

# NEIGHBORHOOD REINVESTMENT CORPORATION

Doing business as **NeighborWorks® America**

## FY 2024 Annual Program Performance Report

Prepared in accordance with the provisions of  
the Government Performance and Results Act of 1993

April 2025

**Neighborhood Reinvestment Corporation**  
Doing Business as NeighborWorks® America  
FY 2024 Annual Program Performance Report

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## **I. OVERVIEW AND PERFORMANCE SUMMARY**

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### **Charter and Purpose**

The Neighborhood Reinvestment Corporation, doing business as NeighborWorks America, was chartered by Congress through the Housing and Community Development Amendments of 1978 (Public Law 95-557). As a public nonprofit organization, it was established to support local efforts to revitalize neighborhoods, expand affordable homeownership, and strengthen community development. Congress envisioned NeighborWorks America as a flexible, non-bureaucratic laboratory—“a place where new ideas and approaches could be studied, refined, pilot-tested, and replicated.”

Today, NeighborWorks America upholds this vision through the NeighborWorks system, a national partnership of community-based and private sector organizations, community leaders, and local governments. As the core intermediary for this system, NeighborWorks America supports an affiliated network of nearly 250 community-based organizations operating in all 50 states, Puerto Rico, and the District of Columbia, known as the NeighborWorks network. The NeighborWorks network provides “on the ground” experience and frontline insights into emerging challenges so that NeighborWorks America can design, fund, and scale proven community-based solutions. Through this partnership, NeighborWorks America can scale resources effectively at the local, regional, and national levels and deploy them to any community in America, whether urban, rural, or suburban.

Since its founding, NeighborWorks America has also become a national leader in professional development, organizational assessment, program evaluation, and nonprofit management. Its accessible, cost-effective services—and best-in-class training and certification programs—are available to both housing professionals and community leaders, making NeighborWorks America a critical support system for under-resourced and geographically remote communities across the country.

### **The NeighborWorks System**

Three interrelated components of the “NeighborWorks system” fulfill a coordinated mission to promote locally directed community revitalization and expand affordable housing opportunities in communities across the nation. They are:

1. NeighborWorks America;
2. A national network of nearly 250 affiliated nonprofit housing organizations; and
3. Two related capital corporations that lend exclusively to the network (referred to as the Capital Corporations).

### NeighborWorks America

NeighborWorks America is the nation's original public-private partnership model for housing and community development. Created by Congress in 1978, NeighborWorks America provides financial support, technical assistance, and training for community-based housing solutions that create strong, safe, and prosperous communities. The hallmark of its public-private partnership model is leveraging public funds to create sustained private investment in local housing and community development initiatives.

For more than 45 years, NeighborWorks America has delivered programs and services that support its mission "to create opportunities for people to live in affordable homes, improve their lives, and strengthen their communities." These core programs and services include homeownership and affordable rental programs, practitioner training and certification, consumer counseling and education, outcomes measurement and evaluation, and the training and empowerment of community leaders.

NeighborWorks America's long-term vision is that "every community in America a place of opportunity." The Corporation remains committed to this vision through the goals established in its strategic plan. The Corporation's Officers and Board of Directors actively monitor performance pursuant to the goals and outcomes outlined in the strategic plan. By statute, the NeighborWorks America Board of Directors is composed of executives from five federal agencies: the Federal Reserve Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration and the Department of Housing and Urban Development.

### NeighborWorks Network

The NeighborWorks network is comprised of nearly 250 community-based, nonprofit organizations located in all 50 states, Puerto Rico, and the District of Columbia. Each member is unique and autonomous. They decide for themselves, in consultation with local residents, how to best serve the needs of their communities. NeighborWorks America provides the network with a number of services, including training and technical assistance, access to capital, organizational assessment/evaluation, peer learning initiatives, and other programmatic support services. Meanwhile, the NeighborWorks network shares enterprise data and best practices with NeighborWorks America to promote the scaling of successful initiatives.

### Related Capital Corporations

NeighborWorks America works with two specialized Capital Corporations to build partnerships, develop loan products, and support financing vehicles that expand affordable housing opportunities in communities served by local NeighborWorks organizations. These Capital Corporations are:

*Community Housing Capital (CHC)*: a national financial intermediary based in Decatur, Georgia that serves as a direct lender to the NeighborWorks network. CHC provides financing for the development and preservation of single-family and multifamily affordable housing across the United States. Incorporated in 2000, CHC is certified as a Community Development Financial Institution (CDFI) and a Community Development Entity by the U.S. Department of Treasury's CDFI Fund, and rated by AERIS™, a consulting, rating, and due-diligence corporation used by the CDFI Fund.

*NeighborWorks Capital (NC)*: a national nonprofit community development loan fund based in Silver Spring, Maryland that offers lending to all NeighborWorks America's member organizations. NC is also certified as a CDFI by the U.S. Department of the Treasury's CDFI Fund and rated by AERIS™. NC's products provide flexible capital to create or preserve affordable single and multifamily properties and commercial projects. Products assist NeighborWorks organizations with pre-development costs; acquisition of land and buildings; construction, rehabilitation, and preservation of network-owned rental properties.

The NeighborWorks system is the only coordinated effort of its kind in the nation, bringing together public and private resources, national expertise, and local expertise and capacity to address critical housing needs. It is unique in that it:

- Provides national access to a delivery system built on locally directed, community-based partnerships;
- Fosters the ability of local and regional organizations to leverage critical private sector and government resources to address emergent housing and community development needs;
- Establishes stringent chartering standards and requirements for continued participation in the network through a comprehensive system of ongoing organizational assessments;
- Provides best-in-class professional training to affordable housing and community development practitioners and community leaders;
- Serves as a laboratory for developing, testing, and documenting creative solutions to problems that impede affordable housing production and homeownership opportunities;
- Facilitates an environment conducive for benchmarking and disseminating best practices amongst peers in the field; and
- Creates a controlled environment for testing new products and approaches in the housing and community development arena so that successful efforts can be replicated.

## **Results**

For more than 45 years, NeighborWorks America's public-private partnership model has effectively and efficiently generated significant private sector investment in support of affordable housing and community development opportunities. In FY 2024 alone, the NeighborWorks system generated more than \$11 billion in total direct investment in

communities across the United States. This investment provided housing and related services to 431,622 individuals and families, which resulted in:

- 16,282 new homeowners;
- 13,542 rental homes developed and preserved;
- 12,848 homeowners preserved;
- 83,986 homes repaired;
- 211,856 rental homes owned and/or managed by NeighborWorks organizations; and
- 105,013 families and individuals received pre-purchase, post-purchase, or foreclosure counseling.

NeighborWorks' two related Capital Corporations provided \$169 million in lending to network organizations for housing and community development activities in FY 2024.

In addition, NeighborWorks America awarded 16,266 professional training certificates to practitioners and leaders from all 50 states and several territories.

*Information on the Use of Non-Federal Parties*

This annual performance report is submitted pursuant to the requirements of the Government Performance and Results Act (GPRA). In addition, NeighborWorks America certifies that the report was prepared solely by employees of the Corporation and the Corporation was not aided by non-Federal parties in its preparation. By statute, NeighborWorks America is not an agency, department, or instrumentality of the Federal Government and its employees are not considered Federal employees.

