

Winter 2005|2006

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Katrina Was Eye-Opening

It is now several months after hurricane Katrina devastated much of New Orleans and southern Louisiana and Mississippi. The images of mass destruction and personal grief are fresh in our minds. Our thoughts and prayers have been with all involved. NCALL, along with the NeighborWorks America network, is providing assistance to local NeighborWorks organizations in New Orleans and Mississippi that were affected. This will help them in continuing their mission, which is more necessary now than ever.

I had the privilege of working in the Mississippi Delta in the early 1970's with the Freedom Village project of the Delta Ministry and Delta Housing Development Corporation's self-help housing program. Through this work I became well acquainted with substandard, overcrowded, and rent burdened housing that represented the only choice many had because of insufficient affordable housing stock and displacement due to cotton mechanization. From the many pictures and stories recently heard, conditions have not changed as much as I had hoped despite the good work of many.

It is regrettable that it takes a major natural disaster to convey the poverty and poor housing that are home for thousands. The loss of whatever housing people had is devastating, creating a tragic chaos and homelessness with too little local, state, or federal infrastructure in place to address the situation. Unfortunately, many of the same conditions of poverty exist in our home communities. It may be hidden down a lonely rural road or front and center in an inner city. It may be a trailer park with failing septic systems, or gross overcrowding in older homes with people sleeping in shifts. It may be overcrowded shelters and transitional housing facilities which provide crisis alleviation, or assisted apartments with long waiting lists and little turnover. It may be elderly persons who cannot find housing choices allowing them to remain in their own community, or local home repair and rehabilitation programs with multi-year waiting lists. It may be teachers, nurses, day care providers, or first responders who cannot afford housing in escalating

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Rural Community Development Initiative Awarded to NCALL

NCALL has received word from USDA's Rural Development that a grant of \$75,000 has been awarded to NCALL to provide housing development technical assistance to nonprofit housing corporations in Accomack and Northampton Counties, Virginia. These counties are very rural counties and as such have a high rate of poverty, a lot of sub-standard housing, significant infrastructure problems, and low median incomes. The Rural Development funds will be matched one to one with other funds. The Initiative program is very competitive and NCALL is pleased to have been selected for funding. NCALL plans to provide a mix of technical and capacity building assistance, as well as financial assistance, over an 18

month period to the following three recipients: Accomack-Northampton Housing & Redevelopment Corporation, New Road Community Development Group, and District One Community Action.

The program will entail employing a Housing Specialist on the Eastern Shore of Virginia to foster the organizational development and real estate development/construction skills necessary to undertake a variety of affordable housing efforts. NCALL will work with the recipient corporations to determine what role each will play in the area's affordable housing development and delivery system. NCALL will provide a mix of technical assistance and training specially designed to

build the capacity of each recipient, so they can become prepared to undertake housing development. NCALL will also assist the recipients by assembling the housing program options and in identifying the resources necessary to finance pre-development and development phases of affordable housing projects, such as land acquisition, site development, construction of apartments and/or single-family homes and providing homeownership counseling services. NCALL will also provide collaborative training to the three recipients together to increase communication and coordination.

NCALL looks forward to embarking on this endeavor.

NCALL Welcomes Two New Board Members

NCALL is pleased to announce the addition of two new members to our Board of Directors. Helen Stewart and Daniel Kuennen both joined the Board earlier this year.

Dan Kuennen is the Director of the



Rural Development Center and Special Assistant to the President for University Outreach and Community In-

volvement at the University of Maryland, Eastern Shore. For 18 years he also served as a Specialist in Rural Development for the Delaware Cooperative Extension Service and College of Urban Affairs and Public Policy at the University of Delaware. He has a Masters De-

gree in Public Administration from the University of Delaware and a Masters Degree in Community Development from Southern Illinois University. Over the past ten years, Dan has been responsible for acquiring over \$14 million in grants for economic development on Delmarva.

Our other new Board member, **Helen Stewart**, is the Vice President, Corporate Philanthropy & Community Development Manager for JPMorgan Chase Bank.



