



## 2009 ORGANIZATIONAL ACCOMPLISHMENTS

For 24 years, Brand New Day (BND) has assisted in **transforming the Elizabethport community, once in ruins, into a community of choice!** BND has a unique ability and approach to revitalization that includes gathering stakeholders to identify needs of the neighborhood and identify resources to implement change. The approach addresses affordable housing (rental and homeownership) business development, elimination of criminal activity, streetscape improvements and recreation development. In a five block radius in the Elizabethport, BND has created 100 units of rental housing; seven commercial spaces; and 17 first-time homeownership units, totaling \$19 million dollars of community re-investment. None of this could have been possible without the assistance and cooperation of many, many stakeholders and community support. We have provided homebuyer education that has resulted in hundreds of new homeowners throughout the state. Our foreclosure prevention services have resulted in several hundred families remaining in their homes in the last two years.

In 2009, BND attempted to access federal dollars, in particular, the funding made available through President Obama's American Recovery and Reinvestment Act. These stimulus funding is to aid in boosting the economy through job creation providing needed infrastructure, housing, recreation, energy conservation, educational and support services across our nation. These competitive grant processes, along with our ongoing craftsmanship, have resulted in a number of awards allowing BND to carry out its work which are highlighted in this report.

## REAL ESTATE DEVELOPMENT

### HOMEOWNERSHIP

#### **Homeownership Initiative Phase I: 144 -152 First Street & 108 So. Park Street, Elizabeth, NJ**

8 Unit Condo & 1 Single-family detached home.

Total development Cost: **\$2,200,000**

Partners: New Jersey Housing Mortgage Financing Agency's Market Oriented Neighborhood Investment program, NeighborWorks® America, Elizabeth Development Company, Wachovia Regional Foundation, Sovereign Bank/Federal Home Loan Bank's Affordable Housing Program of Pittsburgh, City of Elizabeth HOME Funds, New Jersey's Department of Community Affairs' Smart growth program, Bank of America, IKEA, and The Reinvestment Fund, as the lead lender.

**Status: Development Completed.** 1 Single Family Detached Unit sold. 1 of the 8 Condo units unsold.

Prior to the start of the economic downturn in 2008, BND had assisted 5 of the 8 potential homebuyers in securing mortgages and down-payment and closing cost assistance. During the latter part of 2008, four families lost their mortgage commitments and one individual lost her job. During 2009, some of our families re-started the progress --- a Realtor was commissioned to sell the remaining units to purchase. One family has secured a mortgage commitment and closed in late September; one family is near closing as the paperwork is under attorney review; one under review for mortgage commitment with HMFA; one applicant under review at the state and city's EHIP; and three are undergoing program eligibility.

## Homeownership Initiative Phase II: 217-219 First Street, Elizabeth, NJ

In 2006, BND purchased a dilapidated building that was the epicenter of illegal activity. The building will be converted into six condominiums each with three-bedrooms and two-baths; a community room and parking facility. Total Development Cost: \$2,190,000

- **Status: Pre-development ongoing**
- Awarded our 1<sup>st</sup> Neighborhood Revitalization Tax Credit (NRTC) Program, in the amount **\$250,000**.
- Partners: (Public Service Electric & Gas, Elizabeth Development Company and Wachovia Regional Foundation).
- Awarded, through the State of New Jersey, the City of Elizabeth's Home Improvement Program, \$600,000 in Neighborhood Stabilization Program (NSP1).
- Awarded Union County HOME (\$175,000) and NSP1 (\$70,000).
- Project was up for general contractor bidding and selection to occur soon.
- Groundbreaking to be scheduled during the first quarter of calendar year 2010.

### **"Other Real Estate Development Activities"**

#### **Expiring Low-Income Tax Credit Projects**

- 201 First Street: 12 units & 101 Broadway: 12 units
- BND awarded a grant through Neighbor Works America to hire a consultant to advise us on how best to work through our expiring Low Income Housing Tax Credits projects. Activities are ongoing.
- **"Neighborworks® America Homeownership Center at Brand New Day, Inc." -- 101 Broadway**  
In February 2009, BND was one of five newly designated and awarded NeighborWorks® America Homeownership Centers. These centers offer one stop shopping to purchase, renovate, insure, maintain and manage a home under one roof. The Homeownership Center also serves as a venue to bring together partners from the public and for-profit sectors including banks realtors, and other associated organizations and professionals. This is an effort to facilitate the most efficient service to potential homebuyers and current homeowners. Services include: **financial fitness, homeownership purchase, budgeting, credit repair, home maintenance, and other valuable information** all under one roof. Ribbon cutting scheduled for April 18, 2010.