## II. KEY MEASURES

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### NeighborWorks America's FY 2024 Performance Scorecard<sup>1</sup>

GOAL	EXCEEDED	MET	DID NOT MEET
Direct investment	X		
New homebuyers	X		
Constructed, Acquired, and Preserved Rental Units	X		
Housing preservation (Owner-occupied rehabilitated, reverse mortgage, refinanced, or retained through successful foreclosure mitigation counseling)	X		
Repaired homes	X		
Rental portfolio (units owned and/or managed)		X	
Individuals or families provided with pre- and post-purchase housing counseling		X	
Financial Capability	X		
Number of professional training certificates issued	X		
Capital provided by related capital corporations	X		

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<sup>1</sup> Scorecard performance categories are Exceeded (more than 105% of goal), Met (95%-105% of goal), Did Not Meet (less than 95% of goal).



## NeighborWorks America Performance Goals

	FY2021 ACTUAL	FY2022 ACTUAL	FY2023 ACTUAL	FY2024 GOAL	FY2024 ACTUAL	% of GOAL
<b>Total Investment (\$000s)</b>	\$16,827,278	\$10,796,250	\$9,951,745	\$10,000,000	\$11,265,887	112.7%
<b>Total Housing Production:</b>						
1. New Homebuyers	22,001	18,775	16,269	14,500	16,282	112.3%
2. Constructed, Acquired, and Preserved Rental Units	13,749	13,159	11,480	11,000	13,542	123.1%
3. Housing Preservation (Owner-occupied Rehab, Refinance, Other)	11,809	13,055	12,025	11,500	12,848	111.7%
4. Repaired units	79,090	72,647	82,454	78,000	83,986	107.7%
Rental Portfolio (units owned and/or managed)	195,726	204,916	204,563	207,000	211,856	102.4%
Individuals provided with pre- and post-purchase housing counseling	160,669	105,253	111,640	100,000	105,013	105.0%
Financial Capability <sup>2</sup>	Not Applicable	10,846	11,602	11,000	48,200	N/A
Residential Lending	\$360,007	\$355,648	\$318,000	\$295,000	\$356,694	120.9%
<b>Training</b>						
Number of professional training certificates earned	23,049	10,895	15,568	14,500	16,266	112.2%
Community Leaders Trained	4,626	5,950	8,085	6,000	7,093	118.2%
<b>Equity Capital (\$000s)</b>						
Capital provided by affiliated capital entities	\$133,446	\$115,475	\$135,986	\$125,000	\$169,000	135.2%

<sup>2</sup> In FY2024, NeighborWorks America made changes to how it collects and reports on *Financial Capability Counseling/Education*. While financial capability data was previously collected at the “detail” or client level each quarter, it is now collected once annually at the aggregate level. This change was implemented in consultation with the NeighborWorks network to reduce reporting burden and improve accuracy. Starting in FY25, NeighborWorks America’s *Financial Capability Counseling/Education* goal will increase in accordance with this new reporting process.

## NeighborWorks America's FY 2024 Expense Report

### Sources and Uses of Funds by Expense Category

#### FY 2024 Plan and Actual, un-audited

Appropriated Funds

(Amounts in \$000's)

<b>SOURCES OF FUNDS:</b>		<b>FY 2024</b>	<b>FY 2024</b>	<b>Actual/Plan Variance</b>	
		<b>Plan</b>	<b>Actual</b>	<b>\$</b>	<b>%</b>
<b>Federal Appropriation</b>		<b>\$158,000</b>	<b>\$158,000</b>	<b>\$0</b>	<b>0%</b>
<b>USES OF FUNDS:</b>					
<b>OPERATING EXPENSES:</b>					
Compensation		\$40,437	\$42,871	\$(2,434)	106%
Travel		1,538	1,522	16	98.9%
Professional Services		11,373	10,933	440	96.1%
Conferences and Workshops		2,428	747	1,681	30.7%
Occupancy		3,500	2,850	650	81.4%
Other Operating Costs		<u>3,906</u>	<u>3,607</u>	<u>299</u>	<u>92.3%</u>
<i>Total Operating Expenses</i>		63,200	62,530	670	98.9%
<b>GRANTS:</b>					
Expendable		50,115	51,937	(1,822)	103.6%
Equity Capital		40,087	40,577	(490)	101.2%
Training and Informing		<u>4,598</u>	<u>2,956</u>	<u>1,642</u>	<u>64.3%</u>
<i>Total Grants</i>		94,800	95,470	(670)	100.6%
<b>TOTAL USES OF FUNDS</b>					
		<b><u>\$ 158,000</u></b>	<b><u>\$ 158,000</u></b>	<b><u>\$ 0</u></b>	<b>0%</b>
<i>Grants % of Appropriation</i>		60%	60.4%		

### **III. FY 2024 STRATEGIC PLAN GOALS AND PERFORMANCE RESULTS**

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#### **FY 22-24 Strategic Plan Overview**

In FY 2022, NeighborWorks embarked on a three-year strategic plan to guide the organization through FY 2024. In FY 2024, NeighborWorks America continued to advance its ongoing mission through pursuit of four specific strategic goals:

- **Goal 1: Create, preserve, and invest in affordable housing and wealth building**
- **Goal 2: Foster stronger communities**
- **Goal 3: Strengthen the capacity and sustainability of the NeighborWorks network**
- **Goal 4: Strengthen a culture of accountability at NeighborWorks America**

Together, these goals help NeighborWorks drive toward its long-term vision where “Every community in America is a place of opportunity.”

#### **Goal 1: Create, preserve, and invest in affordable housing and wealth building**

NeighborWorks America knows that safe, affordable housing is a platform for financial wellbeing and provides a pathway to build wealth. Families that are housing cost burdened (spend over a third of their income on housing costs) are less able to afford groceries, healthcare, and education, thereby limiting their health and economic opportunity. Additionally, barriers to homeownership prevent families from accessing an important avenue for building intergenerational wealth. When entire communities are unable to access affordable housing, it can lead to depressed economic activity and reduced capital investment. Affordable rental housing and sustainable homeownership are therefore critical to the health, safety, and prosperity of America’s families and communities.

Over the three years of the plan, NeighborWorks will increase access to capital and catalyze and amplify innovative solutions to create and preserve affordable housing in communities across the country. NeighborWorks will also focus on reducing barriers to wealth building in communities with low homeownership rates by supporting customer-centric approaches which anchor responsive services for individuals at each stage of 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 increase housing supply and preserve and promote affordability.

### **National Homeownership and Lending Programs**

NeighborWorks America creates and preserves sustainable wealth for communities and families with low and moderate incomes, providing opportunities for increased wellbeing, safety, upward mobility, and intergenerational wealth. Key components include lowering barriers to sustainable homeownership; increasing education through housing counseling and financial coaching; supporting strategies for all of our network Community Development Financial Institutions and lenders; and nurturing creative solutions to sustainably deliver these programs.

#### *Let's Invest for Tomorrow*

In August 2024, NeighborWorks America successfully closed out Let's Invest for Tomorrow (LIFT), a national program founded by NeighborWorks America in partnership with Wells Fargo Bank to help low and moderate-income families become homebuyers with housing counseling and downpayment assistance. Through LIFT, NeighborWorks America created 25,864 new homeowners in 81 housing markets across the United States between February 2012 and August 2024. This was achieved with the support of 64 local NeighborWorks organizations and leveraged \$400 million in grant funds to provide down payment assistance and education on the homebuying process to homebuyers.

#### *Sustainable Business Initiative*

NeighborWorks America's Sustainable Business Initiative (SBI) provides access to learnings, tools, technical assistance, and peer support. These resources provide a framework to assist NeighborWorks organizations to define and enhance their culture and diversify their revenue streams to become more sustainable. SBI seeks to provide all organizations with an interdisciplinary approach to improve organizational sustainability by stabilizing staffing, operations, and finances with an entrepreneurial lens. Currently, there are 76 NeighborWorks organizations participating in the initiative.

