

FY2009 Progress Report/Organizational Update

NeighborWorks Great Falls

NeighborWorks made substantial progress in 2009 toward its two Community Level Outcome goals.

GOAL #1: To create neighborhoods of choice in Black Eagle and Sunnyside. The target area's appearance will visibly improve because of NWGF's efforts. Private investment in the neighborhoods will increase because of their desirability.

Baseline data was completed for Black Eagle by July 2008 and the baseline data for Sunnyside was completed by August of 2009. The indicators for assessment include appearance (by photographing the community as it changes) and by residents' and potential buyers' assessment of desirability.

Black Eagle was the subject of a half-block rehabilitation project. NWGF began by purchasing the contiguous lots and removing 16 tons of debris, 11 dilapidated buildings and a box car. NWGF then poured four foundations and placed manufactured homes on the properties. Sod and landscaping added to the eye appeal, and during the process, NWGF managed to save several mature trees, which also helped. The neighbors themselves were thrilled, and they visited the construction crew regularly with treats and praise. Nine families competed for the homes, which were lovely and affordable at the same time.

At the same time, a community leader stepped forward and organized a MApril team in Black Eagle. (MApril is the annual spring cleanup sponsored by Great Falls, and since Black Eagle had been added as a target neighborhood, it was eligible for street pick up of any debris neighbors chose to set out.) The first year, trucks removed 6 tons of debris from the community. The community organizer, Terry Miller, joined the board of NWGF and spearheaded the MApril campaign the second year, 2009. That year, the trucks carted nearly 8 tons of trash to the dump.

Ms. Miller describes the effect of being "adopted" by NWGF as "magical." She says that a Neighborhood Watch has now gotten off to a good start, and is grateful that the Great Falls NWA Community Leadership Institute team has chosen the highway entrance to Black Eagle as their leadership project. The group has gotten a volunteer to design and produce a gorgeous wrought iron sign, the landscape preparation is complete, two flower vendors are donating xeriscape plants to the project and one man has stepped up to volunteer to truck water to the site regularly.

NWGF is tracking private investment in the community, but it is too early to spot a trend. And although no Success Measures survey has taken place since the community has become a target neighborhood, Black Eagle data will be included in the next assessment.

Sunnyside. NWGF bought a block of barren, trash-laden land in the Sunnyside subdivision 2 years ago. It has since moved on five donated houses, of which four were rehabbed and sold in the summer of 2009. NWGF plans to rehab a fifth this year and also plans a six-plex of homes in a two-lot space, to make them more affordable. This is in keeping with the board's directive that NWGF try some smaller footprint building to tackle the broader issue of affordability. NWGF has had no trouble selling its Sunnyside, despite the fact that the area needs quite a bit of infrastructure work. Fourteen families competed for the four homes rehabbed last year and the two new homes in the Sunnyside development.

Two things happened as the NWGF work continued in the neglected neighborhood: the nearby homeowners started to spruce up their yards and home exteriors, and the city elevated a paving project so that during the summer of 2009, blocks in the subdivision received newly paved streets and new curbs and sidewalks. The first phase of the paving project is expected to be completed by April of 2010 and the second phase by August 2010. NWGF's nice homes and landscaping really dressed up the neighborhood, and the city's paving project is quickly turning the neighborhood into one of choice for homebuyers. Again, the photo documentation is in place, and already the changes are dramatic. This is the same area where the College of Technology student-build home, sponsored by NWGF, is being built. NWGF anticipates that the next Success Measures survey, as well as photos scheduled to be taken in the summer of 2010, will illustrate the great strides the organization is making in this area.

GOAL #2: To sustain the home equity wealth of low and moderate income homeowners. Cascade County will have communities of choice, low income families will retain and grow their equity. Cascade County families will be stable in homeownership, living in their homes a longer period of time. Homeowner families will be more likely to have children that graduate from high school, delay childbearing past their teen-age years, and who do not encounter the criminal justice system.

