Building Strong Communities

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NeighborWorks America
NeighborWorks America

Mission: Create opportunities for people to live in affordable homes, improve their lives and strengthen their communities

Credit: NHS New Horizons
NeighborWorks America

• Support 3,500 nonprofits with training and tools. Largest nonprofit trainer of community development professionals and resident leaders in the nation.

• 239 NeighborWorks organizations (NWOs)

• Provided homeownership education and counseling to 800,000 families and helped 265,000 purchased homes in the last ten years.

• Own/Manage 90,000+ affordable rental homes

• National Foreclosure Mitigation Counseling Program: over 1.3 million families provide foreclosure assistance
Today’s Environment: Most Serious Challenge Since Great Depression
Foreclosure Crisis

• 4 million foreclosures since 2008.
• 2 million more in pipeline.
• 11 million homeowners “underwater” – owe more than home is worth– roughly 22.5% of all outstanding loans.
• $7 trillion in wealth lost – greatest since Great Depression.
• From 2005 to 2009, inflation-adjusted median wealth fell 66% for Hispanics, 54% for Asians, and 53% among black households.
• 2.3 million children have lost their homes to foreclosure, and 3 million more are at serious risk of losing their home.
Foreclosures Impact on Communities

• $1.86 trillion decrease in home values due to foreclosures projected 2010-2013  — Ctr for Responsible Lending, May 2009

• $159,000 loss on surrounding property values within 1/8 mile radius per foreclosed property.
  Stephan Whitaker and Thomas J. Fitzpatrick IV, Cleveland Fed, September 2011

• $34,000 cost to municipality per foreclosed property
  - The Municipal Cost of Foreclosures:
  A Chicago Case Study, by William C. Apgar and Mark Duda, 2005
More than 11 Million Mortgaged Homeowners Are Underwater

Share of Mortgaged Homeowners Underwater in 2011:3

- Less than 10 Percent
- 10 - 25 Percent
- 25 - 33 Percent
- Greater than 33 Percent (up to 58)
- No Data

Source: CoreLogic

Joint Center for Housing Studies of Harvard University
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Foreclosures Have Been Concentrated In Low-Income Markets and Communities of Color

Median Estimated 18-Month Foreclosure Rate, 2008 (Percent)

Census Tract Type
- Low Income
- Moderate Income
- High Income

Notes: Minority census tracts were more than 50% minority in 2000; mixed census tracts were 10–50% minority; white census tracts were less than 10% minority. Low-/moderate-/high-income census tracts had median family incomes is less than 80%/80–120%/more than 120% of the metropolitan area median. Estimates are based on a HUD model of the share of loans foreclosed from January 2007 to June 2008. Sources: JCHS tabulations of HUD 2008 Neighborhood Stabilization Program data and US Census Bureau, 2000 Decennial Census.
Unemployment Rate Remains Elevated

Unemployment rate (Percent)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate (%)</th>
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<tbody>
<tr>
<td>2000</td>
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</tr>
<tr>
<td>2001</td>
<td>5.7</td>
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<td>2010</td>
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<tr>
<td>2011</td>
<td>8.5</td>
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</tbody>
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Note: Unemployment rates are seasonally-adjusted and for the month of December.

Employment Has Started to Recover But Is Still in a Deep Hole

Change in Total Nonfarm Employment From End of Recession (000s)

Note: Quarterly values are three-month averages of seasonally adjusted annual rates. Official End of Recession quarters were 1975:1, 1982:4, 1991:1, and 2009:2. Sources: NBER; BLS, Establishment Survey
Disparities in Unemployment By Age and Race Are Large

What Can Be Done?

1. Help prevent foreclosures.
   - **1-888-995-HOPE** to connect with a HUD-approved housing counselor.
   - **www.findaforeclosurescounselor.org**
   - **www.foreclosurehelpandhope.org** for tips on what to do to prepare.
Independent Study by Urban Institute:

• Foreclosure* counseling increased by 89% the odds of modification cures for counseled homeowners compared to non-counseled homeowners.

• Counseled homeowners were at least 67% more likely to remain current on their mortgage nine months after receiving a loan modification cure.

• Counseled homeowners reduced their monthly payments by $176 more, on average, than non-counseled borrowers—close to $2,100 a year.

• * 2011 Study of the National Foreclosure Mitigation Counseling Program
2. Help residents in your communities avoid loan modification scams

Tell-tale signs of scammers:

– Charge a fee to get a loan modification.
– Promise “guaranteed” modification.
– Ask homeowner to stop paying mortgage and pay them instead.
– Ask homeowner to sign over deed or other docs they don’t understand.
– Request for personal financial information online or over phone.
Working Together for Stronger Communities

2. Help Community Residents Avoid (and Report) Loan Modification Scams

www.loanscamalert.org

REAL SCAM STORIES

With the national foreclosure rate persistently high, many homeowners have turned to loan modification or foreclosure "rescue" companies for help – only to realize they've been scammed. Anyone can become a victim of a loan modification scam. Learn from past victims, so you don't have to be.

