New Ideas for Community Engagement & Alternative Funding Models

Housing Counselor Track
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Center for Changing Lives

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Northwest Side Housing Center

Presenters
New Ideas for Community Engagement and Alternative Funding Models
ABOUT AHC:

AHC is a Community Housing Development Organization (CHDO) and HUD-certified housing counseling agency that was incorporated in 1992. Since inception, the organization has:

- Prepared over 5,000 households for successful, responsible homeownership through homebuyer education
- Assisted over 1,000 households to overcome barriers to homeownership through in-depth pre-purchase counseling
- Enabled over 2,100 households to purchase their first home through down payment assistance
- Empowered over 2,700 households to prevent foreclosure through foreclosure education, counseling and mediation services
- Provided forgivable loans and construction management services to rehabilitate over 200 homes for low-income households
- Stabilized neighborhoods by acquiring, rehabilitating and re-selling over 85 vacant, foreclosed and blighted properties throughout Lake County
- Administered rental subsidies to prevent homelessness for over 60 households
Sustainability strategy
- Commercial methods
- Support social programs

Sustainability strategy
- “Doing well by doing good”

Sources: The Four Lenses Strategic Framework, Virtue Ventures LLC, 2010; A.T. Kearney analysis
KEY QUESTIONS:

• What kinds of skills and experience do we have? What are our core strengths?
• What tangible assets do we own or have access to? How can we leverage those?
• What special relationships do we have?
• What are our competitive advantages?
• What would align with our mission?
AHC RESPONSES:

- We know how to acquire & rehabilitate distressed properties
- We have access to capital
- We have a strong relationship with the Lake County Property Investors Association & various municipalities
- As a nonprofit, we often have access to properties before other investors
- We can stabilize neighborhoods by acquiring, rehabilitating and re-selling to households earning <120% AMI.
ADDITIONAL CONSIDERATIONS:

- What is the market outlook?
- How competitive is the market?
- What are the barriers to entry?
- What are the costs and profitability?
- What are the risks?
- Do we have enough staffing?
- Will it detract from our mission?
- What will funders and the general public think?
- How much revenue would make it worthwhile? What is our goal?
- Are there tax implications or risk to our 501(c)(3) status?
DONATED PROPERTY:
920 NORTH AVENUE, WAUKEGAN

NET REVENUE: $71,000
### 1ST HOME

**920 NORTH AVENUE, WAUKEGAN**

**FINANCIAL SUMMARY**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Acquisition:</td>
<td>$0</td>
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<td>Rehab/Construction:</td>
<td>$46,500</td>
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<tr>
<td>Soft Costs:</td>
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<td><strong>Total Costs:</strong></td>
<td><strong>$59,000</strong></td>
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<tr>
<td>Sales Price:</td>
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<tr>
<td><strong>Net Revenue:</strong></td>
<td><strong>$71,000</strong></td>
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**2ND HOME**

1031 N POPLAR STREET, WAUKEGAN

**FINANCIAL SUMMARY**

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<th>Description</th>
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<td>Rehab/Construction</td>
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<td>Soft Costs</td>
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<td><strong>Total Costs</strong></td>
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<td>Sales Price</td>
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<td>Net Revenue</td>
<td>$24,000</td>
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# 3rd Home

403 SW Garfield, Mundelein

## Financial Summary

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<th>Amount</th>
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<tr>
<td>Sales Price</td>
<td>$187,000</td>
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<tr>
<td>Net Revenue</td>
<td>$36,000</td>
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WHERE WE’RE AT:

• Completed two homes in FY16 ($95,000 revenue)
• To complete a minimum of five homes in FY17 (min. $100,000 revenue). Plan to reserve $40,000 for earned revenue program; allocate remaining $60,000 for counseling programming.
• Developed “Community Partner Program” to earn additional $48,000 in FY17 (12 homes at $4,000 per home)
• Firm belief that earned revenue is an important piece of overall financial sustainability. It is an important but sometimes difficult change in mindset for board members and staff.
• Will continue to carefully evaluate risks and opportunity costs
• Good resources about Social Enterprises are available at the Social Enterprise Alliance (https://socialenterprise.us)
CONTACT INFO:

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Center for Changing Lives

ALEXIS CANALOS
LENDING CIRCLES
Increasing community engagement through the integration of credit and savings building products in Housing Counseling!
CCL’s Vision
• A community where everyone thrives.

CCL’s Mission
• CCL partners with those held back by a lack of resource and economic opportunity in order to uncover possibilities, overcome barriers, and realize their potential.