Several groups of baseline data serve as the underpinnings for this goal. As mentioned, NWGF uses photographs to survey and document each new target neighborhood. NWGF measures the annual tax base by neighborhood, examining how housing values fluctuate. A baseline Success Measures survey will be used as a comparison when the next round is completed. Foreclosure intervention work and owner-occupied rehab loans help NWGF know if it is helping low-income owners preserve and increase their equity.

This is a broad Community Level Outcome, but the NWGF board and staff agree that an organization of the stature and longevity of NWGF should have far-reaching CLOs.

Here are some examples that illustrate how NWGF knows it is making progress toward this goal:

- NWGF in 2009 bought back two of its own (NWGF constructed) homes, saving the family from foreclosure and loss of equity. It then resold the property to other low-income, mortgage-ready families.
- NWGF has now completed 44 Mutual Self Help homes and has created a mini-neighborhood within a larger subdivision. The families from one build come out and help those involved in newer builds.
- In addition to the self-help homes, NWGF sold another 10 homes in 2009, and has eight more ready to go on the market. With one exception, all of these homes will go to families that are at or below 80 percent of AMI.
- NWGF recently obtained sophisticated reports on the Great Falls neighborhoods gathered by the International Economic Development Council as part of its consulting work. It intends to overlay that information with its own and draw homeownership and investment conclusions from that process.

NWGF had a strong year in FY2009, full of accomplishments. In areas where market information or economic shifts necessitated a change in priorities, NWGF responded quickly. Some annual goals were not met. The reasons are included in the final report. In the Work Plan the staff uses, quarterly deadlines appear. That column has been deleted for this report in the interest of brevity. However, since the evaluation guide specifically mentions a working timetable, evaluators should be aware NWGF does use quarterly benchmarks for progress reports. To see a sample of the time-specific deadlines, consult the FY2010 Work Plan at the bottom of the Organizational Plan. Also, in the original work plan distributed to the board and staff, each measurement is assigned to a specific staffer or department.

NEIGHBORWORKS GREAT FALLS 2009 WORK PLAN

STRATEGIC GOALS	OUTCOMES	MEASUREMENT	FINAL REPORT
HOMEOWNERSHIP PROMOTION			
1. Build wealth in low-income families through homeownership	Sustainable homeownership that builds equity and neighborhood stability for 100 families.	100 first time homebuyers assisted by NWGF 300 families complete HBE/HP Design and implement GFHA Voucher to Home Owners Program 2 families use Section 8 to homeownership program 35 families enrolled in IDA; five closings	<i>133 loans completed EXCEEDED</i> <i>331 graduates – EXCEEDED</i> <i>Not met – Moved to 2010 work plan. A changeover in the leadership of the local CAP agency may make 2010 a good time to revisit this goal, in conjunction with the local housing authority and the CAP agency. This program is now part of one of the VISTA's responsibilities.</i> <i>0 Not met (See above)</i> <i>39 enrollees, 16 closings EXCEEDED</i>
2. Build wealth in minority and disabled populations through homeownership	Sustainable homeownership that builds equity in minority and disabled populations	Increase American Indians and persons with disabilities served from 7.7% to 10%.	<i>6 AI loans; 2 AI self-help builders; 5 loans to persons with disabilities; 10.5% minority participants - MET</i>

