

# Building Strong Communities



Paul Kealey  
Acting Chief Operating Officer  
NeighborWorks America

# NeighborWorks America

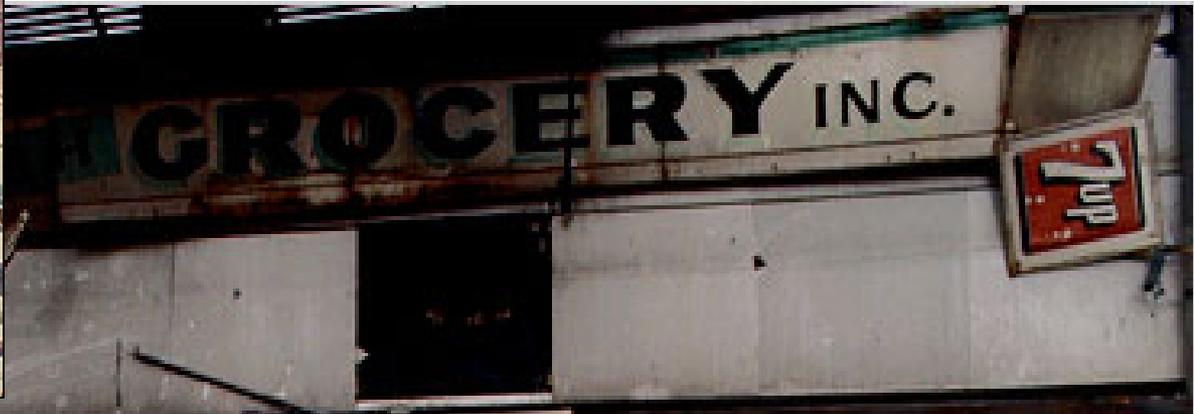
Mission: Create opportunities for people to live in affordable homes, improve their lives and strengthen their communities



*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





# 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.

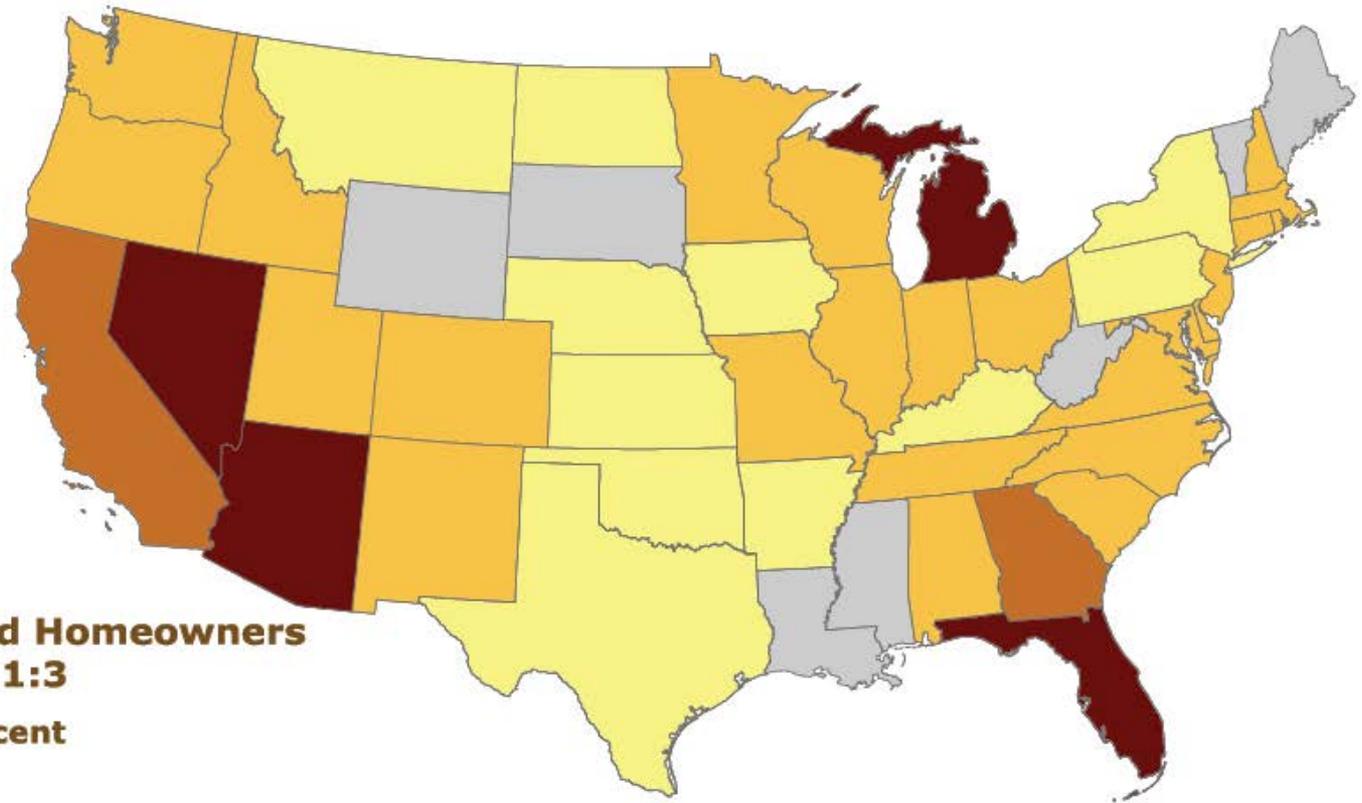
Stephan Whitaker and Thomas J. Fitzpatrick IV,  
Cleveland Fed, September 2011

