

The Neighborhood Partnership Fund

IDA FO Meeting Conference Call

Wednesday, February 11, 2009

10:00 am – 11:40 am

MINUTES

Attending:

Joy Hunt, The Neighborhood Partnership Fund
Cynthia Winter, The Neighborhood Partnership Fund
Karie Herrlinger, The Neighborhood Partnership Fund
Deanne Goforth, NAYA
Michelle Puggarana, Portland Housing Center
Sarah Castagnola, Mercy Corps NW
Dina Lukyanova, Mercy Corps NW
Brenda Lewis, Umpqua CDC
Thomas Jensen, CASA
Maggie Reilly, CASA
Letty Duran, CASA
Leah Murray, eDev
Shawn Winkler-Rios, eDev
Corky Senegal, Neighbor Impact
Kenny LePointe, Neighbor Impact
Loren Shultz, OHCS
Karen Cellarius, PSU

Check-Ins

- Joy asked everyone to give a brief check-in, including talking about the one-year surveys, if it applies.
- Leah from eDev did not have any updates, nor does the one-year survey apply to them yet.
- Kenny from Neighbor Impact said that things are on hold as they wait to hear about more funding. They have a great deal of people calling to find out when they will have this information. Kenny has sent out the one-year surveys. He is having a difficult time getting responses. He has followed up with people, who say they have received the survey but haven't done anything with it.
- Sarah from Mercy Corps reported that they have most of their 2009 slots filled based on the 2009 funding. Sarah is not the one to send out the surveys, so she does not have an answer about how it is going.
- Brenda from Umpqua reported that they had one survey go out. They are working on their distributions of slots for 2009. They are wait-listing, so the slots will go quickly. Karen from PSU clarified that the one-year follow-up survey is for all participants, not just graduates. With that information, Brenda said they will need to send out additional surveys.
- Letty from CASA said they have not sent out the surveys yet. They will be sending January and February surveys in February.
- Deanne from NAYA reported that the surveys do not apply to them. She announced that NAYA has decided not to do homeownership IDAs. They are hiring a life skills and secondary education coach and will be adding part-time staff for the

IDAs, to review applications, making sure individuals qualify. They now have a wait list. They will limit their wait list to ten qualified individuals.

- Michelle from Portland Housing Center will be sending out their January and February surveys by the end of this week. They have all their 2009 slots filled. They are also only populating their wait list with qualified people. Michelle pointed out that PHC's having a wait list along with NAYA's decision not to do homeownership IDAs leaves a void in the Portland area.

Habitat Policy

The standard operating procedures will be amended to say that the FO will need to get a HUD-1 statement from Habitat to show that the funds are not going to Habitat's operating funds. Michelle recommended that folks amend their MOUs to say "partner agency will provide a HUD-1." Joy agreed that this would be important to formalize the process. Corky expressed her surprise that we will move forward with what looks like a double subsidy. Joy recommended she follow up with Cynthia on this. Joy added that there is concern that Habitat not be singled out.

Training

The Outcome Tracker training is scheduled for March 3rd at 10:00 am, as a webinar. Joy will send out information one week prior. She will schedule the second training toward the end of March.

Joy also announced that VistaShare completed a change request for Outcome Tracker. There is now a drop-down for counties. She asked that this get filled in for all participants.

Banner Bank

Joy explained that Banner Bank has expressed interest in filling needs for IDAs in the absence of WAMU.

Quarterly Reports

Joy will be updating the form. She asked if the FOs don't receive the form until April 1st, will they have enough time to complete it by April 15th? Brenda responded that that was too tough. They don't get the information they need from the financial institutions until the 12th or 13th of the month. Michelle agreed. Brenda said it would be nice to have until the end of the month. Joy will get the form out one month in advance. She will talk with Cynthia about the deadline feedback.

