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*Articles contributed by
NCALL staff*

NCALL's Loan Fund Certified as a CDFI

NCALL's Board of Directors, staff, and Loan Fund Committee are very pleased to announce its new Community Development Financial Institution (CDFI) Certification status from the Department of Treasury. NCALL represents the newest CDFI for Delaware/Delmarva Peninsula and as such perhaps the only CDFI designated specifically for affordable housing financial support. A year ago, recognizing NCALL's technical assistance should become more financial in nature, the Board approved a strategy to dramatically expand what was NCALL's Predevelopment Loan Fund. The Fund had functioned since 1983, making over 50 loans and being part of most of the nonprofit development on the Peninsula. The strategy recognized that while there may be a continued need for predevelopment credit, there also was an unmet need for other forms of credit to support the development and provision of affordable housing. NCALL set in motion the following expansion steps:

1. Appointed a highly qualified Loan Fund Committee empowered to take NCALL through the expansion phase to a new level of lending. Joining Chair, Jeanine Kleimo, has been Joe Belden, Roger Pryor, Roland Ridgeway, and Hal Wilson. This committee brings extensive loan fund, CDFI, product, servicing, and collection experience to the task.
2. NCALL intentionally employed personnel with substantial community development lending experience to work with existing staff, the full Board, and the Loan Fund Committee to help guide expansion of the Loan Fund. Adding this new capacity in-house has helped the strategy move forward and take shape much more quickly.
3. Implemented an underwriting component designed to both look more closely at an applicant's financial position, while also more fully discussing with applicants their financial needs. This has resulted in applications and commitments for a number of expanded purposes

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NCALL'S Board Embarks on Strategic Planning

NCALL's Board of Directors undertook two days of strategic planning on September 23-24, 2004. This active session included work to review the mission, evaluate the current environment and market trends, approve a 2005 Housing Plan and Budget, review Board member responsibilities, brainstorm about fundraising, do some policy development work, and have a business meeting. The session was well attended and took place in a peaceful setting on Tilghman's Island, Maryland's eastern shore. The review of the current environment and market trends generated much discussion and the following issues relating to NCALL's affordable housing services:

- Housing affordability with increasing housing and land costs
- Great potential for displacement of the poor
- Existence of undocumented workers
- Agricultural economy changing to tourism
- Tension between developers and conservationists
- Increasing poverty, homelessness, overcrowding, extremely low income
- Complexity of affordable housing development
- Delegation of housing problems to nonprofits without resources
- Current federal budget deficit and tight state budgets
- Increase in nonprofit organizations
- Preservation issues around subsidized housing
- Older manufactured housing parks
- Workforce housing demand
- Increasing impact fees passed on to developers
- Interest in homeownership by governments and policymakers



These issues, in different ways, impact the development and provision of affordable housing in our Delmarva communities. These issues direct our work as we strive to address the needs, overcome new obstacles, and bring attention to a widening housing affordability gap that could leave more and more people behind.

NCALL's Loan Fund *(Continued from Page 1)*

such as acquisition, lines of credit, project gap financing, and construction financing, while still continuing predevelopment lending.

4. In order to take a fresh look at all aspects of the Loan Fund, NCALL applied to the Department of Treasury for both a Community Development Financial Institution planning grant and certification. The planning grant which was approved spring, 2004 and is now underway will fund a full

market analysis, a review of potential lending products, a look at alternative legal structures, and substantial training and technical assistance to move the Loan Fund to the next level.

5. Neighborhood Reinvestment Corporation has initially provided capital for the Loan Fund during two rounds in 2004. NCALL, being a NeighborWorks organization, applied to NRC to help bring capital resources to the Delmarva Peninsula and the Loan

Fund has reached \$1,000,000. A full capitalization strategy is under development to help the Loan Fund reach \$3 to \$5 million so it can provide the credit necessary to help affordable housing projects come to fruition throughout Delaware and the Eastern Shores of Maryland and Virginia.

