

Springfield Neighborhood Housing Services
Massachusetts Department of Housing and Community Development
Community Investment Tax Credit Program
CDC Community Investment Plan (CIP)

Section 1: Community or Constituency(ies) to be served by the organization

Springfield Neighborhood Housing Services, Inc. (Springfield NHS) established in 1978, is a HUD-approved housing counseling agency. Springfield NHS is one of only two non-profit agencies in Western Massachusetts that is certified by the US Department of the Treasury as a Community Development Financial Institution (CDFI). CDFI's are smaller financial institutions, like a community bank, with a primary mission to promote economic development by providing financial products and services to people and communities underserved by traditional financial institutions, particularly in low income communities. Springfield NHS's mission is to transform families and revitalizes distressed neighborhoods through sustainable homeownership, rehabilitation and development of blighted properties, and resident empowerment.

It is located in the heart of the inner city of Springfield in Hampden County, MA. With a population of 153,060, Springfield is the third largest city in the State and is a majority-minority community with 37 percent of the population reporting as White, Non-Hispanic on the 2010 census. Springfield is among the poorest cities in Massachusetts, according to the Department of Revenue FY2014 Cherry Sheets. Based on this report using per capita income, among cities with populations greater than 50,000, Springfield ranked second poorest, with only Lawrence, MA--a community in Eastern Massachusetts-- reported as poorer. In fact, only five other communities were reported with per capita income lower than Springfield, and these communities were small rural communities with populations under 1,100 residents. The comparison of median family incomes offers further evidence of the poor financial profile of the community. In 1999, the median family income of \$36,285 in Springfield was 57 percent of the statewide median family income of \$63,706. As reported in 2014, the 2007-2011 estimates, the median family income in Springfield had risen slightly to \$41,454 but had not kept pace with the State as a whole where median income of \$83,371 had grown by 31 percent. According to the 2016 estimates, the median family income in Springfield dropped to \$34,728 and the State of Massachusetts median income has dropped to \$68,563.

The financial profile of the community residents is not comparable across the City. The Springfield NHS target area includes 21 of the 34 that form the urban core of the city of Springfield and residents of these communities have substantially lower incomes and higher

Springfield Neighborhood Housing Services, Inc. poverty (some as high as 40%) than do the remaining neighborhoods in the City. These 21 census tracts are the poorest in the city. The 2010 child poverty rate for Springfield is the 6th highest in the country among American cities with 44.6 percent of children under 18 living below the poverty line as compared to 12.4 percent for Massachusetts as a whole (2010 American Community Survey, Census Bureau). Also, of the 21 census tracts served by Springfield NHS, 8 have been designated by the USDA as food deserts.

Exacerbating the wealth disparity that exists for inner city families in Springfield are the extreme academic needs that exists in NHS neighborhoods. Given that only 2.6 percent of Massachusetts Public School students live in Springfield, it is a major problem that 29 percent of the lowest performing schools in the entire state are in Springfield. Additionally, although the state graduation rate has improved steadily from 80 to 82 percent since 2007, the graduation rate in Springfield has remained 30 points below the state ranging from 53-54 percent during those years. The most recent published rate for 2011 was 53 percent. The City rate differs widely between its white and minority students. The rate among Hispanic students was 40.3 percent. While it was higher among Black students with a rate of 61.5 percent, it was 66.9 percent among white students. As this pattern has been present for several years, the percentage of undereducated, under-skilled people in Springfield contributes to sustained issues of employability. In fact, only 76 percent of the population 25 and over are reported to have attained a high school diploma compared to the state rate of 89 percent. In an economy where college education correlates so closely with earning potential, only 17 percent of the Springfield's over 25 population report holding a bachelor's degree or higher compared to 39 percent for the state. This educational profile contributes to the low percentage of the adult population with jobs. In many of the census tracts, less than 45 percent of the population 16 and older is employed. More disturbing, however, is the high percentage of people no longer counted in the workforce—an even more important factor in explaining low rates of employment. As a result of these profile characteristics, poverty remains both pervasive and persistent in the City.

