

2008 NCSHA Annual Awards for Program Excellence

Category: Homeownership: Encouraging New Production
HFA: Nebraska Investment Finance Authority (NIFA)
Program: Outreach Partnership Program

NIFA's Outreach Partnership Program: Turning Teenage Community Organizations into Affordable Housing Graduates

Introduction

Just as a parent guides their teenager through school to graduate and become a contributing member to society, NIFA's Outreach Partnership Program provides technical and capacity building assistance to "teenage" community development organizations to become affordable housing development "graduates". The Outreach Partnership Program works with organizations across the state to inspire the generation and rehabilitation of affordable housing stock. To accomplish this goal, NIFA assists the partner organization by providing technical assistance and financial support to increase the long-term **capacity** of the partner to meet the affordable housing needs of their community. Through this partnership, housing advocates also become knowledgeable of NIFA programs that are available to their communities. Through supporting and promoting partnerships and providing technical and financial support, the Outreach Partnership Program inspires, expands, and intensifies the dedication to affordable housing development across the state.

The Need

There is evidence and concern that large rural areas of Nebraska are suffering a 'plague'. This plague is fed from a variety of sources, including depopulation, barriers to stabilization, a lack of affordable housing, and an aging and deteriorating housing stock. The reduction in population has taken its toll on these already small, low-density communities. Young, educated people continue to out-migrate as they seek jobs and homes not available locally. The lack of existing safe, decent, and affordable housing stock is again and again cited as the primary reason for both the exodus of young people from their communities and the challenge of attracting industry to these rural areas.

Nebraska is a large Midwestern state with approximately **45% of its more than 1.7 million residents living in rural areas**. A state that spans more than **77,000 square miles**, the extreme remoteness of many counties creates a significant barrier to development. Distance from the few major metropolitan areas limits access to the information, trade, services, and finance opportunities needed for successful community development. The increased costs of infrastructure and other investments make it hard for people in small, rural communities to maintain transportation systems, utilities, public institutions, and other services necessary for development.

Nebraska's rural communities are often faced with existing housing stock made up of old and dilapidated units and scarce resources for the development of new housing. Not only do rural communities struggle to meet the housing needs of their residents, but often they do not have the expertise or resources available to assess their housing needs and develop action plans to address those needs. The plague challenging these communities can only be overcome with partnerships and a goal to revive the vision and dedication to affordable housing development in their areas. In response, NIFA created the Outreach Partnership Program, to help inspire this vision and empower these communities to take the lead in securing their own survival.

Program Summary

NIFA, in 2002, created the Outreach Partnership Program recognizing that the unique and specific housing needs in each community require local partnerships to find solutions beyond traditional programs. Through this Program, NIFA has confirmed a belief that those who live and work in local communities are best able to identify and meet their area's specific needs.

The Outreach Partnership Program has two objectives:

- Assist local organizations in developing and expanding their dedication to affordable housing in their communities by developing **capacity** in the talent, expertise, energy, and enthusiasm of individuals in their organization. This is achieved, in part, by assisting partners in their efforts to attract and secure quality talent by providing funding for staff salaries, expenses, training, and travel.
- Familiarize the Outreach Partner staff with the variety of programs that NIFA and other entities have available to assist their communities. NIFA's Outreach Department assists the Partner by providing technical assistance and encouragement to help them fulfill their mission to develop affordable housing in their communities.

Program Partners receive \$25,000 per year funding, which is renewable annually for up to three years, provided the partner successfully complies with the program requirements. The Outreach Partnership funding also requires a minimum 1:1 cash match of NIFA's contribution.

Primary program guidelines are as follows:

- 1) The Partner must prepare and submit an annual strategic plan.
- 2) The Partner's Board of Directors must complete annual NIFA Board of Director Training, which is provided at no cost by NIFA.
- 3) The Partner must maintain a \$1 million Directors & Officers Liability Insurance Policy.
- 4) The Partner must brief NIFA in the form of quarterly reports of activities and progress in meeting strategic plan requirements.
- 5) The Partner must submit quarterly financial statements in accordance with GAPP principles.

Success!

