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# Introduction

**T**his document covers the 2017-2018 operating period of NeighborWorks® TOLEDO REGION (NTR), beginning on September 1, 2017 and concluding on August 31, 2018.

Every year NeighborWorks TOLEDO REGION (NTR) publishes an annual report where the activities and progress of the preceding twelve months are described, a comparison drawn between goals and actual outcomes and we take a stab at looking into the future (at least twelve months). If that is what you are looking for, we will not disappoint with this report. As you review this document, there is something very subtle that may be missed: increased community standing. Please allow me to draw your attention to a couple of items that support my point.

First, NTR experienced its first full year with a relationship with the United North non-profit corporation. Our pledge to United North was to provide advice on real estate matters and to maintain community services to the greatest extent possible. On the community services issue, NTR was able to continue many of the programs, relying on the experienced staff members who transitioned from one employer to the other.

The impact on NTR was tremendous. The Financial Opportunity Center (2860 Lagrange) instantly expanded our range of services and extended our reach across the community. For example, the FOC had traditionally prepared tax filings for consumers. During the last tax season, NTR coaches prepared 770 individual tax returns, with approximately \$880,000 refunded by the IRS.

Second, over the past year NTR became the General Partner in four different Limited Liability Corporations. This placed NTR in an ownership role for 120 additional units of affordable rental housing. When these are combined with projects originally sponsored by NTR, now you are looking at an organization with a prominent role in housing. In the role of General Partner, our primary responsibility is asset management. When you add the recent acquisition of the Oakwood Homes housing portfolio, homeownership is demonstrated as the next natural step following affordable rental. The demand for services that facilitate a transition to homeownership links nicely with our increased staff capacity.

You will find other examples of increased community standing in this report. By this time next year, there will be more.

If you would like to learn more about NTR products and services, feel free visit us in the NeighborWorks® HomeOwnership Center of Toledo, located at 704 Second Street or the NeighborWorks® Financial Opportunity Center, located at 2860 Lagrange, or visit our web site at <http://www.nwtoledo.org>, or call us at 419-691-2900.

Stanley Kolebuck  
Chairman  
October 30, 2018

# Public and Private Contributors

## **2017-2018 Fiscal Year FINANCIAL INSTITUTIONS**

Citizens Bank  
Fifth Third Bank of Northern Ohio  
Huntington Bank  
Key Bank, Northern Region  
Mary and Bill Parker Charitable Fund  
PNC 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 SUPPORT**

Mercy St. Vincent Foundation

Toledo Community Foundation

**NeighborWorks® TOLEDO REGION**

# The Year In Review

**T**his section of the Annual Report is dedicated to a brief review of the highlights from the last twelve months of operation (September 2017 through August 2018).

In 2014 the Board of Trustees made a decision to change the fiscal year to January through December. This process was completed in early 2016 with the filing of the last partial tax return for the period ending December 31. Please refer to our Consolidated Statement of Financial Position on page 19 of this report.

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

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..... *public event*

Early in October 2017 NTR staff members participated in the local programming of events and sessions for the Ohio CDC Association annual meeting that was held in Toledo. A neighborhood tour of affordable housing developments included a visit to the Cherry Legacy Homes along Fulton, Melrose and Franklin. The NTR presentation highlighted experiences with financing TOTCO Homes residents and the anticipated work with Oakwood Homes II units.

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..... *private giving*

In partnership with T&J Plumbing, NTR board and staff contributed funds to assist

two families in Toledo to experience a nicer Christmas (2017) season.

The Shiffler family, situated in the 3000 block of Douglas Road, recently relocated to Toledo with their seven children. The kids were sleeping on donated cots, so complete beds, with springs/mattresses, bedding linen etc. were provided. The Easley family, situated in the 100 block of Dexter has been a long time resident of North Toledo. The four children each needed winter coats, hats, gloves etc. All of these were provided. In addition, each family was given a gift card to Kroger and Walmart and board game.

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).

The goals listed in the pages that follow were adopted by the Board of Trustees in April 2017, with the completion of a new strategic plan.

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

## HOMEOWNERSHIP PRESERVATION SERVICES (HPS)

	<u>2018 Goals</u>	<u>2018 Actual</u>
• Home Weatherization	148	221
• WarmChoice	300	290
• Toledo Edison	320	345
• Foreclosure Intervention	40	135
• HOME Investment	9	20
• Year 16 Initiative	12	16

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 substantially met its goals related to HPS by delivering program services for the Home Weatherization Assistance Program, the Columbia Gas of Ohio Project WarmChoice, the Toledo Edison Community Connections program, and Foreclosure Intervention.

NTR staff members install the materials involved in each of the programs, so each completed goal represents a direct staff activity. The Home Weatherization Assistance Program accomplished the completion of 221 units as compared to the goal of 140, which represents production equal to 158%. Project WarmChoice completed 290 units as compared to the goal of 300, which represents a production equal to 97%. The Toledo Edison Community Connections Program completed 345 units as compared to the goal of 317, which represents production equal to 108%.