Other community demographics that have a significant impact on the service area of Springfield NHS and its capacity to have the desired impact on the community reflect the depth of need to be addressed. One such demographic is that the population in the target communities has a higher percentage of people under 18 (over 30%), compared to 25percent in more affluent neighborhoods. Not only does this add further strain on limited household budgets, but it also creates an environment ripe for poor adolescent choices in the face of a poor opportunity outlook that perpetuates the cycle of poverty. Additionally, one-third of the residents in the target neighborhoods are aged 65 and above; and one-third of the residents moved into their homes prior to 1970. The challenges that an ageing population or long-term residents who are also persons with limited incomes face when trying to maintain their properties has contributed to the poorer condition found in a substantive number of properties in our target communities.

Springfield Neighborhood Housing Services, Inc. Springfield NHS is the only CDFI residential lender in Western Massachusetts. As such, it continues to be the best hope for very low, low-and moderate-income families to achieve the goal of sustainable homeownership. As homeowners in our target communities are older and also poorer than homeowners in other neighborhoods in the city, these financially strapped families drive another issue that directly impacts the work of Springfield NHS. This occurs in the target community that Springfield NHS serves, specifically in homes to persons least likely to be accepted by traditional lending outlets for either mortgages or loans for home maintenance or repair. There continues to be a historical disparity of lending decisions that occurs across races, ethnicities and income levels within the city of Springfield, MA. The two greatest reasons for denials were credit history and debt-income ratios.

The financial instability of the residents has not only been reflected in their challenges in securing credit, but in their ability to weather the financial crisis that washed out wealth and devastated families beginning in 2008. Foreclosure rates skyrocketed across the nation after the housing bubble burst, and Springfield MSA was not immune. From 2008 to 2009, there was a 17 percent increase in foreclosure rates. According to a press release from HUD in October 2008, Springfield MA had the highest local foreclosure rate across New England at 10.1 percent. Likewise, according to Realty Trac, (the leading online marketplace for foreclosure properties) as of October 19, 2009, there were 527 foreclosure properties up for sale in Springfield. In the forefront of this foreclosure crisis, Springfield NHS in 2007 and 2008 provided foreclosure prevention and counseling to 206 and 207 clients respectively. After the crisis engulfed the city, the agency's foreclosure prevention and counseling jumped to 261 households in HUD FY 2011, 314 clients in HUD FY2012 and 103 clients in HUD FY2013.

Despite these demographic challenges, Springfield Neighborhood Housing Services has worked earnestly to transform families and revitalize distressed communities through sustainable homeownership development, recycling of blighted properties and resident empowerment. Springfield NHS offers diverse services to address the needs of the community and fill the support gap that traditional lending institutions create through the mortgage approval disparity discussed previously. The services offered by the agency are offered in conjunction with one another and therefore complement each other in our service delivery. Consequently, the production numbers overlap in both our projections and performance.

Section 2: Involvement of community residents and stakeholders

Springfield NHS is a non-profit corporation that utilizes "Full-Cycle Lending" methodology for service delivery in order to address the multiple barriers faced by the low- income, minority residents of the target neighborhood. This includes:

- Homebuyer education,
- Youth Financial Literacy,
- Adult Financial Literacy,
- One-on-One Credit Counseling,

Springfield Neighborhood Housing Services, Inc.

- Financial products for home purchase, refinancing and/or repair,
- Foreclosure Prevention and Intervention and
- Post-purchase counseling

Since our inception in 1978, Springfield Neighborhood Housing Services has been a community-focused organization. As described in section 1, we work to serve an underserved urban community to provide the education and lending support necessary to raise families to sustainable home ownership and financial self-sufficiency. Additionally, faithful to our mission to transform families and revitalize distressed communities through sustainable homeownership development, recycling of blighted properties and resident empowerment, Springfield NHS is intimately engaged with community residents to increase awareness and foster their sense of empowerment. To that end, Springfield NHS has established several collaborations and partnerships with other community agencies such as the Old Hill Neighborhood Council, Upper Hill Neighborhood Council and the Bay Neighborhood Council including the Faith Based community through which we continue to engage in numerous activities and events including the education and counseling of first-time homebuyers. (See Attachment)

Springfield NHS has participated in the creation and preservation of affordable housing for low and moderate income households, and the elimination of slums and blighted areas in our target area in order to enhance our capacity to meet the needs of these communities. Springfield NHS also entered into collaborative relationships with HAPhousing (now WayFinders) and Habitat for Humanity—a collaboration that resulted in successfully rescuing 70 abandoned and blighted properties within Mason Square through 2013.

