

C O M M U N I T Y E C O N O M I C D E V E L O P M E N T
Project Report

"AT-RISK" TENANTS ORGANIZING/EDUCATING PROJECT

Advisor(s)

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2.21.89

Dear Yolanda:

1. The vertical stem of the "h" is unique, central & strong.
2. The oval shape is a feminine symbol.
3. The top of the "W" and "D" suggest bending in worship.
4. The other shapes suggest wings or leaves.

At least that is what I tried to do. If you don't like it, please do not hesitate to say so.

Love
Adi

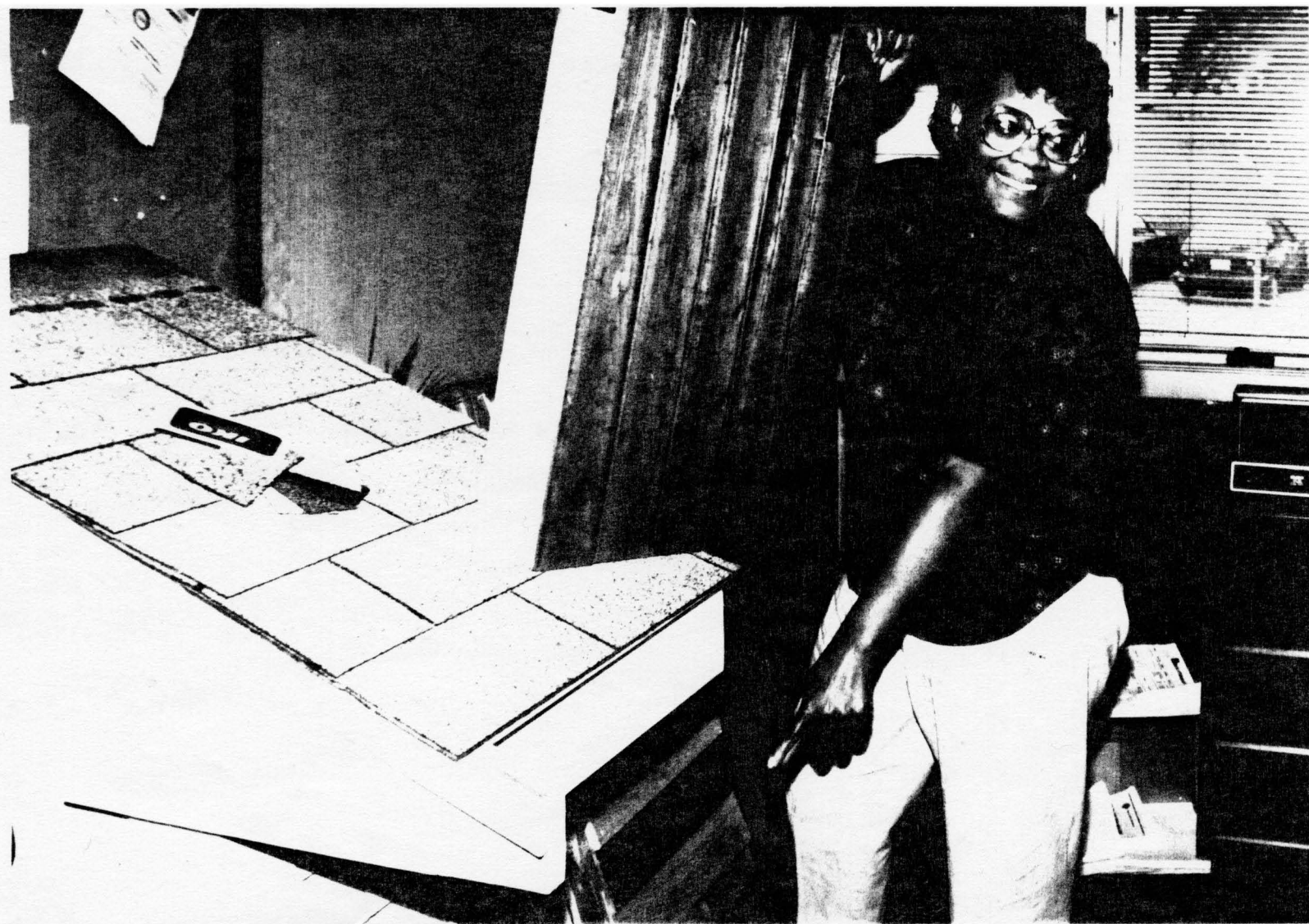


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I

INTRODUCTION

Newport, Rhode Island, a small city of just under 35,000 population, has a poverty level of 30% and is, in 1989, in jeopardy of losing over 800 subsidized housing units. The costs of housing procurement for the low to moderate income family is significantly out of alignment with income levels for this area, making affordable housing for the effected families a premium item. This potential loss could have devastating results on an island community already experiencing extreme limitations on availability of developable land space.

