New Directions Housing Corporation

2012 OPERATIONAL PLAN

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October 2011
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Introduction

New Directions Housing Corporation (Louisville, Kentucky, and Floyd and Clark counties, Indiana) is one of our metropolitan region's largest and most productive community development corporations. Created in 1969, it has evolved into a tri-county service agency offering excellence in Real Estate Development, Asset and Property Management, Resident Services, Home Ownership Preservation and Community Building & Organizing.

New Directions is a participant in both the NeighborWorks® America network and Louisville Metro United Way. Its board and key leaders are committed to neighborhood capacity building, family self-sufficiency and regional community development.

Since 2005, New Directions has had the advantage of invaluable consultation of NeighborWorks® America, now much appreciated by neighborhood and municipal leaders in Louisville and Southern Indiana. Until March 2011, New Directions was part of the Great Lakes Region. Now one of 42 NeighborWorks® organizations of the Southern District, New Directions commits to exploring regional business synergies, network image development and collaboration.

As New Directions meets the final challenges of the most severe economic recessions of our time, its strong partnership with NeighborWorks America (NWA) is much valued. Knowledge, advice, resources and peer support are available through the network. We attribute our capacity to sustain production, improve services and strengthen the agency largely to affiliation with NWA professionals and other network members. Our region's largest municipal entities, Louisville Metro Government and The City of New Albany, Indiana, choose New Directions to implement Neighborhood Revitalization Strategic Area and Neighborhood Stabilization Program initiatives. These are new to our region, so in addition to implementing programs, our agency helps to shape policies and program structures that may serve for years to come.

Reflection on policies and procedures is occurring internally, also. After a strong and successful review by NWA Organizational Assessment Division (OAD), the benefits and learnings are being implemented within lines of business. After its review in 2008, New Directions was able to shift public policy to gain forgiveness or assignment of over $11 million in subordinate notes. Other agencies have been bolstered by this success, as subordinate notes are crafted with embedded forgiveness clauses causing more financially stable housing development. We assume that similar benefits will eventually emerge from the feedback of the 2010-11 OAD review, making our agency stronger.

Concurrent to OAD’s assessment, New Directions board and staff leadership were already engaged in a comprehensive review of governance and succession planning in an organized initiative called The Campaign for Excellence. Early gains from this strategic planning effort include two board strategic planning events in December 2010 and August 2011 which have led to refreshed bylaws and the promotion of the agency’s executive director to Chief Executive Officer. The agency’s assistant director has been promoted to Chief Operating Officer, and restructuring of line of business leadership included the promotion of three program directors from within the agency. Internal reporting systems are reorganizing, which will accelerate financial reporting.

Production in all lines of business is strong. Real Estate Development successes include the mid-2011 completion of renovations at the 60-unit Jackson Woods Apartments and at Saint William Apartments. As a bonus, Brandeis Apartments has achieved multiple milestones in its redevelopment plan, including a $255,000 renovation of its 50 units and refinancing of its mortgage moving the business from PNC Bank to Community Housing Capital.

Home Ownership Preservation programs were united, and business is blossoming in service to neighborhood residents with vision-driven plans. Resident Services and Community Building & Organizing lines of business are touching more people than ever. The Neighborhood Roundtable celebrates a year of engaging in politics and policy.

Looking forward to 2012 and the completion of a five-year strategic plan, New Directions Housing Corporation continues its commitment to neighborhood market recovery and revitalization, civic engagement and the delivery of high impact programs to uplift Louisville, Kentucky and Floyd and Clark counties in Southern Indiana.
New Directions Housing Corporation

Louisville, Kentucky and Floyd and Clark Counties, Indiana

Vision Statement

Caring neighbors building community.

Mission Statement

New Directions Housing Corporation develops and maintains affordable housing and vital communities in partnership with neighborhoods and other stakeholders.

Our call to action

Make community happen!
Organizational Profile

New Directions has a simple purpose. We help people find, secure, and maintain the quality of their homes and neighborhoods. We meet complex, challenging community problems, then we work with partners to overcome them.

Problems like homelessness, poverty, crime, violence and urban blight can ensnare families, then whole neighborhoods. Solutions demand an entire community’s commitment to each neighborhood, each family and every child. We ask everyone to find a way to make that commitment.

Volunteers, donors and investors work through New Directions in many ways. Together, we build and preserve housing. We work with struggling families to convey marketable skills and capacities for increased independence.

Leadership development and continuous learning opportunities are leveraged and shared with residents who champion the causes of their neighborhoods.

We marshal every known resource and recruit extraordinary talent to channel solutions directly to families and neighborhoods in need.

Mission and legacy

New Directions Housing Corporation strengthens civic and volunteer participation to challenge the forces that undermine neighborhood and family stability. The agency was created in 1969 through ecumenical efforts centered at Saint William Church, a Roman Catholic congregation located at 13th and Oak streets in Louisville, Kentucky. The story began when then pastor, Father Ben O’Connor, ended a verbal account of his neighborhood’s challenges with the declaration: “I don’t know what we do, but we have to find a new direction!” The agency was incorporated as a non-profit in April 1971, receiving IRS 501(C)3 status in October 1972.

Founders understood the formidable necessity of safe, accessible and affordable housing as a foundation for the critical connection between safe neighborhoods and strong families. Original goals emerged from reactions to the community’s pain of racial disparity, failing neighborhood economies, the ravages of urban renewal and the despair of families in need. New Directions Housing Corporation has expanded regionally to a three-county service area, encompassing Jefferson County, Kentucky and the Southern Indiana counties of Floyd and Clark. It is one of Kentucky’s largest private, not-for-profit housing providers, offering integrated services in regional housing development, housing maintenance, supportive services and neighborhood empowerment. We are institutional members of the NeighborWorks America network and our regional Metro United Way.

Our mission is to develop and maintain affordable housing and help to create vital communities in partnership with neighborhoods and other stakeholders.

At the core of the agency’s programs is a dynamic, hands-on 24-member board recruited to represent the community’s strengths and needs. Volunteerism greatly leverages program production, too. In four years, ending in June 2011, New Directions volunteers gave over 65,000 hours as tutors, mentors, hands-on repair technicians, consultants and leaders. On average, 1,775 volunteers serve within the agency’s programs annually.
New Directions has the capacity to recruit and organize resources to make important differences in the quality and supply of safe and affordable housing in metro Louisville. Families enriched by the agency’s supportive services are better able to find employment, maintain permanent housing and make progress in independence.

New Directions strives to be a good neighbor, maintaining housing communities to complement surrounding properties. Community life is enriched by the agency’s creative use of volunteers, introducing citizens to new experiences and asking talented individuals to give their best work to neighbors in need.

The founders of New Directions believed in each family’s right to safe, affordable housing. They also understood the vested interest that all citizens share in ensuring that neighborhoods are safe and can thrive. Uniquely, these goal-shapers also expected that everyone had a gift to share and a role to play in building a safer community. This expectation continues today, and propels activities in resident organization, the encouragement of Block Watches and the development of grassroots groups as partners.

This expectation also continues to shape programs that are fiscally prudent, maximizing the talents and passions of volunteers and other civic stakeholders. New Directions Housing Corporation is firmly rooted to a central goal: the delivery of safe, affordable housing as a keystone to family and neighborhood stability. The agency enlists diverse resources, maximizing community outcomes and regional connections.

New Directions is engaged in major strategies to meet these challenges, in collaboration with our tri-county region's Community Housing Development Organizations, neighborhood groups and other community development service providers. Experience in housing development, supportive services delivery and grassroots volunteer mobilization offer New Directions a unique perspective in the recruitment of community resource. Many housing and community development solutions will come from the strengths of geography, as the Louisville metro region fully leverages its importance to two states, Kentucky and Indiana, for the benefit of its citizens.

**Service Community**

Since 1995, New Directions Housing Corporation has provided housing and related community service to a three-county area, including Jefferson County, Kentucky, and Floyd and Clark counties in Southern Indiana. Together, the three counties represent the urban core of the region known as **Kentuckiana**. It is for this three-county area that New Directions, in August 2005, received a NeighborWorks America Network charter.

The entire region is now defined by a 23-county, two-state perimeter inclusive of farming communities, aging core suburbs, expanding residential pressures and a significant transportation infrastructure. The heart of the region is the three-county urban center, with a population estimated by U.S. Census of almost 900,000 people. This is a highly developed area, with 95 percent of its housing being classified as urban. What is left of rural life is concentrated in the remaining farms of northern Clark and Floyd counties.

Target areas do exist for intensive program effort. In New Albany (Floyd County) and Jeffersonville (Clark County), our home repair programming is as intensive as resources—both capital and human—allow. In Louisville, our housing development is diverse, including reinvestment in the existing portfolio to as well as urban land assembly to create architecturally appropriate in-fill housing. In New Albany’s Midtown and Louisville’s Shelby Park neighborhoods, the special resource of Neighborhood Stabilization Program I funds have been deployed using
policies of focused acquisition and layered owner-occupied rehabilitation programming to protect the investment in new home ownership.

Major forces are changing our region. In some neighborhoods, an older population stewards almost all home ownership, middle generations are missing as equity holders. Youth numbers are increasing—but their opportunities for relevant education, employment and future ownership are threatened. Non-profits have banded together to examine obstacles to increased housing production—and have brokered solutions with two of three city governments in the region.

In four of five Louisville census tracts where populations of people ages 25 to 34 are highest, New Directions is there, providing incredibly needed housing, social services, encouragement, financial training and peer leadership development. With needed housing comes federal rental and utility subsidies that make quality rental housing affordable. Over $6.2 million in housing subsidy comes to Louisville through developments owned and managed by New Directions Housing Corporation.

**Programs and Services** New Directions programs and services range from the development, construction and maintenance of affordable housing to human services tailored to aid homeless or distressed families of low income. Programming has expanded into neighborhood-based services, providing technical support to grassroots and neighborhood groups. We encourage volunteerism and civic participation as ways to increase neighborhood resilience. In addition to its memberships with NeighborWorks America and Metro United Way, New Directions supports many collaborations and partnerships that are described in this report.

*This organizational diagram illustrates the synergies between the agency's lines of business and each business line's respective programs.*
Our service continuum begins with **Real Estate Development**, which works to build housing to benefit families of low income and people with special needs. Additional community partnerships enhance neighborhoods through the creation of playgrounds, community rooms, Learning Centers and computer labs. We engage volunteers at every level—from predevelopment to ribbon cutting. Housing preservation, management and maintenance are permanent commitments to housing stewardship.

Our **Asset and Property Management** team manages 1,036 units sheltering families in many neighborhoods across Jefferson and Floyd counties—units owned by our agency and those entrusted to us via third party management agreements. New Directions has a daily commitment to renewal and maintenance. Our professional property management services are designed to respect residents as customers, while encouraging neighborhood viability. Preserving affordable housing engages New Directions in regional and national competitions for precious capital repair funding. Juxtaposed with daily operations is a multi-year agenda for portfolio strengthening strategies that is moving through the 15 property partnerships ranging in size from 16 units to 182 units. Each property is monthly assessed for operational strength, and prised within the Real Estate Development pipeline for capital investment, refinancing to preserve affordability, debt management or disposition should that be more beneficial for the neighborhood, residents and our agency.

**Home Ownership Preservation** links three strong programs to improve housing quality while supporting this essential economic element of neighborhood stability. Repair Affair continues to tie three regional counties together through volunteerism, charitable support and neighborhood advocacy. Now as an official member event of NeighborWorks® Week, Repair Affair assists elderly and disabled homeowners of low income by organizing over 1,400 volunteers annually to make prioritized home repairs in Jefferson County, Kentucky and Floyd and Clark counties in Southern Indiana. Our roofing and emergency repair program activity in Louisville and New Albany, Indiana, is the “stitch in time” that often saves a home from serious damage or even demolition. New business—two owner occupied housing rehabilitation programs—will launch in Midtown, New Albany and Louisville’s Portland Neighborhood, and together will impact 91 homes over 24 months, deploying $2.3 million.

**Community Building and Resident Services** span our continuum, reaching homeowners and the homeles, children and parents, regional volunteers and grassroots neighborhood groups. Our programs link the security of safe housing with innovative programming to benefit the community. In our **Neighborhood Initiatives Program**, we work with emerging leaders to strengthen grassroots organizations for increased safety and empowerment. The resident-driven **Neighborhood Roundtable** meets bimonthly to exchange strategies that work and to encourage proactive civic participation in neighborhoods experiencing distress.

Our eight **Learning Centers** are committed to the value of lifelong learning and community building. At four neighborhood sites, we engage volunteers as tutors to help children complete homework and excel in their studies. Thanks to United Way and other private donors, neighborhood leaders are hired as Neighborhood Mentors. For many, this is a first venture into the job market. At another four sites, elderly residents have access to computers and information regarding social services, recreation and access to health services. New Directions Learning Centers are equipped with computer labs to give children and families the advantage of new technologies.

**Service Coordination** links resident families with available community services to encourage self-sufficiency and independence. Connections with HUD and other partners leverage tailored programming to bring choices and options to residents. As a Metro United Way member agency, New Directions reaches out to other agencies to offer its twin capacities of service coordination staffing and the availability of community rooms as a neighborhood-based delivery mechanism. We work with community partners to link residents and their neighbors to financial literacy training, parenting classes and other learning activities. The work is diverse and collaborative. A good example is the Smoketown/Shelby Park Back to School Jam, which aids over 1,200 children annually. This one-day event enables each participating child to access needed school supplies, hair cuts, safety training and immunizations.

Our **Transitional Services Program for Homeless Families** provides a two-year shelter program to homeless, single-parent families offering intensive case management, goal-setting counseling and service coordination. This program was among the first of its kind in the nation. Parents work intensively on financial skills, debt reduction and sometimes painful reflection on the choices and occurrences that brought them to homelessness. We work with parents to meet their children’s present needs, and to break the cycle of homelessness.
Continuous learning
New Directions is proud to be included in the NeighborWorks® Real Estate Development Initiative, the Portfolio Strengthening Strategy and Resident Services (Learning Center) Consortium, as well as the Community Building and Organizing Initiative. Joe Gliesner, the agency’s Chief Executive Officer, participates in NeighborWorks America Advisory Council government relations activities to ensure federal representatives are aware of the value and support the region enjoys, thanks to NeighborWorks.

In October 2010, New Directions hosted the NeighborWorks® Community Leadership Institute, four days of grassroots training. Over $50,000 in local support was secured so that visitors and locals had access and could enjoy the best neighborhood learning experiences our region could offer.

New Directions had earlier been honored to serve as host to the first place-based delivery of the Community and Neighborhood Revitalization training series, sharing NeighborWorks® capacity building with grassroots leaders and their municipal partners and has recently completed a case study to explore that accomplishment, which was sponsored by the late Paul Poston, Director of the Great Lakes Region. In 2009, with their sponsorship, a case study was published to track the impact of this powerful series. In 2011, another place-based training innovation will bring to Louisville both Sarah Greenburg, Program Manager, NWA Community Stabilization, and Jeffrey Morgan, a 2011 Edward Gramlich Fellow at Harvard University. Together, they will lead a community forum on neighborhood revitalization and business district redevelopment.

Governance and the Campaign for Excellence
Governance systems are increasing in skill and purpose. Leading our agency is a 24-member board which represents our regional community’s diversity and a six-member senior management team. Shared skills are assembled in board committees, with the following board and senior management assignments.

<table>
<thead>
<tr>
<th>Committee Name</th>
<th>Board Leadership Assignment</th>
<th>Chief Executive Officer's Senior Staff Assignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Committee</td>
<td>Ben Johnson, President, Bill Weyland, Vice President, Terry Singer, Secretary, Jack McGill, Treasurer, Sharon Landrum, Todd Harrett, Elizabeth Stith, Brad Schwandt, Marita Willis</td>
<td>Joe Gliesner, CEO, Lisa Thompson, COO</td>
</tr>
<tr>
<td>Finance Committee</td>
<td>Jack McGill, Treasurer, John Pieper, CPA, Jackson Jones, Sharon Landrum, Todd Harrett</td>
<td>Joe Gliesner, CEO, Ed O’Neill, COO, Lisa Thompson, COO</td>
</tr>
<tr>
<td>Neighborhood Roundtable</td>
<td>Ben Johnson, Elizabeth Stith, over 50 members of the grassroots leadership community of Louisville, Kentucky and Southern Indiana</td>
<td>Joe Gliesner, CEO, Lisa Thompson, COO, Lydia Comer, Resource Specialist, CB&amp;O</td>
</tr>
<tr>
<td>Campaign for Excellence Ad Hoc Committee</td>
<td>Elizabeth Stith, Chair, Ben Johnson, Allen Steinbock, Marita Willis, Bill Weyland</td>
<td>Joe Gliesner, CEO, Lisa Thompson, COO</td>
</tr>
<tr>
<td>Board of Directors Resource Development Policy Task Force</td>
<td>Ben Johnson, Elizabeth Stith, Jane Walsh, Jim Stannerman, Allen Steinbock, Adel Elmaghraby</td>
<td>Joe Gliesner, CEO, Lisa Thompson, COO</td>
</tr>
<tr>
<td>Smoketown and Shelby Park Neighborhood Impact Assessment Task Force</td>
<td>Elizabeth Stith, Sharon Landrum, Nancy Fox, Adel Elmaghraby, Terry Singer, and Beth Cress Reese</td>
<td>Joe Gliesner, CEO, Lisa Thompson, COO</td>
</tr>
</tbody>
</table>

The 2012 Board Membership is attached later in this section.
Senior Staff and Lines of Business Directors

New Directions administration and lines of business are led by committed professionals who are well grounded in their disciplines and in an awareness of community assets and challenges. Each leads his or her team mindful of compliance, funding restrictions, market realities—and mission-driven intended outcomes.

Joseph E. Glessner, Chief Executive Officer, came to New Directions in 1986 as its Executive Director, has extensive experience in real estate development, asset and property management, community building, home ownership preservation and nonprofit administration. Under his leadership, New Directions has become one of Kentucky’s largest nonprofit housing managers with housing sites designed as a platform for neighborhood revitalization and resident services, in addition to being much-needed housing for hundreds of resident families. Use of diverse financial resources include HUD debt service, Low Income Housing Tax Credits, Historic Tax Credits, the Affordable Housing Program of the Federal Home Loan Bank system, HUD Section 811 and 202 grants, privately donated funds and partnerships with local bank community development corporations. Mr. Glessner serves on the Governor’s Housing Policy Advisory Committee. He has served as a Fannie Mae Advisory Council member and as a member of the Enterprise Network Advisory Committee of the Enterprise Foundation of Columbia, Maryland. He is a graduate of Catholic University of America and holds a Master of Arts degree from the University of Louisville. He has completed the challenging Achieving Excellence program, housed at the Kennedy School of Government at Harvard University. (Phone: 502.719.7199. E-mail at joes@ndhc.org)

Lisa D. Thompson, Chief Operating Officer, joined the agency in 1991. She oversees direct administration of Property Management, Resident Services, Home Ownership Preservation and Community Building and Organizing. Ms. Thompson works with the board of directors on funds development and community relations to support the organization’s growth. Ms. Thompson holds a Bachelor of Arts degree from the University of Louisville and has completed training in community and resource development, media relations and communications. She has served on the boards of New Albany/Floyd County Community Housing Development Committee, Cardinal Joseph Emler Ritter Birthplace Foundation, Louisville’s YouthBuild, St. Anthony Outreach Center and The Kentucky Foundation for Women. Previous to joining New Directions, she served at a major financial institution working with corporate sponsors, media and charitable donations. Ms. Thompson, in collaboration with NeighborWorks America, oversaw the first place-based delivery of the respected Community and Neighborhood Revitalization training series in 2007, volunteer organization of the 2010 NWA Community Leadership Institute and currently serves as a representative on the NWA Community Building and Organizing Steering Committee. (Phone: 502.719.7106. E-mail at ltho@ndhc.org)

Al Spotts, Director of Real Estate Development

Al Spotts joined the agency in 2000. In 2010, Mr. Spotts has achieved a significant milestone for the agency, by successfully redeveloping 60-unit Jackson Woods Apartments and 52-unit Saint William Apartments through the complex assembly of Low Income Housing Tax Credits, Treasury and Exchange stimulus funding, federal HOME funds and private grants. The two projects, in total, focus more than $10 million in the preservation of essential project-based housing. Previously, he designed and implemented the Smoketown & Shelby Park Rehabilitation Program, a $1 million strategy to bring both capital reinvestment and community empowerment to these neighborhoods. This followed a three-year $2 million strategy completed in Louisville’s Newburg Neighborhood. Mr. Spotts other recent housing development accomplishments include the development and oversight of the Mary Speed Tuley Housing Campus with, at its center, the $3 million Section 811-funded Wellspring Bridge building, as well as the 57-unit St. Edward Court in New Albany, Indiana, and the 14-unit Clifton Court, another Section 811 project. Mr. Spotts has also overseen the implementation of a roofing program now benefitting over 800 elderly homeowners of low income. Mr. Spotts adds a keen understanding of energy conservation and efficiency honed during years as a Private Energy Consultant at Louisville Resource Conservation Center and as an Energy Auditor at Urban Shelter Associates. Before that, he was the Executive Director of Ministries United of South Central Louisville. He is a member of the American Association of Energy Engineers and is a Certified Energy Manager. He has a technical certification and is an associate member of the Illuminating Engineering Society. Mr. Spotts holds degrees from Sterling College, Sterling, Kansas (Bachelor of Arts); the University of Louisville (Master of Business Administration and Master of Science, Community Development) and Louisville Presbyterian Seminary (Master of Divinity). (Phone: 502.7114. Email at als@ndhc.org)

Theresa McCauley, Director of Asset Management has 24 years of experience in management of large projects and supervision of diverse staff. She facilitates the acquisition, general oversight and disposition of the agency’s
real estate and other assets for the purpose of serving the mission and goals of New Directions. She has eight years experience in property management as the former Director of Housing management. She is accomplished in planning and implementation of strategic initiatives. In 2002, Ms. McCauley was recognized by The City of Louisville’s Department of Neighborhoods as an honored partner in the work of community safety. She received the Mayor’s Block Watch Council 2002 Citizen Award, for which she was nominated by local police officers. Ms. McCauley is past president of the Buechel Rotary Club, a former Board Member of the University of Louisville’s “I.” Club and is a volunteer with the American Red Cross and the YMCA Safe Place Services Program. She earned a Bachelor of Science in Business Administration from the University of Louisville. In support of the NeighborWorks America portfolio, she has been appointed to the network’s pooled insurance board. (Phone: 502.719.7109. E-mail at theresam@ndhc.org)

Edward O’Neill joined New Directions Housing Corporation as its Controller in June 2007 and was appointed Chief Financial Officer on January 1, 2009. As the agency’s CFO, he plans, directs and coordinates the financial activities of the agency including all third party audits. Prior to joining New Directions he was the chief financial officer of a non-profit organization and controller of a private Louisville corporation. Mr. O’Neill enjoys a variety of outdoor activities and visiting his children in Des Moines, Iowa. He is a graduate of Yale University, the University of Chicago and is a licensed Certified Public Accountant. He received a Bachelor of Science in Accounting from the University of Louisville in 1981. (Phone: 502.719.7125. E-mail at edtn@ndhc.org)

Lines of Business directorships are held by this team of respected professionals:

Bridgette Johnson, Director of Property Management, is responsible for the management of the New Directions housing portfolio of 1,057 units located across the metro area. She coordinates activities with the US Department of Housing and Urban Development, Kentucky Housing Corporation and Indiana Housing and Community Development Authority for the purposes of management reviews, inspections and rent increases. She is responsible for staff development, budget development and compliance for all aspects of property management including maintenance. Ms. Johnson joined the agency in 2004, assuming this role in November 2010. Her expertise in Property Management began in the mid 1990s and previous to joining New Directions, has managed rental properties in Louisville, KY and Dallas, TX. She brings depth of knowledge including Real Estate and market assessments, marketing and leasing, construction management, project accounting, and project redevelopment. In working with this line of business, she has effectively developed and led strong property management, compliance, leasing and maintenance teams to accomplish short and long-term objectives for the assigned portfolio. Her priorities include high occupancy rates, consistently superior tenant satisfaction ratings and high retention. She is a member of the National Yardi Affordable User Group. She is a Certified Occupancy Specialist provided by the National Center for Housing Management. Ms. Johnson is a graduate of Sullivan University (A.S. Business Administration). (Phone 502.719.7147. Email at bridgettej@ndhc.org)

Dawn Davis, Director of Resident Services, began her career at New Directions in 2000 managing the agency’s highly regarded scattered site Youth Learning Center Program. In 2002, she was promoted to Service Coordinator, connecting elderly and disabled residents to community resources in order to maintain self-sufficiency and independence. As Program Manager, Ms. Davis managed both programs and a staff of 16. This 2006 promotion included managing the agency’s Newburg Weed and Seed Individual Development Account program for homeownership. During this time, Ms. Davis implemented the Resident Services Helpline, in order to better serve residents without on-site services. She also employed a system to track morites saved by connecting residents to community resources as well as savings attributed to preventing evictions. During a one year time period, her department saved the agency and residents over $61,580. In 2010, Ms. Davis was promoted to Resident Services Director overseeing these programs and the Transitional Housing for Homeless Families program. She manages grant compliance and expense control for a budget exceeding $533,000. Ms. Davis has served on the planning committee for the Housing Management Conference sponsored by Ky. Housing Corporation, Southeastern Affordable Housing Management Association and U. S. Dept. of Housing & Urban Development for the 2006, 2007, 2008, and 2009 conferences. She is a founding member of the Kentucky Association of Service Coordinators (KASC). She has served on KASC’s Board of Directors since 2004 and as Board President from 2006 to 2008. Ms. Davis has presented training opportunities at the Resident Services Consortium of NeighborWorks America, the American Association of Service Coordinators national conference and at the Housing Management Conference, as well as locally at various agencies' on behalf of New Directions as a Metro United Way recipient. Ms. Davis holds a Bachelor of Arts degree from Spalding University. (Phone: 502.719.7120 Email at dawn@ndhc.org)
Michael Gardner, Director of Home Ownership Preservation, joined New Directions in 2004 as a Housing Specialist. From 2004 to 2007, Mr. Gardner performed the underwriting and loan packaging for homeownership programs and served as the Program Coordinator of Newburg Rehabilitation Program. In 2006, Mr. Gardner completed the Housing Development Finance Professional Certification from the National Development Council (NDC). In 2008, he assumed duties related to the management of the Smoketown and Shelby Park Owner Occupied Rehab Program. Michael also assists Al Spotts, the Director of Housing Development with grant applications and capital projects. With Booker Rice, the agency’s Assistant Director of Home Ownership Preservation, he oversees the region’s annual Repair Affair, a volunteer-driven initiative that in 2010 convoyed over 1,500 volunteers to aid 125 older or disabled homeowners through the provision of needed home repairs. In 2009, Michael earned a professional certificate in Affordable Housing from NeighborWorks America. Mr. Gardner holds a Bachelor of Arts degree in Political Science from the University of Louisville, and has recently completed the University of Louisville Master’s of Urban Planning Program. (Phone: 502.719.7141. Email at michaelg@ndhc.org)

Janice Hill, Director of Managed Information Systems, joined New Directions in 1998 as an Administrative Assistant to the Director of Housing Management. From 1998 to 2004, Ms. Hill performed the duties assigned by the Director of Housing Management as well as supporting the complex information technologies network. She is a close partner with Resident Services initiatives, aiding in the development of off-site computer networks for Learning Centers and a tailored case management data base. In 2004, Ms. Hill assumed the director’s position for management of Information Systems. In 2006, Janice earned a CNA certification in Novell Networking. Ms. Hill holds an Associates degree in Computer Information Systems from Ivy Tech State College Sellersburg, IN. (Phone: 502.719.7110. Email at janiceh@ndhc.org)

Accompanying this section of the Operational Plan are tables of organization, one identifying all employees and their respective supervisory relationships and another with departmental alignments.

Essential Agency Partners
Good projects demand great partners. As New Directions Housing Corporation grows and its programs become more holistic, many kinds of partners have come forward to help. Partners often come to New Directions with focused interests, and then experience how that focused perspective is connected to a more holistic approach—much as our mission began with housing, then necessarily expanded to more realistically approach neighborhood health and development. For this reason, we especially value our partners and sponsors with multiple points of agency contact. Among these, we count NeighborWorks America, Louisville Metro United Way, Louisville Metro Government, The City of New Albany, Kentucky Housing Corporation, Indiana Housing and Community Development Authority, PNC Bank, JPMorgan Chase, The Home Depot, many congregations and over private donors. Three exciting collaborations, Bridges to Tomorrow, the Smoketown and Shelby Park Revitalization and The California Collaborative, unite many institutional friends, as well as bringing new sponsors to community development. These three collaborations are described in detail in the Community Building and Organizing section of this report.

New Directions Organizational SMART Goals and Results, 2010-11
Strategies and greater detail about each of these goals can be found in the specific Line of Business sections. Locations for work plans by line of business and program categories can be found in the chapters for lines of business in this operational plan:

FY11 Achievements by Lines of Business

Administration Outcome Goals
A20110061: New Directions Housing Corp. (NDHC) will maintain standards as a high performing community development corporation with a focus on service-enriched rental housing and neighborhood revitalization. NDHC will have a well-trained staff that is success and outcome oriented for maximum internal and external collaboration in support of its mission. NDHC will have a fully aligned board, which is fully informed and actively engaged with the mission and strategic direction of the organization. NDHC will secure engaged volunteers from all segments of the community in support of its strategic effort.
STATUS: Achieved. New Directions was measured as being STRONG in its recent assessment by NeighborWorks America, meeting all PROMPT criteria. All lines of business are considered high performing, and housing production is especially robust. Governance systems are high performing. Debt ratios have radically improved since the previous OAD assessment in 2008.

A2011PG1: New Directions will complete an agency board strategic planning retreat with 80 percent participation by October 1, 2011.

STATUS: Achieved. The agency's board of directors and senior staff met for two strategic planning sessions. On December 9, 2010, 73 percent of members, and on August 26, 2011 65 percent of members, participated at strategic planning sessions accompanied by the Chief Executive Officer and Chief Operating Officer. Both meetings were facilitated by Michele Hartson with Inner Harbor Partners, as a continuation of the year-long governance strengthening process entitled the Campaign for Excellence. Detailed within the FY12 Operation Plan and Progress Report are ongoing governance strategies for the board to become more intensively engaged in focus neighborhoods, as allies and stakeholders.

Real Estate Development Outcome Goals
RED2011 #1/70SREVISITED: Complete construction and reach certifications at Saint William Apartments (53 units) before December 31, 2010.

STATUS: Achieved. Saint William Apartments LLLP (53 units) has undergone a comprehensive $4.2 million rehabilitation with construction reaching significant completion by December 31, 2010, and full occupancy by July 2011. A renovated Learning Center aids the largely disabled resident community and a full time Service Coordinator is provided through a special HUD grant, bringing additional resources to the property.

RED2011 #2: Complete construction and certifications at Jackson Woods Apartments (60 units) by June 2011, and no later than December 2011.

STATUS: Achieved. Jackson Woods Apartments LLLP has undergone a comprehensive renovation. All certificates of occupancy had been awarded by June 30, 2011 for its 60 units and new onsite Learning Center facility, dedicated as the Kety-Steinbock Idea Center.

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<th>Sources</th>
<th>Jackson Woods Apartments LLLP</th>
<th>Saint William Apartments LLLP</th>
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<td>NeighborWorks America</td>
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<td>PNC Equity</td>
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<td>New Directions Housing Corporation</td>
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<td>The Steinbock Family (For the Kety Steinbock Learning Center)</td>
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<td>TOTAL PROJECT AMOUNTS</td>
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Construction $4,654,955 $2,326,372

Other costs include acquisition and development costs (architecture, legal, permits, environmental assessments, dislocation of residents, moving costs, permitting fees, etc.).
RED2010-11#3: Woodbourne Place (11 units) will reach the closing table. This will be a $2.4 million development to serve elderly persons in eastern Louisville.

STATUS: Pending. This project, while making progress, is now a top priority within the Real Estate Development Pipeline. Adaptive strategies include pending applications for Low Income Housing and Historic tax credits. Completion is now anticipated in 2013, with an allocation of Low Income Housing Tax Credits anticipated by January 2012. In the interim, HUD has awarded a $90,000 planning grant to ensure this project reaches its goal.

Additional progress: Brandeis (Pearson) HAP Transfer Project
In 2010, New Directions turned its attention to Brandeis Apartments, Ltd., designing a two-point plan to increase financial stability at this flagship property in Louisville’s California Neighborhood. A $105,000 Portfolio Strengthening Grant was received in 2011 which galvanized an eight-step strategy to transfer a valuable HUD Housing Assistance Program contract from Pearson Court to Brandeis Apartments. Built in 1971, Pearson Court is functionally obsolete and slated for disposition. With its HAP contract valued at more than $220,000 annually, Pearson will provide one final service to New Directions and to its residents, who have already endorsed the relocation. The HAP contract, with HUD approval pending, will move with its residents to Brandeis Apartments.

Significant advances occurred this year. Partnerships at both Pearson Court and Brandeis Apartments have been dissolved. Louisville Metro refinanced subordinate debt, and loaned the project another $212,000 for major capital repairs. The original mortgage at 8.5 percent was refinanced with Community Housing Capital at a substantially lower rate. As soon as HUD gives its approval, the HAP contract and residents will be relocated, and Pearson Court will be dismantled, preparing the land for future development.

NSP 1 projects in both New Albany, Indiana, and Louisville’s Shelby Park are successful, and performing against their timetables. Sales are beginning to quicken in both markets, despite the national credit crunch.

2010-11Asset and Property Management Outcome Goals

APM2011: Maintain second year resident retention from 40 percent to 65 percent while achieving a 97 percent collection rate.

STATUS: Achieved. From 07/31/2010 to 06/30/2011, we attained an 83% retention rate and a 92% collection rate. In an era of site renewal, overcoming considerable disruption to residents’ lives, we are grateful for their partnership and willingness to stay with New Directions.

APM2011: Achieve a portfolio-wide occupancy rate of 96 percent.

STATUS: Achieved. From 07/31/2010 to 06/30/2011 the portfolio occupancy rate was 96%, excluding Jackson Woods and St. William Apartments. Due to delay in construction, all units were not completed and ready for occupancy until June 30, 2011. No disruption of service occurred at Brandeis Apartments during renovation.

Home Ownership Preservation Outcome Goal
HOP2011#1: From June 30, 2009 to October 2011, New Directions Housing will have completed the rehabilitation of another 20 owner-occupied houses in Smoketown or Shelby Park, using HOME and other contributed funding. Three of these will be funded by a $78,750 KHC Affordable Housing Trust Fund allocation.

STATUS: Pending. As of September 30, 2011, New Directions Housing had completed seven housing rehabs in Smoketown and Shelby Park neighborhoods using HOME and Federal HOME Loan Bank funds. New Directions Housing has not yet fully deployed the $78,750 in Kentucky Housing Corporation Affordable Housing Trust Fund allocation. Work is scheduled on another 11 homes. Of note, winning back the Louisville Metro Roof Program business, the agency commenced the program and installed 20 roofs within nine months!

HOP2011#1b: In addition, New Directions will submit its first application to Indiana Housing and Community Development Authority for additional HOME rehabilitation funds to assist Midtown.
STATUS: Achieved. New Directions Housing successfully submitted an application to the Indiana Housing & Community Development Authority for housing rehabilitation to support the Midtown Neighborhood Stabilization Program (NSP). This newly secured $325,000 grant will benefit 21 homes over 18 months.

Notably, as described in the FY12 Operational Plan, the Home Ownership Preservation Line of Business has been reorganized and expanded. Currently, there are new contracts with Louisville Metro Government for a $400,000 roof program and a $1.7 million owner occupied rehabilitation program that can span three years. This will benefit 70 homes, in total.

Resident Services Goals
RS2011#1: By November 2011, Resident Services and Property Management will have completed a series of trainings to introduce the utilization of life skills coaching in their service delivery with residents.

STATUS: Achieved. Through a series of “Lunch and Learn” sessions designed to implement coaching skills through everyday interactions with residents, Property Management completed 16 hours and Resident Services completed 22 hours of training. Resident Services completed an additional 47 hours of one on one coaching with our consultant, experiencing coaching from the consumer’s perspective.

RS2011#2: By October 2011, the last of five data management systems will be employed to ensure accurate and compliant data to funders.

- The Kentucky Homeless Management Information System (HMIS) for the Transitional Services program
- KidTrax for the youth program
- AF12 for the Individual Development Account for Home Ownership program
- YARDS for the Service Coordination program
- And YARDI Construction for Resident Services’ budgets

STATUS: Achieved. US Dept. of Housing and Urban Development, Metro United Way, and the US Department of Health and Human Services/Administration for Children and Families funding require the use of HMIS, KidTrax, and AF12 systems, respectively. Our home-grown version Resident Services software using YARDI provides a more economical electronic case management process than the one endorsed by the American Association of Service Coordinators that aids in the HUD Semi Annual Service Coordination report. And finally, New Directions’ “PASS” module, another YARDI project, interfaces with the agency’s general ledger ensure consistent spending and budget controls for the entire department.

Community Building and Organizing Outcome Goals
While no goal was called out for this line of business, the year has been very full. Four neighborhoods have asked New Directions to manage special grants or projects. Each has created strategic plans from civic processes or public leadership. New Directions, using its platform of business discipline and its community development mission, is considered a powerful partner. We consider their trust an honor.

Smoketown and Shelby Park residents and stakeholders conducted a three-month series of focus groups as a final vetting process for a Quality of Life Action Plan to be published in October 2011. In California, a $450,000 pilot program enabled neighborhood leadership to create an actual neighborhood management system to support its resident association—again choosing New Directions as fiscal sponsor and operations manager. As reported in the Home Ownership Preservation section, both Midtown, New Albany and Portland Neighborhood have chosen New Directions to manage their own occupied housing rehabilitation programs.

The Neighborhood Roundtable has enjoyed a vivid, politically aware year. Green meetings and six mayoral candidate forums put this important advisory group “on the map” of community awareness. The agency’s major organizing achievement was in hosting the 2010 Community Leadership Institute. Working closely with the masterful National Training Institute, New Directions welcomed over 900 grassroots leaders to Louisville. Over 100 volunteers helped as Mobile Clinic guides, on-site clinic facilitators and Ambassadors, helping to conduct traffic and inform guests about downtown shopping, points of interest and landmarks. An opening reception at the Muhammad Ali Museum featured a rousing speech of welcome from Louisville Mayor Jerry Abramson.
Our Regional Environment

Geography and economy
As nationally measured by our local chamber of commerce, Louisville is most known as the home of The Kentucky Derby—the most widely watched event in American horse racing—or, for the legendary status of The Louisville Slugger, America’s preferred baseball bat which is hand-crafted at a factory on our city’s Main Street. A recently launched advertisement campaign is telling America that Louisville is “The Possibility City.” Hi-tech industry and historic culture co-exist and attract international artists, architects and industry.