In order to ensure that the community has a permanent voice in the work of the agency, Springfield NHS Board of Directors By-laws requires that 51 percent of our board be made up of community residents. Through this participation, as residents, they have direct say in determining the objectives set by the agency and providing feedback as to how effectively these efforts have been delivered. Additionally, in order to further the effectiveness of our outreach, community residents are always represented at all community events that gives us the opportunity to both exchange information with constituents and hear from other community residents. By receiving resident input, suggestions like reestablishing the Youth Financial Literacy Program and Spanish Adult Financial Literacy came about. The Youth Financial Literacy began in September, 2017 and the Spanish Financial Literacy Program in October, 2017. Beginning in January, 2018 Springfield NHS Board of Directors, sub-committee members, community residents and other partners and business will embark on planning Springfield NHS 40th Anniversary of that of serving the Springfield community.

Resident input is also sought during the year through other informational community events: community-wide event where attendance approximates 1,000 residents that further the agency's outreach. A list of other events is being submitted. Resident input was the genesis of the Curb

Springfield Neighborhood Housing Services, Inc. Appeal Program that responded to the residents' requests for help in maintaining the exterior of their properties. This program was funded with \$200,000 from MassMutual that created 42 0% forgivable loans after 5 years as long as the homeowner continued to live in the home. Another \$150,000 came from the Attorney General Settlement through the City of Springfield. A small portion could be used for interior repairs and the majority of it used for exterior repairs that created 16 0% forgivable loans for 5 years as long as the homeowner continued to live in the home.

Stakeholder input is also actively sought. The remaining 49 percent of the board seats are filled with stakeholders representing the business community. In addition to having a voice through board presence, the input of sister agencies is obtained through ongoing collaborations and partnerships that Springfield NHS has forged. Among the agencies with which Springfield NHS has partnered are Springfield Partners for Community Action where Springfield NHS's Adult Financial Literacy class is offered every other month in support of Springfield Partners Individual Account (IDA) program that encourages attendees to get into the habit of habitual savings to create the wealth needed to buy a home, start a business or further their education, and on the alternate month the classes are held at Springfield NHS; Nuevea Esperanza offering Adult Financial Literacy in Spanish; Mount Calvary Baptist Church hosts Youth Financial Literacy to the community; \XXXXX Close working relationships with local banks and credit unions also allows Springfield NHS to reach applicants for mortgages with critical Homebuyer Education to improve sustainable homeownership. Others include realtors that refer their clients to Springfield NHS for Homebuyer Education as well as those that have taken the classes refer their friends. Through the close working relationship with these agencies, Springfield NHS is able to glean information on the effectiveness of its programming and its impact in addressing the needs of the community.

The Community Investment Plan was developed in conjunction with our 5 year 2013 strategic planning process. As part of the process, surveys and one-on-one interviews were conducted with staff, board members, and other critical stakeholders within the community. Their feedback was incorporated into the final plan development. Through enhanced marketing and communications efforts that include the use of social media, Springfield NHS is able to share information about its progress on the Community Investment Plan with stakeholders and constituents more quickly and to receive feedback as well. These enhanced marketing venues provide both audiences with the opportunity to monitor our progress. Because of the partnerships with area agencies, many will also become intricately involved in supporting our efforts to implement our plan. For example, part of the plan includes increasing loan output and the number of homes developed for resale. Continuing to provide and potentially increase pre-purchase training such as Financial Literacy, Homebuyer Education classes, and credit counseling establishes a critical gateway to the achievement of our projected goals for lending and community development since the attendees of the classes who finish with a mortgage-ready status represent an important pipeline for our lending facility.

Section 3: Plan goals

Springfield has been a city in decline since the closing of the Springfield Armory in 1968—a trend exacerbated by the loss of its crucial manufacturing base in the 1980’s and the subsequent out-migration of middle class families who left in search of the better paying jobs. Evidence that Springfield was once a robust city is found in the comparison of median family income, which was 106 percent of the U.S. median in 1960 but fell to only 65 percent by 2005– 07, as reported in the ACS estimates. After the devastating national recession that began in 2008 and exploded unemployment and repressed family incomes nationwide, the median family income of Springfield residents inched even lower to 64 percent of the U.S. median, according to the 2007-2011 ACS estimates. During this period of decline, poverty in the city deepened, increasing from a rate that was a little below average in 1980 to more than twice the national rate according to the 2007-2011 ACS estimates.

