

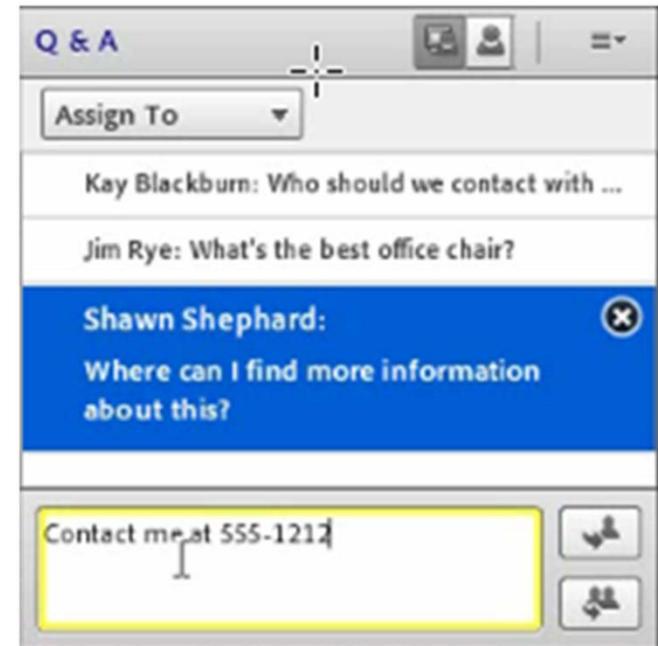


Assets for Independence: Building Economic Opportunity in Low- Income Neighborhoods

May 5, 2015

During this Webinar

- ▶ For assistance accessing the materials, contact the AFI Resource Center: info@IDAresources.org or call 1-866-778-6037
- ▶ The webinar is being recorded and will be available on the AFI Resource Center website www.IDAresources.acf.hhs.gov
- ▶ All participants have been muted to ensure sound quality
- ▶ If you have any questions before/ during Q&A:
 1. Go to the Q&A panel on the right-hand side
 2. Type in your question
 3. Click “Send”





Presenters

- ▶ Gretchen Lehman, Office of Community Services
 - ▶ Emily Appel-Newby, AFI Resource Center
 - ▶ Georjean Trinkle, Northwest New Jersey Community Action Partnership (NORWESCAP)
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AFI

OCS Welcome

Assets for Independence (AFI) Program

- ▶ Assets for Independence (AFI) is a discretionary grant program administered by the Office of Community Services (OCS) in the Administration for Children and Families (ACF).
- ▶ Administration for Children and Families (ACF)
 - Part of the US Department of Health & Human Services.
 - One of the key *human services* agencies within HHS.
 - Promotes the economic and social well-being of families, children, individuals and communities.
 - Responsible for funding many programs and services, including Head Start, child care, child welfare, child support, LIHEAP, family violence prevention, TANF, CSBG, and refugee services.

Assets for Independence (AFI) Program

- ▶ AFI was created by Congress in 1998 to demonstrate and support an assets-based approach for increasing the economic self-sufficiency of low-income individuals and families.
- ▶ What is asset building?
Supporting the acquisition of assets (both tangible, such as a home, and intangible, such as education) that can increase opportunities, build wealth, and increase economic stability.
 - Income-support strategies, such as cash assistance and SNAP (food stamps), act as a safety net.
 - Asset-building strategies act as a ladder.



Assets for Independence (AFI) Program

- ▶ AFI funds projects that provide Individual Development Accounts (IDAs) and related services to low-income people.
 - IDAs are matched savings accounts with a specific goal: purchasing an asset.
 - AFI IDAs may be used:
 - To purchase a first home,
 - To capitalize a business, or
 - To fund post-secondary education or training.