One-year Surveys

Karen from PSU reported that she is getting some surveys, not a whole bunch. Karen asked if people have been sending out the surveys. Karen reminded all that the survey is suppose to go out with the final closing paperwork, with a postage-paid envelope. Karen asked Joy if the procedures for distributing the forms are on the website to which Joy answered yes. It was agreed that people will email Karen when they need additional postage-paid envelopes. Karen surmised that there may be more questions as more forms are mailed out and received by PSU.

Karen is working out a system with Joy to give FOs feedback on their programs twice a year. Joy will be receiving the information every six months for FOs for whom at least 25 clients have returned surveys. Joy will go over the data individually with those FOs

beginning this summer. Karen added that in the meantime there will be program-wide reports. Joy suggested checking in regarding FO progress in administering surveys on the April call.

Joy reminded everyone that the Spanish language versions of the three surveys are online now. The Russian language versions should be up next week.

Michelle had a question: with a lot less availabilities of accounts, it would help for agencies with no slots to know who has slots and where. Michelle would like to be able to refer people. Joy agreed that we should check in during calls. Thomas said he had no problem sharing this information, but added the reminder that not all partners can serve any client. Joy suggested following up via email if the March meeting agenda is packed. Deanne said that NAYA is not ready to accept referrals yet. She will definitely let folks know when they are ready.

Microenterprise Purchases

Joy asked that everyone speak up, stating concerns for the group. She added the reminder that this is a working document, that she is open to making changes. It is important to have minimum policy standard, while the FOs can make additional more specific and stricter guidelines.

DOCUMENTATION SECTION

Shawn said that this is a challenging area to crystallize. He feels this is an ongoing process to which we need to come back to see how it's going. Shawn added that in the second sentence, resources should not be tied to "mission." Shawn has questions regarding the one-year review of the business plan. He went on to discuss the history of business plans. As far as the one-year review, he asked what the exercise was supposed to yield.

INFORMAL ECONOMY

There needs to be a standard for documenting these purchases. Cynthia suggested printing out the ad page from Craig's list. Sarah said they have the participant send them the Craig's list ad link, plus have the seller handwrite a receipt. Cynthia agreed that something the FO can verify, plus the handwritten receipt is important. Thomas said that CASA does not allow purchases from family members. Cynthia agreed that made her nervous. Sarah and Brenda have never come up against this. Joy asked if Shawn is OK with this policy. Shawn said he is OK with the family policy. Thomas added that you need to check with your finance department's requirements. He added that he and Shawn have had cases where purchases were authorized "within a range." In those cases, the steps prior to purchase were documents. Shawn offered an example of a participant buying child care items at garage sales. Shawn added that we need to be flexible, but that the policy is good for now. Joy said there may be further discussion on this, especially around the garage sale purchases issue.

INVENTORY AND FIXED EXPENSES

Shawn has a problem with the term "startup phase." He stated that "startup" is not a function of time, but rather a function of skills. Cynthia suggested qualifying this as "the first year." Brenda said that microenterprises are complicated enough without committing to paying for utilities for a year. She would rather see IDAs go for more fixed expenses rather than disburse money monthly to pay bills. Cynthia said it has been her opinion all

along that IDAs be used for tangible items first and foremost. There are so many other expenses which are clearly suited for IDAs. Shawn said that working capital buys the business owner time to make mistakes. He doesn't agree with paying one year of utilities, but said that working capital is essential during the start up phase for a new business. Thomas pointed out that this is a key aspect of IDAs—when do you put the person into an IDA? It's a conversation about putting people into the system—what are you trying to do with the IDA program versus with people. Mercy Corps does not fund any working capital. They work with their clients to help them set up the business in order to cover these expenses, helping them clarify their expectations. Umpqua does not fund working capital either. Maggie agreed with Sarah that helping clients with expectations, planning and anticipating is important. Thomas is not saying no to working capital expenses. Cynthia sees working capital expenditures as a last resort. Shawn said that doesn't work for him.