One of the areas of concern, yet not addressed, is the need to provide information and know-how that could be applied to resolving these issues. People have more control over their lives and different aspects of life when they understand the workings of that entity, in this case the relatedness between housing and economic development. Exposure to the idea of alternative solutions to acquiring and maintaining affordable housing is not readily available in a community of this size. Therefore, the frequent response to a housing problem is one of helplessness, the response to lack of sufficient income is to take another job, not, "How can I take control of my housing and financial needs on my own."

II

PROBLEM

A total of 823 subsidized housing units are presently "at-risk" due to the expiring use restrictions from Federally financed developments when the developers become eligible to pre-pay mortgages by 1991. Local governments are concentrating efforts on potential home owners, in spite of the fact that Newport does not own any land available for any development and there is not significant land available privately for new development.

ANALYSIS - Following the trend of many East Coast communities, Newport has not developed long range plans relating to housing or

economic development. Affordable housing has only become an issue within the recent past several years, too late to "set aside" space for current or future needs. Where plans were in place, Newport frequently has succumbed to the lure of increasing the tax base and submitting to the developers, without considering the effect on all facets of the community with predictable results, insufficient low and moderately priced housing for area residents.

Speculative housing development, the influx of military and tourist families as both part and full time residents, condo conversion mania and conversion of low cost rooming houses to Bed & Breakfast Inns serving tourists and the more affluent transient populations have had a significant negative impact on the availability of affordable housing for local residents with low to moderate incomes. Another area influencing this dilemma has been an extremely successful rehabilitation program of older deteriorated structures which has removed buildings from the lower income market following rehabilitation, the exact opposite of the desirable intent to provide safe, affordable and decent housing for the lower income population.

Income Profile -The median annual income of renters is \$17,800 while the median monthly rent is \$582.00 plus utilities. Current U. S. Government statistics indicate it requires an annual income of \$20,700 to support rents of \$575 with utilities included which creates an instant deficit for the average Newport renter. Real estate agents, landlords, City officials and Housing Authority staff recommend that potential renters seek housing in nearby communities, 20 - 40 miles "off-the-island" which increases hardships of undetermined proportions. A sampling of some of the consequences are: increases in transportation costs of working; increases in tax and insurance liabilities (R.I. & Mass.); sociological repercussions, increased time away from children, loss of local support systems, overcrowding due to sharing space with other families, stress, potential increase in the number of homeless, etc.

ANALYSIS - Newport has a service based economy providing a limited income opportunity for the unskilled worker in the local job market. Restaurants, nightclubs, boutiques, convenience stores, nursing homes and hospital support staff provide a significant number of job slots requiring minimal educational/career opportunities. So, too, are the opportunities for upgrading within the employment domain.

III

RESPONSE/ACTION

The goals of this "Project" are to establish WAHID as a bona fide business, obtain 501(c)(3) tax exempt status, elect officers and complete all legal requirements for running a business in Rhode Island. In addition WAHID intends to provide the opportunity for at-risk tenants and other low to moderate income families to learn how to take control of their housing futures by: becoming aware and informed of the alternative housing options available to them; learning about developing housing as a business; organizing themselves to respond to their housing crisis and to develop a program (action) to address this need.

WAHID will be applying for grants to hire staff & VISTA Volunteers to implement programming and establish a business location for operating programs, etc. Currently, all WAHID activities are being carried out by volunteers from the home of the Founder, Yolanda Z. Madyun.

A very basic grassroots methodology will be implemented to accomplish these goals, door-to-door outreach and organizing. VISTA Volunteers will be hired and trained to initiate this phase of the Project. With the identification and recruitment of prospective participants training sessions will be expanded and scheduled.