HOMEOWNERSHIP PRESERVATION			
1. Preserve equity through foreclosure mitigation	Sustainable homeownership that preserves equity in 75 families	Provide foreclosure services to 150 families Make 10 foreclosure mitigation loans	<i>139 foreclosure customers MOSTLY MET.</i> <i>9 foreclosure loans MOSTLY MET. However, NWGF saved 127 homeowners from foreclosure through a variety of methods, including intervention with the loan servicer, helping customers find other sources of money, short sales and two buybacks of NWGF homes, preserving the families' credit and equity and averting foreclosure.</i>
2. Preserve equity through manufactured housing communities conversion to resident ownership	Sustainable homeownership that builds equity for 25 families	Perform financial assessment for 3 parks Start conversion project in one park	<i>Law to provide tax credit to park owners who sell to residents passed. Residents in two parks have been approached and are interested. Residents in two more parks are ready to begin conversion work. EXCEEDED</i>
3. Increase equity growth through home improvement	Sustainable homeownership that builds equity and appearance of 20 homes	Develop curriculum and hold quarterly classes to post-purchase education to 50 families Complete 15 OOR Projects Serve 20 homeowners by providing reverse mortgage counseling	<i>First class meeting held on topic of plumbing. Attended by 22 people. Second and third classes scheduled, but they will fall in the FY2010 reporting period. MOSTLY MET.</i> <i>Home repair loans: 5 completed; 6 in process. New manager for owner-occupied projects did not join staff until January. He is up to speed and managing several rehabs now. NWGF expects this goal will be met in 2010 with no trouble. NOT MET.</i> <i>PARTIALLY MET 6 reverse mortgage counsels. No lenders located in Great Falls have local staff to handle HECM lending. The service is offered by three lenders, but they all have loan officers that travel to Great Falls from other communities.</i>

HOMEOWNERSHIP PRESERVATION			
			<i>Counseling could theoretically increase if local lenders handled these products on a day-to-day basis. NWGF is exploring partnering with a local lender, in exchange for CRA credits, to encourage them to train and staff an officer to handle these transactions. NWGF sees HECM lending as key to helping elderly homeowners age comfortably in place.</i>

LENDING SERVICES			
1. Provide financing options to families to build wealth through homeownership	Sustainable homeownership that builds equity in 80 families	<p>New origination software is fully deployed</p> <p>Investigate short-term deferred tax credit mortgage</p> <p>Investigate first mortgage options, including buyer-renovation loan</p> <p>80 families are provided subordinate mortgages</p> <p>Rehab and foreclosure loans are processed by lending department</p> <p>Maintain delinquencies below 5%</p>	<p><i>LaserPro implementation complete. MET</i></p> <p><i>Borrowers used existing products. MET</i></p> <p><i>NOT MET. Foreclosure work and first-time homebuyer tax credit work pushed this goal into 2010.</i></p> <p><i>104 loans completed. MET</i></p> <p><i>Disclosures and docs moved to lending department. Counseling and lending functions now completely separate. MET</i></p> <p><i>September rate is 5.4%. 60-day delinquency rate fluctuated throughout the summer from as low as 4.3% to a high of 5.4%. Aggressive collection work continues.*</i></p>

*In 2008, when it became clear that the economic downturn, medical catastrophes and the deaths of elderly spouses were combining to drive up the delinquency rates for NWGF, which have historically been quite low, the organization brought on a part-time collections specialist. Her biggest challenge is the popularity of cell phones over landlines, making contact phone numbers difficult to come by. She is tenacious and uses a “soft” style that is in keeping with NWGF’s collaboration with its borrowers. She is quite successful at bringing down the delinquency rate. NWGF will continue to aim for a rate below 5.0 percent for FY2010.