On October 25, 2017 NTR Weatherization operations hosted an open house at 4907 Laurentide Lane and invited the public to witness how a home is weatherized. Officials from ODSA visited and presented a proclamation from Governor Kasich recognizing October as Weatherization Month. TV coverage was provided by WTVG, Channel 13.

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.....*home investment deployment*

In May 2017, NTR senior managers met with the Department of Neighborhoods to plan for the deployment of \$1 million of HOME Investment funds in the Junction, North Toledo and South Toledo neighborhoods. The original intent was to provide grants for improvements to owner-occupied residential structures.

In November 2017 Toledo City Council approved the redirection of the \$1 million of

HOME Investment to NTR. At the same time City Council agreed to shift 43<sup>rd</sup> year CDBG funds that had been originally dedicated to United North to NTR.

Joint meetings involving Department of Neighborhoods Housing staff and NTR weatherization managers began in December, and have continued since that time each month.

NTR would begin the process by determining eligibility for all weatherization programs. Once approved, NTR inspectors would conduct an energy audit, create a scope of work and identify need for supplemental repair work that would enhance the performance of the weatherization treatment. The work funded by Project WarmChoice would serve as the private match for the HOME Investment dollars.

Department of Neighborhoods Housing staff performed follow-up inspections for eligible program participants and were responsible for creating the rehabilitation scope of work. Housing staff handled the bidding process to identify the lowest and best contractor. At this point, the project file was returned to NTR for contract documents, establishment of construction escrows and project management.

The HOME Investment program was designed as a three year effort, with a goal of 27 completed units, combining weatherization and rehabilitation. By the end of June, the number of project sites with completed weatherization work was nine. With July and August, NTR completed weatherization at an additional 11 project sites. At the end of August, 2018, there were five fully completed projects (weatherization and rehabilitation) and another 14 rehabilitation construction contracts in progress.

Together, the completed and in-progress rehabilitation sites have a projected HOME cost of just under \$500,000. This implies that

the total number of affected owner occupied homes could reach 50 units.

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.....*year 16 initiative*

The Year 16 initiative is aimed at providing an incentive to first time homebuyers who are purchasing former affordable rental units that were financed utilizing low income housing tax credits. The incentive is provided in the form of a forgivable grant (over five years) that is used to complete buyer directed home improvements.

NTR pioneered the use of a homebuyer incentive during the sale of the original TOTCO Homes in 2016. At that time, the source of the funding was the Lucas County Land Bank. A similar program was developed a year later for the Oakwood Homes sales to tenants, again funded by the Land Bank.

In 2017 ProMedica and Key Bank joined forces to provide significant private funding for an expansion of the homebuyer incentive program. This investment was established in support of future affordable rental conversions. LISC was placed in charge of managing the effort. Because of its experience, NTR was recruited to deploy the resource.

The first deployment of the ProMedica/Key Year 16 fund took place in the summer of 2017 in support of the sale of a Renaissance/Ottawa project home. In February 2018, affordable housing units renovated and sold by the Lucas Metropolitan Housing Authority (Toledo Homes I and II) were determined eligible for the Year 16 incentive program. During the program year, NTR provided grant funding to 16 first time homebuyers referred by LMHA.

**HOME OWNERSHIP PROMOTION**

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**SERVICES (HOP)**

2018 Goals                      2018 Actual

• Homebuyer Education graduates	120	144
• Affordable Housing sold	12	15
• FOC income tax preparation	500	770

The NeighborWorks® America definition of **HOP** includes activities that promote home ownership, like home buyer education, and the marketing and sale of single family homes.

During the program year, NTR undertook Homebuyer Education program activities that were responsible for 144 trainees graduating from the standard eight-hour course. This represents an achievement rate of 120%. Homebuyer education is offered at 704 Second Street and 2860 Lagrange Street.

The Affordable Housing sales goal for 2017-2018 was twelve homes. By the end of August 2018, a total of six Oakwood units and nine others constituted an outcome of 125% of goal.

The narratives that follow provide details.

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.....*oakwood homes sales initiative*

The discussion of the Oakwood Homes Sales Initiative as a component of the Home Ownership Promotion effort is introduced here because of the NeighborWorks Toledo Region’s mission to facilitate conversion of the Oakwood Homes I and II affordable rental housing to homeownership. The Oakwood units are situated in the Englewood neighborhood.

The first Oakwood Homes unit to be sold was 1250 Oakwood. This was a cash purchase, with the closing taking place in late February 2018. Likewise, other cash sales for Oakwood Homes units occurred at 1142 Oakwood and 1925 Lawrence Avenue. By the end of August, 2018 a fourth sale was pending at 905 Oakwood.

Over the same timeframe, NTR financed qualified buyers for Oakwood Homes units on three occasions (1216 Oakwood; 1232 Oakwood; 1326 Elmwood).

Residents of the Oakwood Homes units qualified for various levels of seller credit, depending upon the length of time as tenant. For those who occupied homes for the entire fifteen year affordability period, the seller credit amounted to \$5,000.

