



Nehemiah's Charitable Model

The Vision of Nehemiah Corporation of America states *"Nehemiah serves as a catalyst for economic empowerment and wealth creation by expanding opportunities for responsible homeownership, affordable housing and community revitalization."*

The Nehemiah Program® is the vehicle by which Nehemiah provides opportunities for low- and moderate-income homebuyers to achieve homeownership. However, as its Vision Statement indicates, its charitable activities are more expansive than just down payment assistance, it also provides opportunities for economic empowerment and community revitalization.

As of February 12, 2008, Nehemiah Corporation of America, through its down payment assistance program has helped over 250,000 families and individuals become homeowners. The average family income of those participating in The Nehemiah Program since its inception is less than \$51,500 per year. Of significant note is the fact that The Nehemiah Program has been a very important means by which minorities, women and single parents have been able to achieve homeownership. For example, although the aggregate national homeownership rate is approximately 75%, the homeownership rate for African-Americans and Hispanic-Americans lags far behind at 46%. Of the more than 250,000 families that have been helped by The Nehemiah Program, 38% (or, over 95,000 homebuyers) represent minority-headed households. Furthermore, Nehemiah has helped nearly 80,000 women-headed families to become homeowners.

Achieving homeownership only tells a part of the story. In 2004, the Milken Institute conducted a study entitled "Expanding Affordable Homeownership with Private Capital - A Study of the Nehemiah Down Payment Assistance Program." Milken Institute researchers found that the Nehemiah Down Payment Assistance Program has become a vital economic tool for helping low- to moderate-income families reach that dream and become homeowners. This study found: The positive fiscal impacts created by Nehemiah Down Payment Assistance Program (DAP) recipients are in the hundreds of millions of dollars;

- The gift of financial capital in the form of down payment assistance has catalyzed the creation of three types of capital essential to any society - economic, social and cultural - for a very modest median amount of \$3,957 per beneficiary. These benefits extend to city, county and state governments by directly increasing revenues to those entities.
- The down payment assistance program helps bridge the "affordability gap" among low- to moderate-income households who otherwise would not be able to own a home.

"...The Nehemiah Program added more than \$287 million to municipal and county tax receipts..."

The Milken Institute found great equity gains for the modest \$3,957 investment gifted to each family. Nationally, over 115,000 families assisted by Nehemiah experienced an aggregate home equity increase of over \$2 billion between fiscal years 1997 - 2003 — an average of more than \$18,000 per household in six years. Nehemiah homeowners in the six cities studied gained over \$602 million in home equity in six years. Hispanic families in these six cities experienced an average equity increase of \$12,000, and African-American families saw their home equities rise by an average of \$7,200.

According to the Milken Institute study, The Nehemiah Program added more than \$287 million to municipal and county tax receipts in the six markets surveyed. Nehemiah's DAP transformed renters into homeowners, creating tax revenue that otherwise would not have been generated. The study validates that homeownership is an essential element for enlarging the tax base in cities and counties.

The Milken Study concluded, "The results of our statistical and empirical analyses strongly support one another. Homeownership is a pathway toward financial independence and provides an important opportunity for low- and moderate-income households to accumulate economic resources that empower individual families while simultaneously improving neighborhood stability and community development. Increasing homeownership rates also contribute to the overall health and economic stability of local governments. The analysis reveals that the fiscal impacts resulting from the total share of local property taxes paid by Nehemiah DAP beneficiaries were substantial and effective in helping local governments achieve fiscal balance."

As Nehemiah's Vision Statement describes, the charitable model is more expansive than down payment assistance. The down payment assistance fee revenue generated by The Nehemiah Program not only funds its own cost of operations, but is also used to fund the programs operated by Nehemiah's affiliated nonprofit corporations. Nehemiah Corporation of America is affiliated with Nehemiah Progressive Housing Development Corporation, Nehemiah Community Foundation, Nehemiah Community Reinvestment Fund and Nehemiah Urban Land Trust.

Although each of these are separate 501(c)(3) corporations, they share the same board of directors as Nehemiah Corporation of America. Further these corporations have no employees. Nehemiah Corporation of America provides all of the staffing and administrative support for each of these organizations. Although each of these organizations obtain some funding from outside parties, the vast majority of their operating funds and lending capital come from revenues generated by Nehemiah's down payment assistance program.

NCF has contributed nearly \$5 million to nonprofit organizations across the nation

The following illustrates the types of programming carried out by each of Nehemiah’s affiliated non-profit corporations.