From its beginnings, Louisville owed its potential to transportation and logistics industries. The city is located on the Kentucky-Indiana border at the only natural obstacle in the Ohio River, the Falls of the Ohio. Early settlers floating downstream were forced to disembark and “portage” their flatboats around the falls. Today, Louisville’s Portland Neighborhood owes its name to that geographic necessity. Because of its proximity to Indiana, the metro area around Louisville is referred to as Kentuckiana. In 2003, the city and Jefferson County merged into a single consolidated city-county government named Louisville-Jefferson County Metro Government (official long form) and Louisville Metro (official short form), resulting in a city populated with just under 1 million people. The Louisville metropolitan area (not to be confused with Louisville Metro), with a population of approximately 1.3 million and includes seven southern Indiana counties. The urban region’s architecture contains a blend of old and new. Floyd County’s New Albany and Old Louisville, the city’s first suburb, are both well known for their considerable stock of Victorian structures. Many of the historic buildings in downtown Louisville are in the Greek Revival, Italian Renaissance or French Renaissance styles. These mix well with several of the city’s post modern skyscrapers, which includes a significant office tower designed by Michael Graves for Humana headquarters. With Jeffersonville in Clark County, Indiana, the urban core in all three cities features many notable older neighborhoods with shotgun and bungalow styles.

The infrastructure of local governments
Louisville Metro is governed by an executive dubbed the Metro Mayor as well as a city legislature called the Metro Council. Metro Mayor Jerry E. Abramson completed his final of many terms in January and was succeeded by Mayor Greg Fischer, the city’s 50th mayor, an entrepreneur professionally. Transition of city government has gone smoothly, despite national recession and continuous restructuring over the first 10 months of office. Sharing power is the Louisville Metro Council which consists of 26 seats corresponding to 26 districts which will be soon redistricted to be apportioned by population as measured by US Census. Half (13) of the seats come up for re-election every two years. In Indiana, the City of New Albany and the City of Jeffersonville have not merged county governments and both have elected mayors and representative councils.

Federal representation
Kentucky’s Third U.S. Congressional District is roughly contiguous with Louisville Metro, represented by Congressman John Yarmuth. Some southern areas of the city are in Kentucky’s Second. Floyd and Clark counties are part of Indiana’s Ninth District, which is currently represented by Congressman Todd Young. Senators include Kentucky’s Mitch McConnell and Rand Paul, and Indiana’s Dan Coates and Richard Lugar.

Education
According to the U.S. Census, of Louisville’s population over twenty-five, 21.3% (vs. a national average of 24%) hold a bachelor’s degree or higher, and 76.1% (vs. 80% nationally) have a high school diploma or equivalent. The public school system, Jefferson County Public Schools, consists of more than 98,000 students in Kindergarten through 12th Grade. The system consists of 87 elementary schools, 23 middle schools, 20 high schools, and 23 other public learning centers. Louisville has a large number of private schools, particularly unusual for a city of this size. Due to its large Catholic population, there are 27 Catholic schools in the city, as well as several nondenominational private schools. Louisville is home to the University of Louisville, Spalding University, Sullivan University, Bellarmine University and Jefferson Community and Technical College (part of the Kentucky Community and Technical College System). Indiana University Southeast is also located across the Ohio River in nearby New Albany, Indiana.

The New Directions board of directors includes the president of Jefferson Community and Technical College and the Dean of the Kent School of Social Work of the University of Louisville. The agency has service learning arrangements with both University of Louisville and Spalding University.
The population density is 695/km² (1,801/mi²). The racial makeup of the city/county is 77.38% European American, 18.88% African American, 0.22% Native American, 1.39% Asian, 0.04% Pacific Islander, 0.68% from other races, and 1.42% from two or more races. 1.78% of the population is Hispanic or Latino of any race. The median age is 37 years. Louisville has more Roman Catholics than any nearby city,—135,421 people. There is also a large Jewish population in the city whose ancestors came from Germany in the 1830s and 1840s. The majority of Louisvillians belong to Protestant faiths. Southeast Christian Church, one of the largest Christian churches in the United States, is located in Louisville.

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The regional economy
Logistics remains as a major economic booster. The downtown business district of Louisville is located immediately south of the Ohio River, and southeast of the Falls of the Ohio. Major roads and highways extend outwards from the downtown area to all directions, like the spokes of a wheel.

At present, there are only three road bridges across the Ohio River to Indiana (the Sherman Minton Bridge, the John F. Kennedy Memorial Bridge and the George Rogers Clark Memorial Bridge). Two more bridges are to be built by 2015. Roads in southern Indiana branch out from the city originating from these bridges. Major repairs are required on the Sherman Minton Bridge which links Louisville and New Albany and carries I-64, and an emergency closure is expected to last until March 2012.

Louisville's early economy developed through the shipping and cargo industries. Its strategic location at the Falls of the Ohio, as well as its unique position in the central United States (within one day's travel to 60% of the cities in the continental U.S.) make it an ideal location for the transfer of cargo along its route to other destinations. In the early days, the Louisville and Portland Canal (today, called the McAlpine Locks and Dam) was a crucial link in water traffic on its route from Pittsburgh, Pennsylvania (and other origins) to the mouth of the Mississippi River, the Gulf of Mexico, and beyond. The Louisville & Nashville Railroad was also an important link between the industrialized northern cities and the South. Louisville's importance to the shipping industry continues today with the presence of the world air hub for UPS. Louisville's location at the crossroads of three major Interstate highways (I-64, I-65 and I-71) also contributes to its modern-day strategic importance to the shipping and cargo industry.

Louisville is home to several major corporations and organizations: Brown-Forman Corporation (Fortune 500); Hillerich & Bradsby (known for Louisville Slugger baseball bats); Humana Inc. (Fortune 500); Kindred Healthcare Incorporated (Fortune 500); Papa John's Pizza; Presbyterian Church (USA); Yum! Brands, Inc. (owners of KFC, Pizza Hut, Taco Bell, Long John Silver's and A & W Restaurants; formerly Tricon Global Restaurants, spin-off of PepsiCo) (Fortune 500). Louisville for a long time was also home to Brown & Williamson, one of the subjects of the tobacco industry scandals of the 1990s. Also located in Louisville are two major Ford plants, and a major General Electric appliance factory. Additionally, one third of all of the bourbon whiskey comes from Louisville. The Brown-Forman Corporation is one of the major makers of bourbon whiskey, which is headquartered in Louisville. Other major distilleries of bourbon whiskey can be found both in the city of Louisville, or in neighboring cities in Kentucky, such as Heaven Hill (Bardstown, Kentucky), Woodford Reserve (Woodford County), or Maker's Mark (Loretto, Kentucky, with a restaurant/lounge in Louisville).

In today's world, the moving of inventory and resources is the lifeblood of business. So important, that transportation logistics alone is expected to account for $470 billion annually according to Standard & Poor. In 2003, Expansion Management gave Louisville a five-star logistics ranking and in 2001 rated it the second-best city in the country for logistics. UPS has located its multi-billion North American transportation hub at Louisville International Airport. In recent years, UPS outpaced General Electric and Ford as Louisville's largest employer. The area's historic and innate logistic talent, coupled with a still-strong manufacturing base (Ford, GE and distilleries) used to provide dependable incomes for a much larger blue collar workforce than exists today. Replacements from the ranks of Louisville's youth are finding it difficult to assume these jobs in new industrial and service environments that demand additional education and advanced skills.

Recessionary impact
Job recovery is the Number 1 indicator of economic recovery. The unemployment rate for Louisville fell 0.3 percentage point in August 2011 to 9.2%. For the same month, the metro unemployment rate was a 0.3 percentage point lower than the Kentucky rate. (The unemployment rate in Louisville peaked in July 2009 at 11.1 percent.)

Car sales were up 10 percent over a year ago—great news for Louisville where Ford cars and trucks are built. And, holiday retailers are hiring, an early indicator for UPS's delivery business. UPS is another major employer.

The Housing Environment
Our region's housing environment, while relatively more stable compared to many American communities, still suffered investment attrition. The rate of foreclosures to outstanding mortgages in Louisville rose to 2.92 percent in June 2011, a 24 percent increase from the June 2010 rate of 2.35 percent, according to CoreLogic a provider of
property information, analysis and services to business and government. The foreclosure rate for June was 2.92 percent, the highest rate has been since January 2009. The rate has increased every month this year since March, when it was 2.88 percent. The 90-day delinquency rate for mortgage loans in Louisville also increased slightly in June 2011 to 5.79 percent, compared with 5.78 percent in June 2010.

The foreclosure rate for Kentucky as a whole was 2.67 percent for June 2011, an increase from the June 2010 rate of 2.05 percent. The statewide delinquency rate also increased, from 5.04 percent in June 2010 to 5.2 percent in June 2011. Our local market has been spared some of the ravages impacting other regions. Foreclosure and delinquency rates for Louisville and Kentucky are better than for the nation as a whole. For June 2011, the U.S. foreclosure rate was 3.45 percent, compared with 3.12 percent in June 2010. For June 2011, the U.S. delinquency rate was 7.22 percent, compared with 7.97 percent in June 2010.

Losses in homeownership are cumulative. In 2009, the Louisville Metropolitan Statistical Area saw a total of 7,142 foreclosures, an increase of 18.4 percent over 2008. The homeownership rate for the Louisville MSA was 67.7 percent in 2009, compared to 73.4 percent in 2002—a drop of nearly six percent at that time, with factors from both foreclosures and demographics wearing away at this essential investment base.

Jefferson County, as a population is aging. Its housing stock is aging, as well. As outlined in Beyond Merger, a profile completed by Brookings Institution Center on Urban and Metropolitan Policy, this trend, coupled with continued middle and upper-middle class flight to the eastern sector of the county and beyond, threatens to leave the central, western, and south central sectors depleted and to usurp Louisville’s value as the regional core.

The 2010 State of Metropolitan Housing Report will be updated in late October 2011. Published annually since 2003, the State of Metropolitan Housing Report examines nine measures to assess annual progress on affordable housing opportunities in the 13-county Louisville Metropolitan Statistical Area (MSA).

Data highlights from last year’s report:

- In 2009, the Louisville MSA saw a total of 7,142 foreclosures, an increase of 18.4 percent over 2008. Jefferson County saw an increase of 34 percent over the previous year.
- During the 2009-2010 school year, there were 10,558 homeless students enrolled in the JCPS system, an increase of 23 percent (nearly 2,000 students) from 2008-09 and 44.6 percent from 2006-2007.
- The homeownership rate for the Louisville MSA was 67.7 percent in 2009, compared to 73.4 percent in 2002.
- Subsidized housing continues to be concentrated in the northwestern portion of Jefferson County in council districts 1-6 and 15.
- As of September 1, 2010, there are 19,602 households waiting for either a subsidized housing unit or a housing voucher in Louisville Metro.
- For full-time workers who are paid minimum wage, which is currently set at $7.25 per hour, the affordable rent is $377 per month, which is $200 less per month than the fair market rent for a one-bedroom apartment in the Louisville MSA.
- To afford a two-bedroom unit within the Louisville MSA, a family or household would need an annual income of $27,360, or $13.15 per hour.
- “Exclusionary zoning” land use policies have promoted and sustained racial segregation in Louisville Metro by effectively prohibiting the construction of affordable housing. Zip codes with 50% of land zoned single-family had an average black population of less than 2% and a median household income of $59,309. Zip codes with more than 20% of land zoned multi-family had an average black population of 62% and a median household income of $322,245.

This report was authored by John Vick, M.A., of the University of Louisville Center for Environmental Policy & Management with assistance from Joshua Poe, Nana Sharia, Carol Norton, and Lauren Brooks.

There is ample evidence of disinvestment. Maps of historic progression of residential investment mock median household income maps—lower income households often live in Louisville’s oldest houses. For every Repair Affair home selected by New Directions, up to seven homeowners must be denied. Of those, two of seven present housing repair needs that are beyond the scope of any existing program. Neighborhood groups are identifying abandonment as a major problem and this has become the centerpiece of our Neighborhood Roundtable work. Metro Government is working with neighborhood leaders from address to address to correct code violations,
demolish or cite absentee owners. Multifamily housing is experiencing stress, also. Many thousands of families are waiting for Section 8 vouchers across the three-county region.

And, while they wait, vacancy rates for residential units skyrocket. From 1960 to 2000, there was barely a change of eight percent in the number of vacant residential units—but from 2000 to 2010, the vacancy rate nearly doubled. It spiked from 6.2 to 10.2 percent. Household size is trending downward. In 1960, the average household size was 3.36 people and today, it stands at 2.36 people. Household culture is changing, but for many there are few choices.

Clark and Floyd Counties in Southern Indiana
From 1990 to 2000, Clark County’s population grew almost 10 percent to 96,472, but half of the county’s folks live in either Jeffersonville or Clarksville, both located ½ mile from Louisville’s Urban Service District. Jeffersonville’s population alone grew, in these 10 years, by 25 percent. One third of the county’s population is under age 18 and one third of its families report incomes that would indicate eligibility for HUD HOME programming, if the resource were available.

According to housing needs assessments prepared by Indiana Coalition on Housing and Homeless Issues (ICHHI) a total of 3,693 rental units exist in Clark County, outside the nearly equal number managed by the county’s housing authorities. Of that, 1,743 units were developed with site-based subsidy and there have been virtually no vacancies, hence “... high occupancy and long waiting lists indicate that additional subsidy units are needed.”

The ICHHI Housing Inventory revealed that many owner-occupied units are in need of repair and rehabilitation. New Directions Housing Corporation enters its 15th year of home repair support to Clark County. There is a perception in the community that development is falling behind housing need. Of the 311 people interviewed by ICCHI in 2002, over 70 percent stated that there was not enough housing to meet demand and two issues virtually tied as being “most needed” with 36 percent stating desires for increased rental housing and single-family housing. ICCHI forecasts that Clark County will need at least an additional 592 units by 2010 to keep pace with envisioned population growth. Of the 41,176 units counted by the U.S. Census, 74 percent were built prior to 1979. With their assessment of data, resident input and surveys, ICHHI outlines the following priorities for Clark County: 1) housing preservation for quickly deteriorating housing stock—both rental and owner-occupied; 2) home purchase assistance and counseling; and 3) development of new rental and home ownership stock. Rental stock of two and three bedrooms is particularly needed.

Housing and services for minority populations (especially Hispanic), persons with disabilities and the elderly are identified as dynamically growing issues. Increasingly, Clark County suffers from a distinct divide between its older urban residential core featuring older and aging homeowners and their new “neighbors” choosing large homes further north and away from the cities.

Floyd County
Like Clark County, Floyd County’s nearest neighbor to the south is Louisville, Kentucky however the county seat, New Albany, faces Louisville’s troubled Portland and Shawnee neighborhoods at the region’s western edge. Half of the county’s residents live in New Albany, which is a HUD CDBG entitlement city. Like Clark County, ICHHI’s recent assessment of the county outside the city. Owner-occupied housing units need rehabilitation and repair, especially for special needs populations. More than 62 percent of the housing in the outlying county beyond the New Albany city limits is over 25 years old.

Rehabilitating existing housing stock for resale is important, accompanied by housing counseling programs. A notable community-driven comprehensive plan released in September 1999 articulated a major strategy for inner city redevelopment which called for redevelopment and revitalization of the core urban area. Brownfield remediation was prioritized and, in fact, the development of St. Edward Court in New Albany by New Directions launched the city’s first experience with the State of Indiana’s Brownfield Loan Program. New Albany has since also prioritized the sequential development of neighborhood plans to involve neighbors as stakeholders and residents. The city has a higher concentration of residents over the age of 65 relative to the rest of the county, and that, coupled with a tradition of homeownership, leaves the city with a growing mantle of responsibility to longtime residents with home repair and rehabilitation needs. Even more pronounced in Floyd County is the phenomenon of two communities—aging and of low income in “the valley,” or the city, and in the exurban and suburban areas, a percentage of younger families that exceeds that of the state. In many cases, these are
new “Hoosiers” moving from Louisville having little affinity for the older neighborhoods in the city. About 32 percent of the city’s households earn less than $15,000 per year, compared to the state at 23 percent and 15 percent for the ex-urban areas of Floyd County. Residents are becoming more and more engaged, either by invitation or by demand, in Kentuckiana. The cities of Louisville Metro, Jeffersontown and New Albany have made greater efforts to communicate planned dates for public input into HUD CAPER. Our HUD field offices in Louisville and, for Floyd and Clark counties, Indianapolis, are making extraordinary efforts to work together to increase access to training and consistently tracked data.

The cloud’s silver lining—NSP for New Albany
One neighborhood in New Albany has experienced severe vacancy and abandonment—the area around our 57-unit Saint Edward Court, now known as Midtown. With scores at 9 of 10 on the HUD Risk Assessment (high risk), Midtown has become the focus neighborhood for action. In March, 91 homes were vacant in Midtown; another 42 were in foreclosure.

Even recently, Realty Track maps of Midtown showed a disproportionate pattern of foreclosure since absentee speculators were flipped themselves, caught in the recession’s undertow. The City of New Albany has chosen New Directions as its Developer Partner, and Neighborhood Stabilization Program funds of $6.7 million have been targeted to remove blight and reboot this neighborhood on the edge of their revitalized downtown. Areas to the east have market strength, and to the west a renaissance of small business development is making New Albany a destination, such as is being experienced in many Midwestern communities with interesting architecture and population density. With a sudden shut-down of the connecting bridge to Louisville, New Albany’s growing economy definitely stumbled—but should bounce back as the bridge is repaired in March 2012 or before. While covered in greater depth in the Home Ownership Preservation section of this Operational Plan, New Albany’s NSP and subsequent owner-occupied rehab have been launched with New Directions as its operational partner—in direct response to community planning and resident feedback.

The Greater Louisville Project
Our regional community’s future is dependent on the vitality and charisma of its neighborhoods. In July 2006, The Greater Louisville Project—a collaborative including the city’s government and its largest foundations—issued a major position paper which prioritized quality neighborhoods as one of six key strategic areas. This study followed an earlier work by Brookings Institute that has become a blueprint for post-merger Louisville governance. With keen insight, the GLP sees our neighborhoods as an invaluable component as our community positions itself to compete with peer cities in the next decade. In early 2007, The Greater Louisville Project released its 2007 Competitive Cities Report, to keep us on track toward our civic goals. Subsequent reports are published and available at www.greaterlouisvilleproject.org, including one recently completed on Louisville’s urban retail expansion opportunity by The Social Compact.

Moving Louisville into the top tier of American cities requires significantly accelerating the pace of change to achieve stable gains in key areas for 21st Century success. The goal is to move Louisville by 2010 into the top tier among its peer cities on the three Deep Drivers: education, jobs and growth.

Seneca Gardens—stack up against Chicago’s Oak Park or San Diego’s Balboa Park. Some of our neighborhoods are ready for the challenge and others are diamonds in the rough. It’s up to neighborhood stakeholders—residents, municipal investors, private investors and others—to declare new standards of excellence for local neighborhoods so that they can share in fresh prosperity and choice.
Louisville, Kentucky and Floyd and Clark counties, Indiana
2011 Progress Report and Organizational Update
For more information, please contact:
Lisa Thompson, Chief Operating Officer, NDHC
502.719.7106 or by email at lisat@ndhc.org

New Directions Housing Corporation (Louisville, Kentucky, and Floyd and Clark counties, Indiana) is one of the region’s largest and most productive community development corporations. Created in 1969, it has evolved into a tri-county agency offering excellence in Real Estate Development, Asset and Property Management, Resident Services, Home Ownership Preservation and Community Building & Organizing. New Directions is a participant in both the NeighborWorks® America network and Louisville Metro United Way. Its board and key leaders are committed to neighborhood capacity building, family self-sufficiency and regional community development.

Since 2005, New Directions has benefited from the invaluable consultation of NeighborWorks® America, now much appreciated by neighborhood and municipal leaders in Louisville and Southern Indiana. As New Directions faces the challenges of the most severe economic recessions of our time, its strong partnership with NeighborWorks America is much valued. Knowledge, advice, resources and peer support are available through the network. We attribute our capacity to sustain production, improve services and strengthen the agency largely to affiliation with NWA professionals and other network members.

In the future, as one of the 42 strong NeighborWorks® Organizations working together in the Southern District, New Directions will work collaboratively to be a strategic partner in regional and national branding opportunities like NeighborWorks Week. We will seek creative ways to bring resource and business to fellow NWOS and affiliates like Community Housing Capital and National Training Institute. The beneficiaries of these strategies will be the neighborhoods and residents living across the District.

Recovery, revitalization and renewal
The last three years have been challenging, but successful, at New Directions. With multifamily improvements totaling over $12 million, an expanding Home Ownership Preservation agenda and a living portfolio of vibrant human services and organizing strategies, New Directions is in a high production gear. Board and staff are engaged in process improvement and strategic planning, to be poised for growth and change.

New Directions Housing Corporation now enters the “final stretch” in stimulus funding implementation. Ahead, federal and state cutbacks are almost assured. Now, more than ever, strong planning is essential to marshal all of the agency’s capacities to benefit the community.

There have been strong results. New Directions maintained steady progress toward established goals in portfolio strengthening. We redoubled efforts in community stabilization using staff resources from administration, real estate development and community building to seize appropriate funding and to design programmatic approaches. Major redevelopment projects at Jackson Woods and Saint William Apartments have been completed, and the refinancing and rehabilitation of Brandeis Apartments is also completed—an opportunistic addition to the pipeline. Nearly $8 million in Neighborhood Stabilization Program I funding has been successfully obligated, and construction is furiously going forward on 36 single family home sites in Louisville and New Albany—all without debt. Sales are happening at our first units—in fact, the Louisville sites are almost sold out!

Neighborhood marketing has begun in NSP areas, thanks to NeighborWorks community stabilization funding. Opportunity arose again, and New Directions jockeyed to secure precious CDBG funds for rehabs to owner occupied housing in NSP and Neighborhood Revitalization Strategic Areas. Our adherence to the framework of Healthy and Robust Neighborhood Revitalization enables us to be stewards of neighborhood plans, such as the Quality of Life Action Plan for Smoketown and Shelby Park, to be published later this fall.
Community building and resident services have transitioned through planned resource changes, as two collaboratives aged out of their funding agreements. Bridges to Tomorrow, a Metro United Way initiative for which New Directions served as fiscal sponsor, sent over $1.3 million through our agency to build capacities at four community centers. The California Collaborative is transitioning out of a three-year funding cycle, and area council leaders are seeking the funds to continue the work—a strong vote of confidence, certainly.

The economic backdrop
Our local economy is slowly recovering from the Great Recession. Job recovery may be the Number 1 indicator. The unemployment rate for Louisville fell 0.3 percentage points in August 2011 to 9.2%. For the same month, the metro unemployment rate was 0.3 percentage points lower than the Kentucky rate. The unemployment rate in Louisville peaked in July 2009 at 11.1 percent. Now 1.6 percentage points lower, the region is still cautious.

National car sales were up 10 percent over a year ago—great news for Louisville where Ford cars and trucks are built. Holiday retailers are hiring and is welcome news for our good friends at UPS, whose local hub and airline depend on a robust holiday season.

Our region’s housing environment, while relatively stable compared to many American communities, still suffered investment attrition. The rate of foreclosures to outstanding mortgages in Louisville rose to 2.92 percent in June 2011, a 24 percent increase from the June 2010 rate of 2.35 percent, according to CoreLogic, a provider of property information, analysis and services to business and government. The foreclosure rate for June 2011 was 2.92 percent. The rate has increased every month this year since March, when it was 2.88 percent. The 90-day delinquency rate for mortgage loans in Louisville also increased slightly in June 2011 to 5.79 percent, compared with 5.78 percent in June 2010.

The foreclosure rate for Kentucky as a whole was 2.67 percent for June 2011, a 30 percent increase from the June 2010 rate of 2.05 percent. The statewide delinquency rate also increased, from 5.04 percent in June 2010 to 5.2 percent in June 2011. Losses in homeownership are cumulative. In 2009, the Louisville Metropolitan Statistical Area saw a total of 7,142 foreclosures, an increase of 18.4 percent over 2008. The homeownership rate for the Louisville MSA was 67.7 percent in 2009, compared to 73.4 percent in 2002—a drop of nearly six percent at that time, with factors from both foreclosures and demographics wearing away at this essential investment base.

Bank consolidation and courting new lending partners
It has been more than a year after the TARP-mandated acquisition of Louisville market leader, National City by its rival PNC Bank. Due diligence has settled, but there is little appetite for increasing access to credit. Fifth Third Bank has been a tremendous capital partner, working with our agency in NSP operations and ensuring access to Federal Home Loan Bank of Cincinnati. An agency goal is to diversify our portfolio of lending partners while maintaining a prudent line of credit limit and a strong book of receivables.

Last year, New Directions was able to complete its tax credit pipeline projects. Jackson Woods found its equity investor in the newly constituted PNC Bank, and Saint William Apartments was enabled through work with Ohio Capital Corporation for Housing and Fifth Third Bank, as equity investor. Now, construction is completed on both projects, and residents have returned home.

Tax credit applications have been filed for 2012 for Woodbourne House, with a new equity partner standing ready in Stock Yards Bank & Trust. Brandeis Apartments was refinanced for long term preservation, but the note was moved from PNC Bank to Community Housing Capital, a NeighborWorks affiliate.

Tax credit access
Rigorous discussion continues at the state level in Kentucky and Indiana. Proportional access by population to the state’s Affordable Housing Trust Fund and Low Income Housing Tax Credit allocations is important. Ironically, since the Kentucky AHTF is funded by transfer tax, the Commonwealth’s larger communities are doubly hit in that foreclosure-related transfers are providing a boon to the Fund—but we are under-represented in fund awards! Policy is marginalizing the state’s urban developers into development of special needs housing without a strategy to serve low income families or to more aggressively preserve existing subsidized housing.
Queuing projects in the RED pipeline

With the largest subsidized NDHC properties—Directions and Russell and Shawnee—pending in the redevelopment pipeline, advocacy with KHC will continue in earnest. These Real Estate Development priorities are significantly important to Louisville’s families of low income, and the agency’s continued capacities to provide quality shelter and resident services.

A final significant event occurred in May 2011, as HUD announced that Louisville’s public housing complex, Sheppard Square, will receive one of its final HOPE VI awards. This brings both opportunity and challenge, as the city purposes its CDBG and HOME funds to leverage the HOPE VI grant, and the state sets aside Low Income Tax Credits for the project. For this reason, New Directions has adjusted its pipeline to bring forward the redevelopment of Reeser Court through HUD Green Mark-to-Market, the refinancing of Roosevelt Apartments and the creative disposition of Parkland Scattered Sites, which are historic homes in west Louisville.

Planning process: organizational strengthening and the neighborhood challenge.

This environment of change has fueled strategic thinking. Intensive planning through the Campaign for Excellence initiative continues the focus on the agency’s central goals, organizational strengthening and the neighborhood challenge in Louisville’s Smoketown and Shelby Park.

- **Organizational Strengthening Goal:** New Directions will maintain standards as a high performing community development corporation with a focus on service enriched rental housing and neighborhood revitalization. NDHC will have a well-trained staff that is success and outcome oriented for maximum internal and external collaboration in support of its mission. NDHC will have a fully aligned board which is fully informed and actively engaged with the mission and strategic direction of the organization. NDHC will secure engaged volunteers from all segments of the community in support of its strategic effort.

- **The Neighborhood Challenge:** By the close of 2016, Smoketown and Shelby Park will be mixed income neighborhoods of choice and diversity. They will have preserved the homes and heritage of their longtime residents while creating new opportunities for urban dwellers. These neighborhoods will demonstrate high educational attainment for children and adults. Residents will achieve increased family assets. Smoketown and Shelby Park will have safe streets and high employment. They will be neighborhoods that have built community.

Changes made within the organization

Pressure from this tumultuous environment has had an impact within the agency. And, creative solutions have emerged, thanks to a strategic process called Campaign for Excellence. Last year, we appointed a Resident Services Director and consolidated our Transitional and Family services operations. This year, we consolidated Home Repair and Housing Rehabilitation into a unified Home Ownership Preservation management structure. The time was right, and new funding partnerships have emerged, compelled by existing relationships in Community Building and Organizing. New leadership has been appointed in Property Management, again promoted from within the organization. These four lines of business are aligned together, under the supervision of the Chief Operating Officer.

Revised bylaws have created the office of Chief Executive Officer, held by Joseph Gliessmmer who previously was the agency’s Executive Director. The request for Expendable Funds, Community Revitalization resource, Technical Assistance and Capital Lines of Business funding emerges from planning with board and key staff, as well as continued analysis of the environment and the agency’s balance sheet and portfolio strengths.

At the heart of the agency are its people. In addition to staff, the agency continues to increase openings for interns and volunteers for capacity building. A third year with the NWA AmeriCorps VISTA program has just begun. Three Kentucky AmeriCorps volunteers have been recruited and University of Louisville School of Urban and Public Affairs has encouraged students to choose New Directions for practicum placement.

Campaign for Excellence Five Year Strategic Plan

One planning product from this effort will be a five-year strategic plan to focus efforts until 2015. Already identified priorities include investment in systems and consultative services to increase expertise in neighborhood
revitalization strategies, technical systems adaptation, innovation encouragement, and capacity building in
measurement operations to better assess outcomes on the community and program levels.

Strategies for board and staff strengthening will prepare new leadership on all levels. Consultative support for the
Board of Directors can enable mission-driven capacity building with concentrations on attributes unique to New
Directions and essential to Kentuckiana.

Board commitment continues to be active and a future focus for community building, volunteerism, neighborhood-
centric ad hoc structures and resource development. Preparation for leadership change and succession is part of
board support of executive management focus on systems improvements and alignments within lines of business,
staff training, relationship development for high-impact collaborations and resource development.

**NeighborWorks partnership in 2012**
Moving forward, we will seek Expendable Grant funding of $100,000 to continue our work with Community Level
Outcomes and for our intensive Asset Management and Resource Development work. In our Community Building
and Organizing 2012 agenda, continued work on Green Capacity Building in neighborhoods will be a priority.

We will request $100,000 in **Community Stabilization** for capital projects and resident engagement as we
systemize and operationalize strategies from three resident-driven plans in three NSP/NRSA neighborhoods. Details
of this approach will be provided in the Community Building and Organizing section of the FY12 Operational Plan.

Our request of $600,000 in Capital Lines of Business funding will fuel 2012 and 2013 portfolio strengthening
strategies outlined in the pipeline: Reeser Court Green Mark-to-Market refinancing and Transfer of Property Assets,
and recapitalization and the refinancing of Roosevelt Apartments in December 2012.

**Technical Assistance**
New Directions will seek support for Technical Assistance for two priorities in 2012. Michelle Hartson of Inner
Harbor Partners has become a NeighborWorks consultant, and New Directions intends to continue its work with her
to guide the Campaign for Excellence strategic process. Also, our Property Management staff team will benefit
from Low Income Housing Tax Credit place-based training for which we will submit a Technical Assistance
application in December. This will strengthen ongoing compliance work in asset management.

**FY10-11 Achievements by Lines of Business**
New Directions accomplishments in the last year are numerous, and more fully described in the Operational Plan,
but the selection of identified SMART goals from the FY11 Operational Plan, and following status reports, provide
a glimpse of the agency’s impact.

**Administration Outcome Goals**

**A2011OG#1:** In 2009-10, New Directions Housing Corp. (NDHC) will maintain standards as a high performing
community development corporation with a focus on service-enriched rental housing and neighborhood
reinvigoration. NDHC will have a well-trained staff that is success and outcome oriented for maximum internal and
external collaboration in support of its mission. NDHC will have a fully aligned board, which is fully informed and
actively engaged with the mission and strategic direction of the organization. NDHC will secure engaged volunteers
from all segments of the community in support of its strategic effort. **STATUS: Achieved.** As previously noted,
The Campaign for Excellence maintains focus on governance and succession at the board level. Community level
outcomes are at the core of the Neighborhood Challenge. Staff structural change, benefitting from internal
promotions as trained professionals are tapped for opportunity, deepens the bench. In 2012, the board will become
even more engaged in focus neighborhoods, learning about culture, market potential and resident vision and
planning, as the context of our business.

**A2011PG#1:** New Directions will complete an agency board strategic planning retreat with 80 percent participation
by October 1, 2011. **STATUS: Achieved.** The agency’s board of directors and senior staff met for two strategic
planning sessions. On December 9, 2010, 73 percent of members, and on August 26, 2011, 65 percent of members,
participated at strategic planning sessions accompanied by the Chief Executive Officer and Chief Operating Officer.
Both meetings were facilitated by Michele Hartson with Inner Harbor Partners, as a continuation of the year-long
governance strengthening process entitled Campaign for Excellence. Detailed within the FY12 Operation Plan and
Progress Report are ongoing governance strategies for the board to become more intensively engaged in focus neighborhoods, as allies and stakeholders.

**Real Estate Development Outcome Goals**

**RED2011 #1/70:REVISITED:** Complete construction and reach certifications at Saint William Apartments (53 units) before December 31, 2010. **STATUS: Achieved.** Saint William Apartments LLLP (53 units) has undergone a comprehensive $4.2 million rehabilitation with construction reaching significant completion by December 31, 2010, and full occupancy by July 2011. A renovated Learning Center aids the largely disabled resident community and a full time Service Coordinator is provided through a special HUD grant, bringing additional resources to the property.

**RED2011 #2:** Complete construction and certifications at Jackson Woods Apartments (60 units) by June 2011, and no later than December 2011. **STATUS: Achieved.** Jackson Woods Apartments LLLP has undergone a comprehensive renovation. All certificates of occupancy had been awarded by June 30, 2011 for its 60 units and new onsite Learning Center facility, dedicated as the Kelty-Steinbock Idea Center.

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<th>Sources</th>
<th>Jackson Woods Apartments LLLP</th>
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**RED2010-11#3:** Woodbourne Place (11 units) will reach the closing table. This will be a $2.4 million development to serve elderly persons in eastern Louisville. **STATUS: Pending.** This project, while making progress, is now a top priority within the Real Estate Development Pipeline. Adaptive strategies include applications for Low Income Housing and Historic tax credits. Completion is now anticipated in 2013, with an allocation of Low Income Housing Tax Credits anticipated by January 2012. In the interim, HUD has awarded a $190,000 planning grant to ensure this project reaches its goal.

**Additional progress: Brandeis (Pearson) HAP Transfer Project**

In 2010, New Directions turned its attention to Brandeis Apartments, Ltd., designing a two-point plan to increase financial stability at this flagship property in Louisville’s California Neighborhood. A $105,000 Portfolio Strengthening Grant was received in 2011 which galvanized an eight-step strategy to transfer a valuable HUD Housing Assistance Program contract from Pearson Court to Brandeis Apartments. Built in 1971, Pearson Court is functionally obsolete and slated for disposition. With its HAP contract valued at more than $290,000 annually, Pearson will provide one final service to New Directions and to its residents who have already endorsed the relocation. The HAP contract, with HUD approval pending, will move with its residents to Brandeis Apartments. Significant advances occurred this year. Partnerships at both Pearson Court and Brandeis Apartments have been dissolved. Louisville Metro refinanced subordinate debt, and loaned the project another $525,000 for major capital repairs. The original mortgage at 8.5 percent was refinanced with Community Housing Capital at a substantially lower rate. As soon as HUD gives its approval, the HAP contract and residents will be relocated, and Pearson Court will be dismantled, preparing the land for future development.
Neighborhood Stabilization Program 1 projects in both New Albany, Indiana, and Louisville’s Shelby Park are successful, and performing against their timetables. Sales are beginning to quicken in both markets, despite the national credit crunch.

2010-11 Asset and Property Management Outcome Goals

APM2011: Maintain resident retention rate of 65 percent while achieving a 97 percent collection rate. STATUS: Achieved. From 07/31/2010 to 06/30/2011, we attained 83 percent retention rate and a 92% collection rate. In an era of site renewal, but considerable disruption to residents’ lives, we are grateful for their partnership and willingness to stay with New Directions.

APM2011: Achieve a portfolio-wide occupancy rate of 96 percent. STATUS: Achieved. From 07/31/2010 to 06/30/2011 the portfolio occupancy rate was 96%, excluding Jackson Woods and St. William Apartments. Due to delay in construction, all units were not completed and ready for occupancy until June 30, 2011.

Home Ownership Preservation Outcome Goals

HOP2011#1: From June 30, 2009 to October 2011, New Directions Housing will have completed the rehabilitation of another 20 owner-occupied houses in Smoketown or Shelby Park, using HOME and other contributed funding. Three of these will be funded by a $78,750 KHC Affordable Housing Trust Fund allocation. STATUS: Pending. As of September 30, 2011, New Directions Housing had completed seven housing rehabs in Smoketown and Shelby Park neighborhoods using HOME and Federal Home Loan Bank funds. New Directions Housing has not yet fully deployed the $78,750 in Kentucky Housing Corporation Affordable Housing Trust Fund allocation. Work is scheduled on another 11 homes.

HOP2011#1b: In addition, New Directions will submit its first application to Indiana Housing and Community Development Authority for additional HOME rehab funds to assist Midtown. STATUS: Achieved. New Directions Housing successfully submitted an application to the Indiana Housing & Community Development Authority for housing rehabilitation to support the Midtown Neighborhood Stabilization Program (NSP). This newly secured $325,000 grant will benefit 21 homes over 18 months. Notably, as described in the FY12 Operational Plan, the Home Ownership Preservation Line of Business has been reorganized and expanded. Currently, there are new contracts with Louisville Metro Government for a $400,000 roof program and a $1.7 million owner occupied rehabilitation program that can span three years. This will benefit 70 homes, in total.

Resident Services Goals

RS2011#1: By November 2011, Resident Services and Property Management will have completed a series of trainings to introduce the utilization of coaching in their service delivery with residents. STATUS: Achieved. Through a series of “Lunch and Learn” sessions designed to implement coaching skills through every day interactions with residents, Property Management completed 16 hours and Resident Services completed 22 hours of training. Resident Services completed an additional 47 hours of one-on-one life skills coaching with our consultant, experiencing coaching from the consumer’s perspective.

RS2011#2: By October 2011, the last of five data management systems will be employed to ensure accurate and compliant data to funders. These include: The Kentucky Homeless Management Information System (HMIS) for the Transitional Services program; KidTrax for the Youth program; AFII for the Individual Development Account for Home Ownership program; YARDI/RS for the Service Coordination program; and YARDI Construction for Resident Services’ budgets. STATUS: Achieved. US Dept. of Housing and Urban Development, Metro United Way, and the US Department of Health and Human Services/Administration for Children and Families funding require the use of HMIS, KidTrax, and AFII systems, respectively. Our home-grown version Resident Services software using YARDI provides a more economical electronic case management process than the one endorsed by the American Association of Service Coordinators that aids in the HUD Semi Annual Service Coordination report. And finally, New Directions “PASS” module, another YARDI project, interfaces with the agency’s general ledger to ensure consistent spending and budget controls for the entire department.
Challenges, adaptive strategies and major achievements that exceeded goals

Challenges faced are not unusual for high-production community development corporations at this stage of national economic recovery. Liquidity is a challenge as fee for services invoices for multifamily and single family rehabs, new construction and normal operations push their way through accounts payable. Our CFO and directors are keenly aware of getting invoices to reimbursing governments while maintaining the pace of getting services on the street. Unfortunately, banks are not keen to lend, with a few exceptions like Fifth Third Bank, our line of credit partner in the Midtown Renaissance.