In FY2024, NeighborWorks provided 1:1 subject matter expert assistance to 46 SBI organizations to further their sustainability journey. Network organizations improved their operational efficiencies, financial planning and budgeting, improved their marketing and branding efforts and sought consulting to identify and create revenue generating lines of business. During this time, NeighborWorks also launched its first seed grant to support 7 SBI organizations creating a new line of business or expanding an existing line of business that generates revenue. This opportunity aims to solve a gap or need within the organization's community while also helping to improve their sustainability and support mission-driven programs.

#### *Community Development Financial Institutions*

As part of its work to promote homeownership and lending and increase access to capital in underserved communities, NeighborWorks America provides support for network Community Development Financial Institutions (CDFIs) nationwide, boosting the ability of these organizations to deliver financial products and services to their communities.

The Community Development Financial Institution (CDFI) Capacity Building Initiative (CBI) has been a key source of this support and has been offered by NeighborWorks America since 2010 as a service to Network lenders seeking investments from the CDFI Fund. For the current 78 certified and 11 emerging CDFIs in our network, our engagement and guidance are critical to their success.

In late 2023, the CDFI Fund released new and updated Certification criteria to meet eligibility requirements. Also, the FY24 CDFI Program funding round opened which included Financial Assistance (FA), Technical Assistance (TA) and Native American Assistance (NACA) programs. With the increased emphasis on certification changes forthcoming and a 2-year funding round in the CDFI Program, the number of organizations that were served through this program increased by over 200%.

NeighborWorks Network CDFIs originated \$325.9 million in residential lending in FY 2024. Additionally, network CDFIs originated \$471 million in commercial lending, leveraging an additional \$978 million in other community investment. Forty-three network CDFIs and emerging CDFIs were successfully awarded with a total of \$109 million in assistance from the CDFI Fund in the 2024 awards cycle.

#### HUD Housing Counseling

NeighborWorks continues to promote excellence in the housing counseling field and supports counselors across the country. In FY24, HUD awarded NeighborWorks with \$3 million for HUD's Comprehensive Housing Counseling grant. This award supported a total of 92 network organizations to offer an estimated 27,300 households with rental counseling to avoid eviction and maintain stable housing; financial counseling services to pay down debt; pre-purchase counseling to get them mortgage ready; and post-purchase counseling to help them maintain affordable, sustainable homeownership.

NeighborWorks is also one of the primary providers of education and training in the housing counseling field. Through scholarships, trainings, resources and information sharing we support counselors to achieve HUD certification and provide ongoing training and professional development certification to help counselors maintain expertise and provide high-quality services to consumers.

#### Housing Stability Counseling Program

In FY 2021 NeighborWorks received \$100 million through the American Rescue Plan Act of 2021 to design and administer a housing counseling program, making grant funds available to HUD-Approved Intermediaries, State Housing Finance Agencies, and NeighborWorks organizations for the provision of housing counseling services to minority and low-income populations. NeighborWorks America launched the Housing Stability Counseling Program (HSCP) in September 2021, awarding more than \$88 million to 131 organizations to provide foreclosure and eviction prevention counseling in communities nationwide. Since then, HSCP has served 92,960 households with housing counseling services. As of year-end FY 2024, HSCP disbursed \$88.6 million in grants. Per the statutory requirements for the program, all HSCP Grantees proposed to serve low-income and minority

populations and to date 81% of the clients reported are low-income, 67% reported as minority and 88% of clients served are in neighborhoods having high concentrations of minority and low-income populations based on the targeted geography.

#### *FY 2024 Results: National Homeownership and Lending Programs*

- Assisted 16,282 families to become new homeowners.
- Preserved homeownership for 12,848 families and individuals.
- Provided financial capability services to 11,602 individuals.
- Provided 105,013 families and individuals with pre-purchase and post-purchase housing counseling and foreclosure intervention counseling.
- Housing counselors and individual consumers purchased 5,297 copies of *Realizing the American Dream, Keeping the American Dream*, or the associated toolkits from NeighborWorks America to serve as a resource for pre-purchase and post-purchase homeowner counseling. The publications are available in 6 languages: English, Spanish, Cantonese, Mandarin, French, and Vietnamese.
- NeighborWorks Network CDFIs originated \$325.9 million in residential lending in FY 2024; and
- Network CDFIs originated \$471 million in commercial lending, leveraging an additional \$978 million in other community investment. Forty-three network CDFIs and emerging CDFIs successfully competed for a total of \$109 million in assistance from the CDFI Fund in the 2024 awards cycle to date.

#### **National Real Estate Programs**

NeighborWorks America's National Real Estate Programs team supports the delivery of often "first in" catalytic resources, directly and through partnerships, that are leveraged by network organizations committed to developing, owning, and/or managing rental housing and housing for homeownership. These financial and programmatic investments are designed to be both proactive and responsive, with the goal of supporting the creation and preservation of quality affordable housing that is central to providing safe housing to renters and supporting sustainable homeownership, and prosperous communities.

NeighborWorks supports network organizations with real estate lines of business through the advancement of knowledge exchange, development and promotion of best practices and tools, provision of technical assistance, peer convenings, and professional development through national collaboratives and advancement of new concepts and models.

High quality rental homes, affordable to low- and moderate-income Americans provide the foundation for successful lives and healthy communities. The National Real Estate Program team provides resources and supports partnerships that are designed to improve the sustainability, efficiency, and productivity of the real estate development, asset management, and property-based resident services

work of the NeighborWorks network. NeighborWorks' real estate programming is dynamic, evolving in response to resource availability, current market trends, and the needs of the network.

NeighborWorks America's National Real Estate Programs focus on:

- Expanding access to capital and readiness across the network;
- Advancing best practices of the affordable housing field through development and promotion of broad, industry-wide initiatives;
- Utilizing new construction, acquisition, rehabilitation and financing to create and preserve affordable rental properties;
- Developing affordable, safe, and sustainable homes for rent and purchase by low- and moderate-income families.

By focusing on these areas, NeighborWorks Real Estate Programs launched or maintained the following programs and activities in FY 2024:

- NeighborWorks completed the inaugural **Single Family For-Sale Learning Series**. This topic-based peer exchange opportunity supports connection and collaboration across a cohort of network for-sale developers. These developers come together through a series of virtual and in-person meetings to share and better understand practices and trends related to their for-sale development efforts. This includes peer calls in which NeighborWorks staff and the entire network can participate. Topics on the peer calls in FY 2024 included network innovation in the areas of market affordability adaptations, accessory dwelling units (ADUs), modular & manufactured housing, long-term affordability models, financing development strategies for New Market Tax Credits and the conversion of Low Income Housing Tax Credit rental properties into homeownership and home rehabilitation business models.

Several nationally recognized professional development resources are managed by the National Real Estate Program team in partnership with other national organizations. These include the Consortium for Housing and Asset Management (CHAM®) which focuses on supporting and advancing the work of asset management professionals and Strength Matters®, which provides Chief Financial Officers and other financial professionals in the field with new and unique resources to advance their work. These efforts include curriculum and the delivery of the annual CHAM and Strength Matters conferences.

#### *FY 2024 Results: National Real Estate Programs*

- Developed, acquired, or preserved 13,542 rental homes.
- 211,856 affordable rental homes owned and/or managed by NeighborWorks network organizations.

- 74% of all network organizations' rental portfolios were positively performing at the end of FY 2024 (i.e., covering operating costs, amortization and interest, and their reserve contribution). This reflects an increase from 62% at the end of FY 2023. Network organizations rental portfolios continue to be impacted by increased operating costs, lowered net operating income, increased insurance premiums, and the increased cost of capital for multifamily developers across the sector.