- \$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

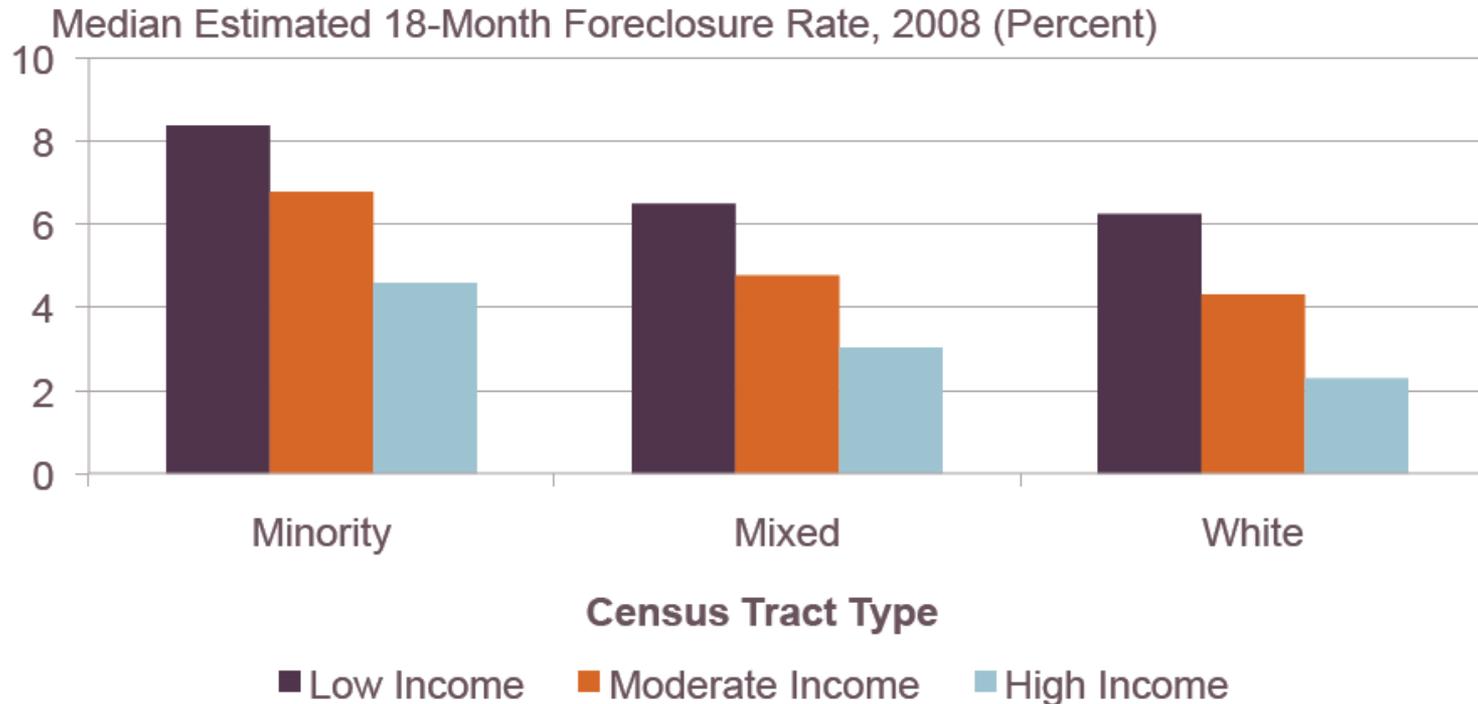


## Share of Mortgaged Homeowners Underwater in 2011:3

