

# Housing Service Agency Structural Definition Report

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in Partnership with the Margaret L. Wendt Foundation  
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# ***Preface***

## **Purpose of the Research**

The Housing Service Agency Structural Definition Report was conducted by researchers from the Center for Urban Studies at the University at Buffalo. The report was the result of research done by the Center at the request of the Buffalo Branch of the Federal Reserve Bank of New York, in partnership with the Margaret L. Wendt Foundation and the City of Buffalo, Office of Strategic Planning. The purpose of the report was to develop a set of recommendations for establishing funding priorities for community-based housing organizations (CBHO) in the City of Buffalo. These recommendations were intended for use by foundations, intermediaries, financial institutions, and the City of Buffalo. In addition, these recommendations will be made available to CBHOs to consider in their strategic planning activities.

The study involved two primary research activities. The first involved an examination of nonprofit housing partnerships in the region surrounding Buffalo, NY. The second involved an analysis of the organizational capacity of CBHOs in Buffalo, NY. Combined these two research activities were used to identify possible directions for promoting greater coordination between the public, nonprofit, and private sectors in relation to the development of affordable housing in Buffalo. This information was then used to generate the recommendations in Chapter 3 of this report.

The examination of nonprofit housing partnerships in the region surrounding Buffalo, NY was done in order to identify best practices in affordable housing development which involve public-nonprofit-private sector collaborations. In particular, the analysis focused on neighborhood housing partnership (NHP) organizations in the region surrounding Buffalo, NY. This analysis involved the examination of financial and performance measures for four NHPs in the region. It entailed the examination of IRS 990 Forms for the NHPs that were identified in the research, as well as surveys, interviews, and site visits.

The focus on NHPs was employed in the research since the NHP model is recognized as a best practices model for public-nonprofit-private organizations nationally. Four NHPs in the region were examined. They included organizations in Cleveland, OH; Syracuse, NY; and Rochester, NY. These four non-profits were chosen based on their nationally recognized best practices, and because they operate, like Buffalo, in weak housing markets. Through in-depth case study analysis, the feasibility of developing an NHP in Buffalo, NY was assessed, as well as alternative approaches to affordable housing development in the city.

The examination of NHPs also entailed an analysis of the structure of funding for affordable housing development in the three cities. The purpose of this analysis

was to assess the level and sources of additional funding needed in Buffalo to enhance affordable housing development. This information was also used to generate recommendations for the development of affordable housing development funds in Chapter 3 of this report.

The examination of NHP case studies in the region and their funding structure was complemented by an in-depth analysis of CBHO capacity in Buffalo, NY. This analysis involved the examination of financial and performance measures for all of the CBHOs in the city. In part, this analysis entailed the examination of IRS 990 Forms for all CBHOs that were identified in the research. This analysis also involved surveys, interviews, and site visits to select CBHOs in Buffalo, NY.

For the most part, these selected organizations included those that were certified as community housing development organizations (CHDO) by the City of Buffalo, as well as other organizations receiving substantial levels of funding from various levels of government and funding intermediaries to implement affordable housing programs. The analysis of CBHO capacity was used to identify feasible alternatives for affordable housing development in Buffalo and inform the recommendations found in Chapter 3 of this report.

The remainder of this report is divided into three chapters and appendices. The first chapter provides an overview of the NHP best practices in Cleveland, Syracuse, and Rochester. This chapter discusses the activities of these NHPs and the resources that contribute to the implementation of their affordable housing activities. This chapter is followed by a discussion of CBHO capacity in Buffalo. This chapter will provide an overview of the history, program activities, staff and budgetary resources of these organizations. The final chapter of this report focuses on our recommendations for the establishment of funding priorities for affordable housing development in Buffalo. These recommendations focus on the structure of funding, its implication for public-nonprofit-private partnerships, and other CBHO reforms considered vital to improving affordable housing delivery in Buffalo. At the end of the report, there are a set of appendices which provide supporting information to the main contents of the report.

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## EXECUTIVE SUMMARY

### 1.0 Background and Purpose

Increasingly, the non-profit housing sector is being called upon to produce and manage affordable housing in American cities. This trend has emerged in the wake of shrinking public resources, and growing pressures on foundations and the private sector to assist in funding community development projects. This shift in the role of the non-profit housing sector has emerged nationally, and it has produced an acute crisis related to affordable housing in weak market cities like Buffalo, NY.

The Housing Service Agency Structural Definition Report was initiated in response to this emerging crisis. The purpose of the report was to examine strategies used by other weak market cities to address this crisis, and develop a set of recommendations for establishing funding priorities for community-based housing organizations (CBHO) in the City of Buffalo<sup>1</sup>.

The recommendations that grew out of this research were intended to be used by local foundations, intermediaries, financial institutions, and the City of Buffalo. In addition, these recommendations will be made available to CBHOs for use in their strategic planning activities. In essence, the recommendations from this research were intended to serve as a framework for building upon existing affordable housing strategies.

The thrust of these recommendations includes: a call for the creation of a public-private housing fund in Buffalo, a call for the creation of a local intermediary organization to manage that fund, and a call for increased monitoring and capacity building among Buffalo's CBHOs. It is suggested that each of these recommendations be implemented incrementally. However, it should be stressed that without the adoption of policies guided by these recommendations, efforts to increase the scale of affordable housing production will be hampered, and Buffalo's affordable housing crisis will become more acute.

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<sup>1</sup> In this report the term community-based housing organization (CBHO) is a generic term used for any nonprofit organization engaged in housing activities. CBHOs include organizations receiving funding from foundations, the private sector, and state, county or local government, as well as local nonprofit. CBHOs also include a subgroup of organizations that are certified as community housing development organizations (CHDO) and are subsequently eligible to receive HOME dollars.

## 2.0 Methodology

This study involved two primary research activities. The first was an analysis of four nonprofit housing partnerships (NHP) in the region surrounding Buffalo, NY. This analysis was done to identify best practices in affordable housing development which involve public-nonprofit-private sector collaborations. Financial and performance measures for the four NHPs in the region were analyzed. This entailed the examination of IRS 990 Forms for the NHPs, as well as surveys, interviews, and site visits.

This focus was adopted since the NHP model is recognized as a best practices model for affordable housing development nationally. The Four NHPs examined in this analysis included: The Cleveland Housing Network (CHN) located in Cleveland, OH; HomeHeadQuarters, Inc. (HHQ) located in Syracuse, NY; Neighborhood Progress, Inc. (NPI) located in Cleveland, OH; and the Greater Rochester Housing Partnership (GRHP) located in Rochester, NY. These four non-profits were chosen based on their nationally recognized best practices, because they are in the same region, and since they operate, like Buffalo, in weak housing markets.

Through in-depth case study analysis, the feasibility of developing an NHP in Buffalo, NY was assessed. This examination also entailed an analysis of the structure of funding for affordable housing development in Cleveland, Syracuse and Rochester. The purpose of this analysis was to assess the level and sources of additional funding needed in Buffalo to enhance affordable housing development.

The second research activity undertaken involved an in-depth analysis of the organizational capacity of CBHOs in Buffalo. This analysis involved the examination of financial and performance measures for all of the CBHOs in the city. In part, this analysis entailed the examination of IRS 990 Forms for all CBHOs that were identified in the research. It also involved surveys, interviews, and site visits to select CBHOs in Buffalo.

Most of the selected organizations included those that were certified as community housing development organizations (CHDO) by the City of Buffalo, as well as other organizations receiving substantial levels of funding from public sector organizations and funding intermediaries to implement affordable housing programs. The analysis of CBHO capacity was used to identify feasible alternatives for affordable housing development in Buffalo.



### **3.0 Community-Based Housing Organizations: Best Practices**

The first chapter of this report provides an overview of NHP best practices in Cleveland, Syracuse, and Rochester. This chapter discusses the activities of these NHPs and the resources that contribute to the development of their affordable housing programs. For each NHP, there is a discussion of the organizations: board of directors, organizational structure, scope of programs and activities, and budget and fiscal structure.

Together, the summaries of these NHP best practices highlight the following points:

- Each of the NHPs emerged in response to an affordable housing crisis in a weak market city.
- Each of the NHPs developed incrementally. For instance, CHN was formed when six low-capacity CBHOs formed a collaboration to develop affordable housing at a greater scale than any could have done alone.
- Each of the NHPs helped to build capacity across their respective city's non-profit housing sectors, and attract some of the most qualified non-profit managers to work in those cities.
- Each of the NHPs introduces new affordable housing products and programs to their respective cities, and leveraged unprecedented pools of capital from government, local foundations, national intermediaries, and private financial institutions.
- The development of public-nonprofit-private partnerships had the effect of increasing the level of professionalism in affordable housing development in each of the NHP cities. The NHP model insulated affordable housing policy from local politics, building confidence and institutional trust into each city's non-profit housing sector.

In addition to these general effects across the NHPs examined in this study, NPI stood out as a critical organization. NPI is unique among the NHPs studied because it functions as a local intermediary organization. The creation of NPI allowed the City of Cleveland to transfer many of its affordable housing activities to this organization. The creation of NPI, and the associated depoliticization of local affordable housing policy, facilitated the development of a substantial public-private affordable housing fund in Cleveland. In addition to managing this fund, NPI also administers a stringent monitoring system of local CBHOs and facilitates leadership training and capacity building for these organizations.

What is exceptional about all of the NHPs examined is their relationship to the foundation, corporate, and government sectors in their respective cities. Each organization has strengthened the level of institutional trust necessary for

successful collaborations to occur. Of course, the development of such trust occurred incrementally, but it was built on a track record of successful affordable housing projects implemented by the NHPs.

#### **4.0 Buffalo's Community-Based Housing Organizations**

The second chapter of this report assesses CBHO capacity in Buffalo. This chapter contains aggregate data related to the city's CBHOs. This data is presented to provide an overall picture of the structure, capacity and organization of CBHOs in Buffalo. The following points about Buffalo's CBHOs are highlighted in this chapter:

- Buffalo has a relatively large number of CBHOs that have been sustained for decades by public sector support.
- Buffalo's CBHOs operate in very broad, and somewhat ambiguous, boundaries. Until recently, they have not been encouraged to target their affordable housing activities in order to generate visible results.
- Buffalo's CBHOs seem to be locally controlled, but they lack significant participation from local government, foundations, intermediaries, and the financial community in their governance.
- Buffalo's CBHOs manage, produce and rehabilitate a relatively small number of housing units annually.
- Despite the consolidation of housing counseling and rehabilitation funding, the vast majority of Buffalo's CBHOs continue to focus on implementing such programs. At the same time, few of the city's CBHOs have made an effort to cultivate new program niches.
- The majority of Buffalo's CBHOs operate with limited staff resources. Their capacity is further hampered by limited staff training and relatively low wages for the non-profit sector. These factors contribute to recruitment and retention problems for these organizations.
- Most of Buffalo's CBHOs have modest budgets. Over 50% have less than \$250,000 budgeted annually. A substantial portion of their revenues come from the public sector.
- The level of collaboration among Buffalo's CBHOs is limited. Most collaborative activities were project specific, circumscribed in nature, or had emerged in reaction to anticipated funding cuts from the public sector and intermediaries.

These general trends characterize the majority of Buffalo's CBHOs. However, there are a few higher capacity organizations that represent exceptions to the overall trends. These organizations have emerged as a result of successful grant writing and grant administration. The most notable example of such an organization is Belmont Shelter Corporation, which has administered the federal

Section 8 program for decades and has branched out into housing development and management activities.

Along with Belmont, the City recently designated HomeFront, Inc. as its citywide clearinghouse for homeownership training. This placed HomeFront in an advantageous position compared to other CBHOs. Similarly, two faith-based organizations have also emerged in Buffalo. These organizations are developing housing with technical and financial support from the City of Buffalo and organizations like LISC.

Despite these exceptional situations, the majority of Buffalo's CBHOs face increased instability. In the past, a number of low capacity CBHOs coexisted in Buffalo because of a stable stream of funding from the state and local levels of government. Today, CBHOs in Buffalo face a fiscal environment of increased scarcity, particularly where funding from the public sector is concerned. In the face of declining resources, Buffalo's CBHOs have turned to local foundations and the private sector for support. To date, these sectors have not filled the gap in funding.

In the wake of fiscal constraints, other trends have also emerged in relation to Buffalo's CBHOs. For instance, the City of Buffalo has begun to enhance its efforts to monitor nonprofits receiving public funds. The City has also used the funding process to encourage increased targeting of CBHO project and program activities. Moreover, the City of Buffalo and other funding organizations have begun to consolidate programs related to housing rehabilitation, counseling and other areas. These trends have also led to increased interest in collaboration by intermediary organizations and among the CBHOs.

## **5.0 Current Trends and Recommendations**

The third chapter of this report examines trends in Buffalo's affordable housing policy and offers recommendations for the establishment of funding priorities for affordable housing development in Buffalo. The chapter identified three trends in Buffalo's affordable housing policy:

- The first has been a movement toward the consolidation of CBHO activities. In particular, the City of Buffalo has consolidated funding for homeownership counseling and housing rehabilitation. Currently, two CBHOs are primarily responsible for these activities. In the past close to twenty CBHOs played a role in administering these activities.
- The second has been a growing emphasis on CBHO certification and monitoring. During the last year, the City initiated a formal monitoring

- process for CHDOs receiving public funds, and it is moving in the direction of expanded these activities to other CBHOs.
- The third has been the movement toward targeted development through public-nonprofit-private partnerships. This is exemplified in the City's collaborations with two faith-based CBHOs, as well as the City's proposal to borrow funds from Fannie Mae's American Communities Fund (ACF) program in order to leverage development linked to public-nonprofit-private partnerships.

The City of Buffalo faces a number of challenges in its efforts to deliver affordable housing. The local non-profit sector is mired by issues linked to low capacity. Consequently, the City's staff spends a great deal of time and effort providing technical assistance to a handful of non-profits, and coordinating the implementation of projects with LISC and other private developers.

At its current rate of investment, the City cannot initiate projects in the few neighborhoods it has targeted for revitalization, let alone revitalize all of the distressed neighborhoods in the city. Even with increased public sector resources and targeting, local foundations and the private sector still need to increase the level of direct investment for community development in distressed neighborhoods.

The long term success of neighborhood revitalization efforts in Buffalo will depend on the adoption of affordable housing policies linked to four recommendations forwarded in this report:

- It is recommended that Buffalo develop of a sizable affordable housing fund supported by contributions from government, local foundations, intermediaries, and private financial institutions.
- It is recommended that Buffalo create a local intermediary to manage this fund. This intermediary should: be run by experienced professionals from the nonprofit sector, have a governance structure that includes representatives from all sectors, and be insulated from the local political environment.
- It is recommended that Buffalo's new local intermediary organization take over many affordable housing functions currently handled by the City. These functions would include: the evaluation of funding proposals, CBHO certification for funding, and CBHO monitoring.
- It is recommended that Buffalo's new local intermediary organization also be responsible for facilitating leadership training and capacity building for local CBHOs.

The adoption of these recommendations would add weight to many of the reforms already adopted by the City. For instance, the City's effort to consolidate affordable housing funding and activities would be complemented by the funding, monitoring, and capacity building efforts of a local intermediary. The additional resources that an affordable housing fund would bring to the non-profit housing sector would also enhance existing efforts, and allow for the scale of non-profit housing development to expand. Moreover, the shifting of administrative responsibilities from the City to a local intermediary would free up municipal resources and build confidence across sectors in the affordable housing delivery system.

The development of NHPs in Cleveland, Syracuse and Rochester grew out of similar affordable housing crises to the one emerging in Buffalo. The creation of NHPs in those cities led to renewed confidence in local housing markets and increased trust between the public, nonprofit and private sectors. Buffalo is at a critical juncture in its efforts to address growing constraints in affordable housing finance. The recommendations offered in this report can assist in efforts to incrementally move in the direction of creating a non-profit sector with the capacity to meet local affordable housing needs.

## **CHAPTER 1**

### **COMMUNITY BASED HOUSING ORGANIZATIONS: BEST PRACTICES**

#### **1.0 Introduction**

Four non-profit organizations were chosen for their best practices in the housing delivery industry. Each of these housing service agencies takes various forms but each is a major catalyst to housing development in their respective cities. The four non-profits chosen were the Cleveland Housing Network (CHN) in Cleveland Ohio, Home HeadQuarters (HHQ) in Syracuse, New York, Neighborhood Progress Incorporated (NPI) also in Cleveland, Ohio, and Greater Rochester Housing Partnership in Rochester, New York.

The following chapter will have two main parts and a conclusion. The first part discusses the demographic and housing trends in each of the three cities where the “best practice” organizations are located and compares that data to Buffalo. From this analysis it is clear that each of the cities, like Buffalo, is a weak market city. Therefore it is essential to have a sound approach to housing delivery and community development especially in the non-profit sector where the majority of affordable housing and housing products are offered. The second part of this chapter discusses the form and structure of the “best practice” agencies and how each facilitate housing development in their respective cities. Lastly, this chapter is summarized in a conclusion which also serves as an introduction to chapter two.

The rationale for choosing the aforementioned housing organizations was that they all effectively deliver housing through a network of innovative products and services despite being located in declining cities. In addition, all three cities are in the same general region as Buffalo and two of them are in New York State. It is beneficial for Buffalo to be in such close proximity to three cities with housing organizations and practices which are nationally known innovators in the non-profit housing delivery field.

Table 1.1 reveals the primary indicator of a weak market city and the primary catalyst to a cycle of decline.<sup>1</sup> According to the 2000 U.S. Census, all three comparison cities lost population between 1990 and 2000. Syracuse lost a staggering 10% of its population. However, Buffalo has declined even further with an 11% population loss over ten years. The Cleveland and Rochester metropolitan areas have grown by 3% and 3.5% respectively although that growth does not offset the loss to both their central cities. To further reinforce Buffalo and Syracuse as weak markets, the metropolitan areas of both cities also lost population, though modestly.

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<sup>1</sup> Brophy and Burnett 2003

Continued population loss is one of the many pressures that drive housing markets downward.<sup>2</sup> Weak markets drive housing values down and in turn drive down demand for housing. In weak market cities, the low demand is usually driven by low-to moderate income individuals with limited resources and increased need to find decent, affordable housing. This is the case in the three comparison cities and in Buffalo.

**Table 1.1: City and Metropolitan Statistical Area Populations**

City	1990 Population	2000 Population	Percent (%) Change	Metropolitan or Combined Statistical Area	1990 Population	2000 Population	Percent (%) Change
Buffalo	328,123	292,648	-10.8	Buffalo/Niagara Falls	1,189,288	1,170,111	-1.6
Rochester	231,636	219,773	-5.1	Rochester	1,002,410	1,037,831	3.5
Syracuse	163,860	147,306	-10.1	Syracuse	659,864	650,154	-1.5
Cleveland	505,616	478,403	-5.4	Cleveland	2,859,644	2,945,831	3.0

Source: 1990 & 2000 U.S. Census

A glance at tables 1.2 & 1.3 reveals that all four cities have poverty rates over 25% and relatively low median incomes compared to their metropolitan areas. Rising poverty rates usually correspond with higher proportion of minorities in cities especially in older, northeastern cities. However, in these cities only Cleveland has a significantly larger minority (57%) than white population. Furthermore, racial segregation is a serious problem in most weak market cities where minorities are concentrated disproportionately in central cities and are barely represented in the suburbs of metropolitan areas. These four cities are no different.

Low housing values are also a detriment to health of the housing market. Though Cleveland shows the greatest difference between the central city and suburbs, all four cities have significantly lower housing values. In addition two other factors are also present in weak market cities: higher percentages of renter vs. owner occupied housing and a high proportion of vacant housing units. Although a high percent of renter occupied units does not necessarily indicate a downward pressure on the housing market in strong, growth markets, it signals problems in weak markets.

<sup>2</sup> Mallach 2004

**Table 1.2: City of Buffalo Housing Characteristics**

City	Occupied Housing Units (number)	Occupied Housing Units (percent)	Vacant Housing Units (number)	Vacant Housing Units (percent)	Owner Occupied Housing Units (number)	Owner Occupied Housing Units (percent)	Renter Occupied Housing Units (number)	Renter Occupied Housing Units (percent)	Individuals Below Poverty Level (number)	Individuals Below Poverty Level (percent)
Buffalo	122,720	84.3%	22,854	15.7%	53,323	43.5%	69,397	56.5%	75,120	26.6%
Rochester	89,003	89.2%	10,790	10.8%	35,747	40.2%	53,252	59.8%	54,713	25.9%
Syracuse	59,486	87.2%	8,710	12.8%	23,991	40.3%	35,491	59.7%	37,485	27.3%
Cleveland	190,633	88.3%	25,218	11.7%	92,535	48.5%	98,103	51.5%	122,479	26.3%

Source: 2000 U.S. Census

With the exception of Cleveland, which is 51.5% renter occupied, Rochester, Syracuse, and Buffalo have significantly more renter occupied housing than owner occupied. In addition, the percent of vacant units in each city is over ten percent. Buffalo's vacancy rate is highest with approximately 16% of the 145,574 units vacant. High vacancy rates lead to more abandonment as homeowners see values precipitously decline with no long-term prospects for their properties. High vacancy rates lead to a host of other problems that places neighborhoods in these cities in further decline.

**Table 2.3: Comparison of Median Household Income & Median Housing Values in Cities and Metropolitan Areas**

City	Median Household Income (dollars)	Median Housing Value (dollars)	Metropolitan or Combined Statistical Area	Median Household Income (dollars)	Median Housing Value (dollars)
Buffalo	24,536	59,300	Buffalo/Niagara Falls	38,488	89,100
Rochester	27,123	61,300	Rochester	39,750	82,500
Syracuse	25,000	68,000	Syracuse	43,955	94,700
Cleveland	25,928	72,100	Cleveland/Akron/Elyria	42,215	117,900

Source: 2000 U.S. Census

Population decline, low incomes coupled with high poverty rates, low median housing values, segregation, disproportionate number of renter occupied housing, and high vacancy rates together characterize cities with weak housing markets, poor housing conditions, and lower quality of life especially for low income residents. In these cities housing conditions are worsened by lack of investment capital to repair and maintain housing and lack of investment by the



private sector, particularly developers, because of housing surpluses and lower prices.

This presents a serious challenge to the government, corporate, and non-profit sectors of these cities. But, especially to housing non-profits which are disproportionately responsible for the production and rehabilitation of affordable housing and the distribution of housing services and products that are appropriate for low to moderate income individuals.

The following section highlights four organizations that are making housing delivery work despite their location in weak market cities. The first of these is the highly successful Cleveland Housing Network followed by Home HeadQuarters, Neighborhood Progress, Inc., and Greater Rochester Housing Partnership.

### **1.1 Overview: Cleveland Housing Network (CHN)**

*Buffalo has a need for a rehab program, the only way to make it work is large scale. It'll just kill you if you don't do it this way. Scale really helps because if you are rehabbing 100 houses and you lose money on 10 of them, you've got 90 houses to make it up with. If you are only doing 5 houses and you lose money on 2 or 3 of them your rehab program is practically out of business. You've got to build scale, you've got to build systems, and you've got to have as efficient an operation as possible because the margins on that kind of program can be very, very high. There is just not a lot of money to be made in a weak market city when the dynamics are that you are always fighting with the market because costs are going to exceed revenues. Scale is the only way you are going to get there. You are never going to get there by knitting together these little operations. Kate Monter Durban, Assistant Director, on the importance of scale for housing rehabilitation in weak markets.*

The Cleveland Housing Network is a non-profit, 501(c)(3) that was formed in 1981 by the directors of six low capacity community development corporations (CDCs). These housing directors wanted to have a greater impact on the Cleveland housing market by developing larger scale projects. Today CHN is a \$90 million operation with 105 full-time employees. It is also the largest landowner in Cleveland and manages over 2000 scattered site homes.

As a full-scale, non-profit housing developer, CHN specializes in scattered site housing development and acquisition rehabilitation. CHN also offers an unusually vast array of affordable and market rate housing products and housing services to Cleveland residents. This comprehensive approach to community development couples affordable homes with family support services for Cleveland's residents.

CHN's highly successful Lease Purchase Program is a national model that started in 1987 & 1988 with 52 homes for rent. This is CHN's tax credit program. To date, CHN has developed 2100 Lease Purchase homes and has and continues to assist low income families progress to homeownership. In 2003, the original 52 homes were sold with 90% of the original residents taking title. CHN will have another 50 Lease Purchase homes available this year.

The Homeward Homes Program has also been successful at helping low to moderate income families buy their first homes at below market first mortgage and deferred 2<sup>nd</sup> mortgage rates. This program has yielded 1200 new and substantially rehabilitated homes.

In addition to being a large-scale housing developer, CHN is a major service provider. It has a significant Weatherization and Energy Conservation Program in which CHN completes 3000 weatherization jobs a year as well as offer home repair services.

Homebuyer education for low-income, high risk buyers is another service CHN offers to area residents. Homebuyer classes are offered at CHN's Community Training and Technical Center which opened in 2002. The classes which range from technology education to financial literacy to homebuyer preparation courses are offered free of charge to Cleveland area residents.

### **1.1.1 The Structure of the Board of Cleveland Housing Network**

CHN is a partner organization with members comprised of 18 Cleveland area CDCs. It is an umbrella organization in the sense that it is a "toolkit" for smaller, lower capacity CDCs which offers them a wide variety housing products. In order to assure a community development strategy that is progressive at the neighborhood level, each CDC partner has a representative that sits on CHNs Board of Directors. Therefore, there are 18 neighborhood Representatives on the Board as well as 12 At- Large Representatives and one Alternate. The At-Large Representatives include members from the Cleveland Municipal School District, Cleveland State University, Thompson Hine LLP, Carnegie Companies, Inc., Mt. Sinai Ministries, various other social service agencies, and two members of CHNs Resident Advisory Council. The Board President is from the CHN Resident Advisory Council, the Vice President and Secretary are both At-Large Representatives, and the Treasurer is a Representative from one of the member CDCs.

### 1.1.2 Cleveland Housing Network Organizational Structure

CHN which began as six low capacity CDCs has grown to an organization of 105 full-time employees 25 of which are in management in various capacities in 14 different departments: The Executive Team, Resource Development, Finance, Human Resources, Rehabilitation Division, Market Rate/New Construction Division, Acquisition Division, Lending division, Sales and Marketing Division, Family Services and Community Training & Technology Center Division, Information Technology, Property Services, Property Management and Real Estate Development.

**The Executive Team** which consists of the Executive Director, Chief Operating Officer and the Assistant Director,

**Resource Development** consists of two employees: A head of Corporate Relations & Communications and a Foundation Relations Manager. Parts of the Assistant Director's duties include working directly with Resource Development.

**Finance** has ten employees: the Director, Assistant Director, Asset Manager, six accountants and one clerk.

**Human Resources** consists of a Director, an Officer Services Manager, and a Receptionist.

**Rehabilitation Division** has a Director, Staff Architect, Construction Operations Manager, and two Construction Specialists.

**Market Rate/New Construction Division** has six employees a Manager, Construction Manager, Development Associate, Construction Operations Coordinator, Construction Specialist and Development Assistant.

**Acquisition Division** consists of an Acquisition Division Manager and Acquisition Coordinator. The Chief Operating Officer oversees this division.

**Lending Division** has three employees: a Sales & Underwriting Manager, and two Lending Specialists.

**Sales and Marketing Division** consists of a Sales & Marketing Manager, a Sales Agent and a Marketing Coordinator.

**Family Services and Community Training & Technology Center Division** is a large department with thirteen employees. The Department consists of a Director, an Assistant Director, a Center Director, two Homeownership Counselors, a Rental Assistance Program Administrator, five Case Managers, a

Digital Connections Coordinator, a Custodian which is a part-time position, and a Receptionist which is also part-time.

**Information Technology** consists of a Director, Network Coordinator, Webmaster, and Programmer.

**Property Services** is another large department with 19 employees. The Department consists of a Director, Manager of Housewarming & EPP, Senior Manager of Operations, Capital Improvement Specialist, Utility Outreach Specialist, two Data entry Specialists, two employees working on HWAP, three in Housewarming, a three person Lead Team, a two person EPP Team, one person working with the Electric/Water Conservation Programs, and one employee working with HEAP.

**Property Management** is the largest department at CHN with 26 employees. There is a Director, Compliance Manager, Maintenance Manager, Leasing Manager, Property Management Administrator, Property Management Coordinator, two Administration & Property Management Accountants, Lead & Compliance Coordinator, three other compliance workers, two Erie Square Staff, four employees in Leasing & Section 8 Management, seven Maintenance employees, and a Custodian.

**Real Estate Development** has 7 employees and consists of a Director, Contract Compliance Project Manager, Closing Coordinator, three Project Managers, and an Administrative Assistant.

### 1.1.3 Cleveland Housing Network Scope of Programs and Activities

The wide scope of programs that CHN offers serves its mission of developing affordable housing for low and moderate income housing for Cleveland residents. CHN's toolbox of newly constructed and rehabilitated affordable housing products is offered through three housing development programs: the Homeward Program, Lease Purchase Program, and Rental Products. CHN's mission to assist and serve very low income residents is offered through its Free Energy Conservation & Home Repair Programs.

#### **Homeward Program**

The Homeward Program is a market rate, new construction and housing rehabilitation program which targets moderate income homebuyers. Since its inception in 1989, CHN has constructed and rehabilitated 1200+ homes under this program. Twenty percent of those homes have been new construction. In 2005, CHN will construct and rehabilitate 150 homes and 25% of those will be newly constructed.

Through the Homeward Program, CHN is currently working on 10 major projects which include the construction of townhomes, loft condominiums, and detached single-family homes. Development through the Homeward Program takes place at many levels from scattered site new and rehab construction (which is one of CHN's strengths) to subdivision development. Since inception, the Homeward Homes Program has generated more than \$90 million in direct capital investment in the City of Cleveland's neighborhoods.

### **Lease Purchase Program**

CHN's Lease Purchase Program is a 15 year rent-to-own product geared toward low-income residents. To date since inception in 1981, 2100 homes have been rehabilitated and constructed with a ratio of 1 newly constructed home for every 4 rehabilitated homes. This year CHN will complete construction of and lease up 143 homes. They will start construction on 146 additional homes and apply for tax credits on 100 homes. Therefore, 2005 will yield 389 total Lease Purchase Homes with 85% of those being new construction.

According to Kate Monter Durban, Assistant Director at CHN, there has been a spike in new construction through the Lease Purchase Program due to a dramatic increase in CHN's production in the last few years. This increase in production is the result of capital funds made available to CHN by the local housing authority, and the deals have favored new construction. This "bulge" is largely an anomaly, and production will settle down later in 2006. Since inception, the Lease Purchase Program has generated more than \$140,000 million in direct capital investment in the City of Cleveland's neighborhoods.

In addition, under the Lease Purchase Program, CHN's Property Management Department manages 1850 scattered site units and in January 2005 began to sell off 40 lease purchase homes to lease purchase families who began leasing in 1990.

### **CHN's Rental Products**

CHN has three main rental products for very low income residents: HOPE VI scattered site housing, Section 8 preservation rentals, and Permanent Supportive Housing. In 2005, under these programs CHN will complete new construct on 148 HOPE VI units, completely renovate 89 Section 8 preservation units, and begin construction of 52 permanent supportive housing units. Since these units are under development, they have yet to generate investment in Cleveland's neighborhoods.

## **Free Energy Conservation and Home Repair Programs**

Through the Free Energy and Conservation Program CHN provides gas, electric, and water preservation repairs and through the Home Repair Program, CHN does lead and mold abatement and repairs roofs, wiring, and plumbing in very low income residences. Since the inception of these programs, CHN has completed 60,000 jobs.

In 2005, CHN will complete another 5,700 jobs with a breakdown that follows: 3000 electricity conservation jobs, 1,500 housewarming jobs, 800 water conservation jobs, 150 lead and mold abatement jobs, and 280 Home Weatherization Assistance Program jobs. To date, the Free Energy Conservation and Home Repair Programs have generated more than \$55 million in direct capital investment in the City of Cleveland's neighborhoods.

## **CHN's Community Training and Technology Center**

CHN provides other housing and social services through their Build Human Capital Program. The services offered are: Homeless family services, Eviction Protection Services, and Financial Literacy & Homeownership Training. Financial Literacy and Homeownership Training is one of the largest programs that CHN offers to build human capital.

### **1.1.4 Budget and Fiscal Structure of CHN**

From 2004 to 2005, CHN has gone from an \$85 million to a \$90 million enterprise. That number is derived from three different budgets. One is the operating budget which is \$15.9 million but includes \$8.8 million in pass thru money on the energy conservation and weatherization programs. Therefore, CHN's core operating budget is \$7.1 million. CHN's largest budget is their real estate development capital budget which was \$60 million dollars in 2004 and will expand to \$65.5 million in 2005. And lastly, CHN's real estate partnerships operating budget which consists of the lease purchase and rental partnerships is projected at \$8.9 million in 2005.

The source breakdown of CHN's \$15.9 million operating budget is as follows: 54% or \$8.8 million is derived from the energy conservation and weatherization programs, 34% or \$5.6 million comes from fees, and 12% or \$1.5 million is from fundraising.

- CHN derives a substantial portion of its revenues from fees. The organization earns fees from its Homeward Homes Program (25%), real estate development (39%), as well as from property management (36%).

- The fundraising portion of CHN's revenues is divided among corporations & others (6%), government (4%), and foundations (2%).

### **Cleveland Housing Network Salaries for Top 5 Highest Paid Employees**

The compensation and title of the five highest paid employees at Cleveland Housing Network as of April 2004 are:

Executive Director	\$106,630
Chief Operating Officer	\$88,206
Assistant Director	\$82,628
Director of Property Services	\$80,182
Director of Information Technology	\$78,240

Cleveland Housing Network's payroll which includes salaries and wages is: \$4,865,411. This figure is based on CHN's 2005 Fiscal Year Budget.

Cleveland Housing Network's payroll taxes and personnel benefits are: \$1,216,353. This figure is based on CHN's 2005 Fiscal Year Budget.

### **1.2 Overview: Home HeadQuarters (HHQ), Syracuse, New York**

*We wear a lot of hats. We are a nationally recognized NeighborWorks® Homeownership center so we do everything that entails. This includes housing counseling, downpayment and closing cost assistance, foreclosure preventive counseling, credit counseling. We do full cycle lending so we provide home improvement funds. We do our own purchase demos, lot subdivisions, new construction, buy properties to rehab and resale. We are referred to as an umbrella organization because we provide financing and support to other housing agencies within the city of Syracuse. Virginia Smith, Lending and Housing Production Manager, on the scope of Home HeadQuarters' services.*

Formally, Home HeadQuarters (HHQ) is a 501(c)(3) non-profit housing organization that is a chartered member of the Neighborhood Reinvestment Corporation (NRC) which is a federally chartered non-profit organization whose primary mission is revitalizing declining communities through homeownership, repairs, and educational programs. One of the NRC's initiatives is the NeighborWorks® Network which is a national consortium of non-profits dedicated

to housing and revitalization programs. Home HeadQuarters, Inc. is a designated Homeownership Center of NeighborWorks®, and it serves Central New York State in Syracuse and Onondaga County.

As a certified homeownership center, HHQ offers an expansive menu of housing products and services which are designed to promote sustainable homeownership and affordable housing maintenance and repair to individuals of all income levels. The services that HHQ provides include: certified Homebuyer Education Courses, Home Value Protection Program, the Home Improvement Loan Program including the FlexFund Loan, homeownership and credit counseling, down payment and closing cost assistance, the Foreclosure Prevention Program, Syracuse Weed and Seed Community Partnership, the Landlord Training Program, and the NYSERDA Home Energy Loan Program.

From May 2003 to April 2004, approximately 1500 people attended HHQ's HomeOwnership Orientation Workshop, over 200 residents became first time homebuyers in the city of Syracuse through HHQ's loan programs, and 226 individuals graduated from HHQ's Certified Homebuyer Education Program. In addition, nearly \$10 million of affordable housing development and loans were dispersed to residents of Onondaga County.