Bonus Points in AFI Application Review

- ▶ **Federal Place-based Initiatives (0-5 Points):** Reviewers will consider the extent to which the proposed project will collaborate with one or more federal place-based initiative(s) and serve the population located in the area(s) designated for that initiative.
 - The application must provide a third-party agreement with the lead entity for the federal place-based initiative documenting the extent of involvement/ collaboration with the proposed AFI project and describing the collaboration, including roles, activities, and any shared/ transferred resources.
 - Additionally, to receive bonus points for collaboration with a Promise Zone, the applicant must provide a signed Certification of Consistency with Promise Zone Goals and Implementation.
 - Reviewers will verify the lead entity for the federal place-based initiative using the list of sites and lead entities included in the Appendix [of the AFI Funding Opportunity Announcement].

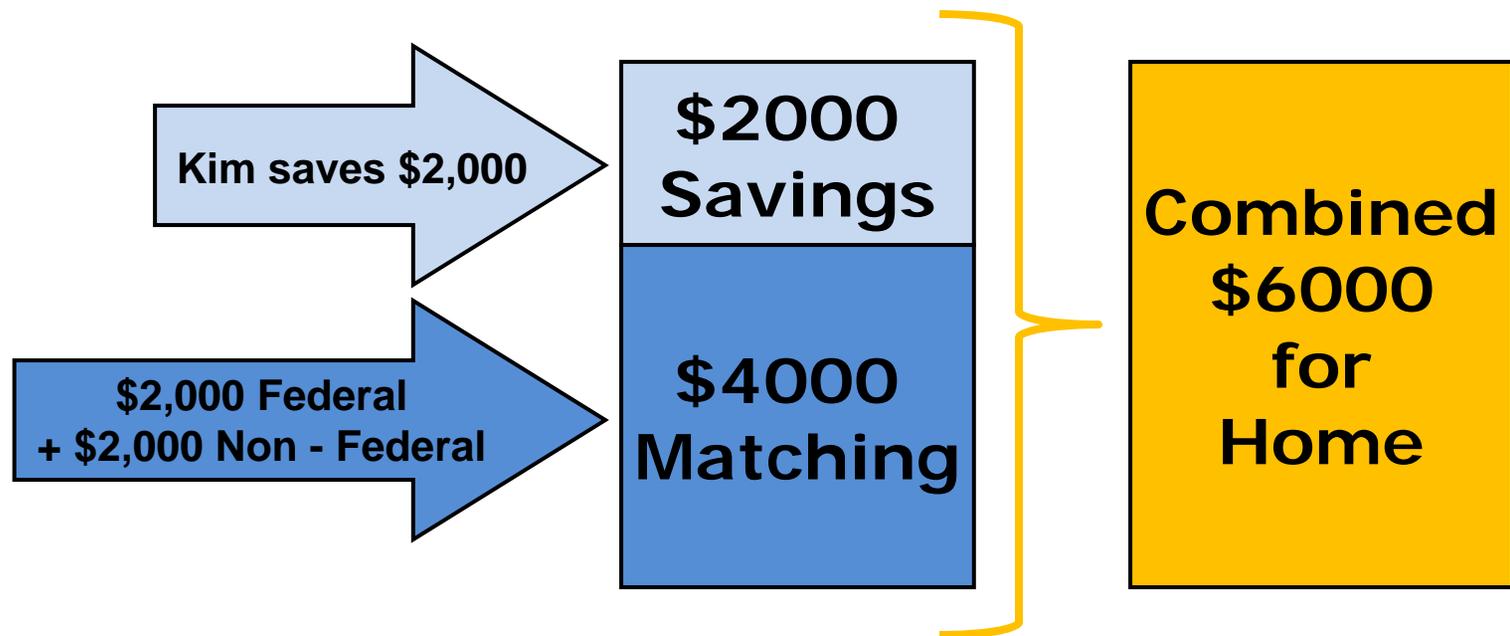


AFI Individual Development Accounts (IDAs)

How AFI Works: A Participant's Perspective

- ▶ Kim would like to purchase her first home.
- ▶ An AFI grantee in her community determines that she is eligible and Kim opens her IDA.
- ▶ The AFI grantee matches Kim's savings at a rate of \$2 for every \$1.
- ▶ For 3 years, Kim saves \$55 per month of her earned income, working towards a goal of \$2,000 in her IDA.
- ▶ During this time, she receives tax assistance, financial education, and homeownership preparation from the AFI grantee and its partners.
- ▶ Kim saves \$2,000 and purchases her home using her savings plus \$4,000 from the AFI grantee (\$2,000 federal/\$2,000 non-federal).

