



Building Blocks



ANNUAL REPORT 2011-2012
NEIGHBORHOOD HOUSING SERVICES OF NEW HAVEN, INC.

Neighborhood Housing Services of New Haven was incorporated in 1979 as a nonprofit community housing development corporation. The NHS mission has always included providing safe, affordable housing and homeownership opportunities for low- and moderate-income (LMI) homebuyers in New Haven. We develop houses, most of which involve the rehabilitation of existing, formerly dilapidated structures. NHS is committed to strengthening the neighborhoods in which we work by stimulating reinvestment in the housing stock and creating homeownership opportunities for first-time homebuyers.

In our 32+ year history, NHS has fully renovated and sold more than 250 houses to LMI families. In recognition of the unique challenges faced by LMI homebuyers, NHS opened the New Haven HomeOwnership Center in 2001 to serve as a “one-stop shop” for prospective first-time homebuyers and existing homeowners in the Greater New Haven area. Today, our enhanced mission is to stabilize and revitalize our neighborhoods through increased homeownership, to develop affordable housing for LMI families, to provide homebuyer education and financial assistance to individuals and families who are purchasing homes in the Greater New Haven area, and to assist homeowners who risk losing their homes in foreclosure no matter where in Connecticut they reside. We hold the strong belief that homeownership gives families a vested stake in their communities, and provides them with an asset-building tool that will help them to achieve economic prosperity.

NHS is part of the national NeighborWorks® Network under the auspices of NeighborWorks® America based in Washington, DC. Serving urban neighborhoods and rural areas all across the country, 235 NeighborWorks® organizations have received wide acclaim as successful programs committed to the stabilization and revitalization of the communities they serve.

When NHS was first established in New Haven, service areas were selected for their types of structures, degree of deterioration and extent of homeownership. Although our target areas have changed over time, NHS remains an effective, flexible organization with a proven track record of positioning neighborhoods to succeed. Our partnership with residents, lenders, the business community and the public sector embraces a holistic approach to the revitalization of our service area to create vibrant, active, beautiful neighborhoods of choice.





Photo: Tom Ficklin

In the past year, NHS has ...

Responded to basic inquiries from **628** clients expressing an interest in homeownership

Held **12** financial literacy classes with **88** participants

Registered **228** participants in **24** post-purchase home maintenance and energy-saving classes

Provided pre-purchase homebuyer education to **254** prospective homebuyers

Counseled **555** homeowners who faced foreclosure

Invested more than **\$2.5 million** in the purchase and rehabilitation of houses throughout New Haven, with an emphasis on the Dwight, Hill, and Newhallville neighborhoods

Helped **102** clients to obtain mortgage modifications that enabled them to stay in their homes and provided **28** homeowners with **\$82,127** in rescue funds that enabled them to modify their mortgages and avoid foreclosure

Hosted **32** volunteer events for a total of **2,570** hours to help improve physical conditions within our neighborhoods

Completed **7** "gut" rehabilitation projects, producing **7** homeownership units and **5** affordable rental units.

Provided **\$790,000** in direct subsidies of development projects through the Connecticut Housing Tax Credit Program and Historic Homes Rehabilitation Tax Credit Program

Helped **146** prospective homebuyers to purchase a home

A Message From the Executive Director and Board President



We are once again delighted to share some of our accomplishments, achievements, and perspectives from the past year along with our optimism about the year ahead. New Haven's housing market still exhibits a dramatic contrast from neighborhood to neighborhood. In some areas, housing prices are rising as real estate appreciates in value; in other areas, values remain stagnant or have continued to decline. By investing in our targeted areas (Dwight, Newhallville, and the Hill), NHS is attempting to reestablish the confidence and stability in these markets that is needed to stimulate additional private reinvestment.


This past year was a turning point in our newly developed Newhallville Revitalization Initiative. Several of the houses that were looking for buyers last year at this time are now on deposit and two have been sold. Our cluster development strategy is working, and we have received very favorable feedback on the impact this is having on the neighborhood. Anyone driving on West Division Street cannot help but witness the dramatic transformation that is taking place on what was once considered one of New Haven's most blighted blocks. The State Department of Economic and Community Development has provided us with most of the subsidies we need to undertake our work in this area.

