be used to build a pipeline or start a new business activity.

In FY 2021, NeighborWorks' grants to the capital corporations levered \$133.5 million in development, construction, and permanent mortgage capital with the specialized terms

needed to make these difficult projects possible. Seed funding from NeighborWorks America helps lower the cost of capital to the capital corporations by strengthening their net assets and helping to meet the equity requirements for access to low interest, long-term capital offered by the Federal Home Loan Banks. NeighborWorks funds also enable the capital corporations to attract the much more significant, multi-year loan investments that are needed to produce affordable housing at scale.

In recognition of communities' needs for rental housing and affordable homes for purchase, the capital corporations are both developing 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 FY 2023, NeighborWorks' affiliated capital corporations will provide network organizations with \$140 million of flexible capital.**

Through the COVID-19 pandemic, the capital corporations' flexibility has allowed them to accommodate the needs of borrowers, shifting to interest-only payments or deferring payments where necessary. The capital corporations also offered emergency recovery loans, helping network organizations access capital to address immediate needs,

In 2021, NeighborWorks Capital originated \$30.8 million in loans to 13 borrowers, creating or preserving 1,699 homes with a total development cost of over \$402 million. In FY 2022, NeighborWorks Capital is working to dramatically scale up originations to \$70.7 million, supporting the creation or preservation of 2,250 affordable rental homes, 250 affordable for-sale homes, and 100,000 square feet of community and retail facilities. NeighborWorks Capital is committed to ensuring that at least 25 percent of lending capital will support projects in low-wealth census tracts, rural designated and persistent poverty counties, majority minority service areas, as well as organizations in weak financial health due to the pandemic.

When Little Tokyo Service Center (Los Angeles, CA) purchased the [historic Daimaru Hotel](#), they sought to both secure its future as home to community businesses and create long-term affordable housing. LTSC needed a financing partner that could be comfortable with the non-traditional unit arrangement (48 single room occupancy units with communal bathrooms and kitchens) and would be patient capital as the property's complex development plan progressed. While other lenders would shy away from these challenges, NeighborWorks Capital provided LTSC with a five-year, \$3,064,000 acquisition loan to jumpstart the process of preserving this cultural landmark.

In FY 2021, CHC originated 29 loans totaling \$95.56 million to 20 borrowers, creating or preserving 1,523 homes and leveraging \$302.3 million. In FY 2022, CHC is working towards a goal of \$85 million in new originations which will support 34 loans to 26 borrowers and leverage a projected \$360 million. Additionally, for the first time, CHC will allocate \$30 million in New Markets Tax Credits, providing equity to five organizations to support single-family homeownership in communities of color.

A \$12.5 million acquisition loan from CHC to Charlotte-Mecklenburg Housing Partners (now known as DreamKey Partners) helped preserve affordability for the 136-unit Forest Ridge Apartments in Fort Mill, SC. Following the complex's initial 15-year affordability requirements, the seller hoped to opt-out and sell the property to the general market but was first required to offer a nonprofit the right of first refusal. Understanding the importance of these affordable homes in an increasingly competitive market, CHC assembled a coalition of lenders to help DreamKey Partners take quick action to purchase the property.

## Resident Services

In addition to providing quality, affordable housing, many NeighborWorks network organizations provide—or link residents to—a broad range of supportive services including financial counseling and eviction prevention services, 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. This programming is tailored to meet families' needs, promote their personal and economic stability and mobility, and, most importantly, improve their life outcomes.

CHN Housing Partners (Cleveland, OH) is developing a new apartment building for parents on a college path. Jillian Watson Esposito, CHN's Assistant Director of Real Estate Development, said "We want to remove barriers for the scholars and provide an enriching learning experience for their children. The Scholar House model does that by pairing affordable housing with wrap-around academic and support services. It's a model that can work to break the cycle of multigenerational poverty and create economic mobility." Programming at the Scholar House will center around both children and parents, and services will include daycare and working with parents on career exploration and academics.

Done properly, asset management focuses on both property and resident success, recognizing the interdependency between thriving residents and a thriving community. NeighborWorks supports the network's resident services programming through convenings, peer exchange, and small grants to advance specific practices through small cohorts of network organizations with shared interests. Previous grants have supported organizations providing services focused on child development and grade-level reading proficiency and eviction prevention services in conjunction with rental assistance programs. In 2021, NeighborWorks also developed a new curriculum offering for resident services coordinators, the front-line staff who

are directly serving residents within properties and helping them achieve their goals. This curriculum is focused on building the skills necessary to expertly deliver services that support the stability of both the residents and the rental housing portfolio.

When successful, service programs can be life-altering, helping residents achieve and sustain physical and financial well-being and improve their lives. For example, 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. Over the program's life, the "Housing as a Platform for Academic Success" cohort supported by NeighborWorks has enrolled an increasing number of students in these services and demonstrated measurable impact from the interventions and support provided. At the midpoint of the 2020-2021 school year, the number of students in the program reading at grade level had improved by 46 percent.

#### **Serving Vulnerable Youth**

Hudson River Housing's Learning Through Experience and Partnership (LEAP) program connects young people, ages 16 to 24, to summer jobs with small, locally-owned Main Street businesses. The mentorship program, now in its fourth year, combines work experience with resume building, interview prep, and financial fitness training. LEAP targets young people who need experience, many of whom come to the program with more obstacles than credentials.

### **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 impact of housing enriched with appropriate services on a person's ability to maintain maximum independence and lead a healthy and fulfilling life, particularly as they age. To that end, NeighborWorks organizations are 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. Some network organizations provide 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 also provide services like nutrition assistance and transportation to medical appointments to other residents of the community.

The COVID-19 pandemic has seriously challenged older Americans, their families, and those who provide them housing and services. In response, NeighborWorks organizations have stepped up with various services and on-line/digital supports. For example:

- [Avesta Housing \(ME\) purchased Chromebooks](#) so older adults in their assisted living could stay in touch with their families;
- AHC Inc. and St. Mary Development Corp. participated 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 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; and
- Neighborhood Housing Services of Los Angeles County brought its [community garden directly to older adults staying at home](#) during the pandemic.

According to the FBI, millions of elderly Americans find themselves targeted by financial scams each year. To safeguard against this threat, NeighborWorks organizations provide specialized financial and housing counseling to seniors to protect them from scams and predatory financial products and equip them with information and tools to safely manage their financial resources. In particular, many organizations offer counseling to help customers understand 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 resources 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 houses into shared homes 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 widely-recognized leader in the field of financial capability, providing industry-leading financial capability training and support to both network and non-

network organizations. Financial capability is the capacity—based on knowledge, skills, and access—to manage financial resources prudently and effectively. Within the NeighborWorks network, financial capability programs provide any combination of 1) financial education, 2) long-term engagement strategies that provide encouragement and support through an ongoing relationship in a one-on-one setting to help participants practice and adhere to positive financial behaviors and reach their financial goals, and 3) access to financial products and services through referrals, distribution or direct provision. 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 equitable household and community financial health, as well as supporting the management of affordable housing.

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.

Financial capability is a hallmark service area for NeighborWorks, with network organizations reporting in FY 2021 more than 10,000 customers served for the fourth consecutive year. Increasingly, financial capability is integrated with other service offerings, and partnerships with organizations focused on workforce development, housing authorities, and social service agencies have broadened the reach of these programs. As these programs continue to develop, they have become a core component of programmatic approaches aiming to bring opportunities to often underserved people.

**In FY 2023, NeighborWorks organizations will provide financial capability counseling and education services to 10,500 individuals.**

The COVID-19 pandemic underscored the power of financial capability services that can be adapted to changing economic conditions. NeighborWorks organizations that provide free tax preparation services rapidly adapted their services to meet customers' needs while social distancing, connecting customers with new systems like the IRS's Non-Filer Sign-up Tool to help people access essential resources like stimulus payments and advance Child Tax Credit payments. Organizations with experience in homeownership and foreclosure mitigation partnered with local legal aid groups to provide financial counseling to households at risk of eviction and help them remain afloat through difficult circumstances such as a job loss or a reduction in hours.