Given this challenging environment, Springfield NHS provides a critical pathway to homeownership to those low and moderate income families not historically supported through traditional methods. The Springfield NHS Community Investment Plan reflects the organization’s commitment to continue to serve this population.

Income	2014	2015	2016	2017
Extremely Low	25%	26%	24%	20%
Very Low	43%	34%	36%	33%
Low	18%	25%	30%	31%
Total ≤ 80%	81%	85%	90%	84%

SNHS HUD 9902 FY Reports

As part of its strategic planning process, Springfield NHS recognized that there remained a gap between the current conditions within the target communities that include substantive blight, financially compromised families unable to qualify for homeownership-related financing and the high ratio of owner-occupied to renter-occupied homes that contributes to neighborhood instability and the “ideal” vision of that community. Owner-occupied homes still account for less than 50 percent of resident dwellings in our four primary target neighborhoods.

Neighborhood	Owner-occupied Homes
Bay	38.4%
McKnight	41.6%
Old Hill	47.6%
Upper Hill	45.2%

Source: http://www3.springfield-ma.gov/cos/fileadmin/reports/Draft_Springfield_A148_Final.pdf

Springfield Neighborhood Housing Services, Inc.

Increasing homeownership in our communities is a significant part of stabilizing these neighborhoods. Springfield NHS has made substantive impact in reversing this pattern as evidenced in the Old Hill neighborhood where, in 2000, the rate for owner-occupied homes was just 34 percent according to the Springfield Statistical Profile -2000 Census, and as indicated in the table above, this rate had improved to 47.6 percent as reported in the 2010 census. This improvement is evidence of what is possible with a coordinated concerted effort. However, the agency also recognized that in order for us to achieve our mission and to continue to work toward closing the gap between the current reality for these communities and the agency's vision of the ideal, increasing our capacity to improve our levels of internally-generated income was essential. As a result of the in-depth analysis conducted during the strategic planning process, Springfield NHS established for the 2013-2017 planning process, which focused on improving organizational sustainability and financial strength while maintaining focus on our mission of transformational change in our distressed communities and meeting the needs of our low and moderate income constituents.

In the 2013 Strategic plan, SNHS established a goal to incrementally increase its loan creation to levels that would generate \$500,000 in loan origination fees by December 31, 2017. At this time, organizational leadership recognized that generating fees at this level would not only have a substantive impact on the agency's constituents by partially funding our services that lead to financial self-sufficiency but would also provide a critical income stream to support the agency's longstanding efforts to create sustainable homeownership that revitalizes and transforms distressed neighborhoods into healthy vibrant communities in the area where those populations that are underserved through traditional lending facilities live. As the Board plans for their next Strategic Plan, they will again look at how the agency can become more self-sufficient.

Although the organizational disruption that occurred when the Executive Director left in 2014 and a temporary management consultant became responsible for operational oversight left this goal unmet. The Board contemplated merging with another nonprofit but decided at the end of 2015 it would try to make it on its own.

As a result, the Board has recently hired a new Executive Director and a Homeownership Director. The Executive Director's central function is resource development, working toward re-establishing grant funding as well as new resources. This includes recapitalizing the revolving loan fund that generates fees for operating. The Homeownership Director is responsible for increasing Springfield NHS capacity to lend as both a direct lender and broker. The increase in lending will help toward the agency becoming more self-sufficient over a period of years.

Historically, the organization's operating budget was primarily funded by contributions from Springfield Banks headquartered in Springfield until banks started merging and their headquarters located elsewhere. It also received diverse state and federal funds. As the organization returns to the financial strength that supported its eligibility for competitive funding resources, the appropriateness of requalifying for funding through them is being revisited.

With the inclusion of new employees, our goals and strategies are being realigned to reflect the

Springfield Neighborhood Housing Services, Inc. needs of the community and our resources at this time. Moving forward, our goal is economic and financial empowerment via financial literacy, non-traditional credit, college cost, retirement, and touching on the board spectrum of financial needs that will touch our community such as college debt, retirement, and insurance in addition to home owners based on where they are today.