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

Source: CoreLogic

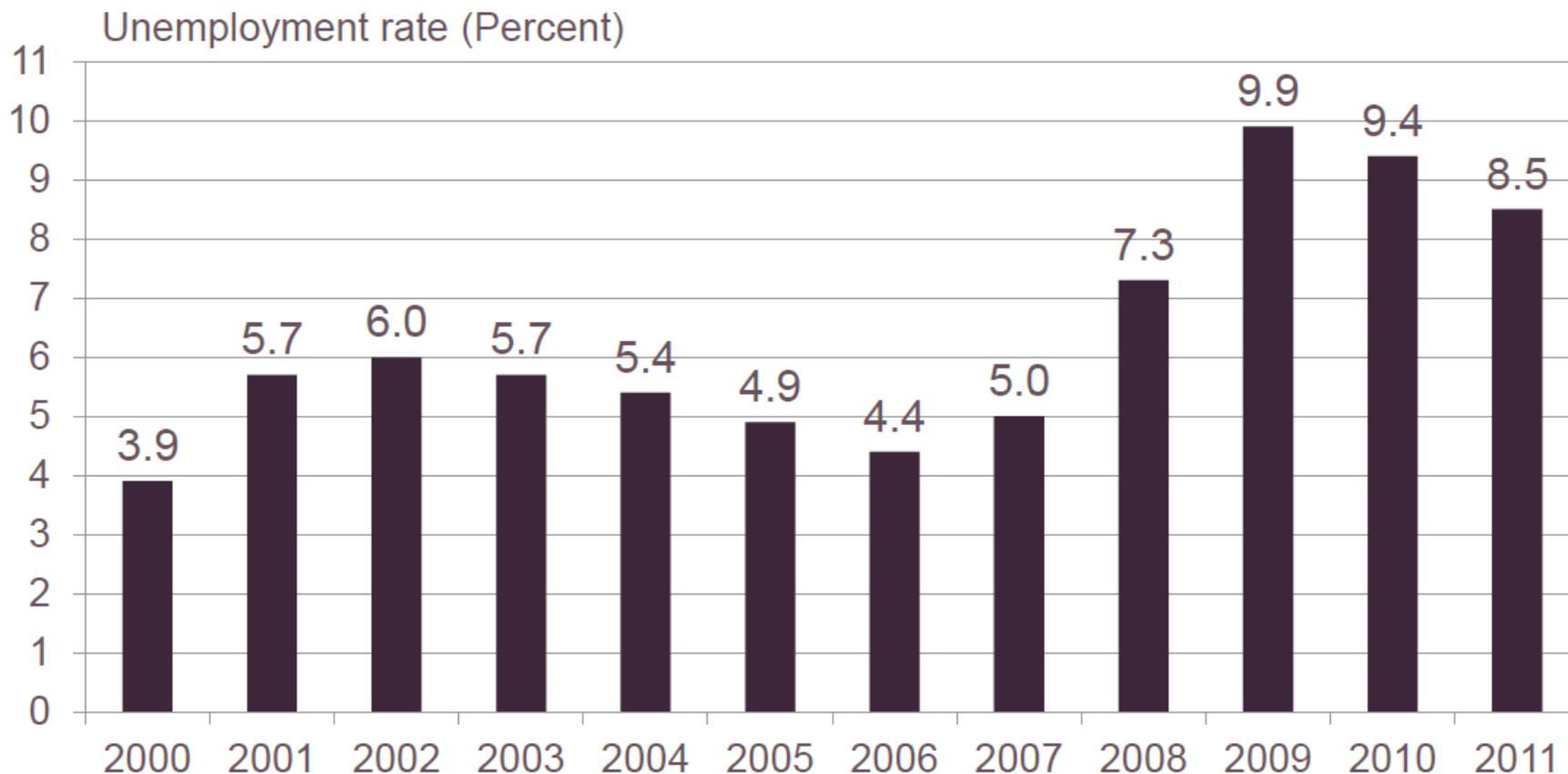
# Foreclosures Have Been Concentrated In Low-Income Markets and Communities of Color



