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# Introduction

**T**his document covers the 2016-2017 operating period of NeighborWorks® TOLEDO REGION (NTR), beginning on September 1, 2016 and concluding on August 31, 2017. Welcome to the 40th edition of our organizational Annual Report.

Are you familiar with the game known as “Jenga©”? Have you ever played it in a group setting, or even by yourself to test your skills? Patience and steady nerves play a key role in being able to successfully withdraw pieces of the three dimensional puzzle, without having the whole structure collapse. If you look carefully at the cover to our annual report, it kind of resembles a Jenga© puzzle with each piece labeled, demonstrating the importance of each component. We believe the cover is emblematic of the components needed for a successful community.

Likewise, if these components are slowly withdrawn from a community, like the game of Jenga©, the structure becomes vulnerable to weakness and ultimately collapse. As with any structure a strong foundation is key for strength.

Our mission is clearly the opposite. NeighborWorks replaces pieces of the puzzle, or in some cases simply restores a piece to its previous position, for the purpose of restoring the stability. The report that follows will provide a detailed account of our work in affordable housing and owner occupied rehabilitation. Those are the tools that impact the physical structure of the home. We will describe our involvement with the Financial Opportunity Center movement and how that initiative attempts to have a lasting impact on the financial wellbeing of the individual households. Finally, our efforts to support community building and resident engagement over the last twelve months will be outlined, describing the tie-in between development and resident empowerment.

Over the past year, the role that NeighborWorks® TOLEDO REGION played in the entire community was broadened because of a call to duty by our partners. At the same time, we are constantly trying to perfect the way we conduct business in order to gain efficiencies so that more neighborhood residents can be assisted. Like the game of Jenga©, patience and steady nerves are a prerequisite.

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, Toledo, Ohio 43605, or visit our web site at <http://www.nwtoledo.org>, or call us at 419-691-2900.

Chris Kozak  
Chairman  
October 24, 2017

# Public and Private Contributors

## **2016-2017 Fiscal Year FINANCIAL INSTITUTIONS**

Fifth Third Bank of Northern Ohio  
Huntington Bank  
Key Bank, Northern Region  
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

# 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 2016 through August 2017).

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. In April 2016 the Board and senior management staff began the process of creating a new strategic plan. Consultant Laura Junglas was retained to facilitate discussions. The new plan was adopted in April 2017.

Over and above the daily tasks involved in normal program delivery, NTR was engaged in “community level” initiatives that offered potential impact in neighborhoods not previously targeted. Specifically, those initiatives became known as: North Toledo; HOME Fund Deployment, and; Oakwood Homes.

The North Toledo initiative was triggered by a community development corporation that experienced a sudden and precipitous loss funding commitments from a variety of sources. An outreach campaign directed at NTR in December 2016 resulted in the

formation of a Joint Venture Committee. The mutually agreed goals included: preservation of the existing affordable housing units, continuation neighborhood development programs, transition of full-time employees and charting a path for the disposition of the North Toledo commercial projects.

One effort started by the North Toledo group was a planned deployment of \$1 million of HOME Investment funds in the Junction, North Toledo and Historic South Side neighborhoods. The official launch was supposed to take place in 2016, but was delayed waiting for final HUD approval. NTR made a commitment to carry out this program, thereby preserving what was started. HOME Investment funds require a private cash match, which NTR will provide through delivery of weatherization resources from Columbia Gas of Ohio.

Finally, the Oakwood Homes project was introduced in our previous Annual Report as an initiative that would be completed in 2017. It was not because of law suits filed by some tenants against the equity partner, interrupting the tax foreclosure action. The litigants claimed a special status as tenants of the housing tax credit units.

After nearly a year to sort out the legal issues, it does now appear that this effort will move forward. Oakwood Homes will have a significant impact on NTR program delivery, with the conversion of approximately 12 new homeowners next year.

Along with home ownership conversion for some Oakwood Homes residents, NTR also got involved with three other rental portfolios in the Oakwood neighborhood. All of the Oakwood projects are situated in close proximity with one another. It made sense to make our involvement complete in order to facilitate current and future conversions to home ownership.

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/ Asset Management (RED), and; Lending and Loan Portfolio Management (LND).

represents production equal to 134%. Project WarmChoice completed 254 units as compared to the goal of 250, which represents a production equal to 101%. The Toledo Edison Community Connections Program completed 263 units as compared to the goal of 275, which represents production equal to 96%.

