

# 2010 ANNUAL REPORT

NEIGHBORHOOD HOUSING SERVICES OF KANSAS CITY, INC.



**NSP Project in Old Northeast Neighborhood**

**New Construction in Center City Neighborhood**



**NeighborWorks® Week Project**

## NEIGHBORHOOD HOUSING SERVICES HOUSING DONE RIGHT

*Our Mission is to revitalize and maintain designated urban neighborhoods as vibrant areas that attract people who value diversity, historic architecture, security and community.*

## ABOUT US

### NHS STAFF

Marquetta Broome, Mortgage Loan Officer  
Tami Duvall, Chief Financial Officer  
Jim Haake, Construction Project Manager  
Tom Jung, Senior Construction Project Manager  
Marjorie Major, HomeOwnership Center Manager  
Rob Rawlings, Chief of Operations  
Mark Stalsworth, President/CEO  
Latrice Stewart, Training/Counseling Specialist  
Augusta Wilbon, Community Based Organizer

### NHS INVESTORS

American Family Insurance  
Bank of America  
Bank Midwest  
Capitol Federal Foundation  
Central Bank  
Commerce Bank  
First Federal Bank  
Mazuma Credit Union  
Neighbor/works® America  
US Bank

### NHS BOARD

#### Executive Committee

Angie Splittgerber, Board Chair/Neighborhood  
Turner Pettway, First Vice Chair/Neighborhood  
Torrence Leathers, Treasurer/Business  
Scot Sperry, Secretary/Neighborhood  
Steve Chinn, Neighborhood

#### Board Members

Dr. Douglas Bowles, Government Representative  
Beth Brubaker, Neighborhood Representative  
Charles Cooper, Business Representative  
Shelly Foster, Business Representative  
William Maher, Business Representative  
Greg Miller, Business Representative  
Howard Townsend, Neighborhood Representative

### NHS PARTNERS

City of Independence, Missouri  
City of Kansas City, Missouri  
Economic Development Corporation of KC  
Federal Reserve Bank of Kansas City  
Greater Kansas City Community Foundation  
Green Impact Zone, Missouri  
US Department of HUD, Region 7  
Local Initiatives Support Corporation  
NeighborWorks® America

## Neighborhood Housing Services: MISSION BASED ENTREPRENEURS

“Most of all, we have to remember we are a business. We just happen to be a not-for-profit business”. Mark Stalsworth, NHS President/CEO has said this so often it has become a mantra for the organization. “We have to focus on what we do well. We have to be responsible and accountable to the people and organizations who invest their time and money with us.” says Stalsworth. In the past two years, NHS has spent less than 4% of revenues on fund raising while paying off over \$400,000 in debt each year. More importantly, through the projects administered by NHS, 336 jobs have been created since 2006, of which 45 were created in 2010. NHS has leveraged the funds received from NeighborWorks® America 24/1. NHS has created 345 new homebuyers in the past five years, and preserved 233 units of affordable housing. From 2006-2010, NHS has invested a total of \$62,208,793 in affordable housing and home buyer education. “I think that NHS has proven to be a good partner, and we are happy to continue to work with them” said Turner Pettway, Vice President of Community Partnerships at U S Bank.

**319 NHS clients attended our Homebuyer Education classes in 2010.**

**194 of these students were able to become homebuyers.**

### **What you should know:**

- Homebuyers who receive Homebuyer Education are 20 times less likely to lose their home to foreclosure
- NHS is the only agency in Kansas City that is both HUD Certified for Home Buyer Education and FHA Certified as a Non-Profit
- NHS offers HUD approved training classes twice each month
- NHS also originates first mortgage loans through the Home Ownership Center.
- NHS provides home improvement loans through their Revolving Loan Fund to residents of our 10 Partnering Neighborhoods



## **NEIGHBORWORKS® MORTGAGE SOURCE**

As mortgage loans became harder to acquire, NHS developed a new partnership with NeighborWorks® Mortgage Source. This lending platform provides NHS access to over 600 different lending programs, all at competitive rates. "As lenders became more cautious about lending, NHS needed access to capital for our borrowers" says Marquetta Broome, NHS Mortgage Loan Officer. Changes in legislation requiring licensing of Mortgage Loan Officers provided an opportunity to help prevent predatory lending. "NHS is fully licensed, and ready to provide FHA and conventional mortgages", says Broome. "Mortgage Source makes sense for a lot of buyers, because they are a socially conscious lender".

