



# Helping Low Income Immigrant Families Buy the “American Dream”

**An Oakland Making Connection’s seed grant has helped dozens of immigrant and refugee families buy homes and shown the role a grant can play in building the Making Connections process.**

**A**s with most Making Connections neighborhoods, Oakland’s Lower San Antonio neighborhood has been mostly a community of renters. Only 27 percent of its houses are owner-occupied.

When the so-called dot.com boom sent rents and housing prices up dramatically in the late 1990s, the largely low-income immigrant population of this neighborhood struggled to find affordable housing.

A long-established community organization, Lao Family Community Development, wanted to help by starting a Multilingual Homeownership Center. It would teach families how to qualify for a mortgage and help them find affordable homes to buy.



◆ (left to right) Nai Hin Saelee, housing counselor; Jacqueline Rickman, director of the MHC; and Chery Cheung, housing counselor

***The story of the Multilingual Homeownership Center raises issues such as the Making Connections focus on place-based change (some of the families could only find affordable homes in other neighborhoods) and how a seed grant can provide an entrée to other potential MC partners.***

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A \$35,000 seed grant from Oakland Making Connections (OMC) allowed the Center to get off the ground. In just 18 months the Center has helped two dozen families purchase homes. Also, with help from OMC staff, the Center has been able to leverage this seed grant into ongoing support that has made it self-sufficient.

The story of how the Multilingual Homeownership Center came to be and how this grant played a role in the development of MC in Oakland is very instructive. It raises issues such as the Making Connections focus on place-based change (some of the families could only find affordable homes in other neighborhoods) and how a seed grant can provide an entrée to other potential MC partners.

## **From Simple to Complicated**

Own<sup>ing</sup> a home for the Mien people of the highlands of Laos in Southeast Asia was a relatively simple and inexpensive proposition. Living an agrarian life, before the Vietnam War spilled over into their country in the early 1970s, the Mien didn't have to worry about finding a piece of land on which to build a dwelling. They just chose a spot they liked.

It was common for a family to gather basic home-building materials — bamboo and other woods, big leaf clusters for roofing — from their natural surroundings. When a family was ready to construct a house, it got the word out to other villagers, and neighbors

would come together to help the family build a shelter.

This was a time of communal celebration. The host family cooked pigs and chickens to share with their helpful neighbors. Mortgages, interest rates, credit histories and income streams were alien concepts to Mien families — until they came to the United States as refugees beginning in the late 1970s.

Chaosarn S. Chao's story illustrates the transformation many Mien people have had to undergo over the past two decades. Chao was a 25-year-old lieutenant in the Laotian Army and an operative for the U.S. Central Intelligence Agency when the Vietnam War ended in 1975. With the CIA's help, he learned some English, which gave him an advantage in the Thai refugee camp to which he escaped. He was an interpreter in the camp. English language skills and his family's leadership status in Laos helped pave the way for their move, as part of a refugee resettlement program, to San Francisco in late 1978.

He and his family didn't stay long in San Francisco, where he was an interpreter for the International Rescue Committee, the human-rights group that sponsored his family's move to the United States. A friend in Richmond, a city about 15 miles north of Oakland across the bay from San Francisco, encouraged him to move there. He found an apartment in Richmond and got an interpreting job in Oakland with Catholic Charities, another refugee resettlement agency. He was the first Mien to get a job in Oakland.

This was a time of turmoil, confusion and opportunity for Southeast Asian refugees clam-

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oring to leave their dreary temporary camps. Chao knew countless other Mien, Hmong, Lao, Vietnamese and Cambodians awaited a chance to do what he and his family were able to do. Through Catholic Charities, Chao sponsored four Mien families to resettle in Oakland in 1979. He helped find apartments for two families not far from downtown. Two families stayed a few days with Chao and his family before they moved into apartments in West Oakland.

**T**hat was the beginning of the Mien community in Oakland. Other Asian ethnic groups — Chinese, Japanese, Filipinos, Koreans — had settled in Oakland as long ago as the early 1850s. Once the Vietnam War ended, the Mien and other Laotian ethnic groups (Hmong, Khmu), along with Vietnamese and Cambodians, came to Oakland as part of a new wave of Asian immigration. Chao became a key player in helping Mien and other Southeast Asian refugees make the difficult transition.

The International Institute of the East Bay, another major refugee resettlement agency, asked Chao's help to find a Mien-speaking resettlement counselor. Chao also extended himself in extraordinary ways in assisting Southeast Asian refugees. "We were the ones who volunteered to pick them up at the airport, help them shop at grocery stores, teach them how to turn on stoves," he said.

It was this kind of unusual community support that lured Mien families from other U.S. locales to Oakland. In the late 1970s and early 1980s, steady streams of Southeast Asian refugees were coming to the United States.



◆ Chaosarn Chao helped many Southeast Asian refugees learn how to cope in a very different world.

Through their own informal "bamboo telegraph," many heard about the support offered by Chao and his associates in Oakland. Chao even tape-recorded reassuring advice and sent cassettes to camps in Thailand.

"People in the refugee camps were very scared," Chao said. "They didn't speak English. They thought coming to America (meant they wouldn't have) rice, only bread." Chao

***“People in the refugee camps were very scared. They didn’t speak English. They thought coming to America meant they wouldn’t have rice, only bread. I told them don’t worry, don’t be scared, just come, and once you come, you will be happy.”***

—Chaosarn Chao

knew differently because he had gone to Chinatowns in San Francisco and Oakland, where there was plenty of rice and other Asian foods. Chao told refugees on his tape cassettes, “Don’t worry, don’t be scared, just come, and once you come, you will be happy.”

