



How Partnering with a CDFI Can Get More Loan Capital Into Your Middle Neighborhood



The National Middle Neighborhoods Community of Practice

Middle Neighborhoods Initiative

A **National Initiative** focused on mobilizing attention to reverse the disappearance of middle neighborhoods through decline or gentrification. The initiative does this through

- A **Community of Practice** that facilitates peer-to-peer learning among middle neighborhood practitioners. The CoP connects more than 400 practitioners, policymakers and researchers to each other through webinars, events, case studies, newsletters, and virtual site visits.
- **Research** into topics relevant to middle neighborhood practitioners and policymakers.
- **Policy analysis and advocacy** around housing, lending and other community development issues.
- **Communications** strategies to advance awareness and technical knowledge among a wide variety of audiences.

The initiative is coordinated by the **National Community Stabilization Trust** and **NeighborWorks America** and is advised by a **Steering Committee** of 20 prominent researchers, practitioners, and policy makers.





Characteristics of Middle Neighborhoods

- Mostly single-family homes built for families with children.
- Still well more than 50% owner-occupied, but slowly eroding.
- Housing stock is aging, still in generally acceptable condition, but often lacks features and updates to compete well for today's homebuyers.
- More racially, ethnically and economically diverse.



Many Middle Neighborhoods Are Faltering In Their Sustainability

- Ability to ***reliably attract replacement owner occupants*** and other neighborhood-friendly buyers
- Ability to ***generate home values that support quality maintenance***, repairs and updates without appraisal gaps
- Ability to ***repel irresponsible investors***
- Ability to ***maintain engaged residents taking stewardship*** of the neighborhood
- Ability to ***deliver home equity to owners and revenue to municipal government***



Some Middle Neighborhoods Are Facing Gentrification and Displacement

- Regions with strong economies and/or housing supply shortages
- Loss of affordable housing
- Risk displacement of lower-income renters, homeowners, and commercial tenants.
- A critical opportunity to:
 - Ensure that existing residents and businesses share in the community's growing prosperity.
 - Preserve affordable housing before it is lost.