Section 4: Activities to be undertaken

Under the Community Investment Plan, Springfield NHS had established a goal to significantly increase its loan origination production with incremental improvement annually, increase the number of people it serviced in its Education Programs, Credit Counseling, Foreclosure Prevention, and rehabilitation projects. As a result of changes in management, etc., less income and laying off of some of the staff, Springfield NHS did not accomplish all it set out to do. The Board decided that Springfield NHS would continue with its core programs and not take on any new rehabilitation projects until the agency become more stable. As a result, over the past three years, the staff has concentrated on Pre and Post Purchase activities as mentioned above.

With the hiring of a new Executive Director and HomeOwnership Director, Springfield NHS is putting together new strategies to increase productivity. As for lending, Springfield NHS provides several financial products that range from facilitated and brokered first mortgage loans for purchase, purchase with rehab, refinancing, and rehab loans, emergency home improvement loans, curb appeals, employer assistance program with Mass Mutual Financial, Bay State Health, American International College and Springfield College. Each of the products is intended to close the gap of access to credit and create pathways to wealth creation and financial self-sufficiency for those leased likely to be able to access traditional credit avenues. As lending increases, it is projected that Springfield NHS may have to hire another Loan Originator by 2019.

Springfield NHS continues to offer Homebuyer Education on the first Saturday of each month and charges a fee of \$50 per household. The number of attendees has started to increase, so we are looking at offering a second class sometime after the first of the year. We continue to partner with Springfield Partners for Adult Financial Literacy that is offered once a week for four weeks. The Executive Director met with the Faith Based community shortly after coming on board as part of his outreach to the community. In September, 2017 Springfield NHS reestablished its Youth Financial Literacy Program and held the first on at Mount Calvary Baptist Church and in October, 2017 Springfield NHS started a Spanish Adult Financial Literacy Program with Nueva Esperanza.

As the number of people attending our educational programs continue to rise, so will the number of people increase that want credit counseling. The agency also provides foreclosure prevention and Intervention who will also need credit counseling. Currently there are 639 properties in Springfield alone that are in some stage of foreclosure (default, auction or bank owned) while the number of homes listed for sale is 99. In September, 2017, the number of properties that received a foreclosure filing was 34% higher than the previous month and 11% higher than the same time last year. As the credit counseling increases, Springfield NHS will have to hire another Housing Counseling.

Through these services the agency is able to foster sustainable homeownership. It is Springfield NHS's hope to return to its Development Program to once again help to stabilize distressed neighborhoods in the future once again. Springfield NHS engaged its rehabilitation projects in

Springfield Neighborhood Housing Services, Inc. the City's most blighted communities within the urban core. Several social benefits accrue from the work of Springfield NHS. First, neighborhoods are transformed from the predominance of absentee landlords to the increasing prevalence of sustainable homeowners. Using a three year average, of the 937 persons attending the agency Home Buyer Education Program, nearly 20 percent proceeded to homeownership. In addition to the immediate benefit to the community of the rehabilitation efforts of Springfield NHS, residents have been encouraged to invest in their properties with private resources. As a result of the Old Hill Collaboration in developing 70 homes, residents invested an additional \$1.8 million dollars in exterior improvements to their homes during an 18 month period during 2011 and 2013 in the neighborhoods where Springfield NHS has built or refurbished homes. That did not include any interior work that was accomplished. In addition to those efforts, Springfield NHS worked closely with the City to address the issues of economic opportunity and increased the earning power of the City residents to allow them to not only purchase but more effectively maintain their homes and stabilize their neighborhoods.

While Springfield NHS serves the whole of Hampden County, the agency targeted its revitalization and stabilization efforts in the poorest core communities in the city where incomes were well below the city average.

Many of our clients are not eligible for traditional financial products because of a record of financial management issues. Providing foundational education to these potential homeowners is the first step in bringing them to a mortgage-ready status. Springfield NHS offers a battery of developmental services to support the empowerment of the residents in its target market in order to further sustainable home ownership and to create pathways to wealth creation and financial self-sufficiency. The first is a series of home ownership promotion products that include: Homebuyer Education, Financial Literacy, Homebuyer Counseling, and Post-Purchase Counseling. Each of these programs is aimed at preparing the attendee to better manage their financial obligations. For example, the Financial Literacy course includes overcoming credit issues, getting and staying out of debt, money management, establishing banking relationships, creating wealth and predatory lending tactics to avoid. The Financial Literacy classes are offered not only to perspective homeowners, but also to those engaged in mortgage modification/foreclosure counseling and referred persons in need of strengthening their financial picture. The agency's work with clients through these educational offerings intersects with our lending facility as clients either finance their first mortgages through Springfield NHS or use the HBE certificate to qualify for a mortgage through another lender. Springfield NHS has a contractual relationship with Norcom Mortgage to broker first mortgages.