*Left: Prudence Briggs stands on the porch of her new home at So. Park Condominiums. Above: Prudence signs papers at her closing with her attorney, William Henning, and BND's assistant project developer Latifah Muhammad.*

- **Brand New Day, Inc's Office Expansion**

This project will substantially rehabilitate an adjacent building next to Brand New Day's current office located at 176 First Street. The buildings will be combined to create commercial spaces of 6,000 square feet and will house BND's offices with room for expansion and 12 rental units consisting of six 2 bedroom and six 3 bedroom affordable rental units. These units will be available to households at or below 80% of the Union County area median income. Amenities will include green enhancements, central air conditioning, cable ready access and handicapped accessible entrance.

## **COMMUNITY EDUCATION & ORGANIZING**

### **Financial Fitness, Home Buyer Education and Foreclosure Intervention & Prevention**

BND's Community Education & Organizing Line of business offers a host of programs ranging from financial fitness and homebuyer education to community building and organizing. Our educational services include, but are not limited to financial fitness education; homebuyer and post purchase education; foreclosure prevention; credit counseling; and homebuyer clubs. Our community building services include leadership development and community involvement; entrepreneurship training; and the development of neighborhoods.

**"Achieving Homeownership"**-- Even in this midst of this economic crisis, "Homeownership" continues to represent the American dream, offering families an opportunity for stability, security and wealth creation. Financial fitness counseling and homeownership education are integral components in this success. Together, they play important roles in expanding homeownership opportunities for first-time homebuyers particularly, minorities, low-and moderate-income families, female heads of households and individuals in underserved communities. Efforts have been hampered by the lack of financing for new home purchases. BND continues to work with potential homebuyers in cleaning up their credit and assistance in increasing their credit scores for mortgage commitment eligibility.

### **Home Buyer Education and Pre-Qualification Activities for the Elizabeth Home Improvement Program**

In the spring 2007, BND assisted the Elizabeth Home Improvement Program in facilitating two First Time Home Buyer sessions. Currently, Brand New Day coordinates with EHIP in the scheduling First Time Home Buyer sessions on a regular basis.

### **Responding To the Foreclosure Crisis**

Foreclosures have been increasing across the nation, reaching record levels since 2007. Predatory lending appears to be most common in moderate-income urban neighborhoods populated to be predominantly by African-Americans or Latinos. In the majority of cases, these borrowers did not participate in any homebuyers' education, and unfortunately, did not fully comprehend the complex mortgage lending transactions that took place.

### **New Services:**

- **Outreach and Marketing to Faith Based Organizations**

In 2009, Brand New Day partnered with The Office of Faith Based Initiative, a division of The Department of the Secretary of State to form a collaborative effort to engage statewide leaders in various religious denominations, to discuss and develop ways of the dealing with the foreclosure crisis. Brand New Day has great relationships with members of the faith-based community in the distribution of materials and information to their membership; and in hosting workshops and forums. Recently, BND, in partnership with NeighborWorks® America, NJ Secretary of State and the NJ Faith-Based Initiative met to begin the planning of a statewide initiative to train leaders on how to address the foreclosure situation with their constituents.

- **Courts Mediation**

In January 2009, BND began a partnership with the New Jersey Attorney General's office and NJ HMFA in providing counseling and mediation services to participants referred to us by the New Jersey Attorney General's office. BND accompanies the client to court in an effort to resolve the foreclosure issue.

**Other Capacity Enhancements to Help Families:**

- Participation in the **National 995 HOPE Hotline**. All calls are nationally registered before being referred to local housing counseling agencies. Households who contact the **HOPE Hotline** for assistance are provided initial and basic foreclosure intervention counseling services and are subsequently referred to an approved counseling entity, e.g., Brand New Day, located within proximity to their physical address for more intensive follow-up.
- Excellent Relationships with 10 different servicing institutions to connect families with their loan servicers.
- Access to NJ HFMA short term Rescue funds based on eligibility and funding availability.
- Access and referral to agencies administering federal "Stimulus" monies for rapid re-housing or homeless prevention.
- Provision of Financial Fitness Education. All of our clients are encouraged to participate in BND's Financial Fitness Education to improve their understanding of budgeting and savings.

## **ASSET AND PROPERTY MANAGEMENT**

It's BND's ongoing goal to preserve and stabilize affordable housing in the communities we serve and where affordable housing is needed. BND manages its and those of its subsidiaries in accordance with NJHMFA guidelines, HACE, LIHTC syndicators guidelines, city and state requirements.