STRATEGIC GOALS	OUTCOMES	MEASUREMENT	FINAL REPORT
PROGRAM SUPPORT			
1. Increase the long-term viability of NWGF	<p>Increase in unrestricted assets Greater board member participation Grant compliance is standardized</p>	<p>Staff retention plan to reduce staff turnover Manager training plan</p> <p>Personal time off policy evaluation</p> <p>Separate MT/GF payrolls NWTI opportunities to board members Report comparison benchmarks to Board Greater committee involvement in NWGF efforts</p> <p>HOME grant tracking process is completed</p> <p>All OA recommendations are addressed</p> <p>Board and staff complete next three year plan</p>	<p><i>4% cost of living increase 1/09 MET</i> <i>Good progress in FY 2008 with 12-month online manager classes and discussions, but only three follow-up discussions occurred in 2009. PARTIALLY MET</i> <i>Moved to 2010 with compensation study</i></p> <p><i>Completed in January MET</i> <i>On-line courses provided MET</i> <i>Started in June 09 MET</i> <i>Each committee chairman delivered a committee long-range planning report to the board throughout FY2009. The committee reports encompassed an analysis of the committee charter, long-term goals, an assessment of obstacles and a report of accomplishments to that point. It was a very effective way to engage ALL board members in the work of various committees, and it reinvigorated the standing committees. MET</i> <i>MET; Finance assistant continues to refine the process and works regularly with the HOME compliance officer for state.</i> <i>Board and staff addressed all 8 recommendations, many of which show up in this work plan or in the 2010 work plan. In every instance the recommended change was implemented.</i></p> <ul style="list-style-type: none"> ➤ <i>Post administrative costs to LOB</i> ➤ <i>Create capital resource development plan</i> ➤ <i>Reconcile loan servicing and accounting reports</i> ➤ <i>Review and update financial management manual</i> ➤ <i>Quality Control for loans</i> ➤ <i>Standardize all collection procedures/policies</i> ➤ <i>All loans must be completed by lending department</i> ➤ <i>Decide on Government funding ratios</i> <p><i>Completed. MET</i></p>
2. Improve overall awareness of NWGF programs	<p>Increase in support for NWGF program</p>	<p>Website is revamped and updated monthly</p> <p>Neighborhood assessment map is completed</p> <p>Programs are presented at 7 civic groups</p>	<p><i>Web redesign underway. Web designer pulled from project to design signs when NWMT was offered free display space at airport. It delayed the Web project slightly, and launch of new Web site is now expected to be Nov. 15. MOSTLY MET</i> <i>VISTAS and half-time office volunteer working to complete maps. MOSTLY MET.</i></p> <p><i>Women In Construction, March 11; Scout leaders who deal with Eagle Scouts and their volunteer projects, March 13; Rehabilitation and Work Placement Specialists, March 19, Uptown Optimists, March 26, Job Service (three presentations at three separate times to newly employed), Mental Health Center, June; real estate partners, including Coldwell/The Falls Realty, Big Sky Realty, American Realty Group, Dahlquist, GF Realtors Association, Leadership Great Falls. EXCEEDED</i></p>

STRATEGIC GOALS	OUTCOMES	MEASUREMENT	FINAL REPORT
		<p>Neighborhood “service showcase” event is held</p> <p>Two neighborhood tours are conducted</p> <p>Comprehensive marketing campaign toward low-income families is implemented</p> <p>“Bridge to Benefits” interface is completed</p> <p>Realtor/lender education is ongoing</p>	<p><i>Home Show booth, Benefis Health Systems benefits fair, CCCS opportunities fair. MET</i></p> <p><i>MBOH tour conducted. New City Manager took tour. MET</i></p> <p><i>Ad Club app denied; applied for Tribune and Allegra grants. Tribune grant denied; Allegra grant cycle moved to 2010. Application still active. GF airport donated large display space; U.S. government donated printing of neighborhood code book. NWGF began using free radio and TV interviews to promote programs. 12 radio appearances, six TV appearances of human-interest shows. MET</i></p> <p><i>NWGF portion of interface completed. Bridge still not functioning properly. Hosted realtor/lender appreciation day, 6 meetings with realtors during fund drive . Collaborating with Realtors on 2010 affordable home tour, housing fair.</i></p>
3. Gain state financial support for housing	Increased capacity for construction and renovation	Cascade County legislators are educated regarding Housing MT fund.	<i>Met with legislators – bills failed The political and economic climate hampered NWGF’s work in this area. Education efforts were successful for area legislators including finding members of both parties to carry bills. Lobby efforts failed to persuade majority. NWGF will tackle same project in 2011 Legislature. PARTIALLY MET.</i>
4. Decrease reliance on government funding for operations budget	Increased fee and donated income as a proportion of total income	<p>Increase annual fund drive income by 5% from \$105,000 to \$110,250.</p> <p>Increase loan fee, lot sale and development fee income as a % of total budget from 28% to 32%</p>	<p><i>Fund drive final amount = \$110,300. MET</i></p> <p><i>PARTIALLY MET Earned income was 29.7% of total income</i></p>
5. Provide wider opportunities for low-income families to live in decent affordable housing	Findings of Affordable Housing Task Force Study are addressed	Comprehensive Housing Affordability Plan is adopted by city and county commissions	<i>Survey and market analysis completed. Plan is under construction. Adoption expected in early 2010. PARTIALLY MET. Work continues.</i>