The HomeOwnership Director has started preparation to increase the number of lenders we can broker with to be able to offer clients more of a selection of products. Also, since the older housing stock in the urban core is often the most difficult to purchase since the homes have fallen into some degree of disrepair, Springfield NHS is pursuing a contractual relationship with MassHousing to access its acquisition-with-repair mortgage products to allow buyers to be

Springfield Neighborhood Housing Services, Inc. better able to purchase homes in need of repair that they might otherwise not be able to afford. The second cluster of programs, Home Ownership Preservation, is designed to support existing homebuyers and to ensure that they are able to remain in their homes through foreclosure prevention counseling. Post-purchase counseling/education and foreclosure/delinquency intervention activities offer counseling through diverse venues appropriate for the audience. In addition to an education component, the program includes a review of the client's mortgage delinquency and/or foreclosure status and, in appropriate cases, assistance with mortgage refinancing or other solutions that lead to a positive outcome. The foreclosure prevention programs are critical to the Springfield NHS target community because Springfield MSA was not immune when foreclosure rates skyrocketed across the nation after the housing bubble burst. From 2008 to 2009, there was a 17 percent increase in foreclosure rates and in October 2008, Springfield MA had the highest local foreclosure rate across New England at 10.1 percent. Based on agency reporting, during the crisis, the number of foreclosure prevention and counseling clients served by Springfield NHS in HUD FY 2014 was 114, FY 2015 61, FY 2016 53 and FY 2017 19 families were assisted. Currently, foreclosure, while not in the crisis state of prior years, remains an issue for many in our community and many people are working with attorneys to help them to file for bankruptcy or save their home while sacrificing to pay the attorney or other counseling agencies that charge a fee.

Section 5: How success will be measured and/or evaluated

The ability to have Springfield NHS continue to meet the needs of our constituents and make substantive strides in our mission to transform and revitalize our target communities through homeownership development depends on how efficiently and effectively we deliver services. To that end, management is strategically reviewing desired outcomes for each of our programs that are consistent with our strategic direction. The agency's performance on meeting these new outcomes for the new year is monitored regularly by management and the Board of Directors on a monthly bases. Performance is defined by both quantitative and qualitative internal criteria that measure the institutional effectiveness of the agency including how well the agency has met customer support, education and counseling class enrollment, loan production and loan portfolio performance targets and how well have those clients been served.

The internal monitoring procedures are embedded in to the agency's operations. Quantitative targets are set for the diverse service lines that the agency offers as part of the budgeting process. As you can see the number of people Springfield NHS served over the past couple of years has decreased because of less staff and shortage of volunteers. The other reason is that people thought we moved but it was the rental agency that moved from our building. They are as follows: HUD FY 2014 – 827 families; 2015 – 921 families; 2016 – 573 families; and 2017 – 400. We have since put signs out on the sidewalks, lighted open sign in door and other things to attract people and let them know we have not moved.

Additional review of the targets is made against the strategic goals established in the plan on a quarterly basis. The participation of community members and stakeholders on the board offers the oversight and validation of the appropriateness of these goals. This mechanism supports long-term monitoring and is, therefore, an appropriate and reliable tool for monitoring agency performance. In addition to the internal criteria, extensive external reporting procedures add

Springfield Neighborhood Housing Services, Inc. assurance that the agency will perform at desired levels.

Springfield NHS also monitors the performance of its housing counselors through an internal oversight process of weekly staff meetings and client feedback. Additional and appropriate training opportunities are sought routinely to maintain the currency of staff education. The agency data management system *CounselorMax* is an integral part of the monitoring process.

Section 6: Collaborative efforts to support implementation

Springfield NHS recognizes that reaching potential clients requires community collaborations and alliances that extend the agency's outreach capacity. Consequently, as a central part of our operational strategy, Springfield NHS has established and continues to establish strategic alliances with area organizations to facilitate program implementation and to ensure the best service possible for clients.