The opportunity for home improvement is central to Home HeadQuarter's mission. In fiscal year 2003, HHQ provided over \$3.8 million in home improvement financing and mini-grant assistance. A primary vehicle for home repair assistance was also developed last year. The FlexFund Loan Pool is a pool of \$2.6 million in loan capital to HHQ for home improvements. The loan pool is funded by 10 area funding institutions and will provide loans of up to \$10,000 for Syracuse residents for necessary home repairs.

Home HeadQuarters also administers home investment products offered through the Syracuse Neighborhood Initiative (SNI) whose funding is derived primarily from the federal Department of Housing and Urban Development (HUD). SNI is a public/private non-profit organization started through the office of Congressman James T. Walsh of the 25<sup>th</sup> district. It serves as an umbrella effort working together with the City of Syracuse, Syracuse Department of Community Development, NRC, the Enterprise Foundation and other local community based organizations. The mission of SNI is to expand available housing resources to residents in targeted neighborhoods in the City of Syracuse in order to revitalize the City's neighborhoods. Through Home HeadQuarters, SNI provided home improvement loans, curb appeal mini-grants, purchase and rehabilitation grants, property remediation, and neighborhood redesign. In addition, SNI's innovative Home Value Protection Program is coordinated and administered through Home HeadQuarters, Inc.



In addition, HHQ funds other non-profit housing organizations with interim construction financing. Currently, ten non-profit housing organizations are receiving interim financing for housing construction through HHQ.

### **1.2.1 The Structure of the Board of HomeHeadQuarters, Inc.**

As a partnership organization of residents, local businesses and institutions, and representatives from local government, HHQ's professional staff has a vast pool of resources to pull from in order to provide a great number of people housing products. As a NeighborWorks® Homeownership Center, the board of directors for HHQ must include a certain number of neighborhood residents to assure fair representation of local community needs.

Of the 21 board members, 10 are from the resident sector. In addition to the 10 residents, 2 members are senior vice presidents of major banks, the president of the board is vice president of Prudential First Securities, a planner from the City of Syracuse, the Commissioner of Onondaga County Community Development, Assistant Vice President/Community Relations at Key Bank, N.A., Director of Governmental and Community Affairs for the City of Syracuse, and three private sector board members. Two board officers are from the resident sector, Board Vice President and the Board Secretary. Twenty members are elected and one is appointed by the Mayor. The board meets bi-monthly.

### **1.2.2 Home HeadQuarters, Inc. Organizational Structure**

Home HeadQuarters Inc. employs 23 full-time and 6 part-time staff in four primary departments: Community Partnerships, Finance, Lending and Housing Production, and the HomeOwnership Center.

**The Executive Office** includes the Executive Director and Executive Assistant.

**Community Partnerships** has three employees: Community Partnership Manager, Neighborhood Planning Coordinator, and Weed & Seed Neighborhood Liaison.

The **Finance Department** has 9 employees: Controller/Finance Manager, Director of Operations & Special Projects, Communications & Resource Development Coordinator, Accounts Receivable Clerk, Accounting Clerk/Bookkeeper, Bookkeeper & Benefits Specialist, Customer Service Specialist, Case Manager, and Grant & Data Coordinator.

**Lending and Housing Production** is the largest department with 11 employees. It is led by the Lending and Housing Production Manager, followed by the Director of Construction, Property Development Specialist, three Inspection &

Rehabilitation Specialists, Construction Assistant, Lending Specialist, Loan officer, Legal Assistant & Closing Specialist, and Office Services Coordinator.

The **HomeOwnership Center** has 5 employees led by the HomeOwnership Center Manager. The department includes a Housing Counselor, Real Estate Administrator, Foreclosure Prevention Coordinator, and a Field Representative.

### **1.2.3 HomeHeadQuarters, Inc. Scope of Programs and Activities**

As the largest non-profit housing agency in Syracuse, Home HeadQuarters has an enormous scope of housing programs and products. The bulk of their offerings can be placed in *two* overarching categories: homeownership and home improvement. HHQ's homeownership programs and products range from educational classes to mortgage loans and closing cost assistance.

#### **Certified Homebuyer Education Course**

Home HeadQuarters offers a 10 hour course for potential homebuyers to learn about the entire homebuying process. This is a nationally certified program and HHQ is the only organization in Syracuse to offer this course. The program is open to any individuals interested in buying a home and there is no geographic restriction on the location of the potential purchase. There is a \$25 fee for course registration and a \$225 fee for the class. However, this fee is waived until the participant receives HHQ's down payment and closing cost assistance.

#### **Home Ownership and Credit Counseling Services**

The Homeownership Center at HHQ has trained housing counselors who provide assistance to potential homebuyers that need to establish or repair credit in order to be credit worthy to receive mortgage loans. In addition to the assessment of household finances for credit worthiness, the housing counselors also provide post purchase counseling to aid new homebuyers with keeping and maintaining their homes.

#### **Foreclosure Prevention Program**

Housing Counselors provide assistance for those homeowners that are in or nearing foreclosure. These services include in-depth financial counseling, debt management and repayment assistance, assistance in working with mortgage lenders, and for eligible Syracuse residents, financial assistance.

### **Down Payment and Closing Cost Assistance Program**

HHQ offers qualified homebuyers in Syracuse up to \$3000 loans and qualified homebuyers in Onondaga County up to \$2500 loans for down payment and closing cost assistance. Eligible homebuyers must meet certain criteria, such as be purchasing a single or two-family home priced at \$99,900 or less, and having successfully completed the Certified Homebuyer Education Course. For certain eligible participants the down payment and closing cost assistance is waived if the individual meets certain HUD imposed income limits and plans to live in the home for more than 5 years.

### **Home Value Protection (HVP)**

Through a \$5 million Federal grant from Syracuse Neighborhood Initiative, Home HeadQuarters offers HVP to current owner-occupants and new home buyers of one and two-family homes. HVP helps home buyers and homeowners protect the value of their homes by providing financial compensation if housing values decline in the homeowners' zip code at the time they would like to sell their home. Home Value Protection is available for between 50 and 150 percent of a home's assessed value for a one-time fee of 1.5 percent of the value protected. If home prices have declined in their zip code and they decide to sell their home after three years, the Protection holder will receive a payment from HHQ. However, the payment is not based on the selling price of the home but is based on the average home value in their zip code. This program is only available to homebuyers and homeowners in the City of Syracuse where the weak housing market may cause housing prices to be unstable. Since the inception of the program, HHQ has protected \$4.7 million of home value in Syracuse.

### ***Home HeadQuarter's Home Improvement Products***

HHQ's home improvement products help Syracuse residents and residents in surrounding areas put equity back into their homes through home repairs and renovations.

### **The FlexLoan Program**

For Syracuse homeowners who either lack home equity or fall below bank credit requirements, Home HeadQuarters offers a fixed, low-rate loan of up to \$10,000 for homeowners to address minor to moderate home repairs and renovations. For this loan fund, HHQ looked to the private sources of loan capital since public funding for this type of program has declined and so many Syracuse homeowners were in need of home repairs. Ten lending institutions provided \$2.6 million to fund the loan pool. Loans provided through the FlexLoan Program are 100% payback loans.

## Home Improvement Loan Program

For major home repairs, HHQ offers a basic home improvement loan. This Program offers up to \$20,000 loans to Syracuse homeowners of owner-occupied single to three-family homes. The underwriting rules for HHQ's home improvement loan are less stringent than those of a traditional lending institution. To be eligible homeowners and their homes must meet certain requirements, one of which is that there can not be any liens or judgments on the house. In 2004, HHQ made 471 loans available totaling \$3,841,599 through this program.

## Distressed Property Program

HHQ's Distressed Property Program enables HHQ to partner with local neighborhood housing non-profits in Onondaga County. HHQ provides funds for rehabilitation of vacant or distressed properties and/or demolitions in targeted neighborhoods. The process typically goes like this: an area non-profit needs a loan to help them fund new construction. So HHQ bought a lot, bought the house on the lot, demoed it with HHQ funds, sold the lot that is now vacant to the local non-profit who purchased it from HHQ. Then HHQ provided them with interim construction financing to build a house for resale. When the local non-profit finished the property, HHQ provided their homeowner with downpayment assistance. Then when that property was sold, the local non-profit paid HHQ back its interim financing. Currently, HHQ is working with 10 area non-profits to develop and rehabilitate housing in Onondaga County.

### 1.2.4 Budget and Fiscal Structure of Home HeadQuarters, Inc.

In 2004, Home HeadQuarters produced approximately \$10 million in program generated activity. The total budget for 2004 was \$13.7 million. The budget for housing programs which includes lending and financing activities and real estate development was \$10.5 million. HHQ had \$18 million dollars in assets in 2004 which included \$5 million in cash reserve for the Home Value Protection Program.

The operating revenue for 2004 was \$2,021,807. The proportional source breakdown of the operating revenue was:

Loans & Interest	36%
Fees	28%
Grants	25%
Services Provided	4%
Miscellaneous	4%
Contributions	3%

### Home HeadQuarters, Inc. Top 3 Highest Paid Employees

The compensation and title of the three highest paid employees at HHQ as of April 2004 are:

Executive Director	\$84,480
Director of Operations	\$53,040
Director of Construction	\$52,500

Home HeadQuarter's payroll which includes salaries and wages is: \$1,077,214.89. This figure is based on HHQ's 2004 Fiscal Year Budget.

Home HeadQuarter's payroll taxes and personnel benefits are: \$291,722.81. This figure is based on HHQ's 2004 Fiscal Year Budget.

### 1.3 Overview: Neighborhood Progress Inc. (NPI)

*NPI is the local intermediary that was created in 1988 by what was then Cleveland Tomorrow and is now Greater Cleveland Partnership (a partnership of the 50 largest companies in Northeast Ohio). The mayor decided that the Greater Cleveland Partnership would not only deal with downtown but with Cleveland neighborhoods. LISC came here in 1981 and Enterprise started here in 1984, but both opened local offices here in 1988. I think that is what is unique about Cleveland; you have 2 national intermediaries and one local intermediary. In 1994, there was a joint agreement with LISC, Enterprise, and NPI where LISC and Enterprise pooled their resources with NPI so that NPI distributes funding for the operating support of community development corporations. All funding for local non-profits flows through NPI. Then we are all a part of this joint team that makes decisions about who gets funded. It is a great working partnership. India Pierce Lee, Senior Vice President of Programs, on how NPI was started and how it functions.*

Neighborhood Progress Inc. is a non-profit, local intermediary that was incorporated in 1988. NPI was formed to be a facilitating agent for the revitalization of Cleveland's distressed neighborhoods. NPI accomplishes its mission by strategically investing in community development corporations (CDCs) and their development agendas. In this way, NPI increases the capacity of CDCs to plan and undertake physical development projects in their respective neighborhoods.

To advance the goals of Neighborhood Progress Inc., NPI provides investment capital through Village Capital Corporation, provides core operating support to

local CDCs, provides technical assistance and leadership training to CDC staff, provides development services through New Village Corporation, produces applied research, and provides program development.

### **1.3.1 The Structure of the Board of Neighborhood Progress, Inc.**

NPI's Board of Trustees is made up of members who are committed to mission of NPI and represent the business, banking, public, and non-profit sector. NPI has remained well connected to Cleveland's broader civic leadership structure through its strong and active board which continues to attract the participation of senior decision-makers and civic leaders, through its working relationship with city government, and through its long-term relationship with the Greater Cleveland Partnership.

There are 16 trustees and 4 officers on NPI's board. The Board of Trustees meets quarterly. The trustees include 2 banking executives including the Chairman, President, and CEO of Charter One Bank, FSB, four Executive Directors of local non-profits, the President & Chief Operating Officer of Sherwin Williams, the Chief Financial Officer for Case Western Reserve University, the Chief Executive Officer of Fairfax Place, the Chairman of the Board Wild Oats Markets & Homeland Stores, Inc., a Principal of The PRC Group, a Principal of a local school, an Owner of Zone Travel, a Council Woman for the City of Cleveland, the Director of the Department of Community Development for the City of Cleveland, a Vice President of Corporate Affairs for Turner Construction, the Vice President & Mid-West Regional Manager for The Enterprise Foundation, and three prominent attorneys.

### **1.3.2 Neighborhood Progress Inc. Organizational Structure**

NPI currently has 18 full-time, 4 part-time, and 5 consultants on staff. The organization structure is headed by the President who is also President of VCC and NVC. The rest of the executive team consists of a Chief Financial Officer, Senior Vice President of Real Estate Development, Senior Vice President of Programs, and Senior Vice President of Community Finance. There are three Vice Presidents: Vice President for Research & Development, Vice President of Marketing & Development, and a Vice President of Planning. In addition, there is a Director of Organizational Development, a Senior Project Developer, a Senior Accountant, a Bookkeeper/Finance Administrator, an Assistant Vice President of Neighborhood Planning, an Office Manager/Executive Assistant. There are also two Administrative Assistants, and one Receptionist.

### 1.3.3 Neighborhood Progress Inc. Scope of Programs and Activities

NPI has several programs and activities that are designed to revitalize and strengthen Cleveland's neighborhoods. One, in particular, is NPI's Cleveland Neighborhood Partnership Program (CNPP).

#### Cleveland Neighborhood Partnership Program

CNPP is NPI's operating support and capacity-building program which provides significant grants of core operating support to 16 Cleveland area CDCs. CNPP is a partnership of NPI, the Local Initiatives Support Corporation (LISC), and the Enterprise Foundation. CDCs receive funding on a competitive basis based on neighborhood plans and strategic development opportunities. Those CDCs which receive funding support from CNPP commit to, and report against, a variety of performance standards that are intended to strengthen the CDCs.

According to India Lee, Senior Vice President for Programs, the last three year round of funding (2002-2004) has changed the structure of how the CDCs are funded. In this past round, NPI funded the operating costs of 16 CDCs at a total \$1.5 million. Six CDCs called "**core**" groups get \$60,000 each annually. The threshold for their performance is that they have to produce at least 10 units of housing each year (new or rehab). Four other CDCs called "**core specific**" groups, each receive \$100,000 annually. These CDCs must complete 15 units of housing (new or rehab), and 5000 sq. ft of commercial development. The remaining six CDCs, termed "**strategic initiative**" CDCs, each receive \$150,000 annually. These groups must do the same things as the "core" CDCs, but \$50,000 of their funding must be dedicated to what NPI calls the strategic initiative manager. The strategic initiative manager is responsible for a smaller target area within the CDCs service area. This smaller target area is based around a major anchor project with locational assets. It is NPI's goal with these six CDCs to have a major impact with redevelopment projects in strategic locations.

CNPP has operating guidelines that all the CDCs work with in addition to their yearly audit. Nine years ago, NPI created audit standards with their funders, the City, the LISC, and the Enterprise Foundation and agreed that CDCs would not get funding from the City or other funders unless their audits were in. In this way, the entire community development industry in Cleveland works collectively to assure that funded CDCs meet the goals and production standards that they propose to undertake.

Since 1995, NPI's strategic approach to revitalization has resulted in a significant flow of neighborhood redevelopment dollars and activity in Cleveland. This development was both residential and commercial. Over 2363 units of housing

have been completed since 1995. This includes for sale and rental, new construction and rehabbed housing. NPI's funded CDCs completed 656 housing units from 2002-2004 which included 571 newly constructed units and 85 substantial rehabilitations. In addition, over 900,000 square feet of new or rehab commercial space has been completed since 1995. Furthermore, with the awarding of a Community Development Financial Institution (CDFI) designation, NPI has significantly expanded Cleveland's potential to attract new Federal dollars (up to \$5 million per cycle) into housing and commercial development.

NPI also builds CDC capacity through extensive management and leadership training, organizational development, community participation & organizing training. NPI's training programs are for both staff and board members of funded CDCs. In addition, each of the 16 funded CDCs receives a full management assessment and then is provided with the technical assistance tools to improve management programs, build staff leadership and overall organizational capacity. The overarching goal is to increase the CDCs' ability to provide quality and sustainable neighborhood development services.

### **Village Capital Corporation**

Village Capital Corporation (VCC) is a subsidiary of Neighborhood Progress, Inc. VCC was established in 1992 to aid CDCs with development projects in Cleveland neighborhoods. VCC is a gap financier for local CDCs aiding them in bridging the gap between public dollars and private bank investment. VCC's financing serves as a catalyst of private development dollars. VCC assists local CDCs with several grant and loan products. The funding of VCC comes primarily from the Greater Cleveland Partnership and several local foundations. VCC has its own Board of Trustees with 15 members including the Executive Director of NPI. The board is mainly represented by individual in the banking community and local and national foundations.

Since its inception, Village Capital Corporation (VCC) has made project loans and grants totaling \$50 million. In the current cycle, VCC has committed \$5.2 million. In total these investments by VCC have leveraged over \$500 million in additional private and public investment.

### **New Village Corporation**

New Village Corporation (NVC) is the real estate subsidiary of Neighborhood Progress, Inc. NVC gets involved with projects that are too large and complex for a local housing non-profit, or projects that are too risky for a single private developer to take on. Directly working with CDCs and private entities, NVC attempts to secure funds to facilitate development projects that other investors would walk away from. NVC has a separate Board of Trustees with 7 members



including the Executive Director of NPI. The Trustees represent the corporate and non-profit sectors. Since its inception in 1991, NVC has developed approximately \$85 million in residential and retail space in vulnerable Cleveland neighborhoods.

#### **1.3.4 Budget and Fiscal Structure of Neighborhood Progress Inc.**

NPI's total revenue for Fiscal Year 2005-2006 is \$6,953,583. The source of their funding comes mainly through foundational support. The following is a breakdown of their funding support for 2005-2006:

<u>Local Funding</u>	
Cleveland Foundation	\$2,100,000
George Gund Foundation	\$1,000,000
Mandel Supporting Foundations	\$500,000
<u>Intermediary Funding*</u>	
Enterprise Foundation	\$473,332
Fee-Based Support	\$2,880,251

The fees generated come from houses sold that were developed through NPI and for services rendered to various community-based organizations.

\*LISC, a consistent source of funding for NPI, is missing as a source of funding for 2005-2006. Leadership transition at LISC was given as the reason for no contribution this funding cycle. Representatives from NPI believe the lack of funding for this cycle is temporary and should resume when things stabilize at LISC Cleveland. In 2004, LISC supported NPI with \$378,655 in grant support.

#### **Neighborhood Progress Inc. Top 5 Highest Paid Employees**

The compensation and title of the five highest paid employees at HHQ as of June 2004 are:

President	\$141,000
Senior Vice President Real Estate Development	\$107,367
Chief Financial Officer	\$81,327
Senior Vice President Programs	\$79,585
Vice President Research & Development	\$76,041

NPI's payroll which includes salaries and wages is: \$1,043,444. This figure is based on NPI's 2003 IRS 990 Forms.

NPI's payroll taxes and personnel benefits are: \$352,657. This figure is based on NPI's 2003 IRS 990 Forms.

#### **1.4 Overview: Greater Rochester Housing Partnership (GRHP)**

*The Greater Rochester Housing Partnership was formally created in January of 1992. The idea was to take affordable housing outside of city government, which I think at the time was a fairly enlightened perspective. The, then, city manager said that to increase the level of affordable housing, government can't always be the lead entity, and there needs to be something outside of government. The City of Rochester was about to take a reversionary interest in some properties, some affordable housing properties – rental properties that had housed returning WWII vets. The City didn't want to have these properties, which made a lot of sense, so they were going to take the proceeds from the sale and use them to capitalize an entity. They decided on the Partnership model after doing some research---which you know, thirteen years ago, was not cutting edge but a fairly new concept. They decided that it was the most attractive for the community. So they took what was a little bit less than 5 million dollars and used that to capitalize the Partnership. The money could've gone to the City's general operating funds or could've gone into grant pools or whatever. But they said 'were going to take it outside of government.' That's how we got started. Jean Lowe, President of Greater Rochester Housing Partnership, on the unique way the Partnership got started.*

The Greater Rochester Housing Partnership, established in 1992, is a non-profit 501(c)(3) organization whose mission is to develop and rehabilitate affordable housing for low and moderate income residents in the Rochester area. GRHP, in partnership with for-profit, non-profit, and government organizations, provides professionally managed access to public and private funds and technical assistance for affordable housing development. Specifically, GRHP packages financing from private and public sources. The Partnership uses this funding to offer direct construction and bridge loans to non-profit and for-profit developers of affordable housing, make secured construction loans to developers of affordable rental housing, and provide lines of credit to developers of new affordable single family housing.

GRHP also provides technical assistance to developers by reviewing projects and participating in the design, funding, and implementation of projects. In addition, the Partnership capitalizes and manages a tax credit fund---purchasing

low income housing tax credits, and manages, through a service contract, a large acquisition/rehabilitation program.

The Partnership is a direct lender. It has lent over \$34,000,000 in construction financing for rental development for over 700 units. It has provided construction financing for another 600 single-family homes since its inception.

#### **1.4.1 The Structure of the Board of the Greater Rochester Housing Partnership**

The Greater Rochester Housing Partnership Board of Directors is comprised of fifteen members, one member each is appointed by the Mayor of the City of Rochester and the County Executive of Monroe County. The remaining members are elected. The Board meets monthly, ten times a year with no meetings in the summer. The Board consists of four members from the banking and corporate sector, two from the government sector, and one local small business owner. The seven remaining members are attorneys and accountants. The Greater Rochester Housing Partnership Board of Directors is completely independent of the City of Rochester.

#### **1.4.2 Greater Rochester Housing Partnership Organizational Structure**

The Greater Rochester Housing Partnership is able to achieve the magnitude and scope it has with just five staff persons. The staff members are: the President, Controller, Project Manager, Construction Specialist, and Office Manager.

#### **1.4.3 Greater Rochester Housing Partnership Scope of Programs and Activities**

The Greater Rochester Housing Partnership is a local financial intermediary created to provide funding to developers of affordable housing in the Greater Rochester area. The partnership model was chosen in order to attract support from various sectors that have a stake in low to moderate income housing development. GRHP stimulates the development of affordable housing by providing several financing tools and loans to non-profit and for-profit developers.

#### **Rochester Housing Development Fund Corporation (RHDFC) & HOME Rochester**

One of GRHP's most lauded programs runs through the Rochester Housing Development Fund Corporation (RHDFC). The RHDFC was created by the City of Rochester, Enterprise Foundation and the Greater Rochester Housing Partnership to create homeownership opportunities from foreclosed, vacant

homes acquired from the City of Rochester and through the City's Asset Control Area Partnership (ACAP) agreement with HUD.

In 2004, RHDFC and the City entered a new contract with HUD to purchase 300 vacant, single family structures which will eventually become homes. Managed by the Greater Rochester Housing Partnership and working in conjunction with local community-based organizations, RHDFC renovates the vacant homes and sells them to qualified homebuyers through the HOME Rochester program.

HOME Rochester is financed through a unique consortium of for-profit and non-profit lenders. Under the leadership of JP Morgan Chase, a pool of \$16,000,000 is available to the RHDFC for purchasing and renovating single family homes. The participation loan consists of 10 lenders with investments ranging from \$500,000 to \$3,000,000.

The HOME Rochester program has been quite successful. Since 2001, the RHDFC has closed on 176 properties with eligible buyers and has another 20 under contract. The sale price of the renovated homes averages \$56,500. The amount of subsidy put in each house averages \$27,400.

### **Construction Financing**

Since its origination, GRHP has grown into the largest lender of construction financing for affordable housing in the Rochester area. This can be best illustrated in the following bullet points:

- In 2003, GRHP provided \$9.6 million in construction financing. GRHP's financing leveraged another \$20.5 in permanent financing.
- In 2003, through GRHP financing 177 rental units were rehabilitated in seven developments.
- In 2004, GRHP produced 42 single-family housing units. Thirty-eight units were substantial rehabilitation and 4 were new construction. The average subsidy attached to each single-family unit was \$28,000.
- In addition, GRHP closed three construction loans in 2004 totaling over \$8,000,000 and representing 90 new units of affordable rental housing. In addition, two construction loans that closed in 2003 and totaled \$5 million were paid in full in 2004. These two loans represented 74 rental units.

## **GRHP Tax Credit Fund, LLC**

The Tax Credit Fund was developed to make a pool of equity available for small apartment developments that are applying for or have received an allocation of low income housing tax credits. The Fund has gone through three funding iterations but the first, Tax Credit Fund I, was created and managed by GRHP, Conifer Realty LLC, and Essex Real Estate Partners. It works within the structure of the federal low income housing tax credit program. Therefore, corporate investors must make a 15 year economic commitment to the selected apartment projects that will house low income residents.

The Fund is structured as a blind pool. Investors make a dollar commitment to the Fund when they become members of the limited liability corporation. When a development is selected, a majority interest in the development is purchased by the Fund. Funds are then drawn from the members and invested in the purchase and renovation or construction of the development. Investments from the Tax Credit Fund have been in both the city of Rochester and in rural villages of Monroe County. The Fund owns approximately 100 apartments which house senior citizens, working families, and women with children who are learning to live independently.

Characteristics of GRHP's Tax Credit Fund I-III are as follows:

- Tax Credit Fund I invested approximately \$1,775,000 in two apartment projects; one in 1997 with 21 units of housing, and one in 1999 with 24 units. Combined these developments generate \$308,322 in tax credits on an annual basis for the Limited Partner. Tax Credit Fund II is also an investor in the second development which began in 1999.
- Tax Credit Fund II has invested over \$2,000,000 in three affordable housing developments. The total number of units in these three developments is 52 and is comprised of newly constructed and renovated housing units. Combined these developments generate \$191,028 in tax credits on an annual basis for the Limited Partner.
- Greater Rochester Housing Tax Credit Fund III, LLC was capitalized in 2004 in the amount of \$3,000,000. This latest Fund investment is in 12 units of transitional housing for families in need of support services as well as affordable rentals.

## Feasibility Funding

GRHP's most recent program expands the scope of their financing products to include a pool of funding that will be used to defray costs associated with determining the feasibility of specific new affordable housing developments. The Feasibility Funding program is a collaboration with the Enterprise Foundation in which the Enterprise Foundation will provide \$100,000 to fund loans, and GRHP will manage and distribute the funds to eligible applicants.

Eligible applicants must be non-profit organizations and must be able to demonstrate the capacity necessary to complete both the feasibility analysis and the final project. Although the preference is for feasibility studies for affordable housing projects, they may include mixed uses, community facilities or serve mixed income residents.

Feasibility Fund monies are available in the form of 18month 0% interest loans. The average loan size is \$10,000. If a project does not prove to be feasible, the loan may be forgiven.

### 1.4.4 Budget and Fiscal Structure of Greater Rochester Housing Partnership<sup>3</sup>

The net assets of GRHP at the end of fiscal year 2004 were \$5.7 million. The revenue and support for 2004 totaled, \$1.4 million. GRHP has relatively low administrative costs. The total expenses for fiscal year 2004 were \$827,428, of which 28% or \$231,772 went to general and administrative costs, and 72% or \$595,656 went to program services.

The source breakdown of GRHP's revenue and support is as follows: contributions \$566,833 or 40%, government grants \$291,600 or 21%, fees \$258,634 or 18%, interest income \$205,625 or 14%, home sales and property subsidies \$91,951 or 6%, and other \$5576 or .3%.<sup>4</sup>

The total contributions of \$566,833 for 2004 are derived from corporations, banks, and individuals.

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<sup>3</sup> The budget and fiscal data of Greater Rochester Housing Partnership is based on the combined financial statements of Greater Rochester Housing Partnership and Greater Rochester Partnership Housing Development Fund Corporation.

<sup>4</sup> Percents may not total 100% due to rounding

### **Greater Rochester Partnership Corporation Top 3 Highest Paid Employees**

The compensation and title of the three highest paid employees based on the 2004-990 Tax Forms are:

President	\$105,007
Controller	\$71,995
Project Manager	\$63,804

GRHP's payroll which includes salaries and wages is: \$314,447. This figure is based on GRHP's 2004 IRS 990 Forms.

GRHP's payroll taxes and personnel benefits are: \$75,740. This figure is based on GRHP's 2004 IRS 990 Forms.

### **1.5 Conclusion**

What is so impressive about all four of the "best practice" housing organizations is that they are successful, and highly productive despite operating in weak housing markets. Cleveland Housing Network should hold a glimmer of hope to all cities like Buffalo that are attempting to improve their housing delivery systems. CHN began with six directors of low capacity CDCs who wanted to develop housing at a scale that would really impact Cleveland's distressed neighborhoods. Prior to CHN, these CDCs found themselves developing housing like many housing non-profits across the country with limited resources; two or three rehabs a year and almost no new housing construction. At these production levels, Cleveland neighborhoods were just not being turned around.

Today, CHN and its partners are turning Cleveland neighborhoods around with affordable housing development. They are building market rate housing for middle class residents in Cleveland. And, the investment in new affordable and market rate housing has stimulated private sector investment in housing and commercial projects. All this has sparked a renaissance in many Cleveland neighborhoods.

In addition, CHN and NPI, the other Cleveland housing organization covered in this report, are partners in that NPI is a funding source for CHN and this relationship is based on CHN's housing production. The work of the two organizations is complementary as they are both a part of an affordable housing delivery system in Cleveland. Since CHN is essentially a developer in partnership with local CDCs and NPI is a local intermediary the two organizations do not

compete within the system. This is a partnership that many involved in the community development industry throughout the country attempt to emulate.

The “one stop” housing store, Home HeadQuarters has also been a catalyst for development and reinvestment in Syracuse, New York. Their varied housing products and services have brought to the public a source of loans and capital for affordable housing ownership, renovation & repair, and development. The nationally touted Home Value Protection Program is perfectly suited for Syracuse’s weak housing market. Syracuse homeowners can protect the equity they have, and will build, in their homes without the fear that the bottom will fallout of the housing market and their home values will plummet. Everyone concerned with affordable housing development, and home ownership for city residents in weak markets is watching to see the outcomes of this potentially sector changing program.

Any city looking to expand and improve its impact in housing delivery must see the value in an organization such as Neighborhood Progress, Inc. NPI, Cleveland’s local intermediary, is responsible for operating costs and oversight of Cleveland’s CDCs. The development and growth of NPI made it possible for the City of Cleveland to off load much of the oversight and monitoring of local CDCs and spend its staff resources elsewhere.

NPI works through a partnership with LISC, the Enterprise Foundation, and three local foundations; it funnels substantial funds from these organizations and distributes the funding, at different levels, to Cleveland CDCs. The depoliticization of this process enables NPI to strictly evaluate CDCs based on their stringent operating guidelines and standards, and fund only the CDCs that meet those agreed upon standards.

What is exceptional about NPI’s relationship to the foundation, corporate, and government sectors of Cleveland is the trust that has been built after years of a successful track record. Today, NPI is such a force in community development that if it does not fund a CDC, the other sectors take notice. Likewise, NPI’s funded CDCs have entrée into other pools of funding because of the legitimacy that NPI gives them. NPI is an excellent example of how the different sectors can come together and make a difference in the housing and community development industry of their city.

Greater Rochester Housing Partnership is another example of an effective and far reaching partnership. However, it plays a completely different role in Rochester than these other organizations do in their respective cities. GRHP is able to pool funding from private and public sources to offer direct construction, bridge loans and lines of credit to non-profit and for-profit developers of affordable housing.



But, what GRHP is known for nationally is the RHDFC and the HOME Rochester Program. Cities like Buffalo that have a large inventory of vacant and foreclosed housing could certainly benefit from a program similar to HOME Rochester. Rochester and Los Angeles were the first cities in the country responsible for managing, marketing, and reselling HUD foreclosures. The RHDFC's 2004 ACAP agreement gave the City of Rochester immediate control over 300 vacant properties. GRHP, through this program, has closed on 176 properties to date.

This inventory of housing has provided GRHP with the scale that was needed to make a greater impact in Rochester's housing market. In addition, what other cities must take notice of is the fact that GRHP has the scope of programs, and produces the scale of housing that it does with only five employees. The other three "best practice" organizations average 45 employees.

However, as should be obvious from the capital resources that she controls and manages, the President of GRHP is a highly skilled, experienced, and well respected individual in the Rochester area. High ranking members of the government, banking and corporate sector have entrusted GRHP to be the primary source for packaging the loans and providing the financing to produce affordable housing in the Rochester area.

As has been shown, all four of these organizations have great capacity for developing housing and providing housing services in their cities. Chapter two of this report will assess the capacity of Buffalo's CBHOs to produce affordable housing and provide housing services. This assessment will enable an analysis of the entire housing delivery system in Buffalo to determine the direction Buffalo should take to expand its reach in the housing non-profit sector.

## CHAPTER 2 Buffalo's Community-Based Housing Organizations (CBHO)

### 2.0 General Overview and Trends for Buffalo's Community-Based Housing Organizations (CBHO)

This chapter summarizes the characteristics of Buffalo's community-based housing organizations (CBHO). The data used to develop this summary was collected from surveys, interviews and site visits with CBHOs in Buffalo during the Spring and Summer of 2005. A copy of the survey questionnaire is found in Appendix A. In addition to this data, IRS 990 Forms from prior years for CBHOs in Buffalo were examined and archival sources were referenced.

In total, 22 CBHOs were initially examined in this study. From that group, a subgroup of fifteen organizations was identified for further study. This subgroup included: the ten organizations certified as community housing development organizations (CHDO) by the city of Buffalo, the five Neighborhood Housing Services (NHS) organizations funded by NeighborWorks®, and other organizations receiving funding from the City of Buffalo, the New York State Division of Housing and Community Renewal, or intermediaries.

This chapter contains aggregate data related to the CBHOs studied. This data is presented to provide an overall picture of the structure, capacity and organization of CBHOs in Buffalo. More detailed information pertaining to individual CBHOs in the City of Buffalo is provided in Appendix B.

### 2.1 Development and Density of the CBHO Sector in Buffalo, NY

On the surface, Buffalo's CBHO sector appears to be relatively well established and institutionalized. Table 2.1 shows that over 64% of the city's existing CBHOs were established prior to 1980. More specifically, Buffalo's early CBHOs were established during the six year period between 1973 and 1979. The longevity of these organizations is one indicator of their incorporation into the fabric of local community development activities. Since that initial period of CBHO formation, between 2 and 3 existing organizations were formed during the 1980s and 1990s respectively.

**Table 2.1: Year CBHO Founded (n=14)**

<b>Years</b>	<b>Number of CBHOs</b>	<b>Percent of CBHOs</b>
1973-1979	9	64.3%
1980-1989	2	14.3%
1990-1998	3	21.4%

It is noteworthy that the spike in CBHO formation during the pre-1980 period is partly accounted for by the group of CBHOs identified as NHS organizations. During this period, 3 of the 5 NHS organizations were founded. The other two were founded in the early-1980s. The presence of this many NHS organizations in a single city represents an anomaly. NeighborWorks® typically funds a single NHS in a city the size of Buffalo. A number of political and institutional factors came together to produce the number of NHS organizations in Buffalo. This situation has presented NeighborWorks® and other funding agencies with decades of unique challenges related to capacity building.

The remaining CBHOs founded during the pre-1980 period have been viable due to their ability to carve out specific niches for themselves related to programs and services they deliver to their communities. Moreover, these organizations have been successful in attracting grants and contracts from the federal and state government to provide housing services, as well as a steady flow of resources from intermediaries and the City of Buffalo.

Finally, the organizations formed after 1990 are somewhat more diverse. Some represent start-up organizations with limited capacity and others are faith-based organizations with expanding activity in housing. One characteristic that distinguishes this group from others is that they are more likely to target their housing activities in discrete geographic areas. This targeting has been beneficial to them in their efforts to attract funding and technical support from the City of Buffalo, and it has allowed these organizations to expand incrementally during their start-up phase.

In addition to their numbers, Buffalo's CBHOs have developed a noticeable degree of formal organizational structure. This is reflected in the degree to which these organizations report engagement in planning activities. Measures of formal structure are included in Table 2.2. All of the CBHOs examined were incorporated as 501(c)(3)s, and all of the CBHOs examined had published mission statements and by-laws. Over 90% of the organizations engaged in strategic planning, and about two-thirds of the CBHOs produced annual reports and housing plans for their target areas.