Less scared, they came in droves. At the peak of the Southeast Asian exodus, in 1979 and 1980, as many as seven flights a day landed at Travis Air Force Base about an hour’s drive from San Francisco. That meant as many as three thousand or so refugees. Re-settlement agencies helped some move to other states. Some stayed in California. Soon afterwards, as word got around that Oakland and Orange County had strong community support systems, Mien families that had been placed across the country began a secondary migration to California, whose relatively generous welfare system was also an incentive.

## **MHC ROOTS: A Hunger to Own, Not Rent**

**W**ith two of the earliest Mien families settling in a part of Oakland known as the San Antonio neighborhood, others followed because the neighborhood was relatively affordable. It was also where Chaosarn Chao set up a service center for these refugees. Chao established Lao Family Community Development Inc. in Oakland in 1980 as an affiliate of a Southern California group that served this newcomer population. At first operating with volunteers, Lao Family started getting grants from local governments and the United Way in 1983.

The needs were great — English language classes, entry-level jobs, finding a place to live, putting children in schools, figuring out the money system. The linguistic and cultural gaps were enormous. Lao Family began closing them.

As leader of Lao Family Community Development Inc., Chaosarn Chao was learning as he went along too, keeping a step ahead of his fellow Mien. He got his first credit card in 1980. For about five years, Chao rented an apartment for his large immediate and extended family in Richmond. He learned what many other American families knew, that paying rent was like “money down the drain.” In 1985, he bought a house in Richmond, the first Mien family to do so in the East Bay area of the San Francisco region. A year or two later, he helped a Mien friend buy a house near the Lower San Antonio neighborhood in Oakland, the first Mien family to do so there.

“The Mien people were very scared about buying a house,” Chao said. “They heard a lot of rumors that if you don’t make a payment, the bank would take away your house...They just waited and watched to see who was brave enough to buy their first house and to see if their friends’ houses were going to be taken away by the banks.”

After he bought his house, Chao proselytized among his people to become homeowners themselves. They were not quick to follow his example. It wasn’t until the early 1990s that he noticed a few Mien families taking the home-buying plunge.

Owing money — being in debt, having a credit history — was a conceptual and cultural



**Fifty-six percent of all San Antonio neighborhood residents are foreign-born, with 72 percent having entered the United States after 1980. Almost half of those Asians surveyed said they spoke English “not well” or “not at all.”**



◆ Chaosarn Chao, executive director, Lao Family Community Development Inc., and Jennie Mollica, associate director, Lao Family Community Development Inc.

impediment too. “That’s why so many people waited. They thought that if they didn’t save enough money, they couldn’t buy a house. They waited to save enough money,” Chao said.

Throughout the 1990s, housing in the San Antonio neighborhood was relatively affordable. The neighborhood is immediately southeast of Lake Merritt, Oakland’s central landmark. Its economic life is primarily small businesses, such as auto-repair shops, groceries, restaurants and some services. Banks, supermarkets or upscale shops are absent. Its residents are generally low to moderate income with more renters than homeowners. Only 27 percent of the homes in the San Antonio neighborhood are owner-occupied. Its ethnic composition is one of the city’s most diverse, with Asians and Latinos the largest plurality, followed by African Americans, whites and others.

Asians make up approximately 35 percent of the population in the San Antonio neighborhood, which encompasses the Lower San Antonio, the target neighborhood of Oakland Making Connections (OMC). In some San Antonio neighborhood census tracts, Asians are 44 percent of the households.

Many if not most of those are Southeast Asian immigrants and refugees whose grasp of English ranges from non-existent to utilitarian. According to a 1997 survey by the East Bay Asian Local Development Corporation, an affordable-housing and community development nonprofit organization that is an Oakland Making Connections partner, 56 percent of all San Antonio neighborhood residents are foreign-born, with 72 percent having entered the United States after 1980. Almost half of those Asians surveyed in the neighborhood said they spoke English “not well” or “not at all.”

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In the early to mid-1990s, rents weren't exorbitant in the Lower San Antonio. Then the so-called dot-com boom hit, with high-tech companies gobbling up rental space all over the Bay Area. That had a ripple effect even in marginal neighborhoods like the Lower San Antonio. Real estate prices in the region went through the roof. By the late 1990s and going into 2000, residential rents doubled in some places, including the Lower San Antonio, where rents ranged widely from \$500 to \$2,000 a month.

Suddenly, affordable housing was becoming a crisis. Even before the price run-up, Lao Family leaders sought to help its clients temper spiking housing costs. It built 32 units of low-income housing in San Pablo, adjacent to Richmond. That barely scratched the surface of the needs. The agency wanted to do the same in Oakland but couldn't find affordable land on which to build.

Meanwhile, Chao kept trying to get Mien families and other clients of Lao Family to buy their first homes. Some wanted to, but were fearful they wouldn't be able to keep up payments, given that they held relatively low-paying entry-level jobs.

Then there was the matter of affordability and its relationship to income levels. According to Lao Family's analysis, at about the time the idea of creating a homeownership center was beginning to percolate, in the last half of 2001, only 17 percent of the homes listed for sale in the San Antonio neighborhood were priced under \$200,000. Some 60 percent of those homes were 70 to 90 years old, suggesting extraordinary rehabilitation and maintenance costs. Its

clients in both Alameda and Contra Costa Counties had annual household incomes ranging from \$24,000 to \$60,000.

The desire to purchase a home was very strong among Lao Family clients, who are not only Mien, but also Chinese, Vietnamese, other Asian ethnic groups, Latinos and Bosnian families. More than 90 percent of those surveyed said they were able to save toward one day purchasing a home. Most tellingly, about three-fourths said they had "never tried" to buy a home, and 87 percent said they would "need help" doing so.