Springfield Partners for Community Action, the federally designated Community Action Agency (CAA) for the greater Springfield area, serves about 10,000 low-income people annually, is a long-time Springfield NHS strategic partner. This partner is an important outreach site for our financial literacy programs through which we move our constituents toward financial self-sufficiency and mortgage-ready status. Likewise the agency works collaboratively with the City of Springfield Office of Housing as well as with the Springfield Housing Authority and to make these programs available.

Buy Now Springfield, a collaboration of public, nonprofit and private-sector organizations, including a network of lenders, realtors and attorneys, who are working together to preserve and promote homeownership opportunities throughout Springfield, is also an important Springfield NHS partner. Springfield NHS participates in the Buy Now Springfield network as both a non-profit agency and a lender and is represented on the Steering Committee by Springfield NHS Executive Director.

Other partnerships that have been established, such as the alliance created with the Old Hill Neighborhood Council, Way Finders (formerly HAPHousing) and Habitat for Humanity for the redevelopment of the Old Hill Neighborhood, Springfield College, Springfield Technical Community College, TDBank, City of Springfield, Policy Department further the development of blighted and abandoned properties as part of our mission to stabilize neighborhoods. Springfield NHS also maintains collaborative relationships with area employers such as MassMutual, Baystate Health, American International College and Springfield College to promote homeownership through the Down Payment Assistance program that encourages employees of those agencies to purchase homes in the city, but especially in the Springfield NHS target neighborhoods and the Curb Appeal program that finances external repairs to qualifying residents.

In addition to these strategic alliances, Springfield NHS broadens the agency outreach through

Springfield Neighborhood Housing Services, Inc. membership in several critical organizations. For, example, Springfield NHS has been a long-time member of the Mass Association of Community Development Corporations, Western MA HomeOwnership Collaborative, Western MA CDC, certified as a United Way member, United Bank's Path Plus Program, County Bank, and Martin Luther King Community Center. More recently is the Faith Based community, Western New England University and Nueva Esperanza.

Recognizing the dire condition of the City, civic and business leaders have been working diligently to develop strategies that will increase the educational and skill level of its residents to make them workforce ready, to attract living-wage jobs to the city, and to increase the economic vitality of the city. While there is much left to do, there are positive opportunities beginning to emerge and Springfield NHS remains a vital part of that conversation working closely with these critical stakeholders.

Section 7: Integration of activities/consistency with community strategy and vision

Springfield NHS has worked in and with the hardest hit neighborhoods and communities throughout Springfield and across Hampden County for the past 39 years. This undertaking could not and has not been done alone. The common thread among all the partnerships in which Springfield NHS engages is the existence of poor working households who seek paths to upward mobility, an improved quality of life and a better future for their next generations. Springfield NHS works closely with the City to address issues of economic opportunity and increase the earning power of the City residents to allow them to not only purchase but more effectively maintain their homes and stabilize neighborhoods. Additionally, ensuring that the work of the agency is part of a cohesive approach to addressing the needs of the community, Springfield NHS has become an integral part of the regional dialogue and not only draws that conversation into our planning efforts, but equally as important, sits at the table to influence the larger conversation.

One additional source for creating economic development opportunities for City residents involves the plans to allow MGM to host the one legislatively approved Western Massachusetts casino in Springfield, approved by city residents. MGM promises to not only bring "thousands of permanent direct jobs, construction-related jobs and indirect jobs" (<http://www.mgmpringfield.com/economic/career.aspx>) into the City, but to create a significant training facility in the City to ensure these new employees have the proper skills to be successful. Although this is not expected to be the complete solution, it offers the possibility of a new beginning toward economic recovery and rebuilding the economic vitality of Springfield.

