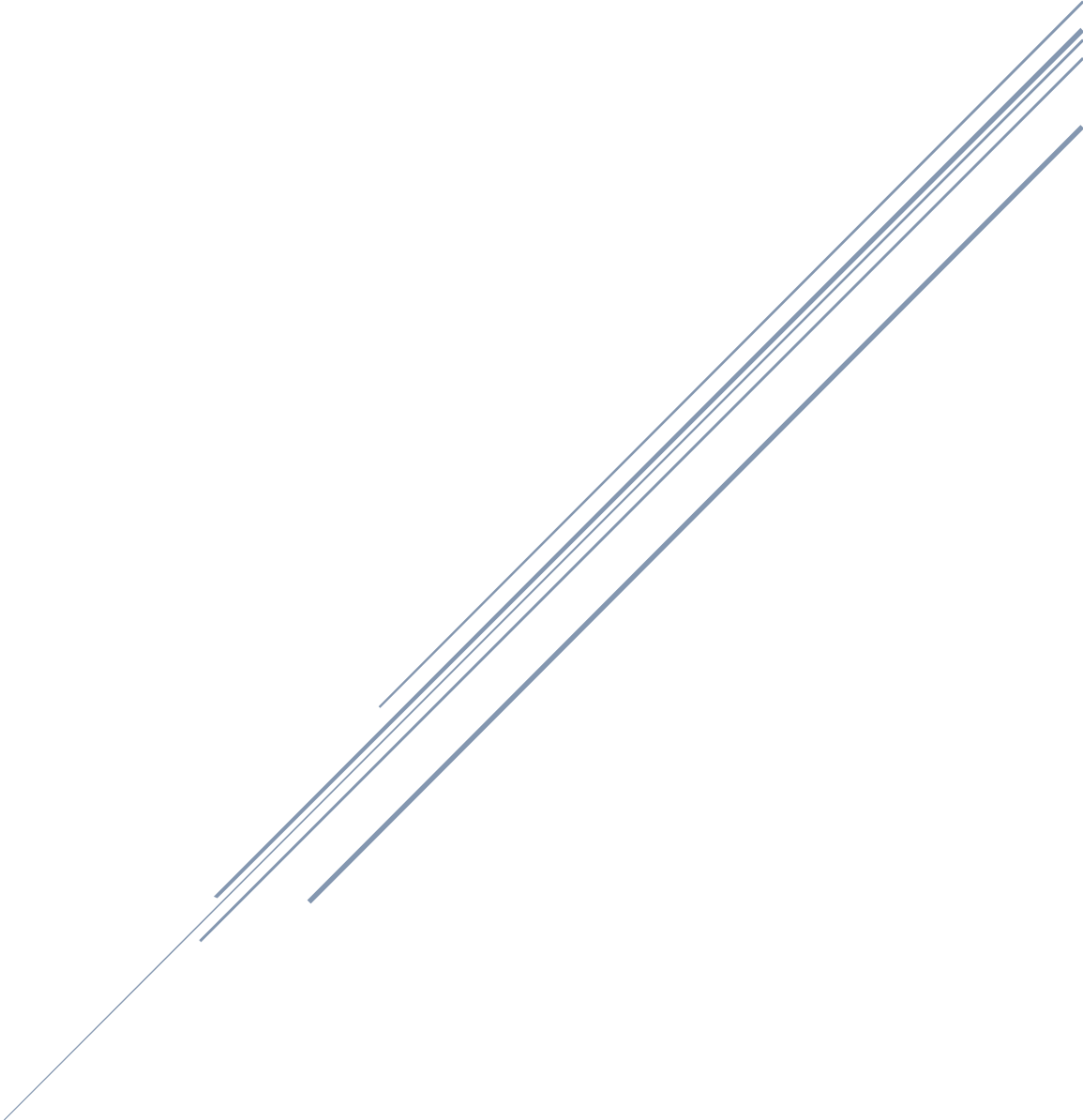


NEIGHBORHOOD HOUSING SERVICES OF TOLEDO, INC
DBA
NEIGHBORWORKS® TOLEDO REGION

2020 ANNUAL REPORT



February 23, 2021

TABLE OF CONTENTS

INTRODUCTION	2
PUBLIC AND PRIVATE CONTRIBUTORS	3
THE YEAR IN REVIEW	4
TOTAL REPORTED INVESTMENT	4
HOMEOWNERSHIP PRESERVATION SERVICES (HPS)	5
HOME OWNERSHIP PROMOTION SERVICES (HOP)	5
COMMUNITY BUILDING AND ENGAGEMENT (CBE).....	7
REAL ESTATE DEVELOPMENT/ASSET MANAGEMENT (RED)	8
LENDING AND LOAN PORTFOLIO MANAGEMENT (LND).....	9
RESOURCE DEVELOPMENT	10
THE NEXT TWELVE MONTHS:.....	12
DIRECT SERVICES	14
SUMMARY OF ACCOMPLISHMENTS	15
LENDING & HOMEOWNERSHIP PROMOTION.....	16
2019-2020	17
BOARD OF TRUSTEES	18
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	19
STATISTICAL RESULTS FROM OCTOBER 1, 2019 – DECEMBER 31, 2020	20

INTRODUCTION

This document covers the 2020 fiscal year of NeighborWorks® TOLEDO REGION (NTR), beginning on January 1, 2020 and concluding on December 31, 2020, plus the final quarter of 2019. This unusual timeframe is a one-time event, providing information as a transition from our previous fiscal year period to the newly adopted fiscal year that runs with the calendar.

The year 2020, now firmly in the rearview mirror, was a time of many challenges triggered by the on-set of the COVID-19 pandemic. We initially thought that it would simply take a couple of months of disruption and everything would go back to normal. Our prediction was wrong. Now fully ten months past the time NTR took action to adjust, in many ways the organization is still in the recovery phase.

A new strategic planning process was commenced the end of January 2020 with consultant Laura Junglas. Arriving at the final product was made more difficult because of distancing required for safety because of the concern over infection. The finished document was presented for board consideration in December, and finally adopted in January 2021.

As a result of the pandemic, we all learned new ways to conduct business. Board governance entered a new phase with the switch to virtual gatherings. In April, the Central Board conducted its first ever virtual board meeting, utilizing ZOOM meeting. Some technical difficulties were encountered, but overall, the result was positive and provided a way forward for future meetings.