Click [here](#) to learn more about defining Middle Neighborhoods

Refresh Your Map Zoom Questions or feedback? Type in location GO

Choose a 2014-2018 layer to display

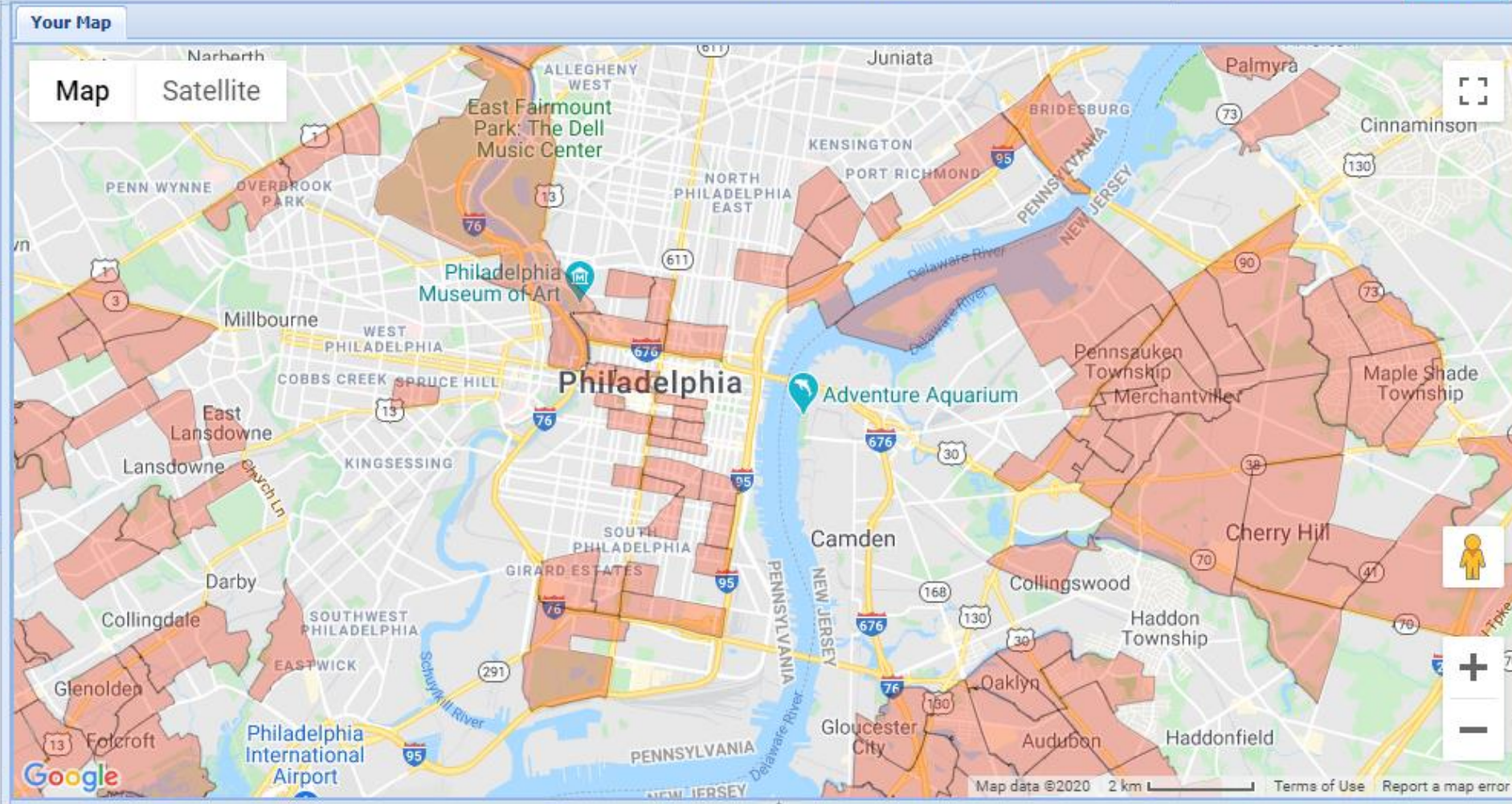
- 2018 City Test 1: 60-100% CMI
- 2018 City Test 2: 80-120% CMI
- 2018 National Test 1: 60-100% NMI
- 2018 National Test 2: 80-120% NMI
- 2018 Regional Test 1: 60-100% AMI
- 2018 Regional Test 2: 80-120% AMI
- 2018 Regional Test 3: 100-160% AMI

Choose a 2006-2010 layer to display

- 2010 City Test 1: 60-100% CMI
- 2010 City Test 2: 80-120% CMI
- 2010 National Test 1: 60-100% NMI
- 2010 National Test 2: 80-120% NMI
- 2010 Regional Test 1: 60-100% AMI
- 2010 Regional Test 2: 80-120% AMI
- 2010 Regional Test 3: 100-160% AMI

MSAs

- Panama City, FL Metro Area
- Parkersburg-Vienna, WV Metro Area
- Pensacola-Ferry Pass-Brent, FL Metro Area
- Peoria, IL Metro Area
- Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro Area
- Phoenix-Mesa-Scottsdale, AZ Metro Area
- Pine Bluff, AR Metro Area
- Pittsburgh, PA Metro Area
- Pittsfield, MA Metro Area



Displaying census tracts with median household incomes between 80 and 120 percent of regional/MSA median (\$69,465), or \$55,572 - \$83,358

Panelists

Paula Planthaber

- Director of Lending
- NeighborWorks America
- Washington, DC

Gwen O'Shea

- CEO
- CDC Long Island
- Centerreach, NY

Lynn Meyer

- Director of Lending
- Community Lending Works
- Corvallis, OR

Community Development Financial Institutions

Middle Neighborhoods

community development financing

Getting to know you ...

Poll 1

Is your organization a CDFI, or do you have an affiliate CDFI?

Yes, No, Unsure

Poll 2

Have you invested in a CDFI or partnered with a CDFI to invest in your neighborhood?

Yes, No,

Getting to know you ...

Poll 3

Please rank the top three financing needs in your communities:

- Residential mortgages
- Commercial mortgages (multifamily, community facilities, business real estate, other than 1-4 family homes)
- Micro/Small businesses
- Consumer
- Other

Certified CDFIs

As of February 2023, there are approximately 1400 certified CDFIs across the States and Territories.

Regulated and non-regulated

Loan funds, banks, bank holding companies, credit unions, venture capital funds, housing organizations - sponsoring entity (Native)

The NeighborWorks network has 82 certified CDFIs and approximately 25 organizations seeking certification.