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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.

*.....home investment deployment*

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

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 and North Toledo neighborhoods. The original intent was to provide grants for improvements to owner-occupied residential structures. However, the federal regulations require matching dollars from a private source. The proposal that NTR incorporate weatherization work for each household identified as eligible for the HOME funds satisfied the private match issue. NTR presented a program outline that served as a proposed process guide.

**HOMEOWNERSHIP PRESERVATION SERVICES (HPS)**

	<u>2017 Goals</u>	<u>2017 Actual</u>
• Home Weatherization	125	168
• WarmChoice	250	258
• Toledo Edison	275	263
• Foreclosure Intervention	40	74
• HOME Investment	<i>to be added in 2018</i>	

The following month (June) the operating procedures were further refined for the deployment of the HOME funds. A 43<sup>rd</sup> year CDBG funding commitment intended for staff support to facilitate the rehabilitation process was proposed for NTR. The result was an increase of over \$85,000 for the next program year.

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.

On July 20, 2017 NTR counter signed a HOME Fund investment agreement with the City of Toledo to deliver home owner occupied rehabilitation in the Junction, North Toledo and South Toledo neighborhood areas. There is a three year deadline for completing the program. NTR will be responsible for identification of eligible households, interim construction pay-outs and providing the private match, in the form of completed weatherization work.

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 168 units as compared to the goal of 125, which

The very next week, NTR staff members began the process of reaching out to resident homeowners in the target neighborhoods to establish applicant files. The first community meeting took place in the Junction neighborhood, hosted by the Fredrick Douglas Center. Information regarding the home owner occupied rehabilitation program was distributed by representatives of the Department of Neighborhoods. Our intention was to re-launch this effort in August.

During the same timeframe as the neighborhood meetings, additional coordination meetings took place with Department of Neighborhoods Inspectors and the Housing Commissioner. All agreed that NTR would initiate the client file by qualifying clients for weatherization and refer units already inspected by NTR to the City for further inspection, specifications, bidding, bid opening and interim inspections. NTR would then conduct a financial closing for each project site and distribute pay-outs to contractors. After the HOME-sponsored work was completed, NTR would proceed with weatherization work. The group agreed to meet every two weeks to review proposed project cases to increase communication and insure positive results.

**HOME OWNERSHIP PROMOTION SERVICES (HOP)**

	2017 Goals	2017 Actual
• Homebuyer Education graduates	130	112
• Affordable Housing sold	12	5
• Financial Opportunity Center	<i>to begin in 2018</i>	

The NeighborWorks® America definition of Home Ownership Promotion services (HOP) includes activities that promote home ownership, like home buyer education, and the marketing and sale of single family homes.

During the fiscal year, NTR undertook Homebuyer Education program activities that

were responsible for 112 trainees graduating from the standard eight-hour course. This represents an achievement rate of 86%.

The Affordable Housing sales goal for 2016-2017 was twelve homes. This goal anticipated the completion and sale of the NSP 2 single family homes. During the program year two of the remaining three NSP 2 homes in the Library Village by the end of August, with a sale pending on the final unit. NTR sold a total of five homes representing an outcome of 42% of goal. Four of the sales involved cash (1333 Rollins, 4850 Berwick, 853 Yondota and 2371 Fulton), while the fifth home was financed by NTR (848 Yondota).

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*.....oakwood homes initiative*

Last year, NTR anticipated heavy involvement in the Oakwood Homes I and II tenant conversion to homeownership during 2017. NTR staff dedicated many hours to this effort.

Both Oakwood I and II were delinquent in property tax (approximately \$250,000) and the Lucas County Treasurer initiated a foreclosure action to recover either the tax payment or title to the properties. The presumption was that the Oakwood portfolios would sail through the court process, be declared forfeited property and immediately turned over to the Lucas County Land Bank. Most of this actually took place.

Toledo City Council members Yvonne Harper, Larry Sykes and Tyrone Riley sponsored a community meeting to discuss Oakwood Homes on September 20, 2016. This meeting focused on immediate next steps for the homeownership opportunity that would become available in early 2017.