Our business lines thrive on direct contact with consumers. The Financial Opportunity Center model works to establish and maintain a continuous relationship with clients in an effort to coach through issues that threaten household economic stability. One of the largest efforts on an annual basis is the tax preparation service. Our FOC routinely interacts with 600 plus taxpayers to complete filings. However, 2020 was a different experience because the tax return filing date was pushed back to July.

This delay presented an opportunity for the FOC to turn its talents in a new direction. The CARES Act was enacted to provide pandemic federal relief funding across many community needs. One need was the crisis for tenant households who could not pay due to loss of income. In May, the Department of Neighborhoods contracted with NTR to distribute emergency rental assistance. By September, the funds had been committed, providing much needed help to 375 tenant households. We have been told that the FOC will be back on the job with an even larger amount to work with during 2021.

If you would like to learn more about NTR products and services, feel free visit us in the NeighborWorks® HomeOwnership/Financial Opportunity Center of Toledo, located at 704 Second Street, or visit our web site at <http://www.nwtoledo.org>, or call us at 419-691-2900.

Tom Killam
Chairman
February 23, 2021

PUBLIC AND PRIVATE CONTRIBUTORS

2019-2020 Fiscal Year

FINANCIAL INSTITUTIONS

Huntington Bank
Key Bank

GOVERNMENT

City of Toledo
 Department of Neighborhoods
Lucas County Land Bank
State of Ohio
 Development Services Agency
 Office of Community Services

NATIONAL INTERMEDIARIES

Local Initiatives Support Corporation
NeighborWorks® America

UTILITY COMPANIES

Columbia Gas of Ohio, Inc.
Toledo Edison, a FirstEnergy Company

FOUNDATION/ PRIVATE SUPPORT

Michael Craig
Barbara and William Farnsel
Fifth Third Foundation
Lathrop Company
Mary and Bill Parker Charitable Fund
Mercy St. Vincent Foundation
Ohio CDC Association
Toledo Community Foundation
Wells Fargo Foundation

THE YEAR IN REVIEW

This section of the Annual Report is dedicated to a brief review of the highlights from 2020 and the fourth quarter of 2019.

This portion of the Annual Report contains a discussion of our accomplishments, organized by lines of business and significant events that took place throughout the year.

TOTAL REPORTED INVESTMENT

<u>2020 Goal</u>	<u>2020 Actual</u>
\$4.5 million	\$5.4 million

The Total Reported Investment is a number reported and tracked by NeighborWorks America on a quarterly basis. Please note that the figure reported above represents all of 2020 plus the last quarter of 2019. This pattern will continue throughout the narrative that follows in an effort to better align the statistics with the January through December fiscal year.

One significant factor renders the comparison of our actual outcomes to goals outlined in the strategic plan of 2017: the COVID 19 pandemic. We fondly remember business as usual before March 2020. NTR was forced to cease development, home preservation services and all other services that relied on face-to-face customer contact on March 16.

At that moment, business as usual changed.

The major program funders issued orders to halt all activities that would bring NTR employees in immediate contact with customers. This was done to protect both customer and employee. The NTR facility at 704 Second Street was closed to the public and employees sent home. NTR personnel were not furloughed. Rather, senior

management made a commitment to maintain full payment of wage and benefits for the purpose of retaining all associates, so that normal business operations could be resumed without delay.

April 2020 became a month-long search for funding to back the pledge of continuing paychecks for staff members. Senior management also looked for ways to support our numerous suppliers and third-party contractors.

NTR reached out for help and our partners responded. NeighborWorks America was the first, expediting the release of FY 2020 Round I funds. Local Initiatives Support Corporation responded with a series of program actions that provided support for the Financial Opportunity Center. The City’s Department of Neighborhoods expedited monthly CDBG reimbursements.

Even with this help, NTR’s ability to cover on-going payroll expense was limited to just a couple of weeks.

Help was also provided from Washington. The CARES Act included the Payroll Protection Program, which promised relief for small businesses that decided to maintain full employment. In April, NTR applied for a small business loan through Key Bank and was approved later in the month. The loan proceeds supported our payroll expenses through the work stoppage and on into the reestablishment of the housing production pipeline.

Senior management initially made plans to resume work in April. Then that plan was revised to begin in May. We began with a partial return of office members early in the month and field supervisors a week later.

Even with the return of staff members by June, many customers chose to defer work by NTR due to on-going fear of virus transmission. The resumption of work in the

field, following a 60-day interruption turned out to be a long, slow process.

NeighborWorks Toledo (NTR) operates along several primary lines of business, as defined by NeighborWorks® America. Our current lines include: Homeownership Preservation Service (HPS); Home Ownership Promotion (HOP); Community Building and Engagement (CBE); Real Estate Development/ Asset Management (RED), and Lending and Loan Portfolio Management (LND).

What follows is a discussion of the major achievements for each line.

HOMEOWNERSHIP PRESERVATION SERVICES (HPS)

	<u>2020 Goal</u>	<u>2020 Actual</u>
Preserved Homeownership Customers	250	267
	<u>2020 Objectives</u>	<u>2020 Actual</u>
• Home Weatherization	130	133
• WarmChoice	200	144
• Toledo Edison	300	276
• Foreclosure Intervention	40	19
• Year 16 Initiative	12	7

The mission of the HPS line of business is to assist households with the task of remaining in their homes in an environment of increasing costs, against the backdrop of a potentially shrinking income. Energy efficiency meets this mission by making permanent improvements to the structure so that the household spends less on energy costs.

NTR met its 2020 goal for the Home Weatherization Assistance Program (HWAP) and came very close to meeting the Toledo Edison, Community Connections goal. The goal for Project WarmChoice was not met, in large part due to the COVID-19 lock down.

Both public and privately sponsored
NeighborWorks® TOLEDO REGION

weatherization operations were halted across the state on March 16. NTR employees were released from field work, but not placed on lay-off. Instead, NTR maintained issuance of payroll. NTR was rewarded for taking the financial risk of maintaining employees, with no ability to complete a job, when the Payroll Protection Program was instituted by the Small Business Administration. The PPP loan was facilitated by Key Bank and covered NTR payroll and related expenses for the balance of the year.

Year 16 Initiative

The Year 16 Initiative was launched in 2017 to provide an incentive to first time homebuyers who were purchasing homes they occupied that were financed utilizing low-income housing tax credits. The incentive is provided in the form of a deferred payment, forgivable five-year loan.