### **Expanding Access to Capital**

NeighborWorks America focuses on many national partnerships and relationships to leverage its investment in network organizations with other private capital. To do this, NeighborWorks America invests in Community Housing Capital and NeighborWorks Capital, two national CDFIs that serve the network of NeighborWorks affiliates.

In FY 2024 the Capital Corporations lent NeighborWorks network organizations \$169 million for real estate development activities, leveraging a total of over \$1.03 billion in real estate investment. NeighborWorks America also supports the development of new loan and investment products which further the mission-related activities of the network.

In addition to direct investment in the two affiliated Capital Corporations, NeighborWorks supports increased access to capital for the network through a combination of tailored training, technical assistance, pilots, peer learning and tool development. Examples of FY 2024 support include expanding the CDFI capacity building initiative as well as new learning cohorts targeted at emerging lenders, rural lenders, and real estate developers seeking to attract investors. NeighborWorks also expanded efforts to facilitate new capital investment in the network through the development of new investor relationships with the potential to meet the needs of mission-oriented lenders and affordable real estate developers in the NeighborWorks network. Efforts to advance capital readiness was supported by the launch of a capitalization planning cohort, intended to guide an enterprise-level process to create a capital plan for network organizations to fund real estate projects or lending programs.



## **Goal 2: Foster stronger communities**

NeighborWorks America knows that comprehensive approaches are needed to address the complex, multifaceted issues facing communities. While housing is a critical anchor, comprehensive approaches are required to help communities recover from the pandemic and become more prosperous in the future. Connecting housing to health, education, economic development, public safety, and workforce development initiatives through community-driven strategies that meet unique local needs and investing in the development and empowerment of local resident leaders to craft solutions to the challenges facing their communities, will lead to stronger, safer communities.

Over the three years of the strategic plan, NeighborWorks will deepen its support for comprehensive, place-based, and resident-led efforts with a focus on holistic, cross-sector approaches to advance pandemic response efforts. NeighborWorks will partner with the network, residents, and community stakeholders to develop and implement local strategies aligned with a shared vision and framework for comprehensive community development and build capacity to attract and deploy resources. Under this goal, NeighborWorks will continue its commitment to resident engagement and leadership, which is central to creating and sustaining positive change. NeighborWorks will help equip organizations to work across sectors and connect their strategies to community-led plans. NeighborWorks will also support organizations to assess long-term change in their communities and elevate the story of positive impact in communities across the country.

### **Community Initiatives**

The Community Initiatives team advances comprehensive and resident-led strategies that create strong and healthy places. Our work brings partners together to create change on the community level. Key to our approach is positioning residents to drive community transformation. We address uneven access to opportunities by creating resident leaders, fostering healthy conditions, advancing community ownership, and facilitating cross-sector partnerships. Our work builds prosperous communities that provide opportunities for people to thrive.

Community Initiatives supports the following community-based strategies across urban, rural, and suburban communities:

- Place-based community stabilization strategies aimed at creating a strong and balanced real estate market; safe, healthy, and attractive conditions; and a positive neighborhood image.
- Community building and training activities aimed at supporting community leaders.
- Systems-level strategies that bring together community stakeholders to address complex challenges and improve health, safety, education, and economic outcomes.

NeighborWorks advances comprehensive community development as a core strategy for creating communities of opportunity. Under Goal 2 of the current 3-year strategic plan, NeighborWorks has been offering a range of programming to support organizations at the emerging, planning and

sustaining stages of comprehensive community development efforts. These resources include a series of training workshops, a revamped community leadership training curriculum, assistance in developing comprehensive, place-based plans, and support in evaluating longer-term, community-level outcomes. NeighborWorks has also provided grants to enable organizations to implement priority strategies that align with the community's vision. Other complementary resources offered by NeighborWorks America equip organizations to develop the skills of community leaders, address health outcomes, forge cross-sector partnerships, and attract resources to rural communities. Key accomplishments to date under Goal 2 of the strategic plan include:

- Offered a series of comprehensive community development training workshops to 179 representatives from 68 NeighborWorks organizations.
- Developed two new training courses on comprehensive community development and trained 67 participants on how to plan and implement high impact strategies.
- Created training modules and hosted a series of webinars to train network boards of directors on the benefits of comprehensive approaches and the role of boards in guiding these strategies.
- Awarded more than \$3 million in supplemental funding to 50 network organizations to enable them to develop, launch and implement comprehensive, place-based plans.
- Hosted peer learning opportunities to facilitate connections and collaborative problem solving among organizations that are engaged in place-based strategies, including organizations that are leading these efforts in rural communities.
- Supported 72 network organizations to participate in Phase 4 of the Community Impact Measurement Project, an effort to assist organizations in understanding change in their target communities.
- Supported 209 teams to attend Community Leadership Institutes over the course of the three-year planning period.
- Implemented a multifaceted communication strategy to highlight NeighborWorks and the network's investment in comprehensive community development. This included releasing a series of case studies that highlight the impacts of comprehensive approaches across the NeighborWorks network.

#### Long-Term Affordability Models

Since 2019, Congress has provided NeighborWorks America with \$12 million in supplemental appropriations "for the promotion and development of shared equity housing models" (PL 116-260). The Shared-Equity Housing (SEH) Initiative at NeighborWorks America provides a combined suite of tools and resources to the NeighborWorks network and broader field to build the capacity of nonprofits to use these models to create long-term affordability, wealth building opportunities, and community stabilization.

Long-term affordability models ensure that families with modest incomes can achieve stable homeownership while ensuring that their community remains affordable over time. Common models in the NeighborWorks network include community land trusts (CLTs), limited equity cooperatives, resident-owned manufactured housing communities (ROCs) and deed restricted homes.

Through this initiative, NeighborWorks America supports feasibility assessment, technical assistance, planning and implementation of long-term affordability models. Since the SEH Initiative's inception in FY 2019, NeighborWorks America has provided \$8 million in funding in addition to other direct programmatic services to 63 NeighborWorks network organizations, facilitating over 1,000 shared equity homes either completed or in the development pipeline. In FY 2024, NeighborWorks offered another round of capacity building and production grants, which resulted in 13 awards totaling \$1,825,000. In addition to the grants, the SEH Initiative supported several online and in-person peer learning events, including a peer learning "action lab" that supported a cohort of network organizations in exploring and adopting long-term affordability models. NeighborWorks delivered seven training courses, including online, in-person and local cohort events, training over 110 individuals, while continually improving course content and engaging new trainers.

#### *Measuring Community Impact*

In order to examine longer-term community impact, NeighborWorks has invested in an ongoing effort to demonstrate the impact of local NeighborWorks organizations' work to create positive change at the community level. The Community Impact Measurement project allows participating organizations to measure change in their selected community across 3 major dimensions: social capital, physical conditions, and positive community perceptions. It is conducted on a 3-year cycle. A meta-analysis conducted in FY 2018 to determine the extent to which the 128 participating organizations experienced a statistically significant positive change determined that 80% of participating organizations whose data met rigorous data review criteria demonstrated positive change in at least one dimension in the timeframe between baseline data collection in 2013 and follow up data collection in either 2016 or 2017. The project combines capacity building and rigorous methods to both document results and strengthen organizations' ability to conduct change-over-time measurement. In FY2023-2024, 58 NeighborWorks organizations conducted their latest round of data collection which is being analyzed in FY2025 to understand local and national findings relating to community impact.

#### *FY 2024 Results: Community Initiatives*

- Trained 7,093 community leaders.
- In total, NeighborWorks organizations generated more than \$11.26 billion in direct investment in their communities.