Our exploration of production of affordable housing in higher income neighborhoods has been challenging. Woodbourne Place, a project that will preserve an antebellum mansion and will create affordable housing for seniors, takes New Directions to a new neighborhood and links it to enthusiastic, but inexperienced partners. Far from defeated, innovative strategies have been required to manage proposed unit costs as well as the expectations of a higher income neighborhood and a church that recently mourned the loss of its champion for this project. A resource application has been submitted for Low Income Housing and Historic tax credits.

Many of our successes have been noted throughout this document. The pipeline is flowing, with multifamily and single family units reaching certificate of occupancy and rehabilitation completion points. Reorganization and intensive resource development has secured new resources for Home Ownership Preservation, notably Community Building and Organizing fiscal sponsorships ending this year may be replaced by other fee for service business with public partners. In other eras, we’d postpone intensive board and staff strategic planning, but with the realization that no external public funding is predictable, we prioritize planning in cash and asset management, neighborhood impact awareness and resource development.

Exceeding expectations: Community Building and Organizing Outcome Goals

While no goal was called out for this line of business, the year has been very full. Four neighborhoods have asked New Directions to manage special grants or capital projects. Each has created strategic plans from civic processes or public leadership. New Directions, using its platform of business discipline and its community development mission, is considered a powerful partner. We consider their trust an honor.

Smoketown and Shelby Park residents and stakeholders conducted a three-month series of focus groups as a final vetting process for a Quality of Life Action Plan to be published in October 2011. In California, a $450,000 pilot program enabled neighborhood leadership to create an actual neighborhood management system to support its resident association—again choosing New Directions as fiscal sponsor and operations manager. As reported in the Home Ownership Preservation section, Midtown, New Albany, and Portland Neighborhood have chosen New Directions to manage their own occupied housing rehabilitation programs.

The Neighborhood Roundtable has enjoyed a vivid, politically aware year. Green meetings and six mayoral candidate forums put this important advisory group “on the map” of community awareness. Rich meeting agendas and additional volunteerism ensure that these leaders can learn from each other, enjoy fellowship and prepare their respective groups for issues on the political horizon.

The agency’s major organizing achievement was in hosting the 2010 Community Leadership Institute. Working closely with the masterful National Training Institute, New Directions welcomed over 900 grassroots leaders to Louisville. Over 100 volunteers helped as Mobile Clinic guides, on-site clinic facilitators and Ambassadors, helping to conduct traffic and inform guests about downtown shopping, points of interest and landmarks. An opening reception at the Muhammad Ali Museum featured a rousing speech of welcome from Louisville Mayor Jerry Abramson.

Production and performance measures

In addition to the measured outcomes tracked in quarterly and annual reports, Compass and community level outcome tracking, New Directions monitors client and program outcomes through data collection related to multiple logic models. New Directions has secured local awards and acknowledgements. Exceptional Performance Awards from Metro United Way have been presented to our Learning Center and Transitional Services programs for the last four years.
New Directions has been cited for its efficiencies, too. Governed by a committed 24-member volunteer board of directors, New Directions is currently ranked as its region’s 11th largest nonprofit as measured by 2009 gross income. In the most recent comparison available, New Directions was notably ranked as the 12th most effective nonprofit volunteer organizer, with 20,945 donated hours counted in 2008. It was ranked 6th of 22 of the region’s most efficient agencies by percentage of 2008 expenses used for programs and services, New Directions directs 91 percent of its expenses directly into high-impact activities to benefit its three-county service region.
(Source: Business First Book of Lists, October 2009 and 2010.)

Community Level Outcome measurement operations
While discussed in greater depth in the Community Level Outcomes Survey in the Online Reporting System, in summary, New Directions continued its participatory survey work using Success Measures® tools in the California Neighborhood. We also implemented an indicator tool set in the Midtown Neighborhood, New Albany, Indiana. Initial efforts with SM in 2007 were a moderate success in which we did some base-line data collection in the Smoketown and Shelby Park neighborhoods. Last year, the Neighborhood Management Coordinator and his cohort of youth leadership used the Visual Attractiveness of Neighborhood survey tool and Key Informant Interviews to collect information about vacancy and abandonment in a flood-hit section of the California Neighborhood. This year in California Neighborhood, a powerful mail ensemble delivered information and the survey to every household.

Knowing more about the potential for community level outcomes in Midtown continues to be an agency priority in 2012, and part of the case for a special Expendable Grant request we will submit within the Community Stabilization Application.

Impact made by NeighborWorks support in 2011
Round I capital grant funds from last year of $273,000, along with additional grant funds from the NDHC Capital Grants portfolio, are leveraged within the Saint William Apartments and Smoketown Mark-to-Market projects. CFRAH funds of $475,000 are invested in the Jackson Woods project and $105,000 in Portfolio Strengthening. Funds are already at work in the Brandelis HAP Transfer. Expendable Grants from Round I of $80,500 helped to defray administrative costs related to staffing in Asset Management, Information Technologies and Resource Development. In addition to this generous allocation, New Directions used two Community Leadership Institute Action Plan Grants of $2,000 for projects with our Neighborhood Roundtable called ReciproCITY. Technical Assistance grants enabled start-up work in strategic planning with Michele Hartson, Inner Harbor Partners. New Directions won a $50,000 Community Stabilization Grant for the Midtown Revitalization to help implement a neighborhood marketing plan to enhance broker strategies for home sales. Two grants from NFI helped mobilize Mobile Clinics and consultative support to host the 2010 Community Leadership Institute in Louisville.

Round II recently provided for a $150,000 allocation to write down debt on Roosevelt Apartments, which is being prepared for financial redevelopment to preserve its affordability.

Marketing and Resource Development Plan
New Directions centralizes the duties related to all activities in fundraising, resource and relationship development, volunteer coordination, public relations and special events. Along with the agency’s chief operating officer, these activities are carried out by a full-time Resource Development Specialist.

A critical component of resource development is in the accurate and detailed record keeping that forms the basis for solicitation. New Directions has achieved success in the solicitation of corporate and congregational sponsorships for its special programs. Data are maintained in a Raisers Edge database, which has been enhanced with the addition of volunteer management software. This prospect, donor, and volunteer data base is monthly aligned with data originating from Yardi as a periodic internal audit. By accurately capturing relationships and funding patterns, we work to bring resources in the form of volunteer labor, monetary donations and in-kind gifts. In fundraising, staff and volunteers—especially board members—can work together to identify and respond to federal, state and private funding opportunities. The Resource Development staff compiles and archives grant applications, maintains constituent records, then records and tracks pledges and donations. Records are provided to donors and often aggregate data are needed by state, county or federal offices for compliance. An annual Resource Development Plan has been established, inclusive of internal campaigns, Metro United Way membership requirements and annual public funding rounds. Advocacy by key volunteers is securing additional interviews with funding decision makers.
In addition to sponsorships and special project funding, New Directions is a member of The Coalition for the Homeless, which gives us access to HUD Supportive Services funding. New Directions is a member agency of Metro United Way. This relationship annually yields between $180,000 and $250,000. We are grateful that New Directions continues to be funded by Louisville Metro External Agency Funds (general funds), which are competitively awarded annually.

Volunteer coordination is of great value at New Directions. We maintain the volunteer data base to record hours and work accomplished and to produce volunteer reports, often an impressive component in an application to a charitable foundation. Thanks to creative volunteers, New Directions publishes an annual report, special reports and has a fully functional web site that meets national Better Business Bureau charitable standards.

Our resource development team works very closely with the agency’s Chief Executive Officer to produce the agency’s annual report and governance support materials. This staff also works with Repair Affair staff to ensure administrative volunteers are prepared for event days during NeighborWorks Week.

**Our Thanks**

In closing, we thank all of our partners at NeighborWorks America. The Great Lakes Region had been an extremely supportive partner, and we are grateful. We look forward to our new relationships as part of the Southern District. Both the Organizational Assessment Division and National Training Institute were our guests in late 2010. We appreciate the value of NeighborWorks America in Louisville and Southern Indiana!
New Directions Housing Corporation
Lines of Business and 2011-12 Business Plans

1. Real Estate Development

2. Asset and Property Management

3. Home Ownership Preservation

4. Resident Services

5. Community Building and Organizing
Real Estate Development

- *Multifamily Housing Development and Preservation*
  *Woodbourne House and Tonini Building*
  *Portfolio Strengthening and Capital Lines of Business*

- *New Directions Community Stabilization Action Plan: Neighborhood Impact*
  *Midtown, New Albany*
  *Shelby Park, Louisville*
Real Estate Development Line of Business

Program name: Real Estate Development
Program start: 1971
Geography: Jefferson County, Kentucky, and Floyd County, Indiana

Program purpose: Opportunities to develop or to preserve housing through capital projects are the work of New Directions Real Estate Development Line of Business. Although the primary customer for these services is the agency itself, New Directions is also able to provide resource development, construction administration and consultancy to benefit others dedicated to the creation and preservation of affordable housing and the revitalization of neighborhoods.

Products and services: New Directions staff adroitly seeks resources to fuel development, and has become accustomed to soliciting diverse funding to accomplish its goals. Sources have included HUD Section 811 and 202 grants, the Federal Home Loan Bank system, regional state finance agencies Kentucky Housing Corporation and Indiana Housing Finance Agency, HOME funds, Community Development Block Grant funds, Historic Tax Credits, Low Income Housing Tax Credits, charitable gifts and even volunteerism. New uses for environmental technologies are being explored to bring energy efficiencies to properties, this year through HUD Mark-to-Market refinancing strategies.

Construction support services can also be provided, to coordinate the work of any project’s development team, often inclusive of architects, general contractors and specialty contractors. The evolution of the development process has brought the talents of the Community Building and Organizing team onto the work team, especially in Louisville’s Smoketown and Shelby Park neighborhoods. More detail about this evolution is contained in other sections of the Operational Plan, but it is important to note here that the agency’s board and management staff see this component as vital to the success of all development activity. In 2011, that linkage has been fortified as RED activities will be linked through operations to CB&O use of Success Measures indicator tools to support study of the agency’s Community Level Outcomes in the NSP-funded Community Stabilization Action Plan.

New Directions is also an able and conscientious compliance agent, ensuring that funds integrated into projects are complementary and manageable long after construction ends. The agency’s practical design and development style is influenced by its close association with New Directions Asset and Property Management. Having both skills inhouse ultimately leads to more confidently and efficiently produced housing.

Our 2009-10 Real Estate Development goals for the coming year include the following:

<table>
<thead>
<tr>
<th>Projects Underway, 2011-13</th>
<th>Project Start</th>
<th>Project End</th>
<th>Total Dev Cost</th>
<th>Unit #</th>
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</thead>
<tbody>
<tr>
<td>New Directions Housing Neighborhood Stabilization Program (New Albany's Midtown Neighborhood) Phase 1</td>
<td>04/09/2010</td>
<td>04/01/2012</td>
<td>$5,631,524.00</td>
<td>26</td>
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<tr>
<td>New Directions Neighborhood Stabilization Program (New Albany's Midtown Neighborhood) Phase 2</td>
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<td>04/01/2013</td>
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<td>Reeser Apartments Green Mark-to-Market Project</td>
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<td>06/30/2013</td>
<td>$1,500,000.00</td>
<td>54</td>
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<td>New Directions Neighborhood Stabilization Program Phase II (Louisville's Shelby Park)</td>
<td>10/31/2011</td>
<td>03/29/2012</td>
<td>$618,000.00</td>
<td>3</td>
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<tr>
<td>Roosevelt Apartments</td>
<td>09/30/2012</td>
<td>12/31/2013</td>
<td>$925,000.00</td>
<td>47</td>
</tr>
<tr>
<td>Parkland Scattered Site Portfolio / Disposition of initial sites (Collaborating with NDHC Property Management staff)</td>
<td>03/01/2012</td>
<td>12/31/2012</td>
<td>$440,000.00</td>
<td>19</td>
</tr>
</tbody>
</table>

$10,531,667.00 159
In 2009, New Directions was invited to enter the NeighborWorks America Capital Line of Business Pilot, providing us with the opportunity to map five years of envisioned Real Estate Development, principally based on the existing portfolio. The agency has been able to move from predevelopment to development, despite the still chilly investment climate. This year’s successes are an indicator that banks and public financing entities are in synchronicity again. Access to credit and all kinds of lending capital is still challenging.

**DONE: Saint William Apartments**
Leonard Watkins, NDHC board emeritus, recalls when his recently married sister established her first home at Saint William Apartments in the 1960s. The California Neighborhood then was neatly kept by its working families. In the mid 1970s, New Directions purchased Saint William Apartments, and was able to secure rental subsidies for older and disabled persons. Today, this four-building rental community of 53 one-bedroom units has been redesigned and is ready to serve its neighborhood again.

This major housing preservation project at Saint William ($4.2 million) ensures safety, long-term financial viability and neighborhood stability. This adds capacity to the area’s resident-driven venture called The California Collaborative, which has been inspired by NeighborWorks America’s model for robust revitalization. *(For more information, see the Community Building and Organizing LOB report.)*

**Empowerment**
In 2006, the board of New Directions awarded the Saint William Block Watch Association its annual Jacquie Cress Resident Achievement Award, to thank these men and women for their vigilance and perseverance. We are fortunate to have secured a HUD Service Coordination Grant to serve the residents at Saint William, since often they are elderly or have medical concerns. Our vision for transformation is sensitive to many forces now in play to bring community building, capital investment, new neighbors and increased ownership to this part of the neighborhood. Residents were temporarily dislocated to other New Directions subsidized sites, so no one has experienced financial hardship. Freshly painted units, new courtyards and easier-to-manage staircases welcomed residents home. In the future, there will be a garden area called Saint William’s Green, and access to planting beds, should residents want them.

**The preservation of Saint William Apartments—the first of many Portfolio Strengthening Projects**
Thanks to input from NeighborWorks technical assistance, we recognized an opportunity to reposition a major share of our portfolio through a project now known as **The 70s Revisited**—a bold approach to recapitalize five of the agency’s first development projects, which together offer 233 units with subsidy. In the 1970s, our agency’s first leaders quickly developed and acquired ownership of multifamily housing communities to meet desperate needs. Now, in the spirit of our founders, we will marshal the resources to refresh and renew this valuable housing. We needed a full range of options for the restructuring and recapitalization of Saint William Apartments, Jackson Woods and Smoketown Apartments. The fate of Pearson Court Apartments causes the strengthening of Brandeis Apartments. And so it goes... We’re seeking the most advantageous development path for each critical project.

Our goal, with the help of NeighborWorks consultancy, is to map out a full range of redevelopment options for the restructuring and recapitalization of all projects, with special consideration provided to preserving housing subsidy or tackling projects that require subsidy from the agency—either consolidating the projects or working with them individually. Local HUD officials have endorsed this goal.
DONE: Jackson Woods

The redevelopment of Jackson Woods has been completed. This $7.7 million project plowed through a recession and bank collapse, and thanks to NeighborWorks, HUD, Kentucky Housing Corporation, Louisville Metro Government, donors, staff and residents—we made it!

The renovation of Jackson Woods is comprehensive. The site, located at Jackson and Kentucky streets in the Shelby Park Neighborhood, is a 60-unit complex built by New Directions in 1972 including six residential buildings with six to 12 units per building, and an on-site laundry/office facility already expanded into a Learning Center. Building elevations are masonry and frame with siding. Unit configurations are 12 one-BRM, 32 two-BRM, 12 three-BRM and 4 four-BRM. Rehab is occurring in one building at a time with temporary resident displacement.

Four units are now ADA compliant, and others are sight/hearing-impaired accessible. New private entrances will add an average of 50 square feet to all unit sizes. Our RED Director, an Energy Engineer, incorporated Green techniques into all projects. Elements include: erosion/water run-off control via construction of short retaining walls with wrought-iron treatments; expanded green space through elimination of large paved areas and limits on parking spaces; tree conservation (the property has magnificent oak trees, with wide shading canopies); rain garden development via a new downspout and storm water plan; upgrades of all HVAC/appliances to those with Energy Star ratings. All water fixtures for this busy family site are upgraded to low-flow fixtures. Insulation is upgraded. Roofs and windows are upgraded. The contractor used local-source materials, reused/recycled materials. Non VOC tile, carpet and paint, mastics and underlayment were used. 75% of the construction and related budget supported green components.

The biggest green standard is reinvestment in existing housing, especially at locations like Jackson Woods. This is a reinvestment in a high-density living community, hence the most land-efficient development. The financial and time requirements prohibit New Directions from seeking certification, but the project adheres to the LEED for Homes criteria.

DONE: Brandeis Apartments redevelopment

An award-winning adaptive reuse of a Louisville landmark, the 50-unit Brandeis Apartments occupies what was once a much-heralded elementary school built prior to 1920 and named for Albert Brandeis, the brother of Supreme Court Justice Louis Brandeis. Itself on the National Register, this gracious building shares a campus with a second nonprofit, Saint Benedict Child Development Center—a solar-powered building. Its offices hold an on-site property manager and The California Collaborative, a resident-driven neighborhood revitalization initiative much influenced by NeighborWorks consultation.

The grounds offer residents and neighbors 20 raised garden beds, a playground, and soon, an expansive rain garden. Youth programs for teens and children are funded by donations from United Way and Louisville’s Community Foundation. On Friday evenings, a jewelry-making studio attracts folks from across the county, thanks to a neighborhood artist and the state’s ArtsREACH Program. In 2008, the National Trust for Historic Preservation insisted on two site tours during its national conference in Louisville.

Yes, Brandeis Apartments bustles with life, and is one of the cultural centers of its California Neighborhood. This year, New Directions succeeded in making this project’s balance sheet as attractive as its community profile! This
year, with help from NeighborWorks, Brandeis Apartments shed its 8.5 percent mortgage for an interim financing with Community Housing Capital at 6.5 percent which will tide the project over until the HAP transfer from Pearson. A Portfolio Strengthening Grant enabled New Directions to retire a mortgage against Pearson Court. Prior to this, the Brandeis Apartments LIHTC partnership had been dissolved. Louisville Metro refinanced their subordinate debt, lowered the interest rate to 1 percent, and added over $500,000 in Community Development Block Grant funds to renovate, reroof and repair our landmark Brandeis facility. We have sufficient funds to help Pearson residents move to the subsidized location of their choice, whether that is the future Brandeis or another facility.

PENDING: HAP Transfer to Brandeis from Pearson Court Apartments

A coincidental project involving Pearson Court Apartments will relocate a valuable Housing Assistance Program contract to the site. Exploration of ownership status, made necessary by the acquisition of one partner by the other (National City acquired by PNC), HUD’s close involvement in HAP relocation and Louisville Metro Government’s prioritization of the California Neighborhood will provide a sure way to address systemic financial weaknesses being experienced by this project. This property, heavily damaged by flooding that decimated Louisville on August 4, 2009, has necessarily been elevated to an agency priority. Its Housing Assistance Program resources, along with its residents, will be relocated to Brandeis Apartments through an extraordinary process being coordinated by the Kentucky Field Office of US HUD. The property’s ownership partnership has being dissolved. New Directions has been gifted with total site control, as the final private partner donated a 30 percent share to New Directions valued at $253,000 in December 2009.

Projects in the pipeline

Pipeline projects are queued for this year and next, thanks to Neighborhood Stabilization and the Portfolio Strengthening and Capital Lines of Business rationale that has enabled the agency to focus on green improvements, selective acquisitions, Real Estate Development partnerships and recapitalization.

One local change—the announcement of a $22 million HOPE VI grant to Louisville Metro Housing Authority, informs our plans. The availability of Low Income Housing Tax Credits may be limited; the opportunity to again serve as a developer with the housing authority in our focus neighborhoods, Smoketown and Shelby Park is increased.

PENDING, BUT COMING SOON: Tonini Station

Tonini Station, a 12-unit housing community, is being designed to serve future residents who are persons with chronic mental illness. Its design also meets the robust revitalization goals of Phoenix Hill Association, one of Louisville’s most effective neighborhood groups. The $2.5 million project again links New Direction to Wellspring. New Directions has provided both housing development and third-party management services to Wellspring properties for over a decade. The design includes a counseling/management office, a laundry, maintenance/storage area, and community space. The project is zoning compliant and has sufficient off-street parking. Environmentally-sound green technologies will enhance energy efficiency.

This project creatively reuses a cluster of historic buildings saved from demolition by the neighborhood association. It complements Louisville’s Broadway Corridor Plan and the Phoenix Hill “gateway” goal. Now shuttered and empty in the shadow of the landmark Saint Martin Church spire, the Tonini Building is of special interest to Louisville’s large Roman Catholic community. The Tonini family here operated a church supply business for 87 years. Current owner, Louisville Metro Housing Authority (LMHA), will provide a purchase option. Anticipated sources include a $1.4 million HUD Section 811 Grant, state and national Historic Tax Credits, FHLB AHP funds, Kentucky Housing Corporation Affordable Housing Trust Funds and city-allocated HOME funds. Tonini Station supports the agency’s strategic and business plan, energizing three lines of business: Real Estate Development, Property and Asset Management and Community Building and Organizing. It bolsters the asset value of the nearby Casa Center, also in Phoenix Hill. The project also supports the agency’s work in the Smoketown Neighborhood, one block away. New Directions, as sponsor and developer, amplifies its relationship with LMHA, since this project supports HOPE VI priorities. Directly across Shelby Street, LMHA has completed a $3.5 million commercial and
residential complex with 22 units. After years of struggle, the East Broadway Corridor is in bloom, and Tonini Station is an essential part of its potential.

The market demand for Tonini Station
The 12-unit Tonini Station housing community will serve people with chronic mental illness who are of low income. The site is urban, and considered an important element of both Louisville Metro's Broadway Corridor Revitalization and the Phoenix Hill "gateway" plan. People to be served by Tonini Station will be of low income, and of particular need of the rental subsidy provided through the HUD Section 811 Program. Tonini Station supports revitalization plans in both Phoenix Hill and its next-door neighborhood, Smoketown. Reclaiming and redeveloping the four properties that comprise Tonini Station will have a dramatic streetscape impact that will favor more single-family home investment on Gray and Shelby streets. This is important. Part of our community's most recent HOPE VI strategy was to help the Phoenix Hill Neighborhood move from approximately five percent homeownership—one of the lowest in the region—to almost 20 percent in less than 10 years.

PENDING BUT COMING SOON: Woodbourne House
Woodbourne House, an 11-unit Section 202 project made possible via partnership with Douglass Blvd Christian Church, is being designed to support elderly persons. Known as Briney Hall, the Greek Revival building has been used for classrooms and special events since the 1960s. The financial difficulty of maintaining a seldom-used building presents a challenge for the church, and the potential of serving older persons in need of subsidized housing presents opportunity. The proposed use will preserve a landmark built in 1852, as well as its park-like setting with large trees and green space in an urban corridor. The neighborhood benefits, as new affordable housing for the elderly co-exists with nearby luxury homes. Future residents will enjoy easy access to public transportation, coffee shops, a copy store, a bread store, hardware stores, banks, and churches. With a price tag of $3 million, this project has secured Historic Tax Credits, $400,000; HUD Section 202 funding of $1.2 million; NWA predevelopment grant of $50,000; and City HOME funds of $190,000. KHC has been approached for LIHTC of $1.2 million.

The original building, an antebellum mansion, will remain intact; a rear addition will contain apartments and an elevator. A classroom added to the building in recent decades will be removed and a large porch similar to the original design will be added. A new main entrance will offer a second set of stairs and an elevator, making all units visitable and sufficient parking is available. A utility analysis with historic structure considerations will be performed to determine the most advantageous Green heating and cooling system. It is anticipated the building and the units will be conditioned by a central water loop with a resident-controlled heat pump in each unit. It may be that this loop would be a ground source heat pump but most likely will be a central boiler unit and cooling tower.

The market demand for Woodbourne House
The development of Woodbourne House provides needed residential options for older persons of low income. Very few options of this kind exist in the Highlands-Douglass Neighborhood. Residents will be 62 years old, or older. They must meet very low income standards as set by HUD and must meet New Directions pre-screening criteria as outlined in the Tenant Selection Plan. Church leaders conducted surveys and research to determine need, then chose New Directions as a partner.

New Directions prioritizes two projects for NeighborWorks America Capital Grant support.

Reeseer Court Apartments: Capital Lines of Business request of $350,000.
Historic Reeseer Court Apartments are located in the National Register District of Old Louisville. Four majestic brick and limestone buildings face each other across a grassy courtyard, offering some of the largest units within the portfolio. Near universities and retail services, these subsidized units are in high demand. HUD has mandated that a Mark-to-Market adjustment of debt and rental revenue be undertaken, and first meetings with HUD consultants have begun. New Directions will be responsible for 10 percent of the total cost of capital upgrades, as will be determined
by two consultants. The first capital needs assessment has been received but a cost estimate has not been done, however we believe that the project cost will easily exceed the initial estimate of $1.5 million. In addition, New Directions is assembling a list of modifications that will make unit use more efficient.

The agency’s most aggressive Green Needs Analysis is being conducted, and if implemented, would include unit energy use monitoring for subsequent reporting. The grounds may be suitable for rain gardens to limit storm water runoff, and other passive green actions could benefit residents and the neighborhood. Green upgrades are essential. Windows are single-pane and HVAC/boilers are outdated. This development will be considered for Green Communities retrofitting standards. This plan is adherent to RED goals that have been established for six years—to revisit the properties, especially subsidized properties within the portfolio to commit capital and green engineering expertise to preserve affordable housing while decreasing environmental impact.

It is possible that a Historic Tax Credit partnership may be formed, necessitating a Transfer of Property Assets. Legal fees and new underwriting are in the future for Reesor Court, but this notable landmark has high value in its thriving neighborhood. NeighborWorks® CLB funds would be leveraged at least a five to one ratio with the Mark-to-Market resources.

**Roosevelt Apartments: Capital Lines of Business request of $250,000.**
Located in Louisville’s Portland Neighborhood, Roosevelt Apartments is a notable landmark as it was originally the first elementary school built in Louisville after the Civil War. The neighborhood is changing dramatically, thanks to New Directions early investment and the fortuitous relocation of Habitat for Humanity of Metro Louisville to the historic property across the street. Roosevelt Apartments will be refinanced in December 2012, hopefully with Community Housing Capital and limited repair plan will be implemented since the property is in excellent shape. Featured in the FY11 Round 2 Portfolio Strengthening application, this property received a $150,000 capital grant. Our goal is to reduce the principal being refinanced, and to supplement other funds to upgrade the Learning Center and community space, to improve the playground, to make preventive roof repairs and implement green improvements.

New Directions is welcomed and wanted in Portland. This neighborhood and Louisville Metro Government have recently chosen New Directions and Habitat for Humanity to implement their three-year $1.75 million owner-occupied rehabilitation program. The city has declared Portland their first HUD-approved Neighborhood Revitalization Strategic Area. With full support from NeighborWorks for this request, the much-loved Roosevelt Apartments property moves from slight annual loss to a solid bottom line. In this way, we can continue to be a partner and stakeholder in this, Louisville’s oldest neighborhood.

*We are grateful for the help you have already provided.* NeighborWorks has been an invaluable partner to the agency, as we strengthen the portfolio. Your consultancy and resource help us ensure that the affordability and quality of our 963 units will be maintained into the future.

**Community involvement in establishing priorities**
New Directions has organized its governance structure so that community involvement is integrated into several stages of real estate development. It is the mission of this committee to provide volunteer leadership to the board in making decisions regarding the goals and resource allocation of the housing development effort of New Directions Housing Corporation.

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**Review of human capital and professional development plan**
The Housing Development Department is staffed by three members of the agency’s senior staff and one full time NSP Coordinator. The Housing Management and Asset Management directors are frequent contributors to the agency’s development work, ensuring that budgets, designs and goals address market realities.

- 1.0 FTE Director of Real Estate Development
- 1.0 FTE Housing Development Specialist
- .20 FTE Chief Executive Officer
- .15 FTE Chief Operating Officer *(Resource Development, Community Building and Organizing)*

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### SWOT analysis and risk assessment

**Strengths:** Credibility with major investment, government leaders and lending partners; staff capacities; strong commitment from the board and key volunteers. Access to consultancy via NeighborWorks brings confidence, speed to some aspects of development.

**Weaknesses:** Staff and other agency resources stretched.

**Opportunities:** Public funding opportunities continue to dovetail with the agency’s development and preservation strategies.

**Threats:** Changing policies and priorities in state, federal funding policy. Bank recovery creates changing, tightening underwriting criteria. Louisville Metro Government will experience a new mayor in late 2011, and subsequent organizational change.

### Risk assessment and contingency plans

Housing development is prone to risk, especially during predevelopment stages where expenses occur before the assurance of revenue. For this reason, membership in the NeighborWorks America network is beneficial, as it provides access to consultancy and training specific to our sector. We mitigate risk through attentiveness to environmental changes and the complexities of our typical revenue sources. In recent years, as in the housing development being done for Louisville Metro Housing Authority and for other nonprofits, our agency has chosen to mitigate risk by choosing which roles we want to undertake in some projects.

Having in-house expertise in housing management and community compliance provides our development process great advantage. This, too, is another case of choosing roles to increase the quality of development and the potential of revenue to offset the cost of our efforts. In new developments, much effort is invested in attaining site control. Our housing preservation pipeline offers the advantage of de facto site control, bringing some mitigation of risk as we bring new investment to existing housing.

### Program goals in relation to New Directions strategic direction

In 1969, before the ink was dry on its first documents, the founders of New Directions had already begun work in the predevelopment of multi-family housing. As our understanding of mission and community development has matured, the core capacities that sprung from housing development and subsequently housing management enabled the agency to expand into resident services and community organizing.

While housing development is challenging, it brings rewards on many levels. In several instances, our agency has gained its most important insights while working with neighborhood leaders to save a landmark for a new housing purpose. Bringing new vitality—and new resident families—to neighborhoods bears with it a duty and responsibility. As we enjoy the hospitality of neighborhoods, New Directions endeavors to offer a holistic covenant. We bring housing development—and it comes with a promise of housing maintenance and good management.

### Budget:

Housing Development budgets are included in the Real Estate Development Line of Business budget and within the Capital Line of Business application, a detailed five-year development forecast is provided.
Real Estate Development Line of Business

Program name: The New Directions Community Stabilization Plan
Program start: 2010
Geography: Jefferson County, Kentucky, and Floyd County, Indiana, specifically Louisville’s Shelby Park Neighborhood and New Albany, Indiana’s Midtown Neighborhood

Programming purposes and mission: Strong neighborhoods, ready homeowners, great homes.

The New Directions Community Stabilization Action Plan combines the tactical support of four business lines to achieve community level outcomes in two neighborhoods, Louisville’s Shelby Park and Midtown in New Albany, IN. New Directions, as real estate developer, will invest $7 million in combined NSPI funding to remove blight and redevelop 35 vacant or abandoned properties. Guided by Healthy Neighborhood strategies, New Directions will continue working with residents in neighborhood image development, other capital assistance to existing homeowners, neighborhood management coordination—including action planning, social media and interaction, and increasing access to prudent financial products to counteract market conditions being negatively impacted by foreclosure and disinvestment to gain measurable improvements. Both neighborhoods feature New Directions multifamily housing, with learning center spaces at the ready for financial empowerment seminars and community building.

In 2009, the Louisville MSA saw 7,142 foreclosures, an increase of 18.4 percent over 2008. Jefferson County had a foreclosure increase of 34% over 2008. The homeownership rate for the Louisville MSA was 67.7% in 2009, compared to 73.4% in 2002—a drop of nearly 6% with foreclosures and aging demographics wearing away at this essential investment base. With new tools, our agency can act to stabilize the areas around three important multifamily sites and work with residents to rebuild value.

New Directions is the linchpin that connects the neighborhoods of Midtown and Shelby Park, similar to each other in size, design, market dynamics and proximities to stronger economic areas. In Indiana, the finance authority, Indiana Housing & Community Development Authority is the HUD grantee coordinating the state-wide effort. The City of New Albany is a sub-grantee, and it has procured New Directions as its developer. Louisville Metro Government, a PJ, is the HUD grantee. It has selected four nonprofit developers, including two NWOs, The Housing Partnership and New Directions. Midtown and Shelby Park are less than 10 miles from each other. In addition to NSPI, New Directions has coordinated the $7.4 million renovation of Jackson Woods, a 60-unit community two blocks for the Shelby Park redevelopment site as part of the community stabilization plan.

Partners to the New Directions Community Stabilization Action Plan include the State of Indiana and City of New Albany; Louisville Metro Government; four procured General Contractors; Paul Kiger and Associates, Real Estate; aligned lines of business at New Directions including Real Estate Development, Home Repair, Community Building & Organizing, Home Ownership Preservation and Resident Services. Housing counseling agencies include HPI and Louisville Urban League. PNC Bank, Chase and Fifth Third are qualified lenders. Shelby Park Neighborhood Association, S. Ellen Jones Neighborhood Association (Midtown), New Albany Urban Enterprise Zone, JPMorgan Chase Foundation, PNC Foundation, Horseshoe Foundation and others are helping deploy this Healthy Neighborhoods strategy.

The Midtown Neighborhood
Midtown Neighborhood is a recently rebranded area, consisting of two parts: S. Ellen Jones Neighborhood (from East Elm to Beeler Street; between East 8th Street and Vincennes) and East Spring Street Neighborhood (from East Market to East Elm Street; between 5th and Vincennes.) Census Tract #704 roughly encompasses both neighborhoods, and a portion of the Main Street Preservation District. Midtown enjoys economic and racial diversity not found in much of the remainder of Floyd County. While an attraction to that diversity and the historic building patterns that facilitate it provide incentive for some to locate in the neighborhoods, there are still lingering resentments, especially among long-time residents.
**Midtown Market conditions**

Against this backdrop, the Midtown area was ripe for speculation in the last decade. It was a convenient place for highly leveraged landlords. The full impact of economic collapse meant that instead of losing one occupant at a time, Midtown's owner crisis often meant that 10 to 15 homes were vacated and in foreclosure in a single episode. This area scores 9 of 10 on the HUD Risk Assessment (high risk). Also at that time, Realty Track maps of Midtown show a disproportionate pattern of foreclosure since absentee speculators were flipped themselves, caught in the recession's undertow.

New Directions intends to improve and increase average home values, decrease vacancy rates and improved median home sales. The entire Midtown area has 893 homes, including our own 57 unit Saint Edward Court housing community. Of those, 445 are owner-occupied homes. This is quite possible since NSP acquisition purposely sought blighted sites in proximity to home ownership concentrations. Co-locating RED NSP and newly gained resources for owner occupied housing rehabilitation has great potential to cause changed conditions.

In Midtown, we will monitor baseline and semi-annual market change using Multiple Listing Service data from Southern Indiana Realty Association. An additional measurement may be time on market, available from MSL in aggregate, but less frequently available than we would have preferred. The Success Measures suite of Community Stabilization indicator tools, again, has been used to track vacancies and Block Conditions.

In October, New Directions and its brokerage firm documented market conditions in New Albany, citing that since April 2011, of the 237 homes sold in the city, 35.4 percent took over 120 days to sell; 17.3 percent took between 91 to 120 days to sell; 16.9 percent took between 61 to 90 days; 21.9 percent took between 31 to 60 days; and only 8.4 percent required less than 30 days to sell.

<table>
<thead>
<tr>
<th>03/31/10 (baseline)</th>
<th>9/30/10</th>
<th>03/31/11</th>
<th>9/30/10</th>
</tr>
</thead>
<tbody>
<tr>
<td># of vacant residential structures</td>
<td># of vacant residential structures</td>
<td># of vacant residential structures</td>
<td># of vacant residential structures</td>
</tr>
<tr>
<td>91 vacant homes</td>
<td>88 vacant homes</td>
<td>95 vacant homes</td>
<td>115 vacant homes</td>
</tr>
<tr>
<td>We know that 42 homes are in the foreclosure pipeline</td>
<td></td>
<td></td>
<td>We assume that 22 of the 42 owners in foreclosure in March 2010 lost their homes.</td>
</tr>
<tr>
<td>Note that the Midtown Renaissance has 92 of these vacant homes under site control.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Midtown Renaissance homes are in the redevelopment pipeline.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># of home sales: 19</td>
<td># of home sales: 22</td>
<td># of home sales: 13</td>
<td># of home sales: 11</td>
</tr>
<tr>
<td>(Our NSP purchases push prices down as sites are acquired)</td>
<td>Midtown Neighborhood Marketing Plan begins</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broker marketing begins</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median home sales: $37,500</td>
<td>Median home sales: $25,375</td>
<td>Median home sales: $18,000</td>
<td>Median home sales: $35,900</td>
</tr>
<tr>
<td>Average home sale: $49,082</td>
<td>Average home sale: $37,160</td>
<td>Average home sale: $70,748</td>
<td>Average home sale: $61,695</td>
</tr>
<tr>
<td>(Impacted by discounted NSP purchases)</td>
<td></td>
<td>Fewer sales, but high value ... confidence since properties are under control and work is beginning, as messaged to buyers by brokers.</td>
<td></td>
</tr>
</tbody>
</table>
**Combine program impact for revitalization**

The New Directions Community Stabilization Action Plan combines the tactical support of five business lines to achieve community level outcomes in Midtown in New Albany, IN. Our CLO will follow community change in Midtown.

New Directions is a stakeholder in Midtown with a robust book of business! The fruits of previous Real Estate Development yielded multifamily housing, the 57-unit Saint Edward Court, which is a Midtown landmark. Saint Edward Court redevelopment, assuming an early disposition of its LIHTC partnership in late 2012, has again entered our RED pipeline as the opportunity for early partnership dissolution nears.

We already administer the city's Emergency Repair and Repair Affair home owner assistance programs, which were allocated additional funds in 2012. A six-month resource development venture has added two important capital sources for Midtown.

The first is a $525,000 allocation of state-provided Community Development Block Grant funds for Owner-Occupied Rehabilitation for 21 homes, to aid longtime homeowners and to protect the Neighborhood Stabilization Program investment. Also, New Directions has worked with Main Source Bank to re-establish the pipeline to the Federal Home Loan Bank of Indianapolis and the state's Affordable Housing Program portfolio. This will bring both NSP down payment assistance and grant support to the Owner Occupied Rehab program.

New Directions, as real estate developer, will invest the largest share of $20 million in NSPI funding to remove blight and redevelop 31 vacant or abandoned properties. Guided by Healthy Neighborhood strategies, New Directions will continue working with residents in neighborhood image development, other capital assistance to existing homeowners, neighborhood management coordination—including action planning, social media and interaction, and increasing access to prudent financial products to counteract market conditions being negatively impacted by foreclosure and disinvestment to gain measurable improvements.

Our mission in organizing is reaching a critical point of leverage, with an image campaign and Midtown Neighborhood Marketing Campaign already begun. Much can be learned about market regeneration from the experiences we will oversee in the next two years. In October, New Directions launches a nine-month financial empowerment program, aided by Main Source Bank, PNC Bank and Fifth Third Bank. Midtown Money Talks is a friendly discussion on every first Tuesday will bring the best financial training to the neighborhood that will experience such positive growth. New Directions will soon take up residence in Ritter Neighborhood Resource Center, a local landmark in part developed by New Directions using NSPI funding.