Training/educational programs are being developed to provide participants with working knowledge of the housing, financial, banking, business & housing management fields. Hands on activities will allow the enrollees to "get-the-feel" of what happens when they have an interview, what will be needed to complete an application for a loan, how to present a business plan for a loan, what regulations have to do with starting a business or building a house, etc. This will include very basic subjects such as financial-business vocabulary, role playing interviews, housing terminology, introduction to concepts of cooperatives (housing and worker-owned businesses), tenant buy-outs/management and problem solving techniques.

Participants will have the opportunity to attend conferences, workshops, seminars and auxiliary training activities which will allow them to establish contact with other peer groups involved with the same issues and working to address them also, networking, of course, being an integral part of this training experience.

It is anticipated that from this training several small business development projects will evolve; at least one housing cooperative (possibly several under an umbrella), an unknown number of cottage industry businesses and a worker owned cooperative business. These fall into the long range activities sphere and become part of the total planning process beyond this class Project but still within the scope of WAHID's goals and purpose.

IV

ACTUALIZATION

FIRST SEMESTER - September - December 1988

Board elections were held in November, with all board members nominated from people currently involved with WAHID: Pres. Fran Briscoe, V. Pres. June Evans, Sect. Joyce Islam, Asst. Sect. Yolanda Madyun and Treas. Pat Kalble. These women have been the foundation on which all else grows. They conduct workshops, develop curriculum, write grants applications, develop business cards, critique each others work, provide support and encouragement and keep each other on track.

With some trepidation, alternative funding and frustration the 501(c)(3) application was submitted, after finding out that before it could be processed by IRS, we had to remit a filing/processing fee of \$300, which was not listed in any of the literature or on the application form!! Initial contact was made with prospective funding sources and the application process started with four foundations and ACTION, for VISTA Volunteers.

WAHID volunteers continued working with seven families who are potential self-help housing cooperators, sharing with them information on housing alternatives, housing evaluation, needs assessment, financing structures, etc. During this time the core group grew from seven to twelve families through word-of-mouth as no outreach activities have been implemented.

ANALYSIS - Curriculum development will be key in the success of the workshops. The subject matter must be made palatable to a variety of skill and comprehension levels due to the diversity of participants. Staff is very aware that this is a sensitive area for consideration in the development of effective training approaches and will move cautiously.

SECOND SEMESTER - January - April 1989

Staff, all volunteers, continue to work at their individual employment positions and conduct WAHID business whenever time allows and virtually every evening, which is when most of our clientele is available. Fran will be available days by the end of April which will open more doors and increase activities with the community resources. She is presently meeting with representatives from Foundations and conducting follow-up on other matters, i.e. Tax Exempt Status and VISTA application process.

The core group has grown to twenty families, far beyond any expectations. Because of the enthusiasm for developing a housing coop, some changes in format for training has taken place. Training is now conducted for one-and-a-half hours with a small meeting following. Three committees have been formed, by-laws, membership and financial and each have held one organizational meeting and the next ones have been scheduled.

Training sessions have been conducted on affordable housing issues, options to homelessness, self-help housing cooperatives and organizational development. The first draft of the training/educational packet is being worked on along with the VISTA orientation/training model. Over \$5000 worth of matching office furniture was donated by an anonymous contributor.

ANALYSIS - Raising families, working full time, operating a business out of a living room of a family with four children, etc., etc. is not recommended, there are not enough hours in the day/evening/night, or enough quiet/space. However, the thrill of being able to plan your own future, with your own business and its own rewards is worth every minute of it. BE PREPARED! In addition, the response from the participants, individual community leaders' support and encouragement all reinforce the need and the timeliness of this approach to solving some paramount problems in this and other communities. All we need now is money.

THIRD SEMESTER - May - August 1989

Fortunately timetables are meant to be revised and this has many changes, most expected when dealing with bureaucracies. The VISTA application needed some minor changes and due to lack of funding for this Fiscal Year, the VISTA positions will not be available before late Fall, we are not placing any bets. Of course then this means that either outreach will be delayed or the volunteers will be conducting it. The latter presents too

many problems for realistic consideration. The delay is not a major set back, it actually provides an opportunity for more detailed planning.