Looking to the future, NeighborWorks is deeply invested in scaling up financial capability programming to ensure that all people, including those with low incomes, have the knowledge and skills they need to access economic and wealth building opportunities in their communities. The core elements of this work focus on structuring the replicability of financial

capability services in rental housing and resident-owned communities, collecting more rigorous data to demonstrate impact at the individual, community, and property levels, and increasing professionalization of staff delivering financial capability services. Through these strategies, NeighborWorks is creating a roadmap of effective practice built around a 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 from scratch, achieving scale and impact quickly, particularly in underserved and under-resourced communities.

NeighborWorks' support has afforded experienced network organizations the opportunity to test 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, providing staff training and new resources to improve services.

In the fall of 2020, NeighborWorks offered a virtual four-week Financial Capability Training Intensive aimed at building the capacity of NeighborWorks organizations to deliver impactful financial capability programs. The Intensive combined skills-based instruction with facilitated peer learning and plenary presentations for 100 staff members from 50 organizations. Six organizations selected as Peer Leaders modeled thriving financial capability programs integrated in a variety of other services for the remaining 44 organizations with newer, emerging financial capability programs. The spotlighted organizations represented geographic, population, and organizational diversity, illustrating the ways in which financial capability programming can be tailored to meet organizational and community needs. NeighborWorks continued to support the participants through webinars, virtual peer sessions, and small-group dialogues.

Training materials for the Intensive were anchored in the findings from an 18-month Learning Lab, during which six network organizations focused on improving engagement and retention of households in need of financial coaching. Findings from the Learning Lab highlighted the importance of understanding the target audience, maintaining customer engagement in programs long enough to achieve positive outcomes, and integrating appropriate products and services into financial capability programs for maximum success.

### **Resident Services as Asset Management**

NeighborWorks is a pioneer in developing “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; while some renters may have a long-term goal of homeownership, others may struggle to keep up with their rent and other living expenses because of lower—and often fluctuating—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.

#### **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 2020, NeighborWorks created a publicly available eviction prevention guide for resident engagement. [Eviction Prevention: Tips for Effective Resident Engagement](#) was designed for organizations that have not typically served many rental residents but, as a result of COVID-19, were being called to prevent evictions in their communities. In addition, NeighborWorks offered several webinars for network organizations focused on several facets of eviction prevention, including communications and counseling needs.

To help get to scale and achieve broader, lasting impacts for residents and the rental properties in which they live, NeighborWorks creates opportunities for organizations with rental housing to start or expand financial capability programs. In 2018, NeighborWorks piloted a program to test the connections between improving renters' financial health and stabilizing rental properties by weaving financial capability into other resident support programming. The pilot offered strong proof of concept, with strong positive results for renters, including:

- 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.

To promote professionalization in provision of these services, NeighborWorks uses the National Industry Standards for Financial Capability, which provide an opportunity for organizations to demonstrate that they offer robust, ethical financial capability services and

measure their programs with consistent benchmarks. To help NeighborWorks organizations make the most of the National Industry Standards as a framework for financial capability program design, NeighborWorks offered a two-part webinar series training staff on the most critical elements of the standards. The series featured examples of organizations in diverse communities with a range of services. By the end of 2021, 183 organizations had adopted the Standards.

## **Credit Building**

For Americans wishing to buy a home or start a business, access to safe, affordable credit products is often a key component. However, low-income and minority households face disproportionate obstacles when trying to access credit, either because of low credit scores or a lack of established credit history. For many renters, negative credit history or a lack of credit history is a major barrier to other financial goals.

The Rent Reporting for Credit Building pilot was a collaborative effort between NeighborWorks, five Boston-area NeighborWorks organizations, and the Credit Builder's Alliance. The pilot demonstrated that rent reporting can be an important channel for building positive credit history, thereby increasing renter households' 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.

Recognizing the opportunity of including on-time rent payments in residents' credit profile, in 2022 NeighborWorks is launching a peer cohort of NeighborWorks organizations that own rental properties to study the impact of combining individual financial coaching with products like Rent Reporting for Credit Building, particularly for underserved populations and communities of color. This effort is a key component of NeighborWorks' broader plan to scale rental financial capability activities.

## **Savings Programs**

Another financial product of great interest to NeighborWorks organizations is matched savings accounts. 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. To help demonstrate the potential of matched savings

accounts to strengthen household resiliency in the face of financial shocks, NeighborWorks supported a Matched Savings Program. Through seventeen participating network organizations, 250 savers registered to participate. Each 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. NeighborWorks is exploring these products and others that can be paired with financial coaching or counseling to increase customer engagement and program impact.

### **Financial Capability Coaching**

Financial capability coaches and their managers use NeighborWorks America trainings more often than any other, according to a survey by the Asset Funders Network. 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.

### **Housing Stability Counseling Program (HSCP)**

The American Rescue Plan (ARP) Act of 2021 directed NeighborWorks America to design and administer a housing counseling grant program which NeighborWorks named the [Housing Stability Counseling Program](#) (HSCP). The law provided \$100 million to assist both homeowners and renters in all 50 states, DC, and U.S. territories, with a focus on low-income and minority households. Drawing on experience, lessons learned, and best practices from the implementation of previous large grant programs including NFMC, NeighborWorks designed the program to align with other Federal pandemic assistance programs, such as the Department of the Treasury’s Emergency Rental Assistance Program and the Homeowner Assistance Fund, to maximize its ability to prevent eviction and foreclosure for people in need of services and resources, including minority and low-income people and neighborhoods.

The application period for over \$88 million in grants closed at the end of June 2021, and a total of 144 applications requesting over \$338 million were submitted. Collectively, these applications proposed serving nearly 325,000 households, split roughly evenly between homeowners and renters. Following a comprehensive and transparent review process, 128 grants were awarded in September 2021 to organizations serving every state, the District of Columbia, Puerto Rico, and Guam. The initial grant payments totaling over \$31 million were disbursed in December 2021, and future disbursements will be made on the basis of production.

NeighborWorks anticipates that over 80,000 people across the country will receive HSCP counseling through the performance period of September 2021 to February 2023. In their applications, all of the HSCP grantees proposed servicing minority and low-income populations and neighborhoods, with 75 percent of anticipated clients identified as low-income and 64 percent of anticipated clients identified as minority. Additionally, 97 percent of grantee organizations proposed to serve areas that have high concentrations of minority and low-income populations.

To support HSCP grantees, NeighborWorks developed 35 HSCP-specific course pathways to build counselor competency in serving renters and homeowners facing housing instability. These courses were offered at the February 2022 Virtual Training Institute, and close to 60 percent of HSCP grantees have taken advantage of scholarships to attend. In addition to the training courses, NeighborWorks has scheduled webinars focused on the program administration, as well as to connect grantees to national resources for homeowners and renters. NeighborWorks staff hold regular “office hours” to create opportunities for grantees to request consultations on specific topics. Using digital project management tools, NeighborWorks has set up a platform for peer-to-peer sharing of successes and challenges of counseling clients in the program.

## Fostering stronger, more equitable communities

Creating healthy, vibrant, equitable communities requires comprehensive approaches, particularly as communities are struggling to respond to the effects of the COVID-19 pandemic, including the ongoing economic, health, and housing stresses facing families and communities across the country. Recognizing the diversity of needs in different places, NeighborWorks America focuses on community-driven initiatives that are responsive to local conditions and network priorities, employing cross-sector strategies and capitalizing on local strengths to enhance quality of life. While housing is a critical anchor, network organizations are employing holistic approaches that address an array of neighborhood revitalization issues, including access to transportation, infrastructure, safe places for children to play, high-quality schools, healthy food, and employment opportunities to help communities truly recover from the pandemic and become more resilient in the future. NeighborWorks also supports organizations' efforts to measure and assess long-term change and elevate stories of positive impact in communities across the country.

The success of place-based community development efforts hinges not only on the strength of community development organizations and the quality of their services, but on their ability to engage and empower community residents and stakeholders to work toward a shared vision. Community stakeholders are best positioned to articulate local priorities, define a community's needs, and identify the most promising opportunities. Inclusive resident engagement is vital to ensuring the success and sustainability of community development initiatives, and in FY 2023, NeighborWorks will continue to partner with network organizations, residents, and community stakeholders to pursue local strategies through integrated layering of capacity building tools, training, investment, leadership programs, as well as data and evaluation tools.