## **Rural Initiatives**

NeighborWorks America's Rural Initiative promotes, supports and enhances comprehensive community development through a mix of affordable housing, economic development, and other locally determined strategies that strengthen and revitalize rural communities. The Rural Initiative has 121 network members whose majority of work serves rural communities. Located in 48 states and Puerto Rico, these members build affordable housing, lend to small businesses and individuals, provide workforce training, and work with local leaders to create communities that can withstand potential challenges. With approximately 20% of the nation's population classified as rural, empowering rural serving organizations is a clear national imperative. Below are some specific initiatives that NeighborWorks America undertook to strengthen rural communities:

- Assisted 7 rural organizations across the country with significant, flexible, technical assistance from Subject Matter Experts in the areas of their highest need, including grant writing for rental rehab, rural downtown revitalization, disaster planning, and updating business policies.
- Provided peer site visit opportunities for network organizations to learn more about factory-built housing on-site through plant tours and speaking with panels of industry experts
- Provided scholarships to network leaders to attend national trainings and learn about building affordable housing within local regulatory environments
- Coordinated 5 rural, national intermediaries to assess collaborative opportunities for most efficiently and effectively supporting rural communities through investment and program development

### **FY 2024 Results: Rural Initiatives**

In 2024, NeighborWorks network organizations:

- Provided service in 5,570 rural-designated census tracts
- Served 19,249 rural households
- Made 3,527 loans, equaling \$226 million to rural clients
- Provided financial counseling and education to 13,426 individuals
- Created or preserved over 5,700 rural homeowners
- Created or preserved 1,819 affordable rural rental units
- Owned and/or managed 25,606 rural rental units,

## **Native American Partnerships and Strategy**

NeighborWorks America's commitment to Native communities is advanced through our Native American Partnerships and Strategy (NAPS). NAPS focuses on two primary areas:

1. Building and nurturing partnerships between Native American communities and Native-serving affordable housing and community development agencies and organizations.
2. Progressing comprehensive strategies to address systemic challenges in providing housing and community development to Native communities.

NeighborWorks recognizes that the best solutions are those that value tribal self-determination and culture while building the internal capacity of Native communities, including Native-led organizations. Helping to support the Native Strategy is a dynamic collaborative, cross-divisional working group that guides strategy, planning, and implementation in and around Native housing and community development topics across the network.

NeighborWorks America currently supports four Native CDFIs in the network who directly serve Native communities and tribal lands. These organizations make valuable contributions within the network's peer-to-peer learning environment.

*FY 2024 Results: Native American Partnerships and Strategy*

- NeighborWorks provided 17 Native Partnership Grants totaling \$360,000 in investment. These grants support network organizations to build partnership programs with Native communities with the intention of increasing housing and homeownership opportunities.
- NeighborWorks also provided a Wealth Building Grant of \$40,000 to help build Native housing in Wyoming, resulting in a total investment of \$400,000 to 18 organizations to support Native communities.
- In August, NeighborWorks hosted a day-long Native Partnership Gathering, where network organizations shared their best practices and lessons learned from their partnerships with Native communities.

### **Goal 3: Strengthen the capacity and sustainability of the NeighborWorks Network**

The network is the major delivery system through which NeighborWorks America achieves its mission. By increasing the strength, capability, and sustainability of the network, NeighborWorks will increase its impact and its ability to build strong communities, even during crisis. NeighborWorks America and the network were a critical source of housing and community services during the pandemic due to the scale, efficiency, and adaptability of the network. NeighborWorks continues to advance sustainability efforts so that NeighborWorks organizations can respond to future challenges and build strong, prosperous communities.

To achieve this goal, NeighborWorks America will ensure network members have sufficient knowledge and resources to assess community needs, access the resources to deliver critical services, and are positioned to meet the next crisis, be it economic, disaster-related or another systemic calamity. In addition, NeighborWorks will work toward addressing long-term human resource needs by piloting new ways to build a talent pipeline as many housing and community development professionals will be eligible for retirement over the next several years. Finally, NeighborWorks continues to deploy technical assistance and other resources to enhance the financial sustainability of its network.

#### **Organizational Assessment**

NeighborWorks America supports each NeighborWorks organization's ability to successfully manage programmatic risks and to ensure financial and organizational stability through organizational assessment. NeighborWorks evaluates all network members' organizational health and performance, including an assessment of core lines of business. These evaluations are shared with the NeighborWorks organizations to help them identify and concentrate on specific areas for improvement.

To provide ongoing assessment of each 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, and the NeighborWorks organizational Health Tracking System.

The underlying philosophy behind NeighborWorks America's approach to organizational assessment is to:

- Steadily increase the health, performance, productivity, and effectiveness of NeighborWorks organizations,
- Identify risk to individual organizations, thereby identifying the presence of risk to the entire NeighborWorks system, and
- Better focus support and technical assistance to increase the capacity of NeighborWorks organizations to successfully predict, mitigate and manage risk.

A committee composed of senior managers from NeighborWorks America, NeighborWorks Capital, and Community Housing Capital undertakes quarterly reviews of key risk and performance indicators obtained from audits, on-site and off-site reviews and other sources throughout NeighborWorks America and assigns an organizational health rating to each NeighborWorks organization.

NeighborWorks America maintains continuous oversight of NeighborWorks organizations through the vehicles described below.

#### On-Site Reviews

NeighborWorks America conducts on-site organizational assessments through comprehensive program reviews of each NeighborWorks organization approximately every four years and more frequently where higher risk is present. These on-site assessments result in written reports that identify programmatic performance, financial health, organizational capacity, corrective actions, and areas for improvement for a NeighborWorks organization to address vulnerabilities and remain in good standing.

On-site charter reviews of organizations applying for network membership are conducted to ensure that they can meet established performance objectives and baseline membership criteria.

#### Off-Site Reviews and Annual Audit Reviews

In addition to on-site reviews, NeighborWorks America annually monitors organizations through off-site, risk-based assessments. These reviews focus on areas of potential risk and are based on individual organizational profiles that are updated on an ongoing basis as financial and programmatic information is received. NeighborWorks America also reviews annual financial audits, management letters, and IRS Form 990 submissions from each NeighborWorks organization.

#### Lines of Business

As a part of its organizational assessment process, NeighborWorks America conducts performance assessment and risk analysis for six major lines of business. These lines of business are the major programs, products and services provided by a NeighborWorks organization. An activity is a Line of Business only if the organization has a long-term commitment to it and has dedicated staff and revenues that support the activity. NeighborWorks America recognizes the following lines of business of member organizations:

- **Homeownership Preservation:** Loans, grants, and home improvement services for existing owners of 1-to-4 family properties. Activities include rehabilitation, repair, hazard abatement, energy conservation, as well as loans and grants to homeowners to finance these kinds of improvements, and post-purchase counseling and foreclosure intervention activities.
- **Homeownership Promotion:** Activities promoting sustainable homeownership including financial capability and other education, pre-purchase counseling, foreclosure counseling,

mortgage lending, down payment/closing cost assistance (both loans and grants), and the marketing and sale of newly developed properties.

- **Community Building & Engagement:** Programs and activities that support resident engagement as an essential component of effective and sustainable community development. Community building and engagement should include all three of the following activities: developing community leaders, facilitating community building events and activities, and supporting resident-driven groups and initiatives. Additionally, community building priorities should be clearly aligned to the overall mission and strategic plan of an organization.
- **Property Management:** Property management includes the day-to-day operating responsibility for managing real estate. Organizations are often responsible for this function on properties that they own directly but may also manage properties owned by other entities to generate additional revenues.
- **Real Estate Development/Asset Management:** All the activities involved in developing real estate, regardless of whether the project is residential or commercial and intended for rental or for-sale. Development activities might include conceptualizing projects, selecting, and acquiring sites, managing design, assembling predevelopment, construction, and permanent financing, overseeing construction and lease-up.