**Shelby Park and the East Saint Catherine Street Development**

The agency’s focus in Smoketown and Shelby Park caused it to advocate for NSP resources—and much delayed—they did come last year. The East Saint Catherine Street area has distinct strengths and assets, and is within sight of Jackson Woods Apartments. With help from JPMorgan Chase Foundation, a four-parcel area was acquired and high quality architectural design was used to meet and surpass the market standard.

*What has been built has sold! These homes will raise the bar, while site prep actually removes blight. Market trends for Shelby Park and Midtown neighborhoods are similar, as are their vintage, design and housing stock. Arts & Crafts bungalows and Shotgun homes offer young families and empty nesters an interesting option when urban microbreweries and retail are emerging. Both are at crossroads. Shelby park, with 1,462 units, is home to 3389 people, almost equally white (41%) and African American (53%). Renters occupy 56.2% of units, compared to 32.6% countywide. Only 29% of homes are owner occupied—14.5% are vacant. Midtown is similar, with 893 units, is home to 2232 people, and is predominately white (90.82%). Renters occupy 56% of units, compared to 32.6% countywide. Only 44% of homes are owner occupied—13.72% are vacant.*

Midtown NSP, and the smaller Shelby Park NSP program in Louisville, offer New Directions an amazing opportunity to study the impact of a full blown Healthy Neighborhoods approach to robust revitalization.
This motivation caused an FY12 application for Community Stabilization funding to literally “pluck” a poorly managed rental unit from between our NSP East Saint Catherine homes.

New Directions is a stakeholder
These neighborhoods suffer from predatory lending, and face even more vacancy as elders pass on, or are forced to leave due to housing conditions. New Directions Community Stabilization is already engaged with residents in self-designed action plan processes—in Shelby Park, and actual LISC Quality of Life process is sponsored by JPMorgan Chase. In Midtown, NDHC used NSP1 funds to develop the Ritter Neighborhood Center with another nonprofit to bring hands-on home repair training to this historic neighborhood. Schools are excellent, led by involved educators. Our multifamily agenda in both areas is strong, to invite others of lower income to the area, possibly linked to lease/own units by 2012. We targeted blight near relatively strong homes, to bolster existing ownership.

Green standards in building and homeowner orientation
As part of the Developer Agreement with Louisville Metro, NDHC has incorporated no less than six Energy Star Features on each redeveloped property. In Addition, NDHC is seeking Energy Star Qualified New Home labels for each new construction. Buyers will also receive Home Maintenance training provided by NDHC Staff to ensure successful homeownership.

Technical specifications in New Albany included many sustainable design elements:
- High efficiency HVAC requirements.
- Low VOC glues, sealants and coatings (paint)
- Requiring deep sealing and weatherization packages on renovations
- All new construction will be Energy Star certified homes.
- Incorporated high recycled content materials, i.e. cement siding & high fly ash concrete
- Energy Star required on kitchen appliances
- High efficiency glazing requirements.

Our home renovations in general serve as excellent examples of sustainable activity. We will highlight rehabilitations and how the homes, not sent to a landfill, are being made energy efficient.

On-going green and historic preservation training
In New Albany, the community space being redeveloped at the Ritter House (a component of the NSP project) serves as a base for sustainable training and workshops for all residents of Midtown. Resident leaders plan for a monthly workshop series featuring local and national organizations and individuals focusing on sustainable living, historic preservation, responsible land development and much more. Participating groups include Indiana Landmarks, Floyd Action Network, The Green Building, Grasshoppers Distribution, New Roots, and Breaking New Grounds.
Asset and Property Management Line of Business

- The Asset Management
- Property Management

<table>
<thead>
<tr>
<th>2012 Asset and Property Management Outcome Goals</th>
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<tbody>
<tr>
<td>APM2012#1: Maintain a third year of resident retention at 65 percent while achieving a 97 percent collection rate, now with a full portfolio including the newly renovated Jackson Woods and Saint William Apartment communities for Fiscal Year 2012.</td>
</tr>
<tr>
<td>APM22012#2: Achieve a portfolio-wide occupancy rate of 96 percent for Fiscal Year 2012.</td>
</tr>
<tr>
<td>APM2012#3: Within the portfolio, achieve a higher Green Standard for property maintenance and custodial services by converting to the use of Environmentally sensitive cleaning and repair materials (where possible, local source) at 25 percent of properties by June 30, 2012.</td>
</tr>
<tr>
<td>APM2012#4: Property Management and Resident Services staff will devise a Green Resident Orientation to be implemented and measured at 25 percent of properties by December 2012.</td>
</tr>
</tbody>
</table>
Program names: Asset Management  
Property Management

Program start: 1975
Geography: Jefferson County, Kentucky, and Floyd County, Indiana

Programming purposes and missions: The mission of the Property Management Department is to provide quality, safe and affordable housing to our residents and their neighboring communities through courteous and timely service by our team of professionals. The agency has a purposeful perspective on Asset Management, an executive management function focused on the acquisition, broad general oversight and disposition of real estate.

Products and services:

Asset Management: Five key functions have been identified to support the agency’s long-term financial health. These are: oversight from predevelopment to disposition of real estate assets; continued fulfillment of the agency’s mission through long-term stewardship of the physical assets; development of key strategies including financing, design, management, monitoring and community relations; identifying key performance indicators and evaluating the performance of the management agent; and reporting findings, recommendations and conclusions to the Board of Directors.

Property Management: Over 2,000 residents live in 985 units under management located in Jefferson and Oldham counties in Kentucky and in New Albany, Indiana. Of these units, 741 are subsidized, 237 are market rate. An additional seven units not in this count are shelter units. New Directions is a member of the Multifamily National Initiative of Neighborhoods America®. New Directions annually leverages over $6.2 million in housing assistance for Kentuckiana through HUD contracts. This is critical, regionally. At present, the community is suffering from a massive shortfall in Section 8 certificates, with waiting lists of over 15,000 households in Jefferson County alone.

New Directions also provides services as a third party manager, currently working with Wellspring, Inc. to manage housing for special communities using Section 811 grants and subsidies, resources from Federal Home Loan Bank of Cincinnati, Kentucky Housing Corporation and other resource development. Wellspring, Inc. is one of the foremost agencies advocating for people with mental illness. A longtime developer and supportive services provider, Wellspring chooses New Directions as its manager of 48 units in five projects.

Property management operations
A typical year in the life of the Property Management Department includes processing over 1,800 applications to find prospective residents, ultimately rejecting as many as 1,400 based on the merits of our agency’s Tenant Selection Plan ... managing 400 resident move-outs—and then, 400 move-ins ... working with residents so that less than 80 evictions are processed ... taking requests for over 17,000 maintenance orders ... and then, ensuring that each is processed and completed, for everything from a clogged sink to the ramifications of storm damage and other acts of Providence!

Commitment to quality
The dedicated professionals in Property Management work as partners with New Directions colleagues in Resident Services and Real Estate Development so that each family we serve—and some we hope to serve—may benefit from their relationships with our agency.

This intensely active department is focused on twin responsibilities: To comply with the rigorous housing and legal requirements that dictate policies and procedures and to respond to the needs of our residents and the neighborhoods in which our housing communities are located.

Another area of emphasis is the continued awareness and ongoing adjustment to staff structure. Our goals are efficiency and effectiveness in both community management and maintenance. And, for an enthused team of nearly 50 people scattered across a three-county area, systems are constantly being improved.
Realignment: Portfolio strengthening
The Real Estate Development and Asset and Property Management lines of business work in tandem to maximize performance and to ensure long term preservation of residential assets. In addition, RED consultation to community partners like WellSpring, Inc. and to initiatives like the Woodbourne House development supports APM third party management expansion.

New Directions Residential Properties, listed below, are measured for success by project-specific goals for cost control, revenue and quality service. Five properties, Brandeis Apartments, Smoketown Apartments, Jackson Woods, Saint William Apartments and Saint John Gardens, have undergone Real Estate Development pipeline process within the last three years, together impacting 199 units.

In all circumstances, RED support has increased income, enhanced property conditions and ensured long term housing and affordability preservation. These improvements were possible only through tremendous effort from the Asset and Property Management teams, who both before, during and after, supported the redevelopment process. Complex HUD regulations outline proper resident communication in circumstances like transfers of property assets, Mark-to-Market financing —even pipeline predevelopment function must be communicated to residents of subsidized properties to ensure their rights are understood and protected.

In the cases of Jackson Woods and Saint William Apartments redevelopment projects, elaborate temporary displacement processes assured every inconvenienced resident of moving stipends, temporary subsidized housing, housing choice to return to places of origin or permanently relocate, and moving back expenses. Over 100 households were supported through this period of transition and renewal. Families with children where moved during the summer to limit disruption to school schedules.

The remainder of the subsidized portfolio sustained financial and operational strain. Every unit that was prepared for a displaced household was initially prepared, then reconditioned if the household elected to return to their community of origin. This investment of technical skill and customer service was a critical input into the outcomes of redevelopment and recommitment to the stewardship of properties.

The list of Residential Properties, depicted in greater detail within the FY12 Capital Lines of Business Schedule and Asset Management Action Plans, represents over 40 years of cooperation between New Directions Real Estate Development, in-house Asset and Property Management, and since 1988, Resident Services. Together, these three lines of business act as an engine to respond to our community’s most pressing needs, as measured by Metro United Way in 2011.

Brandeis Apartments, 50 units, and Pearson Court Apartments, 40 units are two properties bound together as the 40-unit Pearson Court approaches disposition, its HUD Housing Assistance Program contract will be transferred to Brandeis Apartments, which has been redeveloped, refinance and rehabilitated in preparation. As the HAP transfer is completed, Property Management will enact its Resident Relocation Procedure to permanently relocated residents from Pearson Court to Brandeis Apartments or to a subsidized unit located within our portfolio. Both properties are currently performing financially, as they await this transition.

Louisville’s Metro United Way reports that of the five most frequent requests for emergency assistance, three request types are related to housing provision.

They are: Utility service payment, utility assistance and rental assistance.

If New Directions can continue to sustain its portfolio of affordable and subsidized housing and utility assistance, daily outcomes impact the community’s greatest needs.
Clifton Court Apartments, 14 physical units and 18 units as defined by subsidy, was developed with HUD Section 811 subsidy with Louisville’s large visually impaired community in mind. The site is not restricted to residents with that disability, and its proximity to the medical district makes it attractive to people with many disability needs. Site conditions are excellent, and additional relationships with environmental capacity builders in Louisville’s 9th District make this site a natural for quickly expanding NDHC Green Resident Training and maintenance materials conversions as part of the asset management plan.

Directions Apartments, with 106 subsidized scattered site units, provides for positive cash flow to the agency. Asset and Property Management goals focus on residency retention and cost control. High REAC scores are the result of aggressive capital repair and preventive maintenance on these historic buildings located in high need areas. Capital Recovery Payment CRP & Incentive Management Fee (IMF) from M2M are in place.

Jackson Woods Apartments, 69 units, successfully reoccupied after over $7 million redevelopment that made the site green, attractive and its market leader. This site is essential and important to the agency’s intended community level outcomes for the Shelby Park Neighborhood. Prepared property and asset management plans for early Neighborhood Stabilization Program homes developed by New Directions are not needed—all homes are selling well. On site Learning Center and the Green rehab make this another property for continued resident training in environmental and conservation awareness.

O’Connor Square Apartments, 64 units in excellent condition, is none-the-less a cash flow challenge to the agency. Limited access to Section 8 vouchers and depressed rent levels cause this property to require agency subsidy of $50,000 to $55,000 annually. As a LIHTC project, compliance is maintained but limiting. A pre-development achievement was in maintaining an 11-unit HAP contract—units allowances that are in high demand. Cooperative agreements with social services agencies support the marketing plan.

Parkland Historic Properties, 19 units, presents challenges to Property Management planning. Debilitating subordinate debt held by Louisville Metro Government is an obstacle to disposition to an interested social entrepreneur/landlord. Cash flow potential in best circumstances is limited; frequent repairs to extraordinary Victorian homes are expensive. Neighborhood area is in high need with vandalism and vacancy. This project will be the focus of Property Management attention in 2012 given high vacancy within the project, and some vandalism of those vacant units. RED efforts are already engaged to seek forgiveness of subordinate debt to make disposition possible.

Two Asset and Property Management Green Opportunities: Reesor Court and Roosevelt Apartments

Roosevelt Apartments, 47 market units, is a high priority for Property Management in 2012. Strong occupancy is achieved and must continue as this historic property prepares for refinancing in August 2012. Cost containment and marketing strategies are in place.

Reesor Court, 54 subsidized units, is a strong performer. HUD will require a Green Mark-to-Market refinancing, and New Directions is exploring a Historic Tax Credit/Transfer of Property Assets project in 2012. Additional information on this process is located in the RED section of the Operational plan. This project is popular, and enjoys high occupancy.

These two properties are highlighted within the Capital Lines of Business strategy. Their management and continued quality are at center stage in 2012. The Portfolio Strengthening progress will continue to achieve traction with these two developments. No resident relocation or temporary displacement will occur, so unlike 2011’s challenges, this upgrade to portfolio performance will not negatively impact other subsidized or market projects.
Russell Apartments, with 183 subsidized units, is the agency's highest cash performance project. Capital Recovery Payment (CRF) & Incentive Management Fee (IMF) from MCM are in place. Subordinate mortgages have been assigned to the agency. Asset and Property Management goals focus on residency retention and cost control. High REAC scores are the result of aggressive capital repair and preventive maintenance on these historic buildings located in high need areas.

Shawnee Apartments, with 177 subsidized units, presented cash flow struggles as major capital repairs to historic masonry buildings are identified. Capital Recovery Payment (CRF) & Incentive Management Fee (IMF) from MCM are in place. Subordinate mortgages have been assigned to the agency. Asset and Property Management goals focus on residency retention and cost control. High REAC scores are the result of aggressive capital repair and preventive maintenance on these historic buildings located in high need areas.

Smoketown Apartments, 16 units, enjoyed an extraordinary Mark-to-Market process two years ago, facilitated by longtime agency volunteers who donated over 400 hours to supporting capital upgrades at the site. This was a great help to Property Management and RED staff. Site conditions are excellent, and this site a natural for expanding NDHC Green Resident Training and maintenance materials conversions as part of the asset management plan. Post refinancing, this property, while small, performs well financially.

St. Edward Court Apartments, 57 units, is the greatest challenge within the portfolio, requiring annual agency subsidy of over $100,000. Full occupancy and cost control are critical at this LIHTC site. Early partnership dissolution to nonprofit status in 2013 may save over $60,000 of this subsidy, so RED work is in preliminary stages of due diligence. The property is in excellent condition. Surrounding neighborhood market conditions are very strong, and the agency controls an aggressive Neighborhood Stabilization Program development of 30 small single family homes that are selling at a moderate pace.

St William Apartments, 53 units, successfully recouped after over $4.2 million redevelopment that made the site green, attractive and its market leader. This site is essential and important to the agency's intended community level outcomes for the California Neighborhood, which is reported to NWA within the CLO Reporting Structure. On site Learning Center, Green rehab and supportive services provided through a HUD Service Coordination Grant make this another property for continued resident training in environmental and conservation awareness. Notably, this property has the most complex of all NDHC tenant selection plans. Management and Resident Services experiences at Saint William sometimes resemble the intensity of transitional services management—another of the agency's core competencies. Off site land controlled by the agency has the potential for food producing gardens, one of the stated objectives of this neighborhood's resident leadership. A major food security project is being implemented at the elementary school less than one block away. Community cooperation, block watch, resident services and careful cost control are elements of the asset management plan for Saint William, in addition to its new LIHTC compliance.
Increased revenue and cost containment

New Directions administration appreciates the willingness of the entire Property Management team to meet the challenges of the mission and to complete with quality the specific tasks related to the agency’s ongoing portfolio strengthening. Within the last year, leadership transitions within the department caused the promotion of a seven-year veteran, Bridgette Johnson, to assume the role of Property Management Director. For this, she was well prepared having served in the past as the Assistant Director of Property Management and also as an Information Technology expert with duties related to supporting the use of Yardi, the agency’s financial and property management software.

In addition, the strategic reorganization of the agency placed the Chief Operating Officer in supervision of this Line of Business.

Immediate attention was required as the agency was, at that time, returning many residents to Jackson Woods and Saint William Apartments. Correctly certifying new residents as part of the Low Income Housing Tax Credit compliance was critical.

Property Management also had the challenge of reconditioning nearly 100 units within the subsidized portfolio to return them to duty. Loss of revenue was a daily concern. Creatively, Property Management leadership instituted temporary structures to meet the challenge with quality and efficiency. A multi-site Recon Team was created by assembling some of the most skilled maintenance technicians in the agency, and systematically they worked throughout the portfolio to recondition subsidized units. This enabled property managers to return these units to duty quickly.

More long term strategic changes and cost containment were also being instituted. Marketing efforts were redoubled to attract new residents to market units. This improved occupancy at O’Connor Square and Saint Edward Court.

Brandeis Apartments was scheduled for a series of important capital upgrades that will ensure preservation of that California Neighborhood landmark. At the same time, capital conditions at a Historic Parkland site required support to residents who were permanently relocated.

To expedite progress in these strategies, two Property Management staff members assumed additional duties. Ben Wilson had been recently named Project Manager. He was directly engaged with large capital projects within the portfolio. Duties for the $320,000 Brandeis Apartments capital project were split between Ben, as on site project manager/contractor contact, and Michael Gardner, Director of Home Ownership Preservation, who managed billings and reimbursements. Also under Ben’s leadership, the special Recon Team met its goals and was disbanded by early summer.

Lamika McCown-Perry was a Temporary Project Manager. Lamika oversaw the operations of Saint William Apartments ensuring our occupancy and compliance goals are achieved. She retained her duties as Property Manager of Reeler Court and Clifton Court. Lamika worked side-by-side with valued partners in Resident Services, seeing to the needs of our residents and measuring the impact of a new Tenant Selection Plan for our newly-developed tax credit sites, in alliance with Jim Thompson, then the Property Manager, Jackson Woods Apartments.
REAC and other monitoring visits continued, and quality was maintained at all sites which met or exceeded facility compliance goals. This new team, led by Bridgette Johnson, met the challenges that opportunity provided, and never wavered from customer service principles.

New in-house relations with Resident Services and Home Ownership Preservation leveraged training and project management skills so that the agency could contain costs at a time when some properties and projects struggled with liquidity. Ongoing cash production is closely monitored by Property Management leadership to determine how to achieve operational scale given the diversity of compliance and business models within the portfolio.

Community involvement in establishing priorities

Asset and Property Management staff recognize an interesting cadre of customers, including residents, applicants for housing, investors, neighborhood associations, and compliance regulators like HUD, Kentucky Housing Corporation, Indiana Housing and Community Development Authority and local housing inspectors. And, while they may not rise to the level of customer, four groups are considered close partners. They are law enforcement officers, our insurance representatives at USI, our local fire departments and the families or other advocates of our residents.

Listening to these diverse voices is challenging—and not infrequently, they contradict one another! For that reason, our agency’s mission is of utmost importance and daily used to help our team stay on course: New Directions develops and maintains affordable housing and helps to create vital communities in partnership with neighborhoods and others stakeholders.

Involvement in community is an important factor. The number of on-site, resident driven Block and Apartment Watches is growing, thanks to our city’s encouragement and to a multi-year effort to place Resident Services as well as Community Building and Organizing staff support at as many locations as is possible. Another group wears a couple of hats—five employees live on-site in New Directions housing communities. Through their experiences and candor, our agency is able to experience our housing communities in several ways, and this also influences our decision making.

Green initiatives

Current Green Initiatives being implemented in more than 25 percent of the portfolio include the replacement of equipment with energy efficient water heaters, Energy Star condensing units/furnaces, and CFL bulbs as replacement is needed.

Rain gardens and water usage monitoring processes are growing in importance across the portfolio. In 2011, five large rain gardens were installed through sponsorship with our local sewer district. To build longer term capacities, New Directions discounts the rental fees for Breaking New Grounds, a tenant at the Maintenance Service Center. This agency is getting to scale on a composting operation, as mentored by Milwaukee’s Growing Power.

Future Green Initiatives in 2012 are more aggressive. Property Management will begin a training cycle for Green Certified Staff. We will begin installation of water saving shower heads/faucets and water saving toilets in properties further back in the redevelopment pipeline since redevelopment is quickly replacing these facilities at many sites. Kitchen ceiling fans and replacing carpeting with green flooring is happening. Where possible, we are seeking resources for window replacements.

In 2012, Property Management will embrace change on many more properties to include green cleaning supplies, environmentally aware pest management, more rain gardens and HUD partnership to find promising practice.

Resident recycling incentives and the development and implementation of Green Resident Training will be fun, but important this year. Capital impact will be studied via the Reese Court Mark to Market Green Initiative. In many neighborhoods, New Directions is a major land holder. Could that resource be used to grow good food? Must we park on concrete, or can other systems absorb water and still support our residents’ use? New Directions is thinking about our place as a steward of land, a neighbor and as a potential systematic component in environmental capacity building in neighborhoods.
Additional recent accomplishments
New Directions celebrated its fifth year as a member of the Multifamily Initiative, and its third year as a member of the Learning Center Consortium, an invaluable peer network. We also marked our fourth year with a newly defined asset management focus, headed up by Theresa McCauley, our asset management director. Previously, Theresa and our director of housing management, James Thomas, have successfully completed certifications as a Certified Housing Asset Managers. This year, many managers completed LIHTC training, and all now hold Certified Occupancy Specialist certification.

Program capacities and resource development
Our professional management and services are designed to respect residents as customers and to encourage neighborhood viability. Preserving affordable housing engages New Directions in regional and national competitions for precious capital repair funding. Our agenda for recapitalizing the existing portfolio is stated in greater detail in the Real Estate Development section of the Organizational Plan. In addition, new governance structures in Asset Management are enabling greater resource development through a robust team-oriented approach. In short, the portfolio is benefiting from new performance measures and greater attentiveness to occupancy, debt management and opportunity.

A keen focus on Asset Management
We believe that our residents deserve nothing less than excellence. After orientation in the Multifamily National Initiative in February 2006, a blended board/staff team researched the most advantageous approaches for the development of a new Asset Management function within the agency.

Governance and volunteer systems continue to evolve to maintain high awareness of month-to-month improvement in portfolio conditions. As part of the Campaign for Excellence strategic process, the Asset Management Committee has temporarily disbanded and its duties have been assumed by the Finance Committee, with APM veterans from the board moving to the Finance Committee membership. All members of the senior management team have a declared asset management function, facilitated by the Chief Executive Officer, given the extreme importance of the matter.

Asset Management operations
Aspects of asset management at New Directions include forecasting, operational assessments and monitoring, review of rent structures, debt restructures, compliance in alliance with Property Management, centralizing the asset management plans, and capital requests. This role has also included Risk Management training to all Program and Property Managers and the staff they designate. Our agency has gone further, and has specialized Risk Management training for all summer Learning Center personnel with emphasis on best practices for managing field trips and swimming trips. Our Asset Management Director has created housing management training for Property Managers on historical trends and development issues on specific properties.

Approaches to best practices
A guiding set of principles emerges from the Consortium Housing and Asset Management training which teaches that Asset Management threads through all stages of property stewardship, including conceptualization, pre-development, development, management and disposition of all real estate assets. Success is measured by the financial health of the organization and provision of real estate assets that function as intended. At New Directions, best practices include use of Project Feasibility Standards amongst all departments, under the supervision of senior staff members, use of Asset Management Plans developed, monitored and adjusted by Senior Management through a monthly meeting schedule. New Directions is additionally informed through its relationships with national intermediaries, to strengthen the portfolio and to prepare for both opportunity and adversity.

A significant benefit in NeighborWorks network membership comes to us through third party performance review. This supports standardization of board oversight materials and provides a platform for senior staff collaboration. Decreasing expenses is another strategy. We have requested that HUD allow reductions in monthly deposits to reserves. An exemption request submitted to Kentucky’s Property Valuation Administration for Brandeis Apartments, Directions Apartments, Russell Apartments, Pearson Court Apartments, O’Connor Square, Pearson Court and other taxable partnerships was successful several years ago. This resulted in a $150,000 annual savings in real estate taxes. A similar tactic may be used in Indiana to aid Saint Edward Court. An asset directory has reached
completion, and continuing discussions with HUD regarding Mark-to-Market or other financial restructuring offer additional solutions.

Current Program Measurement

<table>
<thead>
<tr>
<th>Processes</th>
<th>What are you measuring?</th>
<th>Indicator Tool</th>
</tr>
</thead>
<tbody>
<tr>
<td>REAC</td>
<td>Assessment of property and unit condition.</td>
<td>Scores</td>
</tr>
<tr>
<td>Management &amp; Occupancy Review</td>
<td>Assessment of file/unit and property conditions.</td>
<td>Scores</td>
</tr>
<tr>
<td>Assurance Monitoring</td>
<td>Internal File Compliance</td>
<td>Scoring will be improved with outside monitoring agencies.</td>
</tr>
<tr>
<td>Bid/Repair</td>
<td>Specs vs. Cost</td>
<td>Decreasing Expenses</td>
</tr>
<tr>
<td>Vouchers</td>
<td>HAP Income</td>
<td>HAP Rent Revenue Collections</td>
</tr>
<tr>
<td>Investors Inspections</td>
<td>Assessment of property/file and unit conditions.</td>
<td>Scores</td>
</tr>
</tbody>
</table>

Property Management and Asset Management operations are some of the most measured processes within the agency. The FY2012 Asset Management Action Plan, the Current Asset Management Liabilities Schedule, the REAC score matrix are all provided to NeighborWorks and other donors and financiers annually to ensure that third parties and partners can help us with ongoing learning and process improvement. Community level outcomes, operationally monitored by RED NSP and Community Building and Organizing regularly include Property Management to ensure that New Directions tenants are heard along with other neighborhood residents.

In 2012 and 2013, as the board of directors continues its neighborhood impact focus, properties as part of neighborhoods will be assessed and a better understood from the context of market, culture, image and identity and support of developing social capital. Our managed properties are able to provide for Learning Centers, gathering spaces, Block Watch initiatives and green innovation. We are a good neighbor, seeking to improve for the future.

Resident Services and Community Building & Organizing
Collaboration doesn’t end with RED activity. A rich relationship with the agency’s Resident Services Department enables New Directions to enhance its housing with site-based service available to all many projects. Resident Services operates nine on-site Learning Centers. This in-house fusion of Resident Services and Housing Management staff increases resident access to information technologies in our Neighborhood Network labs. Public and private resource enables New Directions to offer employment to residents through the Learning Center’s Neighborhood Mentor staff position in Youth Services. Our long-term goal is to offer housing and lifelong learning at all New Directions sites to benefit both residents and nearby neighbors. A final point of collaboration occurs between Property Management staff—especially Property Managers—and our agency’s Community Building and Organizing team. Residents at multiple sites are working in Block and Apartment Watches and are experiencing other kinds of personal empowerment through their enriched relationships with New Directions.

Program criteria based on market analysis
New Directions uses the capacities of its Yardi management software to better understand trends and the economic realities faced by our residents. Just three years ago, an analysis revealed that 60 percent of our young resident families would meet criteria for our homeless services program—except that they do have housing. By that, we mean that:

- Over 60 percent had sufficient numbers of annual breaches to endanger their residency with more typical profit-driven landlords.
• Income levels hover at approximately 30 percent of median for the majority of our young resident families—and many have two or more children.

• Employment is not steady, and typical incomes would seldom offset market rate housing and utility expense. Many young residents are using public aid; older residents have already exhausted lifetime limits.

As one of the region’s largest private providers of subsidized housing, we welcome families who could benefit from our growing resident services programming. Market analysis, both internal and external, shapes how we communicate housing opportunity to potential residents. New Directions uses paid print advertising, word of mouth and coordination with 24 social services agencies (including three regional housing authorities and The Coalition for the Homeless) to ensure that our housing information is where a person in need could and should see it. On-line advertising and the creation of a Resident Referral Bonus program are adding to more traditional methods. To communicate with compliance agents, investors in tax credit partnerships and with the two non-profits we serve through third-party management, we employ professional tactics to ensure that all aspects of our compliance, customer service and value orientation are shared. This can include our agency’s annual reports as well as detailed financial reports. We believe that communicating how we manage housing is as important as reporting financial and facility results.

Review of human capital and professional development plan
Professional development for this large and uniquely skilled staff will be shaped around both local and national opportunities in the next several years. Given the interdisciplinary nature of the team, it is important that the agency consider both continuing professional development for individuals as well as team development. The newly aligned Asset and Property Management staff includes:

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<tr>
<th>FTE</th>
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<tr>
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### Property Management Staff Training Plans

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<td>Management Occupancy Review</td>
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<td>NTI Supportive Housing Manager</td>
<td>Green Certified</td>
<td>Specialist</td>
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<td>Property Management for Scattered Site Rental Housing</td>
<td>Coaching</td>
<td>EIV</td>
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<td>Nuts and Bolts of Asset Management</td>
<td>Bed Bugs</td>
<td>Certified Housing Asset</td>
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<td>Yardi</td>
<td>KHC Updates</td>
<td>Management</td>
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<tr>
<td>Webinar-Safety/Bed Bugs</td>
<td>Fair Housing</td>
<td>Green Update</td>
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<td>HUD Conference</td>
<td>Yardi</td>
<td>Fair Housing</td>
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<td>Coaching</td>
<td>HUD Training</td>
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<td>Ohio Capital Tax Credit Training</td>
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<td>KHC Updates</td>
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<tr>
<td>Internal IT Training</td>
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### SWOT analysis

**Strengths:** Legacy community service, portfolio of mostly masonry buildings and almost all are certified as lead safe. Strong and skilled staff and agency commitment to housing development, preservation and management. A good partner like Wellspring as a customer in third party management.

**Weaknesses:** Section 8 voucher availability is frozen so regional vacancy rate is high; large numbers of disabled persons need housing options, but competition for Section 811 grant funds is keen (and policy shifts threaten even that). Viable options for the elderly are needed—and on our sites, increased access to assisted living kinds of care is envisioned as being advantageous—but resources are scarce. Service Coordination for multi-family sites is very valuable—but hard to resource.

**Opportunities:** Collaborations with neighborhoods to increase safety; converting unused areas into learning centers increases access to services and resident hope; fusing housing with learning and organizing to build resident and community resiliencies.

**Threats:** Neighborhood health is major input into housing site quality—and we haven’t control over that. Episodic crime can catch us unaware when police take action in the “next neighborhood over.” Resources for preservation are shifting with policy changes at state, federal levels.

### Risk assessment and contingency plans

Risk exists in asset and property management because the rules and environmental factors can change quickly, but managerial mechanisms are not flexible or subjective. Two current issues—interest rate expansion and the community’s need for housing subsidy—press the capacities of any asset manager. Contingency plans are in place as interest rates rise, and regional vacancy rates remain stagnant.

All buildings and their projects have been catalogued for existing debt, financial performance and long range facility improvement, especially roof status. Our industry faces other kinds of threats, as national policy shifts elements of mainstays like Community Development Block Grant funds or Section 8 benefit perimeters. Now, more than ever, we value meaningful and informed strategic planning and effective management systems. The agency has assembled all pertinent information to compile a Deal Book in an accessible format. This will be both a tangible and electronic record to ensure that its invaluable information is constantly used as a dashboard for ongoing compliance and preparation for opportunity.
Continuous evaluation design and methodology
Sources of information help to fuel tactics and decision making. Frequently consulted sources include HUD Handbooks, and references on Fair Housing and Tenant/Landlord law. Our Maintenance management monitors market cost for materials, manufacturer specifications, city building codes.

Community evaluation also enters into housing management methodology. Listening to other New Directions staff—organizers, Neighborhood Mentors or Service Coordinators—is very informative, as long as protocols around privacy and integrity are honored. Other community agencies, congregational leaders and officers from local law and fire protection help us make prudent decisions. Finally, paying attention to the insights and knowledge of our maintenance technicians and contractors almost always adds quality and efficiency. Two areas of resident engagement are being designed with the intent of bringing residents closer to the actual maintenance of their units to increase tenancy skills as well as to help prepare them for eventual market rental or home ownership. A unified orientation of future residents has increased efficiency, and has helped to convey to new residents that New Directions is a unique advocate to their household. Our Resident Services Department is undergoing redesign, in tandem with Property Management, to increase staff time on site and to more closely work with property management staff on eviction prevention and continuous learning, and has recently instituted a full-time Resident Services Director.

Program goals in relation to New Directions strategic direction
New Directions provides professional management services designed to respect individual’s rights and responsibilities. Our commitment begins the moment a prospective resident walks through our doors, and continues as our staff guarantees clean, safe, quality housing for families of low-income. These ideals are primary to our agency and were a part of our founders’ original intent. All activities undertaken by both the Asset Management and Property Management teams speak directly to the agency’s strategic direction. New Directions is committed to being a stakeholder in Kentuckiana’s neighborhoods, seeking ways to bring capital investment to residential areas to directly benefit our residents and those who live near our housing communities. Preservation of housing facilities—and adherence to compliance in order to maintain precious site-based subsidies—tactically addresses our mandate to help families both attain and maintain housing.

Housing preservation has come to include great efforts in environmental remediation to ensure the health and vitality of residents and future generations. We are committed to fiscal prudence, responsibility and adherence to high standards. Under a banner of Asset Management, our senior staff is becoming an ever tighter team. Investors, public funders and our host neighborhoods can rely on the professionalism of New Directions, and we seldom disappoint them. This caliber of relationship management isn’t achieved in a single stroke, but is the cumulative effect of years of steady, faithful service to community. Our agency’s strategic direction is to encourage a community of learning—stretching through all of our lines of business, into our partnerships and through our work, to the neighborhoods we are pledged to serve. There was purposeful intent in asking for NeighborWorks network membership and then acceptance into the Multifamily Initiative. We realize that we can provide more to our community with the consultation and training available to this national network.

Attachments to this section: New Directions Housing Asset Portfolio and Housing Assistance Program schedule. Financial projections for these activities are located Asset and Property Management budget. In addition, the Steinbock Maintenance Service Center budget is included agency’s administration budget.
## New Directions Housing Corporation Asset Portfolio

<table>
<thead>
<tr>
<th>Property</th>
<th>Units</th>
<th>Project Based Tenant Based Commercial</th>
<th>Address</th>
<th>Legal Entity Name</th>
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<td>Brandis Apts</td>
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<td>NDIC</td>
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<td>Maintenance Service Ctr</td>
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<td>** TOTAL OWNED **</td>
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## MANAGED ONLY

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<tr>
<th>Property</th>
<th>Units</th>
<th>Project Based Tenant Based</th>
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<td>7330 Patrick Henry Rd. 40214</td>
<td>Patrick Henry Apartments, Inc</td>
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<td>Wellspring Apts</td>
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## TOTAL PORTFOLIO

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## HUD Project-Based Section 8

### HAP Contract Information

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<th>HAP Period</th>
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<th>Project</th>
<th>HAP Amount</th>
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<td>8</td>
<td>9</td>
<td>10</td>
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### Notes:

- Project: Name of the project.
- Action: Action type (e.g., approval, modification).
- Property/Address: Address of the property.
- Status: Status of the action.
- HAP Period: Start and end dates of the contract.
- Monthly Rent: Monthly rent amount.
- Project: Name of the project.
- HAP Amount: HAP amount.
- HAP Supplier: Name of the HAP supplier.
- HAP Contract Information: Additional information about the contract.

---

### Example Row:

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<th>Property/Address</th>
<th>Status</th>
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<th>Project</th>
<th>HAP Amount</th>
<th>HAP Supplier</th>
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Home Ownership Preservation Line of Business

- Owner Occupied Rehabilitation Program

- Repair Affair Program

- Home Repair Program

2012 Home Ownership Preservation
SMART Goals
New Directions Home Ownership Preservation Line of Business (HOP) creates opportunities for individuals and families to increase the safety, efficiencies and accessibility of their own homes, which helps low-wealth families maintain their ownership status and is a positive support to neighborhood stabilization. We have multiple partners—home owners, volunteers, municipal leaders, small business owners, repair professionals, donors and neighborhood leaders.

The HOP staff team of five professionals annually leverages the skill and impact possible through over 25 high-quality repair vendors—all locally owned businesses—and the annual contribution of over 1,500 volunteers. Together, this team maximizes the New Directions agency commitment to housing that provides for increased safety, long-term affordability, energy-efficiency, and increased sustainability of our community’s portfolio of single-family homes. HOP leverages various publicly and privately funded housing programs that are designed to preserve homeownership, improve housing conditions, increase safety and promote healthy neighborhoods.

HOPFY12#1: Home Ownership Preservation will process at least 350 applications for home repairs to place 40 roof repairs in Louisville and 33 general repairs in New Albany by June 30, 2012, while reaching high levels of quality and maintaining grant compliance.

HOPFY12#2: Repair Affair will coordinate at least 40 volunteer home repair teams on the Louisville-Jefferson County Repair Affair Event Day, and at least 20 volunteer teams on the Southern Indiana Repair Affair Event Day. These events will occur in mid June 2012 during NeighborWorks Week.

HOPFY12#3: By June 2012, Home Ownership Preservation will update NDHC Rehabilitation Specifications to include “Green Specifications & Standards,” and will create and implement a post-rehabilitation toolkit for assisted homeowners.

HOPFY12#4: Home Ownership Preservation will provide a welcoming and productive environment for interns and volunteers, including VISTAs and AmeriCorps volunteers or others in national service, offering opportunities for learning, community service and personal growth.
Program: Owner Occupied Rehabilitation Program
Program Start: September 15, 2004
Geography: Smoketown and Shelby Park Neighborhoods, Louisville, Kentucky
Portland Neighborhood, Louisville, Kentucky
Midtown Neighborhood, New Albany, Indiana

Program purpose: New Directions undertakes its duties in owner occupied rehabilitation with an informed understanding of its role in affordable housing preservation and community stabilization. Our first job is to increase the safety, energy efficiency and security of assisted homes, while maintaining high standards in quality service provision, contractor relations and grants compliance.

We have two customers: assisted homeowners and their neighborhoods. We are in league with public and private funders to help eligible homeowners in need. As a major investment in the support of neighborhoods, owner occupied programs are often resourced as a result of grassroots advocacy. We will synergize repair and rehabilitation tactics with neighborhood strategies in neighborhood image, social conditions, neighborhood management systems and market conditions to be a partner in revitalization.

Products and services
The intent of the Owner Occupied Rehabilitation Program is to help qualified low- and moderate-income homeowners achieve significant improvements to their single-family homes. This benefit is timely and needed. Compromised safety and environmental inefficiencies undermine the potential for permanent occupancy. A large percentage of vacant and abandoned homes are the result of unsafe conditions that overwhelmed the capacities of owners. In each circumstance, abandonment not only displaced a stakeholder family, it undermined market stability and quality of life for residents of the entire block.

Owner occupied rehabilitation is an effective way to combat this trend. When owner occupied rehabilitation programs are focused in a neighborhood with other revitalization tactics, improvement of residential conditions can be one of the most powerful tactics in a stabilization strategy.

Resources that can be used to support this tactic are limited, especially as available federal entitlement funds are reduced. Competition for these resources will grow. Now, more than ever, New Directions prioritizes program efficiencies, sharp purpose, outcome measurement and skilled resource development as complementary to an effective owner occupied rehabilitation operation.