Certified Community
Development
Financial Institution
(CDFI)

<https://www.cdfifund.gov/>



Changes are coming May 2023 to certified as a CDFI by the CDFI Fund but for now...

- Community development mission
- Legal entity
- Financing entity
- Target market
- Development services
- Accountability
- Non-government entity

Organizations that provide financing for community development but are not certified by the CDFI Fund

It all starts with your strategic plan

- **Mission (purpose)**
- **Products & Services (lending)**
- **Service Area (demand/unmet needs)**
- **Partnership (common group)**

Community Development Financial Institution will ...

Create a market where none exists by providing capital and services to address unmet financial needs.

Products

- Residential real estate
- Commercial real estate
- Microenterprises/Small Businesses
- Business
- Intermediary
- Consumer
- Climate Centered

Licensing

State

Financing Offered

Program

State Licensing (nationwidelicencingsystem.org)

The screenshot shows a web browser window with the URL <https://mortgage.nationwidelicencingsystem.org/slr/Pages/default.aspx>. The page features a dark blue sidebar on the left with a navigation menu containing items like 'Policy', 'Professional Standards', 'Mortgage Call Report', 'Money Services Businesses Call Report', 'Surety Bonds', 'Temporary Authority to Operate', 'Uniform Authorized Agent Reporting', 'Resources & Support', 'Quick Guides - Company', 'Quick Guides - Individual', 'Report Samples', 'NMLS Call Center Information', 'Account Administration', 'Policy/Help Documents', and 'NMLS Expanded Industries'. The main content area has a header with links for 'Mortgage Call Report Annual Renewal' and a paragraph stating: 'Money services businesses seeking licensure in multiple states can now do so through a streamlined licensing process. Visit the [Multistate MSB Licensing Agreement Program page](#) to find out more.' Below this is a dropdown menu with the text 'Click on the map or select state here...' and a map of the United States with state abbreviations. A tooltip on the right side of the map reads: 'Quick Guides - Individual: Handy 1-2 page instruct related to individuals.' The footer of the page includes '©2023 SRR LLC', 'Terms of Use', 'Privacy Notice', and 'SRR Home'. The Windows taskbar at the bottom shows the time as 11:51 AM on 3/6/2023.

Services

- Home buyer education
- Contractor training
- One-on-One counseling
- Business plan development
- Incubator/telework
- Peer Coaching
- Referrals to...
- Procurement

Target Markets

- Geographic (Census Tracts)
- Income (Low/Mod)
- Populations

African American, Hispanic, Native American, Native Alaskan, Native Hawaiian, Other Pacific Island living on Pacific Islands, people with disabilities, and other populations demonstrated lacking access to capital.

IN THE CHAT

SHARE WITH US ONE OR TWO NON-FINANCIAL PARTNERS YOU RELY ON TO CREATE POSITIVE IMPACTS IN YOUR NEIGHBORHOODS OR COMMUNITIES



Roles CDFIs Play in a Partnership

- Educate
- Collaborate
- Finance
- Innovate
- Compliment
- **Deliver**

Examples of Roles CDFIs Can Play in Community Development Financing

Brokering

Correspondent

Direct

IN THE CHAT

SHARE WITH US ONE OR TWO SOURCES OF LENDING CAPITAL.



CDFI 101 TOOLKIT

February 2023



Citi Foundation
citi This resource was developed with support from the Citi Foundation.

WE BELIEVE IN OPPORTUNITY. FOR ALL. OFN.ORG

CDFI 101: History of the CDFI Industry

February 2023



Citi Foundation
citi This resource was developed with support from the Citi Foundation.

WE BELIEVE IN OPPORTUNITY. FOR ALL. OFN.ORG

<https://www.ofn.org/new-cdfi-101-toolkit-and-orientations-now-available/>

THANK YOU FOR SHARING PART OF YOUR DAY
WITH ME!





COMMUNITY DEVELOPMENT CORPORATION OF LONG ISLAND (CDCLI)

Presented by: Gwen O'Shea

About Us

Community Development Corporation of Long Island (CDCLI), a regional non-profit organization, was founded in 1969 by government, business, and civic leaders who came together to address the growing demand for affordable housing. That strong tri-sector support continues today. CDCLI is a nationally connected, locally focused organization, and has developed a strong reputation in its 50-year history of serving the Long Island community.

CDCLI is recognized by NeighborWorks America as an “exemplary organization.” We are a HUD approved housing counseling agency and a chartered member of NeighborWorks America.