### Community Initiatives

Throughout its history, NeighborWorks America has focused its neighborhood revitalization work on initiatives that support community-driven and comprehensive community development efforts to build vibrant, healthy local communities that provide equitable opportunities for people to thrive. NeighborWorks focuses on the physical, social, and economic vitality of urban, suburban, and rural communities across the nation and offers a diverse portfolio of services tailored to support community-based organizations working to address their unique needs, including:

- Place-based community stabilization strategies aimed at restoring physical conditions, redeveloping abandoned or distressed properties, improving infrastructure, supporting economic vitality, and lifting the image of communities;
- Community engagement strategies that celebrate the diversity and strengths of communities and ensure investments reflect the priorities of residents, neighborhood businesses, and other key stakeholders;

- Investments in housing and community assets that improve the health, safety, and general well-being of residents;
- Systems-level strategies that bring together community stakeholders to address complex challenges; and
- Targeted focus to meet the needs of rural and underserved communities, including a growing focus on Native lands and rural areas confronting persistent poverty.

## Neighborhood Revitalization

In FY 2021, 183 network organizations were engaged in multifaceted and cross-sector approaches aimed at improving lives and strengthening and revitalizing communities. For about two thirds of these organizations, comprehensive community development (CCD) is a fundamental orientation that guides their organizations' overall strategy. The remaining third are engaged in CCD specifically in particular target geographies. These efforts fall along a spectrum, from organizations that are just starting out with their initial steps to organizations that have a robust plan in place.

By building the capacity of network organizations and resident leaders, NeighborWorks America ensures that community development strategies are locally responsive and sustainable. Training is a core element of this work, and NeighborWorks offers 35+ [courses](#) on neighborhood revitalization, from the essential tools and strategic collaborations to how one evaluates the impact of revitalization work. In just the past five years, over 2,700 participants have completed these courses through NeighborWorks Training Institutes alone, with additional participants enrolled through online virtual training.

Currently, 137 NeighborWorks organizations report that they are engaged in targeted, place-based revitalization efforts. These efforts have the primary goals of stabilizing real estate markets, improving physical conditions and enhancing community image. The intention is to reverse destabilizing trends, including declining property values, the loss of homeowners, a lack of financial and economic opportunity, a decline in social connectivity, and an increase in vacant properties and blight. These goals are often advanced through a comprehensive set of strategies that are outlined in a community-led plan.

Within the network, neighborhood revitalization efforts often aim to achieve a set of common goals and outcomes including:

- A strong and balanced real estate market, where demand for homeownership is solid and prices are not declining (nor rapidly appreciating);
- A positive reputation where current and prospective residents feel confident in the future direction of the neighborhood; and
- Engaged residents who lead and contribute to activities that create a high quality of life.

NeighborWorks provides a range of resources including grant support, technical assistance, training and peer-to-peer learning to assist organizations that are interested in moving along this spectrum to deepen and expand their comprehensive approaches to maximize community impact. Examples of local efforts supported by NeighborWorks include:

- **Avenue Community Development Corporation (Houston, TX)** serves as the convening agency for comprehensive community revitalization programs in the Near Northside and Northline neighborhoods. Avenue's community initiatives team recently beautified nine school green/playground spaces and conducted a major COVID relief response with distributions of food and supplies and more than \$1 million in direct assistance to thousands of residents. Avenue also spearheaded the creation of the Greater Northside Health Collaborative, comprised of more than 40 partners investing in creating greater health equity. This innovative and impactful new model for community health fairs focuses on providing enrollment along with on-the-spot services such as health screenings and immunizations that scaffolds services and creates a flow of referrals to ensure that families are connected and continue to access health resources.
- **Chicanos Por La Causa, Inc. (Phoenix, Arizona)** is working to build a cross-sector coalition comprised of local businesses, healthcare, and housing partners to address the lack of supply of and access to affordable housing, exacerbated by the pandemic, within the Alhambra Neighborhood. Through this coalition, CPLC will serve as a convener to help implement data-driven upstream and downstream solutions to achieve housing stability and improved health outcomes within the neighborhood. While strategies are still under development some upstream solutions include eviction prevention and local health and housing data sharing among partners. Downstream solutions discussed include mobile health clinics, housing counseling, and health and housing navigators.
- **NeighborWorks Northeastern Pennsylvania (Scranton, PA)** finalized a 10-year comprehensive, neighborhood revitalization [plan](#) for West Scranton. With input received from residents through surveys and other community engagement activities, the plan focuses on four areas for improvement and enhancement: community character, commercial corridors, housing, and services and amenities. Implementation work is underway in three catalyst sites in the neighborhood including the installation of a mural; cleaning and greening of a block of vacant lots; and improvements to a pocket park in the heart of West Scranton's Main Avenue business corridor.

In times of crisis, NeighborWorks supports the network in responding to the needs of local communities. For example, in the aftermath of the Great Recession, NeighborWorks supported network organizations as they deployed more than \$230 million in Neighborhood Stabilization Program (NSP) funding to acquire and rehab foreclosed and vacant properties, provided

foreclosure counseling services to more than 2.14 million homeowners as part of the National Foreclosure Mitigation Counseling Program, and administered two rounds of the \$35 million Capital Funding for Rehabilitation of Affordable Housing (CFRAH) program.

In FY 2021, as communities reeled from the ongoing economic effects of the pandemic, NeighborWorks provided eight Small Business Revitalization grants totaling \$840,000 to network organizations to support locally-owned, small businesses in recovering from the pandemic and civic unrest. The grants also seek to promote neighborhood revitalization by enhancing physical infrastructure, including façade enhancements and public space beautification along key commercial corridors or districts as well as critical repairs and enhancements that improve the sustainability of the businesses. Projects supported a total of 56 businesses, 98 percent of which were owned by people of color and over half of which were women-owned small businesses.

CDC of Tampa used a Small Business Revitalization grant to invest in a row of four businesses in a central commercial corridor through façade improvements, signage, lighting, and COVID-19 related HVAC updates and security improvements. The businesses, which included a nail salon, a restaurant, and a barbershop, had been struggling after multiple pandemic-related closures and were grateful for the support. CDC of Tampa also utilized a local contractor from the community to do most of the upgrades, thereby boosting his business in the process.

## Shared Equity Housing

Launched in FY 2019, the NeighborWorks America Shared Equity Housing initiative expands the capacity of network organizations to use shared equity housing as a place-based strategy to pursue community stabilization and stave off displacement. By supporting the use of shared equity strategies such as community land trusts (CLTs), deed restrictions and limited-equity cooperatives that keep land and housing in neighborhoods affordable over the long term, network organizations are able to both increase access to homeownership for their residents and ensure that their investments continue to benefit lower-income residents in the community over time. NeighborWorks America is supporting the use of these strategies through training, capacity building grants, grants that support the production of shared equity housing units, and by providing evaluation services to help organizations capture the impact of their shared equity programs.

Housing Development Fund (HDF) recently launched a new community land trust in the South End neighborhood of Stamford, CT to address rapid development and soaring housing prices that are threatening to displace limited-income residents. Through a peer exchange grant with Champlain Housing Trust in Burlington, VT in 2020, HDF worked to establish their CLT as its own 501(c)(3) and will be completing development of its inaugural 22-unit property in the spring of 2022. With a subsequent planning grant in FY 2022, the team will be developing a stewardship plan and business plan to support the ongoing management of the assets in the CLT and to create a strategy to establish a pipeline of properties to grow the trust.

## Middle Neighborhoods

In FY 2020, NeighborWorks partnered with the National Community Stabilization Trust to co-lead the Middle Neighborhoods Initiative to address the unique needs 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 now find themselves teetering on the edge of growth or decline. By bringing attention and resources 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 for their residents.

As part of this initiative, NeighborWorks supports 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, which includes over 1,000 members, convenes for peer-to-peer learning to share local best practices for supporting middle neighborhoods. In particular, NeighborWorks is focused on convening practitioners working in Black middle neighborhoods and growing the Community of Practice in currently under-represented regions like the Southwest.

"What's important now with these neighborhoods is to get them back to being neighborhoods of choice, where people really want to live," said Deborah Moore, Director of Neighborhood Strategy and Planning for Neighborhood Housing Services of Chicago. "We have to keep them from eroding and move them toward thriving. We used to talk about saving the middle class in America. This to me, is the next step; we have to save middle neighborhoods."