During 2020. NTR closed seven Year 16 home improvement deals. The following addresses received home improvement deferred loans: 1336 Avondale (Toledo Homes); 3027 Ontario (North River Homes); 810 Acton (Autumn Woods); 879 Acton (Autumn Woods); 628 Avondale (Toledo Homes); 1420 Belmont (Toledo Homes), and 4150 Shade Tree (Autumn Woods).

HOME OWNERSHIP PROMOTION SERVICES (HOP)

	<u>2020 Goal</u>	<u>2020 Actual</u>
Homeowners Created	40	21
	<u>2020 Objectives</u>	<u>2020 Actual</u>
• Homebuyer Education graduates	120	148
• Affordable Housing sold	12	15
• FOC income tax preparation	600	264

The NeighborWorks® America definition of HOP includes activities that promote home ownership, home buyer education, and the

marketing and sale of single-family homes.

In 2020 the Financial Opportunity Center took on a larger role in the delivery of Home Ownership Promotion activities. Connected to the facilitation of home ownership opportunities, FOC also serves as the HUD Housing Counseling arm of NTR.

During 2020, three FOC coaches achieved the distinction of becoming certified as a HUD Housing Counselor: Nicole Reno-Osby, Lisa Urbanyi, and Brian Green. By August 2021, all HUD sponsored activities must be conducted by certified counselors. The remaining NTR coaches will be working toward certification by the deadline.

The Affordable Housing sales goal for 2020 was twelve homes. By the end of December, a total of nine Oakwood Homes units and six others constituted an outcome of 125% of goal.

Oakwood Homes sales initiative

The Oakwood Homes sales initiative was launched in late 2017 with the acquisition of two single family housing portfolios by NTR. Totalling 38 homes, NTR was able to purchase the entire group following a tax foreclosure triggered by the Lucas County Land Bank.

This particular purchase opportunity had a couple of added incentives. First, the base price for each home was set at \$20,000. Second, A seller credit would be applied toward the purchase price, based upon the length of time of tenancy. The opportunity would end in January 2021.

The first few Oakwood Homes properties were sold in early 2018. During 2019 another five homes were sold to tenants. By the end of 2020, the following addresses were added to the sold column: 1520 Oakwood; 1224 Oakwood; 1212 Oakwood; 1343 Elmwood;

826 Lincoln; 1438 Norwood; 1416 Norwood; 1524 Norwood, and 1410 Norwood.

As an added incentive, Oakwood homebuyers could qualify to receive a home improvement loan of \$7,500. These loans are filed as a second mortgage, with zero payment and a declining balance over five years. The home improvement funding for the Oakwood Homes portfolio was provided by the Lucas County Land Bank.

Other affordable home sales

For 2020, NTR sold a number of houses to first time home buyers who were not previously tenants of housing tax credit units. These homes were placed on the open market and sold. Many of these sales involved homes that were redeveloped before being offered for sale. As the year continued, NTR witnessed a gradual increase in prices paid for the completed units, which is a good indicator of the normal market for the neighborhood.

During the fiscal year, NTR sold the following homes: 3812 Hoiles; 708 Woodsdale; 1242 Oakwood; 916 Oakwood; 1391 W. Woodruff; and 334 Melrose.

Financial Opportunity Center

The Financial Opportunity Center (FOC) is a LISC sponsored framework for providing direct counseling services to consumers on a range of topics, all focused on bettering one's financial position. Services range from credit counseling to job search to household budgeting.

One very important service provided through the FOC is income tax return preparation. The FOC Coaching staff, with the help of evening volunteers, prepared and filed 264 individual returns for 2019 tax season. This number is approximately half of the number

prepared the year before. Again, the number of returns prepared in 2020 was hampered by COVID-19.

During the program year, NTR undertook Homebuyer Education program activities that were responsible for 148 trainees graduating from the standard course. Homebuyer education is offered at 704 Second Street.

COMMUNITY BUILDING AND ENGAGEMENT (CBE)

	<u>2020 Goals</u>	<u>2020 Actual</u>
• CLI Participation 2019	1	1
• CLI Action Proposal 2019	1	1
• Community Event 2020	1	1

The NeighborWorks® America definition of Community Building and Engagement (CBE) includes community organizing and other activities that help residents and other community stakeholders come together to develop and provide leadership to build a stronger community.

Community Leadership Development

In October 2019, the Community Leadership Institute Toledo Team participated in the community training that took place in Chicago. Seven registered, and two unregistered volunteers attended sessions and engaged in project planning. The Toledo Team represented both the Old West End Neighborhood Initiative and East Toledo.

As a follow-up to the Chicago training, the Toledo Team conducted follow-up meetings to design community building activities to be carried out in 2020. The group prepared and submitted a proposal to NeighborWorks America that was funded in February 2020.

The big event for 2020 was COVID-19. The lockdown of movement in an attempt to keep hospital emergency rooms from being

overwhelmed stopped most community interactions. One of the initiatives that the Toledo Team proposed involved providing resources to promote education for the neighborhood elementary schools.

In August, grant award letters were sent to the principals of Birmingham and Glenwood Elementary Schools for the purchase of school materials for the 2020-2021 school year. This was one of the initiatives included in the Community Leadership Institute project known as Unity in the Community, East meets west. Each school was awarded \$1,000.00.

Summer Youth Leadership Initiative

The Toledo Community Foundation has been a faithful financial supporter of the Old West End Neighborhood Initiative activities since 2015. In 2019 the foundation provided funding for the Summer Leadership Initiative.

The planned activities overlapped with 2020 and all activities were stopped after March. The foundation graciously extended the completion deadline.

Garfield Neighborhood Engagement

In October 2019 NTR was contacted by Allen Ziemkiewicz and Jason Stitely of the Lathrop Company. The pair proposed a partnership with NTR to plan and implement a neighborhood project as a celebration of Lathrop’s 125th year anniversary.

The Lathrop Company served as the main contractor for the transformation of the Marina District into the new Glass City Metro Park. NTR pledged assistance with planning and work in the neighborhood.

The end of February 2020 volunteers from the Lathrop Company, LISC and NTR

walked through the Garfield Neighborhood to distribute applications for an exterior home improvement project that was planned for early fall. The 100 blocks of E. Broadway, Worthington, Maryland, and Elgin were the target area for the door-to-door distribution. The following week, COVID-19 temporarily derailed plans going forward on the home improvement project. In March, the unknown was how long everything would be on hold.