## **TRAINING HOMEBUYERS, BUILDING NEIGHBORHOODS**

Twice a month, would-be first time homebuyers gather at the Rockhurst College Community Center. Four hours later, they leave with the knowledge that they are either ready to move forward with selecting their piece of the American Dream, or knowing that they have some work to do before their dream can come true. "We have a number of clients who need to work with us for 12-24 months before they have their credit and their budget in shape to buy a home", says Latrice Stewart, NHS Homebuyer Education Specialist with Neighborhood Housing Services of Kansas City, Inc. "What is important is that

they get off to a good start.

Owning a home can have some challenges. Buyers need to know that." Stewart knows what she is talking about. Together she and the HomeOwnership Center Manager Marjorie Major train over 300 clients per year, working to make their home buying experience a positive one. "If a buyer will attend classes before they start looking for a house or a loan, we can make the process a lot easier for them." says Major. As a HUD approved counseling agency, NHS of Kansas City is approved to provide the training many federally funded subsidy programs require. "We have seen buyers miss out on thousands of

dollars in help because they did not know about the programs that we talk about in our classes. We just want everyone to be successful." states Stewart.



Students at a Saturday Morning Homebuyer Education Class Study Loan Qualification Information.

## **The Power of Doing it Right**

When Craig Tinsley first attended a NHS homebuyer class, he had no idea of the path ahead of him. "I had a few credit problems in the past, but I really didn't understand how they had impacted my ability to buy a home" says Tinsley. Working with Marjorie Major, NHS HomeOwnership Center Manager, Craig learned what steps he needed to take to become a homeowner. "I could have gone to

a lender who would have approved my loan and charged me a higher rate, but I wanted to do it right. It was worth the time it took." 18 months after he first attended a NHS Homebuyer education class, Craig is the proud owner of his own home. Now a proponent of the NHS Home Buyer Training classes, he tells all of his friends considering a home purchase that they have to "do it right".



The proud homeowners with NHS President Mark Stalsworth and 6th District Councilman John Sharp





**Media attention was high at the ribbon cutting of the first NSP house in K C. NHS was the developer.**

*"We were able to buy homes from HUD at a discount. We saved the NSP over \$150,000"*

*Mark Stalsworth*  
NHS President/CEO



**This Victorian home is back in the hands of a new homeowner through the use of the NSP funds.**

### Turning Around the Foreclosure Crisis

When Kansas City received \$7.8 million in Neighborhood Stabilization Program funds in November of 2008, the clock was ticking. "All the money had to be committed by September 2010. That sounds like a long time, but we had to design the program, design the forms, find the houses and buy the houses." says Rob Rawlings, Chief of Operations for NHS of KC. NHS began an active program to find and acquire houses. As a HUD Certified Not

for Profit they were able to buy FHA foreclosures at a discount. NHS also became the KC National Community Stabilization Trust point of contact. "We took a Mission Driven Entrepreneur approach" states NHS President/CEO Mark Stalsworth. "The transactions needed to meet the communities needs, but they still had to make sense from a financial standpoint. " Taking this approach allowed NHS to excel at the NSP. Of 52 properties acquired under

the first round, NHS acquired and developed 26. "Buying from HUD and the NCST, we were able to act quickly before investors were eligible to buy" says Stalsworth. NHS closed on the sale of their first NSP project in February of 2010, and have since sold 13 more homes to eligible buyers. NHS continues to look for more projects using NSP program income. All program income must be spent by September of 2013.

### The Numbers Really Tell the Story

When NHS was able to complete 50% of the total production under the Kansas City NSP, that was impressive. Just as impressive was the money NHS saved and helped earn. "We were able to buy homes from HUD at a discount. We saved the NSP over \$150,000" said President/CEO Mark Stalsworth. By making the right decisions on which properties to

buy, NHS was also able to bring more money into the program for new acquisitions. "All the money has to be spent. When a home is sold, that is program income, and can be used for the purchase of another house" says Tami Duvall, Chief Financial Officer of NHS. The sale of the 14 homes developed by NHS generated over \$1 million in program income.



**NHS acquired, rehabilitated and resold this midtown home.**

### FIRST NSP HOME SALE DRAWS A CROWD

It was a cold February morning in 2010 when local media, Congressional staffers, City officials and fellow NSP developers gathered to celebrate the purchase of the first NSP home in Kansas City. The center of attention was a self effacing first time buyer who was a little surprised by all the attention. " We told him this was going to be a big deal, but I guess he didn't realize how big" said

Tom Jung, Senior Construction Manager for NHS. Over 100 people gathered to meet the homeowner and City staff.