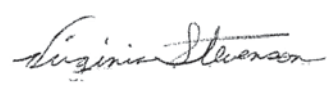
In keeping with our holistic strategy for neighborhood revitalization, NHS welcomes our new police chief, Dean Esserman, who is committed to bring back community-based policing as a way to reduce crime in the areas we are targeting for revitalization. Newhallville, in particular, has been plagued with problems related to gangs, drug dealing, and drive-by shootings. This simply has to stop, and residents, working closely with the police, represent our best chance of overcoming these problems.

In the coming year, NHS hopes to initiate a new line of business: affordable rental development, to provide high quality affordable rental units in three- and four-unit buildings located in close proximity to our homeownership developments. In addition, we want to resuscitate our residential lending program, in which we make low-interest loans available to existing homeowners who wish to reinvest in their homes. These programs, combined with our resident engagement strategy, should make our neighborhood revitalization efforts in targeted areas even more successful.

Our HomeOwnership Center is still busy working with families who wish to purchase their first home as well as with families who are attempting to save their homes from foreclosure. Homeownership preservation remains a major focus of our work, and we have had considerable success in helping our clients modify their mortgages to keep homeownership affordable. We are still affected by the complexities of the current mortgage crisis, and we know that we will not be able to assist everyone in need. Still, we have helped a great number of families at risk of foreclosure, and we remain one of the leading agencies in Connecticut confronting this challenge. We look forward to the time when our pre-purchase clients once again outnumber those who are struggling to save their homes.

We want to express our sincerest thanks to our dedicated staff, our entire board of directors, and the many partners who have helped to make our work possible.


James A. Paley
Executive Director


Virginia Stevenson
Board President

newhallville concentrated development

- Existing Development Projects
- Proposed NHS Development Projects



WEST DIVISION STREET AREA



WINCHESTER AVENUE AREA

Newhallville:

Clustering our construction to revitalize a neighborhood



resident engagement

As homeownership is only one component of comprehensive neighborhood revitalization, increasing resident engagement has been a major goal of NHS' work in Newhallville. With ongoing support from NHS, residents meet regularly to address issues facing the community, such as crime and safety, through the Dixwell-Newhallville Concerned Residents Association and Community Management Team. In April, more than 40 residents attended a community meeting at St. Andrew's Church to discuss the future of the neighborhood. In addition, several of our new Youth Resident Leaders are from Newhallville, and four Newhallville residents attended the last NeighborWorks® Community Leadership Institute in Louisville, Kentucky.

"a piece of the dream"

The volatility of New Haven's housing market has made many homebuyers ask themselves if homeownership is really such a good idea. NHS strongly believes in homeownership for several important reasons:

- **Neighborhood Stability:** homeowners want to preserve the value of their homes and have a vested interest in the stability of the neighborhood
- **Security:** homeowners can't be forced to move by their landlords or be priced out of apartments because they can't afford the rent
- **Equity:** homeowners who make their mortgage payments build equity regardless of whether housing values rise or fall
- **Flexibility:** homeowners can make their homes suit their family's needs
- **Value:** owners typically get more space and amenities than in a rental

development projects

It takes a considerable investment to produce meaningful change in a neighborhood as large as Newhallville. As a result, we are continuing our rehabilitation projects and adding to the core of properties that comprise each of the clusters we have identified. The transformation of W. Division Street has been dramatic and we hope to incorporate the south side of the street into this cluster. In the coming year we will complete our third cluster of houses around the intersection of Newhall and Starr Streets where our 2012 Yale Building Project is located. To increase our development subsidies, we are working to expand the Winchester Repeating Arms Company Historic District to include the entire Newhallville neighborhood.