In August 2021, NeighborWorks held a virtual Symposium entitled "Investing in the Future: Realizing the Opportunity of Middle Neighborhoods." Symposium sessions featured keynote speakers and peer sharing on successful interventions in Middle Neighborhoods, mobilizing practitioners to reverse the decline and disappearance of these neighborhoods and preserving homeownership and wealth-building opportunities. The event focused on critical trends, challenges and opportunities, and highlighted housing, capital, wealth-building, and resident engagement strategies to strengthen middle neighborhoods. Building on the success of the event, NeighborWorks will continue to convene practitioners and promote new research and promising models for stabilizing and revitalizing middle neighborhoods.

## 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.

**In FY 2023, NeighborWorks will train 5,000 resident leaders.**

### ***Community Leadership Institute***

The Community Leadership Institute (CLI) is the cornerstone of NeighborWorks America's work to develop resident leaders and strengthen communities. The CLI enhances the capacity and commitment of local organizations to create community leaders and increase their knowledge, skills, confidence, and collective ability. As a result of 13 national CLIs, as well as many similar events at the local and regional level, over 10,000 community leaders have come together to work with their neighbors to bring about positive change through collaborative planning and decision making at the local level. Past CLI participants have had great success attracting and leveraging additional resources to support 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 training event. At the CLI, participants attend workshops, participate in plenary sessions with their peers, visit local community projects, and begin action planning for a project in their community. These projects are then eligible for a \$4,000 grant from NeighborWorks America to support implementation over the following year. The cumulative results have been community-driven solutions, ongoing resident participation and investment, and the establishment of the community leadership necessary to create and maintain strong communities.

In light of the ongoing pandemic, in FY 2021 NeighborWorks hosted its first virtual CLI. Instead of the traditional format, the 2021 CLI extended from January through May, with virtual events, workshops, and action planning sessions spread over the course of several months.

#### **CLI Success**

Trellis (Phoenix, AZ) sponsored a CLI team of Latino residents from the Coronado neighborhood, where rising prices are beginning to exert displacement pressures on residents. The team project will focus on collecting stories from community members to document the neighborhood's history and the stories of those who lived there. The project will have an intergenerational component in partnership with GRoad, a local organization that supports young people on their road to adulthood through creative programming and intentional relationships. Youth will receive training from GRoad on how to conduct interviews and will then recruit participants, focusing on elders, for this project. The stories collected will be preserved electronically, via murals, and via reading at a community event.

Wayfinders in Springfield, MA is working with their Resident Leadership Team to organize accessible, bilingual community building events in two Holyoke neighborhoods in partnership with the Chestnut Community Alliance (CCA), a group of more than 30 residents working to transform their community so it is healthy, safe, and full of life. They aim to reclaim and revitalize neighborhood parks so they can be used by residents for events, recreation, and relaxation. Two events will bring together residents and representatives from the city, the police department, the library, nonprofit agencies, and community groups. The third resident-driven event will be a CleanUp of parks adjacent to Library Commons and affordable housing developments.

#### ***Building Leaders, Building Communities***

In 2021, NeighborWorks updated the *Building Leaders, Building Communities* (BLBC) resident leadership curriculum to make it more relevant and accessible to today's communities and to tailor it for virtual use. The curriculum, which was co-created with thirteen NeighborWorks network organizations in 2009, includes training sessions that cover core skills needed by resident leaders to strengthen their communities. The revised BLBC curriculum promotes a shared learning experience where the group facilitator is part of the team learning experience. The new curriculum also features a stronger emphasis on race, equity, diversity, and inclusion and how each of these show up in community spaces. Additionally, the updated BLBC curriculum includes templates for planning, budgeting, marketing, and facilitating the training.

In 2021, NeighborWorks America awarded grants to 18 network organizations to participate in a year-long facilitator training program to bring the BLBC experience to their community. Network organizations were required to identify 1-2 resident leaders to participate in the facilitator training with them and to lead the design and facilitation of their local experience.

NeighborWorks America will be documenting lessons learned throughout this process as well as evaluating both the effectiveness of the approach and the results of the local BLBC experiences. Based on feedback from this cohort, NeighborWorks will continue to make refinements to the curriculum and offer additional training opportunities through Training Institutes and online courses on how to deploy it within their communities.

### **Healthy Homes and Communities**

Recognizing the deep ties between housing, community development and health, NeighborWorks supports efforts aimed at addressing the social determinants of health, or the range of factors including housing, employment, income, and access to transportation and education, among others, that shape the length and quality of life of people in communities. The pandemic has further demonstrated how critical cross-sector collaboration and coordination is for true system change and leveraging of resources.

In 2014, NeighborWorks created the Healthy Homes & Communities (HHC) initiative to leverage these interconnected systems to improve health and well-being by providing resources and facilitating partnerships to build the network's capacity to create healthier places. The initiative is focused on working "upstream" to improve living conditions and address social inequities while supporting efforts to document and communicate the health outcomes resulting from housing and community development. In a 2021 survey, nearly 70 percent of NeighborWorks network organizations reported implementing health strategies within their organizations.

NeighborWorks continues to partner with a wide range of other national organizations to support work at the intersection of health, housing, and community development. For example, NeighborWorks partners with the Build Healthy Places Network to help network organizations understand the different stakeholders in health partnerships. NeighborWorks is also partnering with the County Health Roadmaps and Rankings program to iterate on a new model for creating and centering health equity in communities, an issue that has taken on increased importance in light of the disparate impacts of COVID-19.

### ***Health Sector Investment***

Over the past decade, the health sector has increasingly recognized the importance of housing in improving health outcomes. Across the country, several community development organizations have secured lending capital from the health sector to create and preserve affordable housing. Recognizing the opportunity to build on this success, the HHC initiative is providing technical assistance and training to network organizations to prepare them to secure health sector capital investments for projects that meet resident-driven priorities. NeighborWorks will assist this cohort to learn how to evaluate health outcomes of residents within their existing and new affordable housing projects.

NeighborWorks is partnering with the Build Healthy Places Network to conduct regional scans to identify potential health partners and investors. NeighborWorks is also partnering with the Center for Community Investment to co-facilitate the Health Partnership Learning Community to support network organizations as they advance strategies to secure health sector capital for affordable housing. Based on the learnings from this initiative, NeighborWorks developed a toolkit to demystify the process of securing health investments and increase the number of community-based organizations that are able to pursue these capital resources. The [toolkit](#) includes the Health Partnership Stakeholder Map, designed to help other organizations understand the different types of stakeholders who can be key partners in advancing work at the intersection of health, housing, and community development, as well as the NeighborWorks Health Partnership Glossary, which explains the different terms utilized by the health, housing, and community development fields.

### ***Community Health Workers***

NeighborWorks organizations have stepped up to provide critical health services to their communities during the pandemic. Combined with their preexisting resident services, community engagement, and health programs, this experience has positioned the network to take on an expanded role in facilitating access to health care and other essential services. Nearly 40 NeighborWorks organizations have a Community Health Worker (CHW) program. CHWs are frontline public health workers who are trusted members of the community they serve. A CHW acts as a liaison between the community and health and social service providers to facilitate access to those services and improve the quality and cultural competence of service delivery. To support this work, NeighborWorks launched the Community Health Worker Learning Lab where a cohort of network organizations that are interested in piloting or expanding Community Health Worker programs are receiving training, coaching, and technical assistance around the CHW model. In addition to exploring how CHW programs can improve health within their individual communities, the cohort will also develop a toolkit to support other organizations in implementing these programs.

## Rural Initiative and Native Strategies

Two thirds of NeighborWorks organizations serve the unique needs of rural Americans. 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 and Native communities. NeighborWorks America’s network of rural-focused organizations brings together specialized understanding, talent, tools, and capabilities to address these needs. In recognition of the unique needs of these communities, NeighborWorks’ Rural Initiative promotes, supports, and enhances comprehensive rural community development—a combination of affordable housing, economic development, and other locally determined strategies that strengthen and revitalize rural communities. NeighborWorks 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 their 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.

In November 2022, the Federal Reserve Board (FRB) released a compendium of writings by rural leaders in the fields of housing, community, and economic development, titled “Investing in Rural Prosperity.” The NeighborWorks Rural Initiative contributed a chapter that highlighted capacity building strategies that positively impact people, places, and systems in rural communities. Additionally, several NeighborWorks network members contributed chapters. Two of these organizations, REI Oklahoma and Oweesta, described how they are building prosperity and cultivating capital in their communities. They both highlighted their work around coalition-building and the importance of offering a range of resources to serve their larger communities.