CCL’s Work
CCL partners by:
• Coaching on financial, employment and resource mobilization goals that enhance lives.
• Training and educating on coaching, capacity building, financial and workforce topics.
• Coalition building, advocating and organizing for policy and practices that open up opportunities and resources.
Five Year Strategic Plan

Strategic Area 1:
Economic Opportunity Services
Increase client access to resource and financial opportunities

Strategic Area 2:
Resource Development
Increase stakeholder engagement and investment

Strategic Area 3:
Innovation and Learning
Increase risk-taking to maximize learning and share it to noticeably change the fields in which CCL operates.
WHAT ARE INFORMAL LENDING CIRCLES?

It's a global practice. People come together to lend and borrow money to each other.
### Lending Circles

**Managed by MAF**

#### Lending Circles

- **January**: $1,000
- **February**: $1,000
- **March**: $1,000
- **April**: $1,000

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[Logos: Experian, TransUnion, MAF]
BENEFITS

- Access a 0% interest social loan
- Establish and build your credit
- Increase your financial knowledge
- Know your money is safe
- Meet new people, and save together
APPLY ONLINE AND COMPLETE FINANCIAL EDUCATION

ENROLL IN A LENDING CIRCLE AND GET THE MONEY YOU NEED

MAKE PAYMENTS ON TIME AND ESTABLISH OR REBUILD YOUR CREDIT

Mission Asset Fund:
Implementation

One on One Coaching:
- Housing Counseling
- Financial Coaching

Workshops & Groups:
- Financial Capability, Tenants rights, Fair housing,

Financial Club

Monthly Lending Circles Info Sessions & Formations

Workforce Programs:
- Discovery: Job Readiness Training
- I.T. Industry Specific Training
How do we measure success?

• Baseline Client Profile:
  • Average CCL Financial Coaching Engagement: 42% engaged 5+ times
  • Average FICO Score of 584

• Of the 23 participants attached to Credit Building Products:
  – Average score at entry: 609

• 6-12 month outcomes:
  – 12 Completing Lending Circles, and 4 completing Twin Accounts: Total of 16 completers, 7 still utilizing product
  – Engagement: 69% engaged 5+ times
  – 66% saw increases in Credit Score, ranging from 643-699
  – Average score was 669, 4 going from unscored to scored
By the Numbers:

Engagement = 5+ coaching engagements, Increased in Credit Score

Engagement at Entry vs 6-9 Mos

Credit Score at Entry vs 6-9 Mos
The Success Effect...

Average Net Income at entry: $81.00  →  Average Increase in Net Income 6-9 months: $698.82

Average Net Worth at entry: ($3,181.00)  →  Average increase in Net Worth: $4,916.70
Partners in the work

• Center for Changing Lives: https://cclconnect.org/
• Mission Asset Fund: http://missionassetfund.org/
• Lending Circle Details: https://missionassetfund.app.box.com/s/ozz50pt46uq4idgoeprb6c3fti51ncne
• LISC Chicago: http://www.lisc-chicago.org/
• Credit Builders Alliance: http://www.creditbuildersalliance.org/
• Illinois Asset Building Group: http://illinoisassetbuilding.org/
Northwest Side Housing Center

CARMEN LANDECHO
WOMEN FORWARD
Carmen Landecho
Mission:

Empower Latina women through helping them set SMART financial goals and make progress toward achieving their goals.
• Women-centered financial education program designed to create a space to set goals and build financial confidence.

• Community style workshop
  • Free daycare
  • Nutritious meals
  • Access to community resources

• FINRA Investor Education Foundation – United Way Worldwide
History

2013
Parent Mentor Program

2014
FINRA Investor Education Foundation

2015
Creation

Hoyne Savings Bank

- Savings tool
- Financial coaching
- Latina mothers ITIN

- United Way Worldwide
- Belmont Cragin
- Improvements
Angela Fontes, Ph.D.

- Logic model
- Measure outcomes
  - Pre/Post Survey
  - Reflections
- Evaluations
Elizabeth Rodriguez

- Parent Mentor Program
- Saved stipend
- Family vacation
- GED and career

Yadira Correa

- Parent Mentor Program
- Opened first savings account
- Budget for family goals

“You just think that because you are Latina you do not have the opportunities, but WFC has made it very clear that we do have opportunities, now I have more access to resources and more financial security.”
• https://www.youtube.com/watch?v=MkDWgMjmjnM
Women Forward

Spotlight Series: Women Forward Chicago Graduation 2016

https://www.youtube.com/watch?v=zprURucd60g
Women Forward

We celebrate the transformation of 20 Latina women.

https://www.youtube.com/watch?v=MkDWgMjmjnM