*Top Right- NHS staff prepare NSP home for the Ribbon Cutting*  
*Bottom Right- KC Mo Housing Department Director Shirley Winn, NHS CEO Mark Stalsworth and Councilwoman Sharon Brooks enjoy the event.*



## NEW TOOLS FOR OLDER HOMES

**Neighborhood Stabilization Program In the Truman Neighborhood**

It happens all over the country; a single iconic, historic building remains intact, but the neighborhoods surrounding them have buildings that fall into disrepair. "It was really a shame having a house that looked like this one only blocks from Harry Truman's house" says Jim Haake, NHS Construction Project Manager. NHS was able to save the home from being sold in an investor auction, when they acquired it in

October of 2010. "This is a really strong neighborhood" stated Christina Leakey of the Independence Community Development Department. "One house can make a difference, and the City is committed to making this project a success." This home on Pleasant Street is one of five under construction by NHS under a \$660,000 contract with the City. "Independence is great to work with" stated NHS

President/CEO Mark Stalsworth. "They are committed to doing the job right. I am anxious to show the "after" picture in the annual report next year. " Construction is expected to be completed in December of 2011.



**Before picture of house on Pleasant Street, Independence, Missouri**

**SAVING HOUSES, CHANGING LIVES WITH THE MINOR HOME REPAIR PROGRAM**

In 2010, 14 homeowners in Kansas City received home improvement grants through NHS. The City of Kansas City provided \$200,000 in Community Development Block Grant funds to assist these homeowners. "Allowing home owners to stay in their homes, age in place and have a good quality of life is why NHS was founded in 1974" says NHS

Board Chair Angie Splittgerber. "These are the types of services we are always striving to provide". Since 1974, NHS has repaired and rehabilitated thousands of homes in the core neighborhoods of Kansas City. "I don't know what I would have done without NHS fixing my house" says Ruthie Lastee. "I never expected to receive the amount of help I

did. It's wasn't a Minor Home Repair to me. " Repairs provided under this program include furnace and roof replacements, electrical and plumbing upgrades, exterior painting etc. All the clients of this program must earn less than 80% of area median income, and must own their own home. NHS leverages this program with other funding sources.

*"One house can make a difference, and the City is committed to making this project a success."*

*Christina Leakey  
Independence  
Community  
Development  
Department*

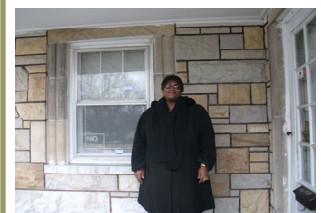
**Get Involved In HOUSING DONE RIGHT!**

Neighborhood Housing Services would like to put your company's name on the list of our investors in our 2011 Annual Report. To get involved as a NHS investor, simply reach out to a NHS Board Member, Staff Member or Neighborhood Representative, or visit [www.nhsfckmo.org](http://www.nhsfckmo.org) to learn how to make your tax deductible contribution. You will have the satisfaction of knowing

that 96 cents of every dollar you or your company contributes to NHS will be used to deliver program services to neighborhood residents.

This report demonstrates the types of programs and services that NHS delivers to our Partnering Neighborhoods. Our target neighborhoods are 49/63, Beacon Hills, Center City, Historic

Manheim Park, Longfellow, Marlborough Neighborhood Coalition, , North Hyde Park, South Hyde Park, Ruskin Heights and Squier Park. To learn how a neighborhood can become a NHS Partner, please contact Mark Stalsworth, NHS President/CEO at 816-822-7703 Ext 233 or email to [mstalsworth@nhsfckmo.org](mailto:mstalsworth@nhsfckmo.org).



**Ms. Ruthie Lastee, another satisfied Minor Home Repair client, poses with her home.**

### LOTS OF LOVE IN K C



Volunteers from Longfellow Neighborhood after an afternoon cleaning up a neighborhood lot.

The second annual Lots of Love campaign came to a successful conclusion in August. This program recruits partnering neighborhoods to maintain vacant or abandoned properties during the summer, cutting the grass and removing trash. NHS provides a \$200 stipend to pay for gasoline, and posts a sign in the adopted lot. Ten properties were adopted in 2010.

Augusta Wilbon, Community Based Organizer for NHS, has helped manage the Historic Manheim Park Community Garden for 7 years. “We were one of the first Community Gardens in the City,” says Ms. Wilbon. “The people in the neighborhood love the fresh produce.” NHS owns the site for the garden, and provides water for irrigation. “The residents love the garden” stated Rodney Knott, President of the Historic Manheim Park Neighborhood. “We are considering adding some smaller gardens on other NHS owned vacant lots in the area”.