Nuts and bolts of program operation
New Directions focus must be on quality vendor selection through contractor pool development, effective scope of work production, grants compliance, quality control and homeowner satisfaction. Quality rehabilitation services must achieve high standards through the effective use of correctly procured contractors to achieve appropriate repairs that increase each home’s safety, energy efficiency and appearance.

Origination and processing of homeowner applications is another key component. Determining homeowner eligibility is a complex and detailed process. Staff cultural competencies are essential in working with homeowners who may have difficulties in accessing required documentation of ownership or income. They may not know the technicalities of why their home is in need, or how to describe the status of their home conditions. Working with participant households to quickly and efficiently move them through the application process with accuracy—and attentiveness—is at the heart of this program and supports the physical conditions goals of funders and organized revitalization advocates.

Our successful work dovetails with community stabilization goals. Building strong collaborations of other housing and community development partners, neighborhood advocates and homeowners will produce the best community
level results. Our professionally trained staff members are able to help homeowners in need with critical home repairs, energy conservation and weatherization, mobility modifications, and maintenance services. In most cases, this will be the one and only opportunity for capital help from a charitable or public source. Of course, we want to maximize the impact of this support.

**Resources available for owner occupied rehabilitation services and eligibility requirements**

Few financial resources are available for owner occupied housing, and their use and availability require a high level of compliance skill. Federal, state and local requirements shape the use of public funds, in addition to local priorities. Charitable sources are discretionary, and influenced by advocacy and perception of need. Systems like the Federal Home Loan Bank system and affordable housing trust funds are dependent on their own fee income. This section provides a general overview of source use by New Directions for owner occupied rehabilitation:

**HOME funds** from the US Department of Housing and Urban Development are available for Louisville’s neighborhoods with qualified census tracts via Louisville Metro Government which is provided funds directly from the federal government by formula. No HOME funds are so provided to Southern Indiana’s cities, so access is available only through the state housing finance agency, Indiana Community Housing Development Authority (ICHDA), by application by a local city or county, or a qualified nonprofit.

Eligibility for a HOME Loan/Grant for home rehabilitation is determined based on criteria. Others may be determined by Louisville Metro or ICHDA. These criteria are:

- Applicant must be income qualified and credit worthy. Gross income must be 80 percent or below of the area median income.
- Applicant must own and occupy the single-family residence in the area slated for capital repairs and remain in the unit for 10 years thereafter. Value of total mortgages may not exceed the appraised value of the home.
- All property taxes and homeowners liability insurance must be current.
- Applicant’s residence must possess housing code violations or be in need of repairs made necessary due to extensive deferred maintenance.
- Forgivable loans may carry a loan term of 10 years at 0% APR
- Repayable loans carry a loan term of five years at 3% APR
- Based on income, loans may be 100 % forgivable or partially repayable
- Rehabilitation work must meet Section 8 requirements at the conclusion of service which may also require that lead abatement process be included in the scope of work.
- Five-year forgivable mortgage at zero interest.

The Smoketown and Shelby Park Rehabilitation Program is resourced by HOME funds provided by Louisville Metro Government.

**Community Development Block Grant funding**, or CDBG, is also provided to public recipients by HUD. Both the Louisville Metro Government and The City of New Albany are directly entitled to federal allocations of CDBG, but Floyd County and Clark County communities secure CDBG via ICHDA by application. Many requirements are identical to HOME use, however some are notably different.

Owner occupied rehabilitation programs have been locally designed to allow for up to $25,000 per unit, including program delivery costs, and scopes of work will prioritize exterior repairs due to resident or funder input in Portland and Midtown. Homes are not required to reach Section 8 housing quality levels and lead abatement is not required however Lead Safe work practices must be followed. In addition, CDBG recipient communities, like Louisville and New Albany, may choose to apply to HUD for Neighborhood Revitalization Strategic Area status for designated census tract areas. Louisville, in fact, has queued five neighborhoods—starting with Portland—for this designation.
Federal Home Loan Bank grant systems are hard to access in our region. FHLB Cincinnati claims Kentucky, and luckily, Louisville still has member bank representation so access to the Affordable Housing Program portfolio is possible, but competitive. In Indiana, Federal Home Loan Bank of Indianapolis has limited member bank participation. Of three member banks, only one has engaged with FHLB of I to access the Neighborhood Impact Program, and that was at the sole request of New Directions!

Only the Kentucky Housing Corporation Affordable Housing Trust Fund is available to New Directions for Jefferson County. Periodic grants have been secured to increase impact in both rehabilitation and major repair home locations in Louisville Metro through the fund. There is hope that a Louisville-based trust fund will implement a grants program within the year.

Neighborhood-based OOR strategies

Portland Neighborhood, Louisville
New Directions Housing Corporation, in partnership with Portland-based Habitat for Humanity of Metro Louisville, will administer the Portland NRSA Owner Occupied Home Rehabilitation Program. Program focus will be to enhance and restore the historical appearance of owner-occupied housing stock by rehabilitating the facades. Other repairs that will improve livability and quality of the home, such as repairs to the roof, HVAC, electrical, and plumbing are eligible but secondary. Census tracts served are #3, #21 and #23.

The $1.75 million program kicks off in November 2011 and will last for 24 months. All funding is CDBG enabled by NRSA to reach into higher income levels to help more home owners. Applicants will be served on a first-come/first-qualified basis. The help will come in the form of grants to eligible households that earn no more than 120 percent of the Area Median Income which will buy contractor services procured by New Directions. There are residency requirements in the form of deed restrictions. At least 71 homes will be served.

This program will sustain existing homeownership and, over time, will support increased property values. In the latter half of the second year, New Directions will work with partners to pinpoint strategic home locations within the target neighborhood to concentrate activity near commercial revitalization areas and neighborhood “gateways”.

We will support increased civic participation through various methods, including the encouragement of the strong resident work of Portland NOW. As outlined in greater detail in the Community Building and Organizing section, a critical component of community revitalization is the encouragement of civic involvement and leadership. Habitat’s role will be to encourage each benefited household and family through delivery of unique skill building opportunities in simple home maintenance and financial empowerment.

Smoketown and Shelby Park Home Rehabilitation Program
Louisville Metro Government has renewed and extended a HOME funding commitment for housing rehabilitation and will provide funding access to the Lead Safe Louisville Program. These funds will be provided to qualified homeowners through a forgivable loan program. New Directions Housing has secured $150,000 from the Federal Home Loan Bank of Pittsburgh, through member PNC Bank, to help match the city’s HOME allocation. The major rehabilitation program targets up to seven homes in fiscal year 2012, with scopes of work between $15,000 and $35,000 per unit.

For some households where obtaining clear title or advancing a mortgage would be financially unfeasible given the limitations of the scope of work, AHTF dollars have enabled help for more homeowners in need. Given our detailed understanding of potential clients’ mortgage criteria, title status and credit standing, we have found that multiple sources supplementing HOME investment have been important.

Midtown Neighborhood, New Albany, Indiana
It has been called a renaissance, and we believe it is! In support of the current Midtown Renaissance Neighborhood Stabilization Program (NSP) this program will be available to homeowners who live in the Midtown Neighborhood. The primary focus of the program will be exterior and facade improvements, but will also include major home repairs. This program will be restricted to households who earn at or below 80% of Area Median Income (AMI).
Eligible homeowners must provide proof of ownership, evidence of property insurance, and proof of income. All work will performed by qualified, licensed, and insured general contractors.

**Neighborhood Impact Program Matching Grants** will help the OOR program make greater impact. Small private matching grants cover minor repairs that improve housing conditions. These grants are restricted to homeowners who earn at or below 80% of Area Median Income (AMI) and reside within the city’s Urban Enterprise Area. Also, the City of New Albany’s Emergency Repair Program and Federal Home Loan Bank of Indianapolis can often provide additional resources for homes in the OOR program. These programs are better described in the Home Repair section of this section.

**OOR Staffing**

<table>
<thead>
<tr>
<th>Position</th>
<th>FTE</th>
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</thead>
<tbody>
<tr>
<td>Home Ownership Preservation Director</td>
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<tr>
<td>Home Ownership Preservation Assistant Director</td>
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</tr>
<tr>
<td>Home Ownership Preservation Intake Specialist</td>
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<tr>
<td>HOP Rehabilitation Coordinator</td>
<td>1.0</td>
</tr>
<tr>
<td>Chief Operating Officer</td>
<td>0.2</td>
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</tbody>
</table>

**SWOT analysis**

**Strengths**: Focused approaches to identified revitalization support through owner occupied housing rehabilitation signals a new era in public/private partnerships; residential revitalization builds capacities as homeowners’ equity plus focused rehabilitation support will greatly benefit neighborhoods.

**Weaknesses**: Shifting priorities threaten a multi-year focus of any public resource.

**Opportunities**: Our physical condition strategy is linked to a tiered strategy for robust neighborhood revitalization. Rehabilitation and repair are aligned with community building, asset development, job prep, neighborhood image, market support and neighborhood management systems.

**Threats**: Potential shifts in public priorities; predatory lending; Number of very needful homeowners discourages market orientation for façade improvement although this has been prioritized by both Midtown and Portland neighborhood leadership groups.

**Evaluation**

Community Level Outcomes are being tracked in Midtown, New Albany, to which Midtown the OOR Program will contribute. Indicators being monitored semi-annually are average home sales prices, median home sales prices and number of sales and number of vacant units in the Midtown Neighborhood. We anticipate that block conditions will be favorably impacted by Midtown OOR, and so support overall market confidence and stabilization. The donor’s intent (ICHDA) is to protect the Neighborhood Stabilization Program investment.

**Budget**: The Owner Occupied Rehabilitation budget is included in the Home Ownership Preservation Line of Business budget in the financial reporting section.
Program Name: Repair Affair (Home Repair Department)
Program start date: May 1993
Geography: Jefferson County, Kentucky, and Floyd and Clark counties in Southern Indiana.

Program purpose: Repair Affair serves low-income elderly and disabled homeowners with home repairs through a massive recruitment and organization of volunteers, donors and sponsors. In a day of service, volunteer teams initiate and complete repairs on pre-selected homes, prioritizing safety, security, weatherization and neighborhood stability.

Products and services: Repair Affair is designed to deliver needed home repairs so that homeowners are enabled to maintain their homes and residency in neighborhoods they love. Repairs achieved are as diverse as the volunteers this program attracts, but includes roof repair and replacement, wheelchair ramp construction, electrical and plumbing repairs, major carpentry (floors and porches, typically), heavy chore and debris removal, exterior and interior painting and weatherization. In addition, some regional sponsors have been recruited to underwrite additional repairs, usually roofing and extensive electrical and plumbing upgrades.

2012 Operational plan
Since 1993, nearly 3,000 Repair Affair homes have been aided in Jefferson, Floyd and Clark counties. Over 275,000 volunteer hours have been given. The once obscure issues of incumbent homeowners have been elevated to a level of community awareness that compels regional participation. Repair Affair grew from a collaborative of service providers aware of two facts: Kentuckiana’s population is aging and a large share of the community’s core neighborhoods are in the hands of aging homeowners whose incomes fail to keep pace with maintenance needs. Repair Affair evolved into a significant repair production force due to the input of homeowners, their volunteers, sponsors of every definition and most recently, grassroots neighborhood groups.

The key component of Repair Affair is the critical moment when neighbors choose to help neighbors. Simple, but profound, this natural level of connection has been fractured by busy schedules, family demands and the vast distances between helpers and those who need some help. Repair Affair helps to bridge the gaps in awareness and resource. Our most important value is dignity—for both homeowners and volunteers.

Repair Affair’s production was galvanized by targeted media, volunteer direct mail and sponsorship portfolio messages. Repair Affair is a NeighborWorks Week event, linking our local efforts with that national phenomenon of compassion and skill.

Regional sponsorships such as those with UPS were sustained—despite corporate cut-backs—to support Repair Affair material, neighborhood revitalization and volunteer support expenses.

We have been linking teams and materials to activist neighborhood groups, and we are frequently linking large volunteer groups, a willing “tool” for neighborhood plans.
**Production goals (listed below) were met and volunteers are still being assigned:**

1. Solicit up to 300 applications regionally and assign each to a staff or volunteer outreach specialist to determine feasibility for Repair Affair volunteers and sponsorship, with a target of 130 homes to be selected as potential volunteer sites, from January to February.

2. Recruit and prepare volunteer teams with leadership to choose, assess, plan and execute identified repairs from January to May.

3. Solicit, secure and negotiate sponsorships to underwrite material and volunteer cost for between 130 and 150 homes at an average of $500 per home, or an annual campaign goal of $50,000, fortified by in-kind gifts.

4. In a short series of one-day events, deploy and support volunteers in order to complete at least 130 home assignments from spring through fall as teams choose their work dates.

These goals support the overall goals of New Directions Housing Corporation, which is dedicated to the preservation of affordable housing, the revitalization of our region’s neighborhoods and the support of existing homeownership.

**Repair Affair capacities and resource development strategies**

Last year, 1,023 volunteers worked on 139 homes, and while our 2011 Repair Affair is not yet finished, we already have 130 homes completed, thanks to another 1,100 volunteers. Repairs include such things as adding wheelchair ramps, handrails, minor roof repair, minor electric and plumbing repairs, door and window repair, and rebuilding porches and failing floor joints. Many homes are caulked, primed and painted in a day.

**Program criteria based on market analysis**

Repair Affair strategically meets needs for a specific demographic group. Homeowners are over the age of 60 or are certified as being disabled. They must own their home. While our financial criteria qualify a homeowner at 50 percent of area median income, almost all homeowners selected for assistance are actually below 30 percent of AMI. The repairs must be suitable for volunteers’ diverse skills, and so it is critical to match skill-sets with home needs.

Single-family homes owned by the elderly account for as much as half of home ownership in many neighborhoods. As other community initiatives strive to increase home ownership, we complement these efforts by helping the elderly remain safely in the homes of their choice. Often, homeowners have lived in their beloved homes for over 25 years. They are vested in their neighborhood’s revitalization.

No fee is charged for Repair Affair. This approach was determined after assessment of typical homeowners’ annual incomes—and again, the average household income is below 30 percent of area median income. Awareness of the Repair Affair program has been established, but efforts are ongoing to ensure fair access to the program. Historically, heaviest concentrations of selected houses are located at the urban rim of the Ohio River—in historic neighborhoods in both the Kentucky and Indiana. This trend is ending, as graying homeowners further from the urban core begin to struggle with housing maintenance costs and sometimes faraway family supports.

**Stakeholder analysis: Second time moms**

In the 1940s and 1950s, many families purchased homes with the belief that this investment would protect them in later years. Unfortunately, for many widows, this belief didn’t survive the illness or death of spouses, or the maintenance needed by older homes. Fixed incomes can’t keep pace with increased pharmaceutical costs or the unexpected responsibility of sheltering grandchildren or other youngsters abandoned on grandmother’s door.

Noble, strong, elderly people are trying to make ends meet and their gratitude to Repair Affair volunteers is heart-warming. Repair Affair is the connection between good people—volunteers and homeowners—linked by their compassion, new friendships and dedication to the American dream of homeownership.
Organizational capacity and staff development

<table>
<thead>
<tr>
<th>Repair Affair staffing</th>
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<tbody>
<tr>
<td>0.13 FTE Home Ownership Preservation Director</td>
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<tr>
<td>0.5 FTE Home Ownership Preservation Assistant Director</td>
</tr>
<tr>
<td>1.0 FTE AmeriCorps VISTA Volunteer</td>
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Scopes of work gathered on homes inform potential matches of volunteers to job locations, so this staffing is leveraged by the knowledge and home conditions data tracking of other Home Ownership Preservation team members.

In addition, two full-time Specialists working in the aligned Emergency Repair and Roof Program help with Repair Affair. Often, applicant homeowners make multiple requests, and these are assessed against the resources of the entire Home Ownership Preservation Line of Business. Other human resources include terrific team leaders, administrative volunteers (as many as 75 working on event days), and advocates who help to recruit resources. Massive teams—including 100 volunteers from UPS Aircraft Maintenance and professionally supervised faith-based mission teams—provide the technical backbone that enables Repair Affair's most technical and ambitious repairs. Another resource is our homeowners who annually give feedback through surveys and dialogue. Relationships form between team leaders and homeowners, and the program is changed and enriched by these transactions. In addition—and only after events—we ask homeowners if they can donate to our material fund to help others in need. Annually, these important stakeholders—together—often sponsor one to two more homes. We need additional resources for this program, which is much loved by volunteers. Despite cutbacks from Louisville Metro Government, public funding has continued to make its way to Repair Affair and to other home repair and rehabilitation programs. For this, the agency and the folks who depend on this service are grateful.

SWOT analysis

Strengths: It's just the right thing to do—recycles what we have, connects folks, increases housing quality, increases community awareness of real housing issues. Has become an important organizing event.

Weaknesses: Our agency struggles with twin desires to increase output and increase quality, or depth of service. Frail elderly 1) expect so much and 2) should have more housing options. Recession has negatively impacted public and private funding.

Opportunity: Homeowner education is identified as a way to prolong housing quality. Repair Affair is a keystone to rebuilding a housing repair continuum, and more growth is possible if we build volunteers'leaders' awareness.

Threats: Donor fatigue; volunteer burnout; Repair Affair homeowners feeling that repairs are not enough, but lacking recourse to more comprehensive rehabilitation. Economic recession is impacting private donations and public funding—and this can limit this program's impact.

Professional Development and the training plan

The HOP Director and Assistant Director have completed studies in both community revitalization and affordable housing production. The VISTA volunteer and Resource Development Specialist have also been trained in Community and Neighborhood Revitalization program design. In December, the HOP Assistant Director will attend additional certification classes at National Training Institute.

Risk assessment and contingency plans

Despite a productive history, Repair Affair is dependent on charitable intent from year to year. Contingency for Repair Affair, should resource decrease, is to simply decrease output. A multi-year strategy to attract multiple donors to support our staff has been successful, but is dependent on Community Development Block Grant and General Fund allocations. Ironically, Repair Affair itself began as a kind of contingency plan in the early 1990s as municipal funding for home repair was diverted. Mindful of this, Repair Affair methodology is flexible, aggressive and mindful of donor and volunteer relationships. As its resource base expands, its program design has been designed to conservatively move forward with parallel scale.
Community involvement in establishing priorities and evaluation
Repair Affair is a program built on feedback. Annually, all stakeholders are surveyed—from homeowners, volunteers and donors. This feedback is candid, usually constructive and actionable. Volunteers must actually decide who can be helped and they also see evidence that their logistic advice is taken seriously. Homeowners also know that their issues and concerns are integrated into the program.

In 2004-05, Repair Affair data management was reconstructed and converted into an Access data base, which has been highly valuable for trend analysis. Louisville Metro Government partners depend on its accuracy to ascertain fair distribution and how resources can benefit declared neighborhood revitalization zones®. Review of aggregate data reveal that our homeowners are usually women, usually longtime homeowners, often raising grandchildren and seldom are above 30 percent of median income. They are a wonderful, resilient and experienced group of citizens. They are proud and we are honored to serve them.

Repair Affair, along with the Emergency Repair and Roof Program, is a part of the Home Repair Department, and budgets are included in the Home Ownership Preservation Line of Business. Expanding Owner Occupied Housing programs are designed to dovetail with Repair Affair and Habitat for Humanity rehabilitation services.
Program name: Emergency Repair and Roof Programs
Program start: March 2000
Geography: Floyd County, Indiana

Program purpose: The Emergency Repair and Roof Program, part of the New Directions Home Repair Department, identifies homeowners of low income within the boundaries of the City of New Albany and Louisville Metro, who are in need of service. Homeowners must reside in the home, and the structure cannot be multifamily. In some cases, age or disability status is a further restriction.

Products and services: The Louisville Metro Roof Program is an emergency repair program designed to intervene using Community Development Block Grant funding to replace or repair roofs and gutters for qualified homeowners in need. The Emergency Repair and Roof Program, through a partnership with the City of New Albany, is able to completely remove failed roofs, replace sheathing and repair related damage. Emergency repairs can include many kinds of needs, but most often involve heating, plumbing, electrical or other failed systems. The actual work cycle for both programs, and leverage funding from other sources, will involve eight stages for each completed project:

- **Intake** – Homeowner’s application taken, income and ownership verification secured, etc. and if qualified, an initial inspection by New Directions is made to ascertain the condition of the roof.
- **Outreach** – Home visited for construction/repair write-up, costs determined, “before” photos taken, etc.
- **Review** – Environmental review and due process to ensure compliance with program guidelines.
- **Repair** – Roof/gutter replacement/repair completed/construction management.
- **Record** – Timely payment of contractors and suppliers, invoices copied, expenses recorded, and file documentation undergoing in-house audit and is completed.
- **Inspection** – On-site visit to ensure that quality workmanship has been completed, per our specifications. “After” photos are taken.
- **Evaluate** – Submission of reimbursement documentation, in-house review of case completion and outcomes evaluation.
- **Audit** – Preparation is completed for audit functions of partnering cities, in addition to annual financial audit of the agency to ensure contract compliance and operational accuracy.

Impact measurement of community level outcomes is being designed to dovetail with owner occupied rehabilitation and Neighborhood Stabilization Program in focus neighborhoods, including Midtown, Portland and Smoketown and Shelby Park.

Community involvement in establishing priorities
In 1999, in the course of the annual Repair Affair application and volunteer assessment process, 45 homes were assessed as being beyond help and roofs could be replaced. Despite the work of an extraordinary local roof vendor who has given hundreds of roof jobs over the years, this terrible assessment shocked Repair Affair volunteers. In response, and with the encouragement of New Directions Chief Executive Officer Joe Glissner, three Repair Affair volunteers testified in Community Development Block Grant hearings in Louisville. Additional dialogue yielded results and in March 2000 the Louisville Roof Initiative was created—and immediately received over 300 qualified, deserving applications.

With hundreds of roofs installed, the city was forced to cut its CDBG resources to this program nearly two years ago. We were excited and grateful that in 2011 program funding was restored, to work in tandem with other LMG focus activities. New Directions has offered that emergency repair programming track the city’s larger intent to focus in Neighborhood Stabilization Program and Neighborhood Revitalization Strategic Areas (NRS). These neighborhoods would be California, Portland, Park DuValle, Newburg, Shawnee, Smoketown and Shelby Park.

New Directions has been entrusted with the city’s first NRS project, a $1.75 million CDBG-funded owner occupied rehabilitation program that is fully described in an earlier part of this Line of Business plan.
New Albany ERP perseveres
Our relationship with private donors in Southern Indiana yielded a continuation of funding from Horseshoe Foundation which has already enabled 10 home repairs. A contract with the New Albany Urban Enterprise Area brought $10,000 to home repairs to fund façade repairs.

New Albany’s municipal Emergency Repair Program has seen increases in funding, and is in production. In the next two years, an increase in funding will enable special set asides to the Midtown Neighborhood along with normal support to the remainder of the city’s Redevelopment Zone. The FY2012 contract is for $200,000, and New Directions is seeking new support from Federal Home Loan Bank of Indianapolis to extend this impact further.

Unique opportunities like this summer’s volunteer ramp project from Federal Home Loan Bank of Cincinnati’s Carol Peterson Fund allow us to expand impact, and bring special help to homeowners trapped in their homes due to physical accessibility issues.

Intake: a special and important exchange
Our intake process is designed to support the homeowner’s way of expressing repair need. The Home Repair Department established an intake and data management system that is simple, yet extremely effective. The database allows program staff to track and report quickly and accurately. This is an extremely valuable addition to both municipal managers preparing reports for HUD or elected officials and for our staff’s analysis of trend data.

Each caller is given time to tell her story, and each story is assessed in our continuum of service to determine how best we can help. Too frequently, resources are not parallel to the challenge. With creativity, however, many more homeowners can be helped annually. In the last two years, it has been a joy to link the intake process with interns and volunteers in national service programs. In these exchanges, citizens are helping citizens, and young people learn from elders about life, patience and persistence.

Successes in the operational plan
Despite funding constraints, this program is of vital importance to many neighborhoods. Emergency repair can preserve and improve the safety and physical welfare of older and/or disabled homeowners and others of low and extremely low income. In some cases, homelessness will be prevented. Homeowners will be able to remain in their homes, which serves to stabilize neighborhoods. This program enhances the living environments by removing failed roofing and gutters, which contribute to unsanitary and unhealthy conditions. A replaced roof often reduces energy costs, which is an immediate financial benefit to homeowners of low income.

Significantly, roof and gutter replacement preserves the home as a safer housing unit, less prone to additional deterioration. Average cost per roof installation is $4,300, a figure based on an average cost of roofs for the most recent 12 month period. There are no fees to homeowners for these services, unless property ownership is transferred within five years. Indeed, in many cases, household income is approximately 30 percent of area median income, precluding repayment capacity. New Directions staff identifies cases where homelessness could result, if roof or guttering systems replacement were not available.

Many houses will also be referred into the New Directions Repair Affair program, in an effort to leverage additional repairs to benefit qualified homeowners of low income. An additional and unique capacity provided by New Directions relates to in-house and community-based referrals to maximize each applicant homeowner’s level of service. Referral relationships exist with area community ministries, Adult Protective Services, The Center for Accessible Living and Metro Housing programming, and are used when homeowners could benefit.

Program criteria based on market analysis
Strong histories of homeownership are still existent in many of Kentuckiana’s historic urban neighborhoods. Many homeowners live on fixed incomes, and suffer from the “perfect storm” of neglected maintenance and rapidly increasing utility costs. Qualifying applicants include those who meet income criteria per Section 8 Income Guidelines (at or below 50% of area median) and where a copy of the house deed can be secured to verify home ownership. The selection process will give preference to those at or below 30% of area median income (considered extremely low). Additional selection criteria may include a balancing of families served from Louisville’s Urban Services District, those in suburban Louisville Metro or activity that would complement LMG neighborhood revitalization efforts or identified census tracts in the City of New Albany.
Stakeholder analysis
This program delivers lifesaving community service. Stakeholders have vastly differing perspectives of the program, but the entire community benefits from the reinvestment in housing. Many times annually, houses are actually saved from demolition when a synergy of service is achieved through this program, Repair Affair and other service deliveries. Taxpayers benefit, but often see the program as a “hand out” which complicates the allocation and procurement processes. Older homeowners are desperate.

Failed roofs have damaged rafters and ceilings. Exclusively use of CDBG limits per unit budgets and types of repairs that can be provided under the public contracts. Unless Repair Affair can be engaged, often homeowners may receive support, but are still in danger. Repair Affair volunteers are enthusiastic about this program in that they feel more homes can be chosen with the assurance that the most important repair—the roof—will be achieved.

<table>
<thead>
<tr>
<th>The Home Repair/Emergency Repair and Roof staff includes:</th>
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<tbody>
<tr>
<td>0.5 FTE Home Ownership Preservation Assistant Director</td>
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<tr>
<td>0.55 FTE Home Ownership Preservation Director</td>
</tr>
<tr>
<td>2.0 FTE Emergency Repair Specialists</td>
</tr>
<tr>
<td>2.0 AmeriCorps/VISTAs</td>
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Risk assessment and contingency plans
Considerations of risk assessment and contingency have several levels in the Roof and Emergency Repair Program. First, construction and repair requires caution, especially where maintenance is long deferred. More than just a “re-shingle” or “re-sheet”, several homes require partial or complete rafter replacement. Rafters on these homes are not strong enough to hold the weight of one man - let alone a crew of volunteers or experienced workers. As an agency, New Directions considers such risks when experienced contractors are selected and insurance guidelines are set. Partners at the City of New Albany are involved in discussions if jobs go beyond preliminary specifications.

Another level of risk enters our consideration as we assess the strength of political will in helping people who often cannot advocate for themselves. New Directions connects with viable grassroots groups whenever possible so that home reinvestment can be linked to neighborhood plans.

<table>
<thead>
<tr>
<th>SWOT analysis</th>
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<tbody>
<tr>
<td>Strengths: Community-endorsed roof and repair program dovetails with volunteerism and private sponsorships of Repair Affair—we can achieve very high state of repairs on many homes.</td>
</tr>
<tr>
<td>Weaknesses: Never enough funding, waiting lists may be as much as three years long.</td>
</tr>
<tr>
<td>Opportunities: Work even more closely with public funders to maximize homeowner benefits by staging timetables and resources; mobilize volunteers via Repair Affair to revisit newly roofed homes to maintain gutters for frail elderly.</td>
</tr>
<tr>
<td>Threats: HUD funding cuts or elimination of CDBG; political inconsistencies; real threats to homeowners from exposure to mold, elements, dangerous housing.</td>
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</table>

Continuous evaluation design and methodology
The Roof and Emergency Repair Program is monitored by both municipal partners and is subject to HUD audits to ensure compliance. New Directions welcomes the input of these agencies and truly views them as partners. Input is then used to perfect the files – anything and everything is open to evaluation in an effort to maintain compliance, make the repair process more efficient and most importantly, to better communicate to the homeowners the “who-what-when-why-where-how” of all that is happening to their home.

Single-family repair/rehabilitation is in many ways the essence of community development. The paradigm of a healthy community is certainly one where families live in and often own safe, desirable homes in viable neighborhoods. It is part of what most of us picture when we think of the American Dream. Our tradition of neighborhood investment rests on the foundation of two generations whose ownership of single family homes scripted national values. Today, thousands of the nation’s neighborhoods are moving through an ownership transition as the Greatest Generation passes. We have listened to hundreds of elders who have told us their intent is
for their home to remain in single family homeownership. Our program arrests home decline and increases future options in ultimate neighborhood revitalization.

We help people retain the American Dream.

**Budget:** This program, and other initiatives in Home Ownership Preservation, represent core agency values and are part of an important line of business. The Emergency Repair and Roof Program is a part of the Home Repair Department, and budgets are included in the Home Ownership Preservation Line of Business.
Resident Services Line of Business

- **Transitional Services for Homeless Families**
- **Service Coordination Program**
- **The Learning Center Program**

* Louisville’s top five request areas for emergency help
  Source: Metro United Way (2011)*

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**2012 Resident Services SMART Goals**

**RS2012#1:** By June 2012, Resident Services will have created a training module to be utilized for new staff, interns, AmeriCorps and VISTA volunteers, practicum students and, if appropriate, other volunteers. While this similar training currently exists – with training manuals, resource materials, program debriefing with appropriate NDHC departments – periodically updating the current system is cumbersome. A streamlined, consistent model of training is needed.

**RS2012#2:** By December 2012, utilize the NDHC website to solicit feedback regarding NDHC’s various programs. Links to surveys could be e-mailed to participants, rather than paper forms, further embracing NDHC’s commitment to “go green”. Newsletters or articles about programs could also be posted, helping create a community bulletin board regarding how NDHC is making community happen in the neighborhoods we serve.

**RS2012#3:** By December 2012, review the effectiveness of the RS Helpline as an easy-to-use portal through which residents can seek assistance.

**RS2012#4:** By December 2012, create policies and procedures regarding referrals from Property Management to Resident Services. Previous attempts to regulate a procedure for referrals did not include property manager input and was not sufficiently embraced to be successful. Currently breach letters for non-payment of rent or utilities, or housekeeping issues are not forwarded onto Resident Services for assistance.

**RS2012#5:** By March 2012, co-create with Property Management and implement a new Green Resident Awareness Program at the first five of 15 managed properties in the New Directions portfolio.
Program Name: Transitional Services Program for Homeless Families
Program start date: 1988
Geography: Jefferson County, Kentucky

New Directions Housing Corporation is dedicated to the provision of safe, affordable housing, supportive services to aid families of extremely low income and insightful support to neighborhoods to increase safety and economic viability.

One program, Transitional Services for Homeless Families, works intensively with our community’s most needful families. They are single-parent families, most often led by a single mother, who have exhausted every means to secure safe shelter. Most of our families have no income.

Program Purpose: The Transitional Services Program assists homeless, single parent families as they work toward obtaining and maintaining permanent housing. We focus on addressing the issues that brought each family to homelessness. Services provided include: intensive case management including individual goal setting and monitoring; temporary but stable living accommodations; needed furniture and household items; a monthly transportation allowance; service referrals; and housing counseling.

Assessment of program status and operational work plan
Our staff works closely with New Directions housing management staff to provide participant families safe living accommodations and assistance in encouraging good tenancy habits. When a family is ready to move on to permanent housing, New Directions housing opportunities are made known as options for the family. This is especially beneficial as the availability of affordable housing decreases in the community.

Program delivery occurs at two locations. Historically, the program has been housed at Heverin House in Louisville’s Portland Neighborhood. When New Directions completed development of nearby Roosevelt Apartments, private donors underwrote the costs of four units to expand the shelter.

Market and stakeholder analysis related to program strategies
A poor education, a low paying job—then a crisis causes the loss of housing. This is the often repeated story as a family enters Heverin House. Nationally, the fastest growing homeless population segment is that of families—young families with impressionable children who are failing in a tough economic climate. Homeless parents served by our program are usually native Louisvillians, and most are survivors of domestic violence. “Crisis” has become the standard operating procedure in managing family affairs. Our program helps families face the obstacles by overcoming personal impediments to progress and self-sufficiency. Three problems are typical: chemical dependency, violent family histories and chronic debt related to poorly structured financial management and/or lack of job readiness.

Family histories of chemical dependency are common. Referrals into chemical-dependency counseling are critical, given that even casual use of illegal drugs is an absolute barrier to attaining or maintaining permanent housing. This critical element is often a barrier to effective participation in our program and has resulted in program termination. This is an increasing trend. Violence has emotionally scarred many families. Today, 88 percent of our families report previous domestic violence. In fact, violence was the primary cause of their homelessness. We encourage counseling and we require separation from perpetrators. Children suffer in silence, revisiting past fears in nightmares, self-destructive behaviors and in unintentional conflict with peers. If we don’t stop the cycle, children will repeat the family dynamic of violence. Effective referrals to more intensive services have been made, given this professional approach.

Recession has sent younger single mothers. Debt and unemployment rob parents of self-esteem. Frequently, families entering the program are buried under housing related debt many times their annual incomes. We approach the problem in two ways: First, our case management systems identify the scope of debt, with the use of interviews, credit reports and other personal records. From a case management perspective, we outline where personal habit, new information and discipline can aid a family in its quest to financial sufficiency. Second, we encourage debt reduction through an innovative incentive plan, where a percentage of clients’ program fees are allocated to housing
related debt reduction. What an accomplishment for a single mother, to see overwhelming debt being eliminated one payment at a time! Other stakeholders include donors, volunteers, interns dedicated to the program’s success and other advocate agencies linked to New Directions through The Coalition for the Homeless and its Continuum of Care process.

The Transitional Services Program maximizes community resources to meet the needs of our families. We create a tailored menu of services that families can continue to use when moving on to permanent housing. This is another way to ensure that the families are well prepared to leave the program and be independent in the community. We leverage many kinds of volunteerism, too. Interns working on advanced degrees from University of Louisville provide case management help. The children use an on-site service donated by Jefferson County Public Schools for tutoring support.

The US Department of Housing and Urban Development provides two grants that help to support staff, direct services and housing/counseling facilities. New Directions Housing Corporation provides administrative support and facility management services along with space for the adult and children’s programming. The provision of on-site living units, while paid for by grant funding, allows families to use the program resources more fully and creates an atmosphere of normalcy by the presence of market rate and Section 8 tenants, particularly in the Roosevelt Apartment building.

In addition to the two HUD grants, funding comes from private donors and Louisville Metro Government. Numerous volunteers also extend program capacity and aid in maintaining the shelter facility.

Recent accomplishments
During this fiscal year 16 household were served, for a total of 52 adults and children.

This year, the leaders of these distressed households were young single mothers.
- 42 percent of the 52 family members sheltered and served were under 5 years of age;
- 50 percent of single mothers were between the ages of 18 and 24;
- And, three of these 16 single mothers were recent victims of domestic violence.

Of those 16 households, eight graduated the program. One family was asked to leave for noncompliance with shelter rules. Of the eight graduates, the housing prospects for which they have been prepared are excellent:
- All eight were able to maintain and/or increase their incomes.
- Five moved into market-rate rent housing;
- Two moved into HUD Section 8 subsidized housing;
- One received a Safe Haven voucher through KHC. Safe Haven is a form of rental subsidy.

Many families face obstacles that Transitional Services case management is able to assist with:
- Gaps in education that make it difficult to obtain better employment
- Lack of employable skills. Needing a job training program, etc.
- Lack of financial support (or any support) from children’s fathers
- Uninformed money management/budgeting skills
- Parents struggling to be parents with little familial support or role models.
- Difficulty getting educational needs met for children. School system can be difficult to navigate. Children not always performing in school as a result of being homeless
- Barriers to mental healthcare services – Lacking often is an accurate diagnosis, and there are delays for entry into the mental health system.

New Directions case management process works with parents to enable new behaviors so that more effective planning for the future replaces crisis-oriented life styles. Ironically, success brings special challenges. When parents are or become employed, public benefits are reduced, particularly childcare assistance. Families may gain income, but not always enough to supply all their basic needs. Planning for these situational transitions is part of the case management strategy.
**Green Goals for the program**

Capital improvements to our primary facility, Heverin House at 1700 Rowan Street, have upgraded many units. A Green Energy Audit was conducted two months ago, resulting in the city's support for upgraded lighting in the shelter. Residents in the shelter are enthusiastic participants in the recycling program, thanks to the leadership of the program coordinator.

As with all New Directions programs, staff is encouraged to create programming from an asset rather than a deficit perspective. New aspects of case management and coaching are being explored in the first major shift of the program model in nearly 10 years. New Directions has access to data indicating that a case management/coach approach hybrid can accelerate the pace of personal change in a willing participant by as much as six times.

This partial logic model outlines funding partners and our shared intended outcomes, as well as measurement tools that are supportive of process improvement and compliance.

<table>
<thead>
<tr>
<th>Elimination of Homelessness</th>
<th>Intended Outcomes</th>
<th>Data Collection Tools for Process Improvement and Grant Compliance</th>
</tr>
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<tbody>
<tr>
<td>New Directions Resource Partners</td>
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</tr>
</tbody>
</table>
| Logic model - MUW Transitional Services | • Identify and correct issues leading to homelessness  
• Improved crisis management and planning skills  
• Increase income from entry to exit  
• Transitional to permanent housing  
• Maintain permanent housing for one year | Case notes  
Post surveys  
Homeless Management Information Services (HMIS) |
| Logic model - Louisville Metro Government HUD Emergency Shelter Grant Formula Grant | • Transitional to permanent housing  
• Increase income from entry to exit | Case notes  
Post surveys  
HMIS |
| Logic model - Kentucky Housing Corporation HUD Supportive Housing Program / NDHC subrecipient | • Transitional to permanent housing  
• Maintain permanent housing for six months  
• Increase income from entry to exit  
• Increase life skills for self-sufficiency | Case notes  
Post surveys  
HMIS |
| Logic model - HUD Supportive Housing Program | • Transitional to permanent housing  
• Increase income from entry to exit  
• Employment  
• Identify and correct issues leading to homelessness | Case notes  
Post surveys  
HMIS |
Community involvement in establishing priorities
There are two levels of community involvement pertaining to the Transitional Services Program. At the most intimate level, for the families living in the shelter, involvement determines personal growth and success as each adult participant designs her own goal sets. As her understanding grows, her set of goals, her timelines and tactical statements become more informed and assured. As a member of a community of families who have experienced homelessness, each adult participant has a say in the collective life shared at the shelter and within the group learning sessions. The program is flexible, and very open to the input of participants who are the day-to-day experts in what homelessness in Louisville is like. On a regional level, New Directions is a respected member of the Continuum of Care Community. Our Program Manager has creatively expanded program capacities, while maintaining high standards. With her staff and with input from program participants, she is working on a vibrant strategy. We are shaping a plan to aid participants as they increase their incomes during their stay in our shelter. Debt is crippling for most of our families, so we work to reduce debt by 50 percent in their first year with us.

