

## **2008 NCSHA Annual Awards for Program Excellence**

Category: Special Achievement  
HFA: Nebraska Investment Finance Authority (NIFA)  
Program: Board of Directors Training Program

### **NIFA's Board of Directors Training Program: "Big Hearts Don't Equal Know-How"**

#### **Introduction**

Often community development organizations are made up of local citizens, volunteers with **big hearts**, who have the **desire** to promote affordable housing but lack the **know-how** to achieve that vision. Everyone knows that you can feed a person much longer by teaching them to fish than by simply giving them a fish. The same is true when it comes to providing housing for Nebraska's more than 1.7 million residents, many of whom are scattered throughout rural areas across the state's 77,358 square miles. Many of these rural residents live in small communities that struggle to maintain population and provide housing stock. Often, it is not just a lack of affordable housing, but an absence of any available housing and a deficiency of know-how or capital to build that depresses a community's ability to survive. Combine these deficiencies with the soaring cost of materials and transportation, and the deck is heavily stacked against small towns on Nebraska's prairie. It is only the energy and actions of local community members that can truly bring positive change to these towns and villages. NIFA realizes that the most efficient and effective way to deliver services to these areas is to **educate and empower** local housing organizations with the knowledge and skills necessary to seek out the appropriate resources for themselves.

#### **The Need**

The "Nebraska Way" has always meant working hard, providing for one's self and family and looking out for one's neighbor. Organizations dedicated to affordable housing in rural areas usually serve several counties encompassing many small towns. Although their missions include serving their neighbors, many suffer from having more desire for affordable housing than the actual capacity for its development. The board members of these organizations, charged with addressing housing issues, are typically not housing experts. They are community members and dedicated volunteers who have recognized a need in their communities for affordable housing and have decided to stand together to make a change. In an effort to help these organizations help themselves, NIFA has developed the Board of Directors Training program to create capacity and sustainability in local organizations that have adopted affordable housing as part of their mission. Now in its 6<sup>th</sup> year, the Program has served organizations which provide affordable housing services in **56 of Nebraska's 93 counties**.

It is the responsibility of the board of directors to create, fulfill and sustain the mission of the organization. Too often they may rely on a single strong and capable administrator, passionate about providing housing for the community, to accomplish this mission. A crisis ensues when that talented administrator leaves the organization and takes with him or her all knowledge and expertise of affordable housing financing. There is a tremendous risk that the organization will break down without this leadership, unless the board is empowered and knowledgeable of how to sustain and continue developing their organization and affordable housing mission.

In 2002, NIFA began offering the Board of Directors Training Program to organizations in conjunction with the Outreach Partnership program. This Program began with one partner, Lincoln County Community Development Corporation, which had been established six years

earlier. At the time, the executive director had resigned and the board of directors was in the process of determining whether the organization could continue to meet its mission to promote, facilitate and develop affordable housing for Lincoln County. After a new partnership with NIFA was developed, the Board participated in NIFA's Board of Directors Training Program, and soon thereafter hired an executive director.

This once-struggling organization, due in part to the training provided to the board by NIFA, is now a dynamic and successful housing advocate. Since participating in NIFA's board training program, Lincoln County CDC has constructed 64 and rehabilitated 73 affordable housing rental units, constructed 17 and rehabilitated 18 single-family homes, provided homebuyer education to 292 homebuyers and \$236,422 in down payment assistance. Most of all, they are better poised to face future challenges and changes that will undoubtedly occur. NIFA recognizes that the ultimate responsibility for the success or failure of the partner organization rests with the board of directors, and they must be prepared to carry out the organization's mission in the face of leadership changes.

### **Program Description**

The Board of Director Training Program has evolved into a dynamic training series and consists of education provided to a participating board of directors annually for three years. The ever-changing face of board governance and affordable housing financing requires the constant need to regularly update and enhance this training.