Asset management includes long-term responsibilities of ownership of real estate including such activities as deciding on the type of portfolio to be developed, market positioning of properties, refinancing, capital improvements, and selection and oversight of the property manager. Asset management responsibilities come with any property owned outright by the organization, a subsidiary, or a general partner interest held by the organization or its subsidiary.

- **Lending and Loan Portfolio Management**  
All activities involved in underwriting, originating, brokering and/or servicing loans to individuals, nonprofits, and businesses on a regular basis, and managing the portfolios of these loans. Their purpose is to provide capital for building or purchasing residential or commercial property and creating entrepreneurial and community wealth opportunities. Functions include analysis and allocation of risk, due diligence, negotiation, proper documentation, bookkeeping, billing, collections, monitoring, remediation, workouts, foreclosures, and management of secured assets. The routine production of loans generally generates a portfolio which must be actively managed in terms of risk concentration, liquidity, leverage, and impact.

During FY 2024, the NeighborWorks Organizational Assessment Division's Assessment team implemented enhancements to streamline processes and optimize resources. This included merging two assessment processes (PROMPT and PRO) into a single, streamlined unit responsible for both PROMPT and PRO assessments. Additionally, we transitioned from a 36-month assessment cycle to a 48-month cycle, incorporating at least one PRO assessment between each PROMPT assessment to



ensure ongoing oversight and risk management. This shift enhanced our ability to provide thorough and strategic evaluations while optimizing our audit resources. During the fiscal year, the team successfully completed 41 full-scope PROMPT assessments and 21 offsite PRO assessments.

Moreover, our Financial Analysis team conducted 279 network audit analyses and 248 audit compliance reviews. Additionally, we performed 119 audit analyses for non-network organizations.

### **Professional Training and Certification**

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 the staff and board members of nonprofits, housing finance agencies, public housing authorities, financial institutions, and various municipal and state agencies. NeighborWorks America's 240+ Network organizations rely on these training resources to develop the skills of their own staff and to build the collective efficacy of the network. By elevating the standard of practice and professionalizing the field, NeighborWorks creates possibilities for industry partnership, develops a talent pipeline, and builds recognition around the NeighborWorks brand.

The three most recent post-course impact studies (conducted in FY 2024 with 590 respondents) confirm the value and impact of NeighborWorks-sponsored training activities: 90% of participants indicated that the training they received was useful in building their skills and knowledge to better perform at their work 3-6 months later.

NeighborWorks' Training division works to address community needs by creating a relevant, forward-thinking curriculum that builds the skills of community development practitioners nationwide. In FY 2024, NeighborWorks awarded 16,265 certificates of completion to approximately 4,908 unique learners. Key training areas targeted by NeighborWorks America include, but are not limited to:

- Homeownership creation, preservation, and lending
- Financial capability and financial education
- Rental and homeownership real estate development and preservation
- Rental portfolio property and asset management
- Resident services in rental housing
- Communications and marketing
- Economic development
- Organizational management
- CDFI management and lending
- Management, leadership, and board governance
- Performance and impact measurement

NeighborWorks maintains a flexible combination of both in-person and virtual training offerings to ensure that its courses remain accessible to housing and community development practitioners across the United States and its territories.

### **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 75 courses to between 1,200 and 1,800 participants. These training opportunities offer immersive learning experiences with experts in the field, as well as the opportunity to network and connect with other practitioners working in communities across the country. The NTI includes afternoon workshops, mobile labs, and a one-day policy and practice symposium that focuses on a pressing theme or topical issue.

In FY 2024, NeighborWorks America hosted two NTIs. The February NTI was hosted in San Francisco and included the symposium “It Takes a Village: Achieving Wealth and Economic Prosperity,” which brought in experts across the field to discuss innovative approaches to increasing homeownership and wealth building for historically underserved Americans, including those in rural communities. The August NTI was hosted in Pittsburgh and included a symposium which included panels and keynotes on the connections between resilience and community development. The two NTIs welcomed around 2,290 unique attendees who enrolled in over 3,600 course selections.

For communities looking to bring focused training to a group of local/regional practitioners, residents, and other stakeholders, NeighborWorks offers Group Learning. These highly customizable training experiences bring NeighborWorks’ faculty into regional venues to conduct training for 25 to 200 participants, offering one or more courses complete with materials and interactive activities. These Group Learnings, often conducted in partnership with the US Department of Housing and Urban Development, financial institutions, and other partners, serve an important role as a tertiary classroom delivery mechanism by making training opportunities more affordable and accessible for a wide range of participants.

NeighborWorks also continues to carry out specialized in-person training events geared toward executive leaders as well as community leaders. The 2024 Community Leadership Institute took place in Baltimore in October with 550 attendees. The Executive Symposium for NeighborWorks network leaders was in Washington, DC in 2024 with approximately 430 attendees.

### **Online Training**

Housing practitioners do not always have the time or resources to travel for in-person training events. Even before the pandemic necessitated a world-wide shift to online learning, NeighborWorks America offered a robust and diversified online learning curriculum with several formats to suit a range of needs. In response to the COVID-19 pandemic, NeighborWorks expanded its catalogue of over 250 live courses to include more than 100 online courses. The Virtual Training Institute (VTI) format, which

converted in-person class curricula to a remote format, was launched in August 2020 with over 1,200 registrants for classes. Since its launch, the VTI has continued to expand even as additional in-person learning opportunities have opened. NeighborWorks held one VTI in fiscal year 2024. The May event attracted around 1,157 enrollees, who took 4,200 seats in courses, networking and peer learning activities during the event.

Throughout FY 2024 NeighborWorks America hosted several different types of virtual courses in addition to the VTI. These include:

- Self-guided, interactive computer-based courses, which are available all year for practitioners to complete at their own pace over a 60-day period. In FY 2024, 671 participants enrolled in a total of 1,753 self-guided online courses.
- Online faculty-led courses with sessions spaced over three to six weeks. Each course accommodates multiple participants, which allows participants to discuss challenging subjects with their faculty and fellow learners. In FY 2024, 789 participants enrolled in faculty-led online courses. Interactive Webinar Training courses, which are live 90-minute faculty-facilitated online trainings to develop new skills or to learn the latest best practices. In FY 2024, 525 participants enrolled in interactive webinar courses, filling a total of 910 virtual seats, as many participants chose to enroll in multiple courses.

### **Courses that Result in Professional and/or Industry Certifications**

To complement its 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 a variety of content areas
- One-week skill-building certifications
- Nine professional certifications awarded through the NeighborWorks Center for Homeownership Education and Counseling (NCHEC), which help qualify participants for HUD funding and approval. NCHEC awarded 1,149 certificates across every state, as well as the District of Columbia and Puerto Rico, in FY 2024

### **FY 2024 Results Summary: Professional Training and Certification**

- NeighborWorks America awarded 16,265 professional training certificates of completion to affordable housing and community development practitioners from all 50 states and several territories. This represents a 4.3% increase in certificates from FY 2023. Training participants also represented more than 1,100 unique organizations.
- In FY 2024, more than 2,000 practitioners and leaders were newly reached through Virtual Training Institutes, in-person NeighborWorks Training Institutes, virtual group learning, and online learning courses.

- NeighborWorks received 19,252 total enrollments in its training and certification programs and achieved a 94% positive satisfaction rate with event attendees.

### **Excellence in Executive Leadership and Non-Profit Governance**

NeighborWorks America provides training, technical assistance, and consulting services to strengthen organizations overall and to assist network organizations undergoing executive transitions. Through the NeighborWorks Achieving Excellence Program (Achieving Excellence or AE) as well as its Nonprofit Management and Leadership training curricula, NeighborWorks provides leadership development opportunities to current and future leaders in the affordable housing and community development field.