As an added incentive, Oakwood homebuyers could qualify to receive a home improvement loan of \$7,500. These loans were typically 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

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.....*other affordable home sales*

In an effort aimed at reducing loss on defaulted mortgage loan accounts, NTR adopted a strategy many years ago of taking possession of homes on a select basis for its own affordable rental portfolio. The idea was to enter into lease with option to purchase contracts to assist residents who were not ready to finance an outright purchase. During the program year, NTR converted three of its own units into homeowners (837 Clark; 408 Western; 224 White).

NTR also accepted cash offers on vacant homes, in many cases selling units to first time homebuyers on a budget. In this case, two homes were sold between September 2017 and August 2018 (821 Yondota; 1066 Hamilton).

A well-known local businessman (and philanthropist) Sam Moawad, approached NTR with a proposal that would re-engage some of it's hardest to sell homes with a charitable purpose. In exchange for a low cash

price, Mr. Moawad would gather a small group of homeless veterans who would immediately occupy the unit and invest sweat equity to make it livable. During the program year, NTR sold three of its more troubled houses for cash for the homeless veterans cause (820 Western; 368 Plymouth; 1315 Varland).

The Neighborhood Stabilization Program (NSP) was one of a series of special federal investment programs aimed at boosting local economies with an injection of cash from Washington, beginning in 2009. NTR participated as a non-profit developer and was responsible for both new construction and full renovation. The last home to be completed by NTR under NSP was 4147 Birchal in the Library Village neighborhood. This home was sold to a first time buyer as a cash sale.

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.....*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. At present there are three FOC operations in Toledo. The FOC managed by NeighborWorks is situated at 2860 Lagrange Street.

NeighborWorks Toledo began its involvement with the FOC movement in the summer of 2017, with the coaching staff that remained after July 1. By the end of 2017, nearly the entire FOC team, except Nicole Reno and Ron Jones had left. This situation provided an opportunity for a reorganization of personnel duties and the chance to expand the number of full-time coaches.

With close assistance from the Toledo LISC office, a reorganization plan was drafted and presented to the NTR Board of Trustees for

consideration in January. By the following February, job offers had been extended to two new coaches and a new Intake/Income Supports specialist. The new personnel, led by Nicole, began their duties in March.

In addition to homebuyer education, another important service provided at the Lagrange Street facility is income tax return preparation. The FOC coaches, with the help of evening volunteers, prepared and filed 770 individual income tax returns for 2017. This work resulted in \$844,011 being returned to taxpayers.

In mid-July informal conversation was held with Jodi Gross of the East Toledo Family Center to discuss the establishment of regular office hours for a Financial Opportunity coach. One month later, a Memorandum of Understanding was signed by the parties. The extension of Financial Opportunity services to the East Toledo Family Center represents a return following a nearly two year absence. NTR committed to one coach for two days a week.

**COMMUNITY BUILDING AND ENGAGEMENT (CBE)**

2018 Goals    2018 Actual

• CLI Participation 2017	1	1	
• CLI Action Proposal 2018	1	1	
• Community Event 2018	1	3	
• NW Training Institute	1	5	

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with minimal administrative burden. Financial support has been provided by the Toledo Community Foundation and NeighborWorks America.

For example, OWENI volunteers recruit youth participants in a grass cutting effort during the summer. On average over 125 lawns are cut between June and August. During the fall season, volunteers identify and paint one to two homes owned by senior citizens that have high visibility along Detroit Avenue.

On October 18, 2017 the Old West End Neighborhood Initiative Paint Project started with the scraping of old paint on a house located at 3273 N. Detroit. Approximately twelve volunteers worked this day and the next, including NTR staff. This home is owned by Rachel Pettis and Reed Russell.

Another significant undertaking is the annual Unity in the Community neighborhood picnic. On June 9, 2018 OWENI hosted the picnic at the Grace Community Center. As before the event involved food, entertainment, door prize raffle, car show and a visit by the Fifth Third Bank E-Bus. This event coincided with the National NeighborWorks Week celebrations taking place all over the country.

.....ohio theater

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.

NTR has played a supporting role with the Old West End Neighborhood Initiative (OWENI) volunteers since 2015. As a result, OWENI volunteers have exercised the freedom to undertake community activities

The Ohio Theater, situated in the 3000 block of Lagrange Street, is an historic renovation project that was sponsored by United North. Activities in the theater are managed by volunteers of the Ohio Theater Committee.

When NTR assumed operational responsibilities for the Financial Opportunity Center and the HOME Investment program in July 2017, the theater volunteers were looking for a new organizational sponsor.

The Ohio Arts Commission had awarded the committee a grant in support of theater

activities. Further, there was an Americorp sponsorship opportunity that would provide funding for a theater director. A new non-profit sponsor was needed to fulfill the role of grantee. Discussions with NTR began in September 2017.

Responsibility and ownership of the Ohio Theater building remains with United North, however. NTR is providing administrative support for the theater committee. A theater director was recruited and hired in 2017 and looks forward to a second year of activities beginning the fall of 2018.

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..... *safe growth*

Safe Growth is a community level safety initiative sponsored by LISC. If you are familiar with Crime Prevention Through Environmental Design (CPTED), then Safe Growth builds upon those principals and is heavily focused on neighborhood resident engagement.