→ Read the Stories

MOST COMMON SCAMS
Loan modifications scams are changing every day. Read descriptions of some of the most common scams to avoid.

→ Know the Scams

TRUSTED AUTHORITIES
There are many resources available to you for information on foreclosure counseling and loan modification scams.

→ Get Help Avoiding Scams

FACING FORECLOSURE?
Get real help, free of charge, from HUD-approved counseling agencies.

→ Learn More Here

FIND US ON FACEBOOK

Follow us on Facebook

FOLLOW US ON TWITTER

SEND AN E-CARD

VIEW SITE IN: ENGLISH / ESPAÑOL

MATERIALS ALSO AVAILABLE IN: 中文 / 日本語 / Tiếng Việt

For loan modification guidance or to report a scam, call:

1(888)995-4673

If your home was part of a foreclosure action in 2009-2010, you may be eligible for compensation as part of an Independent Foreclosure Review. Learn more here.
3. Engage Residents and Partners in Rebuilding Communities from the Bottom Up.

- **Engage residents** in process to help understand the neighborhood, identify priorities, set strategies and implement solutions.
  - **Understand the dynamics** in the neighborhood: housing market, physical conditions, social/demographic dynamics and economic conditions.
- **Build partnerships** (neighborhood, local, and regional) to address the wide range of needs and opportunities that will be identified.
- **Identify strategies** that are geographically focused.
- **Obtain commitments** from residents, funders and partners to champion and implement these strategies.
Recommendations:

• Don’t get bogged down in over-analysis and creating planning documents!
  .....Viable Activity + Willing Champion = Action!

• Get people and organizations to commit! Make “the ask” with enthusiasm!

• Look for an “early wins” (like a small but visible project) to galvanize additional efforts.

• Find and involve community leaders!
Smaller, ad-hoc activities can make a difference and galvanize more efforts.

- Loan scam awareness campaigns (flyers, posters, etc.)
- Community “marketing” programs.
- Community “paint your heart out” activities, foreclosure property upkeep efforts.
- Community pride street festivals, flower beds in key areas, community gardens, etc.
More comprehensive efforts . . .

Sustainability

Environmental

Social

Economic
Strong, vibrant, healthy communities are best achieved when strategies are...

- Comprehensive
- Concentrated
- Collaborative
- Aligned with Capacity
- Adequately Capitalized
Placed Based Approaches

- Focused on a well-defined target area where coordinated actions are likely to have a measurable impact in improving the quality of life.

- Federal Programs:
  - HUD: Neighborhood Stabilization Program, Choice Neighborhoods/HOPE VI, Empowerment Zones
  - Education: Promise Neighborhoods
  - HUD, DOT, EPA: Partnership for Sustainable Communities
Partner With Other Community Developers in Your Area

• Local NeighborWorks Organizations (find at www.nw.org)
• National Council of La Raza
• National Urban League
• Housing Partnership Network
• Rebuilding Together
• Habitat for Humanity
• YouthBuild
• Local Initiative Support Corporation (LISC)
• Enterprise Community Partners
• Many others.
Beyond Housing, St. Louis, MO

• Comprehensive stabilization work originally focused on the Pagedale neighborhood.

• The city requested help with housing, but Beyond Housing advocated for a more comprehensive approach.

• Engaged residents to create a neighborhood plan.

• Six years later, Pagedale is a very different community...
Pagedale Results

• Built or renovated more than 100 homes.
• Organized volunteers to help homeowners repair their properties.
• Created the Pagedale Family Support Center.
• Established Individual Development Accounts.
• New grocery store.

Grand Opening of the Pagedale Save A Lot
Credit: Beyond Housing
NeighborWorks Training Institute: More than 150 courses on Community Development, Community Building and Organizing, Community Revitalization, Homeownership Education and Counseling, Foreclosure Counseling, and Much More - classroom and online.
A few of many examples:

Classroom:

- The Essential Tools of Successful Neighborhood Revitalization
- Getting Things Done in Neighborhoods through Strategic Collaborations
- Leveraging Market Forces to Attract Investment for Neighborhood Revitalization
- Measuring the Impacts of Your Revitalization Work
- Strategies for More Livable Neighborhoods
- Foreclosure Counselor Certification

Online:

- Stabilizing Neighborhoods in Post Foreclosure Environment
- Community Stabilization an Introduction to REO Acquisition, Rehab and Disposition

www.nw.org/training
Success Measures

An outcome evaluation resource for community development organizations, intermediaries and funders.

- 122 outcome indicators and 312 related data collection instruments

- [Successmeasures.org](http://Successmeasures.org)
StableCommunities.org

Working Together for Stronger Communities
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