NeighborWorks continues to leverage its partnerships with USDA Rural Development and other Federal and regional 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 manufactured homes. In FY 2020, the Rural Initiative supported a Manufactured Housing Learning Community—a small cohort of network organizations that explored strategies to remove barriers to increasing production of affordable manufactured housing. Using learnings from this community, NeighborWorks developed a tailored toolkit to assist organizations, [\*The Blueprint for Affordability and Community Impact\*](#).

In 2021, NeighborWorks provided expert coaching support for twelve network organizations to advance a broad, programmatic application of the recently completed Manufactured Housing toolkit across the network as well as provide groups with tailored assistance. Next Step served as the subject matter expert and offered trainings and customized technical assistance to the cohort members. In FY 2022, select members of the first coaching cohort will receive grants which will fund specific, tangible actions to establish or expand their manufactured housing line of business.

### **Rural Lenders Collaboration Grant**

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 conducted a 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. The assessment highlighted the need to convene and provide training, technical assistance, and grant support to cohorts of rural lenders that are interested in pursuing new collaborative models to pool strengths and attract larger scale of investments. These collaborative models are logistically challenging to implement and establish, with finding willing capital to invest in such an arrangement even more of a hurdle. In response, in FY 2021, NeighborWorks' Rural Initiative launched the Rural Lending Collaboration, a competitive grant opportunity to support network organizations in exploring and implementing collaborative models to support lending. Through this effort, five network organizations are undertaking projects including lending technology tool development, state government partnerships to build lending opportunities, expansion of revolving loan funds, lending on tribal lands, and development of lending tools and partnerships in communities of persistent poverty.

## 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 NeighborWorks' next strategic plan. In addition, 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, including two new affiliates primarily 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 series of national gatherings of Intermediaries working in Indian Country.

NeighborWorks has continued to broaden our lens for serving the Native housing and Community Development training industry. In 2021, NeighborWorks co-authored an [industry tool](#), "Housing and Community Development Training Resources and opportunities for Indigenous Communities" with the Seven Sisters Community Development Group, in order to explore strategies and foster partnerships and collaboration to develop more innovative community development training for Indigenous communities.

Internally, NeighborWorks has established Akwe:kon (a Mohawk word meaning "All of Us"), a collaborative, cross-divisional working group dedicated to improving NeighborWorks' internal and external engagement in Native American, Alaskan Native, and Native Hawaiian communities. Externally, the collaborative guides strategy, planning, and implementation in and around Native housing and community development topics across the network. This includes an effort to charter more Native and Native-serving organizations into the NeighborWorks Network.

NeighborWorks also serves as a thought partner and technical advisor to government agencies and policymakers working on programs affecting Native Americans. Technical experts from NeighborWorks are working closely with the federal banking agencies to advance mortgage lending on Native lands and Congressional offices call on expert staff from NeighborWorks to

advise on legislative, regulatory, and administrative solutions to a range of issues, including increasing access to credit by reducing delays in mortgage processing for homes and bringing innovative financial tools like New Markets Tax Credits to build schools on tribal lands.

### **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 while providing a valuable community service. As USDA has expanded coverage to twelve states, NeighborWorks 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 2021, 48 NeighborWorks organizations packaged and/or facilitated 963 loans totaling \$186.1 million, representing over 18.6 percent of the total national \$1 billion appropriation for the program.

### **Measuring Community Impact through Success Measures**

Evaluation is an essential element in 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 more than 1,000 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. This involves deploying tested community data collection

tools and methods to survey residents and assess physical conditions in a selected area. CIM provides network organizations with rigorous local primary data as evidence to demonstrate the impact of their community-level work and refine their programmatic strategies in partnership with residents and community stakeholders. 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 2020-2021, 98 participating organizations completed a third round of community data collection and analysis, allowing for further understanding of how these organizations impact their communities over time in terms of resident quality of life, social connection, community, engagement and physical conditions in the neighborhood. Despite the challenges of community data collection during the pandemic, over 80 network organizations undertook a third phase of Community Impact measurement to continue to engage with residents and gain information to inform comprehensive community development strategies.

The data are used to inform and target program strategies to strengthen positive outcomes. In FY 2021, NeighborWorks supported a second cohort of the Strategy and Impact Project, bringing together 11 network organizations with NeighborWorks staff, experts, and coaches with the goal of supporting the participating organizations to leverage their CIM and additional data to drive program strategies for further progress in alignment with a comprehensive community development plan. Using spatial mapping and layering data from multiple sources allowed organizations to identify underlying issues or areas to address programmatically and begin executing strategies to address them, whether safety, physical conditions or engagement opportunities.

St. Joseph's Carpenter Society (Camden, NJ) joined the Strategy and Impact Project to advance their work in the Cooper Plaza neighborhood, where the local hospital invited them to come in as a partner to bolster the local real estate market by addressing abandoned and deteriorating homes. Using data collected through CIM, they were able to better understand the impact that improving physical conditions had on resident engagement and satisfaction and design strategies to target specific areas within the neighborhood.

In addition to the Community Impact Measurement project, Success Measures supports organizations in measuring other outcomes of their work. For example, the Health Outcomes Demonstration Project was a three-year national initiative, jointly implemented by Success Measures and Enterprise Community Partners, to measure and demonstrate the cross-sector impact of housing and community development programs and activities on resident and

community health. Through the project, which concluded in 2019, 20 community-based organizations across the country, including 10 NeighborWorks organizations, 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](#), were 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 FY 2021, Success Measures completed an upgrade to its core set of outcome measurement tools for comprehensive community development by incorporating arts and culture strategies to engage communities in community building, housing and revitalization efforts. In addition, working with artist Aki Abata and Americans for the Arts, Success Measures developed and field tested two new tools using arts methods to assess community connectedness/social cohesion and the inclusion of community voice in community development efforts. These new and revised tools are available in the publication "[Success Measures Creative Community Development Evaluation Tools](#)."

### **Responding to COVID-19**

Building on their proven track record of responding to natural disasters and other acute disruptions, NeighborWorks organizations sprung to action in early 2020 to meet the challenges presented by the COVID-19 pandemic. According to a survey of network members, over the course of the first year of the pandemic, 99 percent experienced disruption due to COVID-19, with 80 percent still experiencing disruption as of the end of February 2021. After 12 months of the pandemic, NeighborWorks network organizations reported at least \$52 million in unanticipated expenses, rental collections losses of more than \$118 million through February 2021, severe challenges with commercial property collections, and a significant increase in need for staff as demand for services grows.

To help meet immediate needs at the onset of the pandemic, NeighborWorks quickly reprogrammed funding to provide each network organization with a flexible \$20,000 emergency grant to use for unanticipated costs, such as technology upgrades to support remote work, cleaning or retrofitting offices, PPE for staff or residents, or purchasing food or supplies for residents. Recognizing the value of these flexible grants, NeighborWorks again in FY 2021 reprogrammed funds to provide network organizations with \$20,000 Pandemic Response grants.

When the pandemic broke, 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, customers, and communities. Organizations had to immediately ramp up their IT infrastructure to work virtually, incurring costs as they bought laptops/tablets for staff and

loaners for residents, and purchasing, installing, and training staff on video conferencing and other remote work technologies.

Network organizations with rental portfolios instituted protective measures, including additional cleaning to reduce risk of outbreaks, installing hand sanitizer and washing stations, closing common areas, and closing properties to the public. As shut-down orders were instituted by state and local jurisdictions, network organizations providing homeownership education and counseling transitioned in-person services to telephone-based and virtual counseling. Some organizations already provided remote services, but those that did not moved quickly to acquire and launch virtual education and counseling platforms.

While network organizations were moving to remote operations, they were also experiencing increased demand for the services they provided. Through February 2021, 90 percent of NWOs offered rental assistance to renters in their properties or their communities. Seventy-eight percent of network organizations reported increased demand for food services, while 75 percent reported increased demand for health services. Since December 2020, the vast majority of organizations have reported either consistent or 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. After twelve months of the pandemic, the network had provided over 1.1 million services to their communities. Examples of network organizations' responses include:

- **Coastal Enterprises** (Brunswick, ME) is a Community Development Finance Institution (CDFI) serving the state of Maine and beyond. Most of CEI's borrowers work in food service, 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 requests for guidance on accessing resources from over 300 business owners, 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 for testing people living in congregate living situations (shared kitchen and bathrooms) or who are experiencing homelessness.