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

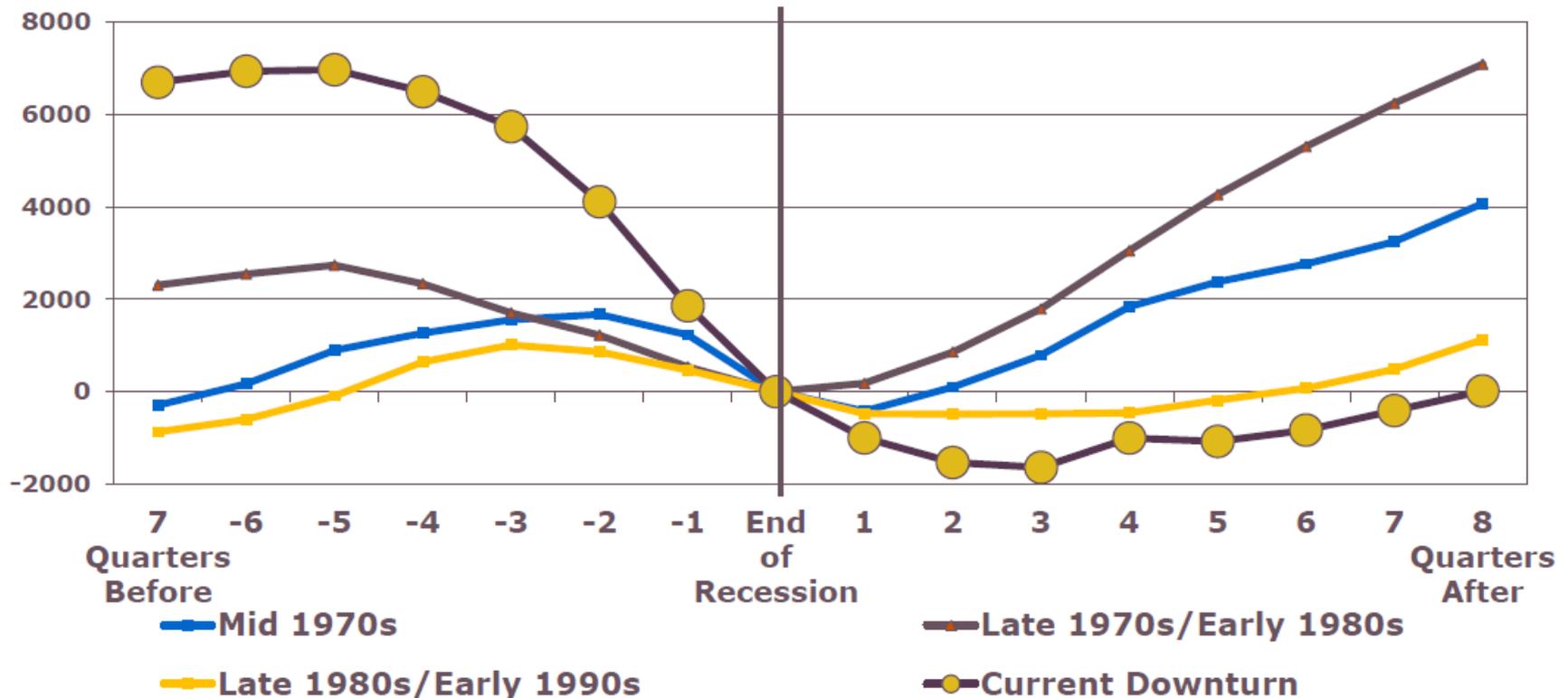


Note: Unemployment rates are seasonally-adjusted and for the month of December.

Source: Bureau of Labor Statistics.

