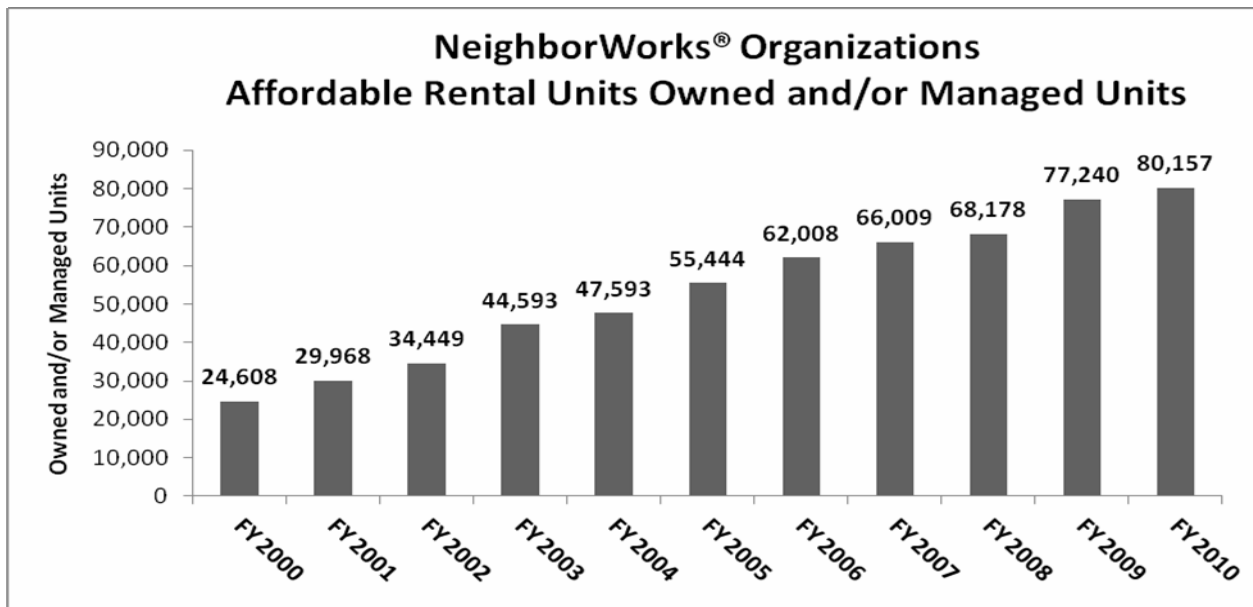


NeighborWorks America – Real Estate Programs

The NeighborWorks network owns and manages more than **80,000** units of quality, sustainable rental housing—secure, healthy homes for low- and moderate-income families, and important assets to communities around the nation. The NeighborWorks network produced or preserved more than **6,300** rental units in FY 2010 alone.

The need for high quality affordable rental housing has become even more urgent as the foreclosure crisis impacts families who can no longer afford to be home owners, or who must postpone home ownership to meet current credit and down payment requirements.

NeighborWorks National Real Estate Programs work with local NeighborWorks organizations to expand the supply of quality rental housing by developing, owning and managing affordable multifamily properties and by supporting strong portfolio performance and asset management practices – serving low- and moderate-income families, veterans, the elderly, formerly homeless, and people with special needs.



Note: This graph reflects 74,748 Units owned and managed by NeighborWorks organizations, plus an additional 5,409 units managed (but not owned) by NeighborWorks organizations.

NeighborWorks America’s flexible capital grants support acquisition, construction, energy efficiency and environmental sustainability improvements, permanent financing and refinancing. These grants are especially critical, and are provided to NeighborWorks organizations through a competitive application process.

NeighborWorks America also provides technical assistance and training on asset and portfolio management; on decreasing operating expenses through improvements in energy efficiency, water conservation, and indoor air quality; on structuring real estate transactions; and a host of other skills and practices.

Asset Management Clinics and Portfolio Strengthening

NeighborWorks America is an industry leader in nonprofit asset management — operating the only program of its kind to support nonprofit housing organizations that face challenges in maintaining healthy real estate portfolios in changing markets. The corporation provides a comprehensive set of asset management services to the affordable housing industry.

A primary tool in these efforts is an annual asset management clinic. In these clinics, asset management staff, executive directors, and board members learn new tools for assessing the performance of individual properties and portfolios and identify specific actions to address expenses and to preserve affordability through refinancing.

NeighborWorks America collects property performance data from local NeighborWorks organizations that own multifamily properties, and monitors that data to design specific performance improvement measures as needed.

STRENGTH MATTERS™ for Nonprofit Real Estate Developers

NeighborWorks America continues its national leadership role in the STRENGTH MATTERS™ collaborative, which brings together national and local affordable housing organizations to increase the capacity of nonprofit real estate developers. The STRENGTH MATTERS™ mission is to increase efficient and effective capital to support nonprofit real estate development, by:

- Developing financial reporting best practices;
- Developing common underwriting and monitoring guidelines for investors;
- Recommending ways to reduce the policy constraints confronting nonprofit real estate developers; and
- Documenting strategies to improve the financial sustainability of nonprofit real estate developments.

Neighborhood Risk Management Corporation – Success with Insurance Issues

NeighborWorks America also supports the Neighborhood Risk Management Corporation (NRMC), a separately incorporated tax-exempt nonprofit corporation, which has created successful insurance pools that allow member organizations to reap considerable savings on some of the types of insurance required to operate rental properties. NRMC is in its fifth year of successful operations and, as of January 2010, insures 33,000 rental housing units, with a combined property value of more than \$3 billion. The number of housing units insured through NRMC has increased by more than 95 percent since its first year of operation in 2005. However the property premiums per insured unit have remained flat during this time – an outstanding accomplishment during this period of rising insurance costs throughout the rental property industry.

Community Learning Centers

NeighborWorks America also helps local NeighborWorks organizations improve the effectiveness of their rental property portfolios through Learning Centers, which promote outcome-based delivery of resident services.

Learning Centers serve as the focal point of NeighborWorks-owned multifamily communities, offering numerous programs that enable residents to attain their personal and asset-growth goals. Services include after-school tutoring and computer access, individual development account (IDA) services, financial fitness and homebuyer education, employment training, and resident-leadership training.

The impact of learning programs on low-income residents has become the subject of increased study in recent years, with investment from private and public institutions such as the Ford Foundation, the Departments of Education, Commerce, Health and Human Services, and Housing and Urban Development.