Helen is responsible for managing Corporate Philanthropy for the Mid-

Atlantic/Southeast Region and the Credit Card business nationally, as well as managing community development for Chase's Delaware bank. She has been with the bank for over twenty years. Helen's previous experience with Chase includes: Training & Development Manager, Customer Service Manager, and Assistant Product Manager all in the National Deposit Area, Officer in the Bank's Management Internal Control and Regulatory Compliance Departments. Originally from Dover, Helen graduated from the University of Delaware in Newark.

Both Helen and Dan have been very active in the community, volunteering their time and considerable talents to many worthy causes. NCALL is truly honored to have them both on the Board. Welcome Helen and Dan!!

Dover's New Homeownership Initiative

There is a new team on the field! The players are familiar, but the initiative is a new one. Dover's new Homeownership Initiative was announced on Friday, October 14, 2005 at NCALL's Dover Office. Partnering with NCALL is Freddie Mac, who sponsored the event, WSFS Bank, Chase Home Finance, Dover Housing Authority, and the City of Dover. Through



Freddie Mac's Vice President Robert Zimmer praised NCALL's efforts to increase homeownership in Dover.

this initiative, homeownership education and counseling, downpayment assistance and variety of mortgage products and services will be offered to modest-income families in Dover to help them locate and purchase a home.

Guests attending the kickoff event were welcomed by Joe Myer,

NCALL's Executive Director and Dover's Mayor Stephen Speed. The event also featured Congressman Michael Castle, who remarked that he was pleased to see these organizations work together to help more Dover residents realize the dream of homeownership. Senator Tom Carper was represented by Lori James, who also congratulated the

partners. Freddie Mac's Vice President Robert Zimmer indicated that this effort actually builds on the organization's work to expand homeownership in Delaware, financing more than 50,000 homes over the past 5 years. Ami Sabastian-Hauer, Executive Director of

the Dover Housing Authority also addressed the group. The City of Dover will offer downpayment assistance ranging from \$5,000-\$10,000 to the qualified buyers. Deborah Roberts, WSFS Bank, and Kevin Gillis, Chase Home Finance also offered comments as providers of mortgage products that will feature low downpayments and flexible credit requirements. The Dover Housing Authority, the City of Dover and WSFS Bank will make available for purchase some of their local real estate inventory. NCALL will provide homeownership education and counseling services to help the families throughout the entire homebuying process.

NCALL is very pleased to have one more valuable initiative to increase affordable homeownership in Delaware. Thanks to all of NCALL's partners who make this program possible!

Asset Management: Increasing your Knowledge and Equity in your Projects

NCALL provides quality technical assistance to organizations involved in affordable housing. Over the past few years, we have expanded this assistance to include asset management services. The organizations currently able to access this service from NCALL are the members in the Delaware Rural Housing Consortium.

Asset Management is still an emerging business service in housing development and ownership. It is still confused with property management services, so it helps to distinguish the two. A widely used definition for asset management is: *The active and strategic pursuit of an owner's long term goals from*

predevelopment through management and disposition of a property. As this definition indicates, asset management is an owner-led planning process and applies to any type of project, although it is primarily used for multi-family/rental projects. The planning process starts before a project even is developed, and it continues for a project through its disposition. As we all know, non-profits are often encouraged to "work on the next project" as soon as one is completed. So it is typical that a project, after lease-up, may not be a top priority for the organization. Assuming a rental project, the management company is responsible for taking care of the operations of the project and ad-

resses other compliance matters. The function of asset management is not often a staffed position within an organization (unless the size of the portfolio is quite large), so these services are typically received through consulting arrangements.