**Activities Included:**

- Implemented repairs outlined in the Capital Needs Plan for several buildings including replacement exterior doors, roofing, parking areas, common areas improvements, etc.
- Ongoing improvements relating to the appearance of buildings and grounds. BND has made a real effort at improving our properties curb appeal, a major focus for the year to improve funders' and tenants satisfaction.
- Ongoing activities with the Housing Authority regarding securing funding for repairs and improvements completed. Funding made available for substantial improvements including hot water heater replacements, hardwood floor replacements, painting of apartments, etc.
- Continued to meet and negotiate with the City of Elizabeth Housing Authority to increase the rents charged to tenants. An incremental rental subsidies increase from the Housing Authority was approved.
- BND continued to encourage tenant cooperation and engagement in the community. Several events took place including 1<sup>st</sup> Annual BBQ, annual Thanksgiving Outreach and 1<sup>st</sup> Annual Coat Drive and Clothing Swap.
- Continued improvement of our Monthly Analysis of income and expenses.
- Established routine monthly and quarterly inspections of all properties in order to encourage tenants in proper housekeeping and to identify areas needing repairs.
- Continued cost savings by participating in the Multi-Family Initiative's Property Insurance plan for NeighborWork® network members.
- Asset Management activities continued to focus on long term goals as relates to the preservation of BND's real estate portfolio.
- Successfully appealed property tax on one property
- Continued to improve purchasing procedures for cost savings

## STAFFING

Over the last five years, BND staffing has grown from a staff of four to now a staff of nineteen full-time staff, two part-time staff, 3 VISTA Volunteers; two “Welfare to Work” volunteers; two Kean University interns; and 1 “Fifty five +” (Retired Volunteer). Under the leadership of our Executive Director, Krishna Garlic, who has 16 + years experience in non profit management, has recruited new and realigned current staffing. BND has served as an employment training site for several welfare-to-work volunteers from the city of Elizabeth. From a list of over twenty-five volunteers, BND has gainfully employed four individuals who have now become productive and self sufficient residents in the city of Elizabeth.

Our Real Estate Development Department is now led by Anthony Buonpane who has over twenty years of real estate, project development and finance experience in the non profit world. Our Community Education & Organizing Department is managed by Penny Meredith, a ten year veteran who is certified in resident leadership development, foreclosure counseling, homebuyer education and credit counseling. She now manages a staff of six full-time staff, 2 part-time staff, 3 VISTA Volunteers; and two Kean University interns.

BND supports professional development including training and coaching and encourages its staff to take advantage of training opportunities. Our employees are all certified in their fields and attend NeighborWorks® and various other trainings to stay abreast of the latest developments. As a result, one of our staff was among the first in the country to receive NeighborWorks® Housing Development Professional Certification and another was the first to receive certification in the Foreclosure Prevention and Intervention program.

Lastly our staff is extremely diverse. Not only do we have staffs who are culturally and linguistically diverse, speaking Spanish, Portuguese, French and Creole but we are religiously diverse as well. We believe our diversity is a strength that helps us identify and respond appropriately when working in urban minority communities.

## PARTNERSHIPS

- Under the leadership of our Executive Director, Krishna Garlic, BND participated with federal, state, county and Local government officials, via Housing and Foreclosure Task Forces (e.g., Union County Foreclosure Housing Task Force in addressing the impact of the mortgage foreclosure crisis and support activities to stabilize our neighborhoods once again) Information gathered was incorporated into our programs.
- Collaborated with NeighborWorks® America and the national foreclosure awareness campaign for various cable TV, radio, newspaper and outdoor advertising to promote foreclosure counseling.
- Partnered with NeighborWorks® America and the “**Loan Modification Scam Alert**” Campaign --- a national public education campaign empowering homeowners to: protect themselves against loan modification scams; find trusted help; and report illegal activity to authorities.
- Partnered with **Rutgers University’s Edward J. Bloustein School of Planning and Public Policy; the NJ State Attorney General Office; and the Union County Sheriff Department** for research and data on recent borrowers in key at-risk municipalities such as Elizabeth.
- Worked closely with Preservation Offices, established by Financial Institutions, to assist in developing work-out plans towards successful resolution.
- Successful recipient of the State of New Jersey Foreclosure Counseling Grant via NeighborWorks® America NFMC grant.

- Ongoing partnership activities with Freddie Mac and Sovereign Bank/Santander to increase Homeownership opportunities amongst Hispanic/Latino families. Program completion December 2009.
- Worked the **City of Elizabeth and Elizabeth Home Improvement Program** (EHIP) in coordinating and implementing “Live where you Work Homeownership Initiative”. In addition, BND provided Home buyer Education on behalf of EHIP.
- New collaboration between **Freddie Mac, Guidance Residential and Local Masajids** to provide education and outreach on affordable mortgage products, access to down payment/closing cost assistance and a customized financial literacy and homeownership program to promote and increase homeownership within the Muslim communities of Union and Essex Counties in New Jersey.
- New relationship with the **New Jersey Faith Based Initiative** providing education and outreach to the leadership of houses of worship in key communities. The leaders served as spokespersons in their organizations, sharing information to their constituency relative to foreclosure awareness, prevention and intervention. We have made presentations to several churches on the topics of foreclosure awareness and homelessness on the second Sunday in August, 2009 which is the national Presbyterian Affordable Housing and Homelessness Sunday.
- BND served as panelist for an introductory Faith Based Initiative workshop, held at the Governor’s Housing Conference.