The pending tax foreclosure was discussed in great detail and NTR staff described the next steps. Approximately twelve resident households were represented. Attendees were

encouraged to forward current repair requests to the property manager and reserve a date with NeighborWorks homebuyer orientation.

In late November, NTR learned that a few of the Oakwood Homes tenant had filed suit in Lucas County Common Pleas Court. The plaintiffs claimed special status in the tax foreclosure action due to an alleged promise that they would be given their units at the end of the 15-year period of affordability. The legal action guaranteed that the Oakwood Homes initiative would not launch quickly.

A week later, NTR attended a meeting with the plaintiff's attorneys and learned more specifics. The main issues presented included: 1) tenants were promised \$1,000 per year for every year they occupied their unit; 2) a desire for flexibility on the final price of the home; 3) a price adjustment on the home in recognition of capital investments made as a renter.

In mid-December NTR collaborated with the Land Bank to map out a response to the tenant's issues. A proposed price credit program for the Oakwood Homes I and II residents would recognize the time a resident has remained in the property. The base price would start at \$20,000 for all units. These two elements set the foundation for future Oakwood discussions.

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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 on Lagrange in North Toledo.

Conversations regarding the Financial Opportunity Center began in January 2017. NTR staff met with LISC to discuss a potential transfer of programs and personnel from a financially troubled community development corporation situated in North Toledo. A month later, NTR senior managers again met with LISC when the proposed "transfer" came into clearer focus. LISC would support the movement of the FOC operation to NTR management.

It was easy to say "yes." It was more difficult to actually make the transition happen. The FOC was financially supported with Community Development Block Grant funds provided under contract to the North Toledo organization. That contract would continue until the end of June. The FOC also received financial support for four other local sources. In short, all of those resources would have to be rededicated to NTR.

On July 3, NTR added the Financial Opportunity Center activities to its menu of services. The FOC staff consisted of a manager, two coaches and an intake specialist. In order to minimize confusion for the existing client base, the office location at 2860 Lagrange was retained.

The benefits of this adoption were immediately felt. The staff members that were added brought a unique approach to financial management training. Further, with the increased staff capacity NTR inherited a solution to succession planning for the Home Ownership Promotion line of business.

The FOC also brought financial benefits to the table. In August NTR received notice from LISC that the Financial Opportunity Center in North Toledo was selected to participate in a Project Reinvest grant from NeighborWorks America. The funds allocated to the FOC amounted to \$55,000, which would be drawn down as a fee for counseling services over the next 14 months.

## COMMUNITY BUILDING AND ENGAGEMENT (CBE)

	2017 Goals	2017 Actual
• CLI Participation 2016	1	1
• CLI Action Proposal 2017	1	1
• Community Event 2017	1	3
• NW Training Institute	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.

NTR anticipated involvement with the Old West End Neighborhood Initiative (OWENI) volunteers at the beginning of September 2016. By the end of August 2017, NTR found itself engaged with three separate sets of neighborhood volunteers on a variety of issues.

In October 2016, volunteers from OWENI completed an exterior paint job of the home owned by Doris Holland on N. Detroit. OWENI received support from NTR and the Toledo Community Foundation. The following March, the Toledo Community Foundation again provided financial support for the OWENI improvement program by awarding \$11,000 from the Oswald Supporting fund for 2017 activities.

OWENI volunteers had served at the Toledo representatives to the NeighborWorks® Community Leadership Institute in 2016. As a follow-up to this training, the leadership committee committed to the planning and implementation of the third annual Unity in the Community picnic in the side yard of the Grace Community Center.

The entire OWENI Leadership Committee group prepared and served food for approximately 250 neighborhood residents.

### NeighborWorks® TOLEDO REGION

Fifteen local organizations and vendors set up information tables. Entertainment was supplied by a neighborhood sound professional, a clown and Muddy the Mud Hens mascot. The Competition Corvette Club sponsored a car show. Major supporters included Ohio Capital Corporation for Housing, Mercy St. Vincent Medical Center and NeighborWorks America.

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.....*success measures*

In 2012 NeighborWorks® America provided funding for a Success Measures community level outcomes evaluation to establish baseline results survey process in a target neighborhood. In Toledo the baseline was conducted in the Historic South Side neighborhood. At the time, South Toledo was selected because of an interest expressed by the City for single family homeownership development. NTR understood that NeighborWorks America would expect a post survey.