Training continues with an average attendance of seven at the last five sessions. It is not uncommon for partners (spouses, significant others) to trade off with one attending while the other provides child care or works or both. Fifteen prospective cooperators have been clearly identified and have taken responsibility on committees, developing by-laws, membership requirements, financial needs, etc. These individuals started Board/Management Training specific to Self-Help Housing Cooperative and have one session left in this series, right on time.

The Educational Facilitator/Grants Developer is now working full-time on a voluntary basis until funding can be procured. The delay in obtaining the 501(c)(3) tax exemption will delay the actual receipt of funds if appropriated. However, at the suggestion of Foundation staff WAHID has approached the local Community Action Agency, New Visions for Newport County, Inc., to consider acting as a pass-through for any appropriated funds during the interim. Jean Hicks, a graduate of New Hampshire College's C.E.D. Program is the Executive Director and is recommending this process to her Board in WAHID's behalf.

Grants have been submitted to support operating expenses to three foundations and another for a computer. Consideration of these applications is several months away. WAHID has also been accepted as a job site for a Summer Youth Program and now has on board a clerk typist which frees up other staff for other things both in and out of the "office", (still in the living room of Yolanda's home).

Prospective coop members have attended two conferences/workshops with Technical Service Staff, on Financing Affordable Housing and the regional Conference of the National Association of Housing Cooperatives. One TS Staff attended a workshop on Home Equity Conversion Mortgages for Senior Citizens. Additional activities of this kind will take place whenever time and finances allows. Enter Lucy S. (met at the Affordable Housing Conference)

ANALYSIS - The workshops and conferences attended during this Semester provided excellent introductions for the prospective cooperators and inspirational exposure through contacts with

peers, while staff added significantly to WAHID's network. One of the new contacts is a Coop Development Specialist with the state housing financing agency, R.I. Housing Mortgage Finance Corp.(RIHMFC) who had heard about WAHID through one of the earliest supporters of this endeavor a Community Development Specialist from the Univ. of Rhode Island's Community Development Department. Her enthusiasm and support of WAHID's philosophy, intent and methodology are anticipated as being key to some of WAHID's future programming.

RIHMFC's mandate is to open doors of opportunity to home ownership for those R. I. families unable to access home ownership through traditional channels. At this point in WAHID's schedule, having an actual Development, was incongruent, unlikely, unrealistic, etc. However, RIHMFC was looking to develop a limited equity housing cooperative for low-moderate income families, never before done in Rhode Island and for the most part not even heard of in Newport County. The prospect of developing a team with teaching skills and technical assistance was too good to be true. But there was WAHID, primed.

Meetings were scheduled to discuss the why's, how's, where's, what's and who's, you know, logistics. Yolanda and June began taking time off from their regular jobs to attend the many negotiating sessions that were required to bring this proposal to fruition. At first it appeared to move along smoothly. An agreement to develop the team was signed, money was being discussed, program activities, areas of responsibility for respective team members, recruitment and management issues were on the table. Unfortunately, it is extremely difficult to meld traditional methodology with non-traditional implementation. RIHMFC wanted to approach this development from what they perceived as breaking new ground while holding on to traditional interpretations and evaluations. i.e. Marketing - WAHID, grassroots organizing, recruitment and training methods versus RIHMFC, Madison Ave. hi-tech marketing techniques and presentations. It eventually, became quite clear that we would have to literally fight for every inch of grassroots ground if this development was to truly meet the needs of WAHID's clientele.

FOURTH SEMESTER - September - December 1989

VISTA workers have been put on hold until it can be determined if they can legally be used to organize around the expiring use housing issues. There may be some conflict with HUD due to the sensitive nature of affordable housing programming currently. (no comment, HUD is paying for my education).

Training is on schedule, just no outreach although the phone rings constantly. Word-of-mouth really works. The incorporation papers for the housing coop have been filed and WAHID Housing Cooperatives, Inc. is pending.

Two meetings have been held with City Planning Department Staff and Church Community Housing Corporation personnel to discuss another development, on Beacon St. in Newport. There are plans to develop a home ownership opportunity similar to the one being planned in Middletown and WAHID is being considered to provide the training.

September was a banner month, Prince notified us that we will be receiving a direct grant and a matching grant, the direct grant will be arriving in late October. Timing is everything.

Meetings continue with RIHMFC, more complications.