Asset management services can be as diverse as the needs of the non-profit and their projects. The services will also be defined by the capacity of staff, the Board of Directors and its related committee structures. Generally, the services can include development and use of an **asset management plan** for a project(s) that defines performance goals; review and use of **financial tools**; and **preservation planning**

Federal Budget Update

<i>USDA or HUD Housing Programs (in millions of dollars)</i>	<i>FY 2005 Approp.</i>	<i>Proposed Budget FY 06</i>	<i>House Approps. Bill FY 06</i>	<i>Senate Approps. Bill FY 06</i>	<i>Conference Committee Agreement</i>
502 Single Family Direct	\$1,150	\$1,000	\$1,140.8	\$1,000	\$1,140.8
502 Single Family Guaranteed	3,309	3,681	3,681	3,681	3,681
504 Repair Loans	35	36	36	35	35
504 Repair Grants	31	30	31	30	30
514 Farm Labor Hsg. Loans	42	42	42	35	38.5
515 Rental Hsg. Direct Loans	100	27	100	90	100
516 Farm Labor Hsg. Grants	16	14	14	14	14
523 Self-Help Tech. Asst.	34	34	34	34	34
521 Rental Assistance	592	650	650	653	653
CDBG	4,671	0*	4,243	4,324	#
HOME	1,900	1,941	1,900	1,900	#
RHED	24	0*	10	24	#

* Proposed as part of the new Strengthening America's Communities Initiative at the Commerce Department.
 # The HUD programs were still in conference as of the publication of this newsletter.

Asset Management *(continued from Page 3)*

for aging projects.

An important and helpful part of asset management work is the division of the responsibilities for the projects. Most organizations engaged in this process have an Asset Management Committee made up of a combination of Board members, staff and third party consultants. For staff, the specific involvement of board members is helpful because they are decision-makers and the Board increases their technical and oversight capacity. The third party consultants are helpful in examining the many technical details.

Based on general best practices and the work NCALL has done, here are a few **asset management tips** worth passing on:

1. Be aware of compliance and reporting requirements, their due dates and who has the lead in completing these reports.
2. Be sure to meet with property management staff to discuss your strategic issues as owner, in addition to hearing about monthly operating status.
3. Prioritize the financial items you want to review regularly on the projects that have an impact on their long-term conditions.
4. Does it appear that significant capital improvements may be

required within the next three years, and if so, are there adequate replacement reserves and related resources?

5. Is there a strategy about how the reserves should be used from year to year? Are you comfortable with the amount of reserves for each project at the time of review?

If you are interested in more information about asset management, please contact Karen Kollias at NCALL (kkollias@ncall.org).



Katrina Lessons *(Continued from Page 1)*

markets. It may be members of our workforce where moderately priced housing is not available to support employees and industry.

Decent, affordable housing has always been a major issue for families and the elderly with modest incomes, often substantially below the local median. Now, however, affordable housing is fast becoming an increasing issue for a much larger segment of society. As land and construction escalates, but wages stay level, fewer and fewer people have sufficient incomes to afford to buy a home or rent an apartment that meets their needs.

This is an issue that all levels of

government should be addressing with due haste. Federal government has been reducing rural and urban housing assistance for a couple of decades to the point that there is no longer a rural rental construction program. The Low Income Housing Tax Credit program, which produces apartments, often serves a very narrow income band too high to reach down to those in greatest need. State governments have often not increased housing appropriations or revenue streams even during surplus years. Smart growth activities designed to increase quality of life can have the opposite impact when affordable housing is forgotten. Local governments who should be fostering policies, land use, and incentives to encourage

affordable housing often miss the opportunity.

NCALL and other community development organizations have established many successful models showing how homeownership and apartments can be positive assets to communities, how affordable housing impacts all aspects of family life, how it supports local industry, and what an important part housing plays in economic development.

Maybe what happened to our southern brethren will open our eyes to these issues so they can be more adequately addressed in the future.

*By Joe Myer, NCALL's
Executive Director*

No Place Like Home

The following was inspired by a June 2005 Homeownership Event celebrating NCALL's milestone of 5,000 homeowners.