The Outreach Partnership Program, recognizing the need to partner with local organizations in the goal of encouraging new single family housing production and the rehabilitation of existing housing stock, provides an innovative approach to addressing the affordable housing needs in these communities. NIFA recognized that these needs are best identified and met by those who live and work in the area. Local housing advocates are the key to inspiring dedication to housing in their communities. However, these small organizations often do not have the expertise or funding available to make the desired impact in their service areas. Take into consideration the plight of the following organization.

"When NIFA engaged in a contract (in January 2002) to invest \$20,000 in operational expenses for three years, Lincoln County CDC was on the verge of closing. (A year earlier) the Executive Director resigned and the Board of Directors was determining whether the organization should continue to serve Lincoln County. Upon encouragement and investment of NIFA and Nebraska Department of Economic Development (NDED), the board began a search for an Executive Director and hired the position on October 29th, 2001."

- Nancy Streibal, Executive Director, Lincoln County Community Development Corporation

With the funding and technical assistance provided by NIFA's Outreach Partnership Program, this once nearly failing organization is now a dynamic and successful housing advocate. This Program Partner has **built 17 and rehabilitated 18 single-family homes**, provided homebuyer education to **292 borrowers**, and provided **\$236,422** in homebuyer down payment assistance. With the help of the Outreach Partnership Program, Lincoln County CDC received the technical and financial assistance required to secure talent, identify their needs, and develop affordable housing for their community.

Since inception, the Outreach Partnership Program has had a total of **13 partners**, which includes 6 program graduates and 7 active partners. These partners are located across the state, and currently serve **56 of Nebraska's 93 counties**. NIFA has awarded more than **\$785,000** to Outreach Partners since the inception of the program in 2002. To date, Outreach Partners have **constructed a total of 152 homes** across the state and have provided down payment assistance to **510 borrowers** totaling more than **\$4.3 million**. All of these partners are REACH-affiliated (Readiness Education Awareness Collaborative for Homebuyers and Homeowners), which provides important face-to-face homebuyer counseling. Outreach Partners have provided REACH education to a total of **2,111 potential homebuyers** across Nebraska. Partner organizations have also been able to provide a number of additional services in their communities, including purchase/rehab/resale, rental development, and Youth Build which help to promote affordable, appropriate, and attractive housing development across the state of Nebraska.

Not only has the Outreach Partnership Program created new partnerships between NIFA and local housing advocates, it has also connected communities across the state with information and resource sharing, fostering a relationship that has spurred collaboration on many housing development projects. With Outreach Partnership Program funds provided by NIFA, NeighborWorks® Northeast, based in Norfolk, NE, was able to expand their coverage area to include additional cities which were struggling to develop housing on their own. The cities of Schuyler and Columbus in Nebraska were suffering from a lack of safe and affordable housing, as 53% of the homes in Schuyler were built before 1930 and 54% of the homes in Columbus were built before 1960. The collaboration between NIFA's Outreach Partner and these two cities resulted in 2 new homes in Schuyler and 10 new homes in Columbus with an additional 43 homes currently in development. The housing vision in these communities has been revitalized through these partnerships, with both cities now contributing funding in their annual budgets to support future housing production.

Another example of the success of the Outreach Partnership Program are the efforts of Dawson Area Development, located in Cozad, NE. Often the small villages and towns in Nebraska who desperately need housing face challenges attracting developers due to the limited scope and size of their housing projects. Dawson Area Development, a current NIFA Outreach Partner, was able to team up with three cities in their coverage area to apply for and receive funding to build 5 CROWN (rent-to-own) homes and one spec home in each of the three towns. A variety of sources, including NIFA, Federal Home Loan Bank of Topeka, and Nebraska Department of Economic Development joined together to provide financial support for this project. Separately, these towns would not likely have received funding for housing development. The goal of affordable housing production in each community was finally achieved by the collaborative efforts of these towns and their NIFA Outreach Partner.

NIFA recognizes the tremendous benefit of partnering with local organizations in achieving the mutual mission of providing affordable housing. Local organizations often have the best scope and vision when identifying the housing needs in their communities. The Outreach Partnership Program connects communities across the state with information and resource sharing and fosters new partnerships between organizations. Partnerships between NIFA and these "teenage" organizations have produced affordable housing "graduates" across the state of Nebraska and have made local community goals of affordable housing production a **SUCCESS!**