**Table 2.2: Percent of CBHOs with the Following Planning and Administrative Tools (n=13)**

<b>Planning and Administrative Tool</b>	<b>Percent of CBHOs</b>
Mission Statement	100%
By-Laws	100%
Annual Report	66.7%
Strategic Plan	91.7%
Target Area Housing Plan	61.5%

In addition to the dimensions of formal structure identified above, the ten CHDOs that were certified by the City of Buffalo also are required to maintain records of their performance. These records include the maintenance and submission of an annual self-assessment report which includes six appended items: a CHDO training logs, a CHDO meeting log, a grant fund submission and status report, a fair housing linkage form, a problem property tracker report, and a self-assessment form. These reports have been required by the City of Buffalo since 2004. Each CHDO is required to submit these reports in order to maintain their certification with the City.

## **2.2 CBHO Program and Service Boundaries**

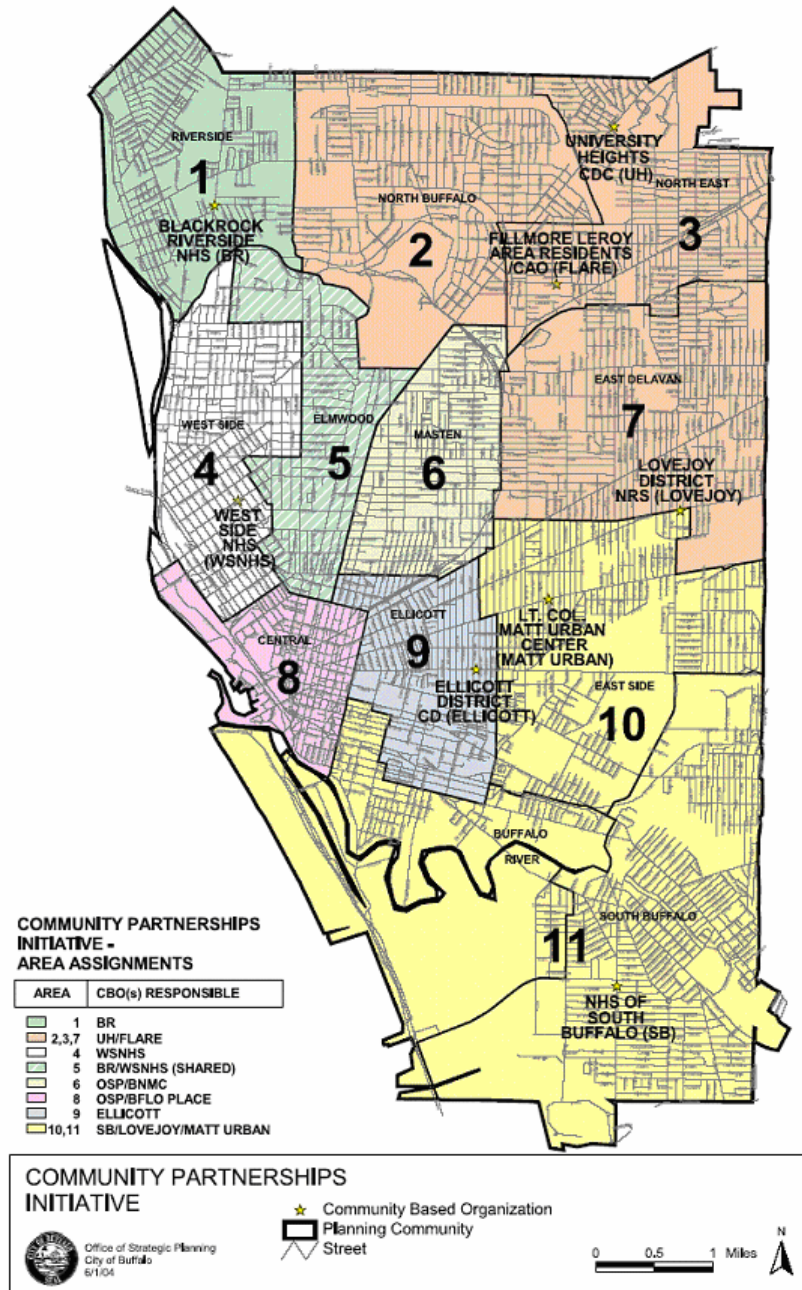
The designation of service boundaries for CBHOs in Buffalo is driven by a number of factors. In over 76% of the cases, CBHOs identified multiple service boundaries linked to their various programs and funding sources. For instance, some CBHOs identified service boundaries based on neighborhood areas or common council districts for their core housing activities. They also identified city-wide service boundaries or clusters of Census tracts for programs funded by federal sources or the New York State Department of Housing and Community Renewal (DHCR).

When discussing their service boundaries, over 50% of the organizations' executive directors indicated that they either conformed to individual common council districts or encompass significant parts of them. In part, this is a reflection of the historic ties that many CBHOs in Buffalo have to sponsors from local government, and their dependence on community development block grant (CDBG) funding. This relationship is also reflected in the naming of several of the CBHOs, where the name of a council district is incorporated in the name of the organization.

There has been a growing trend toward the identification of narrower program and service boundaries for housing activities by CBHOs in Buffalo. This is particularly apparent among the organizations certified as CHDOs by the City of Buffalo and the more recently established organizations in the city. Also, there are a growing number of CBHOs adjusting their boundaries according to the City of Buffalo designated planning communities and neighborhoods linked to the City's recently adopted comprehensive plan.

Despite these trends, the overall picture for CBHO in the City of Buffalo is one where boundaries are constructed too broadly. As a result, organizational resources are stretched too thinly. This is illustrated in Figure 2.1. This figure shows how CBHOs were assigned to specified target areas by the City in 2004. Since that time, the City has increased its emphasis on narrowing the service boundaries of certified CHDOs. However, CBHO boundaries continue to be defined broadly, and the organizations maintain multiple boundaries in order to attract funding from multiple sources.

Figure 2.1: 2004 Buffalo Community Partnerships Initiative Map



### 2.3 CBHO Governance and Community Outreach

The characteristics of governing boards and the scope of community outreach among Buffalo’s CBHOs portray a mixed picture of the capacity of these organizations. This is true in terms of residents and stakeholders ability to shape the direction of these organizations. Table 2.3 shows that CBHO

governing boards have about eleven members on average. Governing board size ranged from 7 to 16 members. Of those members, on average---86% are elected and 14% are appointed. In addition, over 58% of governing board members live within CBHO's boundaries. However, the percentage of residents who are governing board members should be qualified, since many of the program and service boundaries identified by CBHOs are expansive. As a result, these residents may not share the same interests or residential experience.

**Table 2.3: Characteristics of CBHO Governing Boards (n=11)**

Average Governing Board Size	11.5 members
Percent of Board Members Elected	86%
Percent of Board Members Appointed	14%
Percent of Board Members Residents of CBHO Target Area	58.6%
Percent of Board Members from Government	0.1%
Percent of Board Members from Banking Community	17.6%
Percent of Board Members from Foundations and Intermediaries	0%

Table 2.3 also displays some information related to stakeholder participation on CBHO governing boards that raises concerns about the degree to which these organizations gain access to outside resources through their boards. For instance, representatives from government, local foundations, and intermediaries are virtually nonexistent on CBHO governing board in Buffalo. In some cases a common council member or staff person is identified as a governing board member, otherwise these vital sectors to CBHO development are absent from these organizations' governance. The absence of local foundation and intermediary participation on CBHO governing boards is of particular concern, since it suggests that there is limited regular interaction between these organizations and CBHOs.

One stakeholder group that is present on the governing boards of Buffalo's CBHOs is members of the banking community. Typically, the banking community will be represented by a bank's community relations officer. In part, the presence of banking community representatives on the governing boards of CBHOs is explained by the intensity of credit counseling activities in these organizations, and other activities that are of interest to the banking community. Despite the participation of members from the banking community on the governing boards of CBHOs in Buffalo, it should be noted that (with the exception of one CBHO) bank presidents, senior vice-presidents, and individuals involved in finance and investment banking are not among these representatives. Greater representation from these types of

individuals on CBHO governing boards would be beneficial to organizations' efforts to leverage resources for housing and community development.

Despite the issues identified above, CBHOs in Buffalo do maintain a regular schedule of governing board meetings. This is illustrated in Table 2.4. Approximately 85% of these organizations' governing boards meet monthly. Although there is limited stakeholder participation in the governance of Buffalo's CBHOs, there are indications that governing boards meet regularly and are involved in the governance of their organizations.

**Table 2.4: Frequency that CBHOs Hold Governing Board Meetings (n=13)**

Meetings Held	Number of CBHOs	Percent of CBHOs
Monthly	11	84.6%
Quarterly	0	0%
Annually	1	7.7%
Other	1	7.7%

There was also mixed evidence about the level of community outreach that CBHOs were engaged in. The majority of CBHOs reported that they were in contact with residents on a regular basis. Many indicated that they communicated with local block clubs and neighborhood groups. The most common interaction between CBHOs and these grassroots organizations was the provision of meeting space. The intensity of community outreach that CBHOs were engaged in is reflected in Table 2.5, which indicates that the majority of CBHOs held community meetings at least quarterly, and all of the CBHOs provided the community with an opportunity to interface on an annual basis.

**Table 2.5: Frequency Community Meetings held by CBHOs (n=10)**

Meetings Held	Number of CBHOs	Percent of CBHOs
Monthly	4	40%
Quarterly	3	30%
Annually	3	30%
Other	0	0%

In addition to holding community meetings, Buffalo's CBHOs incorporated activities related to block clubs into their strategic plans. Approximately 67% of CBHOs indicated that support for existing block clubs was mentioned in their strategic plans, and approximately 33% of CBHOs indicated that they included plans for the development of new block clubs in their strategic plans.

## 2.4 Scope of Current CBHO Program Activity

Buffalo's CBHOs are like many local nonprofit organizations focused on community development. Their mission statements reflect a desire to provide comprehensive services to residents in their target areas, and this strategy is built around a core group of activities related to housing and community development. However, most CBHOs in Buffalo do not have the capacity to maintain a full complement of community development programs and services. Instead, most focus on a narrower range of housing related activities, emphasizing other programs to a lesser extent. This is reflected in Table 2.6.

This table shows that all of the CBHOs in Buffalo had funded housing programs, while less than a quarter of them had obtained resources to pursue other activities. Within the group there was a range where roughly a third of the organizations had multiple program and service areas while others were almost exclusively focused on housing activities. This variation in program and service activities is detailed in Appendix B.

**Table 2.6: Percent of CBHOs Receiving Funding for the Following Project and Program Areas (n=10)**

Project or Program Area	Percent of CBHOs
Housing	100%
Commercial and Industrial Development	12.5%
Business Development	12.5%
Workforce Development	0%
Social Services	25%
Public Safety	0%
Education	25%
Other	25%

The scope of housing activities pursued by CBHOs in Buffalo also varied across organizations. However, there were clearly identifiable areas of emphasis across the organizations. For instance, most of Buffalo's CBHOs are not involved in activities related to new housing development.

Table 2.7 highlights this point. The executive directors of Buffalo's CBHOs indicated that less than a fourth of the organizations produced new housing units. In fact, only three CBHOs were involved in any form of housing development activities, and only one of those organizations developed new housing at levels above ten units annually. This organization stood out as a developer of 87 units per year. However, the vast majority of those units were built outside of the City



of Buffalo. Even with this developer included in the analysis, the average number of housing units built by CBHO was less than eight annually.

Among the housing developers, two were relatively new faith-based CBHOs which received considerable technical support from local intermediaries, private subcontractors, the City of Buffalo, and other organizations. The sustainability of such support is a concern, making it necessary for those two CBHOs to enhance their capacity and replace those resources in the future to ensure their current levels of housing development.

**Table 2.7: New Housing Units Produced Annually by CBHOs (n=13)**

Number of New Units	Number of CBHOs	Percent of CBHOs
0	10	76.9%
1-10	2	15.4%
11 and above	1	7.7%

In contrast to new housing development, 90% of Buffalo's CBHOs claimed to be engaged in some form of housing rehabilitation activity. The scope of this activity ranged from providing residents with assistance in obtaining home improvement grants and loans to substantive rehabilitation of actual housing units for resale. Table 2.8 shows that 90% of the CBHOs in Buffalo were involved in some level of housing rehabilitation activities on an annual basis. It is noteworthy that two of the organizations that were most heavily engaged in housing rehabilitation activities administered a housing winterization program funded by the New York State, and another high capacity organization administered the City of Buffalo's Rehabilitation-Loan Program.

One organization in the sample reported rehabilitating 295 housing units per year. The majority of the units this organization rehabilitated were outside of the City of Buffalo. Moreover, the average number of units rehabilitated annually was 84 for the entire group of CBHOs. It should also be noted that a large portion of many CBHOs housing rehabilitation activities involved organizations that received fees for processing loans through other CBHOs.

As a result some of the units reported as being rehabilitated by one organization, were also counted by others. Thus, the total numbers of units reported being rehabilitated may have been inflated in the survey. Interviews with stakeholders placed the number of actual units rehabilitated by most of the CBHOs in Buffalo closer to 1 or 2 units annually. Similar to new housing units, a small number of the organizations were responsible for the bulk of rehabilitation activity in the City of Buffalo. There were also concerns about the efficiency of the process for selling rehabilitated units.

**Table 2.8: Housing Units Rehabilitated Annually by CBHOs (n=10)**

Number of Clients	Number of CBHOs	Percent of CBHOs
0	1	10%
1-50	4	40%
51-100	2	20%
101 and above	3	30%

The scope of housing management activities was relatively modest among Buffalo's CBHOs. There were a few organizations that managed 21 or more housing units. Similar to housing rehabilitation activities, the same CBHO that rehabilitated 295 units annually also managed 627 housing units. Again, the majority of these units were located outside of the City of Buffalo. As a whole, Buffalo's CBHOs reported managing an average of 65 units. However, this average was skewed by the activities of a small number of CBHOs.

Table 2.9 presents a more detail view of the housing management activities of Buffalo's CBHOs. This table shows that a quarter of the organizations are not involved in property management activities and three quarters managed twenty or fewer units.

**Table 2.9: New Housing Units Managed Annually by CBHOs (n=12)**

Number of Units Managed	Number of CBHOs	Percent of CBHOs
0	3	25%
1-10	2	16.7%
11-20	4	33.3%
21 and above	3	25%

The picture for housing counseling activities is different than new development and property management. Eighty percent of Buffalo's CBHOs were engaged in some level of housing counseling activities when this research was conducted. Many of Buffalo's CBHOs collected fees for housing counseling services either through lenders, government or directly from clients.

The number of clients receiving housing counseling from CBHOs ranged in Buffalo. One CBHO reported providing counseling to 650 clients annually. The average number of clients receiving housing counseling service was 132 per year. Again, these statistics were skewed by a small number of high capacity organizations. Table 2.10 provides a more detailed portrait of the distribution of housing counseling services offered by CBHOs in Buffalo. This table shows that 60% of the CBHOs provided counseling services to 60 or fewer clients annually.

**Table 2.10: Clients Receiving Housing Counseling Annually by CBHOs (n=10)**

Number of Clients	Number of CBHOs	Percent of CBHOs
0	2	20%
1-30	1	10%
31-60	3	30%
61-90	1	10%
91 and above	3	30%

The numbers of individuals receiving housing counseling services through CBHOs represents only part of the picture. Another statistic to consider is the percent of individuals counseled who actually apply for a loan. On average, only 42% of individuals receiving housing counseling from a CBHO in Buffalo actually applied for a loan. It should be noted that this statistic represents individuals who applied for a loan, and not individuals who actually processed a loan.

It is also important to note that lenders and the City of Buffalo recently moved to a system based on a single provider for housing counseling services. Beginning in 2005, only one CBHO is funded by the City and local lenders to provide housing counseling. The creation of a one-stop-shop for housing counseling has had a significant impact on the other organizations who had offered housing counseling in the past. This impact will be reflected in the revenue these organizations raise from fees for services and well as through grants and contracts from the public and private sectors.

In short, housing counseling will represent a much smaller part of the program activities of the majority of CBHOs in Buffalo. Likewise, the City of Buffalo recently consolidated its housing Rehabilitation-Loan Program. It is now administered by a single CBHO. As a result, housing rehabilitation will also represent a smaller part of program activities for the majority of CBHOs in the future.

## **2.5 CBHO Staff Capacity**

In terms of staff, Buffalo's CBHOs are like other local nonprofits across the country. Most of the CBHOs have ten or fewer full-time staff. The full-time staffing distribution across CBHOs is illustrated in Table 2.11, which shows that over 46% of Buffalo's CBHOs have between 1 and 5 full-time staff. There were a small number of CBHOs with 21 or more full-time staff, and one organization had 75 full-time workers. However, the average number of full-time staff for organizations in Buffalo was fourteen. This number included all full-time staff and was skewed by higher capacity organizations.

**Table 2.11: CBHO Full-Time Staff (n=13)**

Number of Full-Time Staff	Number of CBHOs	Percent of CBHOs
0	1	7.7%
1-5	6	46.2%
6-10	2	15.4%
11-20	1	7.7%
21 and above	3	23.1%

A similar picture emerged for part-time staff. The part-time staffing distribution across CBHOs is illustrated in Table 2.12 which shows that over 58% of Buffalo's CBHOs have between 1 and 5 part-time staff. There were a small number of CBHOs with six or more part-time staff. The average number of part-time staff for organizations in Buffalo was four.

**Table 2.12: CBHO Part-Time Staff (n=12)**

Number of Part-Time Staff	Number of CBHOs	Percent of CBHOs
0	2	16.7%
1-5	7	58.3%
6-10	1	8.3%
11-20	2	16.7%
21 and above	0	0%

Thus far, total organizational staffing has been discussed. However, the most relevant subgroup in relation to the capacity of CBHOs to deliver housing programs and services is the staff hired specifically to work on housing. In Buffalo, the picture is one of low capacity in the area of housing delivery for area CBHOs. Most of the CBHOs have five or fewer full-time staff working on housing. The full-time staffing distribution across CBHOs is illustrated in Table 2.13, which shows that 75% of Buffalo's CBHOs have between 1 and 5 full-time staff working on housing. Two CBHOs have six or more full-time staff working on housing, and one organization had 65 full-time staff working on housing. This organization is a high capacity CBHO which administers federal Section 8 vouchers in the city and region. This particular organization also skewed the average number of full-time housing staff for organizations in Buffalo. That average was seven full-time staff.

**Table 2.13: CBHO Full-Time Staff Working on Housing (n=12)**

Number of Full-Time Staff	Number of CBHOs	Percent of CBHOs
0	1	8.3%
1-5	9	75%
6-10	1	8.3%
11-20	0	0%
21 and above	1	8.3%

A similar picture emerged for part-time staff working on housing in Buffalo's CBHOs. The part-time staffing distribution across CBHOs is illustrated in Table 2.14, which shows that over 66% of Buffalo's CBHOs have between 1 and 5 part-time staff working on housing. There was one CBHO with 6 to 10 part-time staff working on housing. The average number of part-time staff for organizations in Buffalo was two.

**Table 2.14: CBHO Part-Time Staff Working on Housing (n=12)**

Number of Part-Time Staff	Number of CBHOs	Percent of CBHOs
0	3	25%
1-5	8	66.7%
6-10	1	8.3%
11-20	0	0%
21 and above	0	0%

In addition to examining the numbers of staff, it is also important to understand how staff is utilized in CBHOs. This information is summarized in table 2.15. Of all full-time and part-time CBHO staff in Buffalo, over 68% worked on housing. The remaining staff was distributed across other related areas of community development work. The largest group of non-housing staff was involved in business development, social services, and education.

**Table 2.15: Percent of CBHO Staff Working in the Following Project and Program Areas (n=10)**

Project or Program Area	Percent of CBHO Staff
Housing	66.8%
Commercial and Industrial Development	4.2%
Business Development	12.5%
Workforce Development	0.4%
Social Services	8.1%
Public Safety	1.1%
Education	9.3%
Other	8.2%

Table 2.16 details the project and program activities that full-time and part-time housing staff was assigned to. As would be anticipated from the discussion of CBHO project activities above, the majority of housing staff were assigned to three areas in Buffalo. These areas were housing rehabilitation, property management, and housing counseling. This utilization of staff is of concern given trends toward funding consolidation in these areas. It is likely that the capacity of many CBHOs in the city will decline as these activities are further consolidated.

**Table 2.16: Percent of CBHO Housing Staff Working in the Following Project and Program Areas (n=10)**

<b>Project or Program Area</b>	<b>Percent of CBHO Staff</b>
New Construction	9.7%
Housing Rehabilitation	47.9%
Property Management	25.7%
Housing Counseling	25.8%
Fair Housing	17.3%
Other	18.3%

Another measure of CBHO capacity is related to the salaries offered by organizations. This is an important measure of capacity because it allows one to extrapolate about the potential for retention and turnover in organizations. Salary information also gives one insights into the degree to which highly trained individuals can be recruited to work in CBHOs.

Table 2.17 provides average salary information for executive directors of Buffalo's CBHOs and the two second highest paid employees of these organizations. Although the average salary for executive directors is slightly above \$50,000 annually, it should be noted that executive directors' salaries actually ranged from \$30,000 to \$107,000 per year. The upper end of the salary spectrum was skewed by the salary for a single executive director of a high capacity organization. In fact, the median salary of \$40,000 is more representative of this group. In essence, executive directors salaries are relatively low in Buffalo's CBHOs. This negatively impacts organizational capacity, and the ability to retain good staff.

A related issue to note about the executive directors of many of Buffalo's smaller CBHOs involves the individuals who fill these positions. Many of the executive directors of these organizations are relatively inexperienced in the nonprofit sector. The salary structure of these organizations makes the executive director position essentially an entry level position for young professionals. This situation, along with the small staff of these organizations, further lowers the organizations' capacity.

**Table 2.17: Average Salary of CBHO Executive Director and Next Two Highest Paid Employees (n=9)**

<b>Position</b>	<b>Average Salary</b>
Executive Director	\$50,350
Second Highest Paid Employee	\$42,500
Third Highest Paid Employee	\$38,938

A similar situation existed for the average salaries of the next two highest paid employees in CBHOs. These average salaries were \$42,500 and \$38,938 respectively. However, the upper end of the salary spectrum for each was skewed by the salaries for a single high capacity organization. In fact, the median salaries for each were approximately \$35,000. Again, salaries are relatively low in Buffalo's CBHOs.

The final measures of staff capacity presented in this section are related to the number and types of training activities in which staff participate. The majority of Buffalo's CBHOs reported that their staff participated in ten or fewer training sessions annually. This level of training activity was a reflection of the overall scope of programs and services that CBHOs offered, as well as the small size of CBHO staff. Statistics for the number of staff training sessions are reported in Table 2.18.

**Table 2.18: Number of Training Sessions Attended by CBHO Staff Annually (n=11)**

<b>Number of Training Sessions</b>	<b>Number of CBHOs</b>	<b>Percent of CBHOs</b>
0	1	9%
1-5	2	18.2%
6-10	3	27.3%
11-15	3	27.3%
16-20	0	0%
21 and above	2	18.2%

In addition to the total number of training activities in which staff participated, Table 2.19 reports information on the types of organizations that staff received training from. The majority of Buffalo's CBHOs reported that their staff received training from the following types of organizations each year: government, intermediaries, other nonprofits, and professional organizations.

**Table 2.19: Percent of CBHO Indicating that Staff Attended Training Sessions Offered Through Specified Organization (n=13)**

<b>Staff Attending Training Offered Through</b>	<b>Percent of CBHOs</b>
Government	75%
Intermediary Organizations	66.7%
Other Nonprofits	69.2%
Professional Conferences	81.8%

The nature of training received by the staff of CBHOs ranged from presentations and workshops related to specific programs in which the organizations participated to formal certification programs to enhance the skills of staff. In the long-run enhanced monitoring and guidance from funding agencies and professional organizations would enhance the capacity of these organizations.

## **2.6 CBHO Budgets and Revenue Diversification**

In general, the budget picture for Buffalo's CBHOs is characterized by increased competition for scarce resources. Similar to other cities, this environment is shaped by the declining availability of public funds to support nonprofit activities and the growing need to find alternative sources of funding. This general financial environment is further constrained by the fiscal condition of the City of Buffalo and Erie County. Both entities face structural deficits and operate under the supervision of state appointed control boards.

Within the fiscal context outlined above, the budgetary resources of Buffalo's CBHOs are relatively limited, representing another dimension of the low capacity of Buffalo's CBHOs as a group. The current budget totals for Buffalo's CBHOs are reported in Table 2.20. This table shows that the majority of Buffalo's CBHOs have total annual budgets under \$250,000. Budget totals for Buffalo's CBHOs ranged from \$71,000 to over \$3.4 million annually. However, only three organizations had budgets over \$500,000 per year.

**Table 2.20: Total Budget for 2005 (n=11)**

<b>Budget Range</b>	<b>Number of CBHOs</b>	<b>Percent of CBHOs</b>
\$71,000 – \$249,999	6	54.5%
\$250,000-\$499,999	2	18.2%
\$500,000 and above	3	27.3%

Another measure of the capacity of Buffalo's CBHOs is the total expenditures on housing projects and programs within their target areas. When asked about these expenditures, over half of the organizations reported spending less that



\$500,000 per year on such activities. A more detailed breakdown of housing expenditures is presented in Table 2.21. There is a slight discrepancy between the reported expenditures on housing and the total budget of the CBHO. This is because some of the organizations included federal HOME dollars and other public and private funding used to develop housing in their calculations of total expenditures for housing projects and programs. These funds represented matches from development partners and were not part of the CBHOs' formal budgets.

**Table 2.21: Expenditures on Housing Projects and Programs in 2005 (n=9)**

<b>Budget Range</b>	<b>Number of CBHOs</b>	<b>Percent of CBHOs</b>
\$2,500 – \$249,999	4	44.4%
\$250,000-\$499,999	1	11.1%
\$500,000 and above	4	44.4%

In addition to total budgets and expenditures on housing, another important dimension of the overall capacity and stability of Buffalo's CBHOs involves revenue diversification. The over-reliance on a single source of revenue, or revenue from a single sector is considered to be a sign of instability in an organization's budget. Likewise, the ability to generate own-source revenue from fees and services is considered to be a sign of greater budget stability. Table 2.22 shows the sources of revenue for Buffalo's CBHOs. A few things should be noted from this table. Over 58% of CBHO revenue comes from the public sector. These sources include CDBG funds, DHCR funding, and other government grants and contracts. The public sector is the main source of revenue for CBHOs in Buffalo.

The second largest source of revenue for CBHOs is internal fees and services. However, there is a close relationship between public sector funds and these revenues, since many of the revenues generated by CBHOs through fees and services are tied to referrals linked to rehabilitation and counseling programs supported by the public sector.

Another issue that comes out in the table is that Buffalo's CBHOs receive a relatively small proportion of their funds from foundations and the private sector. In reference to the former, this is a reflection of the city's relatively limited philanthropic sector. In reference to the latter, this is an indication that the local banking community is not fully engaged in activities linked to neighborhood revitalization and community reinvestment.

**Table 2.22: Percent of CBHO Budget Revenue from Specified Sources (n=13)**

<b>Source of Revenue</b>	<b>Percent</b>
Community Development Block Grant (CDBG)	20.6%
State and Local Housing Funds	7%
Other Government Grants and Awards	31.1%
Foundation Grants	4.6%
Funding from Intermediary Organizations	10%
Loans and Other Debt	0.3%
Corporate/Bank Contributions	6.9%
Internal Fees for Service	19.3%
Religious and Other Charitable Contributions	0.7%
Other	2.9

Given the trends in nonprofit finance and the fiscal condition of the City of Buffalo and Erie County, the financial picture for Buffalo's CBHOs is bleak. Currently, Buffalo's CBHOs are over-reliant on the public sector for funding, at a point in time when the availability of such funding is declining nationally and locally. The ability of these organizations to diversify their revenues and replace these funds with dollars from other sources is also constrained.

The philanthropic sector in Buffalo is smaller than other cities in the region, and the banking community is not fully engaged in community reinvestment activities. In the face of these conditions, funding to nonprofits for housing rehabilitation and counseling activities is currently being consolidated by the City of Buffalo. Also, intermediaries like NeighborWorks® are exploring further consolidation of their funding strategies. The budgets of Buffalo's CBHOs are relatively small, and reductions in existing public sector funding and support from intermediaries could result in some organizations merging or becoming insolvent.

## **2.7 Scope of CBHO Collaborative Relationships**

Buffalo's CBHOs identified a number of collaborative activities that they were engaged in. These included project and program activities that linked them to federal, state and local government agencies, as well as the private sector. This type of collaboration involved activities associated with grants and contracts. Other collaborative activities linked to grants and contracts also existed between CBHOs. In addition, some of the CBHOs collaborated with intermediaries. For instance, NeighborWorks® provides funding to five of Buffalo's CBHOs, and the local LISC office provides technical assistance and financial support to CBHOs in the city. Buffalo's CBHOs also collaborate with local neighborhood and business associations, units within local universities, and community reinvestment organizations.

Although individual CBHOs identified collaborative relationships that they were engaged in, there was mixed evidence that these were sustained collaborations. For instance, only 30% of the organizations indicated that a representative from the banking community had ever attended one of their governing board meetings. Only 27% of the organizations indicated that a representative from a local foundation had ever attended one of their governing board meetings. And, only 18% of the organizations indicated that a representative from the City of Buffalo had ever attended one of their governing board meetings. In contrast, 90% of the organizations indicated that they met with representatives from the banking community and local government outside of their regular governing board meetings. And, only 73% of the organizations indicated that they met with a representative from a local foundation outside of their governing board meetings.

On the other hand, about one fourth of Buffalo's CBHOs reported that their projects were never visited by representatives from the City of Buffalo, local foundations, or the banking community. While only one organization reported that monthly or weekly visits to its projects occurred from such representatives. The remainder of the CBHOs reported that typically, representatives from the City of Buffalo, foundations, and the banking community visited their projects as ribbon cuttings and other ceremonial functions.

Added to these types of activities, Buffalo's CBHOs have formed two nonprofit coalitions in response to growing constraints on resources. One is the Buffalo Housing Partnership (BHP). This organization receives funding support from NeighborWorks® and represents six CBHOs. According to its mission statement and brochures, the BHP was created to pool CBHO resources and increase coordination across their housing programs. A similar organization, the South Sector Collaborative Partnership, has also formed and represents four CBHOs. In part, this organization was formed as a result of some organizations being unwilling to join the BHP.

## **2.8 Synopsis**

For a city of its size, Buffalo has a relatively large number of CBHOs. This is an outgrowth of a number of historic circumstances. NeighborWorks® has supported more organizations in this city than it typically does. The common council and city hall have historically supported multiple organizations. Added to this, multiple organizations have received steady funding from DHCR. As a result, a nonprofit system of low capacity organizations has emerged over the years with little coordination, and noticeable duplication of services.

On the whole, the limited capacity of Buffalo's CBHOs is visible when examining their program activities, staff resources, and budgets. The majority of Buffalo's

CBHOs focus their program activities in two areas of housing: rehabilitation and counseling. The impact of rehabilitation activities is difficult to assess, since multiple organizations take credit for the same activities. Conservatively, it appears that on average each CBHO contributes to the moderate rehabilitation of 1 or 2 housing units annually. These units are either sold to low-income households or managed by the CBHOs.

The impact of the housing counseling programs that Buffalo's CBHOs administer also appears to be modest, both in terms of the number of individuals counseled and the percent applying for mortgages. In other areas, there is limited housing activity among the CBHOs. For instance, only three organizations are involved in the development of new housing in the city, and this is not being done at scale.

Buffalo's CBHOs also have limited staff and budget resources. The typical organization is small, with less than five full-time staff. Staff capacity is further hampered by low salaries. The salary structure in Buffalo's CBHO sector make it difficult to recruit and retain experienced workers. Resource constraints further limit the scope of training in the sector.

The bulk of training focuses on the immediate project and program needs of organizations. This training is sometimes supplemented by professional certification for housing counseling and related activities. The typical annual budget of a CBHO in Buffalo is under \$250,000, and organizations leverage less than \$500,000 annually for their operating expenses, projects, and programs. To meet their budgetary needs, organizations rely heavily on public funds and intermediary support.

In the past, a number of low capacity CBHOs have coexisted in Buffalo because of a stable stream of funding from the state and local levels of government. In addition, a few high capacity organizations have emerged. These organizations have grown as a result of successful grant writing and grant administration. The most notable example of such an organization is Belmont Shelter Corporation, which has administered the federal Section 8 program for decades and has branched out into housing development and management activities.

Belmont has also developed its own CHDO, New Opportunities Community Housing Development Corporation, to pursue affordable housing development in Buffalo. However, Belmont Shelter Corporation is the exception rather than the rule among CBHOs in Buffalo. Recently, two faith-based organizations have also emerged in Buffalo. These organizations are developing housing with technical and financial support from the City of Buffalo and organizations like LISC.

CBHOs in Buffalo have operated in an environment where the availability of funding has heavily influenced the projects and programs they pursue. This is

most apparent in the manner in which organizations define their service boundaries. Most CBHOs have multiple service boundaries that correspond to requirements of funding sources from various levels of government. Issues related to funding and boundaries have implications for the governance of CBHOs. On the surface, community representation in the governance of CBHOs appears adequate. However, the expansive nature of the boundaries for CBHOs raises questions about the representation of community members in these organizations. Moreover, Buffalo's CBHOs could benefit from greater stakeholder participation on their governing boards, particularly from representatives of the philanthropic and financial communities.

Today, CBHOs in Buffalo face a fiscal environment of increased scarcity, particularly where funding from the public sector is concerned. In the face of declining resources, Buffalo's CBHOs have increasingly turned to local foundations and the private sector for support. To date, these sectors have not been able to fill the gap in funding. Without an increased focus on community reinvestment by the foundation and banking sectors, the financial position of the majority of Buffalo's CBHOs will continue to deteriorate.

In the wake of fiscal constraints, other trends have also emerged in relation to Buffalo's CBHOs. For instance, the City of Buffalo has made the CHDO certification process more rigorous and enhanced its efforts to monitor CHDOs. Also, through the CHDO certification process, the City of Buffalo has begun to create incentives for organizations to target their project and program activities. Moreover, the City of Buffalo and other funding organizations have begun to consolidate programs related to housing rehabilitation, counseling and other areas. These trends have also led to increased interest in collaboration by intermediary organizations and among the CBHOs.

## **CHAPTER 3**

### **Current Trends and Recommendations for the Development of a Housing Service Agency**

#### **3.0 Current Trends**

This chapter of the report summarizes the current trends in Buffalo's nonprofit housing sector and offers recommendations for the development of a housing service agency. The first part of this section focuses on three broad trends in the nonprofit housing sector: the consolidation of CBHO activities, the increased emphasis on CHDO certification and monitoring, and the increased emphasis on targeted development through public-nonprofit-private partnerships. The second part of this section focuses on two sets of recommendations for the development of a housing service agency in Buffalo, NY: the first set of recommendations detail the organization and structure of such an organization and the second set of recommendations detail the funding mechanisms necessary to sustain such an organization.

Three trends were identified in Buffalo's nonprofit housing sector. Together they define the barriers CBHOs face in developing affordable housing in the city and the scope of policies being adopted and implemented to address these obstacles. The first trend has been a movement toward the consolidation of CBHO activities. The second trend has been a growing emphasis on CHDO certification and monitoring. The third trend has been the recent movement toward targeted development through public-nonprofit-private partnerships. Each of these trends is discussed in greater detail below.

##### **3.0.1 Consolidation of Activities**

During the last year the City of Buffalo has increased its efforts to consolidate funding for CBHOs. The consolidation of funding has been accompanied by an effort to reduce the duplication of program activities across CBHOs. The movement toward the consolidation of funding and program activities has been supported by local foundations, intermediaries, and financial institutions due to general concerns about the efficiency and effectiveness of local CBHOs.

The clearest illustrations of this effort to consolidate funding and program activities among Buffalo's CBHOs are reflected in the consolidation of housing counseling services, the consolidation of the City's Rehabilitation-Loan Program, and the movement toward a single request for proposals (RFP) system for housing development funds.