In early 2016 NTR committed to conducting a follow-up Success Measures survey. However, instead of returning the South Toledo, NTR requested a change to the Garfield Neighborhood in East Toledo. The reason for the change was simple: the ProMedica health care community was in the process of purchasing the remainder of the Marina District, which is adjacent to the Garfield Neighborhood. The move by ProMedica signaled the beginning of a series of investments that would favorably impact East Toledo.

NTR immediately reached out to the East Toledo Family Center and the neighborhood block watch leaders in Garfield. The effort was organized in June 2017 and all field work was completed by the end of August. This post evaluation included face to face interviews with over 200 resident households in the study area. NTR staff members Jan

Turner and Ron Jones worked with volunteers to complete the interview process. The entire operation was managed by consultant Karen Rogalski.

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.....old north end village council

Earlier in the year, when LISC initiated discussions about preserving programs and personnel connected to North Toledo, the extent to which NTR was expected to be involved with the volunteer base was not discussed. Given the fact that the organization in North Toledo had a history of being community based, volunteer involvement comes with the mission.

For example, the ONE Village Council would routinely provide a financial gift to the Financial Opportunity Center on Lagrange. Since the FOC opened its doors in 2010, the tradition of annual support by ONE Village was well established.

Another example of volunteer involvement is the Ohio Theater Committee. The theater was purchased and partially renovated with funding from an historic tax credit a few years ago. The North Toledo organization gathered volunteers from various stakeholder groups and put them in charge of arranging events in the facility on Lagrange.

The Theater Committee is still operating, but now has the burden of figuring out how to take on management of the facility without the financial backing of the North Toledo organization. The committee got involved in negotiating with the Department of Neighborhoods regarding unexpended CDBG funds and recruited a new theater director. NTR volunteered to serve as a financial pass-through for grant funding provided for theater operations. Questions remain about the future of the facility itself, given the financial situation of the parent organization.

.....national neighborworks week

Every year chartered members of the National NeighborWorks Network engage in week-long activities meant to demonstrate the expanse of the national mission. Toledo participates every year. This year was very special.

Beginning on June 5, NTR volunteers and staff commemorated the 2017 National NeighborWorks Week by volunteering for the Maumee Valley Chapter of Habitat for Humanity. Activities centered on the improvement of three Habitat homes on Gibbon Lane that were being improved for resale to other sponsor families. The volunteer work involved beautification of the exterior through landscaping, demolition and painting. Approximately 15 NTR affiliated staff and volunteers participated.

The significance of the 2017 experience was that it marked the first major engagement between NTR and the local Habitat affiliate. We trust it will not be the last.

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

2017 Goals    2017 Actual

- Real Estate Pre-development    1            0
- Housing Credit Property Mgt.    93           184

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

Throughout the remainder of 2016 and early 2017 NTR worked with the Ohio Capital Corporation for Housing (OCCH) to package an application for the 2017 housing tax credit competition. The 2017 proposal would be a resubmission of the Cherry Legacy Homes II.

Mayor Hicks-Hudson declared Cherry Legacy Homes II a local priority and the Department of Neighborhoods offered some financial

support. In late February pre-development work was halted because NTR could not gather sufficient financial commitments for a competitive proposal.

The last few years, single family home development has taken a back seat to multi-family senior projects in Ohio. Beginning in 2015, Ohio Housing Finance Agency has followed the practice of dedicating only enough housing credits to fund two single family projects in the entire state. Successful applicants had to find ways to enhance their competitive edge. By February, it was clear that NTR would not have the necessary edge. As a result, Cherry Legacy Homes II was not submitted.

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.....*property management*

In August 2016, the Miller Valentine Property Management team informed NTR that it intended to cease third party management activities. This meant that NTR had to recruit a new property manager. Miller Valentine finally exited the end of October.

One month earlier, NTR collaborated with Ohio Capital Corporation for Housing (OCCH) to solicit quotes from professional property managers to serve as a replacement for Miller Valentine.

NTR projects included South East Toledo Homes I and II and Cherry Legacy Homes. OCCH served as the managing partner for Oakwood Homes III, Oakwood Homes IV and West Central Homes. All six of these portfolios amounted to 202 units. Proposals for property management were received from three entities.