- **Homeport** (Columbus, OH) staff immediately reached out to residents and began assessing needs, providing access to medical care, food boxes, etc. 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, etc., related to the pandemic. The organization continued to reach out to residents regularly to ensure that needs were being met.
- **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 and 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 help community members become educated 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 included "How to Utilize Your Stimulus Check" and "Let's Talk Budgeting." Tips on avoiding IRS scams were 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 rental assistance and housing counseling to over 600 households each year. N2N responded to skyrocketing need by increasing its services to provide each month what it had previously provided over the whole year. In support of these efforts, the organization launched an online application (in English and Spanish), streamlined its application processes, increased staff from three to five counselors including bilingual staff, and provided \$500-\$750 in rental assistance to households, based on their need.
- **LTSC Community Development Center** (Los Angeles, CA) launched its hot meals program in Little Tokyo, bulk purchasing meals from struggling neighborhood restaurants and then subsidizing them so seniors could buy them for three dollars. The service was provided three times a week. LTSC also delivered food pantry items, including fresh produce and eggs purchased from a local CSA program, to seniors and low-income families two to three times a week. LTSC is helped many small businesses to set up take-out operations, online sales, expanded marketing, and to apply for new SBA and other grants and loans to help them survive.

## **Supporting Vaccinations**

In addition to providing rental assistance funds, meeting food insecurity needs, and supporting residents with various social services, the network also partnered with their local hospitals and health centers to support COVID-19 education, outreach, testing, and vaccination. Nearly 50 percent of the network is engaged in some type of activity related to supporting their residents and community around COVID-19 vaccination. Most organizations (83 percent) are providing education and outreach, as well as signing residents up for the vaccine, coordinating rides to vaccination clinics, and developing culturally specific public service announcements and other materials for their community. Network organizations are also bringing COVID-19 vaccinations to their affordable housing buildings. By March 2021, network organizations had hosted 343 clinics where 10,613 vaccine doses were administered.

## **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. Despite not being a first responder organization, NeighborWorks America is deeply committed to restoring communities' long-term health and actively engages in the rebuilding of disaster-stricken communities or communities recovering from acute disruptions. NeighborWorks offers training, resources, and assistance that residents and organizations need to rebuild, remediate, and recover.

NeighborWorks 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. Network organizations serve a critical role as a hub for information and communication, helping residents understand what resources are available and determining which programs and services they may be eligible for. Network organizations strive not only to rebuild what was, but to build stronger, healthier, more resilient communities.

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 grant funding and client management services as well as long-term recovery efforts, including grants and loans to repair and rebuild affordable housing and develop community resilience.

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 developed the comprehensive [Navigating the Road to Housing Recovery](#) disaster guide, currently in its 6<sup>th</sup> edition and 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 and disaster recovery. Training courses focus on business continuity planning, strategic crisis management, and recovery planning.

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, 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 the initiative as a partner. Additional cohort meetings, as well as nonprofit leadership training and Board Source trainings, rounded out the initiative, which concluded in April 2021.

*“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

## **Strengthening the capacity and sustainability of the NeighborWorks network**

NeighborWorks America has long recognized the importance of investing in the capacity, strength, and sustainability of the network, the major delivery channel through which NeighborWorks achieves its mission. Ensuring that network organizations are stable and well run allows NeighborWorks America to confidently steward valuable taxpayer resources. 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 as a trusted partner to organization leadership, helping to implement changes, facilitating strategic planning sessions, and assisting with developing and maintaining relationships with funders, government officials, and other organizations.

NeighborWorks is deeply invested in increasing the strength, capacity and sustainability of the network through enhanced levels of funding, capacity building, technical assistance and learning/collaboration opportunities. NeighborWorks supports organizational resilience by ensuring network members have sufficient knowledge and resources to assess community needs and access the resources to deliver critical services. As the pandemic has underscored, it is critical that network organizations position themselves to meet the next crisis, be it economic, disaster-related or other systemic calamity. In addition, NeighborWorks is working to address the community development industry's long-term human resource capacity needs by piloting new ways to build a diverse talent pipeline to sustain and grow the field.

NeighborWorks leverages a comprehensive, data-informed suite of tools to develop, enhance, and monitor the health and sustainability of the network. Together with training and technical assistance, these tools promote the development and adoption of resilient business strategies, strong organizational leadership and management, and stable organizations. By capitalizing on a two-way flow of information, NeighborWorks assists network organizations to make data-supported decisions while also creating transparency and accountability.

### **Organizational Health Tracking System (OHTS)**

A critical aspect of ensuring excellence in the 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 implement the improvements in business processes and organizational structure recommended through the assessment process. For organizations experiencing challenges, these assessments serve as the foundation for corrective actions designed to restore the health of the organization. The assessment system is designed to function as an early warning system, triggering a process through which NeighborWorks provides tailored supports and resources to these organizations to assist in their recovery. However, in

instances where these efforts fail to adequately reposition the organization, NeighborWorks can disaffiliate the organization from the network.

The COVID-19 pandemic has challenged the health of the network. Network organizations experienced significant declines in rent collections and loan payments as tenants and borrowers have faced economic struggles. Further, more stringent underwriting demands have adversely affected some organizations' ability to pursue planned real estate development projects. As of June 2021, 67 percent of networks members continued to experience disruptions because of COVID-19, down from 80 percent in January 2021.

In response to these challenges, network members pivoted services to respond to the needs in the neighborhoods served, including rental assistance and food security services. Since the start of the pandemic, the network added more than 1,000 new hires to respond to expanded community needs and deliver new programs. The network responded to the pandemic with great resiliency due in part to the health of the network and the practices promoted through NeighborWorks' assessment process and health focus.

In FY 2023, NeighborWorks will continue to deploy its resources to ensure that its annual assessments help network organizations strengthen their operations and improve their stability, efficiency, and effectiveness. Through a detailed review of existing assessment systems, NeighborWorks is ensuring that the assessment criteria focus on sustainability and capacity to provide network organizations with the information and resources they need to succeed. 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.

#### **OHTS in Action**

Following a NeighborWorks review that identified multiple organizational health challenges for a Southern Region organization, the NeighborWorks Relationship Manager used the assessment as a tool to focus on financial and board governance improvements that would help get the organization back on track. The review helped the organization improve financial sustainability and board governance, including better resource development, financial monitoring, and other oversight practices that led to improved performance. As a result, the organization improved its health rating from Vulnerable to Good. While additional health improvements are still underway, improving the financial stability of the organization enabled them to respond to community needs during the pandemic like providing rental assistance.

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 production and performance data; and NeighborWorks America's Organizational Health Tracking System. NeighborWorks uses this information to assess risk factors, analyze capacity to mitigate risk, and to make recommendations on how to increase

organizational capacity and performance. The results of these assessments are monitored and reported to appropriate staff within NeighborWorks America and directly to each NeighborWorks organization. One consequence of the pandemic has been the impact on organizations' ability to submit timely audits as both auditors and the organizations' staff faced challenges accessing documents and the organizations' office space. NeighborWorks extended the audit submission deadlines for network members in alignment with guidance from OMB. Additionally, during the public health emergency NeighborWorks has substituted virtual assessments for on-site assessments.

## **Business Intelligence Services and Tableau Fellowship**

### **Data Dashboards**

Through quarterly and annual surveys, NeighborWorks America collects and aggregates detailed client and services data from network organizations. These data serve not only to help NeighborWorks measure and understand the impacts of the network as a whole, but also as opportunities to provide insights back to individual organizations, using technical resources and expertise to create network-wide interactive tools that stakeholders can access to deepen their understanding of their work and the communities they serve. Network organizations can use these data to communicate the impact of their work to their stakeholders as well as take a strategic approach to identifying opportunities and tailoring their programmatic offerings. Examples of the dashboards, which include data visualizations accessible to all network members, include:

- Homeownership Production: charts and geographic representations to illustrate the intersection between services and client demographics and location;
- Lender Dashboard: residential lending program data by type of product and organization role to enable the network to identify possible partnership or peer learning opportunities;
- Rental Portfolio and Production: production and portfolio to illustrate properties' geographic distribution and other characteristics such as financing sources or target populations;
- Salary Dashboard: average and median salary data for executive and non-executive positions based on region or user-defined organizational cohort; and
- Financial Capability: charts and geographic representations to illustrate the intersection between financial capability services and client demographics and location.