In the area of housing counseling services, in 2005 the City designated HomeFront Inc. as its clearinghouse for homeownership counseling, and funding for these activities was consolidated accordingly. HomeFront currently receives one-third of its funding from the City, one-third of its funding from local financial institutions, and the remainder of its revenues from internally generated fees. The contribution HomeFront receives from local financial institutions represents the largest sum received by any housing non-profit to support organizational overhead. In the past, funding for homeownership counseling was distributed to a number of CBHOs by the City and Buffalo's financial institutions. The consolidation of homeownership counseling programs in a single organization represents a major shift in non-profit funding. This has important implications for CBHOs which are no longer recognized by the City or the financial institutions as providers of these services.

During the same period of time when HomeFront was designated as the clearinghouse for homeownership counseling, Belmont Shelter Corp. was contracted to administer the City's Rehabilitation-Loan Program. Belmont was the sole organization contracted to administer this program. In the past, several CBHOs were contracted to administer this program in their respective target areas. However, the performance of those contracts was problematic, and several organizations generated a backlog of applications for rehabilitation loans. In response, the City consolidated the administration of this program and contracted with a single organization. Belmont was selected to administer the program because of its past performance in administering affordable housing programs. Belmont is also a relatively high capacity organization compared to other CBHOs in the City of Buffalo. The consolidation of the administration of the Rehabilitation-Loan Program represents another shift from past practices. Currently, other CBHOs refer applicants of the program to Belmont, and those CBHOs no longer generate the same level of fees from these applications.

The City of Buffalo has also moved to an annual RFP process for housing development funding. This process was modeled after the New York State DHCR---RFP process for awards of funds for projects and programs. This process allows the City to evaluate all applications for funding together. The advantage of this system is that it allows for the comparison of organizational capacity, past performance, and experience. This system also allows the City to identify proposed projects that fit its development priorities more efficiently.

The consolidation of funding and program activities has occurred in the wake of declining municipal resources for local housing and community development activities. In addition to consolidating housing counseling and rehabilitation programs, the City has also reduced funding for other activities traditionally pursued by CBHOs. In effect, the City is now: winding down existing contracts with local CBHOs, targeting a smaller number of organizations for future funding,

encouraging greater collaboration among organizations, and calling for a reduction in the duplication of services by CBHOs.

To some extent, these trends are being paralleled by other agencies and organizations that fund CBHOs in Buffalo. For example, NeighborWorks® has funded several neighborhood housing service organizations (NHS) in the City of Buffalo for decades. Increasingly, this has been a point of concern for the organization and others in the community development field. During 2005, NeighborWorks® established an umbrella organization for its funded NHSs in Buffalo. This umbrella organization is the Buffalo Housing Partnership (BHP). The BHP was established to encourage collaboration among Buffalo's NHS organizations and to stimulate discussions about the consolidation of program activities. Of course, the existence of the BHP remains precarious. On the surface it appears that this collaboration, in part, has developed in response to the designation of HomeFront as a clearinghouse for housing counseling services, and of Belmont receiving the contract to administer the Rehabilitation-Loan Program. Nevertheless, the creation of the BHP is evidence that other organizations that fund CBHOs in Buffalo recognize that the fiscal constraints faced by the nonprofit housing sector are permanent.

In the current environment, CBHOs that are not funded directly by the City of Buffalo will need to replace those resources with alternative sources of funding. For some CBHOs, funding is still available from NeighborWorks®, DHCR, intermediary organizations, financial institutions, and local foundations. However, many of these alternative funding sources are also facing increased fiscal constraints and have voiced concerns about the efficiency and effectiveness of Buffalo's CBHOs.

The implications of this scenario are clear for Buffalo's CBHOs. Organizations that are not part of current program consolidation efforts need to form partnerships with private developers and higher capacity organizations when pursuing housing development activities. These CBHOs also need to develop niches in other areas related to housing and community development. In the narrowest sense, CBHOs that are not funded by the City need to focus on rehabilitation activities that are funded by other sources and their own internally generated fees in order to cover their organization's operating costs. Current trends suggest that the availability of community development block grant (CDBG) and other City funding for CBHOs will diminish in the future. The development of niches might entail areas such as: property management, community organizing, neighborhood planning, and social service delivery. In addition to these activities, CBHOs should focus on activities that complement those of the City's Good Neighbors Planning Alliance (GNPA).



### **3.0.2 Increased Emphasis on CHDO Certification and Monitoring**

During the last year the City of Buffalo has increased its emphasis on CHDO certification and monitoring. This represents a renewed emphasis on the certification of CBHOs and the measurement of their performance. Appendix C contains the current CHDO Checklist used by the City to certify and recertify organizations. To date, ten organizations have been certified as CHDOs using this instrument.

Beginning in 2005, each of the certified CHDOs was required to submit a self-assessment questionnaire and six items to the City of Buffalo: a CHDO training log, a CHDO meeting log, a grant fund submission and status report, a fair housing linkage form, a problem property tracker report, and a self-assessment form. Copies of the templates for these items are included in Appendix D. These forms are used to monitor the performance of certified CHDOs and determine if the organizations will be recertified. In addition to this information, certified CHDOs are required to submit an annual report to the City of Buffalo. In 2005, a self-assessment report and annual reports were requested from the eight CHDOs that were certified during the reporting period. There was an 88% compliance rate with the requirement to submit these documents.

Currently, the certification and monitoring of CHDOs is done in-house by the City of Buffalo. This is a relatively new process and additional CHDO monitoring procedures are under development. One area of the monitoring process which could be enhanced relatively easily involves the degree to which quantifiable data is requested from CBHOs. The self-assessment instruments in use now do not require the reporting of quantifiable data related to housing programs and services. The development of more precise performance indicators would enhance monitoring of CBHOs in Buffalo.

In the coming years, the City will reduce the number of CHDOs in order to target funding to high capacity organizations, and to the areas of greatest need. Certification and monitoring activities will fill a central role in this effort. The reduction in the number of funded CHDOs is prompted by projections for declining levels of available funding for CHDOs and the need to use these funds strategically to leverage housing development. In the future, it is anticipated that there will be: more competition for CHDO funding, increased requirements for CHDOs to collaborate with nonprofit and for profit developers, more stringent monitoring of CHDOs, and increased requirements for narrower geographic boundaries in which CHDO activities occur.

### **3.0.3 Increased Emphasis on Targeted Development through Public-Nonprofit-Private Partnerships**

During the past few years, the City of Buffalo has increased its emphasis on collaboration and public-nonprofit-private partnerships as mechanisms to promote affordable housing development. In the past, the scope of these activities has included the development of financing packages which combined Federal, State and local resources with loans from private banks. When these financing packages were constructed around partnerships with CHDOs, HOME set-aside funds were used to subsidize the development of affordable housing. Recently, the City has increased its emphasis on public-nonprofit-private collaborations. This increased emphasis is linked to the recent consolidation of housing programs and the identification of nonprofits to serve as clearinghouses for affordable housing activities. Higher capacity CBHOs like HomeFront, Inc. and Belmont Housing Corp. are anticipated to play a central role in coordinating these partnerships in the future.

One example of this trend is the City's proposal to borrow funds from Fannie Mae's American Communities Fund (ACF) program. Under this proposal, the City would borrow approximately \$6 million from the ACF program and repay these loans over a 5 year period using CDBG dollars. The ACF dollars would be used by the City to leverage development linked to public-nonprofit-private partnerships. Additional CDBG and HOME funds would be added to ACF dollars to promote housing development in CHDO target areas. Because this approach would involve the packaging of affordable housing funds from a number of sources, public-nonprofit-private partnerships would be required. The sophistication of the financing arrangements would require that nonprofit partners involved in these development projects be high capacity organizations or receive substantial technical assistance from the City and intermediary organizations such as LISC.

In addition to the proposed use of ACF funds for affordable housing development, the city has applied for HUD's Asset Control Area Program (ACAP). This program transfers HUD foreclosed properties to cities and nonprofits so that they can be rehabilitated and sold to low and moderate income households. The City has proposed to designate HomeFront as the lead organization to rehabilitate and sell ACAP properties. Under this proposal, the City would manage the ACAP fund, handle the acquisition of properties, and work with private partners to create financing packages for the rehabilitation of these properties. After properties were acquired, HomeFront would work with other nonprofits, private contractors, and banks to rehabilitate and sell them.

A major challenge which the City of Buffalo faces in its efforts to forge public-nonprofit-private partnerships is the weakness of the local nonprofit sector. Few

CBHOs have the capacity to do new housing development or oversee housing rehabilitation efforts at a scale that produces visible outcomes in a targeted neighborhood. Only two faith-based CBHOs are currently involved in new housing development in the City of Buffalo. Because these CBHOs are low capacity organizations, the City's staff spends a great deal of time and effort providing technical assistance and coordinating the implementation of projects with LISC and other private developers.

In response to these challenges, one of the faith-based CBHOs, Bethel Community Development Corporation, is in the process of forming a collaboration with Belmont Shelter Corp. to finance and implement the second phase of its new housing development project in the Cold Springs neighborhood. This new collaboration will use low-income housing tax credits (LIHTC) to finance the development of new low-income housing units. Belmont's role would be to facilitate the development of properties and administer the LIHTCs. If the Belmont-Bethel partnership produces results, Belmont may have the potential to evolve into the type of high capacity CBHO that serves as a development partner, much like the role of CHN in Cleveland.

The success of public-nonprofit-private partnerships is dependent on a number of factors. The public sector must be able to access a growing supply of resources to leverage development. At its current rate of investment, the City cannot initiate projects in the few neighborhoods it has targeted for revitalization, let alone revitalize all of the distressed neighborhoods in the city. Even with increased public sector resources and increased targeting, local foundations and the private sector still need to increase the level of direct investment for community development in distressed neighborhoods.

The performance of Buffalo's foundations and financial institutions in the area of community reinvestment is poor, particularly when compared to the level of investment in cities like Rochester, Syracuse, and Cleveland. The long term success of neighborhood revitalization efforts in Buffalo will depend on the development of a sizable affordable housing development fund supported by local foundations and private financial institutions.

Finally, the viability of public-nonprofit-private partnerships in Buffalo is highly dependent on increased investment in CBHO capacity building. It is critical for local and national intermediaries to enhance their efforts to build capacity in local CBHOs and foundations. This capacity building must target CBHOs with strong track records and potential for growth. In addition to capacity building, the City needs to encourage its CHDOs to target narrower areas for development and work within the scope of the good neighbors planning alliance process to create revitalization plans for Buffalo's neighborhoods.

### **3.1 Recommendations for the Development of a Housing Service Agency**

The current trends in Buffalo's nonprofit housing sector represent an incremental improvement. Efforts to consolidate activities, certify and monitor CHDOs, and target development through public-nonprofit-private partnerships are facilitating greater efficiency in the sector. These efforts are also strengthening the foundation for the development of a more robust nonprofit housing sector in the city. However, by themselves, these efforts will not produce significant increases in the development of affordable housing.

There remains a need to pool of resources to increase the scale of affordable housing development. A significant portion of these resources will have to come from local foundations and financial institutions, as well as external funding agencies. Once established such a pool should be managed by a newly created independent local intermediary similar to Neighborhood Progress, Inc. (NPI) in Cleveland, Ohio. This entity would make decisions about fund distribution based on: project feasibility, performance measures, and professional standards. See Appendix E and Appendix F for a listing of NPI's Performance Standards. This independent local intermediary should also take over the CHDO certification and monitoring responsibilities currently performed by the City in order to insulate this process from local politics. In addition, the newly created local intermediary would be responsible for other CBHO training and capacity building activities. The existence of a local intermediary would provide a mechanism for funding and coordinating public-nonprofit-private partnerships between existing organizations in the city.

As noted above, the new local intermediary should be modeled after NPI. This new local intermediary would provide funding to local CBHOs, oversee a uniform certification and monitoring process for them, and provide leadership training and capacity building to local CBHOs (See Appendices F & G). In addition to the creation of a new local intermediary organization, efforts to consolidate CBHO activities and expand HomeFront, Inc. and Belmont Shelter Corp. should continue. In the long run, these two organizations should be built upon so that they can serve as local development partners to smaller CBHOs. The development of a local intermediary organization and the expansion of HomeFront and Belmont are critical steps toward increasing the scale of affordable housing development in Buffalo. The elements of this recommendation are elaborated upon in the following sections.

#### **3.1.1 Recommendation for the Creation of a Buffalo Housing Fund**

In order to increase the scale of affordable housing development in Buffalo, partners from the public and private sectors need to establish a housing fund.

This fund should be similar to those in cities like Cleveland and Rochester. In Cleveland, NPI's activities are supported by a pool of funding which combines resources from the Enterprise Foundation, LISC, and local foundations. Similarly, the Greater Rochester Housing Development Fund Corporation created by the City of Rochester, the Enterprise Foundation, and GRHP operates a fund with contributions from private and non-profit sector partners. Notably, the GRHDFC maintains the HOME Rochester fund which is capitalized at \$16,000,000 and is primarily composed of contributions from banks.

In Buffalo, a housing fund should be created which consolidates existing City dollars with resources from foundations and intermediaries like LISC and NeighborWorks®. In addition, the City should pursue funding from the Enterprise Foundation which is very active in Cleveland, Syracuse, and Rochester. In Cleveland alone, Enterprise has invested over \$186 million since 1988 in housing and community development initiatives which have built over 4900 affordable housing units. This is a major source of funding for housing development that Buffalo is not capitalizing on like other cities in the region.

In addition, local foundations should be compelled to contribute to the fund and generally should be encouraged to commit more funds to affordable housing development and commercial development in poor neighborhoods. An assessment of total giving and specific giving to CBHOs that serve poor Buffalo neighborhoods reveals that there is an opportunity to appeal to leaders of the three primary local foundations to invest in a housing fund and a local intermediary to manage the fund.<sup>5</sup>

Table 3.1 shows the total giving, the total giving to CBHOs and the percent of total giving to CBHOs. As you can see foundation support is relatively limited for Buffalo non-profits in the housing service delivery sector. The largest single grant for any one of the CBHOs covered in this study, went to St. John Fruitbelt

**Table 3.1: Total Giving at Three Local Foundations in the Buffalo Area**

Foundation	Total Giving <sup>6</sup>	Total Giving to CBHOs	Percent of Total Giving to CBHOs
John R. Oishei Foundation	\$29,113,342	\$615,000	2%
Margaret L. Wendt Foundation	\$4,731,120	\$392,443	8%
Community Foundation for Greater Buffalo <sup>7</sup>	\$7,011,418	\$61,525	1%

<sup>5</sup> Totals do not include a much larger amount of funds supporting social service delivery

<sup>6</sup> The giving totals are based on 2003 IRS 990 Forms

<sup>7</sup> Community Foundation of Greater Buffalo totals also includes the Community Foundation of Greater Buffalo, Inc.

Community Development Corporation for \$275,000. This grant was given by the Oishei Foundation in the 2003-2004 tax year to support St. John's Hospice facility. The next largest grant for the organizations studied here, went to Lt. Col. Matt Urban Human Service Center of Western New York at \$175,000 also from the Oishei Foundation. Lt. Col. Matt Urban also received the largest grant from the Wendt Foundation for \$33,390 for repairs to the Dom Polaski Building. The Community Foundation of Greater Buffalo's largest grant to a CBHO was \$4,966 to University Heights CDA.

As you can see, the percent of total giving 8%, 2%, 1% by the Wendt, Oishei, and Community Foundations respectively, is rather limited for local CBHOs which participate in some level of housing service delivery. What is more troubling is that most of the grants to these CBHOs were not specifically for affordable housing or commercial development in low income neighborhoods.

The level of foundation support is relatively low in Buffalo for the type of housing development and services that is most needed. In addition, based on the 2003 IRS 990 Forms, neither Belmont nor HomeFront received any level of support from these three foundations. This is surprising since Belmont is one of the only CBHOs in Buffalo with any capacity, as a sole organization, to develop housing. Although HomeFront was recently reorganized and designated as the City's clearinghouse for homeownership counseling, there is no record of local foundation support for this organization either.

There needs to be an appeal to the philanthropic community to target funding for housing and commercial development in poorer communities. A housing fund managed by a reputable organization could pool funds and distribute them to higher capacity CBHOs so that the funds would be used more effectively and efficiently. This would enable them to develop housing at a larger scale and turn around declining neighborhoods. This is happening in both Cleveland and Rochester, though in Rochester the source of the funding is different.

Additional contributions from the local banking community should be added to these resources. The housing fund would be managed by a newly created local intermediary organization that would be responsible for: certifying CBHOs as housing development organizations, awarding grants to local CBHOs, monitoring their performance, and providing leadership and capacity building training to these organizations. It is recommended that the housing fund be developed in increments, so that reserves grow as local CBHO capacity increases over time.

The creation of a centralized housing fund has a number of advantages. First, it creates a single pool of resources for housing development that can be managed by an apolitical local intermediary. By removing the funding mechanism for CBHOs from local government, an environment is created where funding

decisions can be made based on performance measures and the viability of proposed projects. The establishment of such a funding mechanism also enhances the confidence of private sector contributors, since decision about the distribution of funds to local CBHOs would be made using uniform standards which are recognized by partners in the public and private sector.

The creation of a single pool of resources also promotes collaboration between the public sector and intermediary organizations like LISC and NeighborWorks®. This would be the case since these organizations would fund CBHOs through the local intermediary, rather than continue current practices of funding organizations on their own. As a result, the duplication of activities among CBHOs would be curtailed by a centralized fund. For example, the City of Buffalo has identified HomeFront as its clearinghouse for homeownership counseling. However, NeighborWorks® continues to fund 5 NHS organizations and an umbrella organization, the BHP, to deliver the same services. This type of duplication would be reduced, if a centralized housing fund existed where the City of Buffalo, LISC, and NeighborWorks® contributions were distributed by a newly created intermediary organization.

Likewise, the City's proposal to borrow funds from Fannie Mae's ACF program in order to underwrite the costs of affordable housing development could also be merged into a broader housing fund. This approach would be advantageous, since the City could make funds available for affordable housing development, without having to administer the funds in-house. The City would also benefit from the ability to combine its funds with others in the pool without having to package the financing for individual projects. In essence, a housing fund would create a more efficient vehicle for developing and coordinating affordable housing finance. A housing fund would also allow for large scale affordable housing development to take place.

### **3.1.2 Recommendation for the Creation of a New Local Intermediary**

In conjunction with the creation of a housing fund, it is recommended that a local intermediary organization, modeled after NPI, be created. This organization would have three primary functions. First, in collaboration with its board of directors, the local intermediary would manage the housing fund. Second, it would be responsible for certifying and monitoring CBHOs. Finally, it would be responsible for CBHO training and capacity building in the city. Each of these functions is discussed below along with the structure of the newly created local intermediary.

### **3.1.2.1 Management of the Housing Fund**

The newly created local intermediary organization would be responsible for managing the public-private housing fund. This organization would have the power to determine which CBHOs were eligible for funding and, in collaboration with its board of directors, to award development monies to eligible CBHOs. The housing fund would be used to underwrite the cost of projects and programs, as well as to offset operating costs of eligible organizations.

The local intermediary would work in conjunction with its board of directors. The board of directors for the local intermediary would consist of representative from each of the sectors contributing to the housing fund. Board members would include: executives from the banking community, senior staff from the public sector, directors of intermediaries such as LISC and NeighborWorks®, directors of local foundations, and other civic leaders.

The creation of a housing fund and the distribution of funds to CBHOs through a local intermediary would have a number of advantages. First, this mechanism for funding CBHOs would insulate the nonprofit housing sector from instability in the local political system. In essence, CBHO funding would flow through the local intermediary, and decisions on which organizations to fund would be based on project feasibility and organizational performance.

Initially, the local intermediary would distribute funds to CBHOs for two purposes. One use of funds would be to support the project and program activities of CBHOs. These funds would be applied for through a competitive process. The local intermediary would issue an annual request for proposals (RFP), and any organization certified by the local intermediary as a housing development organization could apply for the funding. In addition to providing funds for projects and programs, the local intermediary would provide funding to eligible CBHOs to offset their operating costs. Certified CBHOs could respond to an annual RFP and apply for these funds. Funding to offset operating costs would be available in steps. In other words, small grants would be available to low capacity CBHOs, and as the capacity of organizations increased they would become eligible for larger operating grants. See Appendix E for templates describing the core and strategic grants offered through NPI.

### **3.1.2.2 CBHO Certification and Monitoring**

Another core function of the local intermediary would be the responsibility for certifying and monitoring CBHOs. Currently, there is little coordination between organizations in terms of certification and monitoring of CBHOs. Last year, the City initiated a new CHDO certification and monitoring processes, while other organizations have maintained their own processes or done without such



processes. The responsibility for certification and monitoring would be transferred to the local intermediary. This would include CHDO certification for the City and State, as well as other certification criteria used by entities such as LISC and NeighborWorks®.

Under this new system, the local intermediary would set the auditing standards for CBHOs and administer the certification and monitoring process. The standards would be established in collaboration with partnering organizations, and all partnering organizations would agree only to fund CBHOs that are certified by the local intermediary. The auditing standards would go beyond current standards used by the City and other organizations. In addition to current reporting requirements, quantifiable performance measures would be part of the CBHO certification and monitoring process See Appendix E and Appendix F which outlines NPI performance standards.

### **3.1.2.3 CBHO Training and Capacity Building**

The third core function of the local intermediary will be to provide CBHOs with training and capacity building. One part of this effort would involve grants to offset CBHO operating costs. Once certified, organizations would be eligible to apply for such grants. The operating cost grants would be available in tiers. For instance, Tier 1 organizations would be available for small grants of less than \$50,000 to defer the cost of hiring staff or purchasing equipment. These grants would be targeted to low-capacity CBHOs that are entering the affordable housing development field. Tier 2 organizations would be able to apply for larger grants, ranging between \$50,000 and \$100,000 to allow for key investments in organizational development. These grants would target organizations with track records in small scale affordable housing development which are interested in expanding these activities. Tier 3 organizations would be able to apply for grants of \$100,000 or more that would assist in targeted, large scale affordable housing activities. These grants would be dispersed to a small subgroup of CBHOs that have the capacity to act as development partners for affordable housing.

In addition to providing CBHOs with operating grants, the local intermediary would be the clearinghouse for CBHO leadership training and capacity building. In this role, the local intermediary would coordinate training activities with its partner organizations and local universities so that a full curriculum of training opportunities would be available to CBHOs. This training would focus on general topics relevant to CBHO management, such as: governing board development, grant preparation, personnel management, strategic planning, and organization development. Training would also be targeted to CBHOs at different capacity levels, so that they could develop specialized skills for the specific niche they fill in the local nonprofit housing system. For example, high capacity CBHOs would have additional training opportunities related to tax credit syndication, finance

packaging, and development implementation. On the other hand, low capacity CBHOs would have opportunities to receive specialized training in areas such as: property management, landlord training, community-organizing, and fair housing enforcement.

#### **3.1.2.4 Local Intermediary Structure**

The creation of a local intermediary would require the development of an adequate staff to run the organization. That staff would consist of competent, experienced individuals who were trained in financial management and fund development, experienced in non-profit certification and monitoring, and capable of coordinating non-profit leadership training and capacity building activities. A start-up local intermediary would require five to eight staff members. The following is an outline of what the new organization would look like:

- A President whose duties would include: working with the organization's board of directors, supervising the organization's staff, coordinates the organization's activities, and leading the organization's strategic planning efforts. This person would need to be someone who commands respect from all sectors based on his/her management experience and track record in the housing delivery industry. That track record would need to include the ability to obtain substantial funding for housing development from the banking and corporate sector, as well as foundations. The President would also be responsible for working with the organization's board on the development of a strategic plan for the organization. The salary for this position would need to be between \$90,000 and \$110,000 in order to attract someone nationally with these qualifications. The average salary of the Executive Directors of the four "best practice" organizations was \$109,278.
- The next position would be for a Vice President of Programs. This person would be responsible for programs. The core programs for this organization would be the funding of CBHOs, and the oversight and monitoring of CBHOs. This person would also be in charge administering the RFP process for all three tiers of CBHOs, and overseeing the evaluation process of all CBHOs. In essence, this is the person that will have the most contact with local non-profits. The salary for this person should be between \$75,000 and \$85,000. The salary of the person currently holding this position at NPI is approximately \$108,000 with benefits. It would be important to recruit nationally for this position as well. Ideally, an up and coming financial manager from the non-profit sector would be recruited for this position.

- Two staff would be needed to work directly with the Vice President of Programs. The first person would oversee the CBHOs in the monitoring process and work specifically with Tier 3 groups to develop plans for their strategically targeted areas. This person's title would be Director of Planning. The salary range for this position should be \$38,000-\$50,000. In addition, there needs to be someone in charge of training and capacity building. This person needs to be someone well versed in non-profit management. Their responsibility would be to conduct training seminars, sponsor training seminars off-site and partner with local universities and other organizations that can provide local non-profits with leadership and other training opportunities. In addition, this person would be responsible for facilitating professional training opportunities for in-house staff. This is crucial for maintenance of a successful organization. This position's title would be Training Coordinator, and the salary should be between \$45,000 and \$60,000. It would be vital to recruit individuals for these positions with prior work experience in the non-profit sector.
- A key position in a local intermediary would be the Vice President for Fund Development and Marketing. This person would be responsible for finding revenue streams, maintaining them, and increasing revenues overtime. In order to accomplish this, this person would be responsible for making presentations to the banking and corporate sector as well as local philanthropic organizations to appeal for funding. In addition this person would be in charge of initiating individual contribution drives. This person would also work with the Controller/Finance Manager to create the annual report for the organization. The salary range for this position should be between \$80,000 and \$92,000.
- Reporting to the Vice President for Fund Development would be the Controller/Finance Manager. This person would work closely with the Vice President of Fund Development and Marketing but would also be the accountant for the organization in addition to handling human resource responsibilities which include salaries and benefits. The range of this salary should be \$60,000-\$75,000.
- Finally, there would need to be one Executive Assistant to the President and one Administrative Assistant for the rest of the staff. The salaries for these positions should be in the range of \$30,000 to \$42,000 for the Executive Assistant and \$27,000-\$35,000 for the Administrative Assistant.

These recommendations grow out of an in-depth analysis of the organizational structures of non-profit organizations across the country and the pay scales of successful ones. In order to draw the most talented people nationally, Buffalo

needs to rethink its pay scale for executives and staff in the non-profit sector. A local intermediary with the type of impact such as seen in other parts of the country must have an adequate staff to implement and maintain programs at levels that can produce real results in Buffalo's weak housing market.

### **3.1.3 Relationship between the New Local Intermediary and Existing Organizations**

The creation of a housing fund and local intermediary organization would have implications for existing organizations in Buffalo. Although the scope of activities of some organizations would change as a result of the proposed changes outlined in this report, overall the nonprofit housing system in Buffalo would have increased capacity. In this section, the implications of creating a housing fund and local intermediary organization will be discussed in the context of selected organizations.

The two high capacity CBHOs which have substantial contractual relationships with the City of Buffalo are HomeFront, Inc. and Belmont Housing Corp. The creation of a housing fund and local intermediary organization would expand opportunities to develop these organizations as development partners to other CBHOs in Buffalo. Over time, and with the guidance of a local intermediary organization, HomeFront and Belmont could evolve into organizations like the Cleveland Housing Network, Home Headquarters, and the Greater Rochester Housing Partnership.

HomeFront is currently the City's designated clearinghouse for homeownership counseling and related financial assistance to low-income households. It is intended to develop into a citywide one-stop-shop for housing assistance. HomeFront is also identified as a lead organization in the City's proposed ACAP program. With guidance and added funding from a local intermediary, HomeFront could evolve into a high capacity development partner in Buffalo. In addition to its current scope of programs, HomeFront could administer existing City programs, such as the City's Weed and Seed Program. HomeFront could also receive training from a local intermediary to implement development projects and rehabilitate foreclosed properties.

Belmont also has significant contractual relationships with HUD and the City of Buffalo. Belmont administers the Section 8 voucher program for HUD, which provides this organization with a high level of stability. In addition, Belmont is contracted by the City of Buffalo to administer its Rehabilitation-Loan Program. In addition to these activities, Belmont manages and develops affordable housing units and already acts as a development partner to other CBHOs. For instance, Belmont is partnering with Bethel Community Development Corporation in a proposed project using Low-Income Housing Tax Credits (LIHTC). With training

and financial support from a local intermediary, Belmont's capacity as a tax credit syndicator and development partner could be enhanced substantially.

In addition to HomeFront and Belmont, other CBHOs would benefit from the creation of a housing fund and local intermediary. Given the trend toward the consolidation of programs in Buffalo, many CBHOs require assistance with their operation costs and training in order to survive the restructuring of the nonprofit housing system that is already underway. The creation of a housing fund and a local intermediary would be instrumental in guiding CBHOs through this transformation. This is particularly true in relation to leadership training and capacity building. As activities such as housing counseling and rehabilitation become less central to low capacity CBHOs in the city, training and capacity building will be instrumental to their survival. These organizations will need to retool by strengthening general skills related to the nonprofit sector and by identifying new program areas. Some new niche areas that low capacity CBHOs may enter include: property management, code enforcement, landlord training, community-organizing, fair housing enforcement, and social service delivery.

The creation of a housing fund and local intermediary would also impact the City of Buffalo's approach to housing development. For instance, some functions currently administered in-house by the City would be transferred to the local intermediary. These activities would include: CHDO certification and monitoring, the administration of ACF program funds, and the administration of contracts to CBHOs like HomeFront. A local intermediary would absorb a great deal of administrative work linked to City sponsored affordable housing activities.

Additionally, the creation of a local intermediary and the increased activity of nonprofit development partners would alter the role of organizations like the Buffalo Neighborhood Revitalization Corporation (BNRC). The BNRC is a non-profit corporation housed inside of the City of Buffalo. It is set up to implement housing development activities and programs for the City. Under the proposed model, these types of activities would be implemented through a public-nonprofit-private partnership. This would remove activities related to project management and implementation from the City. This shift would make the BNRC the developer of last resort for the City, and limit its activities to development support activities such as maintaining the City's land bank. An enhanced land banking role for the BNRC would help to facilitate development while shifting responsibilities for site assembly and the maintenance of idle properties to a nonprofit entity.

The primary impact of a housing fund and local intermediary on other intermediary organizations, local foundations, and financial institutions would be twofold. The first benefit would be that a pool of resources to facilitate housing development at increased scale could be developed. The second benefit would be that the creation of a local intermediary would allow for greater coordination in

decision-making and centralization in grant seeking by CBHOs. In essence, LISC, NeighborWorks®, local foundations, and banks could pool their resources in order to have a bigger impact on affordable housing development in Buffalo. Decision-making related to funding decisions would also be made collaboratively, so that redundancies in the nonprofit sector could be reduced.

The centralization of funding would also lead to the local intermediary becoming a one-stop-shop for CBHOs seeking funding. This would have two benefits for other organizations such as local foundations. First they would not be overwhelmed by a number of organizations seeking small grants. Instead, they would make a single contribution to the housing fund on an annual basis. Second, a single large contribution to the housing fund, coupled with participation on the local intermediary's board of directors, would provide partners with a high degree of visibility in the area of community reinvestment. This would be particularly beneficial to banks, in relation to meeting CRA requirements.

### **3.2 Synopsis**

Currently, the City of Buffalo is spearheading a number of changes in the local non-profit sector that are aimed at making CBHOs more efficient and effective. These changes include the consolidation of CBHO activities, increased monitoring of non-profits receiving funds from the City, and an increased emphasis on utilizing public-nonprofit-private partnerships to develop affordable housing. In the short time that these reforms have been in place there have been signs of positive results. For instance, the backlog in applications to the City's Rehabilitation-Loan program has been cleared since moving to a contract with a single non-profit administrator for this program. The City has had some success in developing new affordable housing units through partnerships with faith-based non-profits. Through a public-private partnership, the City has also realized cost savings by moving to a single CBHO provider for homeownership counseling.

In order to move to the next level of affordable housing development, new partnerships are needed. As recommended in this report, the next steps will involve the creation of a housing fund supported by contributions from the public and private sectors, and the creation of a local intermediary organization to manage this fund and facilitate CBHO capacity building. The creation of a housing fund and local intermediary will put Buffalo in a position to compete with other municipalities in the region such as Rochester, Syracuse and Cleveland. Buffalo is at a crossroads. It can face a future of continued efforts to develop affordable housing with limited resources and a non-profit sector hampered by limited capacity, or it can incrementally move in the direction outlined in this report by focusing on pooling resources and building CBHO capacity.

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# Appendix A

## CBHO Survey

This survey is being circulated by Dr. Robert Silverman and Dr. Kelly Patterson, who are both faculty in the Department of Urban and Regional Planning at the University at Buffalo. The survey is designed to collect data for a study funded by the Buffalo Branch of the Federal Reserve Bank of New York. The purpose of the study is to propose a structure for a neighborhood housing partnership that would exist to provide assistance to community-based housing organizations (CBHO) in metropolitan Buffalo. This survey is part of our research on community-based organizations in the City of Buffalo. The survey asks about the structure and capacity of your organization, so that the recommendations that grow out of this study reflect best practices and are appropriate for the housing needs of Buffalo.

The information collected will remain confidential. Your identity will not be revealed to anyone during the course of this research or in any report or publications that grow out of it.

The survey will take about 20 minutes to complete. It asks a series of questions about the structure and capacity of your organization. All of the responses that you give in this interview are voluntary. You may refuse to answer any of these questions. A member of our research team will make arrangements to collect the completed survey.

If you have any question about the survey, contact Dr. Robert M. Silverman, Department of Urban and Regional Planning, University at Buffalo. Telephone: (712) 829-2133 x227.

***Instructions:*** This section of the survey contains a set of general questions about your organization's history, mission and structure. Please answer the questions as completely as possible.

1. In what year was your organization formed? \_\_\_\_\_
2. Does your organization have 501(c)(3) designation?  
 Yes (if yes, when was this designation was established \_\_\_\_\_)  
 No
3. Is your organization certified by the City of Buffalo as a community development housing organization (CHDO)?  
 Yes (if yes, when was it certified \_\_\_\_\_)  
 No
4. Does your organization have a written mission statement?  
 Yes (if yes please provide a copy when you return the survey)  
 No

5. Does your organization have written by-laws?  
 Yes (if yes please provide a copy when you return the survey)  
 No
6. Does your organization have a strategic plan?  
 Yes (if yes please provide a copy when you return the survey)  
 No
7. Is the development of block clubs mentioned in your strategic plan?
  - a. Yes \_\_\_\_\_
  - b. No \_\_\_\_\_
8. Is the support of block clubs mentioned in your strategic plan?
  - a. Yes \_\_\_\_\_
  - b. No \_\_\_\_\_
9. What other dealings do you have with block clubs in your service area?
10. Has your organization developed a plan for, or conducted a study of housing in your service area?  
 Yes (if yes please provide a copy when you return the survey)  
 No
11. Does your organization publish an annual report and budget summary?  
 Yes (if yes please provide a copy when you return the survey)  
 No
12. Does your organization submit a Self-Assessment Form to the City of Buffalo?  
 Yes (if yes please provide a copy when you return the survey)  
 No
13. Does your organization submit a CHDO Training Log to the City of Buffalo?  
 Yes (if yes please provide a copy when you return the survey)  
 No
14. Does your organization submit a Meeting Log to the City of Buffalo?  
 Yes (if yes please provide a copy when you return the survey)  
 No
15. Does your organization submit a Fair Housing Linkages Form to the City of Buffalo?  
 Yes (if yes please provide a copy when you return the survey)  
 No

16. How do you define your organization's boundaries?  
By CHDO boundaries Zip Code(s) (please specify): \_\_\_\_\_  
By Zip Code(s) (please specify): \_\_\_\_\_  
Census Tract(s) (please specify): \_\_\_\_\_  
Municipality(s) (please specify): \_\_\_\_\_  
Council District(s) (please specify): \_\_\_\_\_  
Other (please specify): \_\_\_\_\_

17. With the exception of the City's Self-Assessment Form what type of monitoring of your organization does the City conduct?