How AFI Works: Kim's IDA



Who can participate in an AFI project?

1. Any individual who is a member of a household that is eligible for assistance under their state's Temporary Assistance for Needy Families (TANF) program.

OR

2. Any individual who is a member of a household that meets both of the following requirements:
 - Income Test - Adjusted gross income of the household is equal to or less than 200 percent of the federal poverty guidelines or the earned income tax credit limits.
 - Net Worth Test - Net worth of the household, as of the end of the calendar year preceding the determination of eligibility, does not exceed \$10,000 (excluding value of the primary residence and one vehicle).



Northwest New Jersey Community Action Partnership (NORWESCAP)

AFI & ECONOMIC ASSET BUILDING FOR BCJI SITES

NORWESCAP-WWW.NORWESCAP.ORG
NORTHWEST NEW JERSEY COMMUNITY ACTION PARTNERSHIP, INC.
PHILLIPSBURG, NEW JERSEY
GEORJEAN W. TRINKLE, DEPUTY DIRECTOR



TODAY'S CALL

- DISCUSS FEW MAJOR AREAS:
 - COMMUNITY ACTION AGENCIES
 - HOW BCJI SITES CAN BENEFIT FROM AFI PROGRAM
 - COMMUNITY ENGAGEMENT & LEVERAGING RESOURCES IN YOUR BCJI SITE
-

About NORWESCAP

- CAP NAME-COMMUNITY ACTION! & CONNECTS US TO 1,000 OTHER COMMUNITY ACTION AGENCIES ACROSS THE COUNTRY AND 23 SIMILAR AGENCIES IN NJ
- WE HAVE AN ANNUAL BUDGET \$38 MILLION
- LOW ADMINISTRATIVE COST OF UNDER 5 CENTS/DOLLAR
- PROVIDE SERVICE TO 35,000 EACH YEAR
- OUR FOCUS IS TO WORK WITH PEOPLE IN POVERTY & WE HAVE SERVICES IN SIX COUNTIES
- SERVE RURAL AND URBAN AREAS IN NEW JERSEY
- CURRENT BCJI PLANNING GRANT-PHILLIPSBURG



Saver Spotlight

- NORWESCAP WAS THE FIRST CAP AGENCY IN NJ TO BEGIN AN IDA PROGRAM-WE NAMED OUR PROGRAM DOLLARS TO DREAMS
 - WE HAVE EXPERIENCE OPERATING IDA ACCOUNTS FOR THE LAST 16 YEARS
 - IN FACT WE BUILT OTHER PROGRAMS AROUND IDA BECAUSE IT WAS SO IMPACTFUL
-

IDs at NORWESCAP

- WE HAVE SUCCESSFULLY GRADUATED 168 INDIVIDUALS FROM THE PROGRAM
 - THESE INDIVIDUALS HAVE SAVED OVER \$309,259.00 AND THEIR ASSETS TO DATE ARE VALUED AT 8,775,048.00. INCLUDING 57 HOMES, 42 CARS AND 25 BUSINESSES
 - IN 2014 WE HAD 37 PARTICIPANTS ENROLLED IN THE PROGRAM SAVING FOR HOME OWNERSHIP, BUSINESS OR EDUCATION
-

IDs at NORWESCAP

- ON AVERAGE, \$88 PER MONTH WAS SAVED PER PARTICIPANT IN 2014
- \$57,598 IN LOW INCOME SAVINGS WAS CUMULATIVELY ACHIEVED FOR 2014 LOW INCOME PARTICIPANTS.
- CURRENTLY IN 2015 WE HAVE 34 ACTIVE INDIVIDUALS SAVING IN THE PROGRAM WITH \$88,509.00 IN SAVINGS ON TARGET FOR THE END OF THE YEAR BY LOW INCOME INDIVIDUALS!