As it turned out, plans for a golf outing to support the Lathrop 125 fundraiser during the summer were deferred and the fall improvement blitz pushed to the Spring of 2021.

NTR experienced success in 2020 turning around vacant homes and reselling at a price point above the perceived market. In support of the focus directed to the Garfield neighborhood, NTR purchased the home at 1520 Mott Street in December for the purpose of redevelopment and resale to a first-time homebuyer. Funding for this project is being provided through the LISC Core City fund.

Community Impact Measurement

NTR has a history of evaluating community level impact through Success Measures. Early in March 2020, NTR retained consultant Karen Rogalski to manage and conduct the newest community impact measurement (CIM).

In discussion with Success Measures coach Becky Sherbloom, it was decided to gather data in the Englewood neighborhood. This study would serve as the initial, or baseline, setting the stage for a follow-on survey three years from now. Financial support for this effort was provided by NeighborWorks America from the FY2020 grant.

Like everything else in 2020, COVID first interrupted, then inhibited the neighborhood

resident survey work. The standing threshold for completed surveys (225) was soon modified to 112. NTR was able to achieve 112 surveys, but only after receiving the final few needed to meet the new requirement in mid-December. A report will be issued in 2021.

**REAL ESTATE
DEVELOPMENT/ASSET
MANAGEMENT (RED)**

	<u>2020 Goal</u>	<u>2020 Actual</u>
Rental Homes Constructed, Acquired and Preserved.	140	88

	<u>2020 Objectives</u>	<u>2020 Actual</u>
• Housing Credit Asset Mgt.	224	264
• General Partner Assignment	1	1
• Self-Management Units.	54	44

NTR engages in the **RED** line of business in neighborhoods in support of existing organizational investments.

Housing credit asset management involves the established relationship between third party professional property management and NeighborWorks Toledo as the general partner.

Property Management Transition

In September 2019, the Ohio Housing Finance Agency gave approval for the transition of professional property management to the Vistula Management Corporation. NTR signed management agreements, with an anticipated start date of November 1, 2019.

Immediately, Vistula Management began the task of collecting rental payments, securing agreements on delinquent accounts, and getting vacant units back into service.

On November 1, there were 24 vacant single-family units across the eight NTR housing portfolios. Over the next six weeks, Vistula

brought 16 of these units back on-line and had five leased to new tenants. Four of the more badly damaged homes were in the process of reconstruction as 2019 became 2020.

This striking accomplishment was made possible by loans made to each of the housing portfolios by the equity partners, the Ohio Capital Corporation for Housing, and the National Equity Fund.

By May 2020, Vistula Management reported 100% occupancy in all 258 single-family units. However, COVID triggered a variety of moratoriums involving rental and utility payments. These rental relief programs offered immediate help to tenants but left major gaps in the financial performance of all housing developments.

The total impact of COVID relief efforts on the rental housing industry is not known at this time, due to the on-going nature of the pandemic.

West Central Homes

On August 10, 2020, NTR senior management signed the Membership Interest Purchase Agreement and the Assignment and Assumption Agreement for West Central Homes LLC with Ohio Capital Corporation (OCCH). OCCH served as the equity partner in the limited. The West Central portfolio is composed of 38 single family homes that were built in the Englewood neighborhood and financed using low-income housing tax credits. OCCH provided funds to pay off the permanent debt. The 15-year compliance period ended on December 31, 2020.

The task to be accomplished before any sales can take place with current tenants is the satisfaction of the deferred public debt.

Low-income housing tax credit projects attract financial support from a variety of

sources. State and local government often participate with funds they receive from the federal government. These public sources are brought in as loans with deferred debt payments. Earlier projects were successful in obtaining a full release at the conclusion of the affordability period. Today, both state and local government now want repayment, which complicates the sale of units to tenant occupants.

Management Team

At the end of August, NTR took a significant step toward strengthening its management team. Thomas Kroma joined NTR as Director of Real Estate. Mr. Kroma has extensive experience in both private enterprise and public service. He filled a senior management position that been created to manage the disposition of owned real estate and direct future housing development.

LENDING AND LOAN PORTFOLIO MANAGEMENT (LND)

2020 Goal 2020 Actual

• Regular Mortgage Lending/ Facilitation	20	21
• Loan Portfolio Delinquency	10%	12%

The NeighborWorks® America definition of the **LND** line of business includes originating, underwriting, brokering and/or servicing amortized loans to individuals. NTR is licensed by the State of Ohio to engage in lending under the Residential Mortgage Loan Act (RMLA) and General Lending.

The actual results for regular mortgage lending/loan facilitated for 2020 is composed of 2 direct fully amortizing loans and 19 facilitated home purchases, as indicated by the closing of either a Year 16 or Land Bank deferred payment forgivable home improvement loan.

NTR provided financing in support of home

ownership by providing fully amortizing first mortgage loans in the amount of \$13,000 at a rate of 4.25 over 180 months for former tenants at 916 Lincoln and 1520 Oakwood. For both deals, NTR provided a deferred payment, declining forgivable balance (60 months) second mortgage of \$7,500, with funding provided by the Lucas County Land Bank.

Net Restricted Asset Change

One of the benefits of membership as a Chartered member of the National NeighborWorks Network, is the availability of grants on an annual basis.

Expendable are grants issued to cover costs of operation. Capital grants are issued to support real estate development or lending.

NeighborWorks America would place a restriction on each capital grant, placing limitations on what the grant could be used for and requiring a separate report in the annual audited financial statement. Over time, this restricted asset accumulated to over \$3.1 million.

NTR submitted its first request to de-restrict \$500,000, which was approved in September 2018. Our second \$500,000 request was approved in June 2019. That action left \$2,198,206 as net restricted assets.

As part of a general assistance package offered to chartered network members, NeighborWorks America because of COVID, an opportunity opened regarding the remaining balance of the net restricted asset.

In May 2020, senior management prepared and submitted an application for a release of the entire remaining balance of restricted net assets, totaling \$2,198,206. On June 15, our request was granted.

The impact of this approval is far reaching.

NeighborWorks® TOLEDO REGION

First, this change put significant financial resources at NTR disposal. NTR became the sole owner of loan accounts, real estate, and cash. This also resulted in an improved financial position.