In May 2018, the Toledo LISC program extended invitations to NTR staff for the Safe Growth training opportunity. The training plan was to establish five neighborhood safety teams that would create plans to apply crime prevention techniques in targeted areas identified by each team. The neighborhoods represented were: East Toledo; Cherry Legacy; Junction; Englewood, and; Up-Town.

In June, Pamela Mayer and William Farnsel represented NTR in Safe Growth training. Ms. Mayer was assigned to the Cherry Legacy/OWENI team. Mr. Farnsel was assigned to the Englewood team.

The following August, each team presented a planning concept, utilizing low cost/no cost activities, all aimed at reducing crime by making the commission of crime more visible to the neighborhood residents. This activity will likely serve as a community engagement tool over the next twelve months.

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..... *neighborworks training institute*

NTR provides training opportunities to neighborhood leaders in an effort to supplement learning that takes place locally. In addition to annual participation in the Community Leadership Institute, NTR encourages volunteers to take advantage of the broad course offerings presented at the NeighborWorks Training Institute events.

During the program year, five board volunteers attended Training Institutes that were held in Philadelphia, Kansas City, Cleveland and Salt Lake City.

Attendance at a NeighborWorks Training Institute requires a week-long commitment on the part of the volunteer. But the rewards of that commitment are felt here in Toledo. Areas of training this past year include: board governance; strategic planning; community policing; neighborhood safety, and; youth engagement.

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

2018 Goals    2018 Actual

• Housing Credit Asset Mgt.	93	220
• General Partner Assignment	3	9
• Self-Management Units.	28	71

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.

NTR is the non-profit sponsor and developer of three affordable rental portfolios (South East Toledo Homes I and II, and Cherry Legacy Homes). These projects have a total of 93 single family homes. During the 2017 –

2018 program year, property management duties for the NTR units rested with Volunteers of America.

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..... *general partner assignment*

A positive legacy of the once burgeoning community development industry in Toledo is the existence of a multitude of affordable housing portfolios. At one time, over 850 single family units had been developed in central city Toledo neighborhoods.

Today there are fewer units. However, the majority remain, held by a variety of partnerships. Common to each partnership is the presence of a limited equity partner. In many cases, the non-profit general partner no longer exists.

The beginning role of general partner is important. The initial non-profit sponsor of affordable housing forms the partnership, acquires real estate for construction and is the applicant for the low income housing tax credit commodity. The tax credits are awarded to the non-profit sponsor. A syndicator markets the tax credits to institutional investors. Project equity is raised from the sale of the tax credits to the investors.

On occasion, the on-going responsibilities of the general partner, as stated in the partnership agreement, are ignored. When the original sponsor goes out of business, there is a question of who (what entity) will insure that occupants have an opportunity to purchase the home.

During the 2017-2018 program year, NTR found itself increasingly called upon to fulfill the role vacated by former non-profit sponsors of affordable housing. In September 2017 Ohio Capital Corporation for Housing asset managers Tony DiBlasi and Chris Ledwin visited NTR to discuss the current status of the Cherry Legacy Homes portfolio. At that

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same meeting Tony and Chris advanced a proposal to have NTR serve as a replacement general partner on three single family portfolios. A few weeks later, documents were signed for: 1) TCCN Homes III limited partnership (aka: Oakwood Homes III); 2) TCCN Homes IV limited partnership (aka: Oakwood Homes IV), and; 3) West Central Homes limited liability corporation.

Shortly afterward, NTR senior staff participated in a conference call involving David Berg of Pirhl Development (Cleveland) to discuss the status of the multi-family Englewood Senior Development in Toledo. The Englewood project also needed a replacement general partner for the limited liability corporation.

Mr. Berg proposed that NTR step in as the new general partner. Ohio Capital Corporation was already in the role of limited equity partner. The pay-off in the end would be an opportunity for NTR to buy-out all of the other partners and become the sole owner of the facility.

By the beginning of 2018, NTR had been recruited to serve as general partner for the United North School Homes II and had started the process of playing the same role for United North School Homes I.

Other than the Englewood Senior development, all of the aforementioned single family portfolios were being managed by Volunteers of America. As a result, the new roles taken on by NTR focused on asset management rather than self-management.

By the end of August 2018, NTR added an additional 127 units to its asset management role.

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.....*self-management*

NeighborWorks Toledo has always

maintained a small portfolio of affordable single family rental units. These parcels have traditionally been homes recovered from default actions. The last few years the number of units averages 28.

When the tax foreclosure and public auction of the first Oakwood Homes portfolio (23 units) was completed, NTR expected that it would eventually take on property management responsibilities. In the meantime, the Ohio Asset Group would handle lease-up, rent collection and service calls.

NTR gained control of Oakwood Homes II in November 2017 and Oakwood Homes I the following January. Ohio Asset Group agreed to serve as property manager of all 43 units, with the understanding that the portfolio would continue to shrink as homes were sold to occupants.

By May 2018, NTR made the decision to bring management of the Oakwood units in-house, beginning August 1. A conference call was held with Ohio Asset Group to strategize the transfer of leases, security deposits and account balances. With this move, it was time for NTR to evaluate property management software.