NHS of New Haven's state-of-the-art Home Improvement and Energy Conservation Laboratory is the center of our post-purchase homebuyer education programs. The Lab serves as a hands-on training facility for residents to learn crucial skills to maintain their homes while saving money and conserving energy. In 2011, we hosted 24 classes, serving 228 participants with topics ranging from Home Maintenance 101 and Historic Window Repair to Basic Plumbing and Energy Efficiency Resources. These classes give homeowners the knowledge and confidence to perform routine maintenance tasks and also to undertake more complex projects. The Lab also serves as a green demonstration model, providing an inspiration to a constant stream of visitors, including building officials, architects, bankers, delegations from other NeighborWorks® organizations, and the general public. The building's sustainable features include a micro-combined heat and power co-generation system, photovoltaic array, daylighting, extensive green roof, and water-saving technologies. We are delighted to report that our Lab was awarded one of only five LEED® Platinum certification by the U.S. Green Building Council in the state of Connecticut.

Home Improvement and Energy Conservation Lab



Affordable Homeownership Development



NHS acquires, rehabilitates, and sells formerly blighted homes to low- and moderate-income families at below-market prices. NHS ensures that its rehabilitation projects are energy-efficient and environmentally-friendly, as all our housing projects are now completed to Energy Star 3.0 federal energy performance standards—a high bar for rehab projects. Features such as insulation, replacement windows, energy-efficient lighting, heating equipment, and appliances are all compliant with this high standard, which places our rehab projects on par with the high energy performance of the best new construction of today. Water conservation is achieved with low-flow plumbing fixtures. By restoring houses and preserving many original materials, NHS minimizes construction waste while maintaining historic features. The visible evidence of our reinvestment motivates others to fix up their houses and symbolizes the beginning of a renewed confidence in the neighborhoods in which we are working.

This past year, NHS' completed development projects included 328 Edgewood Avenue, 46 Frank Street, 323 Goodrich Street, 428 Orchard Street, 339 West Division Street, 838 Winchester Avenue, and our 2011 Yale Building Project at 456 Orchard Street. Construction is now underway at 72 Carmel Street, 504 Dixwell Avenue, 311 Greenwich Avenue, 319 West Division Street, and our 2012 Yale Building Project at 132-36 Newhall Street.

"We do not regret our decision to live in Newhallville and are not alone in our desire to reclaim neighborhoods that have experienced neglect and decay. It is our desire to see Newhallville restored to the proud neighborhood it once was."

-Tammy C.

The HomeOwnership Center



You may think that I am overly optimistic, but I feel very strongly that we have turned the corner in our economic recovery. I recognize that growth is not as rapid or as fast-paced as many people might desire, but we are headed in the right direction. Sometimes, the after-effect of living in an instant gratification society is our lack of patience and our hesitancy to embrace the fact that recovery is not an overnight proposition.

With that said, in 2011 we still saw a heavy caseload of distressed homeowners. Many were seeking sustainable workout solutions that would enable them to keep their homes, while others were looking for graceful exit strategies through short sales or deeds in lieu of foreclosure. Despite the fact that struggling homeowners outpaced prospective homebuyers by a ratio of 3:1, interest in homeownership is steadily rising.

Just when I thought that interest rates couldn't go any lower, they did. As of August of this year, the 30-year fixed rate with the Connecticut Housing Finance Authority is 2.875%. While interest rates have declined, rental costs seem to be on the rise. It certainly makes sense to own one's home when monthly payments of principal, interest, taxes and insurance are less than or equal to one's monthly rent. For prospective homebuyers who are ready, both the housing and mortgage climates are ideal. For prospective homebuyers who are not ready to buy, now is the time to prepare by attending individualized credit coaching sessions along with financial fitness and homebuyer education workshops provided by NHS.

We look forward to the continued expansion of our outreach efforts throughout the City of New Haven. In April, we partnered with Start Community Bank in presenting our Multicultural Family Fun Day. This marked the third year of hosting this event. We also collaborated with the [Promise Land] Christian Community Commission in planning a Newhallville Festival. This two-day festival was designed to recapture the history, promise, and comfort of Newhallville, and to empower individuals, families, and businesses to begin the process of rebuilding and revitalizing this neighborhood for the next chapter in its venerable history. From our perspective, activities like this are a way of providing information to prospective and existing homeowners about our services, while at the same time giving back to the community. It is a way of saying thanks to our clients and to the residents of New Haven whom we serve.

A handwritten signature in cursive script that reads "Bridgette Russell".

