

NEIGHBORGOOD PARTNERS PUBLIC POLICY AND ADVOCACY

Advocating for Improved Public Policy is a Part of NeighborGood Partners' Mission

What we learn from our field work and experience in affordable housing and community development and how it can be applied to public policy has been an important part of NeighborGood Partners' mission since 1976, especially given our large and mostly rural service area. The NeighborGood Partners Board of Directors has always felt it is important to be actively involved in shaping public policy around affordable housing and community development.

Advocating for What

While improving housing and community development programs and services for the populations NeighborGood Partners serves is a goal, advocating for improved public policy becomes a chief means of attaining this. This could include policies that affect lower-income households, families, elderly, farmworkers, individuals with needs, etc. It also could relate to the types of housing and community development services we provide such as homeownership, foreclosure prevention, financial literacy, rental housing development, self-help housing, community development lending, and community revitalization. Often our advocacy is centered on maintaining or growing resources and revenue streams for housing and community development programs as well as for NeighborGood Partners' work and the populations we serve.

Means of Advocacy - Memberships

Membership in advocacy organizations related to affordable housing and community development represents an important way to connect, network, provide advocacy, and improve public policy on a larger scale than what NeighborGood Partners could do alone. Organizations or coalitions that NeighborGood Partners joins provide “**strength in numbers**” as they are often statewide or national in scope.

Current Memberships Related to Public Policy

National

- CDFI Coalition – CDFI and Treasury funding and related issues
- National Association of Affordable Housing Lenders (NAAHL) – responsible financing for affordable housing and inclusive neighborhood revitalization
- National Low-Income Housing Coalition (NLIHC) – HUD programs, Housing Trust Fund, and other programs aimed at serving extremely low-income households, etc.
- National NeighborWorks Association (NNA) – NeighborWorks America funding and housing and community development related issues
- National Rural Housing Coalition (NRHC) – USDA/HUD financing, rural housing programs and issues
- National Community Reinvestment Coalition (NCRC) – CRA and creating a just economy
- National Self-Help Housing Association and National Farmworker Housing Directors Association – RD Self-Help Housing, 502 Direct loans, and Farm Labor Housing loans and grants.
- New Markets Tax Credit Coalition – CDFI New Markets Tax Credit allocations and issues

- Opportunity Finance Network (OFN) – CDFI and Treasury funding and related issues

State

- Delaware Affordable Housing Coalition – nonprofit developers’ housing issues and funding agenda for Delaware’s governor, legislature, and Delaware State Housing Authority (DE’s Dept of Housing and Community Development)
- Delaware Federation of Housing Counselors (DFHC) – housing counseling
- Delaware Alliance for Nonprofit Advancement (DANA) – broader state nonprofit issues
- Delaware Racial Justice Collaborative – racial equity and justice issues
- Virginia Housing Coalition (VHC) – Virginia state budget, programs, eastern shore
- Maryland Affordable Housing Coalition (MAHC) – Maryland state budget, programs, eastern shore
- Delaware and Maryland Bankers Association

Examples of the work these memberships foster:

- Collective advocacy with peer organizations through sign-on letters and position papers
- Testimony, formal comments, participation on work groups or task forces
- Commenting on regulation changes such as the Community Reinvestment Act and HUD and USDA’s affordable housing and community development programs
- Making recommendations, suggestions, and helping to find solutions
- Studies, national and state, sharing needs and successes
- Improved programs and service delivery
- Advocating positions regarding national and state budgets on housing and community development programs

Examples of what is advocated for:

- Operational funding for NeighborGood Partners
- Capital funding for Loan Fund and Real Estate Development Lines of Business
- Housing financing, program funding, and tools for our customers
- Nonprofit set-asides in low-income housing tax credit programs
- Increased state funding for housing
- Improve changes to federal and state regulations or to voice concerns over potential detrimental changes to regulations or funding allocations
- Programs to serve moderate and low-income households

Means of Advocacy -- Leadership

NeighborGood Partners’ leadership inside and outside of Delmarva provides great opportunities for the organization and its personnel to participate in leadership and public policy roles. By being part of coalitions, personnel have the opportunity to demonstrate leadership, work with peers of other organizations, share what they know, work on problems, advocate change, and seek more resources. NeighborGood Partners and our personnel become part of a greater system of public policy development and a process for change. Directors as leaders within their sector are encouraged to participate in leadership roles that will enhance their lines of business and NeighborGood Partners. Examples of NeighborGood Partners employees who are serving in key leadership roles:

- Karen Speakman, Executive Director, Jill Lordan, Self-Help Housing Director, and Patricia Kelleher, Community Development Director, serve on the Board of the National Rural Housing Coalition

- Karen Speakman serves on the advisory councils for Healthy Communities Delaware and the Partnership for Healthy Communities
- NeighborGood Partners is a member of the Delaware Affordable Housing Coalition and Karen Speakman, Denise Freeman and Patricia Kelleher participate in the monthly meetings
- Denise Freeman, Housing Counseling Director, serves on the Board of the Delaware Federation of Housing Counselors
- Patricia Kelleher, Community Development Director, serves on the Boards of Central Delaware Housing Collaborative, Housing Alliance Delaware, and Diamond State Community Land Trust
- Camille Moman, Consumer Services Administrator, serves on the Wealth Creation task force of the Delaware Racial Justice Collaborative