(Please see statement of Community Development Impacts for further detail)

Nehemiah Community Foundation

In 2000, the Nehemiah Community Foundation (NCF) was formed as a federally tax-exempt 501(c)(3) affiliate of Nehemiah Corporation of America (NCA). NCF’s mission is to provide grants and, occasionally, limited technical assistance to community-based nonprofit organizations serving very low, low and moderate-income persons with programs that focus on affordable housing and neighborhood revitalization, education and economic development. Since its inception, NCF has received over \$5 million in funding from NCA.

Each year, NCF receives over 400 funding requests. Of these requests, NCF historically has made an average of 100 program grants and special event sponsorships per year to help nonprofits throughout the United States. Since its founding, NCF has contributed nearly \$5 million to nonprofit organizations across the nation. Additionally, NCF has contributed \$246,000 in college scholarships to 66 academically superior and ethnically diverse, low-income students who have graduated from high schools in Sacramento County. NCF also donated office space to the California Hispanic Chamber of Commerce valued at more than \$60,000. NCF has provided technical assistance in the areas of fundraising, grantmaking, housing and community development to such local and national nonprofits as: the United States Conference of Mayors, the National Association of Counties, the Independent Sector, the Sacramento Chapter of the NAACP, Sacramento Black Chamber of Commerce, Sacramento Asian-Pacific Chamber of Commerce, and the Sacramento Region Community Foundation. Examples of nonprofit organizations that have received NCF contributions during the past five years include:

Habitat for Humanity (National)

NCF’s \$1 million grant to Habitat for Humanity helped to support Habitat’s “sweat-equity” construction of single-family homes for very low-to low-income families throughout the nation during a four-year period.

HomeAid America (National)

NCF’s \$750,000 three-year grant to HomeAid America provided support to the construction of shelter and transitional housing for homeless families across the U.S.

Nehemiah's goal is to broaden the options for minority students from various backgrounds and broken homes...

Rebuilding Together (Sacramento, CA and Dallas, TX)

NCF has provided a total of \$23,500 to sponsor Rebuilding Together's annual "Rebuild Day" (formerly, "Christmas in April") events in 2003, 2004, 2005, 2006 and 2007. NCF's grants have helped to pay for repairs and other structural and aesthetic improvements on single-family homes for the elderly, disabled and impoverished families with children to ensure their health, safety, and welfare, while promoting independence and managing their own future. Each year, volunteers from Nehemiah's local staff join volunteers from other companies to renovate entire blocks of homes in low-income neighborhoods.

North Coast Community Homes (Cleveland, OH)

NCF's \$5,000 grant to North Coast Community Homes (NCCH) helped to support the work of Ohio's largest private nonprofit developer of special needs affordable housing for mentally ill and disabled populations. Since its beginning in 1984, NCCH has developed 151 properties—94 of which are owned and operated by NCCH.

East Harbor Community Development Corporation (Baltimore, MD)

NCF's \$15,000 grant to East Harbor Community Development Corporation (EHCDC) is helping the largest private nonprofit Individual Development Account (IDA) program in the State of Maryland to participate in Flag House Courts, a Hope 6 federally subsidized mixed-income program that will construct over 300 units of affordable and market-rate single-family homes and rental units. EHCDC will use \$150,000 of its current IDA funds (including NCF's grant) to secure matching funds from other donors in order to help local low-income residents purchase their first homes in this new development.

United College Action Network - U-CAN! (Sacramento, CA)

U-CAN! is a 501(c)(3) nonprofit organization that provides leadership, services and assistance to high school students who wish to gain enrollment in a four-year HBCU, Historically Black Colleges and Universities. Since 1988, U-CAN! has served more than 25,000 students. Additionally, since 1999, U-CAN! has acquired more than \$20 million in scholarship monies on behalf of U-CAN! students. Nehemiah's goal is to broaden the options for minority students from various backgrounds and broken homes who never thought they had a chance at furthering their academic goals.

NUMI's
Perkins
Fellows
provided
badly needed
skilled
volunteer
assistance
to faith-
based
nonprofits

Extreme Makeover: Home Edition Episode (Nationwide)

In 2005, Nehemiah was featured on the season finale of Extreme Makeover: Home Edition (EMHE). The EMHE design team built a new home for the family of Lori Piestewa, a fallen Native American soldier killed in Iraq, on land that was donated by Nehemiah. EMHE also constructed a center for Native American military veterans.

Faith Based Ministry

In 1998, Nehemiah Urban Ministry, Inc. was formed as a federally tax-exempt 501(c)(3) affiliate of Nehemiah Corporation of America. In 2002, the programs previously operated by Nehemiah Urban Ministry, Inc. were integrated into Nehemiah Community Foundation under the program name of Nehemiah Urban Ministry Initiative (NUMI). The mission of NUMI is to transform people and places through Christian community development and hands-on urban ministry.