On October 5, NTR and OCCH selected Volunteers of America to assume management of the portfolios. Bill Brett, Senior Vice President for Volunteers of America immediately began to take charge the transfer of property management duties from Miller  
**NeighborWorks® TOLEDO REGION**

Valentine.

NTR has high confidence in Volunteers of America and Mr. Brett's ability to perform. Mr. Brett is a featured instructor for the NeighborWorks Training Institute on the topic of single family rental management. NTR will have a front row seat as witness to the best practice in property management, as taught at the NeighborWorks Training Institute and the Volunteers.

When Volunteers of America took over property management duties for Ohio Capital Corporation portfolios, this solved only one problem for OCCH. The other problem was that as the limited partner in these three deals (Oakwood III and IV and West Central Homes), there were some functions that are reserved for the General Partner. But, the original non-profit General Partner had gone out of business. NTR was recruited to step in as the replacement.

On August 31, 2017, NTR signed agreements with Ohio Capital Corporation to take over duties as General Partner on the two Oakwood portfolios and West Central. This act instantly increased NTR's single family rental portfolio by 91 units. Now the sum total of all units with NTR in an ownership position reaches 213.

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.....*north Toledo affordable housing*

NTR senior managers were invited by the North Toledo organization to participate in the evaluation of property management proposals for the 200+ affordable units held in seven separate partnerships. The solicitation of property management proposals was triggered by a loss of in-house staff.

In July 2017 four proposals were reviewed received from KMG; Ohio Asset Group; Volunteers of America, and; Vistula Management. As a result of the preliminary process, Ohio Asset Group and VOA were

invited to provide additional information and a proposed operations budget. By the end of July, Volunteers of America had been selected to take on property management for the North Toledo organization.

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.....asset management

Another significant result of the North Toledo staff transition was the recruitment and hiring of Tiffanie McNair. Ms. McNair joined NTR in July 2017 to assume the duties of asset management. Her former responsibilities in North Toledo included actual property management of all 200+ affordable housing units that were spread across seven distinct real estate portfolios.

The creation of the Asset Manager position in 2017 was critical. NTR was already in an ownership position of 93 housing credit funded units and an additional 29 owned self-managed units. By the end of August, NTR became the replacement general partner for the Oakwood Homes III and Oakwood Homes IV and West Central Homes projects. These projects added another 91 units.

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

2017 Goals    2017 Actual

• Regular Mortgage Lending/ Facilitation	25	9
• Loan Portfolio Management	230	215

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 mortgage broker and second mortgage activities. NTR first became a certified Community Development Financial Institution in 1999 and received recertification in 2016.

NTR completed nine mortgage loans.

**NeighborWorks® TOLEDO REGION**

Early on the outlook for the lending during the 2016-2017 period was expected to be strong with the commencement of the Oakwood Homes homeownership financing. When the Oakwood project was delayed beginning in November, it appeared likely that direct lending for the year would fall short.

As an alternative, NTR found other ways to creatively utilize its lending staff capacity. In May 2017 arrangements were finalized to have NTR serve as a broker for an employee assistance program sponsored by Mercy St. Vincent Medical Center.

The idea behind the Mercy St. Vincent initiative was to encourage employees to purchase homes near the hospital campus. Soon, the other large medial services provider to enquire about following the same path.

By the end of August 2017, ProMedica administrators were engaging NTR assistance to facilitate and deliver incentives in the form of a second mortgage for employees. For this initiative, the employee assistance program would be available throughout the ProMedica business footprint in Ohio. NTR is working through NWA to identify a partner with a licensed second mortgage NeighborWorks entity in Michigan. ProMedica operates hospitals in Adrian and Monroe, Michigan.

**RESOURCE DEVELOPMENT**

2017 Goals    2017 Actual

• Expand Public sources	1	2
• Expand Private sources	1	3
• Private Mortgage Sale	1	1

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

NTR experienced a major success in Resource Development with the completion of the mortgage sale deal with First Federal Bank. This transaction generated over \$820,000 in new loan capital the first part of November

2016. This was the first mortgage sale transaction since 2009.

The year 2017 was unique in terms of the number of resource development opportunities that NTR had available. The opportunities were generated from a convergence of bank acquisitions that affected the Toledo market, the completion of a move by ProMedica to bring its administrative offices to downtown Toledo and the assumption of community-based programs that had been dedicated to the North Toledo organization.

