

MEMORANDUM

TO: U.S. Programs Board
FROM: Ann Beeson, Solomon Greene, and Raquiba LaBrie
DATE: August 18, 2009
RE: Recommended Grant to Center for New York City Neighborhoods

In order to demonstrate how coordinated local foreclosure prevention strategies can stem the rising tide of foreclosures and keep distressed borrowers in their homes, OSI helped launch the Center for New York City Neighborhoods (CNYCN) in late 2007 through a unique partnership with the City of New York, peer foundations and financial institutions.¹ Our current grant to CNYCN will expire at the end of 2009. At the upcoming Board meeting, staff will present for discussion the attached recommendation for a renewed general operating support grant to CNYCN in the amount of \$2,000,000 over two years.

The renewal grant to CNYCN is recommended by the Neighborhood Stabilization Initiative (NSI) of U.S. Programs' Equality and Opportunity Fund.² CNYCN is an anchor grantee for NSI and the organization advances each of NSI's grantmaking priorities, including developing new models for foreclosure prevention and neighborhood stabilization that are being replicated across the country.

Although still a relatively new organization, CNYCN has played a critical role in the battle against rising foreclosures in New York City, supporting a broad network of community-based service providers to help homeowners and renters protect their homes and neighborhoods against the devastating consequences of foreclosure. In its first year of operation, the CNYCN network served approximately 4,800 clients through one-on-one housing counseling or legal services and reached an additional 15,000 households through community outreach, counseling classes or workshops. It launched the city's first comprehensive foreclosure hotline, creating a single point-of-contact to connect homeowners and renters in foreclosure properties with needed services.

¹ Former U.S. Programs Board member Herb Sturz was instrumental in the founding of the CNYCN and serves as the chair of the CNYCN Board. Mr. Sturz continues to advise U.S. Programs' Neighborhood Stabilization Initiative (NSI) as it develops its national grantmaking strategies to address the foreclosure crisis.

² At the upcoming Board meeting, staff also will be recommending Board approval of an extension of NSI and has requested a grantmaking budget of \$5 million for 2010. The Board will discuss this request as part of its review of the full U.S. Programs budget. If approved, the renewal grant to CNYCN recommended here would accrue to NSI's existing 2009 grantmaking budget.

CNYCN also embarked on several innovative projects aimed at testing new models and achieving lasting reforms, including: establishing and monitoring foreclosure diversion programs in New York City courts; acquiring foreclosed properties to rehabilitate and convert into new affordable housing opportunities; and linking neighborhood stabilization to economic opportunities for hard-to-serve individuals through supported work pilots in the city's hardest hit neighborhoods. Through its initial two-year investment of \$2 million in CNYCN, OSI helped leverage an additional \$10 million in public and private funds to prevent foreclosures and stabilize neighborhoods in New York City.

Despite these gains, the crisis continues to wreak havoc on low-income communities and communities of color, not just in New York City, but across the country. Foreclosure prevention strategies will need to evolve in response to the changing nature of the crisis. Continued support from OSI will help ensure that CNYCN is able to rise to the challenge.

We look forward to the discussion.