NeighborWorks also administers the 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 governance principles and consistent peer groups, each participant defines their own success and measures effectiveness in the context of the organization it serves.

#### **FY 2024 Results Summary: Excellence in Executive Leadership and Non-Profit Governance**

- The 11th Round of Achieving Excellence concluded in spring 2024, graduating 48 senior leaders of community-serving nonprofits. These high-performing leaders raised significant amounts of capital, improved organizational infrastructure, increased production and transformed their systems and processes to make them even more effective and impactful in their communities.
- In August 2024, using learnings from over ten years of the largely in-person Excellence in Governance program and utilizing advancements made in virtual learning during the pandemic, NeighborWorks redesigned Excellence in Governance as a hybrid, two-year certification program with 115 participants, including 82 network board members, 17 chief executives and 16 board support staff representing 41 network organizations.

### **Strengthening Organizational Sustainability**

A sustainable nonprofit organization is an agile organization. To fulfill its mission, it adjusts its operating capacity and approaches for generating revenue and maintains adequate working capital to provide relevant services, programs, and resources to the community over time. NeighborWorks America offers several resources to assist organizations in improving their sustainability and capacity, including training, special initiatives, grants, and technical assistance. Under Goal 3 of NeighborWorks' strategic plan, the corporation is strengthening the network by establishing a coordinated approach to help NeighborWorks organizations identify and address gaps in readiness and preparation, including training and support. NeighborWorks surveyed all 247 NeighborWorks organizations in FY 2022-2024 and confirmed that 100% of organizations were working to improve sustainability and capacity over the three-year strategic plan period, in areas like resource development and financial health, business continuity, cybersecurity and information technology, policies and procedures, and disaster recovery.

Additionally, NeighborWorks has undertaken efforts to support organizations' ability to attract and retain talent and develop leaders recognizing human capital resources and strong leadership as central to organizational sustainability, capacity, and resilience.

In FY 2022-2024, NeighborWorks continued to strengthen organizational resilience amongst its network through a variety of activities. Over the FY 2022-2024 period, NeighborWorks raised over \$38.3 million in outside funding to support programming, grants, and ancillary services for the network. Additionally, NeighborWorks held trainings on related topics. NeighborWorks' Field Operations staff also supported individual organizations with disaster resilience planning and assisted them on developing action plans for organizational sustainability. NeighborWorks' peer sharing and learning activities throughout the year also continued to support the capacity and sustainability of the network.

#### **AmeriCorps VISTA (Volunteers in Service to America)**

AmeriCorps VISTA is a federally funded national service program dedicated to alleviating poverty. In partnership with the Corporation for National and Community Service (operating as AmeriCorps), NeighborWorks America sponsors one of the largest AmeriCorps VISTA programs in the United States. Through this sponsorship, the NeighborWorks America VISTA program has had a significant, long-lasting impact on low-income communities by placing national service members in local organizations to strengthen infrastructure and build capacity.

Since the program's inception in July 2009, more than 1,000 AmeriCorps VISTA members have supported their organizations' activities. As a result, NeighborWorks VISTA-supported organizations have:

- Generated \$72,595,091 in cash and in-kind resources
- Improved financial fitness and asset-building capacity for 59,968 underserved individuals
- Recruited 61,350 volunteers who contributed 444,804 hours of service in their communities

## **Goal 4: Strengthen a culture of accountability at NeighborWorks America**

Over the strategic plan period, NeighborWorks America is focusing on cultivating a culture of accountability by make its accountability mechanisms more consistent across the organization to optimize performance and working to ensure its corporate practices are aligned with its strategy and values.

To achieve its mission and accomplish its specific strategic plan goals, NeighborWorks must ensure that its internal operations are efficient and effective and that it both manages risk and encourages innovation. NeighborWorks places a high priority on managing its internal operations to achieve maximum benefit for taxpayer funds.

### **Administrative Expenses**

In accordance with the National Affordable Housing Act (P.L. 101-625), NeighborWorks America's administrative expenses are consistently held to less than 15 percent of expenditures. These expenses include the offices of the chief executive officer, chief operating officer, chief financial officer, the general counsel, internal audit, public policy and legislative affairs, as well as finance, budget, information technology and services, procurement, human resources, administrative services, and facilities management.

### **Advancing NeighborWorks America's Culture**

In FY 2024, NeighborWorks America engaged in an organization-wide initiative to establish a new core values charter to strengthen its organizational culture. NeighborWorks America held numerous workshops, trainings, and round tables related to refreshing core values, holding challenging conversations, and promoting individual and mutual accountability.

### **Enterprise Risk Management**

In FY 2024, NeighborWorks America continued implementation of its enterprise-wide risk management initiative. Three critical risk issues were identified, monitored, and managed during FY 2024: (1) procurement policies, procedures, and training; (2) talent acquisition and retention; and (3) technology modernization. Working groups were established to focus on each of these risk areas and quarterly updates were provided to senior leaders on key challenges, mitigation efforts, and progress.

### **FY 2024 Results: Enterprise Risk Management**

- **Procurement System and Process Efficiency:** NeighborWorks America had significant turnover in the Procurement Division during a major policy update and the implementation of a new procurement system. Managing multiple concurrent changes exposes the organization to the risk of extended procurement timelines and compliance monitoring challenges. The organization has set as a goal to have a procurement process that is clear, reliable, efficient, and enables teams to acquire the goods and services needed in fulfillment of NeighborWorks America's mission.

With this goal in mind, during 2024, the Procurement Division accomplished the following mitigation efforts: (i) introduced streamlined processes for procurements below the NeighborWorks America simplified acquisition threshold, (ii) engaged procurement staff in operational efficiency training, (iii) made further refinements to the NeighborWorks Procurement Policy to improve clarity, (iv) backfilled all open positions, (v) worked with two IT&S technical business analysts to refine procurement system configurations, and (vi) established office hours for increased engagement with staff.

- Talent Acquisition and Retention: Operating through the pandemic and subsequent “Great Resignation” as a non-profit with statutory limits on compensation levels poses a risk to organizations like NeighborWorks America in attracting and retaining top talent. During FY 2024, NeighborWorks’ Human Resources Division partnered with an external vendor to complete an organization-wide compensation study. NeighborWorks America addressed the compensation study findings by adjusting corporate pay bands to reflect current market rates.
- The Human Resources Division also revamped the performance management process to focus on more real-time performance feedback and enable more frequent performance discussions between managers and their direct reports. NeighborWorks America implemented specialized performance management and leadership training for managers in FY 2024, with the goal of improving organizational leadership competency. Human Resources hired and onboarded a new recruiter during FY 2024 and is seeing success from the use of more creative recruitment strategies. And lastly, total compensation statements were provided to all employees showing the value of both the base salary and all benefits funded by the organization. During Q4 FY24, the voluntary attrition rate remained at 2.4%, materially lower than Q4 FY22 when the voluntary attrition rate was at 5.3%.
- Technology: In 2024, NeighborWorks America completed over 90% of activities related to modernizing the overall information technology (IT) infrastructure within NeighborWorks. During the past year, NeighborWorks was able to implement a new IT security framework, solutions, and processes that improved its security hygiene, thereby reducing cybersecurity risk and increasing its ability to identify, protect, detect, respond, and recover from cybersecurity threats. In addition, 305 end-of-life (EOL) laptops used by staff were replaced to mitigate high cybersecurity risk to NeighborWorks.