DHC Releases Ground Breaking Study

The Delaware Housing Coalition released Delaware's first economic impact study on affordable housing. The study, entitled "*Investing to Meet Delaware's Affordable Housing Needs: An Economic Impact Analysis*", was released on November 15, 2004. The study focuses on what the economic impact would be as a result of a \$60 million investment by the State in a variety of affordable housing initiatives over a five year period.

The study arose out of a group of for profit and nonprofit organizations that have been meeting for over a year to look at ways to make affordable housing a higher priority, seek improved housing policy, and evaluate ways to better fund the State's Housing Development Fund. Led by the Delaware Housing

Coalition, the group includes Deutsche Bank, JP Morgan Chase, NCALL, Delaware Rural Housing Consortium, Interfaith Housing Delaware, and West End Neighborhood House.

What makes this study so important is that it explains what many know intuitively – that affordable housing development makes very good economic sense. Using a conservative approach, the study shows that a \$60 million investment in affordable housing by the State of Delaware would generate \$420 million of economic activity in Delaware. In other words, \$1 of investment in housing would generate \$7 of economic impact. State support of affordable housing development may very well be the best possible investment for Delaware tax dollars,

reaping quantifiable economic effects through multipliers and leveraging.

The study was prepared by William Latham, Ph.D., Department of Economics, University of Delaware, and is available on the Delaware Housing Coalition's website at www.housingforall.org

Summary of Statewide Economic Impacts of a \$60 Million Investment:

Total Output: \$420,232,606

Jobs: 3,395

Incomes: \$106,383,555

Total Taxes: \$ 43,498,229

Rental Housing Under Construction in Bridgeville



Construction is wrapping up on two rental complexes in Bridgeville, DE -- Elizabeth Cornish Landing II and Annex. Phase II will provide 16 units of affordable housing for migrant farmworkers and their families. This was financed through the USDA Rural Development Section 514/516 program. The Annex will provide 12 affordable apartments

and was financed with a Rural Development Section 515 loan, low income housing tax credits, and HOME financing from the Delaware State Housing Authority. All 28 units are fortunate to have Rental Assistance allocated by

Rural Development so that residents will pay no more than 30% of their income for rent and utilities.

These apartments are sponsored and owned by Delmarva Rural Ministries, Inc.

Delawareans Save! IDA Program Wins NAHRO Award of Merit

In July 2004, the Delawareans Save! IDA Program was recognized at the NAHRO (National Association of Housing and Redevelopment Officials) Summer Conference as one of the winners of a NAHRO Award of Merit in Housing and Community Development. Nominated by Delaware State Housing Authority primarily for the work with residents of DSHA's Public Housing and Section 8 Housing Choice Voucher Programs in Kent and Sussex Counties. NCALL is part of the statewide collaborative known as Delawareans Save!

Open House Held at Greenbrier Court



A wonderful celebration was held on October 30, 2004 at Greenbrier Court in Snow Hill, Maryland. A yellow ribbon was cut symbolizing the availability of this affordable housing complex for the residents of Snow Hill and Worcester County. It was a proud day for Snow Hill Citizens for Decent Housing, Inc., the sponsor, as they have been working on and off for over 10 years to make this housing complex a reality. A crowd of over 40 gathered to salute this accomplishment consisting of area residents and officials, professionals involved with the development, the owners, and the tenants. Town and County officials praised the effort that it took to develop the affordable housing, board members spoke of the history and mission of Snow Hill Citizens and Greenbrier Court,

LP, and guests were recognized as well. Karen Speakman, Deputy Director of NCALL, shared that it was a pleasure to be a part of this endeavor to provide affordable rental housing.

Twelve two-bedroom apartments and 12 three-bedroom apartments ex-

ist with a community building that houses the rental management office, laundry room, and a community room. The 24 apartments are affordable to very low-income families (incomes at or below 50% and 30% of the area median income). Each family pays 30% of their income for rent and utilities.