The biggest shift resulting from the release of restricted assets is the income stream that flows from the NeighborWorks America loan portfolio. NTR now owns the loan receivable asset and the funds received as loan repayments. Thus, the capital fund now owned by NTR will serve as an unrestricted pool for development or lending.

RESOURCE DEVELOPMENT

	<u>2020 Goals</u>	<u>2020 Actual</u>
• Expand Public sources	1	4
• Expand Private sources	1	6

The NeighborWorks® America definition of Resource Development includes activities that promote the organization and raise money.

NTR has a well-established resource base as a result of long-standing public and private contracts for weatherization, on top of a near 40-year history of receiving Community Development Block Grant funds from the City of Toledo.

Contracts that were renewed for weatherization in 2020 included slight increases in funding. In the case of the First Energy/Toledo Edison Community Connections program, the new contract brought additional funds that pushed the total higher than any previous arrangement.

The Community Development Block Grant contract that began on July 1, 2020, was a repeat of the funding level provided the previous year. The 2020 grant agreement totaled \$500,000; the highest level ever received by NTR.

2020 was an unusual year in many respects.

In the area of Resource Development, the overwhelming financial support provided by a variety of sources was unexpected.

Public Sources

NTR is reporting the increase of funding from public resources as a result of special grants during 2020.

Three of those new grants from a public source were provided by NeighborWorks America. In March, NeighborWorks America released the FY2020 Round I-funding. But NeighborWorks provided additional funding later in the year. That same month, NeighborWorks America immediately released additional expendable grants of \$20,000 to off-set higher costs due to COVID.

In April, NTR received an invitation to submit an application for a Business Strengthening grant to NeighborWorks America. The purpose of this support was to retain a consultant that will analyze NTR lines of business and make recommendations in a written report. This opportunity provided \$25,000 in new public support.

The third component of support from NeighborWorks America arrived in September. NTR submitted a request for funds for the Eviction Prevention and Rental Assistance program. This opportunity was open to all network organizations involved in emergency rental assistance. This opportunity provided \$50,000, which was used to strengthen the Financial Opportunity Center.

A second type of public resource was sought in April. NTR submitted a loan application to the Small Business Administration through Key Bank for the Payroll Protection Program (PPP). This program was included in the CARES legislation and was aimed at providing funds to small businesses who

maintain employment for workers.

NTR received a loan of \$534,000 to cover the cost of supporting employees through the initial stages of general lock down. By the end of December, senior management submitted documents through Key Bank to apply for the opportunity to turn this PPP loan into a grant.

The third type of public resource was a grant award from the Department of Neighborhoods, provided for the purpose of distributing emergency rental assistance.

In May, NTR received a grant award recommendation letter for \$1 million in CDBG-CV funding, with a planned effective date of this award is July 1. However, program activities to receive applications, qualify participants by income and make arrangements with landlords would begin immediately.

Each qualifying tenant household could receive up to \$2,500 in assistance to catch up on delinquent rental accounts. NTR would be paid 15% of the grant amount for administrative support.

By November, all program funds had been deployed or committed. NTR was able to assist 375 households.

NTR has maintained close working relationships with both NeighborWorks America and the Local Initiatives Support Corporation (LISC). During 2020 both national intermediaries facilitated the delivery of additional resources to support NTR neighborhood stabilization efforts.

LISC in particular was responsible for increasing the size and scope local contracts with the Ohio Job and Family Services agency and the United Way of Greater Toledo so that NTR could assist more families.

LISC also facilitated an increase in organizational capacity through a series of HUD Section 4 grants. One grant received in April was given in support of executive management development. This funding opened the opportunity for the Director of Real Estate position, which was filled in August.

Private Sources

NTR is reporting additional private support that came into the organization as a result of COVID-19.

In October 2019, LISC awarded funds for the ESPN Replay program for a planning grant to redevelop public park space in East Toledo. The Toledo Design Collective was retained to conduct neighborhood focus group sessions and translate that input into a user-friendly redesign for Navarre and Birmingham parks.

The Design Collective finished work on the Navarre Park project in November and will be turning its attention to Birmingham Park in 2021.

LISC facilitated an expansion of the NeighborWorks Financial Opportunity Center in January. Grant funds from the Mercy Foundation that would be used to support costs associated with placing an FOC Coach in the Mercy Franklin Avenue Family Care Center. NTR received a \$50,000 grant from the Mercy Foundation.

Lending institution foundation support for housing counseling, financial empowerment training and loan capital was also received. The Fifth Third, Key Bank and Wells Fargo foundations together awarded nearly \$45,000.

NTR also received a number of smaller individual charitable contributions, which were directed at supporting the work of the Financial Opportunity Center. Donations

were received from: The Bill and Mary Parker Trust; Michael Craig; Barbara and William Farnsel, and an anonymous gift.

The anonymous donor directed for the purpose of assisting a tenant household with making a rental payment. The FOC staff identified and assisted a family that was in danger of eviction due to rent delinquency.

In April, the Ohio Community Development Finance Fund offered special no-cost financing offered in response to COVID-19. NTR requested a loan that would be used to pay material suppliers and subcontractors who are involved in supporting the weatherization programs.

By the end of April, the Finance Fund approved a loan of \$75,000 to support business operations. The rate is 0% with a 24-month term, with repayments to begin in 2021. The loan proceeds were used to pay-off past due accounts with material suppliers and subcontractors involved in supporting the weatherization programs.

In December, NTR received a charitable contribution from the Lathrop Company. This money will be used to purchase materials for the Garfield Improvement project, scheduled to take place in May 2021.

The Garfield Improvement project is part of the Lathrop 125 celebration that recognizes the company's 125th year of continuous business. NTR was honored to be selected for this neighborhood stabilization partnership.

THE NEXT TWELVE MONTHS:

In many respects, NTR is still in recovery following the brief (3-month) interruption caused by the pandemic.

We were able to maintain our experienced workforce because of the commitment to continue payroll. When work resumed, new work safety rules had to be implemented and

learned while interacting with the public. The fact is our pipeline of ready customers was broken and new contacts had to be established.

Changes to senior management allowed a reformation of the weatherization team, including some well-deserved promotions. The weatherization department has been strengthened with new inspectors and new customer service representatives. The new personalities brought a fresh approach to the mission.

During 2020 we learned that our Financial Opportunity Center team could come together, temporarily shift direction and deploy a new rental assistance resource. The entire \$1 million contract was deployed in seven months, helping 375 households. That phenomenal program performance generated attention.