The One Site cloud-based software was already in use at Ohio Asset, so in order to ease the management transition, One Site was selected by NTR. In-house property management took a major step forward with this decision.

**LENDING AND LOAN PORTFOLIO MANAGEMENT (LND)**

	<u>2018 Goals</u>	<u>2018 Actual</u>
• Regular Mortgage Lending/ Facilitation	20	18
• Loan Portfolio Management	197	184

The NeighborWorks® America definition of the LND line of business includes originating, underwriting, brokering and/or servicing NeighborWorks® TOLEDO REGION

amortized loans to individuals. NTR is licensed by the State of Ohio to engage in mortgage broker and second mortgage activities. NTR first became a certified Community Development Financial Institution in 1999 and achieved annual recertification in 2018.

During the 2017-2018 program year, NTR closed and funded eighteen separate mortgages with fifteen different borrowers for a total investment of \$450,650. This production is double both in volume transactions and dollars over the same period the year before.

NTR initially anticipated the increase in lending activity because of the purchase of the Oakwood Homes affordable housing portfolios. The Oakwood acquisitions took place the end of November 2017 and in January 2018. Some lending activity was triggered by the Oakwood deal, but many more borrowers were generated by LMHA and the sale of Toledo Homes I and II units.

**RESOURCE DEVELOPMENT**

	<u>2018 Goals</u>	<u>2018 Actual</u>
• Expand Public sources	1	2
• Expand Private sources	1	3

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

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.....community development block grant

A little more than one year ago (July 2017), the City Department of Neighborhoods transferred two Community Development Block Grant funded activities from one organization to NeighborWorks Toledo. The result was a near doubling of the total contract amount allocated to NTR.

Due to CDBG operating on a reimbursement basis, NTR would now be responsible for

finding cash to pay bills for these two new programs. For this challenge, the Toledo LISC office proved to be a strong advocate and partner.

Success with program operations, reimbursements and reporting this past year led to a renewal of the entire allocation for the 44<sup>th</sup> year CDBG. As of the date of this report, NTR is waiting for the City to countersign the new contract.

One of the two CDBG funded initiatives was the Financial Opportunity Center. The FOC is a LISC program model, so the Toledo LISC office oversees the financial support that is available to the local FOC network. This relationship instantly elevated NTR into funding relationships previously unknown.

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.....*financial empowerment*

One area of outreach for corporate contribution was solicitation in support of Financial Empowerment, i.e.: the process of providing counseling and training to consumers seeking to improve their credit history. The money that was raised was used to support the HUD Housing Counseling work undertaken by NTR. Financial institutions, prominent in the Toledo area, provided grant support during the program year (Charter One; Fifth Third Bank; Huntington Bank; Key Bank, and; PNC).

Another funding opportunity that was adopted to the theme of Financial Empowerment came from NeighborWorks America through LISC. NeighborWorks America was selected by the Bank of America to administer the distribution of funds given as a result of a Department of Justice settlement. This effort was known as Project Reinvest.

In September 2017 NTR received notice the Financial Opportunity Center was selected to participate in a Project Reinvest grant from NeighborWorks® TOLEDO REGION

NeighborWorks America. The funds allocated to the FOC amounted to \$43,725, which would be drawn down as a fee for counseling services over the next 14 months.

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.....*director of finance*

Personnel changes during the summer of 2017 highlighted a gap in capacity that challenged organizational financial management. Simply put, NTR needed more hands in the department.

This situation was taken as an opportunity to establish succession planning for the long serving Chief Financial Officer. In February 2018, local LISC officials participated in a discussion regarding the creation of a new Director of Finance that would be subordinate to the CFO. LISC offered to supply funding for this new position for up to 18 months, after which NTR would support the entire cost in its operational budget.

By the following April, NTR received grant documents from LISC totaling \$50,000, representing funds intended for the recruitment of a Director of Finance and the retention of a consultant dedicated to searching for qualified candidates.

Between May and July the consultant received over 45 resumes screened for the top five candidates. These were presented to the Personnel Search committee. Interviews were scheduled for the end of July. During the month August second round interviews were conducted and an offer advanced to the consensus choice. The new Director of Finance began duties on September 10, 2018.

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.....*neighborworks collaborative*

NeighborWorks Toledo has participated as a member of the NeighborWorks Collaborative of Ohio since 2006. The Ohio Collaborative

currently has ten members, each being a chartered member of the NeighborWorks Network.

The collaborative is a dues-paying organization. The members have benefitted from the success enjoyed from undertaking state-wide initiatives that generated program fees. A universal characteristic of the member organizations is lending staff capacity. A universal need shared by all of the members has been the lack of significant loan capital.

In a bold move to solve the loan capital issue, the Collaborative retained Tommie Fitzgibbons as a consultant to guide the search for resources. Mr. Fitzgibbons opened discussions with Key Bank. Key had recently signed a community benefits agreement with the National Community Reinvestment Coalition, pledging to invest millions in the Key business footprint.