This complex was made possible through the provision of financing from USDA Rural Development, the Maryland Department of Housing and Community Development, the allocation of Low-Income Housing Tax Credits and a limited partnership with the Enterprise Social Investment Corporation, as well as NCALL's housing development technical assistance. Congratulations to Snow Hill Citizens for Decent Housing, Inc.!!

Farewell to Karl Layton

It is never easy to say goodbye to staff when they leave NCALL. After nearly four years, Karl Layton has left to take a position with Sam Yoder and Sons, in Greenwood, DE. As a Housing Development Specialist, Karl worked with a number of nonprofit housing development corporations to develop affordable housing for low-income and farmworker households. He assisted Delmarva Rural Ministries with several farm labor housing developments in Salisbury, MD and in Bridgeville, DE. He also assisted Millsboro Housing for Progress, Inc. with its Old Landing I and soon to be built Old Landing II complex. In addition, Karl aided a number of other groups with Federal Home Loan Bank applications, Rural Development 514/516 and 515 rental housing applications as well as applications for Low-Income Housing Tax Credits. As with all our Housing Development Specialists, Karl helped various nonprofits navigate the entire housing development process from searching for land to tenant occupancy. Karl will be missed, but we wish him all the best in his new endeavor.

NCALL Inks Two Year Contract with DSHA

NCALL has recently been awarded a two year contract by the Delaware State Housing Authority (DSHA) to provide financial literacy and homeownership education and counseling to public housing tenants in Kent and Sussex counties. Referred residents must participate in either the Individual Development Account Program (IDA), which is working in conjunction with the Delawareans Save! Program, or DSHA's Resident Homeownership Program (RHP), a new Section 8 homeownership program. Residents receive budget and credit counseling as they save towards buying an asset - a home, starting a small business, or receiving a post-secondary education. In the IDA program, for every \$1 that an individual saves at least \$2 in matched funds will be provided toward the purchase of their asset. If interested in the Resident Homeownership Program, housing education and counseling is provided to the public housing resident. NCALL is presently counseling 43 residents in the IDA program and seven residents who have expressed interest in the Resident Homeownership Program. Thus far through a previous contract with DSHA, 157 public housing residents have graduated from Financial Fitness classes and seven have become homeowners with NCALL's assistance!

Rural Consortium Seeks Support – You are Needed!

Nearing the end of the first year of its 3-Year 2004-2006 Housing Development Plan, the Delaware Rural Housing Consortium is still seeking support to help raise the \$2,030,000 funding gap that exists in order to accomplish the goal of improving housing for 740 households in southern New Castle, Kent and Sussex Counties.

The Consortium has proven that this state-of-the-art collaborative really works. Its first 3-Year Plan goal of 750 households was exceeded by actually assisting 1009 households, providing a variety of new apartments, self-help homes, housing rehabilitation, first-time homebuyer assistance, and emergency repairs.

As affordability issues mount in central and southern Delaware, and development becomes more restrictive and complicated, this type of “best practice” will be necessary to reach the very low and extremely low income and minority households identified in the Statewide Housing Needs Assessment. Who else will address the dire housing needs of the disenfranchised in central and southern Delaware in such a cohesive manner?

This is a call to funders to consider supporting this unique approach to serving rural Delaware. Please lend a hand so that this 3-Year Plan can be as successful as the last one. The seven member organizations are pleased that the Consortium has

attracted regional and national attention. These organizations have become crucial to helping meet the substantial rural housing needs of central and southern Delaware, and we need to ensure that their good work continues.

Some important partners have stepped up to the plate and provided financial support for the Consortium’s new Plan. These include: JPMorganChase, Bank One, Wilmington Trust, Deutsche Bank, Artisan’s Bank, and the Housing Capacity Building Program. Please join them in supporting the vital work of the Delaware Rural Housing Consortium. Without you, the work will not get done!