For 2021, the Department of Neighborhoods intends to put NTR back into the emergency rental assistance business. This time the resource could be as high as \$4 million.

TOTCO Homes, Ltd was able to sell eight homes from the former Oakwood Homes I and II project before the end of 2020. Total sales from the Oakwood projects ended at 21. Remaining units are still for sale, but the special price point has been abandoned for appraised value.

One of the notable successes of 2020 was the increase in market sales price of former Oakwood Homes structures. A renovation and sale of a home on W. Woodruff brought \$43,500, more than 200% of the “special price”. This experience was repeated in other neighborhoods.

For 2021, NTR housing development activities will increase and include project sites in the Garfield and Junction neighborhoods. We expect to see an increasing market price for renovated units

and no shortage of buyers.

Finally, the Lathrop 125 celebration event has had a long lead time. February 2021 marks the one-year anniversary for the initial outreach to the Garfield neighborhood, seeking homeowners interested in receiving help with exterior improvements. Fifteen homes have been identified and plans for improvement are being prepared. The Lathrop sponsored program will serve as a nice compliment to the opening of the Glass City Metro Park.

NeighborWorks Toledo Region looks forward to the coming year and the resurgence of our neighborhood stability strategy.

DIRECT SERVICES

2020

T

he following is a listing and brief description of program services that are currently available through the NeighborWorks® TOLEDO REGION through the Home Ownership/Financial Opportunity Center at 704 Second Street:

HOME BUYER'S EDUCATION

- Pre-purchase training for future homeowners in a relaxed setting.
- Credit analysis and adjustment plan development.
- Detailed examination of the borrowing process and advice on building a down payment.
- How to shop for and evaluate homeowner's insurance coverage.

FORECLOSURE INTERVENTION/ MORTGAGE RESCUE

- Personal financial management training.
- Credit analysis and sustainability determination.
- Negotiation with mortgage servicer.
- Rescue funding and/or closing.

FINANCIAL OPPORTUNITY CENTER

- Home buyer education.
- Long term credit history repair.
- Job search coaching aimed at improving household income.
- Access to Ohio Benefits Bank.
- Income tax return preparation.
- Off-site training available.

TECHNICAL ASSISTANCE PROGRAM

- Advice about home repairs.
- Referrals to reliable contractors.
- Assistance with construction planning, bidding or construction monitoring.
- Assistance in setting priorities for renovation.

STATE OF OHIO "HOME WEATHERIZATION ASSISTANCE PROGRAM"

- Free home energy efficiency assessment.
- Free labor and material focused on items necessary to achieve home energy efficiency.

COLUMBIA GAS OF OHIO "PROJECT WARMCHOICE"

- Free home energy efficiency assessment. Work specifications are determined by results of a Minneapolis Blower Door test and infrared camera scan.
- Free labor and material focused on items necessary to achieve energy efficiency.
- Free replacement of unsafe natural gas range
- Free replacement of unsafe gas fired heating unit and/or hot water heater.

TOLEDO EDISON (FIRSTENERGY) "COMMUNITY CONNECTIONS" PROGRAM

- Free replacement compact fluorescent light bulbs.
- Free installation of insulation (all electric houses only).
- Free electrical system up-grade.
- Free refrigerator replacement (for qualifying units).
- Free freezer replacement (for qualifying units).

AFFORDABLE HOUSING

- Homes available on a lease-purchase financing arrangement in connection with Home Buyer Education.
- New homes available for long-term lease.
- New homes available for purchase with possible down payment assistance.
- Renovated homes available for purchase with possible down payment assistance.

SUMMARY OF ACCOMPLISHMENTS

2020

The original mission of Neighborhood Housing Services of Toledo, Inc. (d/b/a) NeighborWorks® TOLEDO REGION (NTR) was to restore and revitalize the neighborhood areas for the benefit of the current residents, to restore confidence and trust. Based upon on going surveys of private reinvestment in the neighborhoods, significant progress has been made toward this mission since 1978.

The summary below highlights the progress achieved by NTR in many neighborhoods throughout Toledo, with concentration in East Toledo, the Cherry Street Legacy, Overland Park (Old West End New Initiative) and the Englewood neighborhoods during 2020:

HOME BUYER EDUCATION

148 households successfully completed the minimum classroom and individual counseling requirements of the HomeOwnership Center of Toledo pre-purchase training program during the past year. This training substantially improves the likelihood of long-term customer success as a borrower.

A total of 3,046 households have graduated from the pre-purchase training program since 1994.

OTHER COUNSELING CONTACTS

181 households received other forms of counseling during the reporting period. NTR is one of a few HUD Housing Counseling agencies in Northwest Ohio and receives many on-line referrals.

A total of 1,108 households have received housing counseling since reporting began in FY 2014.

FINANCIAL CAPACITY

509 households successfully established and maintained a financial counseling relationship with the NeighborWorks Financial Opportunity Center, for the purpose of improving household economic stability. One of the many services performed in the preparation of federal and state tax returns.

A total of 943 households have worked with the Financial Opportunity Center since FY 2017.

FORECLOSURE MITIGATION COUNSELING

29 households were assisted with foreclosure mitigation counseling, including intervention with mortgage servicers.

A total of 582 households have received foreclosure mitigation services since FY2014.

NTR LOAN ACTIVITY

Neighborhood Housing Services of Toledo, Inc., (d/b/a) NeighborWorks® TOLEDO REGION made **\$26,000** worth of direct loans, adding **2** new mortgages to its loan portfolio.

HOMEOWNERS CREATED

30 homeowners were created during the fourth quarter of 2019 and all of 2020 by conventional lenders for total of **\$1.5 million**.

HOME-OWNER UNITS PRESERVED THROUGH REHABILITATION OR WEATHERIZATION

197 units of energy conservation and Weatherization assistance were delivered by NTR to low-income households throughout Toledo and Lucas County during the fourth quarter of 2019 and all of 2020, for a total administration, labor and material investment of approximately **\$2.25 million**.

RENTAL UNITS PRESERVED THROUGH REHABILITATION OR WEATHERIZATION

68 units of affordable rental housing were preserved and improved through either rental rehabilitation or weatherization during the fourth quarter 2019 and all of 2020 for a total investment of **\$802,596**.

SINGLE FAMILY HOUSING RE-DEVELOPMENT

NTR sold **15** single-family homes to first time homebuyers during the fourth quarter of 2019 and all of 2020. In many cases extensive rehabilitation was performed to bring the structures in compliance with the city building code.

