

CASE OF FAITH

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Faithful Finances: HCCI's Financial Fitness Program - Harlem, NY

Turning Financial Trials Into Economic Triumph

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MOTTO: "Empowering Harlemites, Rebuilding Communities"

ABOUT HARLEM CONGREGATIONS FOR COMMUNITY IMPROVEMENT (HCCI)

HCCI is a coalition of more than 90 inter-faith congregations dedicated to the physical, economic, and cultural revitalization of the Harlem community. Founded in 1986, HCCI is an urban CDC focusing on the 40-block area called Bradhurst. HCCI's service area also includes Upper Manhattan, which has 575,000 residents.

For more than 19 years, HCCI has worked to build affordable housing and provide a comprehensive array of services to address the needs of low-income residents of central Harlem. HCCI's programs have a proven track record in creating affordable housing; providing substantive educational programs for adults and young people; increasing understanding of and access to health care; and providing opportunities for individuals and groups to become and remain economically independent. Through alliances with other community organizations, elected officials and local residents, HCCI has also helped reduce crime, increase public sanitation, and preserve and transform open space.

SUCCESS STORY

Harlem residents have been limited in their ability to take part in Harlem's recent economic boom. Board and staff of HCCI worked with national intermediary PolicyLink, to look at ways to address increasing concerns about the gentrification of Harlem as real estate prices have skyrocketed and community residents fear displacement. We visited several communities that were creating opportunities for their residents to have an equity stake in economic development activities within their community. We recognized that the only way to deter gentrification was to increase local ownership.

That is why the Harlem Equitable Development Initiative (Harlem EDI) was created. Harlem EDI helps Harlem residents build wealth, increase homeownership, business ownership and civic participation. This year, under the auspices of the Harlem EDI, HCCI partnered with The Harlem Business Alliance (HBA) to launch the HBA/HCCI Merchant Loan Fund. This micro loan fund is designed to serve small businesses in Harlem.

Financial fitness classes are at the core Harlem EDI's program. Funded by Citibank, M & T Bank and Bank of America, these classes are designed to increase financial literacy and financial readiness. Through Harlem EDI, HCCI offers financial fitness classes to teach fiscal management to Harlem residents. HCCI also provides marketing and housing counseling services to help Harlem residents become homeowners and then maintain the property once purchased.

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BEST PRACTICES

• **Ownership and Wealth Focus**

HCCI expanded ownership opportunities and wealth building strategies as one of the Equitable Development Initiative's first steps. HCCI formed HCCI Homeowners Corporation to market homes to Harlem residents. The Homeowners Corporation provides information about the lottery process used for affordable housing and ensures that Harlem applicants meet application requirements and deadlines. We marketed units developed by HCCI as well as conducted community outreach for other developers.

• **Leverage**

HCCI's comprehensive services (housing development, health and wellness strategies and workforce development), our member congregations and our 19-year presence have given HCCI a solid reputation in the Harlem community. We have been able to leverage our commitment and proven track record to gain access to a significant number of people and local institutions, which has increased the impact of our equitable development initiative.

• **Inclusiveness, Diversity, and Customer Service**

We rotate the location of our homeownership marketing sessions and seminar series throughout the Harlem community. Locations include HCCI member congregations' facilities, community meeting spaces, and HCCI residential properties. Community residents do not have to leave their immediate neighborhood—or in some cases, even their building—to participate in our seminar. Bringing information to the people rather than having them come to a central location is a fruitful strategy. Marketing homeownership opportunities sometimes brings out more than 100 prospective purchasers. By rotating classes, we average over 25 persons per financial session.

• **One Step at a Time**

Our financial fitness classes are designed so that they meet the basic needs of our constituents. The classes provide participants with the tools required to improve their credit, debt and money management. We have discovered that there is a need to build economic health "step by step". To do so, we must "begin at the beginning."

IMPACT

• **700 Residents, 500 Units, 200 Homeowners**

Simply stated, community residents are improving their skills of how to manage their debt, credit and money. They are also learning how to gain access to capital, what skills and knowledge are needed – and what obstacles must be overcome – in order to achieve their goals of homeownership and entrepreneurship. We have educated almost 700 residents in financial fitness classes; marketed 500 cooperative or condominium apartments; and more than 200 local residents have purchased cooperative or condominium units.

• **Saving Families by Helping Families Save**

Ten residents have enrolled in HCCI's Individual Development Account (IDA) program, and enrollment is steadily increasing. The IDA program is a U.S. Department of Health and Human Services savings and match incentive program that provides individuals and families with \$2 for every \$1 they save. These savings may be utilized for homeownership, higher education (or specialized training) and small business development.

• **Increased Community Participation**

An important byproduct of the Equitable Development Initiative is that it provides a forum for long-time Harlem residents to discuss their concerns, hopes and fears surrounding the rapidly escalating real estate within the Harlem community. Residents become more engaged in the neighborhood when they feel that someone they trust is listening to their concerns and working to equip them to be effective participants in a changing environment.

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Nothing illustrates change quite like “before and after” scenarios. Below are three examples of conditions before and after HCCI’s work.

BEFORE	AFTER
Limited number of local purchasers	More than 200 local purchasers since 2003
Six (6) seminars for community residents	Approximately 20 conveniently located marketing and financial seminars
Limited mailing list. Contained only names collected at required marketing presentations	2000+ people have attended marketing presentations. 8000+ names of prospective purchasers have been collected at seminars and other community events

LESSONS LEARNED

Challenges:

• Housing Available, But Few People to Buy

When we began to market our housing units to the community, we quickly realized that only a few people were ready for homeownership. Many did not have good credit and needed more than basic financial fitness classes. They needed one-on-one counseling and guidance to determine financial goals and structure a budget. To address this challenge, HCCI created Budget Boot Camp – a seminar series that addresses issues like credit problems, poor money and debt management, realistic goal setting, and development of a proper spending plan. The seminar focuses on the fundamental needs of HCCI’s target audience—long-time Harlem residents with financial issues that prevent them from taking full advantage of housing and small business opportunities.

• Stretching Thin

Doing more and more with less and less. We’ve heard it before. HCCI was no exception. We were faced with the challenge of meeting the growing demand for homebuyer and financial education with a limited staff and budget. How did HCCI deal with this challenge? Fee-based contracts and training. HCCI created income streams by entering into fee-based contracts to provide housing counseling services for the clients of mortgage lenders. Our staff received housing counseling training through Neighborhood Reinvestment Corporation, and we are utilizing technological resources with Fannie Mae’s online counseling software, Home Counselor Online, so that we can counsel potential first time homebuyers.

Successes:

• Converting Unbelievers.

HCCI’s biggest success has been convincing community residents and others of the viability of a wealth accumulation and asset building strategy that focuses on steady, disciplined practices over time rather than quick fix instant gratification. Our mantra is “Just as it took time to get into a bad credit situation, it will take time [and payment] to get out of it.”

• Successful Approach

Our proven approach centers our having clients take primary responsibility for their financial health, and ownership of their economic situation. HCCI staff functions in a supportive advisory role by educating, encouraging, and monitoring the client. This approach has helped our clients to successfully develop the discipline of goal-setting and financial management. These skills have helped moved them to financial fitness and toward economic opportunities like home and business ownership.

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