Maggie suggested that a maximum percentage limit be set for working capital. She cautioned that the use of funds needs to be judicious. She gave the examples of internet or cell phone service as items that can be borderline business, borderline personal. Joy offered 50% as the maximum. Leah questioned why an overall guideline needed to be set. She is hesitant to put an overall number on it. She thinks it would be very hard to say that no business will need 80% working capital. There are things the IDA won't pay for, so things like phone or Internet allows capital to give breathing room. Maggie said that having a guideline helps the integrity of the program state-wide. Need to all have the same message, with the ability to be stricter. Sarah agreed that it is important to the initiative to have a consensus. Joy added that a general framework will help that.

Shawn questioned if the client would be helped by this restriction. Cynthia responded that everyone is doing everything to serve the client, and there needs to be a policy of minimum standards. Shawn asked if we have a problem. He would like more facts. Cynthia polled the rest of the group. Brenda supports a basic standard, adding that there are reasons to exclude clients; looking at small business viability, working capital is not enough to make a business go. Thomas echoed Brenda, adding that IDAs are not for everyone. What was the intent of the law? Joy asked Deanne if she had anything to add. She responded that common language is helpful.

Joy summarized that there are four options in discussion:

1. Set a finite period for use of working capital
2. Set a percentage or dollar amount
3. Prioritize equipment over working capital
4. Leave it as is

Sarah felt that it would be a lot easier to allocate a percentage than to decide what a "startup" period is. Joy asked if there was consensus on setting a percentage. Brenda answered yes. Maggie answered yes. Thomas agreed, adding that he would not want to end up having to be evaluated as overpaying or underpaying. Common language would help. Joy asked what percentage should be used. Sarah answered less than 50%. Thomas said that they deal with some service companies, where marketing is a big percentage of the budget. He doesn't want to force people into decisions. Brenda agreed. Thomas added that using a percentage wouldn't give them room. Cynthia asked for suggestions. Thomas suggested taking into consideration businesses of a certain type (not mission). He would like there to be room for exceptions. Cynthia suggested that the

meeting move on. Joy will work on another draft and the conversation will be continued after that.

MARKETING & TECHNOLOGY PURCHASES

Brenda said that it looks good. Joy asked if there were specific technologies not to fund. Brenda would like it left to the FOs judgment; state-wide standards would make them crazy. Cynthia and Joy agreed.

SPATIAL ADJUSTMENTS

When spatial adjustments are done to a rental place, how do you safeguard the client's investment? Brenda is concerned that a term lease could get the business owner into trouble. Cynthia asked who determines that the adjustments are needed. Sarah explained that in cases of child care the recommendations are often related to certification. Brenda added that it is the FO's responsibility to make sure the proper permits and inspections occur. Cynthia asked if the property manager should approve the adjustments. Brenda answered "sure." Joy asked what needs to happen to document that approval. Brenda said that if it's a retail space, she recommends they find a location where the landlord will make the improvements for free. She would be disappointed to see IDA funds used to modify a commercial property. She thinks the language is good. Joy asked about the possibility of requiring a 2-year lease agreement. Brenda reiterated her concern for the business owner if the business fails.

BUSINESS VEHICLES

Shawn would like to see separate guidelines for purchasing versus maintaining a vehicle. Shawn thinks that IDA-funded vehicles should be used for business purposes at least 50% of the time. Joy will add this. Joy then talked about Junk Assets. She said IDA funds should be held to the same standards as all public funds. Brenda agrees. Shawn would like the term clarified. Joy suggested more conversation around inventory versus fixed expenses. There will be another call scheduled in a week or two.

Brenda asked for clarification of the HUD-1 form. Cynthia explained that the HUD-1 should be received before closing. Habitat said there will be no problem providing a HUD-1 prior to closing. FOs should use the HUD-1 as the invoice to send a check to Habitat. Brenda asked if this will be acceptable if funds are buying down principle. Cynthia answered "yes." Brenda needs something coming down from NPF for this change. Cynthia clarified that this will be added to the Standard Operating Procedures and reposted on the web. This is applicable to current participants. FOs will not be asking Habitat to anything new to them.

11:40 am Cynthia adjourned the meeting.