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

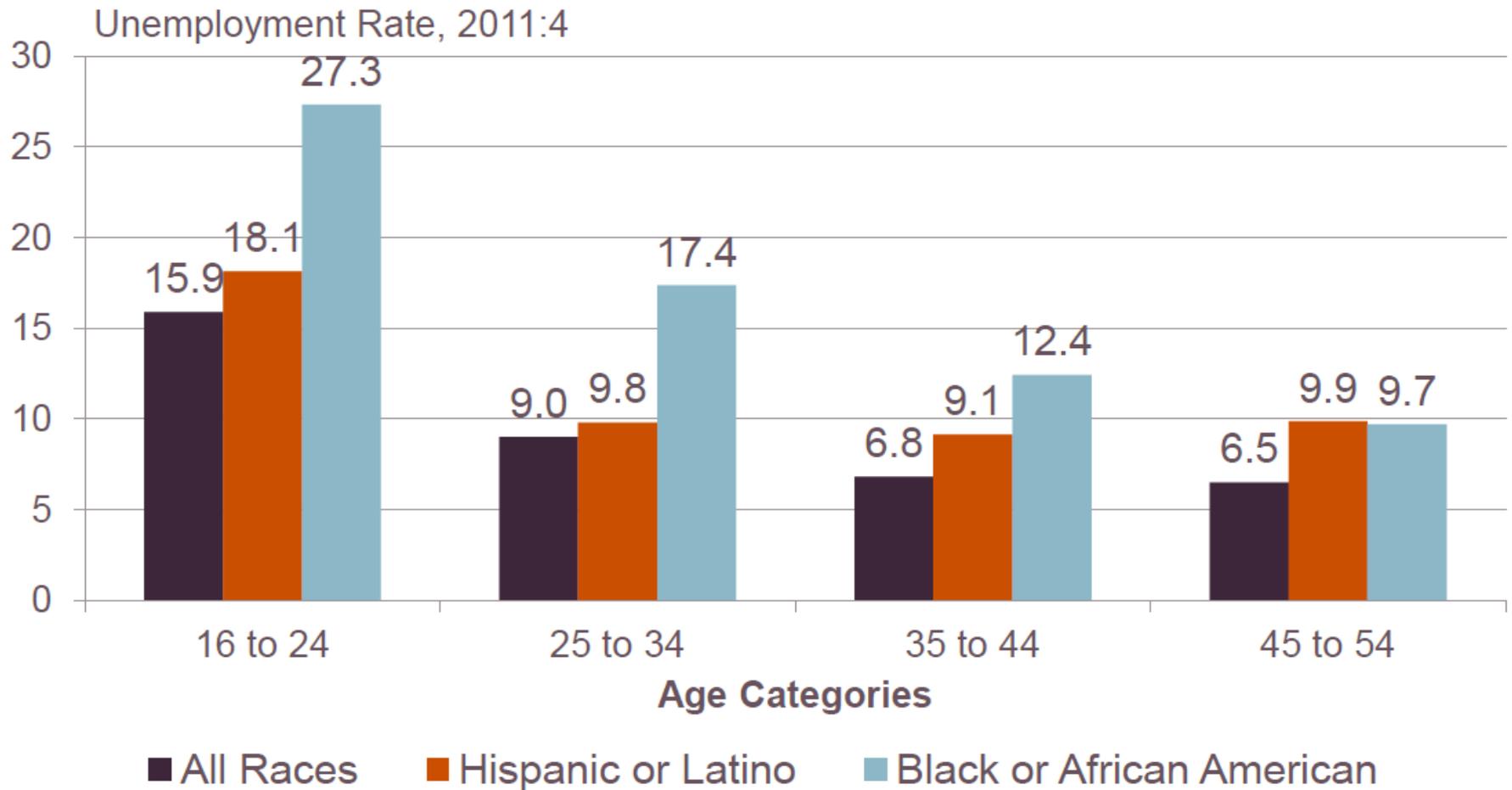
Change in Total Nonfarm Employment From End of Recession (000s)



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



Source: Moody's Economy.com and Bureau of Labor Statistics, Current Population Survey.

# What Can Be Done?

## 1. Help prevent foreclosures.

- [1-888-995-HOPE](tel:1-888-995-HOPE) to connect with a HUD-approved housing counselor.
- [www.findaforeclosurecounselor.org](http://www.findaforeclosurecounselor.org)
- [www.foreclosurehelpandhope.org](http://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.

# www.loanscamalert.org

LOAN MODIFICATION SCAM

# ALERT™

VIEW SITE IN: ENGLISH / [ESPAÑOL](#)



MATERIALS ALSO AVAILABLE IN: [中文](#) / [越](#) / Tiếng Việt

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

## 1(888)995-4673

HOME



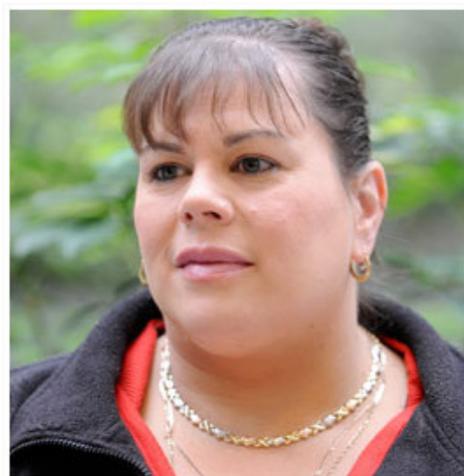
HOW TO SPOT SCAMS



HOW TO REPORT SCAMS

BECOME A PARTNER

ABOUT THIS CAMPAIGN



## 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](#)

FORECLOSURE

## ALERT!

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.](#)

Find us on Facebook



**Loan Modification Scam Alert Campaign**

Like 683



**Loan Modification Scam Alert Campaign**

Unsure of what a scam looks like?