LENDING & HOMEOWNERSHIP PROMOTION 2019-2020

This section contains a list of loans that have been funded or homes occupied as a result of a lease/option by Neighborhood Housing Services of Toledo, Inc., and (d/b/a) NeighborWorks® TOLEDO REGION during the period of January 1, 2020 through December 31, 2020. This section also contains a list of locations where homeownership was promoted as a result of facilitation through homebuyer education, a mortgage or a direct cash sale. Please refer to the map on the following page that identifies loan transactions, affordable housing sales and homebuyer facilitation.

NTR LOAN TRANSACTIONS (red dot)

- (1) *916 Lincoln, 43607 (First Time Homebuyer)
- (2) *1520 Oakwood, 43607 (First Time Homebuyer)

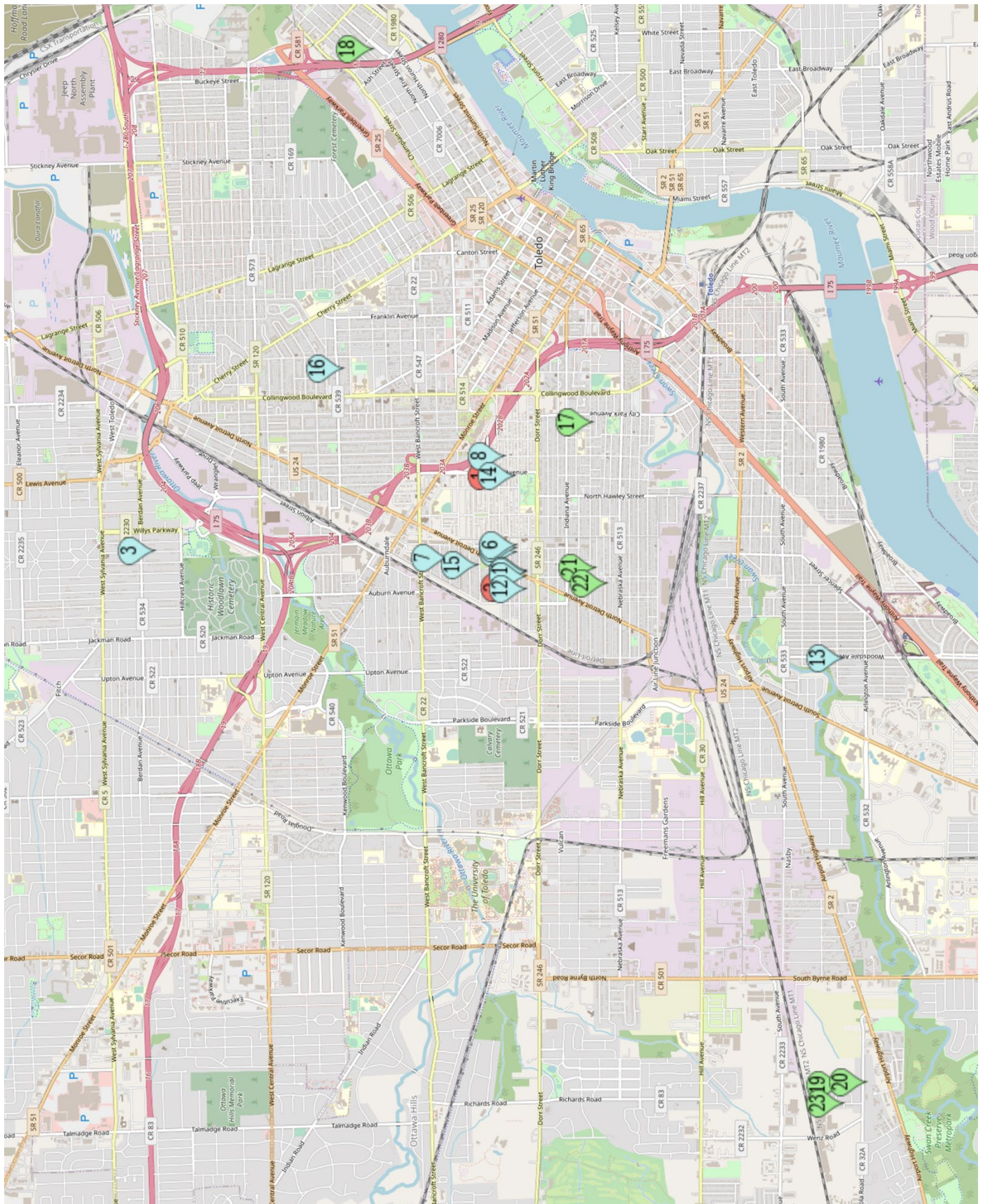
AFFORDABLE HOUSING SALES (blue dot)

- (3) *3812 Hoiles, 43612 (First Time Homebuyer)
- (4) *1242 Oakwood, 43607 (First Time Homebuyer)
- (5) *1224 Oakwood, 43607 (First Time Homebuyer)
- (6) *1212 Oakwood, 43607 (First Time Homebuyer)
- (7) *1343 Elmwood, 43606 (First Time Homebuyer)
- (8) *826 Lincoln, 43607 (First Time Homebuyer)
- (9) *1410 Norwood, 43607 (First Time Homebuyer)
- (10) *1416 Norwood, 43607 (First Time Homebuyer)
- (11) *1438 Norwood, 43607 (First Time Homebuyer)
- (12) *1524 Norwood, 43607 (First Time Homebuyer)
- (13) *708 Woodsdale, 43609 (First Time Homebuyer)
- (14) *916 Oakwood, 43607 (First Time Homebuyer)
- (15) *1391 W. Woodruff, 43606 (First Time Homebuyer)
- (16) *334 Melrose, 43610 (First Time Homebuyer)

HOME OWNERSHIP FACILITATED (green dot)

- (17) *628 Avondale, 43604 (Year 16 Initiative)
- (18) *3027 Ontario, 43611 (Year 16 Initiative)
- (19) *810 Acton, 43615 (Year 16 Initiative)
- (20) *879 Acton, 43615 (Year 16 Initiative)
- (21) *1336 Avondale, 43607 (Year 16 Initiative)
- (22) *1420 Belmont, 43607 (Year 16 Initiative)
- (23) *4150 Shade Tree, 43615 (Year 16 Initiative)