ANALYSIS - A cooperative "blanket" mortgage is not acceptable to RIHMFC because it is not acceptable to the underwriters, no, they will not seek others, so the cooperative becomes a mutual shares home ownership arrangement. It was just as quickly dubbed the "hybrid mongrel" and we were not convinced it would work, but now we were committed and determined to find ways to make it work, for the people we had trained and encouraged to participate.

Of course training sessions continued, grants were received, as was the tax exempt status, after using all of the political power available to WAHID in the State. In the middle of all of this activity, WAHID Housing Cooperatives received its incorporation papers, elected a board of directors, accepted the presented by-laws, and began collecting membership dues payments. Fran Briscoe was hired and space was leased in the Multi-Purpose Center and WAHID moved into it's new "corporate headquarters" in December, without Fran Briscoe, who now was confined to bed with a severe back injury. She also missed most of the last, Fourth, semester of school. However, phone link-ups between the office

and bed provided some semblance of continuity to the extent that RIHMFC personnel never knew the office was staffed by a clerk-typist and the only paid staff was bedridden. This was crucial, as one of the original concerns was whether WAHID had the staffing capacity to undertake this job.

V

SUMMARY

The need to develop creative, cost effective programming with long range impact to address the problems of inequities in the provision of basic needs is an absolute must. Risks must be taken by those empowered with the vision, energy, commitment and know-how and those people must be supported and encouraged by responsible leaders, contributors, beneficiaries and the community at-large. Lyndon Johnson was on the right track when he established the War On Poverty, he just didn't go far enough and see the need for education from a living perspective.

RIHMFC is unable to relinquish the traditional posturing of traditional banking institutions and as a result is creating new obstacles for the very population it is intended to serve. Designing different approaches to old problems is useless and cannot be effective when they are implemented by those in support of the old methods. This situation, unfortunately, adds to the frustrations and disenfranchisement of people already victimized by the exclusivity of the financial arena.

WAHID is finding RIHMFC an extremely difficult organization to work with. Sometimes it appears that the policies and processes of this institution are designed to prohibit access to the resources and "benefits". However, WAHID will continue to collaborate on this endeavor, constantly attempting to challenge and influence for progressive change.

Clearly this posturing does not start with a position in the banking/financial field, it has a long history. Children attending schools that cater to the affluent population learn economics from an investment aspect, for securing their futures, while children in schools serving the lower income community are taught the frugality of saving, as opposed to long term investment and the related benefits. Until this myopic method of nurturing/promoting a "lower-class" is realized then this situation will be perpetuated with all of the ensuing baggage, illiteracy, disease, homelessness, addiction, etc.

WAHID is about the business of teaching people they can take some control of their financial and housing destinies when they know how. To that end this Project has been successful, by opening doors, acting as a role model for the community, showing others what can be accomplished with team work, know-how, sharing and trusting. WAHID is in for the long haul, besides, it's fun!

POSTSCRIPT

In the year since the conclusion of my Fourth Semester work and completion of this Contract -

- 1) the Middletown development has started construction of twenty six units of cooperative housing, now named VILLA NIA (Village of Purpose). At this writing, four buildings have been completed with eight townhouse style units. Each duplex has a two and three bedroom townhouse with full finished basements, wall-to-wall carpeting, kitchen appliances, driveways and space for expansion and decks and other things. An April occupancy date is anticipated;
- 2) the Bank of Newport, the mortgage loan bank for this project, has eliminated its point, consolidated closing costs, applied for a loan from the Federal Home Loan Bank (denied) and submitted WAHID Cooperative Enterprises, Inc. for an award;
- 3) over \$86,000 in CDBG funds have been applied for with \$66,000 awarded to assist with down payments and closing costs for income eligible families for VILLA NIA;
- 4) two VISTA Volunteers have been hired and working since November 1990;
- 5) discussions and plans are on-the-table with Newport Housing Authority for a tenant initiated housing management/conversion/buy-out of several streets in one of the public housing developments as a pilot project;
- 6) discussions are pending with the R. I. S.B.A. to jointly sponsor and conduct a small business development workshop in Newport for low income residents;

and last, but certainly not least -

- 7) the President of the Board of Directors of WAHID Cooperative Enterprises, Inc., Capt. June K. Evans formerly of the R.I. National Guards has been activated and is now serving in Saudi Arabia until further notice.