In September 2017 a meeting was held with Key Bank officials representing Community Development Lending, Corporate Responsibility, KeyBank Mortgage and the Key Bank Foundation. The discussion centered on a proposed \$15 million revolving line of credit that will fund first and second mortgages for first time homebuyers through members of the NeighborWorks Collaborative of Ohio. The total anticipated investment is \$15 million, of which NTR would gain access to an equal share for lending in Northwest Ohio.

One year later, the Ohio Collaborative was still in discussions with Key Bank regarding the loan capital investment, but moving closer to implementation. There is considerable optimism for this opportunity to bear fruit.

The important point is that an investment of this size is something that could only be achieved on a state-wide basis with a collaborative and the bank would have to arrive at a level of comfort with the

NeighborWorks members in Ohio. Because these members receive business and technical support from NeighborWorks America, the bank's confidence will be well founded.

### Next Twelve Months:

All of our current lines of business are on an upward trajectory.

With the addition of the Financial Opportunity Center facility and staff, Home Preservation Services gained considerable capacity and a set of customer services that are new for NTR.

The Oakwood Homes initiative triggered an increase in both sales of affordable homes and a doubling of our in-house lending, comparing year over year. This single deal positively impacts Home Owner Promotion and the Lending lines of business. This past year we just started to scratch the surface.

The Real Estate Development line of business grew with NTR becoming the General Partner on five portfolios and will receive another boost in 2019 with the addition of the Englewood Senior development. Just as significant, is the move toward taking the in-house property management to a higher plane of efficiency, which increases our ability to resolve tenant calls quickly.

Our widening embrace of affordable rental housing portfolios has exposed different tenant groups to NTR. Along with these new relationships, new opportunities for broader community engagement will emerge over the next year.

The year 2018 began with a new Mayor, a new administrative team and a different philosophy about how the public sector can best support community development. NTR is eager to play a role to achieve the best outcome possible, and to do so as a collaborator at the local level.

# Direct Services

2017-2018

**T**

he following is a listing and brief description of program services that are currently available through the NeighborWorks® TOLEDO REGION through the HomeOwnership Center at 704 Second Street and the Financial Opportunity Center at 2860 Lagrange 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 and 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

## 2017-2018



he 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 the 2017-2018 operating year:

### \_ NEW CUSTOMERS

**655** individuals contacted NTR for either mortgage rescue through the Saving the Dream program, HUD Housing Counseling contacts or for the weatherization assistance efforts during 2017-2018.

A total of 17,707 customers have been assisted since 1977.

### \_ HOME OWNERSHIP EDUCATION

**144** 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 2,827 households have graduated from the pre-purchase training program since 1994.

### \_ NHS DIRECT LENDING ACTIVITIES

Neighborhood Housing Services of Toledo, Inc., (d/b/a NeighborWorks® TOLEDO REGION made **\$450,650** worth of direct loans, adding **18** new mortgages to its loan portfolio.

### \_ PRIVATE INVESTMENT

NTR customers made “out of pocket” cash equity investments totaling **\$240,145** for down payments, fees, closing costs and cash purchases for homes.

**NeighborWorks® TOLEDO REGION**

### \_ FORECLOSURE INTERVENTION AND/OR MORTGAGE RESCUE

**135** counseling contacts were established with consumers seeking assistance.

### \_ AFFORDABLE HOUSING THROUGH ENERGY CONSERVATION

**856** units of energy conservation and Weatherization assistance were delivered by NTR to low income households throughout Toledo and Lucas County during 2017-2018 for a total administration, labor and material investment of approximately **\$3.428 million**.

### \_ SINGLE FAMILY HOUSING RE-DEVELOPMENT

NTR sold fifteen single family homes to first time homebuyers during 2017-2018. In many cases extensive rehabilitation was performed to bring the structures in compliance with the city building code.

# Lending & Homeownership Promotion

## 2017-2018

**T**his 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 September 1, 2017 through August 31, 2018. 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) \*1413 Wildwood (first time homebuyer)
- (2) \*535 Belmont (rehabilitation)
- (3) \*1509 Oakwood (first time homebuyer)
- (4) \*560 Belmont (first time homebuyer)
- (5) \*3255 Mulberry (first time homebuyer)
- (6) \*355 Moorish (first time homebuyer)
- (7) \*1250 Oakwood (first time homebuyer)
- (8) \*627 Lucas (first time homebuyer)
- (9) \*834 Brighton (first time homebuyer)
- (10) \*1216 Oakwood (first time homebuyer)
- (11) \*1232 Oakwood (first time homebuyer)
- (12) \*1326 Elmwood (first time homebuyer)
- (13) \*1142 Oakwood (first time homebuyer)
- (14) \*836 City Park (first time homebuyer)
- (15) \*1228 Oakwood (first time homebuyer)