NUMI's flagship program is its Spencer W. Perkins Fellowship that was named in honor of a nationally known leader who devoted his life to racial reconciliation and Christian community development. NUMI's Spencer W. Perkins Fellowship started in 1999 to provide summer fellowships to undergraduate college students enabling them to volunteer with faith-based community organizations that have programs ranging from affordable housing and community development, to youth mentoring, religious education and spiritual counseling. NUMI's Perkins Fellows provided badly needed skilled volunteer assistance to faith-based nonprofits with limited financial and human resources. In return, our Perkins Fellows gained valuable extracurricular experience that will ultimately enhance their professional work in fields ranging from education to economics. Our Perkins Fellows were awarded scholarships of \$3,000 each to help them with their college education expenses. This program has placed and sponsored 82 college students in fellowships at 23 Christian ministries and community service organizations in 12 states across the nation.

Other NUMI programs include the:

- **Nehemiah Family of Charities** that conducts a year-round workplace fundraising campaign among Nehemiah's employees that has generated a total of \$10,000 in donations for 12 Sacramento area charities ranging from Loaves and Fishes (that provides temporary housing, food and educational/counseling services for homeless persons) to the Sacramento Boys and Girls Club.

NCRF loans and investments have created over 4,500 affordable housing units and 13,000 jobs

- **Adopt-A-Family** program that has provided a total of \$10,000 in food, toys and other gifts to 19 low-income families in Sacramento County during the past four Christmas holidays.
- The former **Nehemiah Compassion Grants** program that over a two-year period starting in 2004, provided \$7,000 to faith-based and community service nonprofit organizations in Sacramento County that had emergency and other program needs that fell outside the scope of the Nehemiah Community Foundation. Nehemiah Compassion Grant recipients included organizations such as the Christ Temple Youth Program and Voice Empowered Technology Organization.
- **Faith-Based Homeownership Initiative** in which NUMI partnered with the national Christian Community Development Association (CCDA), a 600-member association headquartered in Chicago. NUMI's Faith-Based Homeownership Initiative provided homeownership education to CCDA-member faith-based organizations seeking to help their low-to moderate-income parishioners to become homeowners.

Since its inception, NUMI has received \$760,000 in funding from Nehemiah Corporation of America.

Nehemiah Community Reinvestment Fund

The mission of Nehemiah Community Reinvestment Fund (NCRF), a 501(c)(3) nonprofit community development financial institution, is to provide affordable lending capital and technical assistance to organizations working to revitalize low-income neighborhoods and provide housing, services and jobs to underserved people throughout the United States.

Since 2000, NCRF has generated nearly \$63.7 million in loans and investments (including nearly \$33 million made with Nehemiah's capital) resulting in the creation of more than 4 million square feet of commercial and community facilities space, more than 4,500 housing units, and the creation or preservation of nearly 13,000 permanent and temporary jobs. By leveraging its assets, NCRF loans and investments have produced nearly \$880 million in projects to spur development in low-income and underserved communities. NCRF has worked extensively in California and is expanding its community development lending activity into other states such as: Arkansas, Arizona, Michigan, Nevada, Louisiana, Mississippi, and Florida.

...development of affordable housing for low-income families and seniors.

Additionally, NCRF developed the *Nehemiah Sacramento Valley Fund* to combat the negative effects of rapid population growth and to enhance the economic competitiveness and overall quality of life in the six-county Sacramento region and the cities of Lodi, Stockton and Modesto. By investing in real estate projects located in overlooked urban areas, the Nehemiah Sacramento Valley Fund spurs the creation of high quality, urban-scale in-fill development and adaptive re-use of mixed use and mixed-income housing, commercial, and industrial projects. Nehemiah paid nearly \$1 million in development and start-up costs, and raised nearly \$30 million from investors to capitalize this private real estate-based equity fund that is only the third such fund to be established in California. In addition to funding the start-up costs, Nehemiah is a \$3 million investor in this fund. The Genesis LA Fund was the first private real estate based equity fund focused on double bottom line investing in California. Nehemiah Community Reinvestment Fund is a \$5 million investor in this fund as well.

(Please see statement of Community Development Impacts for further detail)

Nehemiah Progressive Housing Development Corporation

This 501(c)(3) nonprofit community development organization developed affordable housing for low-income families and seniors. Nehemiah was the managing partner in ten housing developments totaling 1,380 units throughout California. These facilities offer attractive, safe and affordable living for nearly 2,400 individuals and families with very limited income.

Nehemiah Urban Land Trust (NULT)

This former 501(c)(3) nonprofit community development program was designed to support the work of nonprofit human service providers to meet the housing and social service needs of people with special needs by providing financially affordable housing for the groups' clients. Over a period of several years, working with organizations in Sacramento as well as Indianapolis, NULT purchased two properties for use as special needs housing and leased them at below-market rates to nonprofit organizations working with special needs populations. In Sacramento, the facility provided safe, decent housing for very low-income people receiving counseling and rehabilitation for substance abuse as an alternative to serving jail time.