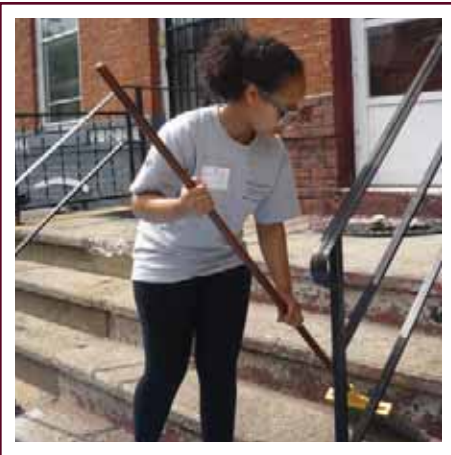
Bridgette Russell, *Managing Director of the New Haven HomeOwnership Center*



Community Building and Organizing

“Neighborhood Housing Services of New Haven not only has a willingness to build, restore, and renovate badly needed properties, but they have also shown their willingness to get out into the community to build relationships and to inspire new possibilities .”

-Pastor Donald Morris



The Community Building and Organizing Department (CB&O) has continued to support resident-led, community-based initiatives during the past year, and this strategy has already begun to bear fruit. Three examples are the street-lighting initiatives in Newhallville, the community garden on Stevens Street, and the cluster development on West Division Street. In addition, CB&O continues to assist in marketing NHS’ houses, programs, services, and community events, while also managing regular volunteer events that provide additional support to residents in our targeted neighborhoods.



While crime continues to plague Newhallville, several areas have become bastions of hope for residents, and our results from Success Measures support this. Street-lighting initiatives on Lilac Street and West Division Street are already proving to be effective in curbing crime and undesirable behavior. On West Division Street, six lamp posts have been installed, with the goal of providing one to each of the 13 houses on this block. Residents have been surprised by the radical changes they’ve witnessed during the course of our development on the street. This initiative inspired the City of New Haven and local pastors to request our assistance in implementing a similar street-lighting project on Lilac Street.

We’ve noticed a difference in small details: residents are taking greater pride in the upkeep of their homes and yards and families are more comfortable letting their kids play outside at dusk. Crime is no longer tolerated to the degree it once was. Residents continue to work with the New Haven Police Department and Livable City Initiative to address crime and blight. We’ve noticed that residents are increasingly proactive in speaking-up on these difficult issues, and the City is responding.

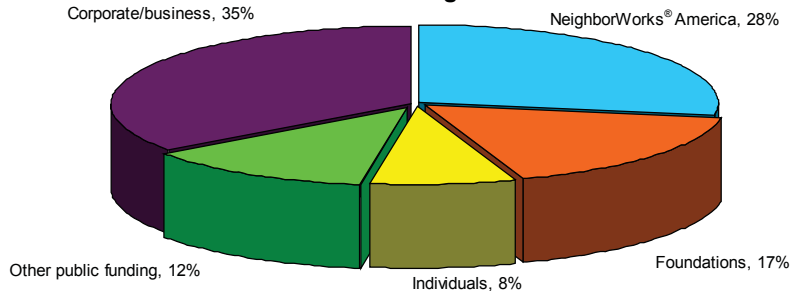


We have also continued our involvement on Stevens Street under the unparalleled leadership of the indefatigable Mattie Stevenson. Youth on Stevens Street continue to learn both gardening and interpersonal skills by working in the community garden. In addition, four trees were planted in partnership with the Urban Resources Initiative and local residents in the past year.

CB&O has partnered with many local groups and organizations on volunteer projects, and we’ve acquired the reputation as the go-to organization for big volunteer groups in and around New Haven. Our website highlights the various groups that have supported resident efforts and provides project details. We encourage you to visit our website and call us if you have a group that is interested in having fun and being part of these exciting and rewarding projects!

Grants and Contributions

2011 Funding Sources



“They’ve helped so many people with houses, all first time homebuyers, revitalize so many neighborhoods, helped residents take charge of those neighborhoods- so as a catalyst for turning neighborhoods around we thought they were a perfect recipient...”