NCALL Welcomes New Employees

Two new employees have been added to NCALL’s team of specialists. **Tomeka Crawford** started



with NCALL in June as a Homeownership Specialist to help with the heavy demand NCALL has been

experiencing in Kent County. Tomeka has great credit, customer service, and banking experience, having worked previously with Bank of America and JPMorganChase. Tomeka is also a graduate of NCALL’s Homeownership Education and Counseling Program and has been a proud homeowner for five years. She shares that through NCALL, as a client, she

not only learned about mortgage programs, but also obtained life skills such as money management and the appropriate use of credit. Tomeka says she is enjoying helping others learn about financial fitness and the home mortgage process.

A new Housing Development Specialist has also joined NCALL -

Rochelle Graham.

Rochelle brings almost 20 years of nonprofit management and organizational development



experience to NCALL. She worked for the Greater Harrisburg YWCA

as the Director of Residential Services and developed one of their first transitional housing programs. She also worked for the Pennsylvania Association for Community Action Agencies and the Housing Council of York and co-founded a nonprofit technical assistance and training organization out of Harrisburg. In addition, she directed the Dauphin County Pre-Trial Services, and coordinated promotion for the 2000 Census. With her wealth of nonprofit experience, Rochelle is offering organizational development assistance to CHDOs (Community Housing Development Organizations) and other nonprofit corporations that NCALL assists. Rochelle indicates that she has enjoyed meeting a number of the nonprofits, conducting assessments, and is looking forward to providing specific organizational development training.

NCALL RESEARCH, INC.

363 Saulsbury Road
Dover, DE 19904

NON-PROFIT ORG. U.S.
POSTAGE
PAID
PERMIT NO. 351
DOVER, DE 19901



NCALL is an affiliate of the United Way of Delaware



New Technical Assistance Services Offered

NCALL has beefed up its internal capacity to be able to offer two very important types of technical assistance to nonprofit housing developers.

Asset Management – Through the Delaware Rural Housing Consortium and start-up funding from the Housing Capacity Building Program and JPMorganChase, asset management services are provided to Consortium member organizations. Many locally based nonprofits cannot afford to employ an Asset Manager, so the Consortium employed a person who would assist all the Boards of Directors and staff of the member organizations. Whether it be local asset management committees, Board and staff training on asset management, assistance with budget preparation,

reviewing financing structure of housing projects, working with property management firms, or development of capital improvement plans, this component of the Consortium is breaking new ground assuring that properties will perform for years to come. Member organizations report that the initial plan is working well as more attention is being paid, along with expertise being gained in the area of asset management.

Organizational Development – An intentional focus of NCALL's is to offer organizational development assistance to locally based nonprofit housing corporations and CHDOs to make sure Boards of Directors, committees, and staff are functioning in a manner that enhances their organization. The service includes

assessments customized to the needs of nonprofit organizations to determine strengths to enhance and weaknesses to improve upon. Often smaller organizations with few staff can use organizational development to help with planning, operations, Board recruiting, internal controls, etc. Also, more mature organizations often need to take time to step back, see where the organization has come from, and where the Board wants it to go, as well as determine what kind of organizational infrastructure is necessary to get there. From time to time, all nonprofits experience organizational issues and can benefit from state-of-the-art assessment, planning, and implementation assistance.

Three Consortium Members Awarded Tax Credits

The Delaware State Housing Authority recently announced the award of 2004 low-income housing tax credits to the apartment developments of three members of the Delaware Rural Housing Consortium. Better Homes of Seaford, Inc. is planning to extensively renovate its existing 91 units at Chandler Heights into 88 units with a larger community building in Seaford, DE. Millsboro Housing for Progress, Inc. will be developing 30 apartments called Old Landing II in Millsboro, DE, and in Felton, the Milford Housing Development Corporation will be building 36 units of elderly housing named Hurd's Crossing. Congratulations Consortium members!!