Our Mission and Vision

Mission: CDCLI invests in the housing and economic aspirations of individuals and families by providing solutions that foster and maintain vibrant, equitable, and sustainable communities.

Vision: CDCLI is a significant force for revitalizing and building strong communities because home matters for all people.





2022 MID-YEAR COMMUNITY IMPACT



17,204
INDIVIDUALS SERVED



\$61,261,114
INVESTED



Homeownership Center

- **140** families completed Homebuyer Education, **137** families completed one-on-one counseling, and **47** families purchased their first home, totaling **\$14,542,435** in purchases
- **78** completed Financial Fitness, Health, & Wealth
- **67** graduates enrolled in Financial Coaching
- **108** homeowners received foreclosure mitigation counseling, and **22** homes were retained
- **19** received reverse mortgage counseling
- **173** individuals received a total of **\$1,213,023** in Rental Arrears payments



Resident Services

- **60** Hempstead Housing Authority residents matched with community services and activities to achieve greater housing and economic stability
- **263** older adults received services to support
- **266** participated in Family Self-Sufficiency; **12** graduates earned **\$118,634** in escrow savings
- **59** Moxey Rigby residents (Freeport) received case management, resource referral/linkage, and/or onsite food security services



Rental Housing Assistance

- **5,890** rental subsidies enabling **12,876** individuals to live in safe and secure housing
- **16** Housing Choice Voucher families with school-aged children relocated to a high opportunity neighborhood,



Residential Lending

- **19** loans closed, totaling **\$908,500**, assisting individuals with down payments, home improvements, and septic system replacements



Home Improvement & Optimization

- **24** home rehabilitation/accessibility improvements
- **216** homes received weatherization improvements, reducing annual energy use by a projected **\$86,400**



Community Building & Engagement

- **10** resident leaders collectively invested **1,949** volunteer hours of leadership development, peer assistance, and community fortifying work
- **4** team members and **2** resident leaders completed Building Leaders Building Communities facilitator training curriculum
- **15** residents across four communities completed **131** hours of leadership training



Housing Development & Planning

- Port Jefferson Crossing (**45** units in Port Jefferson Station) and Evergreen (**2** units in West Babylon) under construction
- Baldwin Commons (**33** units in Baldwin)