Review of human capital and professional development plan
The Transitional Services Program Coordinator holds a Masters level degree, and is able to supervise interns to leverage our staff impact. The team works under the supervision of the agency’s Resident Services Director. Staff duties bring the necessity of HUD supportive services training.

<table>
<thead>
<tr>
<th>The Transitional Services Team</th>
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<tbody>
<tr>
<td>0.40 FTE Resident Services Director</td>
</tr>
<tr>
<td>1.0 FTE Case Manager/Shelter and Program Senior Coordinator</td>
</tr>
<tr>
<td>1.0 FTE Case Manager</td>
</tr>
<tr>
<td>0.1 FTE Administrator/Agency Assistant Director</td>
</tr>
</tbody>
</table>

SWOT analysis
Strengths: Legacy of success always focused on both attaining and maintaining housing; committed staff, layout of the shelter supports family dignity although units are small.

Weaknesses: Understaffed for new model of scattered site case management, Heverin House is an older building with facility issues; operational stresses increase as families with intense needs fall out of HUD’s supportive services prioritizations.

Opportunities: Continue development of training that helps the shelter’s families become good neighbors as they look forward to entering permanent housing; Help the Coalition for the Homeless raise awareness about our community’s homelessness and housing crisis.

Threats: HUD continues to reallocate funding away from family supports; Metro United Way struggling to make campaign goals; homeless population is growing, especially the “invisible” families in very dangerous housing.

Risk assessment and development of contingency plans
Given the pressures faced by all transitional shelters, New Directions has been engaged in contingency planning for the Transitional Services Program. Increased funding for this program is being sought from Metro United Way and from private charitable foundations with success. New Directions supports our community’s work toward an Affordable Housing Trust Fund, which may also direct funding toward housing subsidy and programming related to homelessness.

Approach to measuring effectiveness and evaluation design
Evaluation and outcome measurement is aggressively used in each case management case, as well as for the entire program. In the short term, moving beyond the terror or confusion of homelessness and into a state of analysis is critical. In years past, this period usually took from three to six months. This is the “why” and “what are you going to do about it” point of initial relationship building. As case management makes an impact, answers to these questions become more reflective and real. And, ambitious participants also start to craft more profound solutions to these underlying reasons. This foundation is the basis for long term success. Our identified success measures emphasize issues that directly impact family capacity to maintain permanent housing. Community evaluation is performed by The Coalition for the Homeless through its Quality Assurance Standards Program. In its 20 years of operation, our program has never failed to secure this important certification.

Budget: The Transitional Services budget is included in the Resident Services Line of Business Budget.
Program Name: Service Coordination Program
Program start date: 1992
Geography: Jefferson County, Kentucky

From its inception in 1969, New Directions has valued the potential of site-based supportive services to enrich its delivery of housing development and management. With the establishment of the agency’s homeless shelter in 1988, New Directions more strategically sought and secured the resources necessary to build a strategic resident services initiative.

Program Purpose: The Service Coordination Program at New Directions is designed to build residents’ skills in household budgeting and home maintenance (as a homelessness prevention tactic), encourage employment and job training, deliver credit counseling and provide access to Information Technologies. As needed, Service Coordination staff, called Family Services Specialists, can intervene in emergencies to prevent eviction. We work closely with other Metro United Way agencies to avoid duplication of services. In 2007, New Directions entered the Learning Center Consortium of NeighborWorks America. This invaluable membership has provided New Directions with its first peer-to-peer contact and in two years has dramatically impacted program design.

Products and Services: Referrals provided by Family Services Specialists help residents attain needed services from area providers, including Jefferson County Public Schools, public and private social services providers and/or arts and enrichment programming. Follow up services ensure that residents were able to access services to which they were referred. Assistance in pursuing case plans can be provided and, if services were not appropriately provided to our residents, then Family Services staff can advocate on behalf of the resident with other agencies. Educational support via Learning Center components like Youth Services, Lifelong Learning Services or Neighborhood Networks is New Directions’ ultimate goal, however given resource constraints other tactics are also pursued through referrals. Service provision is subject to the annual appropriation of fee-based supportive services funding from HUD. Some service provision has been expanded through activities in collaboration, resource development and through Metro United Way partnerships.

Market analysis related to program strategies
New Directions is shaping bold revitalization strategies with residents in the Smoketown, Shelby Park and California neighborhoods. Resident Services staff members take part in the discussions, often linked with residents via Block Watch, school-readiness activities or training. A new framework for collaborative service delivery is emerging—and, it includes Robust Revitalization, life skills coaching and even closer work with Property Management staff. Another new input is the continued and excellent peer support being received from the Learning Center Consortium.

Looking though the keyhole—New Directions family profiles
The circumstances of New Directions residents living in the Smoketown and Shelby Park neighborhoods are similar to those faced by families in many neighborhoods. There, New Directions houses 116 families in two housing communities. The typical resident family is comprised of a young, single mother with two young children. She has lived in New Directions housing for less than two years. She has been employed, and may have a job now. Her long range goal is to own a home, but recently it has been a challenge to pay her rent on time. Only a small
percentage of Smoketown Neighborhood’s adults are able to secure and retain employment. At the two housing communities, 30 percent of residents are working; 30 percent are chronically unemployed and report no income; and the remaining 40 percent struggle by with waning public assistance. In recent resident surveys, the most emphasized and stated interests were in job skill training, job readiness and help with job searches.

In Smoketown Neighborhood, every child between the ages of six to 17 lives in economic poverty. Generations of Smoketown residents have suffered from poverty and unemployment. Social challenges include tenancy issues such as appropriate housekeeping skills, landlord-tenant relations and poor conflict management skills. New insights from the Learning Center Consortium are suggesting how our Resident Services and Property Management staff teams can work with even greater impact. At the heart of the action, though, are resident families.

We respect the ingenuity of many families who succeed, despite significant obstacles. They engineer informal networks to share scarce resources. For example, babysitting services are provided by a stay-at-home mom for a working neighbor who struggled to find safe, affordable childcare. The same working mom provides transportation service for the neighbor to help her meet doctor’s appointments and shop for groceries. Truly, there is ingenuity and resilience—but the same story also illustrates stress and complication. Single parents are very young, and their professional or emotional opportunities are usually overlooked in the day-to-day struggle to save enough to pay the rent and feed the children.

Changes in social policy have increased the number of families who stumble on this tough road. This has a great impact on closely knit communities like Smoketown and Shelby Park. Costs to the individual families will be high in stress, low self-efficacy, an inability to maintain employment and to pursue appropriate education. At the community level it creates a greater need for emergency services and housing. And, as a new generation comes of age, young parents are again moving from one substandard housing situation to another.

Our Resident Services Program is being positioned to help New Directions resident families maintain their housing, be good tenants and take advantage of every opportunity. The vision for service provision in an environment of robust revitalization will dovetail with organizing and economic skill building.

The Service Coordination program model and work plan
Intervention techniques, like the ones we pioneered in transitional services, can have impact. Subsidized housing properties are becoming a scarce asset in Louisville. With Service Coordination, attaining a subsidized unit could be a stepping-stone for economically distressed families. Supportive housing programs can provide learning tools to steady a family against the economic conditions they face. By providing decent, affordable housing and supportive services like Service Coordination, economic and educational stabilization can begin.

The goal is to leverage the strength of safe housing to further develop self-sufficiency. New Directions has crafted a dynamic plan for its Service Coordination programming. Based on HUD’s study of best practices, our program offers three basic interventions: 1) crisis intervention, 2) resource and referral and 3) follow up services. Some level of service can be achieved at every New Directions site, regardless of the physical current structure. Service delivery across the entire portfolio varies depending on the size, physical layout and resident population of a housing community.

1. **Single Site Service Coordination** is used where unit concentrations are highest. Existing on-site property management office space accommodates the delivery of Service Coordination and other leveraged activities.

2. **Scattered Site Service Coordination** is a service delivery plan for low unit count housing sites. Service Coordinators work with residents whose homes may be scattered throughout a neighborhood. Meetings may occur in the home and a Resident Help Line is also available.

3. **When properties are resourced to offer both Service Coordination and a Learning Center with Youth or Lifelong Learning services**, then highest outcomes are achieved. In this third model, we are able to provide site-based services to residents and sometimes other area residents. As a not-for-profit agency with partnerships throughout the Metro United Way agency system, New Directions can greatly leverage the Service Coordination resource for residents’ maximum benefit.
**Current program status: New Directions housing sites with Service Coordination**

Service Coordination can help residents by making appropriate referrals through the sometimes confusing maze of community assistance and by providing follow up services that are simple yet imperative to a family’s success. With support from a Service Coordinator, families or individuals can work to attain self-sufficiency and navigate through a neighborhood lacking many resources. Tactics in eviction prevention, social services counseling and referral and partnership formation with other initiatives bring great benefits to residents.

Inspired by what we have learned from the Enterprise/Mercy Housing Study and from Common Bond, a peer agency in the Resident Services Consortium, New Directions launched an approach to Universal Disclosure, as well as implemented a comprehensive Eviction Prevention Program in 2008-09 which has been successful.

**Measuring effectiveness and evaluation methodology**

The Service Coordination staff measure impact through the use of Outcome Measurement processes designed by United Way of America. For residents choosing to participate in the program, the following measurement criteria are engaged.

<table>
<thead>
<tr>
<th>Processes</th>
<th>What are you measuring?</th>
<th>Indicator tool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logic model – Service Coordination</td>
<td>• Access to information technology</td>
<td>Sign in sheets</td>
</tr>
<tr>
<td></td>
<td>• Adaptive living skills</td>
<td>Monthly report</td>
</tr>
<tr>
<td></td>
<td>• Strengthened relationships w/neighbors and police</td>
<td>Case notes</td>
</tr>
<tr>
<td></td>
<td>• Access to resources</td>
<td>YARDI</td>
</tr>
<tr>
<td></td>
<td>• Eviction prevention</td>
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</table>

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermediate</strong></td>
<td></td>
</tr>
<tr>
<td>1. Participants will maintain stable housing for a tracking period of at least two years.</td>
<td>% who complete Service Coordination assessment and goal-setting activities.</td>
</tr>
<tr>
<td>2. Participants identify barriers to self-sufficiency.</td>
<td></td>
</tr>
<tr>
<td>3. Participants show progress on intermediate goals identified during assessment and goal-setting.</td>
<td></td>
</tr>
<tr>
<td><strong>Short term</strong></td>
<td></td>
</tr>
<tr>
<td>1. Participants become involved in the Service Coordination program.</td>
<td>% of new residents who agree to voluntarily participate.</td>
</tr>
<tr>
<td>2. Participants identify immediate needs to building a stable household.</td>
<td>% who take advantage of vouchers available to arrange a stable household.</td>
</tr>
</tbody>
</table>

Data collection tools are in place and used with the Service Coordination program. Over the period of their residency in housing communities served by the Service Coordination, all contacts with residents are recorded and filed in the individual family’s personal development file. In depth services are recorded on a Resident Assessment Form. This documents strengths and weaknesses present in the family’s situation. A Referral Form details anytime a referral is made by the Service Coordinator and tracks whether or not that resource is contacted by the resident. Basic needs are currently listed on the initial Resident Assessment Form. Currently these issues are not effectively addressed because we have found no resource to typically meet the basic household needs of residents. When working with older or disabled residents, Resident Perception Surveys can very quickly impact the tactical direction of service coordination.

National and regional data sources also inform the work. New Directions is in close contact with HUD field office representatives, and has worked collaboratively with Service Coordinators from across the state to charter the Kentucky Association of Service Coordinators. Our agency is a member of the American Association of Service Coordinators and has a three-year service learning relationship with Louisville’s Spalding University. These sources give us larger perspectives.
Concurrently, our tracking system allows us to analyze in-house data in a manner of ways and over differing periods of time. By continuing to track contacts with residents over the term of their residency, we are able to identify short-term successes and long-term successes and note circumstances surrounding these achievements. How these dovetail with national and regional successes is frequently monitored.

While there are differing degrees of resident participation at each property, 100 percent of those choosing to enter Service Coordination contracts are visited at least annually in their homes. Confidence grows as relationships mature between residents and their Family Services Specialists.

**SWOT analysis**

**Strengths:** Rapid expansion of Service Coordination has increased the geographic scope and potential for outreach to at least connect with more New Directions residents.

**Weaknesses:** Relatively small gaps in resources cause slowdowns in service delivery (emergency support to prevent eviction, household goods to aid highly distressed adult residents); Unsure long-term family, elderly supports in health care delivery, housing subsidies, transportation, community ministry network aid cause additional stresses. Few New Directions resources to help aging residents begin the search for assisted living—and such housing options are scarce.

**Opportunities:** New neighborhood-based partners seem available, committed. Learning Center expansion yields higher quality venues for Service Coordination delivery. Work with NWA LCC and others to build the case for Service Coordination to encourage HUD, charitable funding from area foundations. Newly launched UoFL Case Management Initiative may yield Service Coordination for LIHTC sites.

**Threats:** HUD policies shifting in Service Coordination and may mirror shifts in Supportive Services funding (competitive grants now at year-to-year rather than multi-year awards); potential for policy shift toward lifetime Section 8 limits; given greater numbers of homeless persons locally, many feel that those in permanent housing are “okay” rather than seeing that maintaining permanent housing is more challenging than attaining permanent housing.

**Community involvement, organizing and Service Coordination partnerships:** Block Watch

In March 2003, New Directions began an in-house coordination that linked residents with staff from property management, community organizing and service coordination departments. Ultimately, the fifth partner became officers from Louisville Metro Police Department. Four pilot sites were selected based on resource availability for community organizing. First steps included:

- Creating a baseline “snapshot” of safety and resident perception of safety on its assigned property: police stats for previous 12 months, residents’ interviews, staff observations.
- Planning first meeting of the block watch, including outreach.
- Working together with residents to create and implement strategies to increase safety and sense of community at property.

Residents continue to work at three of the four first sites, and other Block or Apartment Watches have been organized at three more sites. Residents were sometimes faced with tough decisions as visiting grandchildren or friends were identified as dangers by Watch volunteers.

**Green and Service Coordination**

How can telecommuting impact community-based services? Family Services administration is going green by minimizing travel and eliminating paper. Fewer computers and phones is not only cost effective, it’s green. Electronic case management—happening on site and recording notes real time—save time and materials. In 2011, New Directions invested in a developed Resident Services module as part of the YARDI property management module. Desktops were purchased for Service Coordinators so that trips back to the main office to file case notes were eliminated. Other software systems—AFL-2, HMIS, Kidtrax—are all web based and accessible. Being part of the food bank saves money. Buying in bulk to reduce individual wrappings and limit fuel use is green. This kind of thinking is making a difference for the bottom line, as well as the local environment.
Service Coordination results
In 2010, 78 percent, or 346, of the 441 residents living at the properties with adult Learning Centers participated in the on-site Service Coordination program. Additionally, over 100 residents reached out from other properties by accessing the agency’s Help Line for those sites without on-site Learning Centers. Education and employment continue to be the number one issue residents request assistance with, followed by crisis intervention (assistance with food, rent, utilities, basic needs) and family supports (support for family members such as daycare or after school care).

With the assistance of Service Coordination staff and community resources, evictions can be prevented and needs met. And these savings can be tabulated to reflect the resources gained through assistance or saved to the agency through prevention. Since 2009, Family Services has saved:
- $64,698 by preventing evictions
- $7,766 in community resources for rent
- $3,786 in community resources for utilities
- $660 in other individual savings (ex. food, household goods, clothes, etc.)
- That’s a grand total of $76,910

Service Coordination SMART goals achieved
RS2011#1: By November 2011, Resident Services and Property Management will have completed a series of trainings to introduce the utilization of coaching in their service delivery with residents.

Status: Achieved. Through a series of “Lunch and Learn” sessions designed to implement coaching skills through everyday interactions with residents, Property Management completed 16 hours and Resident Services completed 22 hours of training. Resident Services completed an additional 47 hours of one on one coaching with our consultant, experiencing coaching from the consumer’s perspective.

RS2011#2: By October 2011, the last of five data management systems will be employed to ensure accurate and compliant data to funders.
- The Kentucky Homeless Management Information System (HMIS) for the Transitional Services program
- KidTrax for the Youth program
- AF12 for the Individual Development Account for Home Ownership program
- YARDI/RS for the Service Coordination program
- And YARDI Construction for Resident Services’ budgets

Status: Achieved. The US Dept. of Housing and Urban Development, Metro United Way, and the Administration for Children and Families’ funding require the use of HMIS, KidTrax, and AF12. As per our 2010 Smart goals, our home grown version of YARDI/RS provides a more economical electronic case management than the one endorsed by the American Association of Service Coordinators that aids in the HUD Semi Annual Service Coordination report. And finally, utilizing the existing YARDI Construction model but expanding it to Resident Services will ensure consistent spending and budget controls for the entire department.

Capacity and resource development strategies
In less than 10 years, New Directions has succeeded in resourcing a site-based Service Coordination program that has at least annual contact with over 1,000 residents. Our next challenge is to enhance program delivery so that it is more consistent and more directly supports our interpretation of Maslow’s Theory. Safe and affordable housing has been secured by and for our residents. Moving up the pyramid, how do we work with residents to increase safety and income potential? Our resource development plan, informed by results analysis, outcome measurement and resident input, will seek new affiliations and donors who see the benefit of strengthening communities—one family at a time.

Review of human capital and professional development plan
An important development occurred this year as this program, and other Resident Services activities were centralized under the supervision of a full-time Resident Services Director, Dawn Davis. Her experience with community-based programs for seniors and youth, and her strong administrative skills have already provided a
strengthening effect in this program. Additionally, new aspects of case management and coaching are being explored in the first major shift of the program model in nearly 10 years. New Directions has access to data indicating that a case management/coach approach hybrid can accelerate the pace of personal change in a willing participant by as much as six times.

**Training staff for innovative service**

The training agenda in 2011 has been intensive for Resident Services staff. Coaching with Possibilities Unlimited, sponsored by JPMorgan Chase Foundation as part of the Smoketown and Shelby Park Revitalization, was a powerful place-based training engaging experienced social services staff in this methodology. Lunch and Learn sessions throughout the year honed skills.

Financial empowerment training with the Women-4-Women Foundation’s Financial Opportunities curriculum created a team of prepared trainers, thanks to grants from PNC Foundation.

Internal staff trainings for information technologies, YARDI beta modules and staff/intern/volunteer orientations increased staff capacities. Staff participated in the HUD Housing Management Conference, American Association of Service Coordinators and Kentucky Association of Service Coordinators.

Youth Service Worker training delivered by the city’s Office of Youth Development provided affordable training for the agency’s paraprofessional Neighborhood Mentors. Other youth service worker trainings included CPR & First Aid, Peace Education and computer classes at the Library.

It is important to keep abreast of changes in the local service environment. Family Services staff annually attends the HUD field training in May and a statewide conference on insurance for older Kentuckians in October. One staff member attends The American Association of Service Coordinators conference, also in October. Frequently, New Directions staff members have presented on our Learning Centers at both the HUD and AASC conferences.

**Contingency plans**

Additional volunteer recruitment and orientation is also seen as a way to strengthen program delivery. In-house partnerships with Community Organizing staff through the Economic Empowerment Program are underway.

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**Milestones in Service Coordination at New Directions Housing Corporation**

The Service Coordination Program began at three New Directions housing communities in the mid 1990s. Measured outcomes continue to indicate success in eviction prevention, drug elimination, resident empowerment and families’ connections to available social services.

- In 1997, HUD designates New Directions’ first Neighborhood Network site at Jackson Woods Apartments. Currently eight privately funded computer labs are in service, four with HUD Neighborhood Network status.

- In 1998, HUD designates The Jackson Woods Neighborhood Network Center as a recipient of The John J. Gunther Blue Ribbon Best Practices Award at the annual National Neighborhood Networks Conference.

- In 2000, Boston’s Stoneman Family Foundation encourages Service Coordination by funding a best practices review to help other area agencies increase their expertise and ability to serve young resident families.

- From 1999 to 2002, the Commonwealth of Kentucky awards the agency competitive renewal grants to operate a family learning center in Louisville’s Portland neighborhood. Metro United Way continues the funding.
In 1998, New Directions is awarded a HUD Drug Elimination grant to work in concert with other local agencies to provide drug abuse prevention. In 2001, the success of the original program led to an additional Drug Elimination grant with an expanded service area.

Milestones, continued

► In 2000 and 2002, private funding extends the impact of Service Coordination. New Directions’ Learning Center Program earns the second highest ranking of all programs in its Metro United Way outcome measurement category.

► Since October 2002, HUD has annually invited New Directions staff to present our model of Service Coordination and youth service delivery at the National Conference of Service Coordinators.

► In 2003, New Directions acquires 463 units through a massive HUD property transfer and Mark-to-Market activity and negotiates site-based services fee support. In the same year, a three-year HUD Service Coordination grant extends help to two Section 202 housing communities.

► In 2005, New Directions becomes a chartered NeighborWorks America® agency, eager to learn, share and improve.

► In 2006, a newly designed collaborative partnership launches, attracting nine University of Louisville graduate students for assignment in the first practicum placements approved by the Kent School of Social Work. This may enable Service Coordination to expand, in time, to Low Income Housing Tax sites.

► In 2007, New Directions entered the NeighborWorks America® Learning Center Consortium, which institutionally connects our work to the national agenda of property management partnership, capacity building, impact measurement and resource development. Attending the 2008 Learning Center Consortium leads to a one-year best practice study of Eviction Prevention and in-house efficiencies.

► In 2008, New Directions dedicates the Shawnee Learning Center, a new facility built in an abandoned laundry room. The new facility features property management offices, a 10-unit computer lab, kitchenette and comfortable learning spaces for children and adults.

► In 2010, New Directions names a Resident Services Director for the Line of Business, and creates a framework to consolidate compliance, procedures and process strengthening, including outcome measurement and fiscal controls.

► Also in 2010, New Directions dedicates the Kelty-Steinbock Idea Center, a state of the art learning center at the redeveloped Jackson Woods Apartments in the Shelby Park Neighborhood.

► In 2011, the Brandeis Learning Center is renovated as part of this sites redevelopment and capital upgrade. On site gardens offer residents the opportunity to participate in a neighborhood food security program through The California Collaborative.

Staff members assigned to the Service Coordination Program:

0.60 FTE Resident Services Director
1.0 FTE Family Services Coordinator/Program Coordinator
1.0 FTE Family Services Coordinator
1.0 FTE Family Services Specialist
2.0 FT AmeriCorps Volunteers
0.10 FTE Administrator/Chief Operating Officer

Note: University of Louisville graduate student interns aid in the operation of this program, each providing approximately 8 hours weekly to Service Coordination and Learning Center programs. Several Spalding University undergraduate service learning students volunteer their time, also.

Budget: Service Coordination budgets are included in the Resident Services Line of Business budget.
Resident Services Line of Business

Program name: The Learning Center Program
Program start date: 1994
Geography: In Louisville, specifically in Shelby Park, California, Newburg, Phoenix Hill, Shawnee, Portland and Russell neighborhoods

The founders of New Directions Housing Corporation believed that everyone has a role to play in building a safer community. One very special partnership between families and New Directions has created The Learning Center Program.

Program purposes: Today, the program impacts nine New Directions housing communities, which include a small center at Heverin House. Diverse activities dovetail with each unique community’s talents, interests, needs and vision.

The agency enlists local, regional and sometimes national resources in this strategy, maximizing community outcomes and connections. The Learning Center Program has three components:

Youth Services ... Innovative neighborhood-based academic services identify children at risk of academic failure at five housing communities, Brandeis Apartments, Shawnee Apartments at Lindell Avenue, Jackson Woods Apartments and O'Conner Square Apartments. Solutions are positive, volunteer-enriched and proactive, bringing children after school scholastic mentorship where they need it most—at home.

Lifelong Learning Services ... Empowered adults and seniors find allies through New Directions Lifelong Learning Services at all Learning Centers located in both elderly and multifamily housing communities. Lifelong Learning Services are specifically designed to attract older or disabled residents living at Saint John Gardens, Saint William Apartments and Russell Apartments.

Neighborhood Networks ... Encouraged by HUD and supported by local volunteers and donors, nine computer labs enrich New Directions Learning Centers. Seven of these technology centers have been honored by HUD with Neighborhood Network Center designation—and, all of these have reached Level Two Certification as of August 2008. Delivering digital access to neighborhoods directly benefits New Directions residents and expanding partnerships extend benefits to surrounding neighbors.

Dangerous times and lonely children

The hours between 3 p.m. and 6 p.m. are the peak times for both crimes committed by adolescents and those crimes that victimize them. Learning Centers are open at these times to offer a safe, productive choice for latchkey kids. Four prioritized activities guide our Youth Services: 1) homework completion, 2) tutoring and reading 3) computer training and 4) life and social skills development.

Neighborhood Mentors—again, our part time staff recruited from the neighborhoods—supervise the children and the activities. Community volunteers help the children complete homework and provide additional tutoring. In addition to Youth Services for elementary-age children, older siblings and parents have access to more help through the agency’s Family Services Program.

Families can receive discreet referrals for counseling and services. Frequent referrals are for G.E.D. classes or testing procedures, post secondary training or education and emergency financial assistance. (See Line of Business: Service Coordination.) After school tutoring eases tensions, increases learning and spurs the development of personal responsibility. Our children choose to come to the Centers; attendance is not mandatory. From 10 to 20
children elect to study in each of our five youth centers daily. Completed homework, a nutritious snack and fellowship with a mentor prepares each child for a relaxing evening at home with other family members.

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<thead>
<tr>
<th>Processes</th>
<th>What are we measuring?</th>
<th>Indicator tool</th>
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<tbody>
<tr>
<td>Logic Model</td>
<td>• Computer competencies</td>
<td>Pre/post tests</td>
</tr>
<tr>
<td>MUW for</td>
<td>• Mentoring and tutoring</td>
<td>Volunteer sign in</td>
</tr>
<tr>
<td>Youth LC</td>
<td>• Responsibility/importance of completing homework</td>
<td>Daily attendance/KidTrax</td>
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<tr>
<td></td>
<td>• Succeed in life/school</td>
<td>Monthly report</td>
</tr>
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<td></td>
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<td>Report cards</td>
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</table>

**Summertime**

Youth Services offer a six-week day camp that serves many of the same children as the school year program, although more children are entered as space and safe supervision allow. The program is in session from the beginning of June through the middle of July, Monday through Friday from 9 am to 3 pm. Two weekly field trips as one large group on Tuesdays and Thursdays bring kids from five Learning Centers together. Summer sessions are still academically motivated, but lessons are presented to the children in fun, hands-on ways. Focus also continues on social skills and computer skills. Unlike the school year program, there is a fee for the summer program of $5 weekly for one child and an additional $1 each for other family children. This includes all food and activities and costs can be offset if parents volunteer. This is a great way for parents to enjoy field trips with their children. United Way funding makes this program enrichment possible.

**Neighborhood back to school celebrations**

New Directions participates in two major neighborhood events, The Smoketown/Shelby Park Back to School Jam and Newburg Back to School Fest. Together, over 3,000 children receive immunizations, school supplies and other essentials for returning to the classroom. The Jam recently celebrated its 17th anniversary and is considered one of the finest back to school support events in the city.

Despite—or perhaps because of—the daily challenges they face, the children are resilient, creative and energetic. Learning Center Youth Services cultivate and build on these strengths and talents, leading the children on a path of success—in school, and in life.

**Green and youth**

A future component of Learning Center study will be Green Thinking. While operations are getting greener, children will be invited to learn more about this topic that will have such an impact in their lives. As Property Management and Resident Services collaborate on an environmental awareness campaign for adult residents, a parallel effort will occur in Learning Centers.

**Lifelong Learning Services**

Thankfully, the joy of learning continues beyond childhood. As eager students, New Directions staff and volunteers daily learn from the wisdom of our elders and others at Learning Centers located at Russell Apartments, St. John Garden Apartments and St. William Apartments.
Having a Learning Center ensures that these housing communities have a shared space to learn, organize and share activity. Lifelong Learning Services offers diverse opportunities, all tailored to respond to resident input and interest. Some recent activities are leading toward strategic initiatives for the entire agency:

- Block Watch groups regularly meet with precinct police to gauge degrees of safety. Leaders have challenged drug activity and in one site, circulated a petition which was presented in court and was instrumental in an eviction.

- Elderly residents “redesigned” an arts project, deciding to carve a limestone time capsule in an elaborate tribute to the legacy of civil rights in the Russell Neighborhood. Across the street from this site, the state’s African American Cultural History Museum is under construction. This first collaboration with Louisville Visual Arts Association was followed by tile creations that now enhance our property’s walls and a tile nature mosaic that beautifies their ramp and porch.

- Residents at all four sites have enjoyed new access to e-mail, often reconnecting with faraway relatives and friends.

Learning Centers provide space for older residents to share with families for special occasions. The facility at Russell Apartments is, in fact, formally managed through a shared agreement between the resident association and New Directions staff. Weekly, a local congregation rents the space and the income from this and other activities underwrite community holiday parties. Money is managed in a business-like way, with both staff and residents overseeing monthly transactions.

**Program impact**
Learning Centers are busy places! Approximately 70 different volunteers from colleges, high schools and congregations bring diversity of thought and experience to all Learning Centers. For the 2010-11 fiscal years, 205 children were served between the after-school and summer day camp programs.

- This is an 11% increase over last year’s enrollment
- 58% of students maintained and/or improved their overall GPA.
- 77% maintained and/or improved their computer knowledge
- Over 27,000 hours of participation in our youth programs were logged during this fiscal year with an average attendance rate for our four sites of 96% (per KidTrax), compared to JCPS average student attendance of 93 in 2009-2010 (last year data was posted)
- Over 800 skill building opportunities throughout the year includes reading, academic, computer, and life skills activities

**Parents as partners**
Parents were surveyed regarding our after school program, and the results were great! 100 percent would recommend our after school program to a friend and 86 percent told us that their child’s reading ability and grades have improved since attending the Learning Center. Parents gave us an average score of 4.43 to 4.94 on a scale of 1-5, for convenience of hours of operation, appearance/cleanliness, helpfulness of staff, and homework assistance given. This is particularly significant in a city with a complex desegregation plan where children are transported, often for long distances. At just one of our Learning Centers, the 25 resident and neighborhood children we aid attend over 14 schools!

**NeighborWorks Resident Services Consortium**
New Directions Housing Corporation intends to strategically expand and improve its Learning Centers to serve, connect and listen to residents and other neighborhood stakeholders. We believe that housing communities need
healthy spaces for collective planning, learning and teaching. These community spaces can be more powerful if, through Neighborhood Networks, they can be connected to the world, through information technologies and access to best practices. In 2006, New Directions sought and secured membership in the Learning Center Consortium, went through orientation in 2007. New Directions seeks informed support in outcome measurement and for referrals to funding or other resource opportunities. Participating in national dialogue on Learning Centers will be beneficial to residents, volunteers, staff and other stakeholders. Learning Center programming is a key element of our Resident Services Line of Business, and has great impact in two other business lines, Community Building and Organizing and Asset and Property Management. Our vision for the Learning Center Program has two facets: 1) direct service programming in creative partnership with residents and 2) connectivity to increase fair access to service in neighborhoods where this is lacking.

Gaps in access to computer technologies, ownership and on-line access can still be measured by race. At our Learning Centers, children benefit from logging more time on keyboards while working on educational games. (At school, various limitations preclude significant time in hands-on computer use.) Elders use the Internet to research their prescriptions, Social Security issues and other important information. Obviously, the Learning Center Program can be of great importance in neighborhood revitalization, community organizing and human development.

Resource development strategies
The Learning Center Program has successfully sought and secured stable capital and operational funding from diverse sources, including U.S. Department of Housing and Urban Development, Louisville’s Metro United Way, Louisville Metro Government and various foundations. Expansion of the program has been driven by opportunities suggested by the agency’s housing development and management success. As stated, a relatively new standard for New Directions housing development is the creation of community space to ultimately support Learning Center and Community Organizing activities. Learning Center funding is stable. Capital needs for Learning Centers, especially the ongoing hardware needs of the Neighborhood Network computer labs, are challenging. Measured outcomes indicate the value of the initiative. Efficient use of donated computers is made possible through volunteer support and assistance from the agency’s IT Director. Next steps include 1) identifying new charitable sources and 2) working with board and key resource development volunteers to articulate a more detailed case.

Review of human capital and professional development plan
New Directions staff members assigned to Learning Center programming includes 11 part-time Neighborhood Mentors. Direct supervision is provided by the Service Coordination Program Manager. In the last year, 165 volunteers have given 963 hours to youth and elder services.

| 0.40 FTE Service Coordination/Program Manager |
| 4 FTE Neighborhood Mentors (11 NMs at 10 to 15 hrs. weekly) |

Note: University of Louisville graduate student interns aid in the operation of this program, each providing approximately 8 hours weekly to Service Coordination and Learning Center programs. In addition, several Spalding University undergraduate service learning students volunteer their time, also.

Staff members with supervisory responsibility will annually attend HUD field training in May, a statewide conference on insurance for older Kentuckians in October and The American Association of Service Coordinators conference, also in October. Frequently, New Directions staff members have presented on our Learning Centers at both the HUD and AASC conferences. In fact, our Program Manager presented on Resident Services delivery at small housing sites at the most recent Learning Center Consortium meeting in Chicago.

SWOT analysis

Strengths: Good alliances with United Way and Louisville Metro Government; creativity and resilience of children and older participants; the dedication of Neighborhood Mentors.

Weaknesses: Need more volunteers; more IT and housing management training would boost capacity.

Opportunities: Service Collaborations—new ones and expanded ones—could enrich our services.
Contingency plans
Considering the identified weaknesses and threats, contingency plans center around too few volunteers, too little Information Technology resource—both IT support and the constant need for more hardware; and the threat of losing donors. Learning Center Youth Services, in its 17 years, has experienced most of these occurrences, but was able to mitigate losses. In the future, the largest threats may begin indirectly as Metro United Way struggles to meet its campaign goals annually. As a MUW member agency—and as a NeighborWorks America agency, New Directions has earned community respect. Identifying new donors while the program enjoys stable funding is advanced as the best contingency plan. Finding a “right size” for the program through advanced agency strategic planning is foreseen by board members. In other words, how many Learning Centers are sufficient to serve residents and their neighborhoods? How expansive should Youth and Lifelong Learning services be? These questions have been advanced in the agency’s operational plan as a part of the overall strategic consultancy request to NeighborWorks.

Continuous evaluation design and methodology

<table>
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<tr>
<th>Goal/outcome</th>
<th>Activities leading to outcome</th>
<th>Measurement of success</th>
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<tbody>
<tr>
<td>Residents gain access to information technology.</td>
<td>Neighborhood Network Center activities.</td>
<td># of opportunities to access NNC</td>
</tr>
<tr>
<td>Residents gain knowledge of adaptive living skills.</td>
<td>Educational/developmental events attended by residents.</td>
<td># of events</td>
</tr>
<tr>
<td>Residents’ interactions with other members of the community increase.</td>
<td>Community events provided by staff or residents.</td>
<td># of events per quarter</td>
</tr>
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</table>

Learning Center Youth Services are measured for outcome improvement using the United Way of America Outcome Measurement process, which is used for evaluation by Metro United Way. We are fully operational using the Resident Services Consortium’s performance measurement matrices, authored by Fred Alsup, Consultant. Data input is determined by standardized monthly reports from each Learning Center and Lifelong Learning Center. Of particular importance is the feedback solicited from both children and parents for Youth Services. Parents are interviewed or surveyed twice annually; children are surveyed annually. Another key measurement devise is a facilitated SWOT analysis conducted twice annually by Neighborhood Mentors, who are part time staff members recruited from housing communities.

The outcome measurement process shows us what we do well and what we can do to continue to improve our services. Our youth-oriented outcomes are all based in children doing well in school and therefore, in life. Homework is Job #1. Our kids get their homework done all the time. We believe this affects their attendance in a positive way. By ensuring homework is ready to give to the teacher, we remove a deterrent to attendance. All the children in our Centers learn basic computer skills and improve their technological aptitudes. One of our greatest successes this year was our ability to provide social skill enrichment opportunities. We have found through past outcome measurement results that the children who can handle their emotions and appropriately manage anger and crisis also perform well at school and in their community. We have been working over the years to increase our ability to help children learn these coping skills.

Lifelong Learning Services are evaluated with feedback from visiting trainers and through the use of pre and post tests for workshops, when they are available. Resident feedback provides information for program evolution and continuous improvement.

Budget: The Learning Center budget is included in the Resident Services Line of Business budget.
Community Building and Organizing Line of Business

- The Neighborhood Roundtable and the Annual Louisville Neighborhoods Property Report
- The New Directions Individual Development Account Project
- The Smoketown and Shelby Park Neighborhood Revitalization Plan
- Midtown Renaissance and a neighborhood's marketing plan
- The California Collaborative
- Portland Neighborhood, NRSA and collaboration with Habitat for Humanity of Metro Louisville
- Community Level Outcomes Report:
  Louisville’s California Neighborhood and Midtown, New Albany, Indiana

- Special addition: Phoenix Hill Neighborhood and Lucille Grant Park Rededication

CBO2012#1: The Neighborhood Roundtable will meet at least six times in Fiscal Year 2012 and minutes shall be presented to the board of directors.

CBO2012#2: The completed Quality of Life Action Plan of the Smoketown and Shelby Park Revitalization effort shall be published prior to December 2011.
Community Building and Organizing Line of Business

Program and project names:
The Neighborhood Roundtable and the Annual Louisville Neighborhoods Property Report
The New Directions Individual Development Account Project
The Smoketown and Shelby Park Neighborhood Revitalization Plan
Midtown Renaissance and a neighborhood's marketing plan
The California Collaborative
Portland Neighborhood, NRSA and collaboration with Habitat for Humanity of Metro Louisville

Program start date: March 1999
Geography: Jefferson County, Kentucky and Floyd and Clark counties in Southern Indiana.

The purpose: Our work in Community Building and Organizing is purposeful, yet diverse. Led by the agency’s Chief Executive Officer and Chief Operating Officer, they together work to influence policy changes and to ensure that resources garnered by these changes are getting to the neighborhoods to make impacting change.

At the core of our work is the work we do with grassroots leaders and stakeholders to strengthen neighborhood-based organizations and increase citizen participation in community stabilization and revitalization. Thanks to united efforts, neighborhoods have obtained new resources and with New Directions have the technical capacities to implement capital strategies to achieve their goals.