Here is an advertisement with false claims to help homeowners. The Federal Trade Commission stopped an operation that took in more than \$1 million by allegedly selling homeowners bogus mortgage relief and foreclosure rescue products. Read more, <http://1.usa.gov/GSPLOQ>

Spot scams, report them to [loanscamalert.org](http://loanscamalert.org), stop scams.

### 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](#)



FOLLOW US ON FACEBOOK



FOLLOW US ON TWITTER



SEND AN E-CARD

### 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:

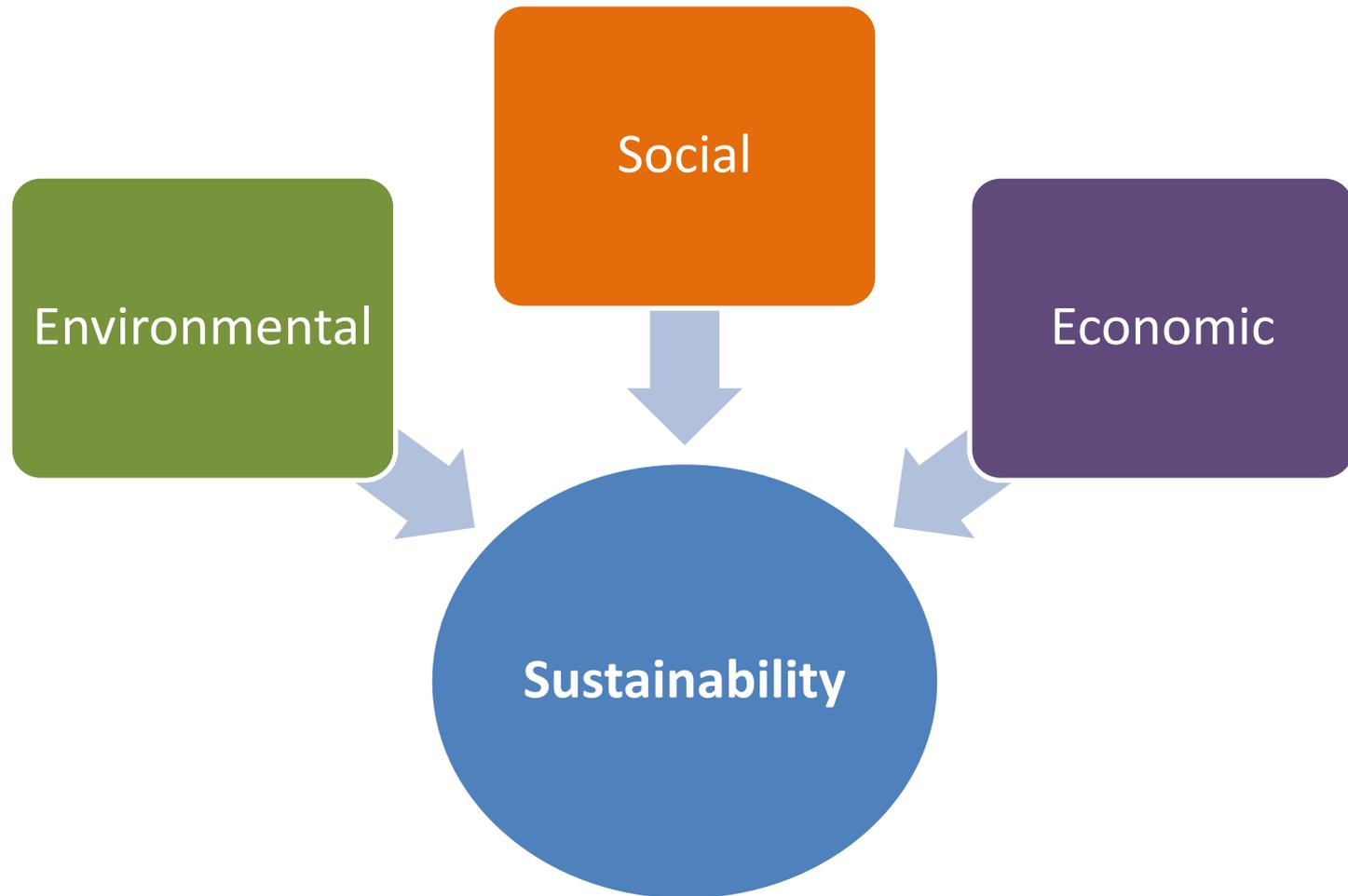
- Don't get bogged down in over-analysis and creating planning documents!  
.....Viable Activity + Willing Champion = Action!
- Get people and organizations to commit! Make “the ask” with enthusiasm!
- Look for an “early wins” (like a small but visible project) to galvanize additional efforts.
- Find 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.