*A home, more than four walls, with rooms and halls,
More than wood and brick, glass and carpet,
The American Dream, like apple pie and ice cream,
Even NASCAR or your favorite baseball team.*

*A firm foundation for a family to grow,
Perhaps mothers, fathers, sisters, and brothers,
Working together in unison with hopes and dreams,
A stepping stone to a multi-colored rainbow.*

*Providing security and safety from an oft crazy world,
A place to be yourself, accepted and loved for who you are,
Testing the waters with God given skills and gifts,
Shaping and being shaped from cocoon to butterfly.*

*Safe from storms, wild rain, and hail,
And life's storms that compared to weather may pale,
A refuge, a retreat to relax and give thanks,
Full of laughter, deep thought, and even pranks.*

*A place parents seek to provide for their children,
After years of hard work, sacrifice, and planning,
Wanting better for them, than they had themselves,
A home, the purest manifestation of a parent's heart.*

*A place where kids study and learn, with light shining bright,
Where music is made and strong sporting muscles are built,
Bringing home friends with parties and sleepovers,
Socializing, seeking and finding answers to life's questions.*

*For robin eggs to hatch and rabbits to roam,
With pets like cats and dogs, and even frogs,
Chores and responsibilities, earning and giving,
Full of life's lessons all for the living.*

*Perhaps a lawn to mow and a tree to climb,
Bushes to trim and carpets to sweep,
Dishes to do and windows to wash,
Counted as a labor of love by all who share.*

*A place where grand meals and simple snacks are made,
With hot ovens, cold refrigerators, and recipes to try,
Pies to bake, lunches to pack, and chicken to fry,
Dinners round the table, sharing glimpses of hurried lives.*

*Where stories are told and heritage is taught,
Some happy, some sad, with laughter and tears,
Where values are shared that can never be bought,
And memories are made, down through the years.*

*And when the sun sets, a place to gather and say "good night",
Settle into bed, be tucked in, and don't let the bed bugs bite,
Folding our hands to pray, our heads down to sleep we lay,
Soundly dreaming of days past and those yet to come.*

*A healthy place with warmth in the winter.
No lead paint, no mold, nor asbestos lurking,
Safe wiring and breakers, no fire traps here,
Hot water aplenty and no roaches or rats appear.*

*Alone, a house is brick and mortar, empty and quiet,
Families breathe life into the walls, causing a home to be made,
Full of safety, good health, growing faith, and hospitality,
After all, there is no place like home, to me.*

Joe Myer
June 26, 2005

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NCALL is an affiliate of the United Way of Delaware



Launching Financial Fitness

NCALL has recently embarked on offering Financial Fitness classes to clients seeking homeownership. This will provide them with the financial management and planning skills needed to succeed today. More and more households are coming to NCALL with significant debt and credit issues and handling the increased influx of clients on a one-on-one basis was becoming unmanageable.

One client recently raved about the course and shared that she felt empowered by NCALL's financial fitness program – "I am now in charge of my finances and have more control over my financial future."

NCALL is utilizing Fannie Mae's *Growing Your Money*, and has incorporated it into NCALL's Homeownership Education and Counseling program. At the intake session, the client's readiness for homeownership is examined and the Home-

ownership Specialist then encourages the client to take the Financial Fitness course if appropriate. The Financial Fitness course is offered monthly and lasts four weeks. The course covers spending, managing money, checking and savings accounts, understanding credit and credit reports, the financial system, predatory lending, insurances, and taxes. Upon completion of the course, the client has developed a spending plan and a plan of action for addressing any personal financial matters. The client is then referred back to their Homeownership Specialist.

While this process has just started at NCALL, we have been providing financial fitness courses for over three years through two different programs. NCALL's Individual Development Account (IDA) program for public housing residents has had 185 Financial Fitness graduates, a total of 71 graduates have opened an individualized de-

velopment account (IDA), and nine have had successful IDA matches (8 homeowners and 1 small business owner.) The second program, *Finanzas*, educates Hispanic employees of poultry plants in Sussex County, Delaware on basic banking and money management skills. The pilot program resulted in four financial fitness courses being held, with 40 employees attending. One of the graduates has purchased a house and six more are continuing to prepare for homeownership. That pilot is expanding now to other employers in Sussex County.

The *Growing Your Money* classes started in July and thus far, four sessions have been held and 38 individuals have graduated. Classes typically have a maximum of 15 participants to provide sufficient interaction and needed attention.

We look forward to having more informed and financially savvy homeowners as a result!