STRATEGIC GOALS	OUTCOMES	MEASUREMENT	FINAL REPORT
COMMUNITY BUILDING AND NEIGHBORHOOD REVITALIZATION			
1. Maximize use of Housing Stimulus Bill opportunities	Visual perception of neighborhood is improved	10 CDBG-renovated homes are completed Neighborhood canvass for eyesores is completed	<i>Delayed until approval of the City of Great Falls NSP application. Great Falls was the first application approved and has spent the first money under NSP. Selecting foreclosed homes for NSP funds; working with National Community Stabilization Trust. VISTA completed. Documented with maps and photos. MET</i>
2. Increase volunteer opportunities	Greater accomplishments through use of volunteers Increased donations from volunteers	400 volunteers involved in Mapril Complete Wells Fargo project - 20 volunteers contributing 500 hours 6000 volunteer hours from 600 volunteers	<i>Volunteer count 563. MET Agreed w Wells Fargo to submit a mini grant in Aug for future project. PARTIALLY MET 7,960 volunteer hours FOR fy2009, from 623 volunteers. MET</i>
3. Play an active role in downtown Great Falls redevelopment	Downtown Great Falls has a variety of housing options	One downtown project is completed and one is in construction	<i>Woith completed three units in Johnson; Montana building under development; building targeted for NSP funding. MET</i>
4. Improve appearance and stability of target neighborhoods.	Target areas become neighborhoods of choice	10 homes constructed or renovated and sold 5 abandoned MH homes purchased and demolished	<i>15 total: 2 new HSH, 5 CVS renovations; 1 MH; 1 new; 4 Black Eagle completed; 3 renovations completed. MET</i>
5. Improve capacity to grow wealth in MH homeowners	Sustainable homeownership that builds equity and neighborhood stability	Pilot program completed replacing three MH pre-HUD units with energy efficient replacements eligible for permanent financing	<i>Consulted with county – will assist with NSP funding—submitted NSP grant. Project moving ahead. PARTIALLY MET.</i>

STRATEGIC GOALS	OUTCOMES	MEASUREMENT	FINAL REPORT
REAL ESTATE DEVELOPMENT			
<p>1. Create new and renovated homes that can be purchased by low and moderate income families</p>	<p>Increase in homeownership rates in target neighborhoods</p>	<p>Complete accurate budget forecasts completed with in 5% of budget, with \$10,000 CDBG average loss per unit</p> <p>Establish community land trust as program division of NWGF. Complete and market 7 land trust units</p> <p>Complete evaluation for promoting donating property from government agencies to NWGF</p> <p>Complete staff certification for Energy Star Complete 6 unit Energy Star condo development</p> <p>Complete 2 Energy Star high school homes</p>	<p><i>(4) BE MH homes were completed 4.9% over budget w average loss of \$6400 Two rehabs 16% and 23% over budget.</i></p> <p><i>Land trust on hold pending statewide study</i></p> <p><i>Bill signed into law to clarify government donations. Donation process moving ahead with county.</i></p> <p><i>2 NWGF employees certified in Energy Star. MET Development put on hold. Appears in 2010 work plan as six-plex in Sunnyside development. Replaced with single families homes at Sunnyside NOT MET Completed. Both certified and sold. MET.</i></p>
<p>2. Develop future affordable housing opportunities.</p>	<p>Mutual Self Help families have the opportunity to participate in the construction of their own homes, building wealth, building skills and building neighborhoods.</p>	<p>Completion of Castle Pines III on budget/ on time Completion of Castle Pines IV on budget/on time</p> <p>Submission and award of FY09/10 523 Grant Submission and Award of FY09 SHOP Grant</p> <p>Start construction of Castle Pines V by May 09 Evaluate and survey two communities in Cascade CO for possible build sites</p> <p>All MSH homes are Energy Star</p>	<p><i>DONE and under budget. MET DONE on time and under budget. MET</i></p> <p><i>Received commitment letter for 14 homes, certification submitted, application completed and money committed. BOTH MET</i></p> <p><i>Started June 09. On schedule as of the end of FY09. MET Currently evaluating one build site in Black Eagle. PARTIALLY MET.</i></p> <p><i>2 NWGF employees certified in Energy Star. All NWGF builds, including Mutual Self Help, will now be to Energy Star certification standards. MET</i></p>