2019-2020



BOARD OF TRUSTEES

2020 PARTNERSHIP REPRESENTATIVES

FINANCIAL INSTITUTIONS

Stanley Kolebuck, **NTR Treasurer**
(Representing Huntington Bank)

Jon Ostrander
(Representing Fifth Third Bank)

Kim Ward, **NTR 1st Vice President**
(Representing First Federal Bank)

BUSINESSES/INDUSTRY

Meg Adams
(Representing Toledo Edison/First Energy)

J. P. Hayward
(attorney-at-law, retired)

Thomas Killam, **NTR President**
(attorney-a-law, Marshall-Melhorn)

Cheri Pastula, **NTR Secretary**
(Representing Columbia Gas of Ohio)

LOCAL GOVERNMENT

Marquita Chong
(Representing the City of Toledo)

Chad Olson
(Representing the County of Lucas)

Matt Sutter
(Representing Lucas Metropolitan Housing)

SOUTH SIDE NEIGHBORHOOD

Doris Lynch
(Resident, volunteer)

NeighborWorks® TOLEDO REGION

EAST TOLEDO NEIGHBORHOOD

Tracey Britt,
(Resident, volunteer)

Michael Craig,
(Resident, volunteer)

Sharon Gerschutz
(Resident, volunteer)

Kelly Dean
(Resident, volunteer)

WEST END NEIGHBORHOOD

Rhonda Cole
(Resident, volunteer)

Elizabeth Harris
(Resident, volunteer)

Les Robinson
(Resident, volunteer)

Danetta Walker
(Resident, volunteer)

Essie Wiggins
(Resident, volunteer)

NORTH TOLEDO NEIGHBORHOOD

Cathy Schultz
(Resident, volunteer)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Ending December 31, 2020

CURRENT ASSETS		
CASH/CASH EQUIVALENTS		724,547
RECEIVABLES		
GRANT RECEIVABLES		749,949
TENANT RECEIVABLES		28,732
LOAN RECEIVABLE-CURRENT		85,041
INVENTORY		<u>37,467</u>
TOTAL CURRENT ASSETS		1,625,736
LOAN RECEIVABLE-LONG TERM		2,374,164
PROPERTY & EQUIPMENT		
NHS	182,310	
CHERRY LEGACY	8,902,722	
SETH I	2,863,352	
SETH II	3,056,588	
UNSH I	3,327,096	
UNSH II	3,691,560	
WEST CENTRAL HOMES	2,716,742	
OAKWOOD III	1,319,640	
OAKWOOD IV	2,773,378	
TOTCO HOMES	387,855	
OTHER REAL ESTATE OWNED	<u>1,182,456</u>	
TOTAL PROPERTY & EQUIPMENT		30,403,698
OTHER ASSETS		
SECURITY DEPOSITS & ESCROW	57,941	
CASH RESERVES	717,530	
ASSET MANAGEMENT FEES	42,669	
COMPLIANCE FEES	<u>56,583</u>	
TOTAL OTHER ASSETS		874,723
TOTAL ASSETS		<u>35,278,321</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	544,710	
ACCOUNTS PAYABLE CONST. MGMT	108,843	
ACCRUED COMPENSATION	239,258	
ACCRUED TAXES/INSURANCE	111,242	
ACCRUED/DEFERRED INTEREST	2,649,260	
DEFERRED REVENUE	284,379	
LONG TERM DEBT-CURRENT	<u>2,064,532</u>	
TOTAL CURRENT LIABILITIES		6,002,224
LONG TERM LIABILITIES		
NOTES PAYABLE		
NHS	157,822	
CHERRY LEGACY	2,066,482	
SETH I	886,251	
SETH II	704,460	
UNSH I	665,000	
UNSH II	1,592,605	
WEST CENTRAL HOMES	977,577	
OAKWOOD III	1,074,248	
OAKWOOD IV	1,215,666	
TOTCO HOMES	39,443	
OTHER REAL ESTATE OWNED	<u>491,367</u>	
TOTAL LONG TERM LIABILITIES		9,870,921
TOTAL LIABILITIES		<u>15,873,145</u>
NET ASSETS		
WITHOUT DONOR RESTRICTION	19,405,176	
WITH DONOR RESTRICTION	-	
TOTAL LIABILITIES AND NET ASSETS		<u>35,278,321</u>

** The interim stated financials are unaudited as of February 23, 2021 and subject to change resulting from NTR's 2020 Consolidated Financial Statement Audit to be performed by Demarco & Associates. **

STATISTICAL RESULTS FROM OCTOBER 1, 2019 – DECEMBER 31, 2020

<u>Program</u>	<u>Fourth Qtr. 2019 First Qtr. 2020</u>	<u>Second Qtr. 2020</u>	<u>Third Qtr. 2020</u>	<u>Fourth Qtr. 2020</u>	<u>2020 SUMMARY</u>	<u>Cum. Total since 1977</u>
HOME BUYER GRADUATES	40	15	44	49	148	3,046
OTHER COUNSELING (since FY14)	86	33	42	20	181	1,108
FINANCIAL CAPACITY (since FY17)	94	5	220	190	509	943
FORECLOSURE MITIGATION COUNSELING (since FY14)	10	19	0	0	29	582
NTR LOAN ACTIVITY						
- Direct Lending:						
Number (#) -	2	0	0	0	2	1,179
Dollars (\$) -	\$26,000	\$0	\$0	\$0	\$26,000	\$23,578,319
-NTR Customer Equity:						
Numbers (#) -	11	4	6	12	33	607
Dollars (\$) -	\$43,618	\$16,895	\$40,189	\$71,252	\$172,154	\$1,500,692
HOME OWNERS CREATED						
Numbers (#) -	15	6	1	8	30	1,464
Dollars (\$) -	\$854,176	\$380,204	\$48,442	\$203,600	\$1,486,482	\$64,595,203
HOME OWNER UNITS PRESERVED						
-Owner Occupied Rehab/Weatherization						
Number (#) -	99	9	43	46	197	23,903
Dollars (\$) -	\$1,168,868	\$117,300	\$468,903	\$492,678	\$2,247,749	\$52,404,868
RENTAL UNITS PRESERVED						
-Rental Rehabilitation/ /Weatherization						
Number (#) -	26	5	19	18	68	8,267
Dollars (\$) -	\$303,347	\$85,014	\$242,275	\$171,960	\$802,596	\$18,151,693