These figures buttressed Chao's own observations. "I visited many families and saw [their living] conditions," Chao recalled. "I began to talk about the concept of helping people buy houses."

He shared his thinking with Jennie Mollica, associate director of Lao Family. Mollica ran with the idea. She sought out possible funding sources to help Lao Family establish a housing assistance program.

For the better part of a year, Mollica met with stone walls. Chao said she became discouraged and wanted to give up.

She and her agency didn't give up, in part because they knew the families they served were eager to own their own homes. As part of its Family Literacy Program, Lao Family held an informational workshop in late 1999 on how to buy your first home. Expecting about 25 people, Mollica and her colleagues were stunned when about 75 people showed up.

***“The Lao Family proposal was straightforward and modest. It was a no-brainer. This is a good example of leverage. It was a relatively low-risk, potentially high-gain grant that went straight to family well-being and family strengthening.”***

—Bart Lubow

Jacqueline Rickman, Housing Coordinator with the Consumer Credit Counseling Service of the East Bay, conducted the workshop. The largely Mien crowd had lots of questions about savings and the trustworthiness of banks. Many of these families didn't use banks and didn't know about accumulating a credit history, a basic step in getting a mortgage.

For all of its valuable services, Lao Family didn't have any housing-counseling expertise. “We weren't prepared to do any follow-up,” Mollica said.

But the stars were beginning to line up. At about the same time, Mollica was in touch with a regional official with the U.S. Housing and Urban Development agency who liked Lao Family's work. This official knew of Rickman's housing counseling work. The three met to discuss the possibility of Lao Family taking on a housing-counseling service geared to its clientele of Mien and other Southeast Asian refugees and immigrants. They felt such a center with multilingual counselors would be trusted by people still unfamiliar with the American consumer financial system. It would also complement English and Spanish housing counseling services. Where would the funds come from to start up such a center?

Enter the Annie E. Casey Foundation. In 1999, Casey launched its Making Connections initiative in 22 cities, including Oakland. Bart Lubow, who was heading up the foundation's efforts to establish a Making Connections project in Oakland, kept hearing about rampant real-estate speculation and its impact on low-income and working class families.

He learned about the special language and cultural needs of Mien and other Southeast Asian refugees and immigrants who had settled in the Lower San Antonio, one of several Oakland neighborhoods he was looking at to host a Making Connections project. Relatively fewer Lower San Antonio residents owned their homes than people living elsewhere in Oakland. He also heard about the difficulties of developing affordable housing in that neighborhood, a long-term and complicated process.

Lao Family began participating in Making Connections. Its representatives attended organizational meetings. Committees formed out of those meetings. One specialized in housing issues. The housing committee broke into two subcommittees, one to investigate the possibilities of building affordable housing. The other took on a shorter-term goal of starting a homeownership center to serve residents who wanted to buy houses but whose limited English language skills impeded the process.

After months of frustration in trying to raise start-up funds for such a center, Mollica approached Lubow for a seed grant. “The Lao Family proposal was straightforward and modest. It was a no-brainer,” Lubow said. Casey provided a \$35,000 planning grant to Lao Family to establish the Multilingual Homeownership Center (MHC) in early 2002.

The grant opened other funding doors for Lao Family, which used the Casey grant to leverage support from other foundation and corporate sources. “This is a good example of leverage,” Lubow said. “It was a relatively low-risk, potentially high-gain grant that went straight to family well-being and family

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strengthening. It had the embrace of the [Lower San Antonio] Collaborative. Everyone thought this was a good thing to do.”

### **PLANNING PERIOD: Training Counselors, Testing Curricula**

**O**n Jan. 7, 2002, Jacqueline Rickman began work as the first director of the Multilingual Homeownership Center of the Lao Family Community Development Inc., the day that the Casey planning grant came through. Rickman had been the Housing Coordinator with the Consumer Credit Counseling Service of the East Bay who had conducted a home-buying workshop for Lao Family several years earlier. Her availability and expertise were key factors in getting the MHC off to a good start.

Her immediate tasks were to establish a planning and operational time line, identify the services the center would offer, recruit and hire counselors who could speak the languages of potential clients, create a curriculum for the home-buying workshops, and survey other homeownership programs to make sure the Lao Family's didn't duplicate existing efforts.

Because of the needs of Lao Family's clientele, the MHC decided to offer services in multiple languages, among them English, Mien, Vietnamese, Lao, Thai, Cantonese, Mandarin, Spanish and Bosnian. It was the first in the San Francisco Bay Area aimed at specifically serv-

ing the Southeast Asian communities of Oakland and Richmond.

The MHC hired two multilingual counselors, Chan Orn Lee and Chery Cheung, both of whom had prior associations with Lao Family, either as workshop instructors or as counselors. Neither knew much, if anything, about housing issues, however. The counselors would facilitate workshops for groups of interested homebuyers and conduct private one-on-one sessions with those most ready to purchase.

The idea behind hiring counselors who could speak the languages of many potential homebuyers from the Southeast Asian communities in the Lower San Antonio and other Oakland neighborhoods was simple: Trust had to be built between them and the financial institutions.