18. What type of monitoring of this organization do your supporting foundations conduct?

19. What type of monitoring of this organization do the banks that you receive funding from conduct?

20. How many full-time and part-time paid staff does your organization currently employ?

Full-time \_\_\_\_\_  
Part-time \_\_\_\_\_

21. How many of your full-time and part-time staff work specifically on housing?

Full-time \_\_\_\_\_  
Part-time \_\_\_\_\_

22. What percentages of your staff are currently working in the following program areas?

Housing \_\_\_\_\_  
Commercial and Industrial Development \_\_\_\_\_  
Workforce Development \_\_\_\_\_  
Social Services \_\_\_\_\_  
Public Safety \_\_\_\_\_  
Education \_\_\_\_\_  
Other (specify) \_\_\_\_\_

23. In terms of your housing staff, what percent are working in the following areas?

New Construction \_\_\_\_\_  
Housing Rehab \_\_\_\_\_  
Mortgage Counseling \_\_\_\_\_  
Property Management \_\_\_\_\_  
Fair Housing \_\_\_\_\_  
Other (specify) \_\_\_\_\_

**Instructions:** This section of the survey contains a set of questions about training you and your staff have received. Please answer the questions as completely as possible.

24. How many training sessions have you and your staff attended in the last year? \_\_\_\_\_

25. Were any of those training sessions run by other nonprofits?  
\_\_\_ Yes (if yes, how many? \_\_\_\_\_)  
\_\_\_ No

26. Were any of those training sessions run by intermediaries (i.e. LISC, NRC)?  
\_\_\_ Yes (if yes, how many? \_\_\_\_\_)  
\_\_\_ No

27. Were any of those training sessions run by government agencies?  
\_\_\_ Yes (if yes, how many? \_\_\_\_\_)  
\_\_\_ No

28. Did you or your staff attend conferences related to your organization's work or mission during the last year?  
\_\_\_ Yes (if yes, how many? \_\_\_\_\_)  
\_\_\_ No

29. Does your organization have a formal process for dealing with absentee landlords in your service area?  
Yes \_\_\_\_\_ If yes, please explain the process  
No \_\_\_\_\_

**Instructions:** This section of the survey contains a set of questions about the governance of your organization. Please answer the questions as completely as possible.

30. Please provide the following information about the make-up of your current board of directors/ governing board:

Total Number \_\_\_\_\_

Number of members elected: \_\_\_\_\_

Number of members appointed: \_\_\_\_\_

Number of members who live in your organizations boundaries \_\_\_\_\_

Number of members from the local/small business community \_\_\_\_\_

Number of members from the corporate and banking sector \_\_\_\_\_

Number of members from government \_\_\_\_\_

Number of members from foundations and intermediaries (specify) \_\_\_\_\_

Number of members from other institutions (specify) \_\_\_\_\_

31. Do you publish a roster for your current board of directors?  
\_\_\_ Yes (if yes please provide a copy when you return the survey)  
\_\_\_ No
32. How often does your governing board meet?  
Monthly \_\_\_\_\_  
Quarterly \_\_\_\_\_  
Annually \_\_\_\_\_  
Other \_\_\_\_\_
33. How often does your organization have community meetings?  
Monthly \_\_\_\_\_  
Quarterly \_\_\_\_\_  
Annually \_\_\_\_\_  
Other \_\_\_\_\_
34. How often does a representative from the city (that is not a member of your Board) attend your Board meetings?
35. How often does a representative from a supporting foundation (that is not a member of your Board) attend your Board meetings?
36. How often does a representative from an area bank (that is not a member of your Board) attend your Board meetings?
37. Outside of Board meetings, do you meet with representatives from the City?  
Yes \_\_\_\_\_ If yes, how often?  
No \_\_\_\_\_
38. Outside of Board meetings, do you meet with representatives from supporting foundations?  
Yes \_\_\_\_\_ If yes, how often?  
No \_\_\_\_\_
39. Outside of Board meetings, do you meet with representatives from banks that support your organization?  
Yes \_\_\_\_\_ If yes, how often?  
No \_\_\_\_\_

**Instructions:** This section of the survey contains a set of questions about the projects and programs your organization works on. Please answer the questions as completely as possible.

40. How many projects and programs in the following areas is your organization currently receiving funding for?

- Housing \_\_\_\_\_
- Commercial and Industrial Development \_\_\_\_\_
- Business Development \_\_\_\_\_
- Workforce Development \_\_\_\_\_
- Social Services \_\_\_\_\_
- Public Safety \_\_\_\_\_
- Education \_\_\_\_\_
- Other (specify) \_\_\_\_\_

41. Thinking about the housing projects and programs your organization is currently involved with or has been involved with in the past:

- a. How many new housing units does your organization produce on an annual basis? \_\_\_\_\_
- b. How many housing units (i.e. rental units) does your organization currently manage? \_\_\_\_\_
- c. How many clients receive housing counseling from your organization on an annual basis? \_\_\_\_\_
  - i. What percent of those clients end up applying for a mortgage \_\_\_\_\_
- d. How many housing units does your organization rehab on an annual basis? \_\_\_\_\_
  - i. What percent of those units undergo substantial rehabilitation? \_\_\_\_\_
  - ii. What percent of those units undergo light rehabilitation? \_\_\_\_\_
  - iii. What percent of those units undergo emergency repairs? \_\_\_\_\_

42. How often does a representative from the city visit one of your projects that is in development?

43. How often does a representative from a supporting foundation visit one of your projects that is in development?

44. How often does a representative from an area bank visit one of your projects that is in development?

**Instructions:** This section of the survey contains a set of questions about your organization's budget and funding. Please answer the questions as completely as possible.

45. What was your total budget in 2004?  
\_\_\_\_\_

46. What was your total budget for housing project and programs in 2004?  
\_\_\_\_\_

47. Did your budget expenditures exceed your budget revenues during your last fiscal year?

\_\_\_\_ Yes

\_\_\_\_ No

48. What percentage of your budget goes to:

Operating/administrative support expenses \_\_\_\_\_

Program/project related expenses \_\_\_\_\_

49. Would you please provide us with salary information for the three highest paid employees in your organization? (This includes the Executive Director, if that is you).

a.

b.

c.

50. What percentage of your annual budget is based on the following types of revenue sources?

CDBG \_\_\_\_\_

Grants Awarded by government agencies \_\_\_\_\_

Grants Awarded by foundations \_\_\_\_\_

Funding from Intermediary Organizations (LISC, NRC, etc...) \_\_\_\_\_

Loans and other Debt \_\_\_\_\_

Corporate and Banking Community Contributions \_\_\_\_\_

State or Local Housing Fund \_\_\_\_\_

Internally Generated Fees for Services \_\_\_\_\_

Religious Organizations and other Charitable Contributions \_\_\_\_\_

Other (please describe) \_\_\_\_\_

*Thank you for participating in this survey. If you have any questions, please contact Dr. Silverman at the phone number listed above.*



# Appendix B

## **BELMONT SHELTER CORP. AND NEW OPPORTUNITIES COMMUNITY HOUSING DEVELOPMENT CORP.**

### **Certified by the City of Buffalo as a Community Housing Development Organization (CHDO)**

As of August 2005, New Opportunities Community Housing Development Corp. a corporation related to Belmont Shelter Corp. was certified by the City of Buffalo as a CHDO. New Opportunities Community Housing Development Corp. was originally certified as a CHDO by the City of Buffalo in 2000.

### **Summary of History, Mission, and Trends**

Belmont Shelter Corp. is a charitable organization that has been producing affordable housing opportunities since 1977. Belmont administers rental and home ownership assistance programs, develops affordable housing, provides housing related education and technical assistance programs, and rental and homeownership counseling throughout Western New York.

Belmont's first contract was to administer the Section 8 Rental Certificate Program for a consortium of 42 municipalities in Erie County. Those services have grown from providing services to 300 households to over 4,800 households. In 1979, Belmont added the administration of the Town of Tonawanda's rental assistance program. In 1980, Belmont began running the Section 8 Moderate Rehabilitation Program and produced approximately 500 affordable housing units over a 15 year period. Belmont has also developed 16 single family homes in the City of Buffalo. In 2005, Belmont was contracted to administer the City of Buffalo's housing rehabilitation program.

Belmont is the owner of five housing complexes that were developed under the Low Income Housing Tax Credit Program (LIHTC). Belmont provides other organizations with consultation related to the LIHTC program. Belmont is also the management agent for eight housing complexes throughout Western New York.

In 2000, New Opportunities Community Housing Development Corp., a related corporation to Belmont, was certified as a CHDO by the City of Buffalo. Belmont provides New Opportunities with support staff and does housing activities through this organization in the City of Buffalo, the Town of Amherst, the Town Cheektowaga and the Town of Tonawanda. New Opportunities provides for the construction, rehabilitation and subsequent ownership of affordable housing to low-income persons.

## **Current Program Activities**

**Housing Programs:** The current housing programs of Belmont Shelter Corp. and its related corporation New Opportunities Community Housing Development Corp. include:

- the administration of the Section 8 Housing Voucher and Moderate Rehabilitation Program for over 5,000 housing units in Western New York
- the administration of the Step Up Program
- sponsorship of six rental complexes that provide housing to the elderly and disabled
- the administration of the City of North Tonawanda's housing rehabilitation program
- the management of nine housing complexes
- the provision of a landlord education program
- the administration of the NYSDHCR HOME Program in Livingston County
- the provision of pre-purchase, post-purchase, and foreclosure counseling as well as rental counseling to low-income families
- the administration of the City of Buffalo's Rehabilitation-Loan Program
- the development and rehabilitation of housing through New Opportunities Community Housing Development Corp.

**Workforce Development Programs:** Currently Belmont Shelter Corp. participates in the Family Self-Sufficiency Program, a workforce development program linked to its activities related to rental assistance.

## **Staff, Training and Fiscal Capacity**

**Staff Capacity:** Belmont Shelter Corp. employs 75 full-time staff and 9 part-time staff. Of those employees, 65 full-time staff and 9 part-time staff work on projects and programs related to housing. The breakdown of housing staff time on specific housing projects and programs includes: 11% working on new construction, 11% working on housing rehabilitation, 5.5% engaged in housing counseling activities, 37% involved with property management, and the remainder involved with rental assistance and other housing activities.

**Training and Technical Capacity:** The staff of Belmont Shelter Corp. hold a range of skills related to housing development, rehabilitation, counseling and rental program administration. Combined, the staff attends over 100 training sessions annually. These training sessions are offered by nonprofits, intermediary organizations, and federal, state and local government. Staff also attends conferences where they have opportunities for professional development.

**Fiscal Capacity:** Belmont Shelter Corp. and its related corporation New Opportunities Community Housing Development Corp. have a relatively stable

source of funding. This is largely due to Belmont's activities in rental assistance programs and other fees that the organization collects related to its housing development activities. In its 2005 budget, Belmont reported revenues of \$3,436,892 and expenditures of \$3,379,779. In 2005, administrative costs were 14% of the budget while program and project related expenses were approximately 86% of the total budget. In 2005, the executive director earned \$107,000. An examination of Belmont's 990 Forms for the years 1999-2003 indicates that the organization has had a positive fund balance in its annual budget since 2002. An examination of 990 Forms for New Opportunities between 2001 and 2003 indicates that this organization has had overall budget growth since its creation. Although New Opportunities had expenditures which exceeded revenues for each of the years examined, the size of the budget shortfall has declined each year.

### **Service Boundaries**

The service boundaries for Belmont Shelter Corp. are extensive. They cover seven counties of Western New York. However, the organization's activities primarily focus on Erie County and Niagara County. The service boundaries for New Opportunities Community Housing Development Corp. vary for each of the municipalities where the CHDO has projects. In the City of Buffalo, the CHDO primarily focuses its activities in the area identified by the city as the Masten Planning Community.

### **Funding Sources**

Belmont Shelter Corp. and its related corporation New Opportunities Community Housing Development Corp. receives most of its funding through contracts and fees for services it provides. This portion of revenues encompasses 89% of total budget revenues. A large part of these revenues are tied to the organizations activities in rental assistance program administration. The remained of budget revenues include: 4% from CDBG allocations, 4% from governmental grants in aid, 1% from the banking community and related contributions, and the remaining 2% from investment income and rents.

### **Governing Board Structure**

Belmont Shelter Corp. has a relatively small board of directors. There are currently seven board members, and the organization's by-laws allow for a maximum of nine board members. Board members are elected internally by the current sitting board of directors. Members of the current board include representatives of the local business community, the banking community, a developer, the executive director of Belmont, and residents from the City of Buffalo CHDO boundaries for New Opportunities The board of directors identified in 990 Forms for New Opportunities Community Housing Development Corp. include staff members of Belmont Housing Corp.

## **Collaborative Relationships**

Belmont Shelter Corp. collaborates with several federal, state, and local governmental agencies through contract and grants activities. These collaborations include work with: the Department of Housing and Urban Development, the State of New York, Erie County, the City of Buffalo, and several municipalities in its service boundaries. Belmont Shelter Corporation also collaborates with local nonprofits and community-based organizations. Within the city of Buffalo, the two most prominent collaborative relationships exist with Bethel Community Development Corporation and the North Ellicott Neighborhood Association. Belmont and New Opportunities are working with Bethel CDC to develop 30 single family infill housing units in the Masten Planning Community. Belmont also has an ongoing collaboration with the North Ellicott Neighborhood Association related to neighborhood planning and development activities.

## **BETHEL COMMUNITY DEVELOPMENT CORPORATION**

### **Certified by the City of Buffalo as a Community Housing Development Organization (CHDO).**

As of August 2005, this organization was certified by the City of Buffalo as a CHDO. The organization was originally certified as a CHDO by the City of Buffalo in 2002.

### **Summary of History, Mission, and Trends**

The Bethel Community Development Corporation was incorporated in 1998 as a 501 (c)(3). Bethel CDC is a faith-based organization affiliated with Bethel AME Church. The organization's mission is to maintain and enhance the character of the Cold Springs neighborhood in Buffalo through the development of residential and commercial real estate.

### **Current Program Activities**

**Housing Programs:** Bethel CDC primarily activities involve the development of new housing units in the Cold Springs neighborhood of Buffalo. Bethel CDC has developed approximately 10 new housing units to date.

**Commercial Development:** The organization is also engaged in local business and commercial development activities in its target community which involve approximately 25% of its effort.

### **Staff, Training and Fiscal Capacity**

**Staff Capacity:** Bethel CDC currently employs 4 full-time staff members. Approximately 75% of their effort is focused on housing activities and the remained is focused on commercial development. During the past few years the organization has experienced growth in staff capacity. An examination of the organization's 2001-2003 990 Form indicated that approximately \$76,000 of its annual budget expenses were absorbed by salary and benefits in 2003. That amount represented a 100% increase in salary expenditures from the prior year.

**Training and Technical Capacity:** Bethel CDC staff attends approximately 1 training session annually. In the past this training has been provided by a local intermediary organization.

**Fiscal Capacity:** Bethel CDC had a total budget of \$200,000 in 2004. This represents approximately a 25% increase in budget resources. According to the organization's 2003 990 Form, it had \$312,787 in revenue and a budget deficit of \$3,538. In prior years the organization reported a surplus of funds at the end of each budget year. An examination of the organization's 990 Forms for the

years 2001-2003 indicates that the organization has experienced budget growth since its inception.

### **Service Boundaries**

The service boundaries for Bethel CDC encompass the Cold Springs neighborhood in the City of Buffalo's Masten District.

### **Funding Sources**

Bethel CDC receives 45% of its funding from governmental contracts and grants, 40% of its funding from intermediary organizations, and 15% of its funding from local foundations. The growth in the organization's funding has been the result of increased participation from nongovernmental sources. According to the organization's 2003 990 Form, 98% of the organization's funding came from government contracts and grants. The remainder of the organization's funding came from fees, rent and other income.

### **Governing Board Structure**

Bethel CDC has a 9 member governing board. There were 4 community members on the board and 1 representative from the business community. The board has expanded since 2003. According to the organization's 2003 990 Form, the organization had a 5 member governing board.

### **Collaborative Relationships**

Bethel CDC provided no information about the scope of its collaborative relationships with other organizations. However, the organization has worked with the Buffalo chapter of LISC, the City of Buffalo, and is collaboration with Belmont Housing Corporation to develop additional new housing units in its target area.

## **BLACKROCK RIVERSIDE NHS**

### **Certified by the City of Buffalo as a Community Housing Development Organization (CHDO).**

As of August 2005, Blackrock Riverside NHS was certified as a CHDO by the City of Buffalo. The organization was originally certified as a CHDO by the city of Buffalo in 1994.

### **Summary of History, Mission, and Trends**

Blackrock Riverside NHS was founded in 1978. It received its 501(c)(3) designation in 1979 and became a New York State and City of Buffalo CHDO in 1994 and 2001 respectively.

The mission of the organization is to promote homeownership to assist the stabilization and revitalization of the Blackrock Riverside neighborhood. Within the scope of Blackrock Riverside NHS's mission, the organization works to: improve housing and commercial structures, promote economic development, preserve the neighborhood's history, and stimulating pride and community involvement in the Blackrock Riverside neighborhood. Blackrock Riverside NHS has two additional interrelated goals. One is to prevent middle income residents from leaving the neighborhood. The other is to encourage middle income households to relocate to Blackrock Riverside. The main focus of this organization is on housing, with an emphasis on: making loans to rehabilitate owner-occupied property, purchasing dilapidated homes for rehab and resale, converting multiple-family homes into single-family homes, building new single-family homes, the demolition of derelict property, and site assembly for development.

### **Current Program Activities**

**Housing Programs:** The current housing programs of Blackrock Riverside NHS include:

- a minor home repair program in which Blackrock Riverside NHS provides free labor (In 2004, 64 units were impacted, saving homeowners an average of \$7,236)
- post-purchase classes, and reverse mortgage counseling where Blackrock Riverside NHS counsels about 40 households per year (about 10% of counseled clients apply for mortgages)
- the City of Buffalo Home Owner Assistance Program where Blackrock Riverside NHS provides loans for weatherization or repairs in response to housing code violations (In 2004, Blackrock Riverside loaned \$16,370 in 2 loans through this program)
- substantial rehabilitation to 2-3 properties annually
- a security locks program where the organization provides approximately 70 homes with security locks annually



- neighborhood tree planting and beautification
- the provision of meeting space and technical assistance to block clubs and community groups

### **Staff, Training, and Fiscal Capacity**

**Staff Capacity:** Blackrock Riverside NHS employs six to eight employees, 50% are full-time and 50% are part-time. Of the organization's staff, 80% work on housing, 2% on commercial development, and 18% on community relations and administrative activities.

**Training and Technical Capacity:** Blackrock Riverside staff members attended eight training sessions during the past year. Four training sessions were run by intermediaries and three were run by government agencies. In addition, employees have attended two conferences related to the mission and goals of their organization.

**Fiscal Capacity:** According to the organization's 1998-2003 990 forms, Blackrock Riverside NHS has experience declining revenues in recent history. The organization had revenues of \$668,350 in 1998, and those revenues steadily declined to \$338,066 in 2003. Moreover, in 2003 over \$200,000 of the organization's budget was committed to personnel costs. With this revenue instability, the organization also experienced negative fund balances. In 2003, the organization's expenditures exceeded its revenues by \$130,132.

### **Service Boundaries**

The organization's City of Buffalo CHDO boundaries encompass the Riverside planning community. The organizations boundaries also overlap with the North Buffalo and Delaware common council districts. The corporate boundaries of the Blackrock Riverside NHS consist of census tracts 55, 56, 57, 58, and 59.

### **Funding Sources**

The bulk of Blackrock Riverside NHS's annual budget comes from governmental sources. These sources include: approximately 30% of the organization's revenues from the community development block grant (CDBG) funds, and another 50% of the organization's budget from state and local grants and contracts. The remainder of the organizations revenues include: 10% of annual revenues from NeighborWorks®, and the remainder of funds coming from fees for services.

## **Governing Board Structure**

The Blackrock Riverside NHS has a 10 member board of directors. Nine of the organization's board members are elected and one is appointed by a local bank. Seven of the organization's board members are residents of the target area served by Blackrock Riverside NHS. One board member is from a local business, and one seat on the board remains vacant. The Blackrock Riverside NHS's board of directors meets quarterly.

## **Collaborative Relationships**

The Blackrock Riverside NHS's collaborative relationships are primarily limited to activities with the Buffalo Housing Steering Committee and the Buffalo Housing Partnership.

## **BROADWAY-FILLMORE NEIGHBORHOOD HOUSING SERVICES**

**Certified by the City of Buffalo as a Community Housing Development Organization (CHDO).**

As of August 2005, this organization was not certified by the City of Buffalo as a CHDO.

### **Summary of History, Mission, and Trends**

The Broadway Fillmore NHS is a 501 (c)(3). The organization's mission is to promote the development and rehabilitation of rental and owner occupied property in the Fillmore common council district.

### **Current Program Activities**

**Housing Programs:** The Broadway Fillmore NHS focuses its program activities on housing rehabilitation and rental property management. The organization currently rehabilitates approximately 2 units annually. The organization also manages 33 rental units and 2 rent-to-own units.

### **Staff, Training and Fiscal Capacity**

**Staff Capacity:** The Broadway Fillmore NHS has 2 full-time and 1 part-time staff members. The organization's staff commits 100% of their effort to housing activities. Current staff levels represented a reduction from prior years. For example, an examination of the organization's 2002-2003 990 Form indicated that the organization had 5 staff and 2 paid interns in 2003.

**Training and Technical Capacity:** The staff of the Broadway Fillmore NHS attends approximately 4 training sessions annually. These sessions are run by organizations such as NeighborWorks® and DNCR.

**Fiscal Capacity:** The Broadway Fillmore NHS had a budget of \$202,000 in the 2004 fiscal year. Of that amount, 60% of revenues were used to cover operating costs and 40% were used for project activities. The trend for the organization has been one of declining resources. According to the organization's 2003 990 Form, it had \$453,661 in revenue and a budget deficit of \$259,477 at the end of the 2003 fiscal year. In the prior year the organization reported budget revenues that ranged from approximately \$360,000 to \$680,000. The organization had a budget surplus with the exception of one other year, 2002, where a deficit in excess of \$500,000.

## **Service Boundaries**

The service boundaries for The Broadway Fillmore NHS encompass the Fillmore common council district in the City of Buffalo.

## **Funding Sources**

The Broadway Fillmore NHS currently receives 26% of its funding from intermediary organizations, 33% of its funding from the State of New York, and the remainder of its funding from its property management activities. Current funding reflects a noticeable reduction in revenues from governmental sources. For example, the organization's 2003 990 Form indicated that approximately 70% of the organization's funding came from government contracts and grants. The remainder of the organization's 2003 revenue came from rental income, program service revenue and other sources.

## **Governing Board Structure**

The Broadway Fillmore NHS currently has a 9 member governing board. All of the board members are elected. The current board is larger than in prior years. According to the organization's 2003 990 Form, the organization had a 5 member governing board.

## **Collaborative Relationships**

The Broadway Fillmore NHS provided no information about the scope of its collaborative relationships with other organizations.

## **ELLICOTT DISTRICT COMMUNITY DEVELOPMENT, INC.**

### **Certified by the City of Buffalo as a Community Housing Development Organization (CHDO).**

As of August 2005, this organization was not certified by the City of Buffalo as a CHDO.

### **Summary of History, Mission, and Trends**

Ellicott District Community Development, Inc. began as a membership corporation in 1973. The organization was started in order to address property tax and city service inequities in the Ellicott District. Since its creation, the organization has shifted from being a membership organization to a neighborhood service organization. The organization focuses on providing assistance to minority groups, low-income residents, and the elderly related to housing rehabilitation and related activities.

### **Current Program Activities**

**Housing Programs:** According to the organization's 990 Forms for 1998-2003, Ellicott District Community Development, Inc.'s primary activities involve its Homeowner Repair Program. No other information was provided by the organization about the scope of this program.

### **Staff, Training and Fiscal Capacity**

**Staff Capacity:** Ellicott District Community Development, Inc. provided no information about the composition of its staff. However, an examination of the organization's 2003 990 Form indicated that \$232,530 of its annual budget expenses were absorbed by salary and benefits.

**Training and Technical Capacity:** Ellicott District Community Development, Inc. provided no information about training activities of its staff or executive director.

**Fiscal Capacity:** Ellicott District Community Development, Inc. provided no information about its current budget. According to the organization's 2003 990 Form, it had \$437,522 in revenue and \$467,217 in expenses during that budget year. In 2003 the executive director earned \$48,568. An examination of the organization's 990 Forms for the years 1998-2003 indicates that the organization had a negative fund balance in its annual budget every year since 1998.

## **Service Boundaries**

The service boundaries for Ellicott District Community Development, Inc. encompass the Ellicott District in the City of Buffalo.

## **Funding Sources**

Ellicott District Community Development, Inc. provided no information about its current funding sources. According to the organization's 2003 990 Form, 95% of the organization's funding came from government contracts and grants. The remainder of the organization's funding came from fees, rent and other income.

## **Governing Board Structure**

Ellicott District Community Development, Inc. provided no information about its current governing board. According to the organization's 2003 990 Form, the organization had a 13 member governing board.

## **Collaborative Relationships**

Ellicott District Community Development, Inc. provided no information about the scope of its collaborative relationships with other organizations.

## **FILLMORE LEROY AREA RESIDENTS (FLARE)**

**Certified by the City of Buffalo as a Community Housing Development Organization (CHDO).**

As of August 2005, this organization was identified by the City of Buffalo as a CHDO. FLARE was originally certified as a CHDO by City of Buffalo 1993.

### **Summary of History, Mission, and Trends**

FLARE was founded in 1973 and received 501(c)(3) status in 1975. The mission of FLARE is to assist, develop, promote, encourage, and preserve the cultural, economic, social, and physical welfare of the persons residing in the Fillmore-Leroy area of the City of Buffalo. FLARE's mission in relation to housing focuses on the eradication of blighted, vacant, and abandoned units throughout its target area, as defined by CHDO boundaries for the City of Buffalo and the State of New York. FLARE's goals for housing include: increasing the number of owner occupied properties in its target area, providing first time homeownership opportunities for low to moderate income individuals, and providing affordable and energy efficient housing to residents in its target area.

### **Current Program Activities**

**Housing Programs:** The current housing programs of FLARE include:

- the management of 14 affordable rental housing units
- the production of two to five new or rehabilitated housing units on an annual basis
- the administration of first time homebuyer education classes to approximately 60 clients on an annual basis, of which approximately 25% have applied for a mortgages in the past
- the administration of the Acquisition Rehab Resale Program, in which FLARE has reported rehabilitating approximately 80 units on an annual basis (35% of those units undergo substantial rehabilitation, 25% undergo light rehabilitation, and 40% undergo emergency repairs)
- the operation of a homeless shelter within FLARE's service area
- hosting area block clubs and the Fillmore Leroy Block Club Council

**Social Programs:** Current social programs managed by FLARE include: youth educational/recreational services, senior citizen nutrition and transportation services, youth and adult computer classes, a literacy drop in center, and sports activities for youths and adults.

## **Staff, Training, and Fiscal Capacity**

**Staff Capacity:** FLARE employs seven full time staff and 18 part time staff. Approximately 15% of FLARE's employees work specifically on housing related projects and activities. The breakdown of housing staff time on specific projects and activities includes: 40% of housing staff time in the of emergency shelter, 20% of housing staff time on housing rehabilitation, 20% of housing staff time on property management, 10% of housing staff time on fair housing activities, and 10% of housing staff time on homeownership education.

**Training and Technical Capacity:** The staff of FLARE has attended approximately 10 training sessions in the past year. Five of those training sessions were run by other nonprofits, and five were run by government agencies. None of the training sessions were run by intermediaries.

**Fiscal Capacity:** FLARE's total budget in 2004 was approximately \$450,000. The organization's housing budget in 2004 was approximately \$415,000. In 2004, the organization's budget expenditures exceeded the budget revenues. In 2004, the executive director earned \$32,150 from the housing department of the organization. As of January 1, 2005, the agency has experienced a \$32,500 cut in their Neighborhood Preservation Program (NPP) funding by the State of New York. An examination of the organization's 2000-2003 990 forms show that the revenues of FLARE have been fairly consistent for fiscal years during that period. Revenues have ranged from approximately \$500,000 in 2001 to \$644,000 in 2003. The expenditures of FLARE have consistently exceeded their budget revenues for fiscal years 2000-2004.

## **Service Boundaries**

The service boundaries for FLARE are defined in a number of ways depending on the source of individual funding that the organization draws from. The organization's City of Buffalo CHDO boundaries encompass parts of the North Buffalo, North East, and East Delevan planning communities. FLARE's boundaries also overlap with the Masten and Delaware Common Council districts. These boundaries include the following zip codes: 14214, 14208, 14209, 14215, and 14211. These boundaries also include the following census tracts: 52.01, 40.01, 39.01, 40.02, 39.02, 52.02, 41, 42, 36, 34, 35, and 33.02.

## **Funding Sources**

The bulk of FLARE's annual funding comes from governmental sources. These sources are broken down in the following manner: community development block grant (CDBG) funds make up approximately 20% of the organizations budget, funds from the state or local housing fund account for 30% of the organizations budget, and another 20% of the organization's funding comes from grants awarded by government agencies. In addition to



governmental funds: 10% of the organizations revenues are generated from fees or services, 5% of the organization's funds come from corporate and banking contributions, 4% of the organizations revenues come from grants awarded by foundations, another 4% comes from intermediaries, 2% comes from loans and other debt, and 5% of the organization's budget comes from membership fees.

### **Governing Board Structure**

FLARE's board of directors is comprised of 16 members. Thirteen members are elected and three are appointed. All of the elected members live in the organization's boundaries. Three board members are from the corporate and banking sector and there are no board members from government, foundations, or intermediaries. The FLARE Board of Directors meets monthly.

### **Collaborative Relationships**

FLARE participates in collaborations with: the Buffalo Public Schools Adult Education Division, Housing Opportunities Inc., the Buffalo Housing Steering Committee, the Buffalo Urban League, Lead Connections, New Buffalo Impact, and the Erie County NYSERDA Energy Star Program.

**HEART OF THE CITY NEIGHBORHOODS INCORPORATED**  
**Certified by the City of Buffalo as a Community Housing Development**  
**Organization (CHDO).**

As of August 2005, this organization was certified as a CHDO by the City of Buffalo. This organization was first certified as a CHDO by the City of Buffalo in 2001.

**Summary of History, Mission, and Trends**

Heart of the City was formed in 1995. It received its 501(c)(3) designation in 1996 and its CHDO designation in 2001. Heart of the City has recently been recertified for CHDO designation. The mission of the agency is to rehabilitate and create affordable housing, and create mixed-income neighborhoods where individuals and families of all incomes will have a better quality of life in the community and take pride in their property, their street, and their neighborhood.

Heart of the City's first project was the redevelopment of the former Norbans Building, turning it into the Glenny Center International Hostel in 1996. Since then, the agency has commissioned a study on market rate rental units in 1997, produced a marketing video and rehabilitated the Watkins Building into six market-rate rental units in 2001. The organization also purchased, rehabilitated, and sold an old Victorian home on College Street in 2002. In 2003, Heart of the City purchased and rehabilitated three more properties, one of which became the Heart of the City Project Office with an upstairs apartment. The strategic plan for 2003-2006 states that Heart of the City will focus on the Plymouth Avenue Block Reclamation Project, which has identified 12 potential rehab/resale properties.

**Current Program Activities**

Housing rehabilitation constitutes approximately 70% of Heart of the City's program activities. Approximately 10% of their activities focus on new construction while approximately 20% focus on property management. The remainder of the organization's activities focus on providing technical support to local block clubs and community organizations.

**Staff, Training, and Fiscal Capacity**

**Staff Capacity:** Heart of the City employs one full-time staff member and one-part time staff member. One hundred percent of the staff's efforts are focused on housing and neighborhood revitalization.

**Training and Technical Capacity:** The organization's staff has attended approximately 12 training session in the last year. At least three training sessions were held by other non-profits, four were held by intermediaries, and five were held by government agencies. In addition, the staff has attended three conferences related to the organization's work or mission during the last year.

**Fiscal Capacity:** The past year's total budget was reported to be approximately \$90,000. Of that amount, \$2,500 went specifically to housing projects and programs. The bulk of the organization's budget, 85% is committed to administrative and operating costs, while the remaining 15% of the budget is dedicated to housing program costs. The executive director is the only full-time employee earns approximately \$54,000 per year. According to the organization's 1998-2003 990 forms, Heart of the City has had steadily decreasing total revenue since 2001, where their total revenue peaked at \$305,855. Beginning in 2002, the organization also began to run regular deficits.

### **Service Boundaries**

Parts of the Ellicott common council district make up the City of Buffalo CHDO boundaries for Heart of the City. These boundaries include zip codes: 14201, 14202, 14203, 14204, 14211, and 14212. The organization's boundaries also include census tracts: 70, 71.01, 71.02, 72.01, 73.01, 13.01, 114.01, 28.01, and part of 68 and 69.

### **Funding Sources**

Governmental funding makes up the bulk of Heart of the City's annual budget. Community development block grant (CDBG) funding accounts for approximately 15% of the organization's budget. Government grants such as DHCR comprise 70% of the organization's budget. Foundation grants comprise 8% of the organization's budget. The remainder of the budget comes from contributions from the banking sector.

### **Governing Board Structure**

The Heart of the City Board of Directors has 11 elected members, seven of which live in the organization's boundaries. Three of the members are from the small/local business community while three of the members are from the corporate and banking sector. The board of directors meets monthly.

### **Collaborative Relationships**

Heart of the City is a member of the Buffalo Housing Partnership.

## **HOMEFRONT, INC.**

### **Certified by the City of Buffalo as a Community Housing Development Organization (CHDO)**

As of August 2005, HomeFront, Inc. was not certified by the City of Buffalo as a CHDO. However, HomeFront did have an application submitted to the City of Buffalo for CHDO certification.

### **Summary of History, Mission, and Trends**

HomeFront, Inc. was originally established in 1975 as Buffalo Neighborhood Housing Services. It was established as a citywide housing services agency. At that time it was the only neighborhood housing services (NHS) organization certified by the Neighborhood Reinvestment Corporation (NRC) in the City of Buffalo. By the mid-1980's NRC funded five additional NHS organizations in Buffalo. As the only NHS with a citywide charter, Buffalo Neighborhood Housing Services evolved into an organization that coordinated funding and other activities for the other NHS organizations in the city. After about a decade, this role for Buffalo Neighborhood Housing Services was reduced. In 2001, Buffalo Neighborhood Housing Services changed its name to HomeFront, Inc. and focused its organization's activities on the provision of housing counseling services to low-income residents in the City of Buffalo. Between 2001 and 2004, HomeFront, Inc. provided housing counseling in collaboration with other local nonprofits with relatively unstable funding from year to year. In 2005, HomeFront, Inc. was designated as the primary housing counseling organization for the City of Buffalo. At that time the organization received funding support from the City of Buffalo and local financial institutions.

### **Current Program Activities**

**Housing Programs:** Currently, HomeFront, Inc. is developing its staff and organizational capacity in order to deliver comprehensive homeownership education and counseling, and related financial assistance programs to low-income households.

### **Staff, Training and Fiscal Capacity**

**Staff Capacity:** HomeFront, Inc. has funding to employ six staff. That staff is anticipated to include a homeownership program coordinator, three housing counselors, an administrative assistant, and an executive director. The executive director was the only employee of the organization through July 2005. As of August 2005, the executive director and two additional employees comprise the staff. With the exception of the executive director and the administrative assistant, 100% of staff time will focus on homeownership education and counseling activities.

**Training and Technical Capacity:** HomeFront, Inc. will provide opportunities for its staff to attend training sessions sponsored by professional, government, and intermediary organizations. There is currently a \$7,000 line item in the organization's contract with the City of Buffalo for training. HomeFront expects to rely on intermediaries like LISC and NRC for training, as well as the City of Buffalo (which is supposed to coordinate CHDO training for local nonprofits). In addition, HomeFront will take advantage of opportunities for professional development opportunities through conferences.