The first indication of a potential resource occurred in November 2016 when NTR senior staff participated in a conference call with local Key Bank officials to discuss the types of community investment that would have greatest impact in Toledo. A month later, another conference call took place with Key Bank and included LISC.

It became apparent that there was strong interest in supporting home improvements for lower income households involved in the Year 16 homebuyer effort and roof replacements. Further, it was then suggested that ProMedica might have an interest in participating with additional dollars.

In February, NTR, LISC and Jim Hoffman of Key Bank met with ProMedica executives to discuss a proposal to support home improvements for lower income households Med in the Year 16 homebuyer effort. ProMedica agreed to consider matching the Key Bank investment on a dollar for dollar basis. NTR would implement part of this plan.

On the same day, NTR participated in a meeting in Cleveland with Norman Bliss and Stephanie Turner of Key Bank that involved a presentation by the NeighborWorks Collaborative of Ohio and its consultant Tommie Fitzgibbons. NCO proposed a \$15 million investment for loan capital from Key Bank for first and second mortgage loans

across the state. NHS of Cleveland would handle loan account servicing for all loans closed by collaborative members. There was sufficient interest on the part of the bank to continue discussions.

In early March, LISC and NTR met with Karen White of the Key Bank Foundation for the purpose of detailing the proposed use of bank funds for local community investment. The LISC/NTR proposal included: a) \$750,000 to support home improvements for lower income households involved in the Year 16 homebuyer effort, and; b) \$400,000 to support the renovation and resale of vacant single family structures adjacent to Year 16 homes. ProMedica had already agreed to match a Key Bank investment on a dollar for dollar basis. NTR would implement this plan and receive administrative support;

The following April a press event was sponsored by Key Bank and ProMedica to announce the joint investment of nearly \$3 million in the Toledo neighborhoods. NTR will facilitate this investment by serving as second mortgage lender for the Year 16 Home Buyer Incentive program and as developer of forty existing homes situated near Year 16 properties. This funding would be available for three years.

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.....community development block grant

In May NTR senior staff participated in a strategy session with UN and LISC that was held at the Department of Neighborhoods with Director Bonita Bonds. Major topics included: the incomplete production units for the 42<sup>nd</sup> year CDBG contract by the North Toledo organization and how those shortages would be resolved and the proposal to add the 43<sup>rd</sup> year CDBG allocation for North Toledo (\$217,664) to the NTR contract. NTR solved a housing unit production shortfall for North Toledo by assigning some its completions to their contract total. In exchange for a pledge to hire North Toledo staff members on July 1,

the Department of Neighborhoods agreed to add the North Toledo funding allocation to NTR.

With the 43<sup>rd</sup> year CDBG allocations for NTR and North Toledo combined, the consolidated contract figure would total more than \$492,000. In effect, NTR would become one of the single largest third party contractors involved in CDBG program delivery.

### Next Twelve Months:

As we approach 2018, major initiatives that were supposed to launch in 2017 get closer to reality.

If all goes according to the revised plan, the Lucas County Land Bank will confirm its September 2017 purchase of Oakwood Homes II will result in the sale of twenty-two homes to NTR on October 30. The tax foreclosure action on Oakwood Homes I will conclude in November with the first public auction. If the Land Bank ends up purchasing the Oakwood I portfolio in November, the sale to NTR is projected for January 2018.

The objective of our involvement in the Oakwood Homes effort is to transition all forty-three single family residents into homeownership status in three years. The homebuyers will be assisted with education, credit repair and mortgage financing. With the home improvement incentive provided by the Land Bank, pride in homeownership will be strengthened and it will be evident in the various blocks where the homes are situated.

Those homes that do not convert to homeownership the first year will be managed by a professional property manager, along side of our existing affordable rental units. NTR will be required to carefully balance homeownership conversions with the financial management of a shrinking rental project portfolio over the next three years. In the end, NTR will sell all of the units.

**NeighborWorks® TOLEDO REGION**

The Oakwood Homes opportunity will also present a chance to increase mortgage lending. The sale of existing NTR mortgages to First Federal was timely. With new loan capital available, NTR will be in a position to finance every Oakwood home purchase, if necessary. As those new accounts age, opportunities for further mortgage sales will present themselves.