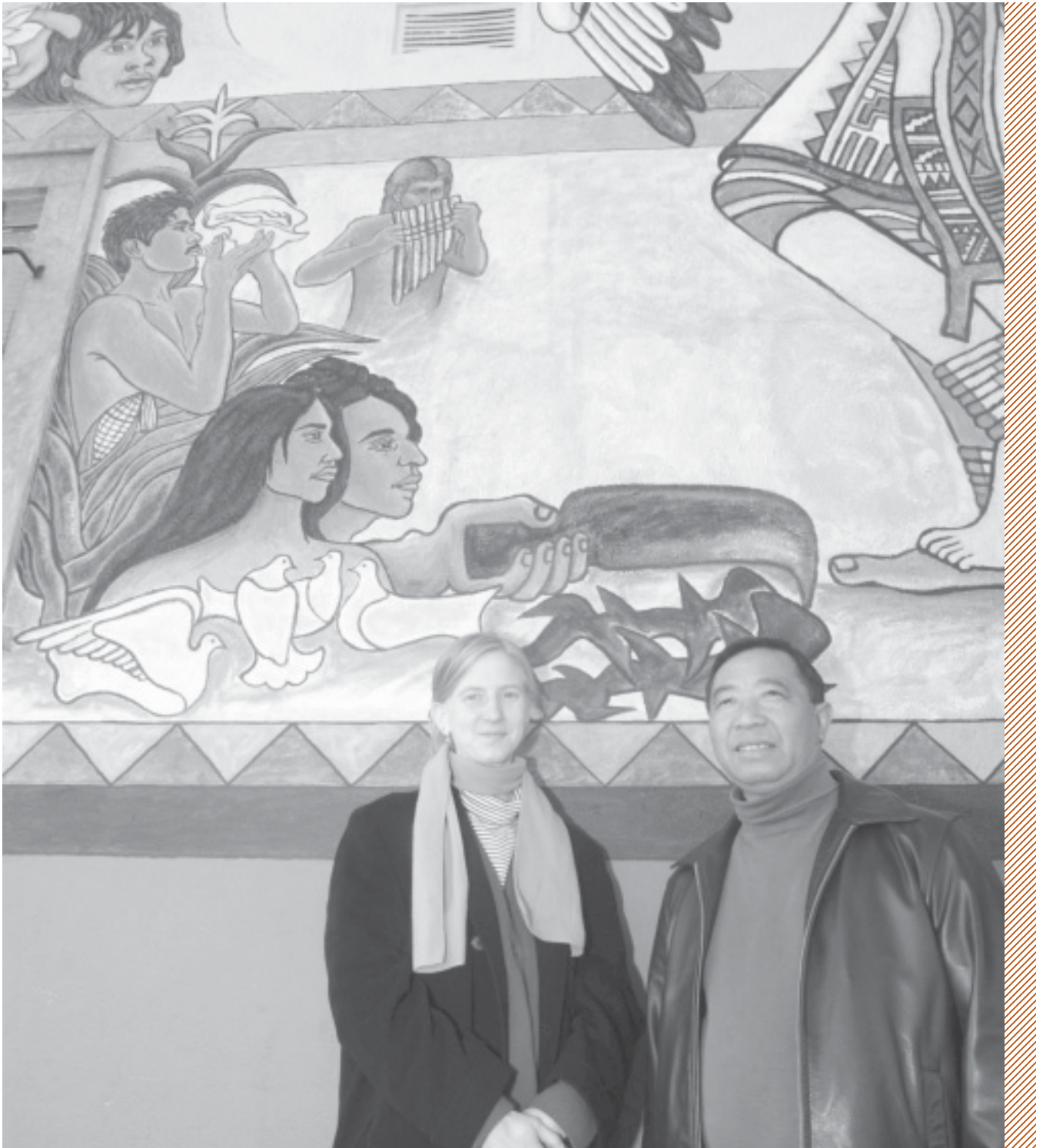
**L**ee and Cheung went through intensive training in the spring of 2002. Rickman conducted mock workshops for them. She assigned them reading materials. She encouraged them to create their own workshop curricula, starting with standard materials but adding elements specifically relevant to Southeast Asians. The three new staff members of the MHC went on peer visits to San Francisco and Seattle to see existing home-buying assistance programs in action. “I wanted them to see the best practices,” Rickman said.

The two counselors moved from passive learning to active learning. From role-playing to facilitating their first workshops at a City of Oakland Homeownership Fair, Lee and Cheung began to shed their nervousness. “One



***“I love to participate in those groups to see and hear and observe. This was really a good experience, to see how [other housing counselors] act, how they talk, all the information they gave out.”***

—Chery Cheung



◆ Jennie Mollica and Chaosarn Chao

***“The planning phase was the main reason why we have been so successful. I have been associated with programs that just dove right in, and there never was enough time to do one thing or another, and then something broke down, and service suffered. That’s why I thought this was so unique.”***

—Jacqueline Rickman

thing they were afraid of was getting in front of groups and not knowing what to say. We had to have some practice,” Rickman said.

Cheung especially liked the Seattle peer visit where she saw experienced housing counselors conducting workshops. “I love to participate in those groups to see and hear and observe,” she said. “This was really a good experience, to see how [other housing counselors] act, how they talk, all the information they gave out.”

MHC’s planning phase, first made possible with the Casey Foundation’s \$35,000 grant, was all important, according to Rickman. “The planning phase was the main reason why we have been so successful,” she said. “I have been associated with programs that just dove right in, and there never was enough time to do one thing or another, and then something broke down, and service suffered. That’s why I thought this was so unique. We had an allotment of time to really develop the skills of the counselors, and for us to develop relationships with the lenders.... We needed time to locate language-specific loan officers and real estate agents. The planning phase gave us time to find those people.”

## **THE FIRST YEAR: Workshops, Counseling — and Home, Sweet Home**

**T**he MHC holds home-buying workshops, conducts one-on-one counseling sessions, facilitates contacts with real-

estate agents and loan officers, and does post-purchase counseling. In its first year, with a month to go in its fiscal year, it had helped more than a dozen families purchase their first homes and is assisting another dozen families to refinance existing homes. More than 350 people have attended workshops as of early June 2003.