NeighborWorks®

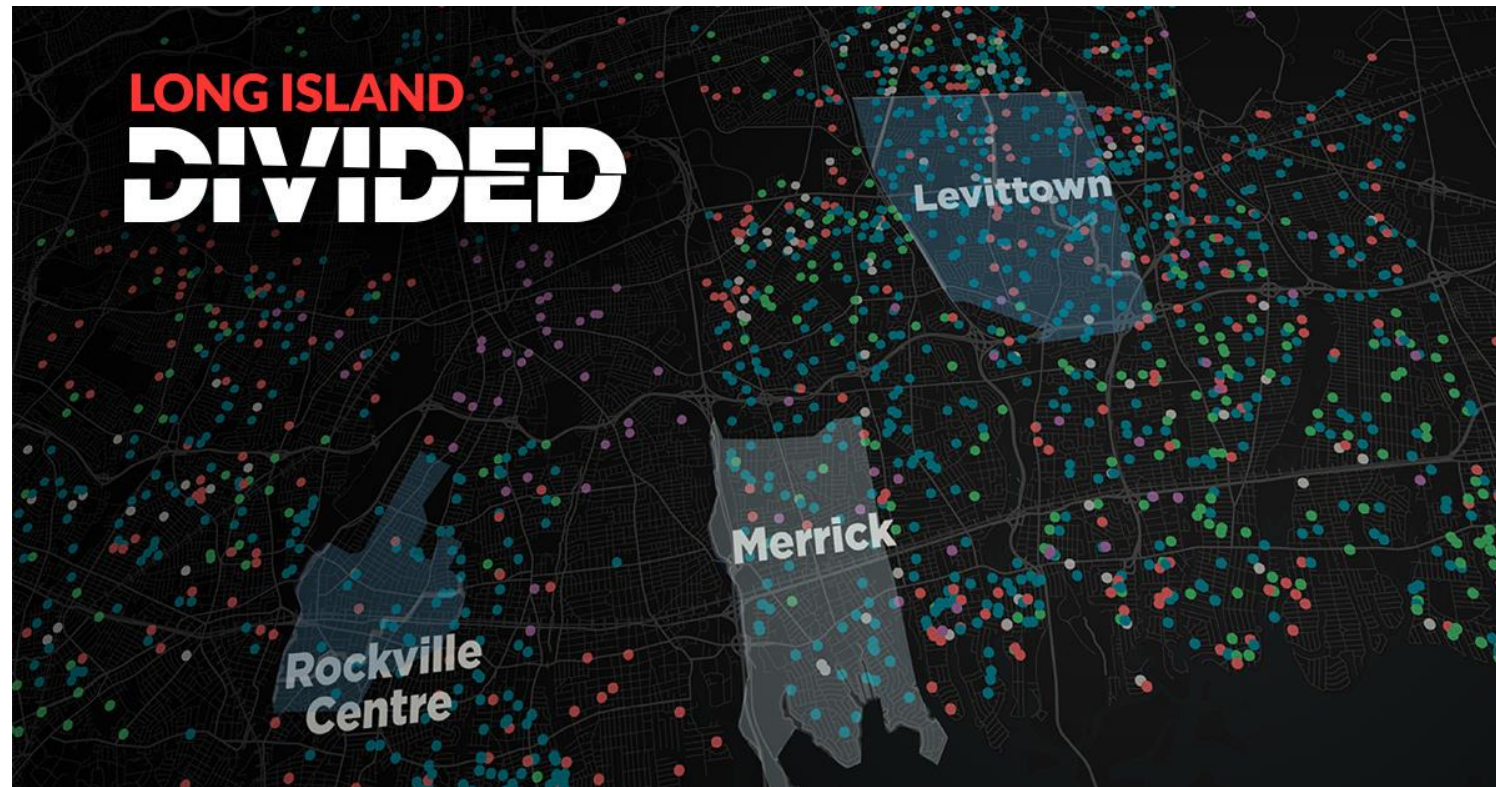
CHARTERED MEMBER

**Community Development Corporation of
Long Island (CDCLI)
Parent Corporation**

CDCLI
Housing
Corporation

CDCLI
Funding
Corporation

The Long Island Region & Its Housing Market



CDCLI Funding Corporation Products

- Down Payment Assistance
- Housing Choice Voucher Home Ownership
- Septic System Replacement and Retrofit Loan
- Down Payment Acquisition and Rehabilitation Loan
- Home Improvement Loan
- ADU's (Accessory Dwelling Units)
- Small Business Lending



Thank You

We Invest in Your Dreams!

CDCLI invests in the housing and economic aspirations of individuals and families by providing solutions that foster and maintain vibrant, equitable, and sustainable communities. CDCLI is a significant force for revitalizing and building strong communities because home matters for all people. Our tagline, "We Invest in Your Dreams", reflects this mission and vision.



📍 Address

2100 Middle Country Road, Centereach, NY 11720

EMAIL

goshea@cdcli.org

🌐 Website

www.cdcli.org



community
LendingWorks

A Regional CDFI & Affiliate of NEDCO

Who is Community LendingWorks?