Public Policy Themes and Messages

- This country is experiencing a housing crisis with not enough supply to meet the demand for affordable rental housing and homeownership especially for low- and moderate-income households.
- Extremely low-income, very low-income, and low-income households often pay too great a portion of their income for housing costs, are usually rent burdened, and cannot successfully compete for housing.
- Rural areas and underserved communities have less access to resources, capital, and housing and community development programs, and are often coupled with less capacity and experience.
- Rural counties typically have substantially lower median incomes, resulting in households facing greater affordability gaps between what they earn and what housing costs.
- Rural areas typically have a greater incidence of substandard housing and substantial issues with water and sewer infrastructure.
- Nonprofit developed and owned housing results in greater and longer affordability, resulting in better stewardship of resources.
- Homeownership education is a key ingredient for first-time homebuyers that should be recognized and funded. Informed, educated consumers make better financial decisions.
- Affordable housing has a significant impact on the economy, with every dollar spent generating \$7 of economic activity.
- Traditional lenders often do not take the risk to lend directly for community development projects and are assisted by CDFIs to underwrite, invest in, and/or participate with nonprofit and other corporations
- Decent, affordable housing affects all aspects of family life including child education, family health, socialization, employment, stability, finances, etc.
- Every dollar spent by Nonprofit Organizations leverages significant financing, mortgage loans, relief, and housing assistance.

Delaware Affordable Housing Coalition – a Quality Advocacy and Public Policy Model

The Delaware Affordable Housing Coalition was organized in 2007 to give voice to nonprofit affordable housing developers in the state budget process. A core group of nonprofits decided to enter into an MOU and pay dues for government relations services. A lobbying consultant was hired who communicates effectively with the nonprofit members and has very strong relationships with legislators and the governor's office. This has improved relationships and

increased housing resources and has resulted in members being seen as experts by the Joint Finance and Capital Improvement Committees. It has also resulted in a stronger relationship with the Delaware State Housing Authority. The membership of the Delaware Affordable Housing Coalition has grown over the years and is active each year with Delaware's Governor, state legislators, and the state budget and legislative process.

Testimony as a Means of Education

Testimony (verbal and written) about NeighborGood Partners' affordable housing and community development experience, best practices, trends, and demand can be helpful to legislators and other policy makers as they seek to allocate resources and make sure programs are working optimally. Testimony has been provided to the U.S. Congress and the Joint Finance and Capital Improvement (Bond Bill) Committees of the Delaware General Assembly. Legislators and public policy makers cannot be experts on all legislative and budget areas and they routinely rely on expert testimony to inform their decisions. This work is educational in nature and it also advances the organization's name and leadership. NeighborGood Partners also regularly comments on proposed and final rules published in the Federal Register, most often to improve existing or proposed programs. National and State coalitions connect us to opportunities to testify. This gives NeighborGood Partners the opportunity to share thoughtful insight. In addition, meeting with Senators and Representatives and their staff when in Washington, DC is important to keep them updated on our work and the community/housing needs of Delmarva.

Investing in Education, Advocacy and Public Policy

Investing in advocacy and public policy is important. NeighborGood Partners has always invested in public policy work. We did so when budgets were tight. Looking back, the investment reaps numerous benefits, such as:

- Being connected with peers in the state or nationally, rather than being isolated.
- Maintaining or increasing resources and improving programs.
- Giving voice to our work and the people we serve.
- Being viewed as an expert organization whose opinion is valued.
- Building relationships with legislators and political contacts.
- Enabling the organization to be proactive rather than reactive.
- Providing greater opportunities over time.

Memberships are costing more and more each year. As an organization increases its budget, the membership costs typically increase as well. It is important to realize the benefits are not quickly realized from a dollars and cents approach. The memberships alone can total \$20,000 - \$30,000 a year. For NeighborGood Partners today, as it was in the beginning, investing in advocacy and public policy work is an important necessity that ultimately pays dividends for the organization and the people we serve.

IRS 501(h) Election

NeighborGood Partners has elected to participate in the IRS Section 501(h) manner of defining lobbying activities. Nonprofits typically fall under a general IRS definition of lobbying activities that indicates they may not be a "substantial" part of the organization's activities. That word "substantial" is not defined and could be open to interpretation, leaving nonprofits somewhat vulnerable. Electing under 501(h) clearly defines a percentage of revenue that can be expended on general and grass roots lobbying making the calculation and measurement clear cut. Each

year, NeighborGood Partners calculates the allowable lobbying expenditures based on revenue, and invariably our actual lobbying expenditures are a very minor portion of what would be allowed. Personnel involved in lobbying log their hours and expenses. For instance, per the FY2023 IRS Form 990, NeighborGood Partners spent \$5,274 on direct lobbying, but given total exempt expenditures, would have been eligible to spend up to \$437,965 on direct and grassroots lobbying. Note that most membership expenses are not considered lobbying and therefore are not counted as lobbying expenses.