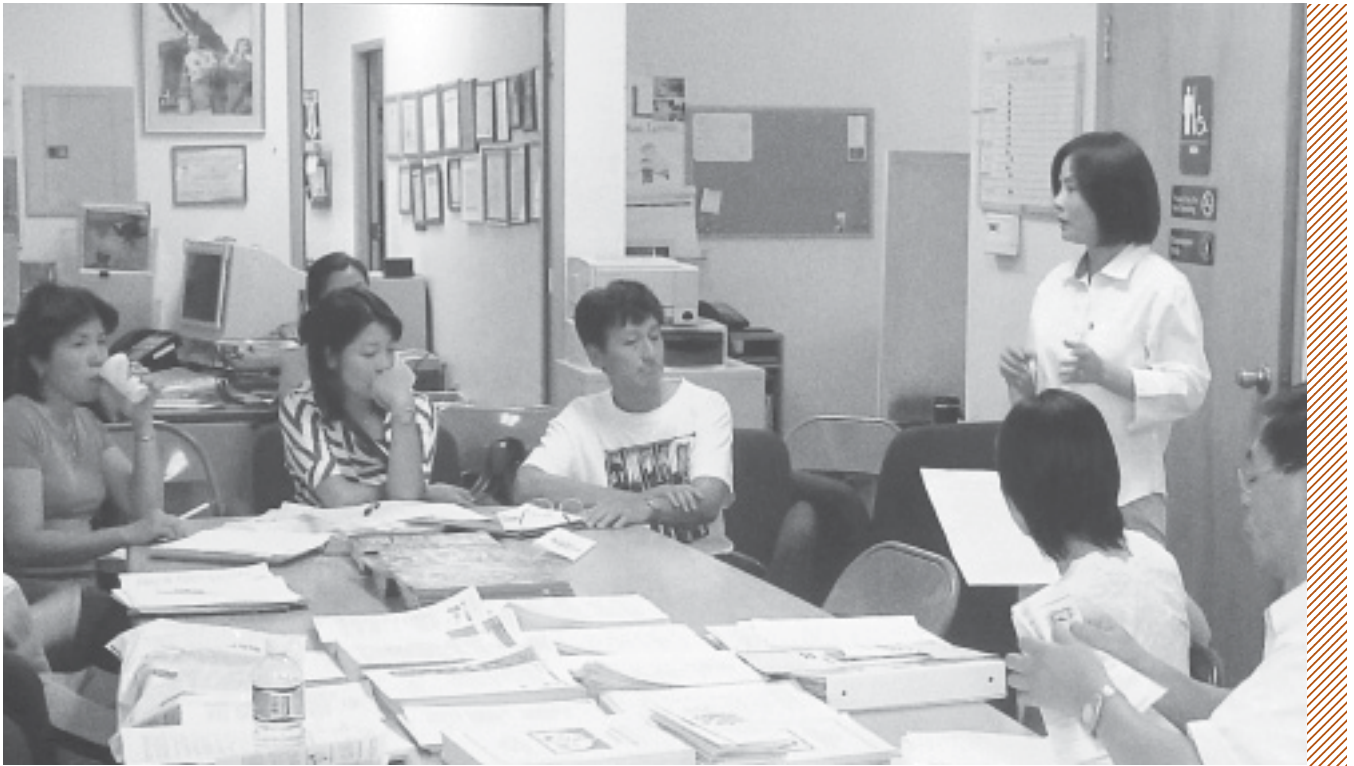
The need is apparently great among low-income Southeast Asian refugee and immigrant families in the Lower San Antonio neighborhood. About 85 percent of the families served in the MHC’s first year are low income, according to Rickman. (The definition of “low income” is family income that is 60 percent of the median area income, which is far below the City of Oakland’s 80 percent definition of low income in order to qualify for its mortgage assistance program.)

“You have those who are extremely low wage earners and may not be ready at this particular time to qualify in a market like now. Even for families we have identified for homeownership, they have had to be very creative or have had to save for a long period of time to make homeownership a reality,” Rickman said.

The workshops, held twice a month with the two counselors alternating, provide families with basic financial information such as the need for a credit history, income levels needed to qualify for mortgages, and the necessity of paying the mortgage every month. Not all families that attend workshops are ready to buy. Those that are ready get one-on-one counseling.

***“Our counselors are able to identify what a client knows and understands. That is where a client feels more comfortable to bring to surface such questions as what a mortgage is, what interest rates are. They want to know what their credit looks like. A lot of them have not seen their credit history before.”***

—Jacqueline Rickman



◆ Chery Cheung, MHC housing counselor, conducts a bilingual workshop for Oakland immigrants and refugees seeking to buy a house.

The crucial work is done in those one-on-one counseling sessions. “A lot of families in the workshops are very reserved,” Rickman said. “People after a [workshop] usually feel overwhelmed. They don’t know what to do next.” Because of language and cultural barriers, standard financial terms and language aren’t familiar to these families.

“Sometimes it’s almost impossible for us to explain what [these terms mean],” Rickman said. “It’s almost like you’re having to use other types of examples to associate with [these terms] because nowhere are they found in their vocabulary. It’s really foreign to them.”

Then there’s an issue of trust. “They don’t want everyone to know their situation.” It is in these private counseling sessions that the MHC counselors build a relationship with families seeking to buy a home.