The resource development that NTR became a part of in 2017 is good news for other housing credit projects that complete their period of affordability in the next few years. Thanks to the generosity of Key Bank and ProMedica, every unit available for sale will have the advantage of home improvement funds. And, as a result of the mortgage sale with First Federal, NTR can again play the role of mortgage lender. With the addition of the Financial Opportunity Center program, NTR has a program that will improve the credit standing of homebuyers in central city neighborhoods.

Since 2016, the NTR senior management has been engaged in learning and understanding the internal process of the energy efficiency programs. This evaluation has been aimed at increasing workflow outputs and maximizing potential income. As a result, the weatherization effort has been reorganized. Some staff members are taking on new tasks while others have been assigned new levels of authority. A complete re-examination of the 2016-2017 Home Weatherization Assistance program will likely trigger more adjustments.

The pay-off for the reorganization effort will be realized through the successful deployment of the \$1 million HOME investment funds over the next three years. The HOME investment will also demonstrate the ability to closely coordinate with Department of Neighborhoods staff, with each party taking on different roles.

We look forward to the new year.

# Direct Services

2016-2017

**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:

## **\_ 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.

## **\_ 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

## 2016-2017

**T**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 Library Village neighborhoods during the 2016-2017 operating year:

### \_ NEW CUSTOMERS

**610** individuals contacted NTR for either mortgage rescue through the Restoring Stability program or for the Home Weatherization Assistance Program during 2016-2017.

A total of 17,052 customers have been assisted since 1977.

### \_ HOME OWNERSHIP EDUCATION

**112** 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 2,684 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 **\$248,675** worth of direct loans, adding **9** 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.

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

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

### \_ AFFORDABLE HOUSING THROUGH ENERGY CONSERVATION

**685** units of energy conservation and Weatherization assistance were delivered by NTR to low income households throughout Toledo and Lucas County during 2016-2017 for a total labor and material investment of approximately **\$3.169 million**.

### \_ SINGLE FAMILY HOUSING DEVELOPMENT

NTR sold four single family homes to first time homebuyers during 2016-2017. In most cases extensive rehabilitation was performed to bring the structures in compliance with the city building code.

# Lending & Homeownership Promotion

## 2016-2017

**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, 2016 through August 31, 2017. 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.

### LOAN TRANSACTIONS

- (1) \*848 Yondota (first time homebuyer)
- (2) \*543 E. Hudson (rehabilitation)
- (3) \*4555 Granite (first time homebuyer)
- (4) \*3829 Berkeley (first time homebuyer)
- (5) \*513 Vance (first time homebuyer)
- (6) \*538 Utah (first time homebuyer)
- (7) \*924 Lindsay (first time homebuyer)
- (8) \*341 Raymer (first time homebuyer)
- (9) \*572 Dearborn (rehabilitation)

### AFFORDABLE HOUSING SALES

- (10) \*4305 Berwick (first time homebuyer)
- (11) \*1333 Rollins (first time homebuyer)
- (12) \*636 Toronto (first time homebuyer)
- (13) \*820 Western (first time homebuyer)

### HOME OWNERSHIP FACILITATED

- (14) \*4405 Bellevista, 43612
- (15) \*1515 Lebanon, 43605
- (16) \*956 Wright, 43609
- (17) \*4156 Garden Park, 43613
- (18) \*554 Belmont, 43604
- (19) \*1505 Pool, 43605
- (20) \*138 Helen, Rossford, Ohio
- (21) \*2808 Gracewood, 43613
- (22) \*516 Wabash, 43604
- (23) \*845 Hildebrand, 43604
- (24) \*502 S. Adrian, Tecumseh, Michigan (*not mapped*)
- (25) \*3010 Strathmoor, 43614
- (26) \*803 Hildebrand, 43604
- (27) \*130 Hillsdale, Rossford, Ohio
- (28) \*905 Evesham, 43607
- (29) \*5623 Home Lane, 43623
- (30) \*869 National, 43609
- (31) \*427 Bender, 43609
- (32) \*4124 Stannard, 43613
- (33) \*5529 San Juan, 43613
- (34) \*501 Mallard, Perrysburg, Ohio (*not mapped*)
- (35) \*531 Sandralee, 43612



# Board of Trustees

## 2016-2017 Partnership Representatives

### **FINANCIAL INSTITUTIONS**

Chris Kozak, **NTR President**  
(Representing Huntington Bank)

