

Indirect Community Investment and its Local Impact: The NeighborWorks America Model

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Presenters:

Michael Butchko
Sr. Director, Analysis Services
Corporate Planning, Performance, and
Strategy
NeighborWorks America
(202) 760-4066
MButchko@nw.org

Cynthia Van Maanen
Lead Data Analyst, Analysis Services
Corporate Planning, Performance, and
Strategy
NeighborWorks America
(202) 760-4034
CVanMaanen@nw.org

Alexander Heit
Sr. Analyst, Analysis Services
Corporate Planning, Performance, and
Strategy
NeighborWorks America
(202) 760-4104
AHeit@nw.org

2012-2016 Strategic Plan Goals:

- Goal 1:** NeighborWorks America creates and preserves housing opportunities that are sustainable and affordable.
- Goal 2:** NeighborWorks America advances comprehensive community development and resident engagement to achieve positive community impact.
- Goal 3:** NeighborWorks America supports a Network of Excellence of strong, sustainable NeighborWorks organizations that collectively leverage expertise and effective business models.
- Goal 4:** NeighborWorks America strengthens the knowledge, skills, and effectiveness of the community development and affordable housing field.
- Goal 5:** NeighborWorks America optimizes its organizational performance to achieve its strategic goals.

Community Impact Measurement (CIM) project:

- In 2012 and 2013, in order to better measure outcomes, NeighborWorks created the Community Impact Measurement project, which allows the network to track a common set of outcome measures and tools.
- Through this systematic data collection process, NeighborWorks America will have high quality baseline data on evidence of the network's impact in a sample of communities and organizations served.
- In 2014, 232 NeighborWorks organizations completed a resident survey and neighborhood condition observations within a selected community in their service areas.
- The next round of data collection is scheduled for 2016. When the two rounds of data collection are completed, collated and analyzed, this information will allow NeighborWorks America to delve deeper into the change in communities supported through its program strategies and financial investments.

Analysis for the Office of Management and Budget (OMB):

- In 2011, OMB asked NeighborWorks America to benchmark its network of local nonprofits against the community economic development industry to gauge relative organizational effectiveness and health. We found a substantial and significant difference between network organizations and non-network organizations in the areas of organizational health and counseling efficacy, using data from BoardSource.
- This year, we updated the analysis with data from BoardSource, HUD, and IRS. We found that clients of NeighborWorks organizations are more likely to successfully purchase a home after receiving pre-purchase counseling and deciding to buy a home than clients of non-network organizations. Network organizations also have better organizational management and oversight than community development nonprofits that are not in the NeighborWorks network.
- The 2015 analysis also found that the process of affiliation into the NeighborWorks network positively impacts organizational health, providing network organizations the resources and tools needed to address and correct documented areas for improvement.
- Additionally, for every grant dollar designated for real estate development projects that NeighborWorks America distributed between FY11 and FY14, an additional \$1.35 was added to the US GDP as a result of the direct, indirect, and induced impacts of the real estate development work performed.
- Finally, NeighborWorks organizations had an average leverage ratio of 31:1 grant dollars to total revenue.

Theory of Change | NeighborWorks® America

History

NeighborWorks America was created by Congress to replicate, expand and disseminate effective community-based housing and neighborhood revitalization models that enhance investments in underserved communities and are led by residents and local public/private sector partners. This emphasis on resident engagement and local decision-making remains core to our approaches and undergirds our ability to be both a recognized thought leader and a responsive intermediary meeting a broad spectrum of community development organization needs in communities across America. NeighborWorks is known for its ability to implement programs and deliver resources in communities quickly, while carefully maintaining high standards of accountability and fiscal stewardship.

Drivers & Assumptions

NeighborWorks Network

- Supports and links a network of nonprofits with deep local and regional capacity, that collectively demonstrates effective models of affordable housing and community development practice.
- Supports innovative business models developed by the Network that respond to changing market conditions, financing sources and critical emerging needs.
- Aggregates and leverages resources on the national level in support of local/regional solutions.

NeighborWorks Organizations

- Implement complex development strategies that meet community-defined housing/community development needs within the context of local plans and realities.
- Operate using principles of organizational excellence, demonstrating performance and accountability.
- Leverage federal funding received through NeighborWorks with public and private resources.
- Work together to implement innovative solutions and replicate best practices.

Contribution to the Broader Field

- Recognized leader in training affordable housing and community development professionals.
- Leader and collaborator in national initiatives to address major affordable housing and community development issues facing low and moderate income communities.
- Effective leader of federal efforts to expand state and local foreclosure mitigation efforts for homeowners in crisis.
- Accountable steward of public and private resources and timely grant-maker and implementor of national programs.
- Develops and promotes sustainable solutions for housing and community development that build assets for communities and low and moderate income people.

Resident Engagement

- Communities succeed and are best sustained through engagement of residents and diverse stakeholders.
- Leadership is present in all communities and can be fostered and grown locally.
- Residents understand the needs/ aspirations of communities and are effective advocates for positive, lasting change.

Programs & Activities



Grant-making



Training



Technical Assistance



Peer Learning



Organizational Assessment/Quality Assurance/Evaluation



Tools & Resources

Short & Mid-Term Outcomes

Direct Outcomes

A Network of High Capacity Affordable Housing and Community Development Nonprofits: Members of the NeighborWorks Network and affiliated capital corporations:

- Carry out effective affordable housing and community building programs so that individuals and families have sustainable access to quality, affordable homes.
- Measure and demonstrate program performance and impact for people and communities served.
- Become stronger, more productive and sustainable organizations.
- Gain increased resources and enhanced skills.
- Have more effective partnerships and greater recognition.

Stronger, More Effective Affordable Housing and Community Development Field: NeighborWorks America's partnerships and services to organizations beyond the NeighborWorks Network:

- Increase the skills and performance of the field.
- Establish and promote standards of excellence.
- Build nonprofit institutional and service delivery capacity in foreclosure counseling.
- Implement innovative, collaborative solutions that solve critical affordable housing/community revitalization problems.
- Build broad public/private commitment to affordable housing/ community development.

Indirect Outcomes (through NeighborWorks Network and Other Organizations Served)

Healthier, More Vibrant Communities of Choice Communities served by NWOs:

- Have quality, affordable housing options for homeowners and renters.
- Offer well-maintained single and multi-family rental and owner-occupied properties that are community assets.
- Are vibrant and offer services and amenities needed by residents.
- Engage residents who work to build their communities' futures.

More Secure, Resilient & Engaged Individuals & Families

- More individuals have the opportunity to live in quality, affordable homes in strong and healthy communities.
- Educated and counseled individuals make more informed decisions about their rental and home ownership options.
- Actively engaged community residents lead affordable housing and community revitalization efforts.

Long-Term Outcome

NeighborWorks America creates opportunities for people to live in affordable homes, improve their lives and strengthen their communities. Through NeighborWorks and its partners, America will become a nation of vibrant communities all are proud to call home.