### AFFORDABLE HOUSING SALES (dark blue dot)

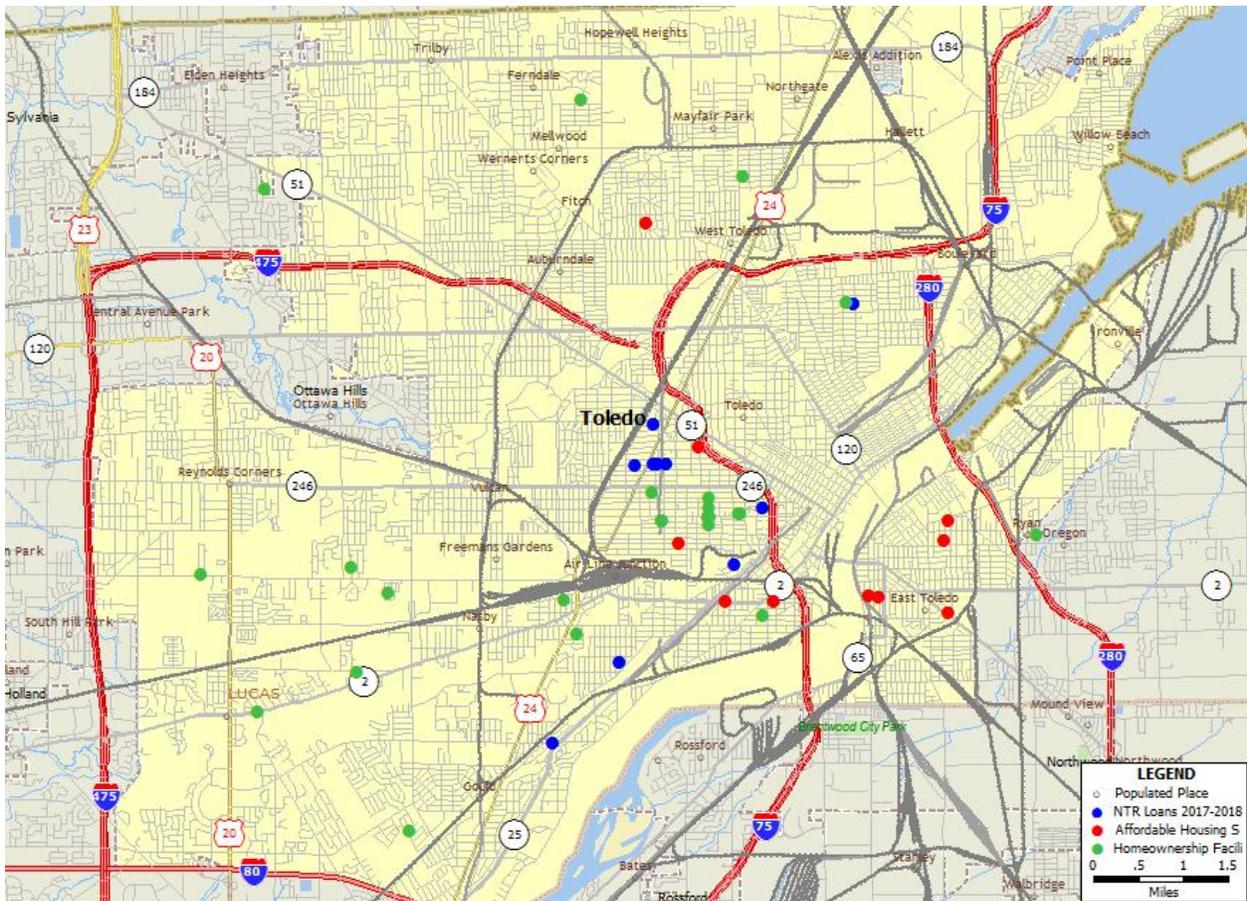
- (16) \*1925 Lawrence (affordable rental, family)
- (17) \*820 Western (affordable rental, veteran)
- (18) \*368 Plymouth (affordable rental, veteran)
- (19) \*1315 Varland (affordable rental, veteran)
- (20) \*1066 Hamilton (affordable rental, family)
- (21) \*821 Yondota (first time homebuyer)
- (22) \*837 Clark (first time homebuyer)
- (23) \*408 Western (first time homebuyer)
- (24) \*224 White (first time homebuyer)
- (25) \*4147 Birchall (first time homebuyer)

### HOME OWNERSHIP FACILITATED (green dot)

- (26) \*4616 Nantucket, 43612
- (27) \*560 Belmont, 43607
- (28) \*120 Clifton, 43607
- (29) \*327 Kingwood, 43607
- (30) \*507 Lucas, 43604
- (31) \*4928 Airport Highway, 43615
- (32) \*803 Hildebrand, 43604
- (33) \*516 Walbridge, 43609
- (34) \*3665 Southlawn, 43614
- (35) \*800 Hildebrand, 43604
- (36) \*5425 S. Gastonberry, 43613
- (37) \*530 E. Oakland, 43608
- (38) \*1331 W. Sterns, Temperance, MI (*not mapped*)

- (39) \*454 Pasadena, 43612
- (40) \*345 Hildebrand, 43604
- (41) \*2505 Olivewood, Oregon 43616
- (42) \*1922 Bonfield, 43607
- (43) \*636 Avondale, 43607
- (44) \*1257 Woodland, 43607
- (45) \*513 Vance, 43604
- (46) \*4059 Angola, 43615
- (47) \*657 Pinewood, 43604
- (48) \*831 Hildebrand, 43604
- (49) \*252 Somerset, 43609
- (50) \*3049 State Route 120, Metamora OH (*not mapped*)
- (51) \*16 Bexley, 43615