Stanley Kolebuck, **NTR 1<sup>st</sup> Vice President**  
(Representing Huntington Bank)

Jon Ostrander  
(Representing Fifth Third Bank)

Kim Ward  
(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**

Matt Sutter, **NHS Treasurer**  
(Representing the County of Lucas)

### **SOUTH SIDE NEIGHBORHOOD**

Doris Lynch  
(Resident, volunteer)

### **EAST TOLEDO NEIGHBORHOOD**

Michael Craig, **NTR 2<sup>nd</sup> Vice President**  
(Resident, volunteer)

Julia Emerson  
(Resident, volunteer)

### **WEST END NEIGHBORHOOD**

Sandra Barbour  
(Resident, volunteer)

Rhonda Cole  
(Resident, volunteer)

Ernest Sawyers  
(Resident, volunteer)

Robbie Tucker  
(Medical professional)

Essie Wiggins  
(Resident, volunteer)

### **NORTH TOLEDO NEIGHBORHOOD**

Tom Jesionowski  
(Resident, volunteer)

Consolidated Statement of Financial Position  
Ending December 31, 2016

ASSETS

Current Assets	\$ 1,551,844
Total current assets	<u>\$ 2,421,365</u>
Long-term portion of loans receivable	\$ 3,174,815
Net property and equipment	\$16,324,876
Total other assets	<u>\$ 2,236,665</u>
Total assets	<u>\$24,157,721</u>

LIABILITIES AND NET ASSETS

Current liabilities	\$ 2,077,264
Long-term debt	<u>\$ 4,080,330</u>
Total liabilities	\$ 6,157,594
Net assets	
Unrestricted net assets, controlling	\$ 3,586,522
Unrestricted net assets, non-controlling	<u>\$ 11,745,159</u>
Total unrestricted net assets	\$ 14,058,421
Temporarily restricted	\$ 122,500
Permanently restricted	<u>\$ 3,219,206</u>
Total net assets	<u>\$ 18,000,127</u>
Total liabilities and net assets	<u>\$ 24,157,721</u>

## Statistical Results from September 1, 2016 - August 31, 2017

<u>Program</u>	<u>Sept. 2016</u>	<u>Forth Qtr. 16</u>	<u>First Qtr. 17</u>	<u>Second Qtr. 17</u>	<u>July/Aug. 2017</u>	<u>2016/2017 SUMMARY</u>	<u>Cum. Total since 1977</u>
HOME BUYER GRADUATES	11	24	30	32	15	112	2,684
<b>NTR LOAN ACTIVITY</b>							
- Direct Lending: Number (#) -	2	4	-0-	2	1	9	1,150
Dollars (\$) -	\$31,500	\$137,500	\$-0-	\$75,500	\$4,175	\$248,675	\$22,962,219
<b>PRIVATE INVESTMENT</b>							
-Conventional Lender First Mortgages: Numbers (#) -	4	5	3	8	-0-	20	1,372
Dollars (\$) -	\$223,327	\$291,648	\$227,263	\$620,322	\$-0-	\$1,362,560	\$59,939,398
-NTR Customer Equity: Numbers (#) -	1	4	-0-	2	-0-	7	559
Dollars (\$) -	\$15,304	\$5,262	\$-0-	\$1,719	\$0.00	\$22,285	\$1,231,841
-Down Payment Assistance: Numbers (#) -	5	7	3	10	-0-	25	272
Dollars (\$) -	\$21,219	\$54,198	\$23,988	\$55,036	\$-0-	\$154,441	\$1,614,180
<b>OTHER ACTIVITY</b>							
-HWAP Completions: Number (#) -	7	32	36	53	40	168	13,356
Dollars (\$) -	\$46,767	\$213,792	\$240,516	\$354,093	\$267,240	\$1,122,408	\$29,598,017
-WarmChoice Completions: Number (#) -	22	62	53	70	47	254	10,714
Dollars (\$) -	\$106,569	\$290,246	\$308,196	\$418,559	\$262,145	\$1,385,715	\$24,428,349
-Toledo Edison DSM: Number (#) -	22	69	56	71	45	263	6,205
Dollars (\$) -	\$85,300	\$173,535	\$140,840	\$178,565	\$113,175	\$661,445	\$6,453,045