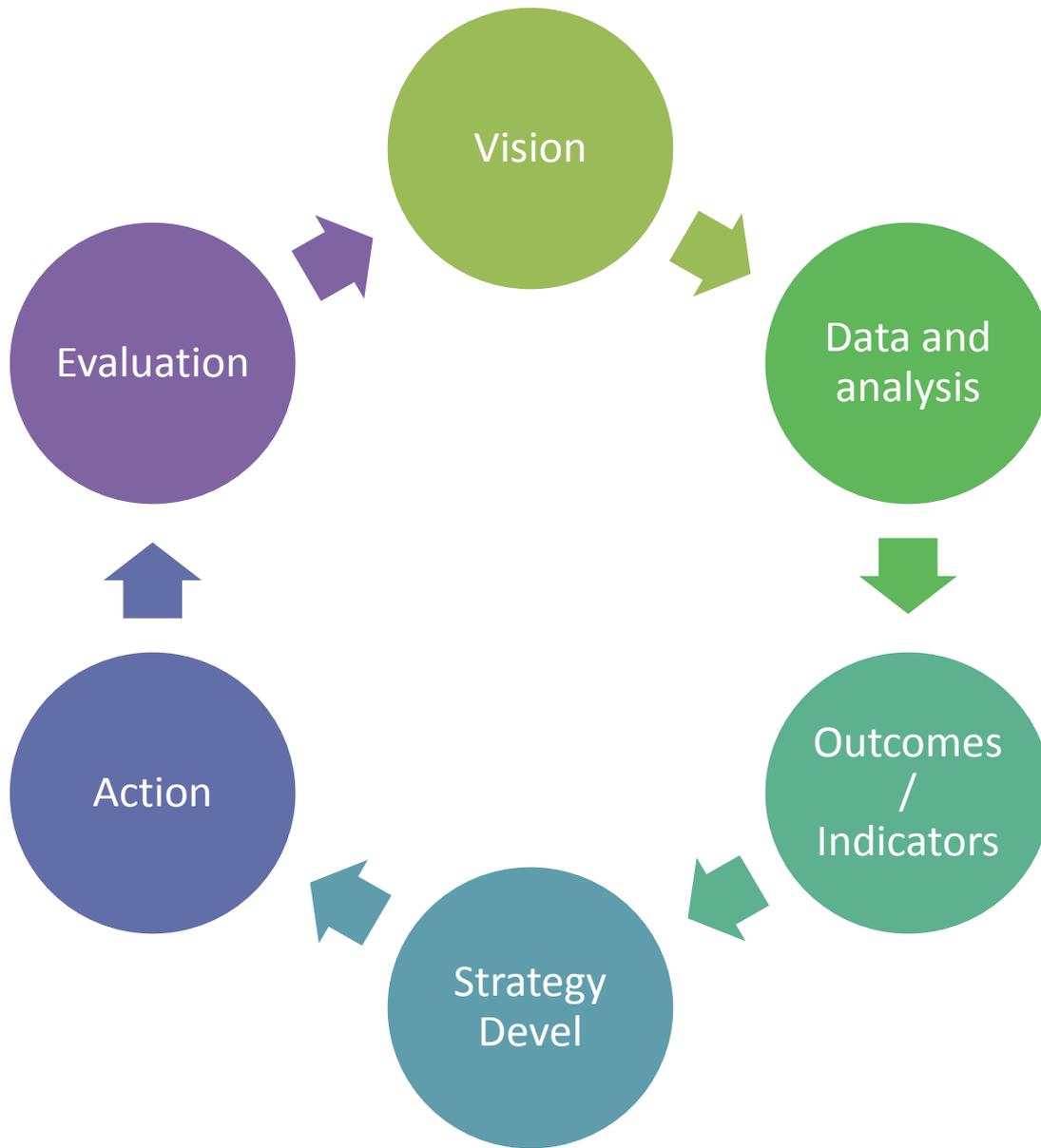
# More comprehensive efforts . . .