**Fiscal Capacity:** HomeFront, Inc. until recently has not had stable funding. In its 2005 budget, HomeFront reported revenues of \$338,000 and expenditures of \$355,000. In 2005, administrative costs were 20% of the budget while program and project related expenses were approximately 80% of the total budget. The executive director's salary for 2005 is approximately \$50,000. An examination of HomeFront's 990 Forms for the years 1997-2003 indicates that the organization has had a negative fund balance in its annual budget in all but one year.

### **Service Boundaries**

The service boundaries for HomeFront Inc. encompass the City of Buffalo. However, the primary focus of the organization's current programs encompasses the city's six Livable Community Initiative target areas.

### **Funding Sources**

HomeFront, Inc. receives most of its funding through a new contract with the City of Buffalo. Under that contract, 33% of the organization's funding comes from CDBG funds allocated by the city, another 33% of the organization's funding is in the form of a match from local financial institutions, and the remained of the organization's funding is anticipated to come from fees for services that HomeFront will collect. Given current trends in CDBG funding and Buffalo's declining population, HomeFront can anticipate the need in the near future to replace public funding with other sources of revenue. For HomeFront to implement its programs in the future, additional revenue from the private sector, fees, grants and contracts, and other sources will need to be identified.

### **Governing Board Structure**

HomeFront, Inc. currently had a governing board with 11 members, and the organization's by-laws allow for a maximum of 17 members. The board's current members include: five representatives from the banking community (including upper level executives), a representative from the insurance industry, an attorney, and 4 representatives from local nonprofits and community groups. In order to strengthen its CHDO application, HomeFront anticipated expanding its board to accommodate additional community representatives.

## **Collaborative Relationships**

HomeFront, Inc. collaborates with local government, intermediary organizations, and financial institutions through contract and grants activities. These collaborations include work with: the City of Buffalo, LISC, NRC, and several local financial institutions. Currently, these collaborative activities are focused on the reorganization of HomeFront as the primary source of homeowner education and counseling in the City of Buffalo, and on the organization's related capacity building. HomeFront also collaborates with local CBHOs that are its member organizations and have representatives on its Board of Directors.

## **KENSINGTON-BAILEY NEIGHBORHOOD HOUSING SERVICES**

**Certified by the City of Buffalo as a Community Housing Development Organization (CHDO).**

As of August 2005, this organization was not certified as a CHDO by the City of Buffalo.

### **Summary of History, Mission, and Trends**

Kensington-Bailey NHS was a result of a mid-1970s development team from the Urban Reinvestment Task Force. As the first NHS in the City of Buffalo, the Kensington-Bailey NHS was first known as the Buffalo NHS. Later, as more NHSs were created in the city, Kensington-Bailey NHS was incorporated as a separate organization from the original Buffalo NHS. Kensington-Bailey received 501(c)(3) designation at its inception and was also certified as a City of Buffalo CHDO in the 1970s. The NHS remained a CHDO until 2003. Kensington-Bailey NHS focuses on housing, economic development, and improving the quality of life in the Kensington-Bailey neighborhood.

### **Current Program Activities**

**Housing Programs:** The current housing programs of Kensington Bailey NHS include:

- the management of 12 rental units
- pre-purchase and post-purchase counseling (58 families were counseled in 2004)
- down payment or closing cost assistance (3 families were provided assistance in 2004)

Currently, Kensington-Bailey NHS is not performing any housing rehabilitation, but the organization has completed rehabilitation services for numerous units in the past. A specific number of previously rehabilitated units was not provided by the organization.

### **Staff, Training, and Fiscal Capacity**

**Staff Capacity:** Currently, Kensington-Bailey employs two part-time employees. The construction analyst's duties include property management and construction monitoring. The construction analyst is also performing many of the executive director's duties as the organization is currently without an executive director. The homeownership coordinator works on homeownership education and some property management, but will soon include intake and preparation work for a new loan program. The salaries of both employees vary according to the number of hours put in, but remain under \$30,000 per year.

**Training and Technical Capacity:** The homeownership coordinator has attended some training sessions; however, information regarding a specific number of training sessions was not made available. Some of these training sessions were run by NeighborWorks®, but information about other training session hosts was not available. The staff members have attended conferences related to the organization's work and mission within the past year. These conferences have been hosted by organizations like DHCR and NeighborWorks®.

**Fiscal Capacity:** In The Kensington-Bailey NHS budget for 2004-2005, revenues were reported at \$78,811. Almost half of the organization's revenues were committed to staff salaries. In fiscal year 2003-2004 the organization had revenues \$106,830. No additional information was available concerning the organization's fiscal capacity, and 990 forms were not available for this organization.

### **Service Boundaries**

The boundaries for the Kensington-Bailey NHS include three census tracts. These census tracts encompass the south-east portion of the University district and part of the Lovejoy district.

### **Funding Sources**

Approximately 22% of the 2004-2005 revenues are provided by DHCR, approximately 43% of the revenues are provided by NeighborWorks®, approximately 15% of the revenues are internally generated by the NHS, and 20% of the budget comes from banks, fundraising, and other contributions.

### **Governing Board Structure**

There are 16 members of the Kensington-Bailey NHS board of directors; however, the organization's by-laws call for 17 members. Ten members of the board are residents, two board members are from banks, two of the board members are from the local business community, and there are two at-large members of the board. There is an empty seat reserved for a mayoral appointee. All members of the board of directors are elected except for the mayoral appointee. The governing board meets monthly.

### **Collaborative Relationships**

No information regarding collaborative relationships was provided by the organization.



## **LT. COL. MATT URBAN CENTER**

### **Certified by the City of Buffalo as a Community Housing Development Organization (CHDO).**

As of August 2005, this organization was certified as a CHDO by the City of Buffalo. The Lt. Col. Matt Urban Center was first certified as a CHDO by the City of Buffalo in 2004.

### **Summary of History, Mission, and Trends**

The Lt. Col. Matt Urban Center is located on the East Side of Buffalo. The multi-purpose community center was founded in 1976. It received its CHDO designation from the state in 1993 and City of Buffalo CHDO designation in 2004. The Lt. Col. Matt Urban Center seeks to provide programs that enhance the quality of life, preserve neighborhoods, and encourage economic development in the City of Buffalo. The organization focuses on providing social services to Buffalo's youth and senior populations. In addition, the organization has become involved in housing related activities with a primary concentration on weatherization, housing counseling, and property management for seniors, refugees, and substance abusers. In 2005, the Lt. Col. Matt Urban Center received funding to rehabilitate eight housing units within two years. The organization has yet to begin rehabilitation of the first two units.

### **Current Program Activities**

**Housing Programs:** The current housing programs of the Lt. Col. Matt Urban Center include:

- a full service real estate brokerage and housing counseling program for approximately 100 residents yearly
- the management of 32 units of low-income housing for seniors, 22 units of low-income housing for refugees, and 4 units of housing for substance abusers
- provision of New York State weatherization assistance for 125-150 units annually
- a substantial (over \$50,000 per unit) rehabilitation program for eight units in two years
- weekly liaison services to the Buffalo Housing Court
- provision of meeting space for local block clubs and community groups

**Social Programs:** Current social programs run by the Lt. Col. Matt Urban Center include youth recreational/educational services, senior citizen case management services, crime prevention education, a food pantry, GED classes, and basic computer instruction.

## **Staff, Training, and Fiscal Capacity**

**Staff Capacity:** The Lt. Col. Matt Urban Center employs 20 full time employees and 15 part time employees. Three full time employees and 1 part time employee work specifically on housing projects and activities. Three employees work on housing rehabilitation, 1 employee works on housing counseling, 1 employee works with property management, and 3 employees are involved with fair housing. In addition, the center employs 7 individuals for weatherization services and 4 employees as real estate agents.

**Training and Technical:** The employees of the Lt. Col. Matt Urban Center have attended 12 training sessions related to housing in the past year. These training sessions have been held by DHCR, HUD, the Buffalo Housing Court, the Predatory Lending Task Force, and the City of Buffalo. Additionally the staff members are required by some grantors to attend conferences related to their professional development.

**Fiscal Capacity:** The organization's total budget in 2005 is estimated to be \$1,470,135. For 2005, the organization is expected to run a small deficit. This slight deficit is the result of cuts in the city's CDBG funding and the organization's inability to identify replacement funding. The organization will draw from its reserve account to close the budget gap for 2005. Operating/administrative costs are 6.7% of the 2005 budget while program/project related expenses are approximately 93% of the total 2005 budget. In 2005, the executive director's yearly salary was \$46,000. An examination of Lt. Col. Matt Urban Center's 1999-2003 990 forms indicate that the organization has had a positive fund balance in its past. In 2003, the organization's total revenue equaled \$1,598,404 and the organization reported a \$50,347 budget surplus for the year. Further examination of the organization's 990 forms indicate that total budget revenues peaked in 2001 at \$1,652,110 and have been declining each year after that point in time.

## **Service Boundaries**

The service boundaries for the Lt. Col. Matt Urban Center are defined in a number of ways depending on the source of individual funding that the organization draws from. For housing, the boundaries are mostly determined by census tract and municipality. The Lt. Col. Matt Urban Center has service boundaries that encompass most of the City of Buffalo for New York State weatherization contracts. For most other housing services, the organization is confined to the census tracts located within the approximate borders of Best Street, Williams Street, Bailey Avenue, and Reed Street. For its City of Buffalo CHDO boundaries, the organization is designated to operate in the East Side, Buffalo River and South Buffalo planning communities.

## **Funding Sources**

The majority of the Lt. Col. Matt Urban Center's total budget, 59%, is obtained from grants awarded by government agencies like DHCR, Erie County Department of Social Services, and the Erie County Youth Board. An additional 15% of the budget comes from the community development block grant (CDBG) funds. Foundations provide another 2% of the organization's budget while intermediaries provide 3% of the organization's budget. The corporate and banking sectors provide approximately 1% of the budget for the Lt. Col. Matt Urban Center. Internally generated fees account for 10% of the total budget. Other funding sources like ARC, the food bank, and EDSVPP account for the remainder of the total budget.

## **Governing Board Structure**

The Lt. Col. Matt Urban Board of Directors has 13 members. Seven members of the board are elected while 6 members are appointed. Approximately 60% of the board members live within the organization's boundaries. Two of the board members are members of the local/small business community and 1 board member is from the corporate/banking sector. There are no members of government, foundations, or intermediaries on the organization's board of directors. The board of directors meets monthly with exception of a summer recess.

## **Collaborative Relationships**

The Lt. Col. Matt Urban Center has collaborations with the Buffalo Housing Steering Committee, M&T bank, HSBC bank, the Broadway Area Business Association, the Broadway Market Village Committee, Habitat for Humanity, the East Buffalo Good Neighbors Planning Alliance, the Lovejoy NRS, the Broadway Fillmore NHS, Corpus Christi Church, University at Buffalo's Urban Planning students, and merchants of the Broadway Market.

## **LOVEJOY DISTRICT NRS**

### **Certified by the City of Buffalo as a Community Housing Development Organization (CHDO).**

As of August 2005, this organization was certified as a CHDO by the City of Buffalo. The organization was first certified as a CHDO by the City of Buffalo in 2004.

### **Summary of History, Mission, and Trends**

The Lovejoy District NRS was incorporated on October 28, 1994, receiving its 501(c)(3) status the same year. It began its operations on 111 Moreland Avenue but moved to its current facility in 1997. Approximately seven years later in 2004, Lovejoy District NRS received its City CHDO designation.

The mission of the organization is to promote and assist the stabilization and revitalization of economic, housing, and esthetic conditions in the Lovejoy common council district. The presence of this organization was deemed necessary due to several transitions in the area due to suburbanization, migration, and economic change.

The organization began its services by providing loan and grant programs for low-income owner-occupants to address exterior housing code deficiencies and eliminate emergency hazards that posed a threat to residents. More recently, Lovejoy District NRS has redirected its efforts and resources to targeting blighted areas of the district. The organization also has produced a neighborhood plan for the area's redevelopment.

### **Current Program Activities**

**Housing Programs:** The current housing programs of Lovejoy District NRS include:

- first-time homebuyer education and post-purchase counseling in conjunction with HomeFront (approximately 45 clients were counseled last year)
- down payment and closing cost assistance (Lovejoy District NRS provides low interest, high-risk loans up to \$5,000. Six of these loans were distributed in the past year.)
- emergency assistance for instances of safety hazards or housing code violations (Lovejoy District NRS provides low-interest loans, principal deferred loans, and grants. Forty percent of all of the organization's repairs are reported to be emergency repairs.)
- a home security program (Lovejoy District NRS installs security items, like glass block windows, to residents below 80% of the median income.)

- acquisition rehabilitation (Lovejoy District NRS provides matching funds 1 to 1, up to \$25,000, for rehabilitation of low to moderate-income households, in the past year 64 properties were rehabilitated, 30% were substantial rehabilitation while 30% were light rehabilitation.)
- neighborhood planning services (Lovejoy District NRS provides planning services and other technical assistance to community organizations or block clubs).

**Business Development and Assistance:** Lovejoy District NRS's business improvement/attraction matching grants recycling program saves business owners approximately 45% of façade improvement costs. Last year, the organization worked with four businesses to facilitate façade improvement.

### **Staff, Training, and Fiscal Capacity**

**Staff Capacity:** Lovejoy District NRS employs two part-time receptionists and two full-time staff, including a housing & homeownership specialist and a community developer and planner. The organization also shares one full-time construction analyst with other agencies.

**Training and Technical Capacity:** The staff at Lovejoy District NRS has attended approximately eight training sessions in the past year for a total of 37 hours. Two of the training sessions were run by other nonprofits, and five of the training sessions were run by government agencies. No training sessions were run by intermediaries. In addition, the staff has attended one conference in the past year that was related to their organization's work.

**Fiscal Capacity:** Lovejoy District NRS did not provide budget information. According to the 1998-2004 990 forms for this organization, total revenues for the organization had been steadily increased between fiscal year 1999 and 2003, growing from approximately \$209,000 to \$550,000. However, in 2004 the organization's revenues fell to \$193,571. The organization also ran a deficit for four of the last seven years. In 2004, the executive director of the organization earned \$32,226 and total personnel costs were approximately \$73,000.

### **Service Boundaries**

The City of Buffalo CHDO boundaries for the Lovejoy District NRS encompass parts of the East Delevan and East Side planning communities. The organization's corporate boundaries encompass the Lovejoy common council district and the southeastern corner of Buffalo. These boundaries includes zip codes 14237, 14238, 14230, 14224, 14223, 14221, 14222, 14219, and parts of 14203 and 14204.

## **Funding Sources**

Ninety percent of Lovejoy District's budget comes from community development block grant (CDBG) funding. Fees from services and contributions from other government agencies and foundations account for the other 10% of the organization's budget. These agencies and foundations include HUD, the NYS Affordable Housing Corporation, the Erie County Public Benefit Fund, the JP Morgan Chase Foundation, and the Home Depot Foundation.

## **Governing Board Structure**

The governing board for the Lovejoy District NRS has 14 members. Seven of the board's members are residents in the organization's service boundaries. One board member is from a local/small business and six board members are from the government. The board of directors meets monthly and also holds annual community meetings.

## **Collaborative Relationships**

The Lovejoy District NRS is involved in a variety of collaborative relationships, including activities with: the Buffalo Housing Steering Committee, the South Sector Collaborative Partnership, Daemen College's Center for Sustainable Communities and Civic Engagement, and the Western New York Reinvestment Coalition.

## **NHS OF SOUTH BUFFALO**

### **Certified by the City of Buffalo as a Community Housing Development Organization (CHDO).**

As of August 2005, this organization was certified as a CHDO by the City of Buffalo.

### **Summary of History, Mission, and Trends**

A 1979 task force resulted in the 1982 creation of the NHS of South Buffalo. Since then, the NHS of South Buffalo has received 501(c)(3) status and has been designated as a CHDO by the State of New York. The dates of these designations have not been made available. The mission of the organization is to provide safe and affordable housing to low to moderate-income families and to improve general neighborhood conditions in its target area.

### **Current Program Activities**

**Housing Programs:** The NHS of South Buffalo focuses on two primary program activities, weatherization and rehabilitation. On an annual basis, the NHS of South Buffalo reports that it provides 288 homes with weatherization or minor home repairs. In addition, it provides substantial rehabilitation over \$20,000 for approximately seven homes on an annual basis, 10% of all rehabilitation activities and repairs are reported to be emergency repairs.

### **Staff, Training, and Fiscal Capacity**

**Staff Capacity:** NHS of South Buffalo employs 35 full-time staff and one part-time staff member. Out of the 36 staff members, 30 work on weatherization.

**Training and Technical Capacity:** The organization's staff has attended at least 15 training sessions held by the City of Buffalo, the Buffalo Branch of the Federal Reserve Bank of New York, DNCR, and intermediaries like LISC and NeighborWorks®.

**Fiscal Capacity:** NHS of South Buffalo provided no information related to its budget, and 990 forms were not available for examination.

### **Service Boundaries**

The NHS of South Buffalo has citywide operating boundaries for its weatherization program. The organization reports that it performs weatherization for 65% of the city. The organization's CHDO boundaries for the City of Buffalo encompass the East Side, Buffalo River and South Buffalo planning

communities. The organization also identifies the South Buffalo common council district, including zip codes 14210, 14220, 14206, and 14204 as its boundaries.

### **Funding Sources**

NHS of South Buffalo provided no information concerning its funding sources.

### **Governing Board Structure**

The NHS of South Buffalo has 10 members on its board of directors. The organization's by-laws provide for a 12 member board of directors. Eleven members are to be elected and one member, a common council representative, is to be appointed. Seven members of the board of directors are city residents, while five members live within the organization's boundaries. There is one member from the small/local business sector and two members from the corporate and banking sector. Moreover, the organization's board of directors often meets with bankers that are not on the Board. There is one vacancy for a member of government and none of members are from intermediaries. The board of directors meets monthly with a vacation for the summer months.

### **Collaborative Relationships**

The NHS of South Buffalo's main collaborative relationship is its membership in the South Sector Partnership. This partnership includes Lovejoy District NRS, HomeFront, Old First Ward Community Association, and the NHS of South Buffalo.



## **ST. JOHN FRUIT BELT COMMUNITY DEVELOPMENT CORPORATION**

**Certified by the City of Buffalo as a Community Housing Development Organization (CHDO).**

As of August 2005, this organization was not certified by the City of Buffalo as a CHDO.

### **Summary of History, Mission, and Trends**

The St. John Fruit Belt Community Development Corporation (CDC) was incorporated in approximately 2002 as a 501 (c)(3). St. John CDC is a faith-based organization affiliated with St. John Baptist Church in Buffalo, NY. The organization's mission is to maintain and enhance the Fruit Belt neighborhood in Buffalo through the development of low-income, senior citizen and hospice housing units.

### **Current Program Activities**

**Housing Programs:** St. John CDC primarily activities involve the development of new housing units in the Fruit Belt neighborhood of Buffalo. St. John CDC has developed approximately one new housing unit to date.

### **Staff, Training and Fiscal Capacity**

**Staff Capacity:** St. John CDC provided no information about the composition of its staff. However, an examination of the organization's 2002-2003 990 Form indicated that the organization has no paid staff.

**Training and Technical Capacity:** St. John CDC provided no information about training activities of its staff or executive director.

**Fiscal Capacity:** St. John CDC provided no information about its current budget. According to the organization's 2003 990 Form, it had \$15,000 in revenue and a budget surplus of \$12 at the end of the fiscal year. In the prior year the organization reported a budget of \$0.

### **Service Boundaries**

The service boundaries for St. John CDC encompass the Fruit Belt neighborhood in the City of Buffalo.

## **Funding Sources**

St. John CDC provided no information about its current funding sources. According to the organization's 2003 990 Form, 100% of the organization's funding came from government contracts and grants.

## **Governing Board Structure**

St. John CDC provided no information about its current governing board. According to the organization's 2003 990 Form, the organization had an 11 member governing board.

## **Collaborative Relationships**

St. John CDC provided no information about the scope of its collaborative relationships with other organizations.

## **UNIVERSITY HEIGHTS COMMUNITY DEVELOPMENT ASSOCIATION**

**Certified by the City of Buffalo as a Community Housing Development Organization (CHDO).**

As of August 2005, the University Heights Community Development Association (CDA) was identified by the City of Buffalo as a CHDO.

### **Summary of History, Mission, and Trends**

University Heights CDA was founded in 1971. It is currently housed in the Gloria J. Parks Community Center. University Heights began when Ms. Gloria J. Parks received a grant to run a summer youth program at St. Joseph's School in Buffalo, NY. In 1974, the organization opened a storefront center that included senior services. University Heights officially became a 501(c)(3) in 1975. Since then, the organization has gained access to additional funding and support from the City of Buffalo. In 1992, the Gloria J. Parks Community Center was opened at its current location on Main Street in Buffalo. Since moving to this location, University Heights has expanded its operations to include a wider range of youth and senior services, as well as housing services.

### **Current Program Activities**

**Housing Programs:** Current housing programs of University Heights include:

- financial literacy training
- the 8-hour homebuyers club
- foreclosure avoidance and landlord/tenant counseling
- one-on-one housing counseling, and home maintenance workshops
- the administration of an owner-occupied housing rehabilitation loan program, in coordination with the City of Buffalo and Belmont Shelter Corp. This program features lead-based paint hazard reduction demonstrations, targeted street loan programs, and emergency assistance loans.
- the administration of an acquisition rehab program (ARP), in which University Heights currently has 6 acquisition rehab properties (at this time, the organization does not manage any rental units or produce new units, but rather focuses on their ARP program)

**Social Programs:** University Heights has several departments that administer social programs. The athletic department offers recreational programs for all ages. The University Heights Community Oriented Police Satellite Station assists resident run: block clubs, neighborhood watches, and crime prevention activities. The early childhood and school age department provides child care

and development through homework help and many other activities. The agency also has a senior and adult services department, as well as offering their center for special events and fundraising.

### **Staff, Training, and Fiscal Capacity**

**Staff Capacity:** University Heights has a staff of 35. From that staff, individuals engaged in housing related activities include: one full-time employee, two part-time employees, and one intern. The breakdown of housing staff time on specific housing projects and programs includes: 50 % working on acquisition and rehabilitation, 15 % on mortgage counseling and homebuyer education, 5 % on projects not otherwise specified, and 30 % on the rehabilitation loan program. Activities related to the rehabilitation loan program specifically involve transferring information and referrals to Belmont Shelter Corp.

**Training and Technical Capacity:** University Heights staff attended approximately 20 training sessions related to housing in the past year. These training sessions were run by the Neighborhood Reinvestment Corporation, area banks, and government agencies such as DHCR.

**Fiscal Capacity:** University Heights has had stable revenues in recent history. Total revenues in 2003 equaled approximately \$1,300,000. Of these revenues, approximately \$675,000 was committed to housing programs. An examination of the 1998-2003 990 forms for the organization indicated that total revenues have remained above \$1,000,000 since 1999, and the organization had a positive fund balance in all but one year, 2001. The executive director of the organization earned \$46,634 in 2003.

### **Service Boundaries**

The service boundaries for University Heights Community Development Association are defined in a number of ways depending on the source of individual funding that the organization draws upon. The organization's City of Buffalo CHDO boundaries encompass parts of the North Buffalo, North East, and East Delevan planning communities. However, the organization increasingly targets its housing activities in the parts of the University common council district that fall within its boundaries.

### **Funding Sources**

University Heights CDA receives most of its funding from the City of Buffalo. Most recently, these funds included: a \$390,000 CHDO contract, a \$200,000 FHLB contract, and a \$300,000 AHC contract. Previous contracts and grants have come from the City of Buffalo Urban Renewal Agency, the City of Buffalo, the Erie County, the Children's Foundation of Erie County Inc., as well as

HSBC Bank, the New York State Housing Trust Fund Corporation, and the Margaret L. Wendt Foundation.

### **Governing Board Structure**

University Heights currently has 15 governing board members. The organization's by-laws state that at least 75% of elected board membership must reside in the University Heights target area, and at least one-third of that number must represent the low-income community. The board of directors meets monthly, and gives some suggestions to the organization; however, the executive director makes most of the decisions. In addition, University Heights frequently holds community and board meetings in which they discuss housing needs in their target areas.

### **Collaborative Relationships**

University Heights collaborates with several other organizations. These collaborations include: the Buffalo Housing Partnership, the Buffalo Housing Steering Committee, the city's Problem Properties Taskforce, common council member Russell's Partners for Progress, Voice Buffalo, COPS, the Buffalo Housing Court, the University Community Initiative, the Main Street Business Association, the Community Reinvestment Group, the State Attorney Generals Office, and the UB Law Clinic.

## **WEST SIDE NEIGHBORHOOD HOUSING SERVICES, INC.**

### **Certified by the City of Buffalo as a Community Housing Development Organization (CHDO).**

As of August 2005, this organization was identified by the City of Buffalo as a CHDO.

### **Summary of History, Mission, and Trends**

West Side Neighborhood Housing Services (NHS) was founded in 1980, and is a private non-profit corporation dedicated to the preservation and revitalization of Buffalo's West Side neighborhoods. It received its 501(c)(3) designation in 1981. The mission of the organization is to provide safe and affordable housing for low to moderate-income families and to create neighborhoods of choice.

### **Current Program Activities**

**Housing Programs:** The current housing programs of West Side NHS include:

- the Special Home Ownership Program (SHOP Buffalo) in which the organization reported 48 mortgage loans closed last year
- homeownership counseling in which the organization reported that 345 clients received counseling last year
- homebuyer education classes in which the organization reported that eight classes were run with 78 attendees last year
- the administration of a minor home repair program which provides technical assistance to homeowners wishing to repair their homes
- the administration of the High Risk Revolving Loan Fund (RLF), which is administered in conjunction with the City of Buffalo
- down payment and closing cost assistance in which the organization reported that 34 loans were accepted last year
- the administration of the foreclosure prevention program in which 6 loans were processed last year

### **Staff, Training, and Fiscal Capacity**

**Staff Capacity:** West Side NHS currently employs six full-time employees and one part-time employee. All employees work specifically on housing. Four employees work in housing rehabilitation, two work in the area of mortgage counseling, one works in property management, and all employees work in fair housing. In addition, one employee works in default counseling, one works on financial fitness, and two employees work in post purchase counseling as well as emergency loans.

**Training and Technical Capacity:** The employees at West Side NHS have attended training sessions related to housing matters in the past year. These training sessions have been run by NeighborWorks®.

**Fiscal Capacity:** The organization's total budget in 2005 is estimated to be \$327,066. The organization's budget for 2005 is projected to have a \$5,500 surplus. An examination of West Side NHS's 1998-2003 990 forms indicate that their budget peaked in the 2002 fiscal year at \$830,923. In 2003, the organization's total revenues equaled \$696,095. In 2003, the organization expended approximately \$223,000 on staff. Despite declining revenues, West Side NHS maintained a budget surplus for each of the budget years examined.

### **Service Boundaries**

The organization's City of Buffalo CHDO boundaries encompass the West Side planning community. The organization's by-laws identify the service boundaries for West Side NHS as encompassing the Niagara common council district and parts of the Ellicott common council district. The organization's by-laws list the organization's corporate boundaries in the following manner:

North: Forest Avenue from the Niagara River to Baynes Avenue; Bird Avenue from Richmond Avenue to Baynes Avenue.

South: Virginia Street from Main Street to College Street to Wadsworth Street; Hudson Street from Wadsworth Street to Prospect Avenue; Prospect Avenue from Hudson Street to Porter Avenue to Niagara River.

East: Main Street from Bryant Street north to Virginia Street south; Richmond Avenue from Bryant Street south to Bird Avenue north.

West: The Niagara River from Porter Avenue to Forest Avenue.

### **Funding Sources**

The largest portion of West Side NHS's budget comes from governmental sources. Of this portion of the organization's annual budget, 20% comes from community development block grant (CDBG) funding and 27% comes from governmental grants and contracts. The remainder of the organization's funding comes from the following sources: 12% is derived from grants awarded by foundations, 7% of funding comes from intermediary organizations, 1% comes from loans and other debt, 19% of funding is from corporate and banking community contributions, 4% of the organization's annual budget comes from religious organizations and other charitable contributions, and the remaining 10% of the organization's budget comes from other sources.

### **Governing Board Structure**

West Side NHS currently has 13 governing board members. Of these board members, 12 members are elected and one member is appointed. Seven

of the members live within the organization's boundaries. Three of the members are from the local/small business community, one is from the corporate and banking sector, one member is from government, and two members are considered at large members. The board meets six times per year, with one large annual meeting, as well as committee meetings every other month.

### **Collaborative Relationships**

West Side NHS is a member of the Buffalo Housing Partnership.



# Appendix C

## CITY OF BUFFALO CHDO CHECKLIST

The information contained in this checklist refers to the definition of Community Housing Development Organizations (CHDOs) in Subpart A, 92.2 of the HOME Rule. The checklist is a tool for participating jurisdictions concerning the documents they must receive from a nonprofit before it may be certified or recertified as a CHDO. For monitoring purposes, PJs should be asked to maintain the completed checklist on file to document compliance with the regulations.

### I. LEGAL STATUS

A. The nonprofit organization is organized under State or local laws, as evidenced by:

\_\_\_\_\_ a Charter, OR  
\_\_\_\_\_ Articles of Incorporation.

B. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:

\_\_\_\_\_ a Charter, OR  
\_\_\_\_\_ Articles of Incorporation.

C. Has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3) or (4) of the Internal Revenue Code of 1986, as evidenced by:

\_\_\_\_\_ a 501(c)(3) or (4) Certificate from the IRS.

OR

Is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue code, as evidenced by:

\_\_\_\_\_ a group exemption letter from the IRS that includes the CHDO.

D. Has among its purposes the provision of decent housing that is affordable to low- and moderate-income people, as evidenced by a statement in the organization's:

\_\_\_\_\_ Charter,  
\_\_\_\_\_ Articles of Incorporation,  
\_\_\_\_\_ By-laws, OR  
\_\_\_\_\_ Resolutions.

## **II. CAPACITY**

- A. Conforms to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems", OMB Circulars 110-A and A-133 as evidenced by:

\_\_\_\_\_ a notarized statement by the president or chief financial officer of the organization;

\_\_\_\_\_ a certification from a Certified Public Accountant, OR

\_\_\_\_\_ a HUD approved audit summary.

- B. Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by:

\_\_\_\_\_ resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, OR

\_\_\_\_\_ contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization.

- C. Has a history of serving the community within which housing to be assisted with HOME funds is to be located, as evidenced by:

\_\_\_\_\_ a statement that documents at least one year of experience in serving the community, OR

\_\_\_\_\_ for newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community.

The CHDO or its parent organization must be able to show one year of serving the community prior to the date the participating jurisdiction provides HOME funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as, developing new housing, rehabilitating existing stock and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president or other official of the organization.

### **III. ORGANIZATIONAL STRUCTURE**

- A. Maintains at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations as evidenced by the organization's:

\_\_\_\_\_ By-Laws,  
\_\_\_\_\_ Charter, OR  
\_\_\_\_\_ Articles of Incorporation.

Under the HOME program, for urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, "community" is defined as one or several neighborhoods, a town, village, county, or multi-county area (but not the whole state).

- B. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects, as evidenced by:

\_\_\_\_\_ the organization's By-laws,  
\_\_\_\_\_ Resolutions, OR  
\_\_\_\_\_ a written statement of operating procedures approved by the governing body.

- C. A CHDO may be chartered by a State or local government, but the following restrictions apply: (1) the State or local government may not appoint more than one-third of the membership of the organization's governing body; (2) the board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; and (3) no more than one-third of the governing board members are public officials (including any employees of the PJ), as evidenced by the organization's:

\_\_\_\_\_ By-laws,  
\_\_\_\_\_ Charter, OR  
\_\_\_\_\_ Articles of Incorporation.

- D. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members, as evidenced by the CHDO's:

\_\_\_\_\_ By-laws,  
\_\_\_\_\_ Charter, OR  
\_\_\_\_\_ Articles of Incorporation.

#### **IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES**

A. The CHDO is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by:

\_\_\_\_\_ the organization's By-laws, OR  
\_\_\_\_\_ a Memorandum of Understanding (MOU).

B. A Community Housing Development Organization may be sponsored or created by a for-profit entity, however:

(1) the for-profit entity's primary purpose does not include the development or management of housing, as evidenced:

\_\_\_\_\_ in the for-profit organization's By-laws

AND;

(2) the CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced in the CHDO's:

\_\_\_\_\_ By-laws,  
\_\_\_\_\_ Charter, OR  
\_\_\_\_\_ Articles of Incorporation.

#### **In addition to the above items, please submit a copy of:**

1. Most recent audited financial statement, single audit (if applicable) and any management letters your organization has received in conjunction with any audits.
2. A list of the current Board of Directors listing the representatives of low-income residents in your service area and which, if any, Board Members are employed by the public sector.
3. A copy of the minutes from the last three Board of Directors meetings.

Applications for CHDO certification and recertification should be submitted to:

Mr. Dale Zuchlewski  
Office of Strategic Planning  
Room 313, City Hall  
Buffalo, New York 14202

Phone: 851-4761 Fax: 851-5168  
Email: dzuchlewski@city-buffalo.com

# Appendix D

# Community Based Organization Self Assessment Form

---

Name of Organization: \_\_\_\_\_  
Prepared By: \_\_\_\_\_ (Executive Director)  
Reviewed & Submitted By: \_\_\_\_\_ (Board President)  
Date of Submission: \_\_\_\_\_  
Contract Number: \_\_\_\_\_ Contract Period: \_\_\_\_\_

---

**Purpose:** The Community Based Organization will complete a self assessment in order to determine if the agency's performance, to date, is consistent and meets or exceeds the contract goals. This self assessment will also serve to determine if there is sufficient file maintenance and back-up documentation to support the information provided in the monthly report submitted to the Office of Strategic Planning.

**Directions:** Each Community Based Organization, under contract to administer the Community Partnerships Initiative, must complete a self assessment for the period covering May 1, 2004 through March 31, 2005. The report must be prepared by your Executive Director, reviewed by your Board President and submitted to the Office of Strategic Planning by Friday, April 15, 2005.

The responses prepared by your organization will begin to summarize the outputs and outcomes of the programs and services delivered by your agency. Please provide as much detail as possible when answering the questions regarding the goals and specific outputs as outlined in our Year 30 scope of services. When possible, your response should be in bullet format rather than a narrative format and the attached forms must be used when providing information regarding funding sources, etc.

Upon completion of this form, the next step is for your Board President and your agency to examine your program's activities to assess how your agency is doing. Is your agency actually accomplishing what it is trying to accomplish? This self assessment will allow your organization to cite achievements and successes. It will also help your organization to document any problems that exist and what resources are needed to help address them in the future. This completed form can also serve as a draft for the annual report due to the OSP by May 31, 2005.

It is important to note that all information reported by your organization must have adequate back-up files. The Office of Strategic Planning will be conducting site visits during the months of April and May to review your assessment with your agency and document your tracking systems, program files and all back-up information pertaining to your Year 30 activities.

## **A. Homebuyer & Homeowner Counseling & Training**

**Goal:** To offer programs and promote campaigns that provide comprehensive homebuyer education (pre and post), including counseling (one on one) and training (classes).

### **Outputs:**

#### **CBO Response:**

1. How does your agency determine if there are sufficient instructors and classes/workshops scheduled to meet the homebuyer education (pre and post) and counseling (one on one) needs of your service area?
  2. How does your agency collect and track information relating to the class schedule, program attendees and follow-up contacts?
  3. Are follow-up surveys, interviews, telephone calls, etc. conducted by your agency? If yes, please provide a report outlining the results.
  4. Document how the individuals that attend the counseling and training sessions benefit through their involvement in the program?
  5. Document how does the community benefit from this counseling and training?
- 

## **B. Community Development Housing Organization (CHDO)**

**Goal:** To enhance capabilities and to become a viable CHDO.

### **Outputs:**

#### **CBO Response:**

1. **Complete form #1 – CHDO Training.**
  2. How has your agency benefited from the CHDO training?
  3. What additional training is necessary in order to help your agency be successful with your CHDO projects?
  4. How has your agency benefited from becoming a certified CHDO?
  5. What are your CHDO goals and how will the community benefit from the use of HOME CHDO funds?
-



### **C. Collaborations**

**Goal:** To develop relationships and linkages with successful and established community partners to promote information exchange and experience.