## **Staff Performance and Development**

### Performance Management Process

In FY 2024, NeighborWorks America continued to evolve its performance management process to include: performance management training for people managers, developing two tracks for corrective actions/discipline related to 1) performance concerns and 2) behavioral concerns, and maximizing leadership support via the organization’s Human Resources Business Partner model. Leaders continued

to provide positive feedback and constructive criticism throughout the performance year, summarizing the employees' performance during quarterly review sessions. Non-performing employee concerns were addressed more expeditiously, allowing the organization to experience greater levels of productivity. NeighborWorks also took a more holistic approach to performance management, developing a Total Performance Management Framework that supports real-time feedback, goal-setting and quarterly performance discussions and rewards and recognition that focuses on high performing employee retention. Rollout of the Total Performance Management Framework is slated for FY 2025 with full implementation beginning with the FY 2026 performance cycle.

#### *Opportunities for Staff Development*

In FY 2024, HR worked diligently to systematically expand opportunities for staff growth and development with a heightened focus on continuing efforts to strengthen organizational leadership skills and capabilities. As part of the talent strategy, an intentional effort was made to further support the cohesion and alignment of the senior leadership team. There is now in place a cohort learning experience for every level of the organization (emerging leaders/junior staff, experienced leaders/middle managers and now senior/executive leaders). The Duke Executive Leadership Series is a customized simulated learning experience for Officers, SVPs, RVPs and VPs to further the leadership capability building of approximately 45 senior leaders while solving organizational issues as a team. In addition to this newly launched cohort experience, The Leadership Learning Lab, a leadership series that launched in FY 2022, continued to provide mid-level managers opportunities to build leadership capabilities with the added benefit of peer learning experiences. A third, 20-person cohort participated in a majority of their program in FY 2024 to be completed in FY 2025. With the addition of these 20 staff members, the Leadership Learning Lab will have graduated 60 staff members at the close of the current cohort's program. FY 2024 was also used as a strategic planning period for the Human Resources team to fully develop a customized infrastructure that aims to further support people managers in their ability to lead and empower their teams with confidence. Leading@NW (the branded program for people manager training) plans to focus on strengthening leadership capabilities of people managers and to further support them in modeling our core values and advancing a culture of accountability.

Equally as important as scheduled cohort experiences, Human Resources continues to deliver the Staff Training and Education Program to offer staff the opportunity for a more tailored approach to meet their specific learning needs through a learning management system (NeighborWorks University) that continues to bring training to our staff's fingertips on laptops and mobile devices with over 2,500 on-demand courses.



## Closing

NeighborWorks America began its FY 2022 – FY2024 Strategic Plan amid challenging market conditions. In FY 2022 inflation peaked at 9.1% and the United States housing deficit reached \$4.5 million homes as a result of the Covid-19 pandemic.<sup>3 4</sup> Additionally, high interest rates caused mortgage originations to drop from \$2.75 trillion in FY 2022 to \$1.5 trillion in FY 2023.<sup>5</sup> By the start of FY 2024, mortgage rates had reached 7.79%, the nationwide housing deficit steadied at 3.85 million homes, and inflation persisted at 3.2%.<sup>6</sup> The NeighborWorks System, with its focus on private-public partnerships and locally driven housing solutions, proved particularly resilient to these economic challenges. Not only did NeighborWorks America successfully maintain the financial health of its local network organizations during the Covid-19 pandemic, but it also provided the necessary resources to assist them in directly alleviating the economic downturn at the local level.

By the end of FY 2024, NeighborWorks America met or exceeded all its annual performance goals. The Corporation utilized its network of nearly 250 community-based organizations to scale innovative housing approaches across the country, generating over \$11 billion in total investment in local communities. NeighborWorks America also provided housing counseling or education programs to more than 431,600 individuals and families. By creating 16,282 new homeowners and assisting more than 250,000 rental households, NeighborWorks America demonstrated the power of its public-private partnership model, even in the face of economic uncertainty.

NeighborWorks America's success relied upon the targeted strategies and initiatives it undertook in FY 2024. By expanding housing opportunities and building wealth for underinvested communities in every part of the country, including rural, urban, and native communities, NeighborWorks America broadened its support for sustainable homeownership. The Corporation increased grants, training, and peer learning programs for its network, assisting them as they counseled new homebuyers during a period of high inflation and increasing interest rates. As a part of its wealth building initiatives, NeighborWorks awarded \$1 million in grants to network members to identify and scale successful wealth-building strategies – including new pathways to homeownership – in communities across the country. On the capital front, NeighborWorks facilitated greater access to flexible financing, with its two affiliated capital corporations providing \$169 million in loans to network organizations for housing and community development projects. Additionally, NeighborWorks continued to champion innovative housing solutions through technical assistance, research, and grants in focus areas such as manufactured housing, for-sale housing development, and long-term affordability models. These efforts have laid the groundwork for long-term wealth creation, and safe, prosperous communities.

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<sup>3</sup> Zillow (July 18, 2024). *The U.S. is now short 4.5 million homes as the housing deficit grows.* <https://zillow.mediaroom.com/2024-06-18-The-U-S-is-now-short-4-5-million-homes-as-the-housing-deficit-grows>

<sup>4</sup> U.S. Bureau of Labor Statistics (July 18, 2022). *Consumer prices up 9.1 percent over the year ended June 2022, largest increase in 40 years.* <https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm>

<sup>5</sup> Lending Tree (March 27, 2025). *Mortgage Statistics: 2025.* <https://www.lendingtree.com/home/mortgage/u-s-mortgage-market-statistics>

<sup>6</sup> Harvard Joint Center for Housing Studies (2024). *The State of the Nation's Housing.* [https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard\\_JCHS\\_The\\_State\\_of\\_the\\_Nations\\_Housing\\_2024.pdf](https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2024.pdf)

NeighborWorks America also fostered stronger communities through comprehensive, place-based development strategies. The Corporation supported community development initiatives at various stages with grants, learning opportunities, evaluation tools, and other resources. This support enabled network organizations to train community leaders, forge cross-sector partnerships, and attract investment dollars to under resourced areas – including rural communities. By promoting community-led approaches that are tailored to local needs, NeighborWorks America positioned communities for long-term success in the face of economic and social challenges.

To strengthen the capacity and sustainability of its network, NeighborWorks invested in building organizational resilience across its network members. The Corporation delivered flexible funding, technical assistance, and collaborative peer-learning opportunities to bolster the operational strength of network members. It also launched several pilot programs aimed at cultivating a long-term talent pipeline in the community development field, which would proactively address the structural human capital challenges facing the sector. Additionally, NeighborWorks America’s emphasis on professional education continued, with more than 16,266 training certificates awarded to housing and community development practitioners and leaders from all 50 states and Puerto Rico during the year. Through these efforts, the NeighborWorks network is better equipped to serve communities effectively, even in times of crisis, thereby sustaining its vital work into the future.

Within the organization itself, NeighborWorks America further strengthened its operational efficiency and corporate culture to enhance its external impact. The Corporation undertook an organization-wide initiative to refresh its cultural values and to strengthen alignment between business units. At the same time, NeighborWorks America modernized its core systems and processes – from improving procurement and enterprise risk management to advancing critical technology projects – to enhance efficiency and accountability in its use of federal resources. The Corporation also invested in its talented staff by revamping performance management and leadership development initiatives, which included new, updated training programs for people managers.

With sustained results, improved capacity, and a commitment to excellence, NeighborWorks America enters the coming year prepared to undertake its next strategic plan (FY 2025 – FY 2027). By focusing on its core commitment to private-public partnerships, locally driven approaches, and geographic scale, NeighborWorks America will continue to work to meet the country’s pressing housing needs so that every community in America is a place of opportunity.