Initial tactics in Community Building and Organizing were inclusive of resident organizing initiatives within New Directions housing properties, focused on public safety and crime reduction (Block and Apartment Watch), and financial empowerment. These important efforts are sustained, and now managed within the Resident Services Line of Business.

New Directions Community Building and Organizing strategies have moved with assurance to link with neighborhood leadership across western Louisville and in Midtown. New Albany to implement plans in neighborhood housing quality by deploying precious public capital funding.

The Annual Property Report is a key agency partnership with Roundtable leaders and the Louisville Metro Government’s Department of Codes and Regulations to target problem properties for code enforcement and sometimes for action as drastic as demolition to remove blight.

Continuous peer sharing and information is in play, to ensure that grassroots leaders are informed and ready for advocacy, legislative change and volunteerism in the areas that matter to them most. For example, New Directions is part of a leadership cadre of local intermediaries exploring Green Initiatives in neighborhoods. With others, we are seeking solutions and appropriate systems that link green thinking to food security and environmental justice. More program priorities like these are also moving forward, thanks to NeighborWorks America and other loyal donors. Community Leadership Institute, especially in 2010 when it was convened in Louisville, helps us to provide access to the most progressive thinking and to fresh research.

Original purpose and program evolution: The Community Building and Organizing Line of Business (formerly known as the Neighborhood Initiatives Program) commenced activity in 1999 by working with established neighborhood associations. In partnership with neighborhood activists, we soon broadened our work to include individuals seeking alternative outlets to fulfill their vision for neighborhood change. We envision increased activity in a role similar to that of a broker, ensuring access to products and services not accessible to neighborhood leaders in other more direct ways. Ironically, this leads us to core agency products like home ownership preservation, housing development and resident services.

Our priority: listening with intent
Rarely does a group engage us already equipped with defined and widely accepted goals. Purposeful conversations reveal the complexity of the issues facing each neighborhood. All the stories are familiar, yet each has its own fingerprint. Many times, the story goes like this: Decline in quality of housing stock begets crime begets the
Funding and collaborative partners
In the past, funding has been provided by The Community Foundation of Louisville, Annie E. Casey Foundation via its Making Connections Louisville program, the U.S. Department of Human Services, Louisville Metro Government (both Neighborhoods and Housing & Community Development departments) and Metro United Way. We have more recently secured project funding from The Gheens Foundation and The Federal Reserve Bank of Saint Louis, Louisville Branch. Important collaborative agreements exist with PNC Foundation, Fifth Third Bank and Main Source Bank. These collaborations have brought assets and services to economic empowerment organizing.

Leaders and volunteerism
New Directions proudly participates in both the NeighborWorks America AmeriCorps VISTA program and the AmeriCorps program in Kentucky. These dedicated volunteers contribute to community stabilization tactics in home repair, financial empowerment and recovery, grassroots communications, resource and leadership development. Each year, these invaluable partners bring fresh experience and commitment to New Directions. Capacities are increased as their unique perspectives illuminate better solutions or even, unasked questions!

We are proud that Neighborhood Roundtable leaders, in addition to the hard work they do in their home communities, make time in their schedules for New Directions. On Jefferson County Repair Affair Days—a NeighborWorks Week Event—Roundtable members help generate nearly 1,000 letters of thanks for the volunteers working on homes. These letters of thanks, from volunteers to volunteers, ensure that our Repair Affair teams know how much they are valued! This mail package includes their annual survey, so our volunteers can give us their candid criticism or the benefit of their knowledge to make the program more impacting.

2012 CB&O services: New Directions’ neighborhood initiatives facilitates tailored community building and organizing support to aid residents motivated to make positive change occur in their neighborhoods. Our service menu includes strategic planning facilitation, asset mapping, capacity building and event planning. Our staff can tailor this menu to best meet residents’ needs based on their stated agenda. Special projects are diverse:

- We convene The Neighborhood Roundtable, a bimonthly forum for area leaders. AmeriCorps VISTA volunteers report to the Roundtable and update them on progress at all meetings during the year. Resident priorities are food security, art in community, property conditions, vacancy and abandonment, and tax lien reform. Meeting minutes are tendered to the board of directors. As empowered within the agency’s bylaws, the Neighborhood Roundtable is an officially recognized Advisory Group. Their insights and actions are considered intellectual resource for the board of directors. Typically, the board president will attend meetings, given the importance of this bi-monthly focus and advisory group.

- Instigated by CB&O staff, Block Watch activity continues as a facilitated activity shared by Resident Services and Property Management staff. In 2012 and 2013, Green Resident Training and Organizing will share this platform, given CB&O staff and volunteer expertise.

- New Directions Individual Development Account Initiative, formerly the Newburg Weed & Seed IDA demonstration project, has been restructured to offer new and aggressive match ratios and geographic expansion to serve potential qualified homebuyers across the county. New Directions both honors other agency’s financial training and provides its own financial training agenda to help IDA participants reach their requirements and buy their homes!

- Inspired by his participation in Achieving Excellence, Joe Gliessner, our Chief Executive Officer, is a partnering champion in the Smoketown and Shelby Park Neighborhood Revitalization Plan. A quality of life action plan will be published by December 2011, igniting a new round of activity in housing, job development, education, green organizing and economic development.

- New Directions will co-convene a November 2011 forum on economic development to energize a regional conversation about business district support as an important part of neighborhood revitalization. For optimal results, new thinking is inclusive of urban planning, municipal enabling, rebooting nonprofit
intermediary roles, and business incubation.

Research is being done by Jeffrey Morgan, an architect and a 2011 Edward M. Granlich Fellow in Community and Economic Development (co-sponsored by Harvard University Joint Center for Housing Studies and NeighborWorks America). New Directions has invited Jeffrey and Sarah Greenberg, Program Manager of NWA Community Stabilization, to present their findings during a public forum on November 3, 2011. Two experienced New Directions board members, entrepreneurs Bill Weyland and Robert Holmes, will add their insights and stories from their local experiences.

- We want to leverage the economic development forum to cause a specific discussion to occur for Smoketown and Shelby Park about what can happen around business corridor development, involving stakeholder small businesses--especially those located on Logan--and neighborhood businesses. Both events are being co-convened by JPMorgan Chase Foundation and the Federal Reserve Bank of Saint Louis, Louisville Branch.

- Neighborhood initiatives like Midtown Renaissance and The California Collaborative continue, integrating volunteerism and opportunities in purposeful intent to support revitalization using the Healthy Neighborhoods principles. More detail about their unique strategies is provided later in this section.

- Louisville’s Portland Neighborhood, led by Portland NOW, has rewritten the book—literally—on neighborhood use of Community Development Block Grant funding. Within the city’s HUD entitlement funding plan, Portland is the first neighborhood to experience Neighborhood Revitalization Strategic Area status, enabling use of Community Development Block Grant to benefit residents with incomes up to 120 percent of median to benefit from direct support in qualified census tracts. Portland NOW designed a twofold strategy. Over $1.7 million is directed to a three-year housing rehab strategy with New Directions and Habitat for Humanity, working together to maximize outreach and service. Another $250,000 will support the traditional business district’s revitalization.

Benefits of New Directions housing resident organizing for public safety
Successful Block and Apartment Watches involve Resident Services staff using on-site Learning Centers as meeting space at multiple sites. Since residents often frequent the Learning Center for other programming, they are familiar with the facility and staff. Resident groups meet with police around safety issues. Results have been documented at Pearson Court, Russell Apartments, Saint John Gardens and Saint William Apartments as police, residents and staff have worked together.

Public safety is a process, not a destination. Groups understand that work has to be ongoing to hold onto results. Sustained organizing support is provided to six existing Apartment Watches, but intensive organizing is focused at Jackson Woods and Smoketown Apartments (on Smoketown/Shelby Park border), Lindell Apartments (Shawnee) and O’Connor Square (Newburg). In each neighborhood, a New Directions housing community will be at the hub of our staff activity, but organizing will go beyond our properties and into the neighborhood.

Financial empowerment: IDA program goes countywide
In November 2011, New Directions got the nod from the Department of Human Services to expand Individual Development Account Initiative from Newburg Neighborhood to all of Jefferson County. Louisville Metro Government, the match provider, had already agreed that this would be a prudent move. Financial empowerment training is still an essential component of success. Topics include budgeting, savings, checking accounts, identity theft, credit, and predatory lending. To date, 5 families have purchased homes, 22 families are participants in compliance. We applaud the diligence with which future homeowners are pursuing their goals, but will urge them to quicken the pace. This special project will end in December 2012.

Originally, New Directions was awarded a grant for the Newburg Weed and Seed Individual Development Account (IDA) Program in September 2006. The Federal Assets for Independence Project awarded $100,000 for match money, and the Louisville Metro Department of Housing and Community Development provided the required non-federal match money of $100,000. The Great Recession greatly impacted this recovering market, and participants have provided feedback that the geographic limitations make this a difficult program to use.
Now, with furious effort underway to support potential homeowners who may be able to purchase Neighborhood Stabilization Program homes or other affordable housing stock, repurposing this IDA program is extremely important. New Directions staff will be aggressively pursuing, as advocates, other ownership possibilities with eligible participants of this unique program.

The Neighborhood Roundtable: Leader-to-Leader leadership development
The Neighborhood Roundtable is a gathering of neighborhood leaders from all over Louisville and Southern Indiana. Residents organize around neighborhood issues, exchange ideas and periodically meet with government leaders. Meeting from six to eight times annually, these meetings typically draw 25 people. Agendas are topical and involve other agencies as core content experts. Here's a recent example. An overview of Healthy (or Robust) Neighborhood Revitalization was presented, and included sidebar training on Kentucky's ill-advised tax lien sale process as an example of a practice that is detrimental to market improvement. In January, as our state's General Assembly convenes, there will be a legislative change proposed to enable municipal acquisition of tax liens. This contextual presentation of the subject of tax liens prepares the membership for mobilization later in the year.

Neighborhood code enforcement
Another product of The Neighborhood Roundtable is colloquially called "The Property Report." This document, produced annually by CB&O staff with participating neighborhoods, helps Louisville Metro's Department of Codes and Regulations to identify priorities in code enforcement. This has been a good tool in fighting vacancy and blight. Since its inception, this report has caused the demolition of 15 vacant properties, and the correction of code violations at many more sites.

2010 Community Leadership Institute in Louisville
Earlier this year, the strength of the Neighborhood Roundtable enabled New Directions to leverage funding and collaborative relationships to organize a massive capacity building project. The 2010 Community Leadership Institute was convened in Louisville, placing "on the platform" 15 high-caliber neighborhoods with strong Promising Practices to share. We secured over $35,000 to match NeighborWorks resource, resulting in special events, well-produced workshops and mobile clinics.

An offsite reception at the Muhammad Ali Museum featured Louisville's Mayor Jerry Abramson in one of his final appearances prior to leaving office. Thanks to Metro United Way, five additional grassroots teams were enabled to attend, and to pursue Action Plans.

Two CLI teams were sponsored by NWA Action Grants. To continue the peer learning we all enjoyed at CLI, the two action plans dovetailed and co-produced a four-session peer learning experience. Volunteers designed a project intended to address needs and interests of all area neighborhoods that showcased:

- Solutions for vacant and abandoned properties
- How and why to do a walkability assessment
- Community gardens and other urban garden organizing, and
- How and why to get public art into your neighborhood

Nearly 200 leaders enjoyed and learned from these diverse activities. The outcomes are numerous, and have helped to fuel the community conversation about tax lien reform that could have dramatic impact if state law can be amended.

Midtown Neighborhood Marketing: An image development strategy
The Midtown Neighborhood is easy to find. From Downtown New Albany, Indiana, travel east and from the sister cities of Jeffersonville and Clarksville, Indiana—go west. There you will find the charm of a well-designed traditional neighborhood with modern access to great schools, retail, medical services and one of the trendiest
locally owned restaurant revivals south of Chicago! Just minutes from downtown Louisville, Kentucky, Midtown is enjoying a renaissance, bringing people together to reinvest time, talent and treasure into a future of great potential.

Future homeowners have many opportunities to choose from—whether it's a first purchase of a dream home, or the next housing choice to relocate to the center of the walkable city, Midtown offers great value! Visit the neighborhood’s website (http://midtownma.org) and look at the once-in-a-lifetime home options made possible by the partnership of Indiana Housing and Community Development Authority, The City of New Albany and New Directions Housing Corporation.

To support a long tradition of home ownership, The City of New Albany and New Directions Housing Corporation have assembled a powerful array of reinvestment tools to help existing homeowners. New Albany has access to most comprehensive set of revitalization and repair programs in the region, because helping a neighbor in need is the Hoosier Way!

The challenge has been to pull these diverse resources together into a strategic plan—in fact, a Healthy Neighborhoods marketing plan! Under the supervision of the New Directions Neighborhood Stabilization Program Coordinator, a fast-action plan is deploying that links NSP and community cohesiveness to the social services, historic preservation and Main Street programs in New Albany. Our task is to sell over 30 NSP homes, and do so by making New Albany a regional destination.

**Midtown Money Talks**

While it’s getting tougher to make ends meet, many people are finding ways to make their dollars stretch! And, many more are making financial choices that benefit the local economy and are helpful to the environment. To make informed decisions about growing health and wealth, it’s good to know an expert. It’s even better to know THREE experts!

Three well-respected authorities on financial decision making have chosen to bring their messages to the Ritter Neighborhood Resource Center for a series of informational discussions called Midtown Money Talks. Marita Willis, PNC Bank; Adam Hall, Fifth Third Bank; and Karen Campbell, Main Source are frequent speakers on subjects like home rehab lending, mortgage underwriting, savings impact and investment. Together, they have created a curriculum that will unfold from October to June.

Midtown Money talks will be on First Tuesdays at the Ritter Neighborhood Center. Light refreshments will be served, and most discussions feature cameo speakers who will share green, creative or thrifty ideas from their own experience.

The Community Building & Organizing staff know that neighbors build neighborhoods—so they “build” neighbors. Under construction are resident networks, capacities, skillsets, confidence and healthy perspectives for community renewal and reinvestment.

This work underpins other neighborhood stabilization efforts, and influences the efficiencies of Community Building and Organizing volunteer recruitment, resource development, data collection and reporting, and even strategic direction.

In 2012, New Directions will be building bridges between the activities of aligned business areas, as part of its holistic revitalization approach. Partners, volunteers and in-kind services are very important inputs into this overall effort.
SWOT analysis

Strengths: Willingness to employ innovative strategies and ability to work collaboratively with all New Directions programming, neighborhood groups, government agencies and corporate partners.

Weaknesses: Resident attitudes in many neighborhoods are still strongly oriented toward wanting someone to “make the change for them.” Turf issues fracture many neighborhoods often complicating the process of relationship building. Sometimes great difficulty coordinating efforts with other service providers involved in community building.

Opportunities: The Neighborhood Roundtable, as an advisory group to the board of directors, can ensure that the agency’s governance leadership is aware of patterns of change and opportunities for progress.

Threats: Brokering assets and supporting residents to use those assets requires time and patience. Energies move at different speeds which can lead donor partners to disengage. Little understanding of how coalitions work can fracture the efforts of collaborative work done with other partners.

Contingency plans: Community relationships are essential to any CB&O contingency plan. Through volunteer recruitment, we can continue to provide current services or even create new services even if the loss of funding occurs. We have found great resources with resident leaders—leaders who not only hold Block Watch meetings, but also teach financial classes or are willing to share their expertise from their own organizing work.

Continuous evaluation and design methodology

Since participation and membership in neighborhood associations is voluntary, one evaluation of program quality is simply to count the numbers of participants that come to neighborhood events, meetings and initiatives. We participate in quarterly reporting with the Community Building and Organizing Initiative and we are continued subscribers to Success Measures.

Staff capacities in this line of business are leveraged through in-house collaborations with Resident Services, Home Owners Preservation and Housing Management staff colleagues.

0.10 FTE Administrator/Chief Operating Officer

0.10 FTE Administrator/Chief Executive Officer

1.0 FTE Neighborhood Manager (California Collaborative)

.75 FTE Resource Development Specialist/Organizer

The caliber of our funding partners is very high. Resources from Metro United Way and Louisville Metro Government are annually competitive, and we are grateful for continued support. Measuring impact through the use of recognized indicator tools is growing in importance. As a member of NWA’s Community Building and Organizing Initiative (CB&O), New Directions has received funding in the past, and will be involved in ongoing impact measurement. A quarterly report is submitted to NeighborWorks on multiple aspects of organizing, empowerment and impact assessment. More indicator tools are being made available to us from Success Measures and their service learning relationships with the University of Louisville.

A key component in securing necessary resources is our ability to build and maintain relationships with people motivated to change their neighborhoods. Community building and organizing reaches beyond the bricks and mortar of housing development, adding tremendous value and human capital to neighborhoods.

Smoketown and Shelby Park Revitalization

Blessed with heritage, strong congregations and a landmark school, Smoketown and Shelby Park are contiguous neighborhoods that border Louisville’s downtown district. Despite rich social capital, these neighborhoods have so far lacked the capacity to hook the opportunities that rush by them to the city’s financial, legal and downtown housing districts.

Given this, two longtime community-based agencies have seized a chance for change. The Presbyterian Community Center, led by Executive Director Bill Gatewood, is both a safe haven and a cultural storehouse, somehow healing
hurts and lifting up hope for over 100 years. Since 1969, New Directions, led by Joe Gliesner, Executive Director, has provided neighborhood housing assistance. Together, they have secured partners, shaped a vision and have begun the work long desired by residents.

To ignite the next stage of the revitalization, a blueprint for neighborhood change will be finalized in December 2011 through the facilitated work of residents, business owners, civic leaders and allies. The process, sponsored by JPMorgan Chase Foundation, PNC Bank and J. Graham Brown Foundation, will create a dynamic *Quality of Life Action Plan* to serve as an *implementation and accountability work plan* to guide the multi-year Smoketown-Shelby Park Revitalization.

**Intent:** Through a quality of life strategy and comprehensive approach, the plan will create the conditions for Louisville’s oldest and most historically significant African American residential community to become a neighborhood of choice. The plan will be produced by residents, business owners, civic and institutional leaders allied with the resident-driven Smoketown-Shelby Park Coalition. The process yields two products: Neighborhood governance and management will be strengthened through the process of an inclusive planning period to determine measurable objectives in health, safety, education and capital investment, and publication of a Smoketown/Shelby Park Quality of Life Action Plan (QLAP) will build pro-active teams for pre-determined work.

**Approach:** Presbyterian Community Center (PCC) and New Directions Housing Corporation established a joint venture to provide organizational foundations and processes for *implementing* key elements of the revitalization plan over the next eight years. Grant funds already secured will enable stakeholders and these two pivotal organizations to provide a full, dedicated focus. Stakeholders will co-create an outcome measurement process to monitor results.

**Our challenges:** A two-year assessment of neighborhood conditions shows decreasing home ownership, older residents coping with deteriorated homes and a growing number of youth living in extreme poverty. Already, tactics are being deployed to address extreme situations, but more sustainable approaches are envisioned through the process of a resident-driven planning and measurement project.

**Benefits:** The QLAP provides investors with a clear pathway for engagement with neighborhood leadership — detailing strategies & action steps by which the multi-year revitalization will be achieved, as well as roles and duties for implementation, milestones and anticipated outcomes. This tool can be used PCC and NDHC to coordinate investments by government and other partners whose collaboration will be essential to success.

**Envisioned results:** For Smoketown and Shelby Park, a process to convene, unite and renew a decade of resident involvement is strategically essential to achieve the aggressive goals of a holistic revitalization in challenging economic times. The QLAP—both the process to create it and the resulting document—are needed. The plan will also hammer out a tactical operation, identifying work teams, assignment champions and timetables. This will help to avoid duplication or wasted effort, and will spur diverse investor involvement. Measurement process will be inclusive and participatory, purposefully involving older neighborhood stewards AND the youth standing by to inherit both duty and empowerment.

The neighborhoods—which share a border at Kentucky Street—face daunting challenges: low demand for market-rate housing; high density of subsidized housing; lower than median incomes; and educational challenge. Deteriorated housing stock, owned by elderly, often borders abandoned commercial properties.

The Quality of Life Action Plan for the neighborhoods captures the intent of residents, stakeholders and potential investors—especially potential home owners. Like other communities benefited by similar plans, this will be a
guide to action, purposefully informing investment decisions in leadership, volunteerism, funding and program implementation. There is wealth of human capital in Smoketown and Shelby Park.

Already evident is the wealth of experience offered by residents. Micro-business, already present, can expand as the confidence engendered by our Quality of Life Action Plan informs expectations. We welcome new ideas, and we honor the intent already trusted to previous planning efforts.

Smoketown and Shelby Park are poised for change for another reason—in May 2011, Louisville Metro Government received a $22 million federal Hope VI award, for the purpose of dismantling the deteriorating Sheppard Square public housing project. The 70 year-old structures will be replaced with mixed-income housing, and Sheppard Square residents have many choices about where to relocate—including the option to stay nearby with Section 8 rental assistance. Our revitalization partner, Presbyterian Community Center, is the people’s first advocate and counselor as they consider these options, and prepare for moves to many different neighborhoods.

It is expected that the demolition of Sheppard Square will spur the neighborhoods’ ongoing revitalization, attracting new emotional and financial investment from businesses and residents alike. Other neighborhood stakeholders are only now considering what changed potential may suggest for their businesses, families or agencies. The Quality of Life Action Plan is being released at a significant and historic moment in time.

**The California Collaborative**

Residents and agency stakeholders emerging from Louisville’s California Neighborhood envision a bold and innovative approach based on national best practices—but rooted in the strengths, talents and aspirations of the generation who today call this place their home.

The California Collaborative is a concept conceived and developed by residents of the California neighborhood community. In 2009, with friends and other neighborhood stakeholders, they launched a neighborhood management system in the California Neighborhood, using as inspiration the NeighborWorks America model for a robust revitalization.

The goal is to strengthen, connect and network the efforts of residents and other stakeholders in making California a Neighborhood of Choice. With staff support, the Collaborative re-engines diverse neighborhood systems so that they intersect through the hub of the California Collaborative—not to suggest that folks seek permission but to encourage synergy, communication and networking to increase results. Organizations, to date, include New Directions, Breaking New Grounds, California Federation, Inc., The California Neighborhood Coalition, Habitat for Humanity, University of Louisville Signature Partnership Initiative, Kentucky Center ArtsReach Program, and YouthBuild Louisville. Since 2008, this amazing group has raised over $500,000 for their activities. Now, the time has come for even more entrepreneurial resource development.

New Directions—created in California at Saint William Church—serves as the fiscal agent. As a part of Round 2 last year, New Directions received a Deep Green Community Project Grant, to advance environmental objectives in the creation of Urban Farmettes, or modern “Victory Gardens”, which are historically significant in California. The Neighborhood Management Coordinator is an agency employee and the Collaborative office is provided at Brandeis Apartments.

Habitat for Humanity, YouthBuild Louisville and New Directions Housing Corporation are strategizing new ways for their actions to dovetail, to improve physical conditions and appearances within the neighborhood. We want to create a continuum stretching from chores done by youth volunteers to new construction to comprehensive rehabilitation. The Arts and Crafts bungalows that shelter the people will shine again, as agencies and individuals find ways to reinvest, improve and enhance properties.
California's society is rich with faith communities, clubs and networks of friends. These natural assets are essential elements of the larger scheme of the California Neighborhood as a place where people choose to live.

The California Collaborative is built on the strong foundations laid by many others, but is compelled to create a culture where differences are celebrated, but not at the expense of progress. A criterion for membership is to have a belief that work, unity and compromise will lead to a better future for Louisville's California Neighborhood. A challenge of the California Collaborative, in keeping with its stated outcome in the area of economic development and community building, will be to increase residents' perception of safety and security in the neighborhood.

Budget
The Community Building and Organizing LOB budget is attached in the financial section, and includes The California Collaborative, The Smoketown and Shelby Park Neighborhood Revitalization Project.

Attached, a special media addition: Phoenix Hill Neighborhood and Lucille Grant Park Rededication
The Creation of Lucille Grant Park

Louisville is most assuredly a city of parks. There are the grand parks like Cherokee and Iroquois – the Olmsted Parks that invite activity on a large scale, that pull Louisvillians in from all over the city along their stately parkways. They are parks worth driving to. And then there are the neighborhood parks – the half-acre postage stamp of green that you really shouldn’t notice unless you live in the neighborhood, but if you do, you probably know intimately. It’s where you take the kids or the visiting nephews to kick around a soccer ball; the place you walk to on a sunny autumn afternoon with a paperback book; the place where you run into a friend and end up sitting on the playground swings and talking for over an hour. These parks take on the character of the neighbors that surround them and use them; they are extensions of front porches and back yards.

The Louisville Metro Parks Association manages more than 100 of these neighborhood parks. Lucille Grant Park in the Phoenix Hill neighborhood is not one of these. And the way Cindy Brown Kinloch (she’s the executive director of the Neighborhood Association) tells the story of the park’s creation, it becomes even more than a neighborhood park – more like a community park, conceived and built and sustained entirely through the efforts of residents working together.
She begins the story in 1994 when New Directions Housing Corporation moved into the neighborhood. New Directions is an organization that builds and maintains affordable housing while working with neighborhood and community-building groups. Its yearly Repair Affair mobilizes hundreds of volunteers to make basic housing repairs for scores of low-income elderly and disabled homeowners across the city. The building itself was a gift from the community—the former home of the Casa Grisanti Restaurant, a Louisville establishment for more than 30 years. After closing the restaurant in 1991, the Michael Grisanti family donated the 1.5 acre parcel of land at 1000 E. Liberty Street to the non-profit housing corporation for its offices.

True to their mission of community involvement, New Directions met with representatives from the Phoenix Hill Neighborhood Association as they made plans for what to do with the donated space. For their part, the association was trying to create more green space—specifically, a park—but struggled to get assistance from a metro government that insisted the city had enough parks. At the time, the neighborhood’s public green space was limited to pocket parks located within the Clarksdale public housing project and the tiny, triangular Rubel Park hidden inside the area enclosed by Broadway and Rubel and Barret Avenues.

New Directions had connections with the Christian Church Disciples of Christ, and the church’s statewide organization raised most of the money needed—nearly $20,000—to finance the creation of the park. And so a park was built, adjacent to the New Directions parking lot, complete with playground and benches and a wide open grassy space perfect for pickup soccer games, lazy picnics and ferocious rounds of red rover. When the work was completed in 1997, there was still the issue of naming the park. The neighborhood association decided to honor a longtime resident of Phoenix Hill, Ms. Lucille Grant, who celebrated her centennial birthday the year of the dedication.

By all accounts, Ms. Grant was a cornerstone of the neighborhood, a nearly lifelong resident who didn’t know a stranger, who could often be seen standing at her fencepost, waiting to talk to any passersby. Lisa Thompson, Assistant Director at New Directions, says that you “didn’t leave Miss Lucille’s house without a smile on your face. And if it was summer, you can bet you’d be leaving with a homegrown tomato, too.”

But even if you had never had the pleasure of speaking with Miss Lucille, you’d surely know her modest Phoenix Hill home, which was host to an expanse of beautiful purple petunias every spring. Cindy smiles and recalls that the elderly woman “was very poor, didn’t have any money, but every year she made sure that she had petunias planted and they would just cover the whole side of her house.”

Miss Lucille wore a purple dress on the day of her park’s dedication in July of 1997 and more than one person used the word “regal” to describe her to me. “She was sitting there, tears streaming down her face. She was so excited to have the park named after her,” Cindy remembers. “And it was just a wonderful day.”

A Tale of Two Parks

The years marched on, Miss Lucille passed away, and the park, well-loved, began to show signs of wear. At the same time, another neighborhood found itself in dispute with the city and Metro Parks over the closure of their park. In 2008, the city announced the closure of five local swimming pools, including the small pool in Breslin Park, at the corner of Lexington Road and Baxter Avenue in the Irish Hill neighborhood. The pool was also popular with children and families who would walk from adjacent Phoenix Hill. Perhaps more than any of the other pool shutterings, the proposed Breslin Park closure sparked a public outcry from the affected neighborhoods and began what would become more than a year-long battle with the city.

Tom O’Shea, of O’Shea’s Irish Pubs (in Phoenix Hill), spearheaded the fundraising efforts to save the pool, raising nearly $20,000 through his family of restaurants. The business owner got pledges of financial assistance from several other area businesses and the cause drew support from surrounding neighborhoods as well. In the end, however, their efforts were no match for a city government intent on cutting costs in recessionary times, and the pool was filled in.
But the money already raised couldn’t very well be returned to the hundreds of O’Shea’s patrons who had dined out on Monday nights in support, and so Tom decided that the funds should be allocated to the neighborhoods – Irish Hill and Phoenix Hill – that had invested the most time and energy into saving the pool. Not being able to find a project that would equally benefit both areas, the money was split between the two and the Phoenix Hill Neighborhood Association decided to dedicate it to the refurbishment of Lucille Grant Park.

As Cindy explains, “the park was nice enough, but it just wasn’t extremely safe and usable.” The big open field, for example, runs along the busy Chestnut Street corridor which was a dangerous attraction to wayward soccer balls and Frisbees. With the money from Breslin Park, the association was able to install an attractive, wrought-iron style fence along that side of the park along with a beautiful new sign. A sidewalk and concrete slab were poured to support a small pavilion that had been donated by Wesley House, a community center formerly located in Butchertown, when they moved to a new location further south in the city. Volunteers from O’Shea’s weatherized the pavilion and built a new wooden container for a trash bin, in addition to staining and installing new park benches and other general landscaping improvements.

There is no place like this place

The park re-dedication was scheduled for Sunday, September 11th of this year. When I met the day before with Cindy and Todd Hine, the Neighborhood Association president, they were worried about attendance with the cold, drizzly weather that had just set in. As it turned out, Sunday was a beautiful day, brilliantly sunny and warm with just breeze enough to remind you that summer’s hottest days were over and fall had arrived at last.

My fiancé and I ride our bikes to the park from Clifton and leaned them up against a freshly mulched catalpa tree. After a quick scan of the park and the crowd gathered there, I decide I don’t need to bother looking our bikes – and I think that says a lot about a place. Musicians are setting up under the New Directions overhang while neighborhood kids swarm over the playground and swings and – a special treat this afternoon – an inflatable bouncing tent.

Neighbors greet each other, dogs sniff each other and the older folks sit on benches and lawn chairs and take it all in. A gaggle of young girls notice the photographer from this paper and start hamming it up, making ridiculously comic poses as he laughs and keeps telling them to just “act natural.” Todd, the association president I had just met the day before, waves from across the way and introduces me to other friends and neighbors and we talk for awhile about Phoenix Hill, about dogs, the good food from Webb’s, church ladies and their hats – in other words, nothing in particular, as if I had lived next door to them for years. Afterwards, at home, my fiancé will ask, “So you knew all those people?” “Nope,” I shrug, “they were just from the neighborhood.”

Then there’s a few short speeches from people involved in the park’s re-dedication: Cindy is one, and also Lisa Thompson from New Directions. She talks about walking through the old Casa Grisanti’s, shortly after the family had donated it to her organization. “And all around the building,” she says, “we kept finding these little signs that said ‘Hospitality starts here.’ And from the moment we came to Phoenix Hill and met with the neighborhood association, we have been met with gracious hospitality.”

Afterwards, in the park named for the woman who so graciously welcomed neighbors and visitors, the kids flock to the pavilion where Cindy is serving ice cream. The late afternoon sun casts long shadows across the park and the musicians – a local group called Down to Earth – resume playing. A woman on conga drums accompanies the guitarist as he begins to sing, “Come gather around me/There is something you all should know/There is no place like this place.”

–Natalie Wels
Agency Management and Financial Structures

Administration
New Directions is led by a competent, experienced senior team of managers committed to excellence in service provision to service participants, the community and to collaborative partners. Together, the nine members of the senior team have 110 years of New Directions program tenure. Many of them have developed the programs that they manage today.

Leading this team is Joe Gliessner, a nationally respected community development trailblazer, who joined the agency in 1986.

The agency is unique in the region, and nationally. But it began modestly, from one congregation’s intention to change the community’s inequities, one neighborhood at a time.

New Directions began in 1969 by well intentioned, creative people who were compelled to take action to better ensure safe neighborhoods and nurturing homes for people in need. Literally, they took up tools and offered to help neighbors near the Saint William parish grounds in Louisville’s California Neighborhood.

They had to find “a new direction.”

New Directions has evolved into a tri-county regional community development corporation with an average annual budget of $9 million and a stewardship of over $40 million in housing assets. This year’s budget of over $12 million is swollen with stimulus funding being hurried through the pipeline by Congressional deadlines. Despite the growth in volume, staff numbers are reduced given the rigors of capital markets and the uncertainty of national public funding agendas. The experience acquired by this team of nine has been called on to deliver, and in quick fashion.

The agency’s lines of business, Real Estate Development, Asset and Property Management, Resident Services, Home Ownership Preservation and Community Building & Organizing, are being tested. Supportive systems in finance, information technologies and asset management are being refined and bolstered to carry the weight of some of the most exciting and impactful housing programs crafted since The New Deal. It is a significant and historic moment in America, as we all newly understand the impact that neighborhood markets can make on the national economy. In Louisville and Southern Indiana, quicksilver federal funds are either deployed—or lost.

New Directions is able to deploy, following both congressional intent and regulatory requirements. Ironically, these two ideals are difficult to connect on the ground level. Of absolute importance has been the consultative and financial support of two intermediaries. New Directions is a proud participant in both the NeighborWorks America network and with Louisville Metro United Way. Its board and key leaders are committed to neighborhood capacity building, family self-sufficiency and regional community building.

Emerging from the impact of The Great Recession, all five Lines of Business are serving the community through increased production, cost management and new awareness of the relevance of outcome measurement—on the client, program and community impact levels. Looking forward to 2012, New Directions continues its adherence to a SMART work plan, mindful of a challenging economic environment still being influenced by a slow national and regional recovery.

A turning point: NeighborWorks® network membership
Since 2005, New Directions has benefited from the invaluable consultation of NeighborWorks America, now much appreciated in Louisville and Southern Indiana. Highlights include break-through improvements in agency capacity that continue to pay dividends in higher efficiencies, process improvement and resilience:

- Increased resourcing of core capacities—contract management, impact measurement financial tracking, human resource management and resource development planning—which have made New Directions a

“Whether you believe you can do a thing or not, you are right.”
Henry Ford
more sure-footed operational agency.

- Peer consultative critique, leading us to like-minded consortia like the Real Estate Initiative, the Community Building and Organizing National Initiative and the Resident Services Consortium. One need only read the chapters on influenced lines of business to understand the profound and qualitative support.

- A strategic shift to purposeful asset management, focusing on both residential and commercial properties, to seize opportunities in cost efficiency and operational scale, including access to USI (pooled insurance) and successful petitions in Kentucky for tax abatement on some tax credit properties.

- Succession management, training and governance strengthening consultation that have sharpened our focus on strong management tiers, institutional development and even more purposeful volunteer recruitment and development, which, of course, includes resident leaders.

- Attentiveness to cost control, debt and asset management modeling and disciplines in Real Estate development and disposition, encouraging Go-No Go matrices and rich discussions involving board, committees and key staff in the establishment of annual strategic planning and guiding policies.

- Participation in Achieving Excellence, enabling our Executive Director to envision and realize a greater share of our agency’s mission, as well as to bring others to that realization to increase community service.

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<th>Administration Staffing</th>
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<tr>
<td>0.50 FTE Chief Executive Officer</td>
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<tr>
<td>0.50 FTE Chief Operating Officer</td>
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<tr>
<td>2.0 FTE Information Technology Director</td>
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<tr>
<td>1.0 FTE Information Technology Specialist</td>
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<tr>
<td>0.25 FTE Resource Development Specialist (0.75 FTE assigned to Community Building and Organizing)</td>
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**Major achievements in 2010 and changes reflecting OAD recommendations**

Two years ago, capital markets eroded and recession caused public and private funding cutbacks. New Directions lost an invaluable institutional partner as National City Bank was acquired by the equally valued partner, PNC. Stimulus funding opportunities demanded around-the-clock resource development work, but often funding was slow to non-existent as the new national administration gets its bearings.

Change was the only constant. Internal realignments bolstered the agency’s Property Management and Resident Services lines of business, to maximize on-site quality standards at the agency’s housing communities. Other programs experienced less positive shifts as cost containment strategies were devised by local municipal governments facing the same economic pressures. Home Repair funding decreases stabilized, but this did not allow for staff replacements for two positions eliminated in 2007. The Community Building and Organizing team gained a new position with the California Collaborative Neighborhood Management Coordinator. Administration changes included the retirement of a Chief Financial Officer and then the promotion of Edward O’Neill to the position. Several jobs were left temporarily vacant—that of the Comptroller, the Executive Assistant, a resource development position and an organizing position.

We knew that stimulus was coming, and in an effort to strengthen the agency, New Directions Housing Corporation successfully negotiated with Louisville Metro Government for the forgiveness or assignment of multiple subordinate mortgages in total value worth $11,194,980. This success was a policy shift for Louisville Metro. Other agencies—notably The Housing Partnership and other smaller housing agencies, benefitted with subsequent entitlement allocations issued with forgivable terms. In the future, three additional properties developed in our agency’s history must be supported through debt assignment or forgiveness so that they may be redeveloped. This task is prioritized by the agency’s management.

**Today’s environment**

Now, highly complex regulatory conditions have accompanied multifamily stimulus funding and Neighborhood Stabilization Program I funds. One-time funding for innovative owner-occupied rehab programs are being allocated
by both Louisville Metro Government and The City of New Albany. They look to New Directions for policy recommendations as literally, the work begins the day the contracts are signed. The pressure to perform is intense, so having experienced program leaders and senior staff is a powerful asset. Relationships honed over many projects between New Directions managers and state or city department leaders have helped our community receive full benefit from this unusual and challenging era of expedited public funding.

**Governance capacity building**

Two important activities in 2011 have been managed concurrent to this exciting program environment: Agency review by the NeighborWorks Organizational Assessment Division and The Campaign for Excellence Strategic Planning Process, including self-review by the board using Board Source® on-line survey processes. The board of directors and senior staff have engaged in a robust strategic planning process, focused on governance systems, succession planning and agency information systems infrastructure.

**Adaptive change based on outcome measurement and review**

In January 2011, New Directions welcomed the review by NWA Organizational Assessment Division. An earlier review in 2007 had provided feedback that dramatically impacted the agency’s government relations strategy. Actions taken were prudent and aggressive, leading to tremendous capacity building.

Here’s what happened then: In October 2007, during the OAD financial review, it was determined that the NDHC debt-to-equity ratio exceeded that necessary to receive a sought-after Exemplary rating. NeighborWorks auditors identified that most of the negative balance sheet impact was being caused by subordinate debt related to multifamily housing developed in the previous 10 years with the agency’s principal partner, Louisville Metro Government.

In all cases, the multifamily housing developed or acquired had eliminated neighborhood blight, had caused new services and community opportunities and was fully occupied—in other words, successful from a mission perspective. At the time that the debt structures had been designed, no one could have foreseen the impact of the current national and regional economic climate. Today, new recession-era underwriting criteria viewed these mortgages in a different, negative light.