**Outputs:**

**CBO Response:**

1. Complete form #2 – Meeting Log
  2. What formal collaborations or networks have been established between your agency and your community partners?
  3. What type of information, resources and or experience has your agency gained from meeting with other community partners?
- 

### **D. Grantsmanship**

**Goal:** To expand the current funding sources.

**Outputs:**

**CBO Response:**

1. **Complete form #3 – Grant Fund Application Submission & Status**
  2. How does your agency determine what grant funds to pursue?
  3. Has your agency identified any new sources of grant funds that your agency has not applied for in the past year?
  4. Are your grant writing efforts sufficient to help support program operations?
  5. How has your agency benefited from raising additional program and/or administrative dollars?
- 

### **E. Fair Housing Linkages**

**Goal:** To promote access to Fair Housing, Legal and Human Service agencies to educate and remedy the consequences of various targeted population issues (predatory lending, home finder assistance for persons with disabilities, insurance, accessibility to credit, etc.) by referring clients to appropriate agencies.

**Outputs:**

**CBO Response:**

1. **Complete form #4 – Fair Housing Linkages**
2. Describe how your agency has used any materials or technical assistance available from any other organization to help promote fair housing, legal or human service activities or initiatives?

## **F. Homeowner Rehabilitation Program**

**Goal:** To coordinate the loan program referrals (Target Area, Matching, Emergency, and 50/50 Programs as defined by the City of Buffalo) to the Belmont Shelter Corporation.

1. The City of Buffalo loan program restart date was February 21, 2005. Describe your tracking system for the City of Buffalo's Loan Program. Who prepares and submits the weekly report to OSP?
- 

## **G. Housing Code Compliance**

**Goal:** To assist the Grantee by researching areas that will meet the criteria of a target area for code enforcement for residential areas.

### **Outputs:**

#### **CBO Response:**

1. **Complete form #2 – Meeting Log**
  2. Describe, in detail, your organization's communication plan for the target area programs. Has your agency distributed housing and code related information to the target areas? Please describe your contact plan and include flyers, newsletters, etc., distributed to the target area.
  3. Does your agency have a system in place to track meetings with inspectors, letters of violations, court dates, etc.?
- 

## **H. Problem Properties**

**Goal:** To identify problem properties within the target or service area(s).

### **Outputs:**

#### **CBO Response:**

1. Complete form #5 - Problem Properties Tracker
  - List the addresses of the Problem Properties that have been identified and researched by your agency for feasibility and possible acquisition.
2. How has your agency identified and documented the status (ownership, etc.) of these properties?
3. Is an individual file maintained for each Problem Property?
4. Describe your successes with the Problem Properties that have been identified?
5. What are the some of obstacles that must be addressed in order to tackle the Problem Properties within your service area?

## **I. Vacant Land/Property Management**

**Goal:** To identify and document alternative uses for vacant land.

**Outputs:**

**CBO Response:**

1. Complete form #1 - Meeting Log
  2. Describe the interaction that your agency has had with the City of Buffalo's Demolition Department.
  3. Provide a copy of your organization's recommendations addressing the list of proposed demolitions in your service area? Was a copy submitted to the Demolition Department?
  4. Describe the role your agency has had in addressing the alternative uses for vacant land in your service area. Provide proof of any activities, partnerships, etc.
  5. Has the neighborhood clean-up been coordinated with the Mayor's Impact Team? If yes, provide the date(s), street(s)/location of vacant lot(s) and names of the community participants.
- 

## **J. Neighborhood Organization and Block Clubs in Target Areas**

**Goal:** To establish and/or strengthen all block clubs in the target area.

**Outputs:**

**CBO Response:**

1. Complete form #1 - Meeting Log.
  2. Complete form #6 - Block Club and Neighborhood Organization Inventory.
  3. How has your agency strengthened their relationship with the area block clubs and neighborhood leaders?
  4. How has your agency used the inventory of area block clubs and neighborhood leaders?
  5. Are there existing block clubs on the target streets in your service area? If so, have you met with the members?
- 

## **K. Good Neighbors' Planning Alliance (GNPA)**

**Goal:** To support and participate in the GNPA process.

**CBO Response:**

1. Complete form #1 - Meeting Log.
  2. Describe, in detail, how your agency has participated in the GNPA process this year.
-

**Outreach:**

1. Describe, in detail, how your agency actively informs the public about your programs and services. Please provide examples of your outreach efforts.



## FORM #2 – MEETING LOG

<b>CBO Name:</b>			
<p><b>Directions:</b> Please list below, according to category, the meetings that your agency has attended or held with your community partners. If additional space is needed to record meetings, please insert additional rows within each category.</p>			
<b>C. COLLABORATIONS - COMMUNITY MEETINGS</b>			
Date	Location of the Meeting	Purpose of the Meeting	Sponsor & Attendees
<b>BUFFALO HOUSING STEERING COMMITTEE MEETINGS</b>			
Date	CBO Meeting Host	Topics Discussed	Attendees
<b>G. HOUSING CODE COMPLIANCE</b>			
Date	Location of the Meeting	Purpose of the Meeting (Inspections, Court Dates, etc.)	Attendees
<b>I. VACANT LAND/PROPERTY MANAGEMENT</b>			
Date	Location of the Meeting	Purpose of the Meeting (Demolition meeting, etc.)	Attendees
<b>J. NEIGHBORHOOD ORGANIZATION &amp; BLOCK CLUBS IN TARGET AREAS</b>			
Date	Name of the Block Club & Location of the Meeting	Purpose of the Meeting	Attendees
<b>K. GOOD NEIGHBORS' PLANNING ALLIANCE (GNPA)</b>			
Date	Name of the GNPA Group & Location of the Meeting	Purpose of the Meeting	Attendees











## SITE VISIT FORM

Review Key					
<b>Y ( + )</b>	<b>Yes</b> , the information provided in the monthly report has adequate back-up information (files, tracking system, etc.) to confirm that the CBO has <b>exceeded</b> the minimum outputs noted in their Year 30 Scope of Services				
<b>Yes</b>	<b>Yes</b> , the information provided in the monthly report has adequate back-up information (files, tracking system, etc.) to confirm that the CBO has met the <b>minimum</b> outputs noted in the Year 30 Scope of Services				
<b>Y ( - )</b>	<b>Yes</b> , The information provided in the monthly report has adequate back-up information (files, tracking system, etc.) to confirm limited activities, however, the CBO <b>has not met the minimum</b> outputs noted in the Year 30 Scope of Services.				
<b>No</b>	<b>No</b> , the CBO has reported that they <b>have not met</b> the outputs as noted in the Scope of Services.				
<b>A. Homebuyer &amp; Homeowners Counseling and Training</b>		<b>Y ( + )</b>	<b>Yes</b>	<b>Y ( - )</b>	<b>No</b>
1	The CBO has reported the number of participants that attend classes, receive counseling and purchase homes.				
2	The CBO has provided adequate backup to support the figures provided in the monthly report.				
3	Record how back up information is maintained by the CBO. Describe the support information available for review at this site visits.				
<b>B. Community Development Housing Organization (CHDO)</b>		<b>Y ( + )</b>	<b>Y</b>	<b>Y ( - )</b>	<b>No</b>
1	The CBO has submitted a written request for CHDO designation.				
2	The CBO has received formal notification from the OSP of their CHDO status.				
3	The CBO has attended technical assistance sessions provided by BURA and other funding sources.				
4	Record how back up information is maintained by the CBO. Describe the support information available for view at this site visit.				
<b>C. Collaborations</b>		<b>Y ( + )</b>	<b>Y</b>	<b>Y ( - )</b>	<b>No</b>
1	The CBO has hosted a minimum of one City of Buffalo Housing Steering Committee meeting.				
2	The CBO has attended technical assistance provided by BURA and other funding sources.				
3	Record how back up information is maintained by the CBO. Describe the support information available for review at this site visit.				

<b>D. Grantsmanship</b>		<b>Y (+)</b>	<b>Y</b>	<b>Y (-)</b>	<b>No</b>
1	The Buffalo Housing Steering committee has prepared and submitted a single application to the local lending community.				
2	The CBO has prepared and submitted two applications for grant funds.				
3	Record how back up information is maintained by the CBO. Describe the support information available for review at this site visit.				
<b>E. Fair Housing Linkages</b>		<b>Y (+)</b>	<b>Y</b>	<b>Y (-)</b>	<b>No</b>
1	The CBO has built linkages and made referrals with our Fair Housing agencies.				
2	Record how back up information is maintained by the CBO. Describe the support information available for review at this site visit.				
<b>F. Homeowner Rehabilitation Loan Program</b>		<b>Y (+)</b>	<b>Y</b>	<b>Y (-)</b>	<b>No</b>
1	The CBO has a system for tracking loan program contacts and referrals.				
2	Record how back up information is maintained by the CBO. Describe the support information available for review at this site visit.				

<b>G. Housing Code Compliance</b>		Y (+)	Y	Y (-)	No
1	The CBO has hosted and/or attended meetings in an effort to help select the target area.				
2	The CBO has selected a target area.				
3	The CBO has a focused communication plan for distributing housing and code related information to the target area.				
4	The CBO has attended meetings and/or housing court sessions.				
5	Record how back up information is maintained by the CBO. Describe the support information available for review at this site visit.				
<b>H. Problem Properties</b>		Y (+)	Y	Y (-)	No
1	The CBO has identified and researched five (5) problem properties for possible CHDO activity.				
2	A CHDO application for at least one problem property has been submitted to OSP.	N/A			
3	Record how back up information is maintained by the CBO. Describe the support information available for review at this site visit.				
<b>I. Vacant Land/Property Management</b>		Y (+)	Y	Y (-)	No
1	The CBO has attended a minimum of two meetings with the City's demolition section.				
2	The CBO has reviewed the demo list for their service area.				
3	The CBO has submitted a report to the demolition section.				
4	Record how back up information is maintained by the CBO. Describe the support information available for review at this site visit.				

<b>J. Neighborhood Organization and Block Clubs in Target Areas</b>		<b>Y (+)</b>	<b>Y</b>	<b>Y (-)</b>	<b>No</b>
1	The CBO has provided support to existing and newly organized block clubs.				
2	The CBO has prepared and submitted an inventory of existing block clubs and neighborhood organizations.				
3	Record how back up information is maintained by the CBO. Describe the support information available for review at this site visit.				
<b>K. Good Neighbors' Planning Alliance</b>		<b>Y (+)</b>	<b>Y</b>	<b>Y (-)</b>	<b>No</b>
1	The CBO has attended a majority of the GNPA meetings located within the service area.				
2	Record how back up information is maintained by the CBO. Describe the support information available for review at this site visit.				
<b>Outreach</b>		<b>Y (+)</b>	<b>Y</b>	<b>Y (-)</b>	<b>No</b>
1	The CBO actively informs the public about its programs and services.				
2	Describe examples of the outreach efforts performed by the CBO.				

# Appendix E

**OPERATING SUPPORT PROGRAM  
REQUEST FOR PROPOSAL GUIDELINES & INSTRUCTIONS  
2004-2007 PROGRAM CYCLE**

## **1. INTRODUCTION**

Neighborhood Progress, Inc. (NPI) and its partners are seeking proposals to provide grant support to community development corporations (CDCs) for core operations and pre-proposals for strategic initiatives for the July 1, 2004 to June 30, 2007 program cycle. **Proposals for core operating grants are due Monday, April 19, 2004.**

From among those CDCs receiving core operating grants, the selection committee will invite a limited number of CDCs to submit a full proposal for a strategic impact grant to support one strategic impact initiative that offers the potential to bring new resources and new or stronger partnerships together to achieve a measurable impact on the overall health and competitiveness of the markets within the neighborhood, city and region. The strategic impact grants will support, in addition to large scale real estate development projects, comprehensive real estate development strategies and other program elements to improve neighborhood environmental or quality of life issues, broaden resident or other stakeholder engagement and collaboration, strengthen employment and business development opportunities, improve retail activity, or strategies to improve educational or other facilities and services in the neighborhood. Strategic Impact Grant proposals will be due on or before Monday, July 19, 2004. Planning assistance may be available for completing the full strategic impact proposals.

Below are the guidelines for the process for completing the core operating grant proposal and the strategic impact pre-proposal. The guidelines explain the purpose of the grants the RFP, eligibility, the application process, criteria and general terms.

## **2.0 BACKGROUND, GOALS, AND OBJECTIVES**

Neighborhood Progress, Inc. and its funding partners have a three-year investment strategy for moving Cleveland's neighborhoods from improvement to recovery by reshaping current core programming and adding a neighborhood impact initiative as a pilot program. Through its programming, NPI, along with its partners, CDCs and others, intend to more effectively work on creating and strengthening the market forces and other economic and social conditions that lead to stronger and more fully populated neighborhoods where individuals, families and businesses want to invest. To accomplish this goal, NPI plans to take a more proactive role in building thriving neighborhood markets by focusing on real estate development, strengthening partnerships and collaborations, and other efforts for fostering neighborhood improvement and movement toward recovery.

**2.1 Overarching Goal:** To continue to strengthen Cleveland's neighborhoods so that they can compete effectively within the region while balancing growth and opportunity for existing residents.

**2.2 Key Premises:** The key principles which inform and direct NPI and its partners in program design and organizational changes for the 2004-2007 program cycle are described below:

- Continue to support and improve the system now in place.
- NPI, its partners and the CDCs will build new strategic neighborhood partnerships to achieve greater impact.
- Emphasize a shift in how success is understood and measured.
- Add to the overall approach a new concentration on targeted "place-making" initiatives.



**2.3 Objectives:** NPI and its partners will think in terms of neighborhoods of choice where important variables are housing choices, safety, quality schools, access to jobs and strong community institutions. Below are the specific goals that NPI will pursue in an effort to achieve its overarching goal:

- Focus on i.e. housing conditions, market values of residential and commercial properties, home sales, new construction and demolition. Assess baseline conditions and measure using specific indicators:
  - Real estate property values,
  - Home ownership,
  - Vacant land and structures
  - Population and population changes,
  - Crime rates, and
  - Capital investment.
- Continue to yield a high standard and level of real estate production
- Encourage a greater level of partnership and collaboration around large scale-high impact initiatives
- Increase neighborhood planning and strategy development
- Encourage broader buy-in and support from funders, government, business, and civic leaders
- Encourage entrepreneurial activity at the neighborhood level, including business development, retention, and expansion.
- Connect public transit, school facilities, other institutions and public spaces with the communities in which they are located, and revitalization efforts.
- Coordinate the siting and planning of new residential, commercial, retail, and institutional development to generate sustainable and community-wide private market response.
- Develop a land assembly initiative.

**2.4 Expected Outcomes** – NPI is designing its program activities, including the grants program, so that the following outcomes will be produced:

- Moving targeted neighborhoods towards recovery
- Improvements against baseline indicators
- Significant real estate production
- Neighborhood plans for all or part of CDC service area
- CDCs capable of implementing a recovery agenda
- Multi-level partnerships and collaborations across neighborhood boundaries
- More resources for implementation
- Regionally competitive neighborhoods

### **3.0 CORE OPERATING GRANT**

**3.1 Purpose** – To provide general operating support to community development corporations based on past performance, community engagement, strategic direction, staff capacity, demonstrated ability to realize threshold production levels or to undertake a range of services including real estate development, that move the neighborhood toward recovery.

**3.2 Eligibility** – To be eligible for consideration for a grant, the following will apply.

1. Community-Based Not-for-Profit Organization

To be eligible to receive consideration an organization must be a 501 (C) (3) non-profit community development corporation in good standing, located and operating in a neighborhood in the City of Cleveland.

2. Prior CNPP Support

The receipt of operating grant support in the 2001-2004 (or prior NPI program cycles) is NOT a requirement or condition of eligibility for the 2004-2007 program cycle. Any community-based non-profit, as defined above, is eligible for an operating grant regardless of whether it previously received support from CNPP.

Similarly any community-based non-profit, as defined above, is able to elect to complete part “B” of the proposal to compete for an invitation to prepare a strategic impact pre-proposal.

3. Minimum Production Goals

The proposal must demonstrate that the CDC will produce a minimum of 10 housing units or 3,000 square feet of commercial space per year, on average. The units may be new construction or rehab.

4. Organizational Capacity: Threshold Operating Standards

Current grantees must meet the “Threshold” standards in the Operating Guidelines to be eligible for funding. Applicants that did not receive an operating grant during the 2001-2004 program cycle must commit to meeting the Threshold standards no later than June 30, 2005.

**3.3 Grant Amount** - Up to sixteen (16) grants of up to \$60,000 per year for up to three years, subject to the availability of funding.

**3.4 Eligible Uses** - Core Operating Grants will be awarded for general operations. Eligible uses for the grant funds are development staff, development service providers, operating expenses, program staff, and working capital. In addition to an operating grant, applicants will also be eligible for working capital, real estate development financing, development services, technical assistance and planning assistance on a case-by-case basis.

**3.5 Proposal** – Any eligible organization seeking a core operating grant must complete a proposal. The proposal form is attached. Please note that the proposal form requests using the proposal prepared for the City of Cleveland in response to the City’s RFP for CDBG funding for years 30 and 31. That proposal should be augmented by the information and materials requested in the proposal form, including, board roster form, staffing form, and a budget for the core operating grant allocations.

**3.6 Evaluation Criteria** – Proposals will be evaluated on a competitive basis in accordance with the below criteria.

- Does the CDC’s projected production meet or exceed minimum production requirements of 10 units per year (on average)?
- Does the CDC meet the threshold operating standards?
- Has the CDC demonstrated a history of involving and engaging residents, businesses or other stakeholders with the CDC, its programs and planning (block club organizing & management, stakeholder meetings, summits, other)

- Has the CDC proposed specific plans, programs or strategies for involving residents businesses or other stakeholders with the CDC, its programs and planning?
- Does the CDC identify a production or project pipeline?
- Does the CDC identify other services, programs, activity, etc?
- Is there staff capacity to manage and complete its programs or neighborhood agenda?
  - Are staff goals and objectives clear?
  - Does staff have the skills & experience
  - Does staff have a track record of acceptable performance
  - Does staff have the resources to perform their job
  - Does staff have the support of the organization and its structure?
- Is the CDC stable financially, and does it have the financial capacity to perform as stated in the proposal?
- Does the CDC demonstrate an understanding of the issues and opportunities vital to the neighborhood?

#### **4.0 STRATEGIC IMPACT GRANT**

**4.1 Purpose** – The purpose of the strategic impact grants is to provide resources to a limited number of organizations to implement a strategic impact initiative designed to *result in measurable improvements in one clearly defined impact area within each neighborhood*. In general, strategic initiative refers to a set or multiple sets of activities – cross-programmatic, inter-organizational, cross-neighborhood, etc. – which are collectively designed to operate in concert to cause positive change or improvement in the designated area, or in the larger neighborhood. The change or improvement will be capable of being measured against previously identified baseline conditions. It will be expected that the CDC will involve individuals, stakeholders and other organizations through partnerships, collaborations or strategic alliances to plan and implement the initiative.

The grants are intended to support initiatives possessing the following characteristics:

1. Builds upon an analysis of neighborhood conditions and an identification of strategic opportunities for neighborhood improvement.
2. Specifies a defined strategic impact area within which the effects of the initiative will be targeted and measurable results are expected.
3. Combines physical real estate investments with other types of program investments to achieve more comprehensive and mutually reinforcing results.
4. Features the implementation of one or more anchor projects designed to have catalytic effects on the surrounding area.
5. Involves collaborations between the CDC and other organizations in order to bring together new resources and partnerships that extend the CDC’s efforts and increase the impacts on the area.
6. Includes a plan for measuring the impacts of the initiative on the area over time.
7. Has the potential to measurably improve market conditions, the quality of life for area residents and move the strategic impact area toward health and recovery.

**4.2 Eligibility** – Application will be by invitation only. Applicants will be selected from among those CDCs which:

- Meet the eligibility requirements for a core operating grant,
- Are awarded a core operating grant, and
- Complete and submit a pre-proposal along with the core operating grant proposal.

Invitations to prepare a full proposal for the strategic impact grant will be based upon an assessment of existing capacity to realize the goals identified in a strategic impact grant pre-proposal application included with the core operating grant application. The pre-proposals will be evaluated, and a limited number of CDCs will be invited to prepare proposals for strategic impact grants. Those CDCs invited to prepare and submit a full strategic impact grant proposal may be eligible for additional planning resources to develop an implantation plan for the strategic impact initiative.

**4.3 Grant Amount** – Up to 8 grants will be awarded for up to \$60,000 per year (in addition to the core operating grant) for up to three years, subject to the availability of funding. An additional award of up to \$30,000 could be granted to support collaborations and innovative strategies.

In addition to the grant amount, CDCs selected to receive support for strategic impact grants will also be eligible to apply for additional NPI program resources consistent with agreed upon initiative work plans. These resources, including working capital, real estate development financing, development services, and technical assistance and planning support, will be made available on a case-by-case basis.

**4.4 Eligible Uses** – The grant funds may be used to implement the components of a strategic initiative in the neighborhood that is comprehensive.

Eligible uses for the grant funds are staff, project consultants, operating overhead and working capital. Where the grant funds are allocated for staff, the staff activities should be significantly related to the impact area plan.

Ineligible uses for grant funds are planning, project costs, and capital costs (i.e., equipment).

The types of programs that might constitute an initiative the grants will support include:

- Establishing or building collaboration and partnerships,
- Housing development targeted toward specific market(s) or niches,
- Housing stabilization agendas (i.e., code enforcement and home repair),
- Community organizing and involvement,
- Commercial development,
- Industrial development,
- Retail district revitalization and small business development,
- Improvement of school facilities and grounds,
- Improvements to parks, recreation or green spaces,

**4.5 Strategic Impact Grant Pre-Proposal** - Any organization eligible to submit a core operating grant proposal may elect to also compete for a strategic impact grant by completing and submitting a pre-proposal for the strategic impact grant. The pre-proposal form is attached.

The pre-proposal form is intended to elicit, generally, the opportunities for an impact initiative in your neighborhood (or crossing-neighborhood boundaries). Please succinctly provide information on the opportunities. A limited number of CDCs will be invited to submit full proposals. The proposal process is designed to more specifically define and describe the options for selecting strategic impact area, the opportunities, the expected impact and other neighborhood changes or improvements. The groups invited to prepare a full proposal will select an initiative from the options and opportunities identified in the pre-proposal.

**4.6 Evaluation Criteria** - The pre-proposals will be evaluated on a competitive basis in accordance with the below criteria.

- Does the CDC sufficiently describe, generally, the existing conditions in the area subject to the initiative?
- Is the description of the opportunities for a strategic impact initiative targeted, comprehensive and cohesive?
- Does the proposed agenda have the potential to improve markets, improve the quality of life and move the strategic impact area toward being healthy?
- Is there an anchor project of sufficient scale, and does it fit within the general context of the strategic impact description?
- Is the anchor project, well conceived, feasible (cost, financing, markets, timetable, etc.) and capable of completion in 3 years?
- Does the CDC have specific strategies for collaboration, partnership and relationships with other organization in the neighborhood?
  - Will the partnership further specific goals?
  - Will the partnerships provide funding?
  - Will the partnerships provide manpower or in-kind services?
  - Will the partnerships provide other benefits to the CDC, its projects or programs?
- Does the CDC have the capacity to pursue a strategic vision for the organization?
  - Has the CDC recognized goals or objectives for neighborhood improvement?
  - Has the CDC project or program design been developed to advance a specific goal in the neighborhood?
  - Has the CDC structured its organization and programs to assume a leadership position in the neighborhood?
- Does the CDC indicate a possibility of leveraging its resources (time, effort, funds)?

**4.7 Description of the Full-Proposal Process** – The election to complete and submit a strategic impact pre-proposal does not insure an invitation to submit a full proposal for a strategic impact grant. The pre-proposals will be evaluated based on the above criteria, and a limited number of CDCs will be invited to prepare a full proposal.

During the approximately 2 month period for preparing the full proposal, the invited CDCs will be required to more fully collect and assess baseline data, evaluate the opportunities and definitively select the strategic impact initiative area, refine or more fully design the strategies for improving the area, solidify the requisite partnerships and collaborations, and complete the “business plan” for implementing the initiative for which the invitees are seeking support from the strategic impact grant program.

The business plan, which represents the implementation work plan will include:

- The baseline data
- Boundaries for the defined strategic impact area (which correspond to blocks, block groups or census tracts)
- Goals, strategies and implementation actions for the strategic impact initiative
- A project work plan (concept paper) for the anchor project(s) that addresses the status of issues such as feasibility, strategic context, site control, financing, project management, project timeline, etc.
- Identify and explain the other real estate production, program activities etc. that comprise the initiative and its implementation strategies
- The parameters under which the partnerships or collaborations will operate, and the anticipated results.

- How the organization will manage implementing the strategic initiative
- How the organization will use NPI resources during planning and implementation
- How the organization will measure the impact of implementation.

The invitees will be able to access resources from NPI to complete the full proposal. The resources available include technical assistance for planning, limited funds for planning, technical assistance, project assistance, working capital financing, and project financing.

The business plan should explain how the various strategies comprising the initiative will interact to achieve the stated goals for the area. It will identify internal organizational, operational and management structures required to successfully implement the strategies, including how the partnerships will operate and facilitate implementation. The business plan will also describe how the CDC will evaluate the effectiveness of implementation efforts. In addition, the business plan will describe how the indicators will be tracked and improvement measured.

Following the submission of the business plans, they will be reviewed to determine the extent to which they further the goals and objectives of NPI, the goals and objectives of the initiative, the likelihood of successful implementation, the feasibility and extent of change projected in the strategic impact initiative area, the strength of the partnerships and collaborations and the ability of the organization to manage the implementation.

## **5. REGIONALLY COMPETITIVE NEIGHBORHOODS OF CHOICE**

**5.1 Purpose** – NPI and its partners will raise funds to introduce a third grant level as a pilot program. The new grant will support 1 to 3 neighborhoods that offer an opportunity for significant re-development leading to market recovery and the ability to compete within the region. This third grant level will require major institutional partners and multiple projects of scale. The objective of the pilot will be to re-position the pilot neighborhoods so that they are healthy neighborhoods of choice and competitive within the region.

The intent of the pilot program will be to intensely target (multiple and large-scale) projects, programs, resources, and broad-based partnerships to successfully complete place-making strategies. The goal is to establish the selected 1-3 areas as places to be, places to invest, and places of choice, which can compete in the region for investment, for residents, and for attracting businesses. Goal attainment should be reflected by significant improvement in quantitative and qualitative measures.

More details on the pilot program structure and selection process will be available as funding is secured and the design is finalized.

**5.2 Grant Amount** – Although fund raising for, and design of, the pilot is not complete, NPI anticipates selecting 1 –3 defined areas to participate in the pilot. The organizations and collaboratives participating in the pilot program will receive additional grant dollars – approximately \$100,000. In addition, additional resources will be available to support the pilot, including \$200,000 for planning.

## **6. PROPOSALS FOR CORE OPERATING GRANTS AND PRE-PROPOSALS FOR STRATEGIC IMPACT GRANTS**

Any organization seeking a grant must submit a proposal for a core operating grant-Part A. The Part-A proposals are due on or before April 19, 2004. All proposals received will compete for core operating grants. The proposal form is attached.

Any CDCs applying for a core operating grant may also elect to compete for an invitation for a strategic impact grant. The applicant must indicate, on page 1 of the core operating grant proposal, whether the applicant is electing to complete a pre-proposal to compete for an invitation to prepare a full proposal for a strategic impact grant. The applicant must also complete Part B--the pre-proposal-- for the strategic impact grant. The pre-proposals are also due on or before April 19, 2004. The pre-proposal form is also attached.

**Note- The RFP, Proposal Guidelines and related forms may be sent to you via E-mail or on a floppy disc upon request. To request an E-mail copy or a disc please call Mahria Harris at 830-2770. Additionally, the RFP can be reviewed and downloaded from the NPI website, which may be found at [www.neighborhoodprogress.org](http://www.neighborhoodprogress.org).**

## **7. PROPOSAL SUBMISSION DATE AND REQUIREMENTS**

**7.1 Structure & Format** - In responding to the RFP, please adhere to the format outlined herein as well as in the Proposal and Pre-Proposal Forms, which provide the instructions for completing the proposal and pre-proposal. The instructions describe the format, information and contents required for completing the proposal and pre-proposal. Please review your proposal and pre-proposal prior to submission to ensure that they are complete and include all required attachments.

**7.2 Due Date and Time** - Core operating grant proposals must be submitted on or before April 19, 2004. The pre-proposals for the strategic impact grants are also due by April 19, 2004. The proposals, and pre-proposals, should be submitted to the attention of Daryl Rush, at Neighborhood Progress, Inc., at 1956 West 25<sup>th</sup> Street, Suite 200 Cleveland, Ohio 44113. **Proposals and pre-proposals must be received by NPI no later than 5:00 p.m.**

**7.3 Copies** - Please submit an original 3 copies of Part A and its attachments, BUT submit an original and 10 copies of Part B- the pre-proposal and its attachments.

## **8. PROPOSAL & PRE-PROPOSAL REVIEW**

**8.1 Core Operating Grants** - The core operating grant proposals will be reviewed and evaluated during the month of April and early May 2004. Decisions and approvals of the core operating grant awards will be made in mid-May. It is expected that notices of the core operating grant awards will be circulated on May 20, 2004. Core operating grant agreements will be finalized in June, and grant funds will be disbursed in early July 1, 2004.

The core operating proposals will be reviewed against the criteria set forth above in section 3.6.

**8.2 Strategic Impact Grants** - The pre-proposals will also be reviewed and evaluated during the month of April and early May 2004. Decisions on which CDCs will be invited to prepare and submit strategic impact proposals will also be made in May, and it is expected that invitations to prepare full strategic impact proposals will be distributed in May. The invitees will have 2 months to prepare the full proposals. The review and decision making process will take approximately 6 weeks after the full proposals are submitted. The strategic initiative pre-proposals will be reviewed against the criteria set forth above in section 4.6. The CDCs submitting the best pre-proposals will be invited to undertake the process described in section 4.7 to prepare a full proposal for a strategic impact grant.

**8.3 Site Visits** – After the proposals and pre-proposals have received by NPI, appointments will be scheduled for site visits for those CDCs that have submitted a strategic impact pre-proposal. The purpose

for the site visit will be to clarify questions about the proposal materials, verify information regarding prior performance, and explore details about proposed performance.

CDCs will be visited by a team of 2 or 3 people to conduct the site visit. Prior to the appointment, the CDC will be sent an agenda for the site visit and any materials that will be needed for review or collection. The site visit will be part of the proposal evaluation process.

#### **9. CDC MEETING: RFP & PROPOSAL QUESTIONS and ANSWERS**

NPI will sponsor a meeting on Monday, March 23, 2004 for the executive directors of organizations planning to respond to the RFP. The objectives of the meeting is to answer any questions about the proposal or the proposal process, to discuss data collection and indicator tracking, and to provide technical guidance the strategic impact pre-proposal.

The meeting will be on Tuesday, March 23, 2004, from 8:30 – 12:00, in the Cleveland Foundation’s large conference room, 1422 Euclid Avenue, Cleveland, Ohio 44115

Should you have any questions regarding the proposal guidelines, the core operating proposal, or the strategic impact pre-proposal preparation process prior to the March 23 meeting, please call Daryl Rush at 830-2770.



**PART A**  
**2004-2007 PROGRAM CYCLE**  
**CORE OPERATING GRANT PROGRAM PROPOSAL FORM**  
**Executive Summary for Core Operating Grant Applicants**  
1 page

<b>Date</b> _____
<b>Organization Name</b> _____
<b>Grant Amount Requested:</b> _____
<b>Address</b> _____
<b>Telephone</b> _____ <b>Fax</b> _____ <b>E-Mail</b> _____
<b>Web site</b> _____
<b>Are you electing to be considered for a Strategic Initiative Grant by completing Part B of the application</b> <b>Yes</b> _____ <b>No</b> _____

In a 1 page executive summary, briefly describe your organization's objectives in your service area. Describe what is working and what is not working in the neighborhood in connection with markets, physical conditions, image and neighborhood management. Briefly describe the changes you want to make in the neighborhood, as well as the impacts you are trying to achieve through your programs, and how they will help guide your neighborhood toward recovery. Also, identify your key partners and stakeholders (e.g., relationships with neighborhood leadership, institutions, politicians, and businesses) and their involvement with your efforts.

**INSTRUCTIONS:** The City of Cleveland issued its RFP seeking proposals for block grant funding on February 11. The similarity between the information sought by the City and by NPI has prompted NPI to accept, generally, the CDGB proposal as the proposal for the core operating grant.

Accordingly, to comply with the proposal requirements for the core operating grant, please submit the following:

1. Three copies of the CDBG proposal
2. An original and 2 copies of the core operating grant proposal form, which consists of:
  - a. The 1 page executive summary,
  - b. The prior production page,
  - c. The program summary page,
  - d. The neighborhood recovery discussion pages,
  - e. The organizational capacity and development page,
  - f. The proposed core operating grant allocation budget page,
  - g. The attachment form with the attachments listed,
  - h. The board roster, and
  - i. The staff roster.

If you are electing to be considered for a strategic impact grant, also complete and submit Part B: Strategic Impact Pre-Proposal along with this proposal.

PLEASE SUBMIT AN ORIGINAL AND 3 COPIES OF Part - A

**2004-2007 PROGRAM CYCLE  
CORE OPERATING GRANT PROGRAM  
Grant Proposal: Prior Production Performance**

Fill in this 1 Page

**Prior Performance and Track Record** - Summarize below the real estate development activities the organization completed over the past 3 years (July 1, 2001 – June 30, 2004). Current CNPP grantees should have more detailed production information on the PropTracker web site.

**HOUSING**

<i>Program/Production Type</i>	<i>Actual Production: Outputs: 2001-2004</i>
For-Sale: New Const.	
For-Sale: Rehab.	
Low-Income: NewConst.	
Low- Income: Rehab.	
Multi-Family: Mkt: NewConst.	
Multi-Family: Mkt. Rehab.	
Multi-Family: Low- Income:NewConst.	
Multi-Family: Low-Income: Rehab.	
Home repair	
Paint program	
Weatherization	
Code Enforcement	

**COMMERCIAL/RETAIL**

<i>Program/Production Type</i>	<i>Production Outputs: 2001-2004</i>
Storefront Renovation	
Office: NewConst.	
Office: Rehab.	
Retail: NewConst.	
Retail: Rehab.	
Spot demolition	
Site assembly	
Parking	
Management	

**2004-2007 PROGRAM CYCLE  
CORE OPERATING GRANT PROGRAM PROPOSAL FORM  
Summary of Programs Page**

1 page

Please provide a summary of your programs and program goals using the information about your programs in your CDBG proposal.

**2004-2007 PROGRAM CYCLE**  
**CORE OPERATING GRANT PROGRAM PROPOSAL FORM**  
**Grant Proposal: Neighborhood Recovery Discussion**

2 pages

**Only complete this page if you do not complete the Strategic Impact Pre-Proposal**

1. How will you organize and utilize your programs to begin to move your neighborhood toward recovery?
2. How can you strengthen, build upon or add to the partnerships and collaborations to help you achieve your goals?

In responding to these questions, consider how your responses in the CDBG proposal, particularly the sections on projects, programs, planning and strategy, and community involvement relate to one another.

**2004-2007 PROGRAM CYCLE**  
**CORE OPERATING GRANT PROGRAM**  
**Grant Proposal: Organizational Capacity & Development**

Threshold Operating Standards - Applicants must demonstrate compliance with each of the “Threshold” standards in the Operating Guidelines developed by Quantum Leap. Applicants should complete the attached Operating Guidelines Checklist and include it with the proposal.