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

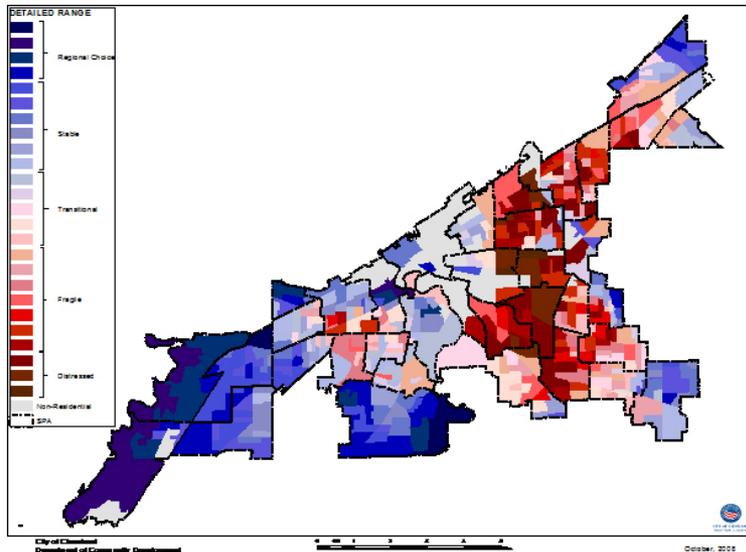
- Comprehensive
- Concentrated
- Collaborative
- Aligned with Capacity
- Adequately Capitalized





# 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](http://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

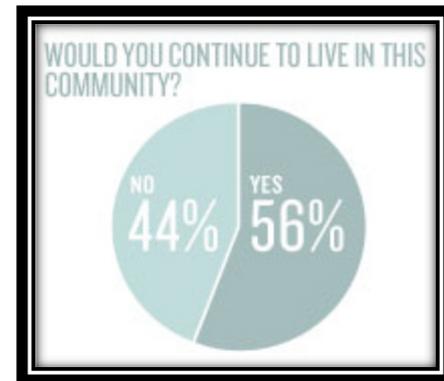
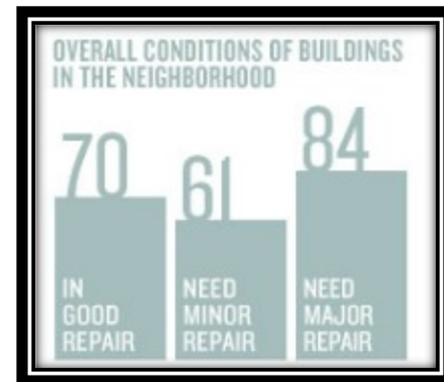
[www.nw.org/training](http://www.nw.org/training)

# 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

The screenshot shows the homepage of StableCommunities.org. At the top left is the NeighborWorks AMERICA logo. In the center is the StableCommunities.org logo, which features three stylized houses in green, red, and blue. To the right of the logo are navigation links: About Us | Events | News | Library | Glossary | Links | Ad | My Registrations | Newsletters. Below these links is a search bar with a 'Find' button. Further right is the email address amcmullin@nw.org and links for Account and Log out.

A horizontal navigation bar contains the following categories: Community Stabilization, Beyond Stabilization, NSP, REO Strategies, NCST, Policy, and Training.

The main content area is divided into three sections:

- Spotlight:** Features a large image of a green leaf. The headline is "Good News for Green" with a sub-headline "Study predicts dramatic increase in green building and remodeling." and a "Read More" link.
- Newsletter, Blog, Scattered Site Rental Toolkit:** Three teal buttons with white text and right-pointing arrows.
- What's New:** A section with a teal header containing "EVENTS" and "NEWS" sub-sections. Under "EVENTS", there are two items: "Get More Green From Your Building: Mobilizing Residents" and "Using Smartphones for Planning" with a sub-headline "As smartphones become more widely used, planners are looking at ...".
- About This Site:** A section with a brown header containing "Designing a Place-Based Plan for Stabilization" and "Beyond Stabilization: Strategies for Sustainable Communities". The text describes a logical series of steps for designing a place-based plan and discusses the unique opportunity for communities impacted by foreclosures.





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