IDAs at NORWESCAP

- OUR IDA PROGRAM HAS DIFFERENT FUNDERS AND SAVINGS TIME, GOALS AND MATCH RATES CAN VARY
 - TYPICALLY WE PROVIDE A 3 YEAR PROGRAM WITH A MATCH OF 2:1
 - IT'S A VERY INTENSIVE PROJECT; WE HAVE ONE STAFF MEMBER CURRENTLY WHO COORDINATES EVERYTHING INCLUDING THE WORKSHOPS
 - WE CURRENTLY USE A DATA SYSTEM DEVELOPED BY THE STATE TO TRACK OUR INFORMATION
-

IDAs at NORWESCAP

- WE HAVE MAIN BANKING PARTNERS FOR IDA ACCOUNTS
 - RELATIONSHIP WITH BANKING PARTNERS IS CRITICAL AS THEY ARE THE TOUCH WHEN PARTICIPANTS MAKE DEPOSITS MONTHLY
 - OUR FUNDING PARTNERS ARE VARIED-WE HAVE BEEN FUNDED BY FOUNDATIONS, STATE DEPARTMENTS, FEDERAL GOVERNMENT, UNITED WAYS, HOUSING AUTHORITIES, TANF FUNDS, COUNTY FUNDS
 - WE FIND ALSO TO INCLUDE IDAS IN MANY OTHER PROGRAM SERVICES/GRANTS-EXAMPLES
-

Lessons Learned

- END RESULT-KNOWING THAT WE LITERALLY AND FIGURATIVELY MOVE PEOPLE OUT OF POVERTY HAS BEEN EXCEPTIONAL FOR STAFF AS AN INCENTIVE AND MOTIVATOR THAT OUR WORK MATTERS
- THE BIGGEST CHALLENGE IS THAT THE PROGRAM IS COSTLY FROM AN ADMINISTRATIVE STANDPOINT. WE CAN'T SET PEOPLE UP TO FAIL AND SO THEY NEED CASE MANAGEMENT, CONSTANT TOUCH POINTS, ENCOURAGEMENT
- THE ROI CAN BE DIFFICULT TO DEFEND. THE END RESULT-WE HAVE NEVER HAD A PARTICIPANT IN 16 YEARS HAVE THEIR HOUSE FORECLOSED AND ALL OF OUR PARTICIPANTS CREATED WEALTH WHILE THEY WERE IN OUR PROGRAM. LIFE CHANGER!

Lessons Learned (cont'd)

DO YOU HAVE....

- STAFF OR BLENDED FUNDS TO PAY FOR A FULL TIME CASE MANAGEMENT POSITION?
- A RELATIONSHIP WITH A BANK(S)?
- IDA ACCOUNT HOLDERS ARE NEW CUSTOMERS FOR BANKS & ENTICING TO FINANCIAL PARTNERS
- RELATIONSHIP WITH REALTORS, HOUSING REHABILITATIVE AGENCIES, MUNICIPALITIES ALL HELP WITH COMMUNITY ENGAGEMENT
- CREATE A FINANCIAL STEERING COMMITTEE TO FURTHER ENGAGE THE COMMUNITY
- FACILITATE A HOMEOWNERSHIP FAIR OR A FINANCIAL LITERACY FAIR FOR COMMUNITY ENGAGEMENT