CDC applicants which did not received CNPP grant funds during the 2001-2004 program cycle may receive consideration if they can outline how all threshold standards will be met within 1 year of July 1, 2004.

Each page of the check list has 3 columns, one for each of the threshold, good and best practice sets of standards. For each item in each column, mark the item with either a “Y” for yes, a “P” for partial, or an “N” for no to indicate whether you meet or practice each item.

Organizational Strength & Stability – All applicants should complete the Board Roster and Staffing Survey Form (see Attachments 1 and 2) and return them with this proposal.

**2004-2007 PROGRAM CYCLE  
CORE OPERATING GRANT PROGRAM  
Grant Proposal: Budget & Budget Narrative**

Complete this 1 Page

List the proposed uses for the core operating grant funds. The budget allocations for the core operating grant funds should be for up to \$60,0000.

Grant Request: \_\_\_\_\_

Total Operating Budget: \_\_\_\_\_

Proposed Core Operating Grant Allocations

<i>Allocated Use</i>	<i>Grant Amount</i>	<i>Notes</i>
Total		

Explanation & rationale of allocations:

**Please attach a copy of your total operating budget for the current year.**

**2004-2007 PROGRAM CYCLE  
CORE OPERATING GRANT PROGRAM  
Grant Proposal: Attachments**

The supporting documents listed below are related to the organizational strength, prior performance and proposed direction, and should be attached to the original proposal as well as to all copies.

Attachment Checklist

Supporting Documents	Attached
Written description of the organization's service area boundaries, if applicable, please note how the boundaries have or are expected to change as a result of ward redistricting	N/A – in CDBG
Board roster, including board officers and committee chair-people (please indicate which board members are residents, business owners, or representatives from neighborhood or city – wide organizations, and years served) (See Attachment 1)	
Organizational Chart	
A completed Staffing Survey Form (see Attachment 2)	
Job descriptions for all staff	
Resumes for all staff	
Operating Guidelines Checklist (See Attachments 3)	
Operating budget for the organization for the current fiscal year (Explain all budget assumptions in footnotes or endnotes)	N/A – in CDBG
Audit (including management letter and board resolution)	N/A – in CDBG
Financial report from most recent reporting period (balance sheet, cash flow statement, actual versus budgeted expenses, aged payables, aged receivables)	
A Board resolution supporting the submission of the proposal	
A letter from the council person in support of the proposal	
A listing of neighborhood programs	N/A – in CDBG

**2004-2007 PROGRAM CYCLE  
CORE OPERATING GRANT PROGRAM  
Attachment 1: Board Roster**

	<i>Name</i>	<i>Years on Board</i>	<i>Resident</i>	<i>Business Owner</i>	<i>Organ. Rep.</i>	<i>Office</i>	<i>Committee Chair</i>
S1	Sample James Johnson	5	X			President	
S2	Sample Ramona Henderson	1		X			Finance
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							

Additional comments:



**2004-2007 PROGRAM CYCLE  
CORE OPERATING GRANT PROGRAM  
Attachment 2: CDC Staffing Survey Form**

**Please tell us about your staff. List Below all CDC personnel. Please list percentage of time devoted to each function.**

Title	Name	email address	# of Years at position in this CDC	# of Years with this CDC	# of Years in the CD field	Highest Level of Ed. Attained	Reports To: (Title)	# of Staff reporting to:	Annual Salary	Fringe Benefits	Asset/Property Mgmt.	Physical Dev. Activities	Admin	Fin. Mgmt	Board Relations & Development	Other Program Activities
<b>Example:</b> Executive Director	John Smith	<a href="mailto:Jsmith@cdc.org">Jsmith@cdc.org</a>	1	3	5	BA	Board	10	40000	14000	10%	20%	20%	20%	5%	25%

**PART B**

**STRATEGIC IMPACT GRANT PROGRAM: PRE-PROPOSAL FORM**

**Executive Summary for Strategic Impact Initiative**

(1 page cover sheet)

<b>Date</b> _____
<b>Organization Name</b> _____
<b>Grant Amount Requested:</b> _____
<b>Address</b> _____
<b>Telephone</b> _____ <b>Fax</b> _____ <b>E-Mail</b> _____
<b>Web Site Address</b> _____

Please summarize in a few paragraphs (no more than 1 page) the strategic impact initiative you are proposing for your neighborhood. Include in your summary:

- The strategic impact area you are targeting and why you have chosen it.
- List your opportunities, and how you would rank them?
- The highest priority strategies you are proposing to implement and their intended impacts.
- The anchor project or projects.
- The specific impacts you believe the strategies and/or projects will have on markets in the area.
- Key partners and collaborations that will be needed to further plan and implement your initiative.
- What resources will you need to develop the pre-proposal concepts into a business plan for implementation?

**NPI MUST RECEIVE AN ORIGINAL & 10 COPIES ALONG WITH THE CORE OPERATING PROPOSAL NO LATER THAN 5:00 APRIL 19, 2004**

**2004-2007 PROGRAM CYCLE  
STRATEGIC INITIATIVE GRANT PROGRAM  
PRE-PROPOSAL**

**Strategic Initiative Agenda & Area**

(2 pages)

Please describe your proposed strategic impact initiative and the impact area within which you expect your initiative will have market and/or other measurable impacts. Your responses to the questions below should be short, but sufficient to describe the agenda with enough clarity to inform the evaluation process. CDCs invited to prepare a full proposal will have additional time, T.A. and resources to further develop or clarify their agendas, goals, partnerships and implementation strategies.

**I. Strategic impact initiative preliminary assessment:**

Provide a brief assessment of key challenges, assets and barriers in the neighborhood regarding real estate markets, physical conditions, image, and neighborhood management

**II. Strategic Impact initiative area profile:**

- a. Strategic impact initiative area name (if applicable):
- b. Strategic impact initiative area boundaries (by block group or census tract):
- c. What data did you use to assess the area, and how would that data compare with the same data set for the neighborhood and the city?

**III. Area Selection and Other Factors**

- a. What are the opportunities for your strategic initiative, and how do you plan to evaluate them?
- b. Briefly state your rationale for selecting the strategic impact area
- c. Vision (How is the area currently described or defined? What kind of image should define the strategic investment area?)
- d. How would the area market(s) be defined or described now?
- e. What are your overall goals for the strategic investment area?
- f. What are the principle strategies or sets of activities you expect to use to address to improve the markets in the strategic investment area?
- g. Describe the outcomes you are trying to achieve in the strategic impact initiative area.
- h. What are the key obstacles to planning for or implementing your initiative, and describe what the CDC will need to do to overcome them.
- i. How will the organization review, quantitatively measure and evaluate progress and success on a regular basis?

**IV. Planning**

- a. What plans or studies have been completed or proposed for the strategic investment area (i.e., land use analysis, development objectives, market studies, etc.)? Provide one copy of each viable plan or study. Please provide it on CD ROM if possible.
- b. Is your strategic initiative currently underway?

**2004-2007 PROGRAM CYCLE  
STRATEGIC INITIATIVE GRANT PROGRAM  
PRE-PROPOSAL FORM**

**Priority Programmatic Activity & Strategies**

(No more than 2 pages)

This section is intended to explore how you envision operationalizing and integrating the previously discussed concepts and components into a cohesive and comprehensive effort. Discuss how you will make the changes you want to make in the image, markets, physical conditions, and neighborhood management capacity in the neighborhood. In the discussion, please address the following:

What are the major long-term (3-5 year) strategies or programs planned for the strategic initiative, and what are the expected outputs and outcomes?

What are the significant real estate projects (in addition to the anchor project), or improvement programs envisioned for the strategic impact initiative area, and what are the expected outcomes? Impacts? How will they fit within and further the overall strategic impact initiative?

How do you believe that the strategic impact initiative will:

- a. Relate to, advance or address neighborhood issues?
- b. Move the neighborhood toward health and recovery?

Is there political support for the strategic impact initiative? Briefly explain.

Implementation and Resource Needs

- a. How will implementing the strategic initiative agenda impact your organization, including the staff and Board?
- b. What resources do you anticipate will be required to complete the full proposal for the strategic impact initiative?
- c. What resources do you anticipate will be required to implement strategic impact initiative area plan?
- d. Are there any commitments of public or private resources for the strategic impact initiative? How will resources be maximized and leveraged?
- e. How can NPI assist you with completing your strategic impact plan and/or its implementation?
- f. What are your critical assumptions regarding your resource needs?

How will your organization manage the planning and implementation of the strategic initiative?

- a. How will it be staffed,
- b. What changes, if any, will be required for the organization?
- c. What resources will be required?
- d. What changes, if any, will be required in how business is conducted by the organization?

**2004-2007 PROGRAM CYCLE  
STRATEGIC INITIATIVE GRANT PROGRAM  
PRE-PROPOSAL FORM**

(No more than 2 pages)

**Partnership, Collaboration, Community Outreach & Support Strategies**

Please describe your proposed approach to building or strengthening partnerships, collaborations and community involvement in planning and implementing the strategic impact initiative. In preparing your description, please address the following questions:

1. With whom do you need to create partnerships or collaborations to enable your plan to be successful, how might they be created, and what type of resources (financial or in-kind) would you hope to gain from these partners.
2. How do you intend to secure the support and involvement of the people or entities you need as partners?
3. How do you envision involving residents and other stakeholders in the planning, decision-making, and implementation of the strategic impact initiative?
4. Have you built the partnerships and alliances needed to advance the strategic impact initiative agenda, and how are those partnerships being maintained?
5. How do you envision each of the above partners advancing your planning or implementation efforts (division of labor, shared staff, resources, funding, etc.)?
6. How will you finalize, formalize or otherwise ensure the partners' participation or fulfillment of their role(s)?
7. What are your critical assumptions regarding your partnerships or partnership needs?

**2004-2007 PROGRAM CYCLE  
STRATEGIC INITIATIVE GRANT PROGRAM  
PRE-PROPOSAL FORM**

**Anchor Project Description (if applicable)**

Part 1: Please complete this section.

Project Name: \_\_\_\_\_

Project Type: \_\_\_\_\_

Staff Person Responsible for Project Completion: \_\_\_\_\_

Project Location: \_\_\_\_\_

State the expected output (i.e. number of units, square footage etc): \_\_\_\_\_

Projected Project Cost: \_\_\_\_\_

Part 2: Project Summary

In no more than 1 page, please provide the following information:

- What is the market you are attempting to address?
- Why is this project of strategic importance?
- What is the specific role that the proposed project will play in anchoring or catalyzing the strategic initiative you are proposing?
- Briefly state the expected measurable impacts of the project
- What else will be done to enhance the project impact?

Attach a copy of a concept paper for the project.

# Appendix F

# ***MAPPING THE ROAD TO EXCELLENCE***

**Operating Guidelines For Community Development Corporations (CDCs)**

**The Quantum Leap Program  
Neighborhood Progress, Inc.  
1956 W. 25<sup>th</sup> Street, Suite 200  
Cleveland, Ohio  
(216) 830-2770**

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## Introduction

In recent years there has been increased discussion at the national level on the importance of building capacity among not-for-profit organizations within the community development field. There is an emerging consensus around the importance of identifying "best practices" within the field, and the development of support systems to help CDCs increase capacity and promote a best practice environment.

One approach to fostering a best practice environment among CDCs is the development and promotion of a set of operating standards that can guide organizational development. The attached Operating Guidelines were developed by the Quantum Leap Program of Neighborhood Progress, Inc. (NPI) from several sources. First, a review of the national literature on this subject was conducted. Second, a series of roundtable discussions were facilitated between October 1999 and February 2000 to obtain feedback on national models and collect examples of "best practices" at Cleveland CDCs. These discussions involved over 100 community development practitioners, including staff and board members from the 26 CDCs in NPI's "Quantum Leap" network. Finally, this newly revised version of the guidelines reflects many comments and observations of practitioners since the guidelines were introduced in March of 2000.

The Guidelines are grouped into seven (7) sections: I. Governance, II. Resource Management (which includes Fundraising, Financial Management and Asset Management), III. Human Resources, IV. Planning (which includes both Neighborhood and Organizational Planning), V. Community Involvement and Networking, VI. Program Management and VII. Information Technology. The guidelines are further differentiated by "Threshold", "Good Practice" and "Best Practice" levels. Threshold consists of operating controls, practices and policies that are considered to be a minimum level for an organization in the local non-profit community development industry to operate effectively. Good Practice standards are an intermediate level the attainment of which means a group is highly capable of managing its operations and implementing programs. The Best Practice level consists of a set of policies, practices and principles that enable a CDC to maximize its resources, optimize its operating efficiencies, and promote a culture of organizational excellence.

Guidelines and standards are most effective when implemented as part of a comprehensive capacity building system. The Quantum Leap Program consists of four components: 1) Operating Guidelines, 2) periodic organizational assessment to evaluate a CDC's status in relation to the guidelines, 3) a "Change Agenda" with recommended action steps, and 4) a menu of workshops, technical assistance and other resources to support the implementation of the Change Agenda.

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### OPERATING GUIDELINES FOR CLEVELAND CDCs

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
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<b>I. GOVERNANCE</b> <i>A CDC board should represent the community, oversee the organizational operations including fiscal review and fulfillment of organizational goals and objectives, and interact appropriately with staff.</i>						
A. General Board Requirements	1. Each board member has a copy of the bylaws		1. Board members have term limits and terms are staggered		1. Maintain a board that has both the resident constituency necessary to ensure broad community support and accountability to the community, as well as the technical expertise necessary to oversee effective program delivery	
	2. The board periodically reviews the bylaws and compares them to actual practice					
	3. The bylaws contain provisions for dealing with emergencies, whenever quick turnaround action is needed between board meetings, e.g. a) "action without a meeting", b) specific authority delegated to an executive committee to act in emergencies				2. Maintain written job descriptions for board members and for each officer position	
	4. The board has regularly scheduled meetings at which a) a quorum is present b) minutes are taken, and c) minutes of the previous meeting are distributed and					

Key: Y=Yes, N=No, P=Partial

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
	approved					
B. Board Member Recruitment			1. Maintain a Committee that recruits, screens, recommends candidates to fill vacancies when they occur and facilitates board development activities		1. Utilize a community-organizing program that moves resident leaders along a “community leadership path” and prepares them for board service	
			2. Have a plan that addresses emergency open positions on the board		2. Utilize committee structure to introduce and observe community leaders who may be good potential board members (ask them to serve on various committees)	
					3. Utilize the services of a board recruitment program (e.g. Business Volunteers Unlimited) to solicit volunteers with specific technical expertise required to oversee program delivery	
					4. Have a Succession Plan that provides leadership development and addresses the short term, long term or permanent loss of the Board Chairperson and other officers	
C. Board Training /			1. Provide an initial orientation and Board Manual for all board		1. Conduct a full board training program for all board members	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
Development			members that includes the history of the organization, a Board Member Job Description, a document/contract of commitment to the position, committee assignments / responsibilities, attendance policy, etc. and a review of all key documents, e.g. articles of incorporation, bylaws, mission statement, and any operating manuals, e.g. employee handbook		no less than every three years	
					2. Develop a system for identifying on-going board member training needs and conduct refresher board training in specific areas at least annually or as needed	
					3. Commit to ongoing leadership development for Board members and cultivating new leadership among other community leaders by utilizing training opportunities like BVU, Neigh. Leadership Cleveland, QL, and others	
D. Board	1. Committees limit their role to making recommendations to the		1. Establish or maintain a committee structure		1. Establish and use additional committees (recommended	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
Committees	board unless specific authority has been delegated by the Board		(recommended standing committees of the board include finance, personnel, real estate related and nominating)		committees include development/fund raising, program, public relations/communications, and various other ad hoc committees that may be appropriate)	
					2. Chairmanship of committees rotates periodically among board members to insure that the leadership ability of all board members is developed and utilized	
					3. No single board member is chair of more than two committees at any one time	
					4. Committees should be diverse and represent a cross-section of the community	
E. Risk Management	1. Maintain insurance coverage as recommended by insurance professionals in the following areas: business liability, builders' risk, hazard insurance, directors & officers liability, workers' compensation and unemployment				1. Conduct an organizational risk assessment every two years	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

<b>Category</b>	<b>Threshold</b>	<b>Y N P</b>	<b>Good Practice</b>	<b>Y N P</b>	<b>Best Practice</b>	<b>Y N P</b>
F. Legal Issues	1. Bylaws should contain a conflict of interest provision		1. Maintain a formal relationship with legal counsel		1. Have a written Operating Manual that contains a conflict of interest policy, purchasing policy, contracting authority, family leave, and addresses all generally accepted legal issues for nonprofits	
	2. Periodically review relationships with elected politicians to insure that the organization does not jeopardize it's tax exempt status by operating "in support of" an elected politician				2. Review policies and procedures every three years, including Articles of Incorporation, Code of Regulation/Bylaws, Personnel Manual, etc.	
G. Personnel	1. Board performs an annual review of the Executive Director		1. Have a succession plan that addresses the short term, long term or permanent loss of Executive Director		1. Have succession plans that address the short term, long term or permanent loss of key staff positions	
	2. Board approves Executive Director's job description					
	3. Board approves Personnel Handbook					
	4. Board delegates day to day management of the office, staff and programs to the Executive Director					

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
H. Board/Staff Relationships	1. The Board hires and directs the Executive Director				1. The organization utilizes a structure that encourages delegation of responsibility and supervision	
	2. The Executive Director hires and directs the staff					
	3. The board refrains from day to day management and direction of staff and operations					
	4. The Executive Director staffs, and is present at, all board meetings with the exception of those meetings where his/her performance is being evaluated					
I. Organizational Planning	1. Board periodically reviews reports from staff on program performance		1. Programs are assessed annually to determine whether or not they serve to advance the mission.		1. Convene an annual board meeting/retreat to a) review the mission b) conduct or review the strategic organizational plan (usually 3-5 yr plan) c) assess the board's performance toward carrying out an organizational plan d) make necessary adjustments to the organizational plan e) assess the organization's	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
					performance toward implementing any existing neighborhood plan, and f) provide any training needed to update board skills	
			2. Organizational Plan is reviewed and approved on an annual basis and oversight is provided regularly (e.g. Executive Director may provide progress reports to board, etc.)		2. Establish a strategy for developing a Neighborhood Plan that insures input and on-going solicitation of feedback from those stakeholders whose lives will be affected by the plan	
<b>II. RESOURCE MANAGEMENT</b> <i>A CDC must be able to secure adequate resources and manage those resources responsibly.</i>						
<b>IIa. Fund Raising</b> <i>A CDC must be able to secure external support from a variety of sources. It's funding base should be diverse, stable and without wide annual fluctuations. The board is ultimately responsible for fund raising.</i>						
A. Planning, Roles & Responsibilities	1. Board reviews and approves fundraising activities		1. Board approves/sets annual goals for fundraising		1. Develop and periodically review a Fund Development Plan to include enhanced board and staff roles, strategies, timeline, budget, etc.	
	2. Community leaders, board members, and stakeholders give to the organization via time, financial support or otherwise		2. Board creates written roles for the board, staff, and community in fundraising activities (membership drives, personal giving, events, etc.)		2. Board members are actively involved in fundraising by a) helping identify funding sources, b) brainstorming proposal ideas, c) "telling their story" at meetings with funders, and d) volunteering to help	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
					conduct fundraising events	
					3. Board has a committee responsible for fund development that makes recommendations to the board	
B. Diversification			1. Organization has a plan for diversification of funding sources		1. No single funding source constitutes more than 30% of the organization's annual operating budget	
					2. Unrestricted funds account for at least 10% of the operating budget	
					3. Organization has a strategy for moving toward self-sustainability (i.e. endowments, fees, etc.)	
<b>IIb. Accounting and Financial Management</b> <i>A CDC should have internal financial systems that reflect sound business principles of accountability.</i>						
A. Audit	1. Conduct an annual audit					
	2. Meet minimum <i>Audit Standards</i> as defined by the city					
	3. The Auditor is engaged by the Board of Trustees					

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

<b>Category</b>	<b>Threshold</b>	<b>Y N P</b>	<b>Good Practice</b>	<b>Y N P</b>	<b>Best Practice</b>	<b>Y N P</b>
	4. The Final Audit is reviewed and accepted by the Board					
	5. Board reviews and adopts a plan that addresses findings in management letter					
B. Budget	1. Overall budget is reviewed and approved by the Board no later than by the end of the first quarter of the current year				1. Prepare monthly cash flow projections for the organization at the time the budget is prepared	
	2. Define and review budget per program				2. Update cashflow statement at least quarterly to reflect timing of revenue receipt	
	3. Maintain a balanced budget for each fiscal year (expenses = revenue + reserves)				3. Over-all budget is reviewed and approved by the Board prior to the beginning of the fiscal year	
C. System	1. Maintain a computerized financial accounting system using a financial accounting software.		1. Maintain a financial accounting system based on an accrual method		1. Conduct cost/benefit analysis of programs for the organization every two years	

**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
	2. Board or Finance Committee reviews and evaluates monthly financial statements and audits		2. Compile a written financial procedures manual that establishes internal controls		2. Develop cost center financial management system to monitor revenues and expenses for use as a management tool	
	3. Employees who handle money should be bonded				3. Establish and monitor procedures for incorporating cost-recovery into project planning	
D. Reporting	1. Complete set of financial statements generated on a monthly basis (“complete” defined as: balance sheet, income & expense statement, budget verses actual report, a cash flow statement for the reporting period, and aged payables and aged receivables)				1. Track revenue and expenses related to fund development/fundraising separately (i.e. events, corporate giving, membership, grants, etc.)	
	2. Staff reviews financial reports with board at least quarterly				2. Track financial ratios to monitor the organization's financial health	
	3. Track restricted funds and overhead costs					
	4. Tax returns for the principal organization, partnerships and affiliates are filed on their due date					

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
<b>IIc. Asset Management</b> <i>A CDC should have systems and procedures in place to insure the long-term viability of real estate developed by the organization.</i>						
A. Acquisition	1. Obtain formal board approval for development programs and projects		1) Staff should conduct a review of property acceptance using the following parameters: a) Organization's capacity b) Fit w/existing mission & portfolio c) Staff capacity d) Property management issues e) Financial assessment of development and operating phases f) Environmental assessment g) Proposed disposition plan			
B. Management	1. Adopt the Property & Asset Management Performance Standards (P&A Standards) issued in 1997, and make a good faith effort to meet them				1. Target the following for P&A Management Performance Standards: i) Collection Rate: 92-95%* ii) Occupancy Rate: 95-98%* iii) Delinquency Rate: 3-5%* iv) Fund Operating and Replacement Reserves in full each year v) Maintenance Program in place vi) Disposition Plan created and implemented for all properties <i>*based on size of building and type of tenant (elderly, etc.)</i>	
	2. Reports to financial and				2. CDC should have a written asset	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

<b>Category</b>	<b>Threshold</b>	Y N P	<b>Good Practice</b>	Y N P	<b>Best Practice</b>	Y N P
	government entities are filed by due dates				management plan	
					3. Each property owned by CDC should have a written operations plan	
					4. Implement a management reporting system that contains an inventory of all CDC and affiliated properties, current market values, status reports on financial performance and Property and Asset Management (P & A) Standards to board and senior managers involved in asset management function	
C. Disposition / Sale / Transfer	1. Board reviews and approves disposition of property, or has adopted policies which govern how and when staff may dispose of property		1. Have staff prepare a full assessment of property for board review, to include: operating budgets, property condition, compliance with laws, tax issues, proposed sales price, projected profit or loss, and overall fit with organizational mission			
D. Board	1. Board should have basic understanding of Asset and				1. Establish a board committee for property and asset management	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
	Property Management principles and application of P&A Management Standards				program oversight	
					2. Conduct Board training on asset management fundamentals at least once every three years	
E. Staff	1. If using third party management firm, conduct annual review of performance and review annual budgets for each property under third party management		1. Develop and implement staff plan to manage properties based on number of units and supportive services needed		1. Property and asset management staff should have professional development plan that incorporates regular “refresher” training and “skill building”	
			2. Funding plan and commitments should be in place to cover supportive services, if applicable		2. Property and Asset Management staff should attend at least one training per year	
			3. New staff should be trained in use of P&A Management Standards and “Introduction to Asset Management” within 6 months after being hired			
<b>III. HUMAN RESOURCES</b> <i>A CDC must be adept at recruiting, developing and retaining key staff. The CDC office should be a place where people want to work - a place characterized by high morale, high productivity, and low staff turnover.</i>						
A. Personnel Code	1. Have written policies that address personnel issues such as attendance, benefits offered, grievance procedures, etc.		1. Create and implement a personnel policy manual that addresses attendance policy, benefits offered, grievance		1. The personnel manual is reviewed by staff and board at least every 2 years for accuracy and updating	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
			procedures and other statements of relevant policies			
			2. Obtain input from staff, board and legal counsel in creating manual		2. Obtain legal review of significant changes made in personnel manual	
B. Job Descriptions	1. Create and maintain job descriptions that include minimum qualifications and duties for all staff positions		1. Review qualifications for each position for parity with generally accepted expectations for similar positions in the community development field		1. Job description reviewed annually by supervisor and employee to ensure that it accurately reflects employee duties	
					2. Job descriptions created for new positions should be reviewed within six months for accurate reflections of job responsibilities	
C. Performance Review	1. Review performance annually		1. Develop and use a goal setting and performance review process, providing examples of performance standards for all staff (e.g. “meets” or “exceeds” performance based on goals and providing examples of how each looks)		1. Review performance twice per year: on an annual basis for establishing goals for coming program year and every six months to monitor progress	
	2. Personnel records are current and kept confidential					
D. Recruitment	1. Staff have the skills and		1. Staffing levels are sufficient to		1. There are formal procedures	

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### OPERATING GUIDELINES FOR CLEVELAND CDCs

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
and Retention	qualifications to fulfill their job descriptions, or there are plans in place to help staff obtain them		meet minimum program requirements		established for hiring staff	
					2. There are professional development plans for each staff member	
					3. There is a line item in the budget for staff training to implement staff development plans	
					4. There are succession plans, including cross training and mobility paths, for all staff positions	
					5. There are salary scales for each position and employee	
					6. Compensation and benefit levels are reviewed for competitiveness in the marketplace	
					7. There is active recruitment of talented individuals at competitive salary levels	
					8. Annual staff retreat to include such things as: planning, team building, personal reflection and celebrating accomplishments	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
					9. Develop creative strategies for recruitment and retention such as training, flextime, "comp" time, increased vacation, quality health insurance and retirement benefits	
					10. There is a proactive plan for recruiting and hiring from the neighborhood	
E. Independent Contractors	1. Contractors and professional service providers are provided formal written contracts to perform work		1. Contractors and professional service providers submit written proposals and are provided formal written contracts to perform work		1. There are policies and practices to govern the selection and management of contractors and professional service providers	
	2. Prior to hiring a contractor or consultant, a review of the 21 criteria established by the IRS is conducted to determine whether the individual is an employee or an independent contractor					
F. Communication	1. Staff meetings are held on a regular basis				1. Procedures are in place to insure that different departments are briefed on each others work, e.g. a) property managers and development staff collaborate in the pre-development process, b) housing staff operating home	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
					repair programs collaborate with community organizers working code enforcement and absentee landlord issues	
<b>IV. PLANNING</b> <i>A CDC should be an active facilitator of planning for the neighborhood, and effective at developing an organizational plan that advances the neighborhood vision and insures sound internal operations.</i>						
<b>IV.a. Neighborhood Plan</b> <i>A CDC should be an active facilitator and/or partner in neighborhood planning. The CDC should proactively involve community members and work with the City and other local officials in developing a plan for the neighborhood.</i>						
<i>GP focuses on Target Area Plans</i> <i>BP refers to broad Neighborhood Plans</i>						
A. Community Vision	1. The organization has a written statement that outlines its mission in the community.		1. The board and staff engage in a planning process which results in a clear strategic vision for the organization		1. The board and staff implement a planning process with broad resident and stakeholder involvement that enables the community to develop a strategic vision for its future	
			2. Board and staff develop a plan for comprehensive revitalization based on the strategic vision		2. The board and staff develop a 5-10 year plan with community participation for comprehensive revitalization based on the strategic vision	
					3. The neighborhood investment plan implements the vision articulated in the community's plan	
B.			1. The organization should clearly		1. The organization utilizes a broad	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
Implementation			determine its role(s) for implementing the plan		range of partnerships within and outside the community to implement the neighborhood investment plan	
			2. The plan should identify the roles and levels of participation for other stakeholders and partners to implement the plan			
C. Goals and Performance Measures	1. Adopt specific goals and strategies for program success that are consistent with the mission in A1 above		1. The plan should articulate performance measures for each program to be administered within the target area		1. Monitor progress through qualitative and quantitative data collection and analysis, GIS mapping, etc.	
					2. Maintain community involvement for oversight and implementation of the plan	
<b>IV. b. Business Plan</b> <i>The CDC should be effective at developing an organizational plan that advances the neighborhood vision and insures sound internal operations.</i>						
A. Development	1. Establish goals and expected outcomes for each program		1. Develop a 1 year Business Plan which includes goals, strategies, and measurable objectives		1. Develop a 3-5 year Strategic Plan which includes: a) Review of mission, vision, and core values b) Organizational goals, strategies, and performance measures c) Management, fundraising,	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
					and marketing plans d) Projected budgets	
			2. As part of the Business Plan, create an “organizational change agenda” that sets forth a work plan for attaining targeted organizational improvements		2. Develop annual Business Plan and Change Agenda based on the Strategic Plan	
B. Review					1. Board meets annually to review the Strategic Plan including: a) Reviewing program fit with mission b) Assessing the board’s performance toward carrying out an Strategic Plan c) Making necessary adjustments to the Strategic Plan d) Assessing the organization’s performance toward implementing the Strategic and Neighborhood Plans	
					2. Identify any training needed to update board skills	
<b>V. COMMUNITY INVOLVEMENT</b> <i>A CDC should have a strong and active constituent base and strong relationships with other organizations and institutions.</i>						
A. Membership	1. Conduct an annual meeting or		1. Utilize the annual forum to 1)		1. Utilize an annual meeting or	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
	other annual forum open to residents and other stakeholders of the neighborhood		sound out the community on neighborhood planning and proposed development plans and projects, and 2) obtain input on the direction of the organization over the next year		other annual forum as an opportunity to develop the leadership of non-board as well as board community members, e.g., celebrating victories & accomplishments, presenting proposals for resolving neighborhood issues, etc.	
					2. Engage residents in providing input into the decision-making of the organization throughout the year	
B. Community Representation	1. Include neighborhood representation on the Board (residents, businesses, institutions)		1. A majority of the board members have their primary residence within the neighborhood.		1. Utilize a community organizing program to move resident leaders along a “community leadership path” [e.g., block club, issue committee, project committee, program committee] that prepares them for board service	
			2. The organization recruits residents who are not board members to serve on committees of the board and/or other committees of the organization.		2. Have a membership base or an equivalent democratic and inclusive process that allows community residents to be involved in decision-making within the organization	
			3. The CDC has programs or activities for increasing resident		3. All CDC staff, not just community organizing staff,	

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### OPERATING GUIDELINES FOR CLEVELAND CDCs

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
			leadership skills.		continually look for opportunities to develop the capacity of community residents to advance along the organization's leadership path	
C. Resident Participation and Involvement	1. Obtain input from community residents and other stakeholders on issues, programs and projects the CDC should address		1. The CDC has a written Community Involvement Plan for increasing resident involvement in the CDC and in community activities in general.		1. CDC provides opportunities for residents to become involved in the decision-making process within their organization (e.g. voting membership)	
			2. The CDC creates project advisory or oversight committees to insure resident input into projects and programs.		2. Utilize a community organizing program that assists residents in identifying issues which they want to address and develops their capacity and power to improve the conditions in their community	
			3. Resident involvement reflects the diversity of residents who live in the community.		3. Help organize neighborhood meetings (block, clubs, street clubs, community forums, tenant associations, merchant associations, advisory councils, etc.) in which residents are trained to assume the leadership roles of chairing, presenting, decision-making, etc.	
D.			1. Involve the community in		1. Utilize an organized network of	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
Neighborhood Planning			neighborhood planning in a structured manner		block clubs and merchant associations to conduct strategic analysis and obtain input on program and project planning	
E. Marketing / Public Relations			1. Market the CDC and its programs and projects both inside the community and to the broader Cleveland community		1. Utilize an organized network of block clubs and merchant associations, etc. to inform the community about the CDC's programs, products and services	
					2. Develop a marketing/public relations strategy utilizing block clubs and associations	
F. Partnerships/ Alliances			1. Build partnerships and alliances with other local organizations and institutions to address issues impacting the community		1. Identify ongoing potential partnerships within the community and pursue formal relationship with these organizations	
<b>VI. PROGRAM MANAGEMENT</b> <i>A CDC's programs must be productive, and capable of responding to the growing and changing needs of the community.</i>						
A. Operations and Review	1. Establish goals and expected outcomes for each program		1. Outline management and reporting responsibility in writing for each program		1. CDC uses its neighborhood planning and community involvement activities to ensure that programs and projects meet community needs	

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
	2. Staff periodically review programs and report to the board on performance toward goals		2. Program Team (management, staff, etc.) reviews budget, program goals and performance at least every 6 months to monitor progress		2. Have a written operations plan for each program that includes: duties and roles of staff, reporting structures, budget, interactions with other programs, etc.	
			3. Program staff should have access to proposals, contracts and other key information that is related to the program		3. Review each program every two years to insure that they further the organization's mission and goals based on organization's mission and parameters for the program	
B. Budget	1. Create a budget for each program, or reflect the sources and uses for each program in the organization's budget				1. Perform a cost/benefit analysis for each program as part of overall program review	
<b>VII. INFORMATION TECHNOLOGY</b> <i>A CDC should have an IT infrastructure that supports the work and learning of all employees, a readiness for use of the internet as a business tool, and a commitment to providing IT training to all employees.</i>						
A. Hardware			1. PCs should have 64MB of RAM, and at least 2.5GB of hard drive space		1. Networks with over five users should use a client-server configuration; those with over twenty users should have a stand-alone server	
			2. Peer to peer network of all workstations		2. Ethernet speed of 100T	
			3. Network Ethernet cards all at			

Key: Y=Yes, N=No, P=Partial

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### OPERATING GUIDELINES FOR CLEVELAND CDCs

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
			same speed			
			4. Have an UPS for network server and workstations running mission critical applications			
B. Procedures	1. Backups of accounting and mission critical data performed at least weekly		1. Dedicate one employee as "Systems Administrator"		1. Backups of entire system run weekly	
	2. Offsite backup media storage				2. Have "Systems Administrator" research new software as needed	
	3. Entire office should use same virus protection software with monthly updates					
C. Software			1. All workstations run same word processing, spreadsheet and data base software		1. Accounting software integrates project management and property management software (single entry system)	
					2. Purchase and use a mapping software package (recommend - MapInfo)	
D. Telecommunications			1. Desktop internet access (56K) for all workstations		1. High speed DSL internet connection	
			2. Individual email addresses for all staff		2. Use email for interactive group communications	

Key: Y=Yes, N=No, P=Partial

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**OPERATING GUIDELINES FOR CLEVELAND CDCs**

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
E. Training	1. Office staff have a working knowledge of MS Word and MS Excel or equivalent word processing and spreadsheet programs		1. Office staff proficient in basic MS OFFICE or equivalent “Office Suite” programs		1. CDC encourages and budgets for annual or more advanced training for staff	
					2. Annually assess IT training needs for all staff	
					3. Assess and respond to training needs for new employees	
					4. Provide ongoing advanced training for “Systems Administrator”	

## OPERATING GUIDELINES FOR CLEVELAND CDCs

Category	Threshold	Y N P	Good Practice	Y N P	Best Practice	Y N P
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### Discussion/Review

Community Development Corporation Board Members  
 Community Development Corporation Executive Directors and Senior Staff  
 Neighborhood Progress, Inc. Operating Support and Capacity Building Committee  
 Quantum Leap Advisory Committee  
 Quantum Leap Consultants  
 Review by Intermediary Organizations including Local Initiative Support Corporation, Enterprise Foundation, and Cleveland Neighborhood Development Corporation

*Quantum Leap Program, NPI  
 March 2001*

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