“Our counselors are able to identify what a client knows and understands. That is where a client feels more comfortable to bring to surface such questions as what a mortgage is, what interest rates are. They want to know if they are pre-qualified for a loan. They want to know what their credit looks like. A lot of them have not seen their credit history before.”



***“That is part of our dedication to the community. Participating in those workshops gives us better exposure into the community. It’s a little more convincing to have a speaker who is a lender talk about what is required”***

—Mathew Tsang, Wells Fargo Bank

## ONE FAMILY’S STORY

Yao Fow Lee and his wife and two young children settled in Oakland in 1980, straight from a Thai refugee camp. A member of the Laotian Army, he fled his home country in 1975, when the Vietnam War ended. Over the next twenty-two years in Oakland, Lee and his family – expanded over the years with parents, one grandparent, and four more children – rented apartments and houses in the Lower San Antonio neighborhood. They moved six times during that period.

Lee, who established a janitorial business after learning English and working some odd jobs, first started looking for a house to buy in 1994, but his family income was insufficient to qualify for a standard home mortgage. He stopped looking until 2000. Again, high prices and the inability to qualify frustrated him. He wanted to stay in the neighborhood, but most available houses were out of his reach.

Enter the Multilingual Homeownership Center. Lee attended a workshop, then got one-on-one counseling from Chan Orn Lee. In November of 2002, Lee purchased a four-bedroom house in Oakland, but not in the Lower San Antonio neighborhood, for \$325,000. Houses available in the Lower San Antonio and big enough to accommodate his large family were priced around \$400,000.

“I couldn’t afford a house in the Lower San Antonio,” he said. He’s grateful for the MHC’s help. “The fact that MHC knows people in the banks helped make it easier for me to get a loan,” he said.

After gathering information and answering questions, counselors help families develop a plan, including a family budget. Counselors also accompany families on visits to real-estate agents and loan officers to explain and finalize the mortgage documentation process. That intermediary work has greatly eased anxieties of these families.

One loan officer with whom the MHC now has a working relationship is Mathew Tsang, of Wells Fargo Bank in Oakland, who speaks English, Cantonese and Mandarin. He said MHC’s counselors are “very professional. They know what they are doing. They are sending quality people over.”

That wasn’t always the case, Tsang said. When the MHC first began, some families being referred to his bank had insufficient credit histories, a common problem for some immigrant Asian families who preferred using cash and not credit. As the program has matured, the counselors have gained experience, and families being referred to Wells Fargo and other banks are better prepared to handle debt.

Tsang also helps the MHC at workshops. For an hour, he lays out hypothetical financial situations – a family’s income, what level of mortgage a family could qualify for, how much monthly payments will be, etc. “That is part of our dedication to the community,” Tsang said. “Participating in those workshops gives us better exposure into the community. It’s a little more convincing to have a speaker who is a lender talk about what is required” rather than having that information come from a counselor.



***“The Multilingual Homeownership Center is distinctive in the community it services. It is the only such center that serves families whose first languages are Asian. It’s unusual for a grantee to exceed goals this early.”***

—Christina Morales

MHC’s counseling continues after a family purchases a house. This post-purchase counseling is intended to make sure families are meeting their financial obligations. Counselors also help families adjust their budgets, pull new credit histories, monitoring how much more debt the families incur after buying a home, and alert them to predatory lending practices, as well as advise them about basic home maintenance practices.

For some purchasers who buy buildings to rent, the MHC provides landlord education. Some families have bought two- to four-unit houses or apartment buildings. MHC counselors impart information related to landlord-tenant issues. While the greatest interest among its clients is purchasing single-family homes, some families want to buy multiple-unit buildings as investment property.

## **SELF-SUFFICIENCY: Leveraging the Casey Seed Grant**

**T**he MHC was able to leverage Casey’s \$35,000 planning grant to get other planning funds, such as \$20,000 from the City of Oakland, \$6,000 from the State Street Foundation, and \$3,000 from JPMorgan Chase. Its first fiscal year (July 1, 2002, to June 30, 2003) operational budget was \$165,000, principally from the City of Oakland, Fannie Mae Foundation, Wells Fargo Foundation, the City of Richmond and State Street Foundation.

For its second fiscal year that began July 1, 2003, the MHC has a budget of \$185,631. It is determined to remain self-sufficient with another mix of grants from city governments and private financial corporations, and not from the Casey Foundation, said Jennie Mollica, associate director of Lao Family.

“We’re committed to the idea that we don’t need [the Casey Foundation’s support for operations].” Programs like the MHC have great potential for nonprofit organizations like Lao Family to collaborate with local governments and private financial corporations “to build on the mutual benefits that can come about through [such a program],” Mollica added.

Private financial corporations should contribute to such programs like the MHC, Mollica said. “We shouldn’t have to go begging to donors or charitable institutions. We should be able to sell this program for what it’s worth. It’s certainly going to be harder this [coming fiscal] year than the previous year [because of the struggling overall economy], but [self-sufficiency] is an idea we are committed to.”

Fortunately several people from local banks and housing agencies see the worth of MHC’s work. “The Multilingual Homeownership Center is distinctive in the community it services,” says Christina Morales of Oakland’s Housing Community Development agency. “It is the only such center that serves families whose first languages are Asian,” a population she adds is “underserved in terms of attaining homeownership.” Morales is impressed by MHC’s ability to exceed its goals. “It’s unusual for a grantee to exceed goals this early.”