### 2017-2018 Lending and HomeOwnership Promotion



# Board of Trustees

## 2017-2018 Partnership Representatives

### FINANCIAL INSTITUTIONS

Adrien Bruce,  
(Representing Key Bank)

Chris Kozak, **NTR 2<sup>nd</sup> Vice President**  
(Representing Huntington Bank)

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

Jon Ostrander  
(Representing Fifth Third Bank)

Kim Ward, **NTR 1<sup>st</sup> Vice President**  
(Representing First Federal Bank)

### BUSINESSES/INDUSTRY

Meg Adams  
(Representing Toledo Edison/First Energy)

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

Cheri Pastula,  
(Representing Columbia Gas of Ohio)

### LOCAL GOVERNMENT

Marquita Chong  
(Representing the City of Toledo)

Chad Olson  
(Representing the County of Lucas)

Matt Sutter  
(Representing the County of Lucas)

### SOUTH SIDE NEIGHBORHOOD

Doris Lynch  
(Resident, volunteer)

### EAST TOLEDO NEIGHBORHOOD

Tracey Britt,  
(Resident, volunteer)

Michael Craig,  
(Resident, volunteer)

Kelly Dean  
(Resident, volunteer)

### WEST END NEIGHBORHOOD

Rhonda Cole  
(Resident, volunteer)

Elizabeth Harris  
(Resident, volunteer)

Les Robinson  
(Resident, volunteer)

Ernest Sawyers  
(Medical professional)

Essie Wiggins  
(Resident, volunteer)

### NORTH TOLEDO NEIGHBORHOOD

Tom Jesionowski  
(Resident, volunteer)

Cathy Schultz  
(Resident, volunteer)

Consolidated Statement of Financial Position  
Ending December 31, 2017

ASSETS

Current Assets	\$ 1,462,632
Total current assets	<u>\$ 2,218,609</u>
Long-term portion of loans receivable	\$ 2,826,497
Net property and equipment	\$22,886,580
Total other assets	<u>\$ 2,225,710</u>
Total assets	<u>\$30,157,396</u>

LIABILITIES AND NET ASSETS

Current liabilities	\$ 3,719,221
Long-term debt	<u>\$ 7,252,725</u>
Total liabilities	\$ 10,971,946
Net assets	
Unrestricted net assets, controlling	\$ 3,910,271
Unrestricted net assets, non-controlling	<u>\$ 11,858,473</u>
Total unrestricted net assets	\$ 15,768,744
Temporarily restricted	\$ 122,500
Permanently restricted	<u>\$ 3,294,206</u>
Total net assets	<u>\$ 19,185,450</u>
Total liabilities and net assets	<u>\$ 30,157,396</u>

## Statistical Results from September 1, 2017 - August 31, 2018

<u>Program</u>	<u>Sept. 2017</u>	<u>Forth Qtr. 17</u>	<u>First Qtr. 18</u>	<u>Second Qtr. 18</u>	<u>July/Aug. 2018</u>	<u>2017/2018 SUMMARY</u>	<u>Cum. Total since 1977</u>
<b>HOME BUYER GRADUATES</b>	14	39	33	33	25	144	2,828
<b>NTR LOAN ACTIVITY</b>							
- Direct Lending: Number (#) -	1	4	8	3	2	18	1,168
Dollars (\$) -	\$85,000	\$146,500	\$160,350	\$33,300	\$25,500	\$450,650	\$23,412,869
<b>PRIVATE INVESTMENT</b>							
-Conventional Lender First Mortgages: Numbers (#) -	-0-	6	10	9	8	33	1,405
Dollars (\$) -	\$0.00	\$197,530	\$470,490	\$407,431	\$305,816	\$1,381,267	\$61,320,665
-NTR Customer Equity: Numbers (#) -	1	4	6	2	2	15	574
Dollars (\$) -	\$1,467	\$17,902	\$34,182	\$25,146	\$18,000	\$96,697	\$1,328,538
-Down Payment Assistance: Numbers (#) -	1	5	3	3	2	14	286
Dollars (\$) -	\$5000	\$44,661	\$14,240	\$9,193	\$6,300	\$79,394	\$1,693,574
<b>OTHER ACTIVITY</b>							
-HWAP Completions: Number (#) -	18	55	55	55	37	220	13,576
Dollars (\$) -	\$93,739	\$286,425	\$286,425	\$286,425	\$192,686	\$1,145,700	\$30,743,717
-WarmChoice Completions: Number (#) -	25	75	75	75	50	300	11,014
Dollars (\$) -	\$129,039	\$387,116	\$387,116	\$387,117	\$258,077	\$1,548,465	\$25,976,814
-Toledo Edison DSM: Number (#) -	29	86	86	86	58	345	6,550
Dollars (\$) -	\$60,972	\$183,625	\$183,625	\$183,626	\$122,653	\$734,501	\$7,187,546