\$1.6 million comprehensive commitment to families and communities victimized by the Hurricanes of 2005

By diverting people from the criminal justice system, this program saved hundreds of thousands of dollars of public money every year. In Indianapolis, the facility was to serve as a group home for youth who had aged-out of the foster care system and needed help transitioning to independent living. Bottom line, this program rescued disadvantaged youth from homelessness.

Nehemiah decided to end this program because its research concluded that the Nehemiah Community Reinvestment Fund could more cost-effectively serve a greater number of nonprofit special needs housing developers by making affordable loans to them to help finance their purchase of needed properties.

Many nonprofit special needs housing providers have realized that they can better serve their clients and create long-term financial stability for their organizations by becoming property owners instead of renters.

Nehemiah Corporation of America's Response to the Hurricanes of 2005 - Finally, Nehemiah Corporation of America and its affiliate nonprofit corporations created a \$1.6 million comprehensive commitment to families and communities victimized by the Hurricanes of 2005.

This commitment includes:

- **\$1 million** in NCRF lending capital available for affected regions;
- **\$100,000** NCF grant awarded in October 2005 to the National Urban League's Hurricane Katrina Response Fund;
- **\$50,000** NCF grant to rebuild the Lopez family home that was destroyed in Biloxi, MS and was featured on the November 23, 2005 CBS-TV Early Show's "Week of Wishes"; and,
- **\$400,000** in Nehemiah Program's fees to be waived for homeownership downpayment gift transactions that will assist 1,000 low- to moderate-income families in the affected regions.

The comprehensive response to the victims of the Hurricanes of 2005 illustrates how Nehemiah Corporation of America is interconnected with the charitable programs of its affiliated nonprofit corporations.

Community Development Impacts

Borrower	Investment / Loan Amount	Community Facility / Commercial SF	Housing Units	Jobs Created or Preserved	Org Clients Served by Project	Total Project Costs
Antioch Church	\$12,000,000	65,000	-	252	900	\$12,000,000
CS 65 / Township 9	\$7,845,000	954,724	2,374	3,168	10,000	\$150,000,000
Kynship	\$77,213	3,500	-	5	6	\$250,000
St. Hope	\$1,070,000	16,244	12	45	18	\$4,000,000
OCHI	\$270,000	-	4	28	18	\$1,300,000
Neighborhood Partners	\$500,000	-	53	188	53	\$9,500,000
Keneset Israel Torah Center	\$220,000	3,000	-	30	300	\$1,528,600
New Morning Youth & Family Services	\$495,000	3,000	12	48	350	\$2,287,000
Old Pueblo Community Foundation	\$400,000	-	4	12	16	\$566,612
Stewart Street Partners	\$940,000	-	42	182	100	\$9,197,975
Community Development Corporation of Oakland	\$100,000	-	-	2	25	\$100,000
Stockton Community Land Trust	\$257,400	-	1	5	4	\$288,370
Jefferson County Community Development Corporation	\$100,000	-	32	69	80	\$3,200,000
Placer Women's Center DBA PEACE for Families	\$1,000,000	12,526	44	63	520	\$3,012,545
Central Detroit Christian Community Development Corporation	\$94,500	-	2	2	8	\$117,455
Avalon Housing Inc. (Third Street)	\$246,075	-	6	20	10	\$971,325
Avalon Housing Inc. (Broadway)	\$249,975	-	4	15	11	\$725,000
Community Housing Development Corporation of North Richmond (Nevin Court)	\$375,000	-	10	118	40	\$5,459,738
River Oak Center for Children	\$3,000,000	25,000	-	126	882	\$6,000,000
Stocktonians Taking Action to Neutralize Drugs (Time Square Lane)	\$217,100		1	1	3	\$240,000
Stocktonians Taking Action to Neutralize Drugs (Sea Ranch Court)	\$205,000		1	1	3	\$234,095
Total Loans	\$29,662,263	1,082,994	2,602	4,382	13,347	\$210,978,715
Loans Leverage Ratio	7.11					

Investments						
Sac Valley Fund	\$3,000,000	100,000	1,597	3,998		\$195,363,435
Genesis LA	\$5,000,000	2,832,042	320	4,588		\$472,511,424
Total Investments	\$8,000,000	2,932,042	1,917	8,586		\$667,874,859
Investments Leverage Ratio	83.48					

Grand Total Loans & Investments	\$37,662,263	4,015,036	4,519	12,969	13,347	\$878,853,574
Grand Total Leverage Ratio	23.34					

Nehemiah Community Reinvestment Fund — As of 1/11/08