***“From the start, I felt this would be a challenge to get off the ground. It probably wouldn’t have gotten off the ground without the (Casey) seed grant. And it’s a challenge to move to the next step, but I think it’s a worthwhile challenge.”***

—Jennie Mollica

## **A VIEW FROM THE OUTSIDE**

Sheila Burks, Director of the Bay Area Partnership Office of the Federal National Mortgage Association (Fannie Mae): “Lao Family Community Development Inc. is well respected and has tremendous goodwill in the community. It was motivated to marry the idea of creating wealth with its other service mission. It had a vision, a plan, and realistic deadlines for the start-up of the MHC, and it stuck to them.

“Jennie Mollica and others at Lao Family knew how to implement the plan. They knew what they wanted to accomplish. They knew their market. Jennie spent a lot of time working with partners and educating them about the MHC model and vision.

“The MHC is on target. It seems to have had fewer growing pains [than other homeownership centers]. It has benefited from learning from other models. Jacqueline Rickman’s credit experience is valuable. She is doing well [implementing the program].

“MHC staff members are committed to what they are doing. They are really good at following up with people. They are putting in tremendous hours doing that. There is tremendous demand and tremendous acclaim for what they have accomplished.”

Jean Dunn of Chase Manhattan Bank also sees the need MHC is helping fill. “The uniqueness of the MHC is its mission of serving a low-to-moderate-income Southeast Asian clientele. It is filling a gap.”

Lao Family runs a number of social-service programs that are supported by government grants. The MHC was different, however. “From the start, I felt this would be a challenge to get off the ground,” Mollica said. “It probably wouldn’t have gotten off the ground without the (Casey) seed grant. And it’s a challenge to move to the next step, but I think it’s a worthwhile challenge.”

Leveraging the Casey grant to obtain support from government and private-sector sources has been an accomplishment of note. With hard work, development of strong institutional relationships and proven results, the MHC has become a viable program. It is looking to sustain its viability with more innovative strategies.

## **CURIOUS CONTRADICTION: Not Just Place-Based Change**

**I**n general, Casey’s Making Connections initiative promotes both the idea of “place-based” and “people-based” change. Its dual mission is to transform neighborhoods and help low-income families gain better economic and social outcomes.

The MHC certainly is helping its clients achieve a piece of the American Dream, owning a house. For the most part, its efforts should eventually help the Lower San Antonio become a more economically stable place. Some families, however, have used the MHC’s services to purchase homes outside of the Lower San Antonio neighborhood,

***“We didn’t start with a driving mission to change this neighborhood. But we were hoping that the families we worked with could stabilize their lives, then would want to stay here.”***

—Jennie Mollica

and that result raises, at least theoretically, a contradiction to one of Casey’s principles, helping transform struggling neighborhoods.

In the first 17 months of operation (through Nov. 1, 2003), the MHC assisted 23 renter families purchase a house. Almost all those families had rented in Oakland. Of those 23, 11 lived in the San Antonio and adjacent Fruitvale neighborhoods. The annual household incomes of the Oakland-based families ranged from \$26,400 to \$102,000. The prices of the Oakland homes purchased ranged from \$150,000 to \$495,000. The price of the homes purchased in either the San Antonio or the Fruitvale neighborhoods ranged from \$309,000 to \$450,000.

As of November 2003, there were another 48 families, all currently renting in Oakland, that were pre-approved to buy a house and they were actively shopping. Of the 48 in this stage of the process, 22 lived in the San Antonio or Fruitvale neighborhoods. Nineteen of the 22 families said they wanted to purchase in the San Antonio or Fruitvale. The annual household incomes of the 48 families range from \$23,500 to \$106,000. The preapproved purchase prices ranged from \$106,000 to \$595,000.

Lao Family Community Development Inc. started the MHC to help its client families acquire a valuable economic asset, a house. It was not principally motivated to improve the

◆ Typical residential street scene in the Lower San Antonio neighborhood of Oakland, where Oakland Making Connections (OMC) is working. The MHC and its parent, Lao Family, are members of the OMC collaborative.



***“People are very much interested in buying homes in Oakland and this area, but it comes down to supply and demand. Lots of families we serve have to go up against other investors and the gentrification trend.”***

—Jacqueline Rickman

Lower San Antonio neighborhood. “We didn’t start with a driving mission to change this neighborhood,” said Jennie Mollica, the associate director of Lao Family. “But we were hoping that the families we worked with could stabilize their lives, then would want to stay here.”

Several factors work against keeping some home-buying families in the Lower San Antonio. In the case of Mien families, being near other Mien families is a consideration. “The Mien community is really in transition right now,” Mollica said. Significant numbers are moving to North Carolina, for instance, which is more affordable. By contrast, Chinese-Vietnamese families that have settled in the East Lake portion of the Lower San Antonio neighborhood want very much to purchase houses there, in large part because that area has become a Chinese-Vietnamese stronghold.

Other important factors that work against families buying in the Lower San Antonio are family size, affordability and their specialized goals. Some Southeast Asian families consist of three or more generations living together. They tend to have more children than average American families. Houses that can accommodate larger-sized families — say, six or more people — are relatively rare in the target neighborhood. Then there is the question of whether low-income families can afford to buy homes whose prices are subject to economic forces beyond anyone’s control.

“People are very much interested in buying homes in Oakland and this area, but it comes down to supply and demand,” said Jacqueline



◆ Li Er Xia in her new Oakland home purchased with the help of MHC.

Rickman, director of the MHC. “Lots of families we serve have to go up against other investors and the gentrification trend.”

Rickman cited the example of two large families that wanted to buy duplexes or even



***“Making Connections theory does not account for the conventional phenomenon of families that begin to do better economically moving out of distressed neighborhoods. We don’t have the right to force this grantee to in any way limit the range of opportunities that the families in the neighborhood have.”***

—Bart Lubow

larger units. Such houses, if they are available at all in the Lower San Antonio, would be relatively high priced. To get what it wanted, one such family decided to move to Visalia, in the California Central Valley, where it purchased three houses, for about \$80,000 each. The other moved to another neighborhood in Oakland where it got a house that could accommodate more people than ones that were available in the Lower San Antonio, and it didn’t have to pay as much.