NWGF has received primary media attention 44 times over the past year. The list follows. The organization's events are well covered, and sometimes NWGF staffers are the local experts of record in instances of national stories on foreclosure, homeownership and reverse mortgages. This list does not count the small, community level work NWGF does with several local radio stations and TV stations each month.

- **Article – Affordable Housing Finance “Pop Quiz”**
- **Montana’s News Station .com – Great Falls students getting a “home”-based education**
- **Castle Pines – Newspaper Article**
- **Castle Pines – KRTV Article**
- **Castle Pines – KFBB Article**
- **KRTV - CVS Homes in Great Falls**
- **Great Falls Tribune - NeighborWorks Star**
- **Great Falls Tribune – Pharmacy donates homes**
- **Great Falls Tribune – Creating carpenters**
- **Great Falls Tribune – Imagine Downtown**
- **Great Falls Tribune – Workers Get Letter Jackets**
- **Great Falls Tribune – Foreclosures “Business as usual”**
- **Consumers Press – Money Can Grow on Trees**
- **Flyer- The Art of Downtown Revitalization**
- **Montana New Station – Obama mortgage relief plan**
- **Great Falls Tribune 2009 Outlook – Retail expects growth**
- **Great Falls Tribune – Don’t let foolish fear stop you**
- **Great Falls Tribune - Local Briefs – NeighborWorks announces changes**
- **Great Falls Tribune -‘Career Ready’ graduates**
- **Great Falls Tribune – Glacier Affordable Housing Meets**
- **Montana News Station, March 13, 2009, Great Falls Homebuyers Benefit**
- **Great Falls Tribune, March 18, 2009, sparked over Obama’s program**
- **Great Falls Tribune, March 20, 2009, Downtown’s advocates**
- **Great Falls Tribune, March 21, 2009, NeighborWorks Cheers**
- **Great Falls Tribune, March 28, 2009 Real Estate**
- **Great Falls Tribune, March 28, 2009, Northwest Realty MT**
- **Great Falls Tribune Staff, March 26, 2009, Invest summit**
- **Great Falls Tribune, April 2, 2009, Homeowners Beware**
- **Great Fall Tribune, Commissioners to Consider Grants**
- **Great Falls Tribune, April 26th, Events helps community clean up**
- **Black Eagle News, April 13th, It’s MApril Cleanup Time**
- **Great Falls Tribune, June 18, NeighborWorks homes closing**
- **Montana News Station, June 30, New neighborhood in Great Falls**
- **Montana News Station, May 19, Students Finish School Houses**
- **KFBB June 18, New Homeowners Celebrate their hard work**
- **Montana News Station, June 12, NeighborWorks honors properties**
- **Printed Article, June 16, NeighborWorks celebrates housing improvements**
- **Printed Article, July, Foreclosure help saves homeowner**
- **Printed Article, Tribune, Downtown experts say look for more fun**
- **KFBB, High School Kids learn about more than building**
- **KRTV, Energy efficiencies key part of high-schoolers work**
- **Print Article, Tribune, Teens love building project**
- **KFBB, Building tour highlights downtown loft renovation**
- **Print Article, column, Tribune, Women gets hand-on help from plumbing class**