A 14-month process painstakingly informed the then mayor, his housing department and finally district council leaders of the unintended consequences of this subordinate debt. Through vigorous debate, over $11.2 million in subordinate was forgiven or assigned to New Directions. Only three properties today are burdened with subordinate debt lacking a forgiveness term, relics of once well-intentioned public housing policy.

<table>
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<tr>
<th>2011-12 Administration Outcome Goal Results</th>
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<tr>
<td><strong>A2011-12 OG#1:</strong> New Directions Housing Corp. (NDHC) will maintain standards as a high performing community development corporation with a focus on service-enriched rental housing and neighborhood revitalization.</td>
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NDHC will have a well-trained staff that is success and outcome oriented for maximum internal and external collaboration in support of its mission.

NDHC will have a fully aligned board, which is fully informed and actively engaged with the mission and strategic direction of the organization. NDHC will secure engaged volunteers from all segments of the community in support of its strategic effort.

**OAD in 2011**

New Directions again secured a Strong rating from OAD, which is significant given the high production levels being achieved for an agency of our size. They applauded the agency’s intent to seek additional forgiveness and also complimented the multi-year portfolio strengthening plan that, in turn, will bring new capital, investment and green efficiencies to all agency housing properties. Three properties, Jackson Woods Apartments, Saint William Apartments and Brandeis Apartments, have all enjoyed new investment this year totaling over $12.5 million. In the year to come, Roosevelt Apartments, Reesor Court and Parkland Scattered Sites will be prioritized, along with NSP 1 homes as their construction is completed. OAD auditors this year noted the favorable terms won
by New Directions in its NSP 1 development. No debt encumbers these important single-family home
developments as the agency aggressively positions home sales to stabilize markets AND provide value to home
buyers of moderate means.

OAD also noted the dynamic process of “temporary dislocation” as New Directions carried two multifamily
redevelopment projects for over a year waiting on state and local terms to be devised for T-Cap and Exchange
funding. Both projects held onto their equity investors—two of only five in the entire state that still had private
equity in the deal at closing in 2010! The agency then temporarily dislocated every tenant family—recall, there
were 113 units in play—but ensured that every family could be housed in subsidized units within the managed
portfolio. The financial and asset management challenge was in holding units empty to “catch” folks, then
reconditioning the “catcher” units after certificates of occupancy were awarded and residents returned
to their home properties. Every subsidized property was impacted by the redevelopment of Jackson Woods
and Saint William Apartments. OAD helpfully recommended a special reconditioning effort to expedite this
tremendous effort.

Indeed, these have been historic times!

**Strategic thinking: Campaign for Excellence and Operational Plan alignment**

If there is a downside to having an experienced team, it may be that succession planning becomes all the more
important. Harvesting the experience of senior leaders, building systems, dashboard reporting … the tools of strong
management are always important.

In 2010, New Directions board of directors, led by the
Executive Committee, launched The Campaign for Excellence. Prior to the December 2010 board
strategic planning meeting, the Executive Committee
had worked with Michele Hartson, a strategic
facilitator with Inner Harbor Partners. As a first
recommendation, Ben Johnson as board president
advanced the model of CEO and COO structure based
on an assessment of the skills and structures required to
manage the agency’s operation as well as to maintain it
in a state of “constant readiness” as the region’s largest
CDC. This strengthened a past interim management
resolution and set a course for a year of intensive
planning.

In discussion, it was noted that a co-leadership model
has been evolving as program complexities and
opportunities have grown more diverse. Again, the
Chief Executive Officer has been with the agency since
1986 and the Chief Operating Officer since 1992. A nearly 20-year work team has secured important gains, to
include membership in both United Way and NeighborWorks America, debt assignment, NSP relationships and
program innovations. Intermediary relationships—NWA, Enterprise and LISC all having levels of awareness of
New Directions—while beneficial, do require intense interaction to maintain compliance and appropriate
relationships. A co-leadership model, maximizing complementary skill sets, enables agencies of this size to manage
these and local government relationships.

*A strong agency getting stronger*

By the close of 2010, some internal restructuring has already occurred. Respective lines of business and
administrative services are aligned according to team function. Reporting directly to the CEO, in addition to the
COO, are the Chief Financial Officer, the directors of Asset Management and Real Estate Development, and staff
from Human Resources and Information Systems. The Chief Operating Officer manages the directors of Property
Management, Resident Services and Home Ownership Preservation, as well as operations in Resource Development
and Community Building and Organizing.
An amendment to the New Directions by-laws was required to change the Executive Director’s title to that of Chief Executive Officer. The board has affirmed its desire to not link board presidency to staff executive leadership. Ad hoc committees were retired in early 2011, with final meetings featuring a presentation called, “NDHC 360 Degrees”, a comprehensive look at the agency’s history, culture, lines of business, program depth and administrative capacities. The Executive Committee and Finance Committee have assumed greater duties, and an Ad Hoc Strategic Planning Committee prepared for a full-day strategic session with the board in August where decisive measures were vetted and approved for study.

The board, via a Strategic Planning Committee, will design a neighborhood-engagement strategy that will ensure they are equipped to understand and purposely oversee the agency’s impact strategies in neighborhoods of high program involvement. Finance and Executive committees will assume new duties to ensure ongoing attention to assets under management, financial conditions and resource development to meet organizational strengthening milestones in portfolio strengthening and program resilience.

<table>
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<tr>
<th>URGENT</th>
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| **I.** Activities:  
Crisis  
Pressing problems  
Deadline driven projects | **II.** Activities:  
Prevention  
Relationship building  
Planning, Recreation  
Recognizing opportunity |
| **III.** Activities:  
Interruptions, Some calls  
Some mail, Some reports  
Some Meetings  
Popular Activities  
Proximate, pressing matters | **IV.** Activities:  
Trivia, busy work  
Some mail  
Some phone calls  
Time wasters  
Pleasant activities |

Source: Management Team Cultural Assessment

Three sets of board subcommittees assigned to a rotating six-month task force with a focus on a specific neighborhood. Board members will review the agency’s overall effectiveness within the context of conditions in Smoketown and Shelby Park, then in Midtown, and finally in California. Finance and Executive committees may ask for metrics to better understand impact and financial dynamics for each LOB operating in the focus neighborhood. Neighborhood Impact Assessment volunteers will be curious about LOBs, not only as business groups but for each LOBs actual impact in the learning neighborhood.

**A proven theory of neighborhood revitalization**

We are informed by two important resources—The Greater Louisville Project with its call to action for Quality Neighborhoods and NeighborWorks America’s strategic approach to “robust” neighborhood revitalization. Our approach is a home-grown, resident-driven and inclusive process informed by outcome measurement. (See www.greaterlouisvilleproject.org ) Community and neighborhood revitalization is the strategic process of transforming neighborhoods and communities that lack vitality into places of choice through collaborations of residents, organizations and other stakeholders. These communities and neighborhoods strive to be resilient places where it makes sense for people to invest time, energy and money, where they are optimistic about their future, where they feel they have control over their surroundings and the capacity to respond to community dynamics, and where they are connected to each other and the larger region.

There are five key elements:

- neighborhood image
- market forces that act on the neighborhood
- the physical conditions
- the social capital and conditions
- And stakeholders’ ability to manage neighborhood issues
In Portland, Smoketown and Shelby Park and Midtown neighborhoods, residents and stakeholders have produced plans, sometimes with municipal and foundation funding and facilitation. There are agreed-upon intended outcomes, and in some places, there is public and private resource to ramp up activities to achieve and exceed these outcomes. Collaborative work with residents, other not-for-profits, congregations, government and the business sector has the potential for increased impact.

Essential to any plan is the awareness and inclusion of key neighborhood assets—our market, architecture, culture, history and, most importantly, the promise and potential of the youth as beneficiaries and stakeholders in progress. Greater Louisville Project also predicts that the potential of our regional economic development will grow or recede based on educational attainment. Literally, the future depends on the potential of our youth. Of the five Louisville census tracts with the highest percentages of young adults ages 25 to 34, New Directions is significantly invested in housing assets in four. Protecting is about the “double bottom line” of the neighborhood challenge and organizational strengthening.

A theory of change to boost neighborhood markets
The way we see it, our industry can play an important role to boost investor confidence in the work of redevelopment. We have to increase resident confidence in neighborhood markets. There are new opportunities to link resident-driven strategies to private sector interest, and then leverage public funding to achieve measurable, sustainable outcomes in market recovery.

Last year, we stated our intent to look for political support for parallel concentrated deployment of rehabilitation and repair resources. This year, we found it. Over $2 million in CDBG investment—but, this is not enough. Let’s share the platform with private, nonprofit partners to invite congregational, volunteer, foundation and corporation support.

We see a new frontier that encourages hometown Keep Louisville Weird kinds of thinking to color community development, too, fueled by new ways to access and share best practices. New Directions will wade into social networking to contribute to neighborhood-centric communications to ensure that residents are aware of successes and setbacks, to build confidence, and share the measured market-weighted outcomes.

And we will continue to forge new kinds of relationships with public housing agencies, state housing finance agencies, the Federal Home Loan Bank systems, universities and other major public partners. New subordinate debt structures being used for pipeline projects ensure greater balance sheet strengthening. Our sector must continue to create debt-free financial structures to ensure controlled properties—especially at disposition—and neighborhood stability. Resident creativity and market awareness are essential. Linkages to closely-held businesses in neighborhoods should be resourced to encourage exchanges. We are using our flagship properties in Smoketown/Shelby Park, Shawnee, California, Portland, Newburg, and Russell as platforms for resident-driven revitalization movements and social services delivery by sharing facilities for hundreds of meetings, festivals—and now, experimental urban farming and job creation pilot programs with Breaking New Grounds.

We see ourselves as stewards of these property assets and stakeholders in these neighborhoods.

Finance, Insurance, Human Relations
Another priority of The Campaign for Excellence is organizational strengthening. Data and financial tracking systems are being reinforced to support informational inquiries to support both board and staff in strategies critical to operations and longer term development.

The primary customers of the Finance Department are the staff colleagues working in the New Directions lines of business. Secondary customers are New Directions employees at large, operating properties (or the partners who made the properties possible), banks, mortgage companies, vendors, government agencies and other regulatory business relationships.

Customer service has radically changed in the last 12 months, as the Finance and Human Resources Department have sought and acted on input from management to increase customer service. The duties of the Finance Department include general accounting for New Directions, its wholly owned subsidiaries, related entities and managed properties; cash Management for the above encompassing nearly 90 bank accounts and two lines of credit;
monthly financial reporting by property and lines of business; preparation of the annual corporate budget; bi-weekly payroll processing and cost allocation; and use tax preparation and filing.

Finance coordinates all fiscal and calendar year audits, reviews and associated tax returns including supporting schedules. A good bit of ad hoc financial and accounting analysis is done to support resource and property development. The CFO creates and maintains loan amortization schedules and depreciation schedules. He also acts as liaison between banks, regulatory agencies and management.

FY-11 accomplishments include special accounting requirements for the Smoketown Apartments mark-to-market refinancing, and the sales of St William Apartments, Jackson Woods Apartments to their respective partnerships. The additional traffic of two NSP projects — with monthly transaction values sometimes in excess of $500,000 — was also a short-term challenge.

In the future, Finance must continue to manage the work flow with limited staff and resources. The Finance and Human Resources staff team includes:

| 1.0 FTE Chief Financial Officer |
| 1.0 FTE Human Resources Specialist |
| 2.0 FTE Accounting Assistants |
| 1.0 FTE Comptroller (recruitment process occurring in October 2011) |

<table>
<thead>
<tr>
<th>Line of Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000,000</td>
</tr>
<tr>
<td>$900,000</td>
</tr>
<tr>
<td>$800,000</td>
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<tr>
<td>$700,000</td>
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<tr>
<td>$600,000</td>
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<td>$500,000</td>
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<tr>
<td>$300,000</td>
</tr>
<tr>
<td>$200,000</td>
</tr>
<tr>
<td>$100,000</td>
</tr>
</tbody>
</table>

### Reducing revolving credit

A long-stalled Real Estate Development pipeline also chilled line of credit transactions. Chief Financial Officer Ed O'Neill awaits the arrival of developer fees to immediately apply to the lines of credit.

As developer fees begin to come to the agency from two tax credit developments and NSP work, the Line of Credit will be repaid over eight months, ending April 2012. This will restore the agency’s debt ratios to conservative levels despite continuous housing and services production.

<table>
<thead>
<tr>
<th>Date</th>
<th>Developer Fees</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/30/2011</td>
<td>$ 112,250</td>
<td>St William Developer Fee</td>
</tr>
<tr>
<td>10/1/2011</td>
<td>$ 414,280</td>
<td>Jackson Woods Developer Fee</td>
</tr>
<tr>
<td>11/30/2011</td>
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<td>Pay Down LOC</td>
</tr>
<tr>
<td>12/31/2011</td>
<td>$ 288,840</td>
<td>Jackson Woods Developer Fee</td>
</tr>
<tr>
<td>3/31/2012</td>
<td></td>
<td>Pay Down LOC</td>
</tr>
<tr>
<td>4/15/2012</td>
<td>$ 196,165</td>
<td>St William Developer Fee</td>
</tr>
<tr>
<td>6/30/2012</td>
<td></td>
<td>Pay Down LOC</td>
</tr>
</tbody>
</table>

**Human Resources**

New Directions internal culture is hard working, friendly and supportive of professional development. Embedded in the Campaign for Excellence strategy is an aggressive professional development agenda to support current and future managers in their skills development. The Chief Operating Officer is pursuing a two-year program in Management and Leadership; the Director of Property Management is working toward CHAMS certification.
The Assistant Director of Home Ownership Preservation is studying Affordable Housing and Rehab techniques. In 2011-12, New Directions has been awarded six National Training Institute slots. In addition, two AmeriCorps VISTAs will attend the December 2011 NTI. Place-based training in Property Management will impact 10 staff members in mid 2012, as an input into continuous asset management learning.

New Directions employees show commitment to the mission and community through their daily work, and through their generosity. Many are donors to New Directions, and volunteer with Repair Affair. The annual United Way employee campaign is always enjoyable. This year, of 73 full time and part time employees, 61 or 84 percent participated in the United Way giving campaign donating $11,435 through payroll deduction, a 37 percent increase over 2010.

Marketing and Resource Development
New constituents are coming forward, and newly forged collaborative partnerships are identifying resource development opportunities. Board and volunteer participation in resource development are increasing. Advocacy by key volunteers is securing additional interviews with funding decision makers. In addition to sponsorships and special project funding, New Directions is a member of The Coalition for the Homeless, which gives us access to HUD Supportive Services funding. New Directions is a member agency of Metro United Way. This relationship annually yields $150,000. We are grateful that New Directions continues to be generously funded by Louisville Metro External Agency Funds (general funds), which are competitively awarded annually.

Diversified funding for Lines of Business and Programs
New Directions Housing Corporation recruits diverse national, regional and local resources to support activities in its five lines of business. Given higher public profile, sources for Real Estate Development are often well known. Sometimes overlooked are the many donors that enable high-impact programs that are differentiated by impressive community level outcomes and the respect of partners. Public and private donors to these programs are exacting in their expectations for excellence. New Directions is a Metro United Way member agency and a part of the NeighborWorks America network—and both have selected New Directions for special initiatives, including that of Operating Partner for the MWU Bridges to Tomorrow initiative (2008-2010) and the NWA 2010 Community Leadership Institute. The agency values stewardship and exceeds Better Business Bureau Charitable Standards. The following are only some of the major donors that have chosen New Directions for partnership and charitable investment through line of business programs or special initiatives. These resources are exclusive to additional support provided to Real Estate Development.

<table>
<thead>
<tr>
<th>NDHC Fiscal Year, ending 9/30</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>PNC (SBIC)</td>
<td>$18,650</td>
<td>$11,000</td>
<td>$40,397</td>
<td>$10,000</td>
<td>pending</td>
<td></td>
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<tr>
<td>NeighborWorks America capital funding (includes one-time FY1 CREAM grant)</td>
<td>$287,600</td>
<td>$239,000</td>
<td>$279,000</td>
<td>$855,000</td>
<td>$150,000</td>
<td></td>
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<tr>
<td>NeighborWorks America unrestricted expendable grants (includes CLI support)</td>
<td>$57,000</td>
<td>$77,790</td>
<td>$127,500</td>
<td>$172,500</td>
<td></td>
<td></td>
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<tr>
<td>HUD Supportive Services and Service Coordination Grants</td>
<td>$185,600</td>
<td>$136,000</td>
<td>$188,000</td>
<td>$187,000</td>
<td>$187,000</td>
<td>$187,000</td>
</tr>
<tr>
<td>The City of New Albany</td>
<td>$85,000</td>
<td>$128,900</td>
<td>$134,187</td>
<td>$200,000</td>
<td>$253,000</td>
<td></td>
</tr>
<tr>
<td>Harrison Foundation of Floyd County</td>
<td>$22,000</td>
<td>$15,000</td>
<td>$17,500</td>
<td>$13,000</td>
<td>pending</td>
<td>TBA</td>
</tr>
<tr>
<td>Louisville Metro Government</td>
<td>$189,405</td>
<td>$775,603</td>
<td>$420,201</td>
<td>$613,272</td>
<td>$390,400</td>
<td>TBA</td>
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<tr>
<td>Metro United Way</td>
<td>$169,543</td>
<td>$159,004</td>
<td>$146,510</td>
<td>$175,776</td>
<td>$150,000</td>
<td></td>
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<tr>
<td>JPMorgan Chase Gift</td>
<td>$33,500</td>
<td>$95,500</td>
<td>$130,000</td>
<td>$50,000</td>
<td>pending</td>
<td></td>
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<tr>
<td>UPS</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$10,000</td>
<td>$7,500</td>
<td></td>
<td></td>
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<td>Louisville Council2010 CLI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12,500</td>
<td></td>
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<tr>
<td>Kentuckiana Housing Corporation</td>
<td>$40,462</td>
<td></td>
<td></td>
<td></td>
<td>78,750</td>
<td></td>
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</tbody>
</table>

Total: $1,444,500 | $1,240,839 | $1,148,701 | $2,527,898 | $1,360,400 | $187,000 |

Special Initiatives

<table>
<thead>
<tr>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011*</th>
<th>2012*</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUW Bridges to Tomorrow</td>
<td>$48,058</td>
<td>$352,347</td>
<td>$420,000</td>
<td>$159,145</td>
<td>END</td>
</tr>
<tr>
<td>The Community Foundation Change Makers</td>
<td>$150,000</td>
<td>$150,000</td>
<td>$150,000</td>
<td>END</td>
<td>END</td>
</tr>
<tr>
<td>LMG Roof Program</td>
<td>$349,795</td>
<td>$121,000</td>
<td>$71,000*</td>
<td>$400,000*</td>
<td></td>
</tr>
<tr>
<td>MUW sponsorship of Neighborhood Initiatives</td>
<td>$60,000</td>
<td>END</td>
<td>END</td>
<td>END</td>
<td>END</td>
</tr>
</tbody>
</table>

Total: $188,058 | $833,182 | $570,000 | $632,148 | $37,000 | $400,000 |
Volunteer coordination is valued at New Directions. We maintain the volunteer data base to record hours and work accomplished and to produce volunteer reports, often an impressive component in an application to a charitable foundation. Thanks to creative volunteers, New Directions publishes an annual report, special reports and has a fully functional web site that meets national Better Business Bureau charitable standards. Our resource development team works very closely with the agency’s CEO to produce the agency’s annual report and with Repair Affair staff to make sure administrative volunteers are in place on event days.

Case development, market analysis and development strategies
Managers work together to assess changing market conditions relative to the capacities of programs. This is an important part of case development, which is done for all programs dependent on public or charitable funding. New Directions, as a Metro United Way agency, is often engaged in telling its story to increase community understanding of both needs and strengths. It is important that these stories are based on accurate and timely information. Market analysis in relation to program strategies are specific, drawing from national sources and local data analysis. Program data is primarily collected to maintain client files, but when compiled in aggregate, trends can emerge. Market analysis to support lines of business may be found throughout the report. Organizational capacity and development strategies are shaped by the resource development staff in close partnership with senior management or program managers.

Influenced by data analysis, and sometime driven by perceived opportunity, resource development staff, as the agency’s agent, seeks logical case extension. Ironically, as seen from inside the agency, our resource development professionals are the donor’s agent, ensuring that gifts are used as the donor intended. New Directions centralizes the duties related to all activities in fundraising, resource and relationship development, volunteer coordination, public relations and special events. Along with the agency’s COO, these activities are carried out by a Resource Development Specialist.

A critical component of resource development is in the accurate and detailed record keeping that forms the basis for solicitation. New Directions has achieved some success in the solicitation of corporate and congregational sponsorships for its special programs. Data are maintained in a Raisers Edge data base, which has been enhanced with the addition of volunteer management software. This prospect, donor, and volunteer data base is monthly aligned with data originating from Yardi as a periodic internal audit. By accurately capturing relationships and funding patterns, we work to bring resources in the form of volunteer labor, monetary donations and in-kind gifts. In fundraising, staff and volunteers—especially board members—can work together to identify and respond to federal, state and private funding opportunities. The Resource Development staff compiles and archives grant applications, maintains constituent records, then records and tracks pledges and donations. Records are provided to donors and often aggregate data are needed by state, county or federal offices for compliance. An annual Resource Development Plan has been established, inclusive of internal campaigns, Metro United Way membership requirements and annual public funding rounds.

New Directions capacity and preparedness
New Directions Housing Corporation is applying for multiple opportunities during Organizational Underwriting in FY12. Our agency has the capacity and standing in the community to manage the duties related to these proposals, in addition to maintaining exemplary operations. New Directions meets national standards for Charitable Accountability as advanced by the Better Business Bureau. It is in operational compliance with HUD and other public and private funders, as ascertained by our auditors. OAD and Metro United Way, in their assessments, grade the agency as Strong.

New Directions is currently ranked as its region’s 11th largest nonprofit as measured by 2009 gross income ($18.9 million) and notably ranked as the 12th most effective nonprofit volunteer organizer. High placement on the list is due to the balance sheet impact of the 2009 debt assignment by Louisville Metro Government. Extracting that $11.2 million one-time occurrence would make New Directions 27th on that list.

For 2008, New Directions was ranked 6th of 22 of the region’s most efficient agencies by percentage of administrative versus program expenses. New Directions directs 91 percent of its expenses directly into high-impact activities to benefit its three-county service region (Source: Business First Book of Lists, October 2008-09).
Working together to increase impact

Collaboration with other NWOs will increase given the footprint of our programs. New Directions is linked to both the NWA Indiana Alliance and the former Kentucky Alliance. Nationally, the agency will participate in a NWA committee to enhance image development during 2012 NeighborWorks Week. The COO is a representative on the NWA Community Building and Organizing Steering Committee and its Asset Management Director sits on the USI board. The agency’s CEO represents New Directions with NNA.

As in 2010 with the Community Leadership Institute, New Directions looks for regional opportunities to advance the image and impact awareness of NeighborWorks America. With help from NWA’s Sarah Greenberg, Program Manager, Community Stabilization, a special public forum will take place on November 3 and 4, 2012. Co-sponsored by The Federal Reserve Bank of Saint Louis, Louisville Branch, JPMorgan Chase Foundation and New Directions, the forum’s purpose is to energize a conversation about neighborhood business district development from the context of neighborhood revitalization. Joining Sarah on the stage will be Jeffrey Morgan, an architect and a 2011 Edward M. Gramlich Fellow in Community and Economic Development. The fellowship is co-sponsored by Harvard University Joint Center for Housing Studies and NeighborWorks America. A discussion specific to Smoketown and Shelby Park neighborhoods for the area’s small businesses will be convened on the morning after the presentation to organize and advance a set of recommendations to the city.

Our CEO is working with the Southern District to invite local public housing authorities, HUD field office representatives and city officials to the December NTI symposium on multifamily housing. Their voices from the Southern District can add to the conversation, and their widened understanding of national issues will benefit local decision-making.

NeighborWorks Grant Requests

New Directions Housing Corporation submits an Organizational Underwriting total request of $800,010 for the following opportunities.

Expendable Grant Request

New Directions requests $100,000 in Expendable Funds which will be invested to help maintain strong staffing in Asset Management, Information Technologies and Resource Development. These operational areas maintain processes for the agency’s ongoing reporting to NeighborWorks, including Quarterly Production and Community Building and Organizing reports, Multifamily (Real Estate Development/MFI) and the Annual Survey. These departments provide assistance to all lines of business. Support to maintain them is a direct benefit to the entire agency.

Each component of this grant implementation will increase agency capacities.

(1) $ 30,000 Information management systems / Process Succession
(2) $ 35,000 Resource Development/Community Level Outcome Measurement Operations
(3) $ 35,000 Asset Management Administration/Portfolio Strengthening Strategies

Rationale for the Expendable Grant Request

- OAD applauded the agency’s adroit systems use, but in 2012 we want to raise the bar by developing a unique YARDI module to increase income tracking and invoice management controls for fee for service contracts. As a component of grants management, we envision this module can be linked to our institutional donor relationship management data base, supported by Raisers Edge. This is one of the most important tasks of 2012 and it is being overseen by the Chief Executive Officer, who has extensive background in information systems design.

- Resource development and CLO measurement coordination is managed by the agency’s Chief Operations Officer and the Resource Development Specialist, but creative training and implementation processes are widening that involvement to include lines of business directors in community-based data collection and study. This $35,000 allocation will support staff and operational costs. Success Measures, Raisers Edge and Resident Services software
consultation and subscription costs are included. As part of the five-year strategic planning process, the board will engage in neighborhood impact analysis, which dovetails with community level outcome study.

- Asset Management Administration support of $35,000 will ensure continued prioritization of this initiative, which is vital to the agency. In 2011, the Portfolio Strengthening Debt Analysis Chart was completed and in 2012, the Deal Book is being completed for Real Estate Properties. These tools, plus our Asset Management Action Plan and fortified Cash Forecasting tool are invaluable to the agency.

The Capital Funding Line of Business Pilot
The FY12 Organizational Underwriting request of $600,000 for opportunities within the Capital Lines of Business Pilot will be purposed to undertake the next significant steps in our multiyear portfolio strengthening strategy. The projects listed below are ready for redevelopment, to improve cash performance and to enhance the green capital needs analysis implementation in the portfolio:

<table>
<thead>
<tr>
<th>Projects Underway, 2011-13</th>
<th>Project Start</th>
<th>Project End</th>
<th>Total Dev Cost</th>
<th>Unit #</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Directions Housing Neighborhood Stabilization Program (New Albany's Midtown Neighborhood)</td>
<td>04/09/2010</td>
<td>04/01/2012</td>
<td>$5,631,524.00</td>
<td>26</td>
</tr>
<tr>
<td>New Directions Neighborhood Stabilization Program (New Albany's Midtown Neighborhood)</td>
<td>04/09/2010</td>
<td>04/01/2012</td>
<td>$1,417,143.00</td>
<td>10</td>
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<tr>
<td>Reesor Apartments Mark-to-Market Project</td>
<td>03/31/2012</td>
<td>06/30/2013</td>
<td>$1,500,000.00</td>
<td>54</td>
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<tr>
<td>New Directions Neighborhood Stabilization Program Phase II (Louisville's Shelby Park)</td>
<td>10/31/2011</td>
<td>03/29/2012</td>
<td>$618,000.00</td>
<td>3</td>
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<tr>
<td>Roosevelt Apartments</td>
<td>09/30/2012</td>
<td>12/31/2013</td>
<td>$925,000.00</td>
<td>47</td>
</tr>
<tr>
<td>Parkland Scattered Site Portfolio</td>
<td>03/01/2012</td>
<td>12/31/2012</td>
<td>$440,000.00</td>
<td>19</td>
</tr>
</tbody>
</table>

$10,530,567.00

New Directions prioritizes two projects for NeighborWorks America Capital Grant support.

Reesor Court Apartments: Capital Lines of Business request of $350,000.
Historic Reesor Court Apartments are located in the National Register District of Old Louisville. Four majestic brick and limestone buildings face each other across a grassy courtyard, offering some of the largest units within the portfolio. Near universities and retail services, these subsidized units are in high demand. HUD has mandated that a Mark-to-Market adjustment of debt and rental revenue be undertaken, and first meetings with HUD consultants have begun. New Directions will be responsible for 10 percent of the total cost of capital upgrades, as will be determined by two consultants. The first capital needs assessment has been received but a cost estimate has not been done, however we believe that the project cost will easily exceed the initial estimate of $1.5 million. In addition, New Directions is assembling a list of modifications that will make unit use more efficient. The agency’s most aggressive Green Needs Analysis is being conducted, and if implemented, would include unit energy use monitoring for subsequent reporting. The grounds may be suitable for rain gardens to limit storm water runoff, and other passive green actions could benefit residents and the neighborhood. It is possible that a Historic Tax Credit partnership may be formed, necessitating a Transfer of Property Assets. Legal fees and new underwriting are in the future for Reesor Court, but this notable landmark has high value in its thriving neighborhood. NeighborWorks® CLB funds would be leveraged at least a five to one ratio with the Mark-to-Market resources.

Roosevelt Apartments: Capital Lines of Business request of $250,000.
Located in Louisville’s Portland Neighborhood, Roosevelt Apartments is a notable landmark as it was originally the first elementary school built in Louisville after the Civil War. The neighborhood is changing dramatically, thanks to New Directions early investment and the fortuitous relocation of Habitat for Humanity of Metro Louisville to the historic property across the street. Roosevelt Apartments will be refinanced in December 2012, hopefully with Community Housing Capital and limited repair plan will be implemented since the property is in excellent shape. Featured in the FY11 Round 2 Portfolio Strengthening application, this property received a $150,000 capital grant.
Our goal is to reduce the principal being refinanced, and to supplement other funds to upgrade the Learning Center and community space, to improve the playground, to make preventive roof repairs and implement green improvements.

New Directions is welcomed and wanted in Portland. This neighborhood and Louisville Metro Government have recently chosen New Directions and Habitat for Humanity to implement their three-year $1.75 million owner-occupied rehabilitation program. The city has declared Portland their first HUD-approved Neighborhood Revitalization Strategic Area. With full support from NeighborWorks for this request, the much-loved Roosevelt Apartments property moves from slight annual loss to a solid bottom line. In this way, we can continue to be a partner and stakeholder in this, Louisville’s oldest neighborhood.

We are grateful for the help you have already provided. NeighborWorks® has been an invaluable partner to the agency, as we strengthen the portfolio. Your consultancy and resource help us ensure that the affordability and quality of our 963 units will be maintained into the future.

Innovations in Community Stabilization
The FY12 Community Stabilization application contains a request for $100,000. The agency’s strategic neighborhood directive prioritizes program synergies to make impact in five key places. In Louisville, they are the linked neighborhoods of Smoketown and Shelby Park that are east of downtown. Just west of downtown are the California and Portland neighborhoods. Across the river, our place of focus is in New Albany’s Midtown. In all of these great places, New Directions is working with residents and public partners to move into a “second gear” of revitalization, the redevelopment of vacant residential structures and the support of market recovery. This second gear is about investing new resources into the homes of existing owners who are at peril of home abandonment due to facility conditions. We will partner NeighborHood Stabilization Program investment by fanning out to meet home rehab needs of neighbors of low income, measuring impacts to block conditions and social cohesiveness. NeighborWorks resource would be highly leveraged with newly deployed Community Development Block Grant funds, the board’s expert volunteerism and collaborative effort with other housing agencies.

Peer Learning
In FY12, New Directions requests a CB&O Peer Learning Visit to Neighborhood Housing Services of New Haven to learn from the Revitalization Demonstration Project. Their use of the Healthy Neighborhood model is further along than our start-up efforts in Louisville and Southern Indiana. This holistic approach that builds on market and human assets is a sustainable and powerful way to encourage revitalization. This visit, between mid July and August, would dovetail with the board’s Neighborhood Impact Assessment Task Force effort. Learning from promising practice would be optimized at a time when New Directions is engaged in self assessment and long range strategic planning. Either the agency’s CEO or COO would accompany either two staff leaders or a staff and board team.

This year, the CB&O Peer Learning site Visit to NeighborWorks Rochester in Rochester, N.Y allowed us to learn from their expert operations with Success Measures, which is managed by Katrina Rex. That agency also uses Healthy Neighborhoods modeling to inform their revitalization work. As a first step in implementing some of Rochester’s great ideas, lines of business directors were briefed about “House Proud”, the three-grade housing conditions survey method that our New York friends have perfected using the Success Measures conditions survey.

Technical Assistance
In 2012, New Directions will submit two requests for technical assistance, each for an amount of $5,000.

Our first request will be for support to continue the strategic work called the Campaign for Excellence. In 2010-11, NWA TA assistance helped us design a process with Consultant Michele Hartson of Inner Harbor Partners. Emerging from this recession, and with the intensity of focus we must maintain to strengthen the portfolio and operations, Ms. Hartson is the appropriate facilitator to maintain momentum in this staff/board process that examines staff structures, duty descriptions, process and staff succession and governance strengthening. She is highly experienced in community development, and understands the stresses and successes we live daily. Her focus with us is going to be in solutions management and process succession. She began with assessment of what we do well as a platform to support process improvement for greater productivity. Michele Hartson and her firm have become approved NeighborWorks America consultant vendors.
A second technical assistance request will include a place-based training in Asset Management and will focus on Low Income Housing Tax Credit compliance. Planned for February 2012, the Director of Property Management is now vetting potential trainers, and will check this list of qualified trainers with those in NeighborWorks consultancy.

**Training, technical consultancy**

6 slots, peer to peer, special slots/NTI access

In 2009—constrained by the impact of economic recession—we requested only four slots. Technical Assistance funding has been requested in 2009 for aid in preparing an application for Neighborhood

**2012 National NeighborWorks Week**

New Directions requests entry into the 2012 National NeighborWorks Week. We ask for financial assistance and for access to NWA premiums. The project for which we request support is **Repair Affair**, a volunteer-driven initiative that delivers needed home repairs to benefit older or disabled homeowners of low income. Over the summer of 2012, Repair Affair volunteers will make extensive repairs on homes located across the tri-county area of Jefferson County, Kentucky, and Floyd and Clark counties in Southern Indiana. We will begin the significant and most public work during NeighborWorks Week.

Almost 900 volunteers will work between the two weekends, supported by another 100 volunteers who make and deliver lunches, materials and prepare post-event thank you notes. Volunteers help homeowners with many kinds of repairs, including wheelchair ramps, new porches and floors, extensive exterior and interior painting, weatherization and roofing. Repair Affair has evolved into a significant support to single family home ownership and to neighborhood revitalization. Nearly 400 corporate, government and individual donors have participated, and one of our major regional sponsors is The Home Depot. Homes were selected by volunteers after a two-month outreach and selection process, which ends in April. Volunteers prioritize repairs that increase safety, accessibility, weatherization and overall structural stability. Public and private sponsors of Repair Affair are numerous and financial sponsors leverage their monetary gifts with team support. In addition to The Home Depot, sponsors include Chase, National City Bank, PNC Bank, UPS Foundation and up to 40 local congregations, closely-held businesses, civic groups and associations. These funds put building materials into the hands of volunteers. Public sponsors include Louisville Metro Government and the cities of New Albany and Jeffersonville.

**Community involvement in outcome measurement/Success Measures**

New Directions has chosen for its CLO measurement two contrasting neighborhood revitalizations that are both influenced by the Healthy Neighborhood model. Midtown Neighborhood in New Albany, Indiana, is enriched with public capital and located near a reviving downtown. Louisville’s California Neighborhood is just west of downtown Louisville, and resident advocacy snared a spot in a five-year HUD Neighborhood Revitalization Strategic Area strategy—but capital help doesn’t arrive until 2014.

**New Albany’s Midtown Renaissance**

In Midtown, market conditions and redevelopment concentration enable a remarkable opportunity to study Healthy Neighborhood model impact, since home repair and rehab, community building, neighborhood management activities, image development, marketing and strong public and private sector support are all in play at the same time. California is more cohesive, and has a more organized urban approach to neighborhood management, but has been hit hard by investor foreclosures. Vacancies doubled to 30 percent between 2000 and 2010.

New Directions will improve and increase average home values, decrease vacancy rates and improved median home sales. By late 2012, continued use of Block Conditions surveys will enable tracking of improved site conditions. The entire Midtown area has 893 homes, including our own 57 units at Saint Edward Court housing community.

Of those, 445 are owner-occupied homes so an infusion of $525,000 targeting low income owners for exterior rehabilitation support will make a significant difference if we can cluster that work around NSP build sites. This is quite possible since NSP acquisition purposely sought blighted sites in proximity to home ownership concentrations. Co-locating the two projects has great potential to cause changed conditions. We will monitor baseline and semi-annual market change using Multiple Listing Service data from Southern Indiana Realty Association. An additional measurement may be time on market, was available from MSL in aggregate, but less frequently available than we would have preferred. The Success Measures suite of Community Stabilization indicator tools, again, has been used to track vacancies and Block Conditions. In October, New Directions and its brokerage firm documented market
conditions in New Albany, citing that since April 2011, of the 237 homes which have sold in the city, 35.4 percent took over 120 days to sell; 17.3 percent took between 91 to 120 days to sell; 16.9 percent took between to 61 to 90 days; 21.9 percent took between 31 to 60 days; and only 8.4 percent required less than 30 days to sell.

The California Collaborative
Participatory measurement using Success Measures indicator tools served two purposes in California Neighborhood. First, this platform of information made our local foundation confident in their choice of our effort to continue funding for a full three year term. The only other funded grants went to a hospital, a college and to an agency for a program. We were the only collaborative directed by residents to secure and hold onto funding. Now, two councilmen are considering the continued funding of this initiative. We are hopeful that a share of NWA Community Stabilization FY11-1 funding can help us hold onto the staff position, held by a resident who has grown into a fine organizer for his neighborhood. If we can continue to be sustained until 2014, then the city’s use of HUD Neighborhood Strategic Revitalization Area designation can be built on our planning, information and mobilization.

Second, data emerging from the powerful mailing of mid 2011 is energizing our agency and illuminating what New Directions and its partners can do to maximize our impact, despite the lack of immediate capital. We are committed to California. We have redeveloped our properties, maximized our green efforts and find ways to bring unique, and culturally sympathetic enrichment to this great and historic neighborhood.

Both communities have invited New Directions Real Estate Development to produce multifamily housing, and both have grassroots leadership who have engaged in NWA training through place-based National Training Institute courses and the Community Leadership Institute. Both face disinvestment, California more severely than Midtown, and both have proximity to jobs, education and green initiatives that could form a platform of encouragement and leverage. With partnership from New Directions and other nonprofits, these neighborhoods can maximize their potential for market recovery.

Other agency measurement processes
Other agency impact measurement processes are in place. Logic models with more than 10 years of data support New Directions Resident Services programs. Capital programs are equipped with production impact models that are constantly monitored. The agency’s board has a vision for a two-point five year strategic goal of organizational strengthening and neighborhood revitalization support, and has framed outcome statements. Through an intensive strategic operational process over the next 18 months, they will in turn codify what our agency’s intended impact will be in three neighborhoods by 2016. These neighborhoods are Smoketown and Shelby Park, Midtown and California.

New Directions is an agency with a continuous learning culture and respects participatory outcome measurement as a component of process improvement. In the next year, tenant participatory measurement processes will begin, especially around green training, energy conservation and food security.