The Business Intelligence team also serves as internal consultants for NeighborWorks America's divisions, consistent with NeighborWorks America's commitment to consistently using data to drive learning and decision making in all facets of the work. For example, in 2021, Business Intelligence staff collaborated to identify the market data to define areas of greatest need for the Housing Stability Counseling Program, partnered with Field Operations to ensure

equity in supplemental grantmaking, and worked with Community Initiatives staff to better understand the geographies in which network organizations are engaged in comprehensive community development strategies.

## Custom Analysis

In addition to offering network-wide business intelligence tools, NeighborWorks provides network organizations with individualized services to visualize and understand impact through custom data products and guidance. Recognizing that each network organizations' research questions are unique to their circumstance and the communities they serve, NeighborWorks offers tailored in-house service to develop products such as dashboards and map reports to assist organizations with distinct data analytics for their reporting, strategic planning, program evaluation or development needs.

In an effort to better understand the prevalence of subprime lending in their service area, Neighborhood Housing Services of Los Angeles County (NHSLAC) requested an analysis of Home Mortgage Disclosure Act (HMDA) data by census tract in southern California. The Business Intelligence team produced an interactive dashboard for NHSLAC that included dollar amount lent and denial rates by race, ethnicity, gender and income. The use of the Tableau Server platform enabled NeighborWorks to offer NHSLAC a flexible report that can be accessed on demand by internal stakeholders using secure credentials. NHSLAC also used the data for conversations with local lenders regarding opportunities to serve clients at different AMIs and with various credit challenges.

## Tableau Fellowship

Now in its fourth year, the Tableau Fellowship Program, a partnership between NeighborWorks and the Tableau Foundation, is supporting the 2021 cohort consisting of 16 fellows from network organizations. Prior to selection, each fellow demonstrated a clear interest in learning Tableau skills and promoting the use of analytics and evidence-based decision making in the day-to-day culture of their organization.

The multifaceted fellowship program gives participants experience with hands-on training, networking opportunities, and time to apply their new skills at work. Fellows participate in four cohort-based trainings and receive a \$2,500 stipend for professional development and technology needs. By training a cohort of network staff, the fellowship program aims to:

- empower fellows to develop their analytical and data visualization capacities using Tableau,
- improve the analytical capacity of NeighborWorks organizations through the work of the fellows and their commitment to bringing data into organization-wide programmatic and strategic decision-making conversations,

- foster a network-wide evidence-based and data-driven organizational culture by connecting fellows to analysts and practitioners within the network and NeighborWorks America,
- bring data analytics to underrepresented practitioners and historically underserved communities, and
- improve the ability of participating NeighborWorks organizations to demonstrate and communicate impact.

### **Sustainable Business Initiative**

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.

Recognizing the need for new business models that support network organizations' financial sustainability, NeighborWorks launched the Sustainable Homeownership Project (SHP) in 2012. Through the pilot, NeighborWorks provided support to network members working to transform their organizations by transitioning their culture and business model from a social service model to social enterprise. In recognition of the significant positive outcomes of the pilot, NeighborWorks embarked on a longer-term Sustainable Business Initiative (SBI) to mainstream the successes of the pilot, expanding from a focus on homeownership lines of business to an organization-wide approach. By continuing to broadly distribute the learnings and tools from SHP, NeighborWorks lives up to its statutory directive to "...experimentally replicate neighborhood preservation projects which have demonstrated success" (42 USC § 8105).

Organizations participating in SBI work to increase operational efficiencies, to grow in production scale, and to achieve greater sustainability through increased earned revenue, leading to lasting impact in their communities. Through SBI, organizations develop strategies to increase their earned revenue generation through fees, reducing their reliance on philanthropic and grant funding and allowing greater independence, financial stability, and resilience. Currently, there are 74 NeighborWorks organizations participating in the initiative. Across participating organizations with a longer tenure in the initiative, total earned revenue grew 15 percent from FY 2020 to FY 2021. These organizations also reported that, on average, earned revenue as a share of total revenue increased by 8 percent during this timeframe.

Technology tools were one of the most significant contributors to the success of the initial SHP pilot. NeighborWorks developed a custom Salesforce-based customer relationship management system for participating organizations to manage and track customers and service delivery, enabling organizations to create efficiencies, serve more customers, and improve the customer experience. What began in the pilot as “SHP Tech” is now known as NeighborWorks Compass; in FY 2021, NeighborWorks Compass became a separate project with its own leadership, funding, and staff.

### **NeighborWorks Compass™**

The success of the Sustainable Business Initiative, and the impact of the technology built to facilitate these business transformations, led NeighborWorks to develop a new counseling management system for the network and for others in the housing industry. The tool went live in FY 2021, and the process of onboarding the NeighborWorks network and other housing counseling organizations to the new system began in phases, with new training resources and guidance for organizations as they convert and migrate data from their current platform to NeighborWorks Compass. By FY 2023, NeighborWorks plans to complete the development, testing, and rollout of all features for NeighborWorks Compass.

### **Professional Development and Leadership Training**

Strong organizations require strong, committed, and supported leaders. 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.

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 leadership and board governance throughout the network. To ensure network organizations are well-positioned to meet this requirement, NeighborWorks provides comprehensive resources to strengthen network organizations’ executive leadership and boards through technical assistance, training, coaching, and peer learning opportunities.

### **Excellence in Governance**

NeighborWorks offers its Excellence in Governance (EIG) 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. To date, over 66 organizations have graduated from the program.

In 2021, using ten years of Excellence in Governance learnings, NeighborWorks launched EIG ReConnect. The 10-month virtual program for board chairs of EIG graduate network organizations combines one-on-one coaching with small group coaching and content expertise. The inaugural EIG ReConnect class in September is made up of 40 exceptional board leaders representing 24 different NeighborWorks Organizations.

### **Achieving Excellence**

The NeighborWorks Achieving Excellence Program is a 16-month program conducted in collaboration with Harvard University's Kennedy School of Government. Seasoned executive directors 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, and a tenth class is taking 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, participating in diverse range of activities including creating new partnerships with schools marketing and designing compelling 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 and tools including social media and other technologies. In FY 2022, NeighborWorks placed 32 full-year VISTA members with network organizations and 20 VISTA Summer Associates, with an additional 40 full-year placements anticipated for FY 2023.

### **Funding Network Innovation and Impact**

In recognition of the potential effect that relatively small, targeted investments could have on a network organization's operations, production, and community impact, NeighborWorks offered an annual competitive grant opportunity for network organizations called the Strategic Investment Fund (SIF) during FY 2016-2019. The funding opportunity was designed flexibly to be responsive to local needs and priorities identified by the applicant organizations. To compete for an award, network organizations submitted proposals that aligned 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.

Examples of projects funded through SIF 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) 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 of increasing the number of at-risk homebound adults able to age in place;
- Fahe, Inc. (Berea, KY) implemented a multi-sector response to the opioid epidemic in coal-impacted eastern Kentucky by embedding a locally based staff person to coordinate stakeholders & resources, strengthening communities and recovery efforts; and
- Hudson River Housing (Poughkeepsie, NY) stabilized the downtown area by assisting entrepreneurs to grow their businesses to fill vacant storefront space in the Main Street corridor.

In FY 2020-FY 2021, NeighborWorks repurposed the portion of the annual grants budget previously used for SIF to support network organizations' response to and recovery from the COVID-19 pandemic. The flexible funding enabled organizations to respond to a wide variety of local needs, including increased cleaning and retro-fitting to ensure proper social distancing; technology upgrades to support virtual service delivery, emergency assistance to meet needs of residents who have lost income, eviction prevention, stabilizing nonprofit operations for organizations experiencing rent losses and loan delinquencies, and community engagement and outreach to support testing and vaccination efforts.

NeighborWorks continues to monitor network trends, and environmental conditions, tailoring new grant opportunities to respond to emerging needs and opportunities for local network organizations.

### **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 2021, over 25 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 network's tradition of excellence.