To lead the effort in developing and delivering this training, NIFA hired Yvonne Norton Leung, a nationally recognized speaker and consultant with 25 years of experience working with government and nonprofit organizations. Ms. Leung, recognized as outstanding in her field, also has extensive experience as a community planner, public policy analyst, facilitator, executive director, board chairperson, legal counsel to then governor and current Senator Ben Nelson and risk manager for the state of Nebraska. The consultant is assisted in delivering the Training Program by two NIFA Outreach Department staff members, who offer technical assistance and oversee organization and planning.

In an effort to support these hard working housing organizations faced with limited budgets, the Board of Director Training Program is provided to NIFA partners **free of charge**. The training, organized to best meet the demanding schedules of the board, is delivered on-site and consists of one, four-hour training class per year for three years. The training covers an array of topics aimed at increasing the board's knowledge of important legal and financial aspects related to board responsibilities and affordable housing as well as visionary and strategic planning.

The first year training is titled: *Non-Profit Excellence: Board of Directors Responsibilities*. The main topics covered during this critical first introduction to board responsibilities include:

1. Nonprofit Legal Environment and Board Responsibilities, including best practices for boards, Board member rights and responsibilities, Sarbanes – Oxley for Nonprofits, advocacy for non-profits and federal legislation.
2. Board Structure and Governance, including building board accountability, planning and oversight, board composition, training and recruitment, and committee formation.
3. Board Responsibility for Financial Oversight, Budget & Insurance, including financial aspects such as budgeting, accounting and audits, risk management, non-profit insurance, and policy aspects such as grant management, reserves and investments.

4. Human Resources and the Executive, including executive director annual review, communications planning, and finding and keeping talented staff.

The second year training, tailored to fit the individual organization, covers important information for Board of Directors in their attempts to maintain a viable organization. Year two training is titled, *Sustainability: Identifying and Building on Community Needs and Your Core Competencies* and includes the following topics:

1. "What do we do better than anyone else in this community?" This topic focuses on the organization's strengths regarding its programs and people and highlights special skills, connections, and resources that are utilized by the organization.
2. "Are you sustainable?" This topic discusses meeting the needs of the present without compromising the ability of future generations to meet their needs and making choices that meet multiple 'bottom lines', which include social, political, economic, cultural and environmental aspects.

Year three training is titled, *Excellence: Where are You Now* and includes an overview of the first two trainings in addition to the following topics:

1. "Here Tomorrow?" This topic includes education on leadership balanced with continuity, thinking and acting strategically, and actively managing people and resources.
2. Context Mapping, including external & internal factors and customer, consumer and client needs.
3. Capacity and Community Capital, which includes an overview of additional resources, organizational and programmatic challenges and community and political networking.

## **Conclusion**

Now in its sixth year, NIFA has provided three years of Board of Directors Training to **13 Outreach Partner boards**. The organizations that these boards serve are providing affordable housing in **56 of Nebraska's 93 counties**.

NIFA partner organizations that have participated in this Board of Directors Training Program have experienced great success in meeting their missions of promoting affordable housing. Overall, these partners have developed **152 newly constructed homes**, have provided more than **\$4.3 million in down payment assistance** to homebuyers and have **educated 2,111 borrowers** through the Readiness Education Awareness Collaborative for Homebuyers and Homeowners (REACH) program. This is in addition to many other unique programs and services that they offer in their communities, such as purchase/rehab/resale, rental development and Youth Build, all of which help to promote decent, safe and affordable housing development across the state. In addition to the Board of Directors Training Program, partners have increased their utilization of other NIFA programs including the Low Income Housing Tax Credit Program, Single Family Homeownership Program, and the Housing Study Grant program, all of which assist these organizations in meeting the housing needs of their communities.

The minimal expense to NIFA of the cost of the speaker and travel is far outweighed by the benefits of this program, which helps to ensure that these Partner organizations are sustainable in their communities. By empowering boards with the knowledge and skills necessary to effectively deliver services to their communities, these boards are now able to take the reins in keeping their affordable housing missions alive and growing in Nebraska.