*- Ned Handy
President
Citizens Bank, Connecticut*

Earlier this year, NHS was thrilled to receive a \$35,000 “Champions in Action” grant from Citizens Bank. The Champions in Action program is “a unique initiative designed to reward the nonprofit organizations that work so hard to champion change in our communities and make life better for us all.” Neighborhood Housing Services of New Haven was one of two organizations to receive this prestigious award in 2012. We are extremely appreciative of Citizens Bank for providing this support and of NEWS8 for providing coverage of the award. We are proud to have Citizens Bank as a partner in our efforts to revitalize neighborhoods and create affordable homeownership opportunities for first-time homebuyers.

NHS of New Haven attracts financial support from a wide range of philanthropic sources. We greatly value our partnerships with the lending institutions and corporations listed below, which often provide us with far more than financial support. We are also working hard to expand our individual donor base that will help to fund our operating budget, thereby enabling us to continue serving our constituents. Programmatic support from the Community Foundation for Greater New Haven, the Local Initiatives Support Corporation (LISC), and United Way of Greater New Haven facilitate capacity-building that makes it possible for us to carry out our mission. Partnerships with Yale University, Yale-New Haven Hospital, and St. Raphael’s Hospital also provide much-needed program-related resources.

NHS of New Haven relies on annual contributions and grants to make what we do possible. NeighborWorks® America, through its expendable grants programs, is our single largest provider of financial assistance. We also receive funding from The City of New Haven, through its Community Development Block Grant program and Lead Hazard Abatement Program. Although our allocation from this program has been declining in recent years, we still value the city’s operating support and understand that federal funding is becoming increasingly scarce.

Lending Institutions

- Bank of America
- Citizens Bank
- Citi Foundation
- Guilford Savings Bank
- JPMorgan Chase Foundation
- First Niagara (NewAlliance) Foundation
- People’s United Community Foundation
- TD Bank
- Wells Fargo Foundation
- Webster Bank

Corporate

- Connecticut Light and Power
- Eaton Vance Investment Managers
- State Farm Insurance
- Traveler’s Insurance
- United Illuminating Company

Financial Statement

Combined Statement of Financial Position/Activities

2011

Assets	
<u>Current Assets:</u>	
Cash	\$ 1,552,016
Restricted Cash	194,110
Grants and Other Receivables	162,942
Workshop, Consulting, and Project Fees Receivable	1,000
Accrued interest Receivable on Mortgage Loans	3,376
Prepaid Expenses	5,400
Mortgages Receivable - Current Portion	27,100
Pledges Receivable	5,204
Total Current Assets	\$ 1,951,148
<u>Property Inventory</u>	
Property Held for Sale	\$ 4,676,310
Property, Plant, and Equipment (Net of Accumulated Depreciation)	1,192,356
<u>Other Assets:</u>	
Pledged Cash, CDs, and Investments	950,000
Pledges Receivable - Non-Current Portion	5,290
Mortgage Subsidy Receivable	145,100
Mortgage Loans Receivable	1,049,474
Total Assets	\$ 9,969,678
Liabilities	
<u>Current Liabilities:</u>	
Accounts Payable	\$ 71,370
Construction Notes Payable	601,643
Customer Deposits	8,250
Funds Held in Escrow	63,602
Total Current Liabilities	\$ 744,865
<u>Other Liabilities:</u>	
Deferred Revenue	2,154,260
<u>Long-Term Liabilities:</u>	
Construction Notes Payable	600,000
Capital Certificate Payable	950,000
Total Long-Term Liabilities	1,550,000
Total Liabilities	\$ 4,449,125
Net Assets:	
Unrestricted	\$ 3,871,050
Temporarily Restricted	252,920
Permanently Restricted	1,396,583
Total Net Assets	\$ 5,520,553
Total Liabilities and Net Assets	\$ 9,969,678