In 2019, NeighborWorks began the process of conducting a landscape analysis to research and identify programs that focus on recruitment and/or leadership and skills development in addition to strategies and opportunities currently in place to recruit and develop individuals, specifically to the community development field. This effort culminated with a report entitled ["Recruiting and Developing Leadership in Community Development: Key Ingredients for Success,"](#) which was released in September 2021. The report identifies the core challenges to attracting, retaining, and developing staff in nonprofit community development and assesses 50 programs from around the country to extract learnings and best practices for overcoming these obstacles. As a result of the study, NeighborWorks America initiated the Strong Leaders Program in January 2022. The nine-month pilot is focused on a cohort of 20 mid-level managers and includes courses from the NeighborWorks Training Institute, along with one-on-one mentoring.

## **Strengthening a culture of accountability and belonging at NeighborWorks America**

To create a culture of accountability and belonging, NeighborWorks leans heavily on its core values of stewardship, accountability, integrity, inclusion, and collaboration. NeighborWorks is committed to institutionalizing equity and inclusion as part of the fabric of the organization's culture, processes, and staff capacity across all levels of the organizations. Similarly, as NeighborWorks transitions to a fully hybrid workplace, the organization is focusing on ensuring accountability mechanisms are consistent ingrained across the organization to optimize performance.

### **Stewardship and Oversight**

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. During the pandemic, the Board has maintained its connection to the network through a series of virtual site visits. Through this engagement with fifteen network organizations, Board members and Board Agency staff have been able to garner real-time perspective on issues that face communities.

Recognizing the importance of cybersecurity and information technology applications to the overall management and strategy of the organization, in FY 2021, NeighborWorks created a Chief Information Officer position. This executive-level position is responsible for enterprise-wide management of information technology infrastructure and projects, including the development and operation of NW Compass.

In FY 2023, NeighborWorks will continue to fortify the corporation's cybersecurity defenses and promote financial and management best practices to maximize the value of appropriated resources. These practices include continued improvements to IT systems, procurement processes, enterprise risk management, and internal financial controls. In FY 2021, NeighborWorks invested in an email security gateway to reduce security risks from inbound email attacks including both phishing attacks and malware delivery. In conjunction with this project, all staff also underwent security awareness training.

To support a continued remote workforce, NeighborWorks transitioned to the Microsoft Teams platform for communication and collaboration. In addition, NeighborWorks upgraded its remote connectivity capabilities with increased bandwidth, updated VPN clients, and made

updates to the phone software. In 2021, NeighborWorks adopted a “cloud first” strategy to improve delivery of applications and solutions both internally and externally. By the close of FY 2021, more than 75 percent of applications were transitioned to the cloud, with plans to achieve a completely cloud first architecture in FY 2022.

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.

Throughout FY 2021, NeighborWorks’ internal COVID Response Team continued its efforts to manage and mitigate the challenges and risks posed by the ongoing pandemic. These efforts included engaging with employees, development of return-to-office plans and protocols, the development of a vaccination protocol that aligned with Federal mandates, the identification of a healthcare consultant who provided critical guidance on decisions that needed to be made around building safety and employee travel, identification of a vendor who could support the collection and storage of proof of vaccination, and the establishment of a metrics-based approach to determine when it will be safe to reopen offices.

### **Financial Oversight and Audits**

In FY 2023, NeighborWorks will continue its commitment 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 with generally accepted accounting principles in the United States (GAAP); and,
- an organization-wide compliance audit commonly referred to as a Single Audit under government auditing standards (GAS) and U.S. Code of Federal Regulations (CFR) Part 200, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

For FY 2020, the latest year available at the time of this writing, NeighborWorks received an unmodified “clean” opinion from BDO USA, 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.

To assure compliance with established financial and operational procedures, NeighborWorks America also employs a full-time Internal Auditor and staff whose responsibilities are similar 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.

### **Administrative Streamlining**

Over the last several years, NeighborWorks America has continued to take steps to control facility costs by renegotiating expiring leases, moving to smaller or more cost-effective locations, reducing space in offices, and closing satellite offices where leases have expired. Often, employees in closed offices transition to working remotely. In FY 2023, NeighborWorks will continue to seek opportunities to leverage increased savings and efficiencies including addressing the expiring lease of our headquarters location in Washington, DC.

### **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 through and with network organizations. NeighborWorks is focused on fostering an organizational culture and climate that identifies and addresses inequities while assisting network organizations to advance equitable outcomes for their communities. Through an ongoing equity plan, NeighborWorks systematically and strategically identifies patterns that allow inequities to exist and implements changes in practices, protocols and policies to advance inclusive excellence.

Throughout the development of the FY 2022-2024 strategic plan, equity considerations played a defining role. By applying an equity lens to each goal, NeighborWorks is working to consistently interweave efforts to advance equity into its work through the associated metrics and implementation strategies. NeighborWorks is committed to using its resources to promote strategies that uplift historically underserved communities, including communities of color and areas of persistent poverty, and the organizations that serve them.

NeighborWorks seeks to build an organizational culture around equity and inclusion, ensuring that diverse voices and perspectives are present, acknowledged and valued to generate strategies and solutions that guide the corporation's work. To advance REDI efforts, NeighborWorks focuses on diversity, equity and inclusion in both the workforce and workplace. NeighborWorks also prioritizes community engagement strategies which include evaluating

innovative and forward-thinking marketing, branding, and best practices employed by network organizations and others in the field.

Internally, NeighborWorks maintains an Employee Advisory Committee (EAC), which informs organizational strategies and offers recommendations and feedback to enhance policies, protocols, and practices that ensure a diverse and inclusive workplace and organization. The EAC's purpose is to help develop broad ownership of equity and inclusion work and deep intercultural competence across the organization. NeighborWorks has also provided specialized training for 20 staff REDI Facilitators, who model behavior and facilitate conversations that support organizational efforts to advance equity and inclusion. The facilitators work to build organizational capacity and create more inclusive and responsive participation and leadership. Facilitators are available to work with divisions, individual business units, cross-divisional teams, and individuals seeking to integrate more inclusive practices, projects, and policies into their work. They serve as an internal resource for both formal and informal conversations by asking questions and encouraging thoughtful and intentional inquiry around race, equity, inclusion, and diversity.

To support equity and inclusion efforts in the network, in 2017, NeighborWorks launched the inaugural REDI cohort comprised of sixteen network organizations dedicated to developing and strengthening diversity and inclusion 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 cohort functioned as a "community of practice," and meeting regularly to identify effective tools, resources and practices that can be used at the organizational level and to share experiences, best practices and learnings. The first REDI cohort completed its term in early 2019 and the second REDI cohort of 16 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.

## Conclusion

Looking to FY 2023, NeighborWorks is focused on helping ensure the nation's recovery from the COVID-19 pandemic is robust and inclusive, leading to stronger, more resilient communities for all Americans. NeighborWorks America provides a remarkable return on investment to the taxpayer, demonstrated through over four decades of leveraging tremendous levels of additional investment. NeighborWorks America blends a nimble approach with deep expertise and programmatic support, allowing for swift responses to crises such as the COVID-19 pandemic while maintaining support for critical community investments and tailored solutions. By deploying flexible resources, NeighborWorks delivers on its commitment to help Americans live in affordable, sustainable homes in healthy communities, while supporting 52,800 jobs around the country.

The nation needs to invest in new and renovated infrastructure, particularly in low- to moderate-income communities. As that infrastructure is built, it will - as it has always done - increase productivity and power economic growth at every level. But if equitable investments in affordable housing and community development are not prioritized, their absence will create an enormous drag on jobs and economic potential. NeighborWorks America and its network are uniquely positioned to support a focus on affordable housing as we reinvest and prioritize equity and resilience in our nation's communities. NeighborWorks' 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. For more than 40 years, NeighborWorks America has met every challenge and is ready to ensure affordable housing is the key foundational piece of rebuilding our nation's depleted infrastructure.

NeighborWorks' mission of reinvestment and equity for people and communities is even more critical today than it was forty years ago. In the current budget environment, NeighborWorks America and its network of strong nonprofits stand out for their ability to leverage the maximum from the federal appropriation. Without exception, NeighborWorks works tirelessly to increase the efficiency and effectiveness of its operations.

With an appropriation of \$170 million for FY 2023, NeighborWorks would catalyze a far greater overall investment in equitable and sustainable housing in our nation's communities and local economies, creating opportunities for low- and moderate-income people in urban, suburban, and rural communities across the country. NeighborWorks stands ready to execute on the goals of the strategic plan and respond to needs of people and communities across the country. The results speak for themselves, with each additional dollar yielding greater outcomes as measured in housing units created and preserved, households served, and lives improved.