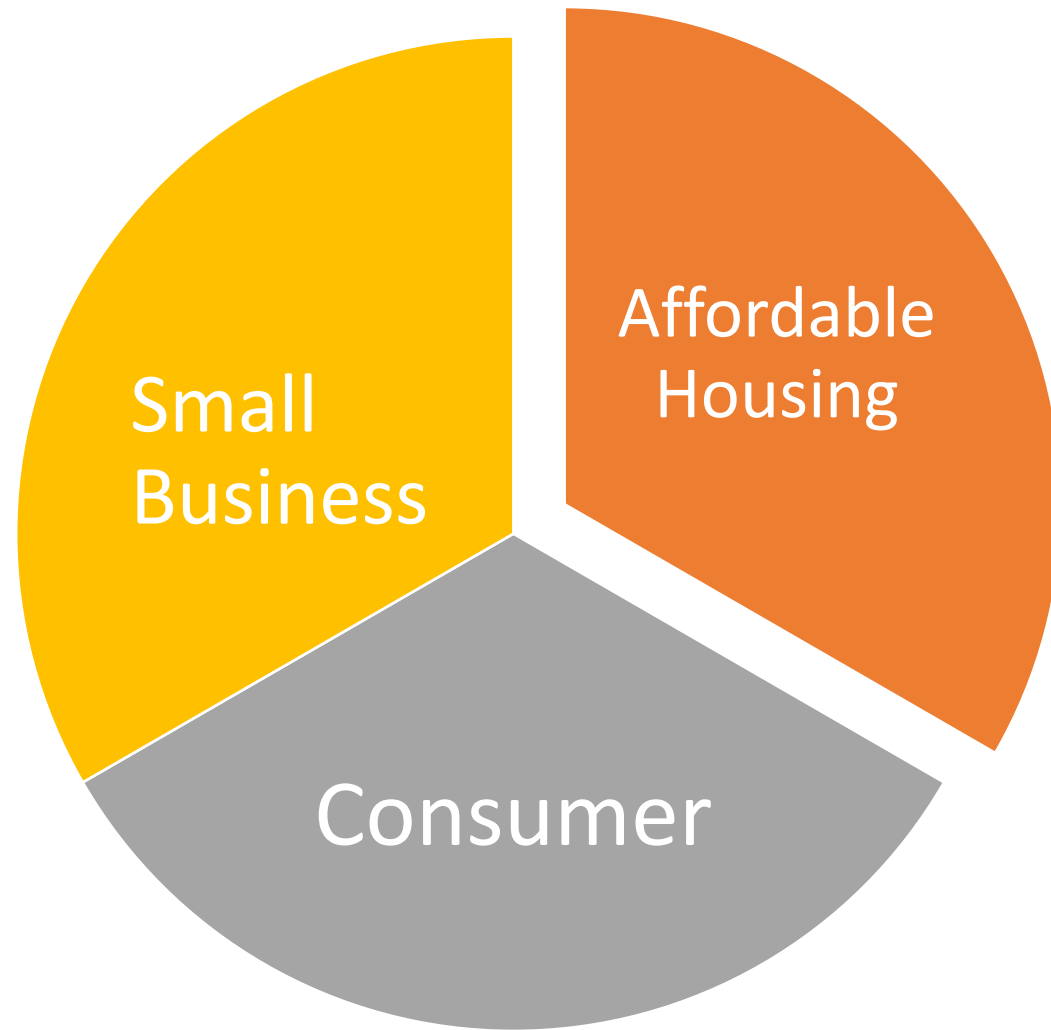
Community LendingWorks (CLW) is a certified 501(c)(3) nonprofit community development loan fund (CDFI).

Since 2011, CLW has deployed more than \$25 million in loans & grants to communities throughout Oregon.

Current Loan Products:

- **Business Loans:** (Micro –Small Business): Loans amounts from \$1,000 - \$100,000 (pilot program for loans up to \$250K)
- **Consumer Loans:** (Auto, Personal, Credit Builder): \$300 - \$30,000

Community Lending Works



Current Change In Optics...

- How we've lent in the past, won't look the same in the now/future
- Attracting “**patient**” lending capital is critical
- Creating lending products to help address access to capital concerns
- Understand/Embrace the capital gap is increasing
- Embracing technology and remote lending relationships
- Forecasting and understanding the opportunities/challenges ahead for mission driven lenders

Unique Loan Options

- Create Lesser Collateral Loans Options
- Leverage in Loan Loss Reserves & Creating Set-aside accounts

- Our current “Pilot Program” Options:
 - Existing Business : 50% Collateral Coverage
 - Startup: 60% Collateral Coverage

Understanding the CDFI Ecosystem

- CDFI are often misunderstood
- What can we do to help increase exposure and strengthen existing relationships?

JOIN US!
**The Middle Neighborhoods
Community of Practice
(CoP)**

The Middle Neighborhoods CoP is an informal, facilitated network of practitioners, researchers and policymakers engaged in revitalizing middle neighborhoods. CoP members share learnings through topical webinars, referrals, site visits, phone calls, and occasional larger group events.

There are currently more than 400 people in the CoP. Please join us!

middleneighborhoods.org



Upcoming Events

APRIL 18: Engagement Chat (Noon, EST)

Supporting Energy Efficiency and Environmental Sustainability in Middle Neighborhoods

Questions: anndipetta@gmail.com

Upcoming Events

APRIL 20: Webinar(Noon, EST)

Investing in the Middle

Subscribe

Center for Community Progress

Check out: The Cornerstone Webinar Series

Thank you for
joining us!

Please email us if you have ideas for webinars, case studies, news stories, etc.

Tell us about your experience today!