Neighborhood Housing Services
of New Haven, Inc. and New Haven
HomeOwnership Center, Inc.
Consolidated Statement for the Year Ended
December 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Other Support:				
Contributions	\$ 608,151	-	-	\$ 608,151
Grants	575,325	537,336	175,000	1,287,661
Tax Credit Programs	-	515,000	-	515,000
Income from Special Projects	176,220	-	-	176,220
Sales of Rehabilitation Projects	620,000	-	-	620,000
Homeownership Fees	133,950	-	-	133,950
Investment Income-Mortgages	51,404	-	-	51,404
Investment Income	81,460	-	-	81,460
Miscellaneous Income	6,634	-	-	6,634
Total	\$ 2,253,144	\$ 1,052,336	\$ 175,000	3,480,480
<u>Net Assets Released from Restrictions:</u>				
Satisfaction of Program Restrictions	1,262,616	(1,159,384)	(103,232)	-
Deferred Revenue	(237,089)	-	-	(237,089)
Total Revenues and Other Support	\$ 3,278,671	\$ (107,048)	\$ 71,768	\$ 3,243,391
Expenses:				
<u>Program Services:</u>				
Housing Rehabilitation and Development	\$ 1,721,501	-	-	\$ 1,721,501
Community Building and Organizing	139,748	-	-	139,748
Homeownership Programs	693,901	-	-	693,901
Total Program Services	2,555,150	-	-	\$ 2,555,150
<u>Supporting Services:</u>				
Management and General	220,393	-	-	220,393
Fundraising	137,959	-	-	137,959
Total Supporting Services	358,352	-	-	358,352
Total Expenses	\$ 2,913,502	-	-	\$ 2,913,502
Net Assets:				
Beginning of Year (12/31/10)	\$ 3,505,881	\$ 359,968	\$ 1,324,815	\$ 5,190,664
End of Year (12/31/11)	\$ 3,871,050	\$ 252,920	\$ 1,396,583	\$ 5,520,553
Change in Net Assets	\$ 365,169	\$ (107,048)	\$ 71,768	\$ 329,889

Board of Directors

The NHS Board of Directors is a partnership of neighborhood residents, local lenders, and representatives from the City of New Haven and the insurance industry.

RESIDENTS

Sandra Hadland
Chris Prokop, *Secretary*
George Rose, Sr.
Virginia Stevenson, *President*
Celeste Suggs, *Vice President*
Jerome Tureck
David White, Jr.

CITY OF NEW HAVEN

Gil Hawkins

LENDING AND INSURANCE PARTNERS

Terence Floyd
People's United Bank
Carol Heller
Bank of America
Kevin A. Moran, *Treasurer*
Webster Bank
Hilda Porrata-Doria
State Farm Insurance Company
Dale Stewart
TD Bank
Arnoldo Ulloa
Wells Fargo

Staff

Dr. James A. Paley, *Executive Director*
Henry Dynia, *Director of Design and Construction*
Bridgette P. Russell, *Managing Director, New Haven HomeOwnership Center*

Brita Carlson, *Project Manager / Architectural Assistant*
Thomas Citerella, *Senior Housing Specialist*
Mark J. Cotte, *Director of Finance*
Stephen Cremin-Endes, *Community Building Specialist*
Peter Crumlish, *Director of Resource Development*
Kathy Fay, *Rehabilitation Specialist*
Eric Goldman, *Project Manager / Architectural Assistant*
Michael Haynes, *Housing Specialist Coordinator*
Areta Huckaby, *Administrative Assistant*
Norma Pantoja, *Administrative Assistant*
Linda Papa, *Assistant Rehabilitation Specialist*
Dorothy Pina, *Data Entry Clerk*
Clara Quinones, *Housing Specialist*
Becky Skau, *Bookkeeper*
Alice Steinhardt, *Housing Specialist*
Jasmine Torres-Small, *Housing Specialist*
Colleen Trompeter, *Research Assistant*

2011-2012 VISTA Members

Brita Carlson
Eric Goldman
Adam Rawlings
Jennifer Thomas

2012-2013 VISTA Members

Daniella Beltran
Araba Prah
Joseph Rosenberg
Kelsey Wakefield

NHS of New Haven would like to thank its 2011-2012 VISTA members for all their hard work and contributions to NHS.

NHS Board of Directors and Staff



Neighborhood Housing

Services of New Haven

positions New Haven's

neighborhoods to

succeed by increasing

homeownership; making

homes functional,

beautiful and affordable;

and helping residents

take charge of their

neighborhoods.



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