### Community Leadership Institute; Next Stop, Kansas City



Augusta Wilbon receives the CLI Torch in Louisville, Kentucky

NHS Community Organizer Augusta Wilbon led a group of seven neighborhood leaders to Louisville Kentucky to attend the NeighborWorks® Community Leadership Institute. This annual event gathers teams from across the country, where each team develops a plan for improving their community, and steps to implement the plan. “We had a terrific group”, stated Ms. Wilbon. “It is very exciting to see the young people moving back to our neighborhoods, and getting involved in what is happening in the community.” Each year the Institute is held in a different city.

In 2011, the CLI will travel to Kansas City, Missouri. Ms. Wilbon received the passed torch from Louisville at the closing ceremony.

The 2010 Kansas City CLI class has proposed a plan to upgrade the streetscape of Troost Ave by working with area residents and merchants. The group applied for a \$2,000 planning grant from the NeighborWorks® North Central District.

The focus now turns to planning the 2011 CLI in Kansas City.

“Each year, the host organizations

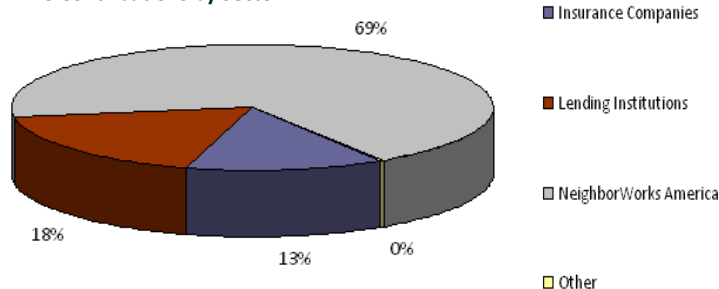
develop special mobile tours for the students at the CLI. Our hope is that these tours will inspire the students to take new ideas back to their home city.” said Melford Ferguson, Relationship Manager for the North Central District of NeighborWorks, which includes Kansas City. “Our group has a lot of good ideas on how to highlight the successes that Kansas City has related to housing, social programs and community improvements” said Mark Stalsworth, President/CEO of NHS.

# NEIGHBORHOOD HOUSING SERVICES OF KANSAS CITY, INC.

## FINANCIALS

2010 Financial Summary Year ended September 30, 2010			
Condensed Statement of Financial Position		Condensed Statement of Activities & Changes in Net Assets	
<b>Assets</b>		<b>Revenue, Gains &amp; Other Support</b>	
Cash in bank	1,350,601	Property sales, including cost of sales	(86,579)
Accounts receivable	172,825	Service contracts	1,850,029
Property available for sale	46,935	Grants and contributions	703,829
Other current assets	6,136	Program income	20,248
Property and equipment	690,893	Management/development fees	101,548
Real estate loans receivable	211,891	Rental income	225,610
Investment in subsidiaries	208,002	Other income	82,751
Other long-term assets	333,940	Net assets released from restrictions	1,937,378
<b>Total Assets</b>	<b>3,021,223</b>	<b>Total Revenue, Gains &amp; Other Support</b>	<b>4,834,814</b>
<b>Liabilities</b>		<b>Expenses</b>	
Accounts payable	69,146	Program	2,371,677
Accrued expenses & other liabilities	55,451	Fundraising	23,656
Notes payable	792,876	Management & general	191,336
<b>Total Liabilities</b>	<b>917,473</b>	<b>Total Expenses</b>	<b>2,586,669</b>
<b>Net Assets</b>		Change in net assets	208,704
Unrestricted net assets	224,837	Net assets, beginning of year	1,895,046
Temporarily restricted net assets	12,361	<b>Net assets, End of year</b>	<b>2,103,750</b>
Permanently restricted net assets	1,866,552		
<b>Total Net Assets</b>	<b>2,103,750</b>	Program	92.75%
<b>Total Liabilities &amp; Net Assets</b>	<b>3,021,223</b>	Management & Fundraising	7.25%

NHS Contributions by Sector



Neighborhood Housing Services of Kansas City, Inc.  
5835 Troost  
Kansas City, Missouri 64110

Phone: 816-822-7703  
Fax: 816-822-7712  
[www.nhsofkcmo.org](http://www.nhsofkcmo.org)

Neighborhood Housing Services