Section 8: Financing strategy

The agency has been heavily reliant on funds from state and federal sources as well as external private sources. Ensuring the sustainability of the organization in the face of shrinking resources requires growth in these areas. Generating increased earned income through its lending/ financial products as well as decreasing our reliance on grants by developing a substantive private donor base and securing private corporate and foundation gifts is essential for the long-term sustainability of Springfield NHS. Therefore, Springfield NHS established two aspirational strategic goals during its 2013 planning cycle that directly relate to our

Springfield Neighborhood Housing Services, Inc. organizational mission. Springfield NHS offers first mortgage loans to support the creation of sustainable homeowners. The first strategic goal is to incrementally increase lending activity to levels that will generate more loan origination fees. Historically, Springfield NHS has supported its mortgage lending by accessing the secondary market through Neighborhood Housing Services of America (NHTSA). However, since the closing of that organization, loan origination has been underperforming. Springfield NHS has now replaced this function through an affiliation with Norcom Mortgage. Springfield NHS brokers conventional and FHA mortgage lending solutions for which we receive a 1.5 percent minimum fee that is used to cover our cost of origination. Springfield NHS also provides first mortgages that it retains. Internally generated income is bolstered by both mortgage types. These strides toward rebuilding our lending facility through new affiliations will allow the agency to develop projections that embrace the strategic goal to incrementally increase loan origination fees in the future. As part of the increase in loan generation internally, Springfield NHS will improve our loan portfolio management to more effectively reduce its delinquency rate.

The first is the agency's concerted effort to increase our client outreach and visibility in order to attract additional borrowers and capture a higher percentage of the potential loans of our HomeBuyers Education Program, and one-on-one counseling clients is expected to increase the pipeline of borrowers. At the same time, we will be looking at ways to improve the operations of the lending department as a result of a HomeOwnership Director. The final step involves all of the regional efforts toward community and economic revitalization that includes attracting new buyers to the Hampden County as a result of new business development.

As a second strategic goal, the new Executive Director is defining how to incrementally increase giving and contributions over the next three to five years. Achieving this goal relates to the recapitalization of the organization's cash position in order to ensure there is adequate capital to support development services and the growth of the lending department. However, the leadership recognizes that organizational visibility must be greatly improved to achieve this goal. And the third goal, to develop new properties through the agency's rehabilitation and renovation neighborhood revitalization activities has been put on hold for now and will be reviewed at a later date as the Board develops a new Strategic Plan.

The receipt of the \$150,000 tax credits applied for in this application represents a significant element in the recapitalization of the agency. This investment will allow Springfield NHS to establish new infrastructure with new management needed to expand our outreach to a larger constituent base while ensuring that these vital services remain available for the low and moderate income families that we have historically served.

Springfield NHS board meeting is Wednesday, November 8, 2017. The board will be reviewing the Annual Budget and Financial Plans for 2018 and it will be voting on the adoption of and

Springfield Neighborhood Housing Services, Inc.
submission of this document. Both the Financial Plan and adoption will be sent under separate coverage.

Section 9: History, Track Record and Sustainable Development

The mission of Springfield NHS is to transform families and revitalize distressed communities through sustainable homeownership development, recycling of blighted properties and resident empowerment. The agency is the only CDFI agency certified by the Treasury in Western Mass to provide mortgages to low-to moderate-income families. Despite the organization's recent challenges over the past three years, there is still significant evidence that Springfield NHS is having a transformative effect in the community. Also, since our inception in 1978, Springfield NHS has more than \$30 million plus in capital invested through its lending partners to facilitate and assist low and moderate-income families in the purchase and/or improvement of their homes. As part of that effort, Springfield NHS engaged in rehabilitating blighted properties through its Development LLC. While the target area is Mason Square, the focus of our redevelopment efforts for the last several years was focused in the Old Hill neighborhood. In 2000, the percent of owner-occupied dwellings was 34 percent in that community, but through the collaborative efforts of Springfield NHS, HAP Housing and Habitat for Humanity, etc., that rate increased almost 48 percent by 2013. Also, in addition to the immediate benefit to the community of the rehabilitation efforts of Springfield NHS, residents were encouraged to invest in their properties with private resources. As a result, residents invested \$1.8 million dollars in exterior improvements to their homes during an 18 month period in the neighborhoods where Springfield NHS had built or refurbished homes. Since 2006, Springfield NHS had leveraged funds from such agencies as Charlesbank Homes, City of Springfield, DHCD, MA Affordable Housing Trust and HOME to support five major projects that involved a combination of new construction, "gut rehab" and substantial rehabilitation of 18 single family and 2 two-family homes.

The success of these projects demonstrates the capacity of Springfield NHS to do redevelopment again in the future but for now we will concentrate on our development services and develop a new Strategic Plan for the next five years. We will continue to work to close the mission gap between the reality of significantly distressed communities to the stabilized community with high ratios of sustainable homeowners that we envision.