FINAL THOUGHTS

- IDA PROJECTS CAN BUILD PARTNERSHIPS AND LEVERAGE RESOURCES IN BCJI SITES
 - LOOK TO PARTNER WITH HABITAT FOR HUMANITY OR OTHER HOME OWNERSHIP BUILDING PARTNERS-ABANDONED HOMES
 - CREATE VOLUNTEER ENGAGEMENT-RSVP OR OTHER VOLUNTEER MANAGEMENT GROUPS
 - BUILD PARTNERSHIPS AND MENTORING ACROSS CLASS LINES
 - UTILIZE IDAS AS AN ANTI-POVERTY PROGRAM-IT'S PROVEN AND IT IS EFFECTIVE
-

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Assets for Independence (AFI)

Key AFI Requirements

- ▶ Cost Sharing: Awards require 100% cash match from non-federal sources.
- ▶ Limitation on Uses of Funds: 85% of project funds must be used to match participant IDA savings.
- ▶ Qualified Expenses: AFI IDAs may be used to purchase a first home, capitalize a business, or fund post-secondary education or training.
- ▶ Matching Participant Savings: Specific requirements related to administration of the project (savings period, match cap, financial institutions)

How's the Fit?

- ▶ For your organization:
 - Capacity to manage a federal grant?
 - Experience in administering AFI projects or similar programs?
 - Capacity to implement project, with or without partners?
 - Resources available for project?
 - Experience with home, education, small business?
 - Accounting/financial records systems?

- ▶ For your service area and target population:
 - Eligibility and demand for allowable asset purchases?
 - Viability of the proposed project with regard to the asset purchases included in the design?

AFI Funding Opportunity

▶ Funding Opportunity Announcement

- Available at:
 - <https://www.acf.hhs.gov/grants/open/foa/index.cfm?switch=foa&on=HHS-2015-ACF-OCS-EI-1005> or
 - <http://www.IDAresources.acf.hhs.gov/Apply>
- Next application due date: June 15, 2015
 - Depending on funding availability, there are also funding due dates expected in October 2015 and April 2016.



Eligible Entities

- ▶ AFI is authorized to award grants to the following entities:
 - Non-profit entities with 501(c)(3) status;
 - State or local government agencies, or tribal governments, applying jointly with a non-profit with 501(c)(3) status;
 - Financial institutions that are federally certified as either a Low-Income Credit Union or a Community Development Financial Institution and that demonstrate a collaborative relationship with a local community-based organization whose activities are designed to address poverty.
 - Entities deemed eligible under Section 405(g) of the AFI Act [the grandfather clause], specifically state agencies in Indiana and Pennsylvania.

AFI Award Information

- ▶ AFI is a discretionary grant program.
 - Competitively awarded; typically more than one competition per fiscal year.
 - Program is implemented by grantees.
 - Organizations can have more than one AFI grant at a time.

- ▶ In FY 2014, AFI was appropriated \$19 million.
 - Approximately \$10 million was awarded as grants.
 - Total of 44 grant awards were made.

- ▶ General grant information:
 - Award size: \$10,000 to \$1,000,000.
 - Grants have a 5 year period.
 - Full funding is available upon award.

Next Steps

1. Share AFI information with agency leadership, partners, and staff
2. Contact the AFI Resource Center for a copy of the AFI Application Kit and to join the mailing list
3. Attend Prospective Grantee Webinars
 - [AFI Prospective Grantee Webinar: Understanding the AFI Program](#) (Wednesday, May 13, 2:00 PM - 3:00 PM ET)
 - [AFI Prospective Grantee Webinar: Developing Resources and Partners](#) (Wednesday, May 27, 2:00 PM - 3:00 PM ET)

AFI Resource Center

- ▶ The AFI Resource Center is the access point for AFI program technical assistance.
- ▶ Website: idaresources.acf.hhs.gov
 - Includes information for potential applicants
 - Grantee Locator:
<http://idaresources.acf.hhs.gov/afigrantees>
- ▶ Help Desk:
 - **Phone:** 1-866-778-6037
 - **Email:** info@idaresources.org