“A lot of our families want to stay in this neighborhood. That is important to them,” Rickman said. “But on the flip side, they also want to build additional assets. They want to see their money grow. That is why some want to buy farmland to grow crops that they can sell.” It is much easier to do that in the Central Valley than it is in the Lower San Antonio of Oakland.

“I don’t think we can place restrictions on people. It discourages families that we want to help and it doesn’t assist them building wealth and getting them out of poverty.”

**B**art Lubow, the Site Team Leader of Oakland Making Connections, acknowledges the inherent contradiction. Making Connections seeks to both transform neighborhoods and help poor families economically. Thus it is a concern that a program funded in part by Casey might not meet the “place-based” principle of change. “On the other hand, there is a big free-market system out there that we are not going to control,” Lubow said.

Making Connections theory, according to Lubow, does not account for the conventional phenomenon of families that begin to

do better economically moving out of distressed neighborhoods. The MHC case goes to the heart of one of the key questions in Making Connections: “Can you change conditions in neighborhoods in a sufficiently timely way so that families that do better earlier don’t leave?”

The foundation wants to encourage families to stay in their neighborhoods to help transform them, Lubow said. Nonetheless, “we don’t have the right, nor should we try to force this grantee to in any way limit the range of opportunities that the families in the neighborhood have.”

Lubow is interested in follow-up research on whether extended families that purchase homes in the neighborhood gain economically. More study needs to be done on general housing issues in the neighborhood, such as whether prices will eventually stabilize or whether scatter-site housing can be constructed at more affordable levels in the manner of the Habitat for Humanity model.

Fred Blackwell, the OMC Local Site Coordinator, recognizes the contradiction to the Casey principle of “place-based” change that the MHC program may occasionally raise. But he said it’s not a major concern.

“I operate under the assumption that if we do this job well, there will be people who do well and stay in the neighborhood, and people who do well and leave. I don’t think it’s healthy for us to try to control that. I think there will be some neighborhood benefits in the stuff that we do and some benefits that go just to the families, and I’m OK with that.

***“I operate under the assumption that if we do this job well, there will be people who do well and stay in the neighborhood, and people who do well and leave. I don’t think it’s healthy for us to try to control that.”***

—Fred Blackwell

“We can do our best to craft our grants to provide maximum benefits to the neighborhood and try as hard as possible to make sure that those advances stay in the neighborhood, but I don’t think it’s realistic to think that we can have 100 percent or even 90 percent neighborhood benefit [from some of our initiatives].”

## **THE FUTURE: More Services, More Independence**

**T**he MHC wants to expand its services to insure future self-sufficiency. Among the ideas the leadership of the MHC and its parent organization, Lao Family Community Development Inc., are thinking about are the following:

- ◆ **Affordable Housing Development:** This idea has always been on the mind of Jennie Mollica and Jacqueline Rickman. Trying to entice affordable-housing development to the Lower San Antonio is a longer-term, more difficult process than establishing a housing assistance center. Mollica said a community-based affordable-housing development program would be a “place-based asset” that would benefit both the neighborhood and its residents.

Local Site Coordinator Blackwell sees affordable-housing development as an example of the kind of “synergy” envisioned both by Lao Family Community

Development Inc. and the Casey Foundation, as part of a larger synergistic force that embraces other economic development strategies like job creation and training.

- ◆ **Expanded financial literacy services:** The MHC is talking with Freddie Mac, the federally backed mortgage lender, about becoming a Freddie Mac accredited counseling agency. That would qualify the MHC for Freddie Mac grants to expand housing counseling services to low-income families.

The MHC is also in the process of partnering with the East Bay Asian Local Development Corp. on Individual Development Account case management. The MHC may ask the Casey Foundation for a grant to carry out administrative functions related to an IDA program.

The MHC also wants to broaden its services to include counseling more clients about rentals and landlord-tenant issues, as well as financial literacy topics (predatory lending practices, starting and using checking accounts, government subsidized rentals, etc.). Rickman said she wants to hire a Spanish-speaking counselor to serve more Spanish-speaking clients of Lao Family.

- ◆ **Loan brokering and real estate services:** Rickman once had a real-estate license and is considering renewing it. She is also thinking about asking the two MHC housing counselors to get their licenses so that eventually the MHC can broker loans and buy and sell real estate. This strategy would bring in revenue that would obviate the need for some grants.

***“We wanted to see if we could help families build economic assets. Banks came out of the woodwork for the first meeting [of the housing committee]. This was an opportunity for us to reach out to new partners we hadn’t worked with before.”***

—Fred Blackwell

## LESSONS THUS FAR

It is early yet in the life of the Multilingual Homeownership Center of Lao Family Community Development Inc. Nonetheless, it is possible to draw some lessons from its first year of operation. These lessons include the following:

- ◆ **Respond to a need:** When Lao Family Community Development Inc. discovered a desire among its mostly Southeast Asian clients to purchase homes, its leadership responded by investigating strategies that could meet those needs. It sought and got advice from housing experts in the public and private sectors and was aggressive about seeking financial support.
- ◆ **Use a planning grant to leverage further support:** The Casey Foundation’s launch of a Making Connections initiative in the Lower San Antonio neighborhood coincided with Lao Family’s idea for a multilingual homeownership center. Lao Family requested a planning grant from Casey and used it to raise self-sustaining support from public and private sources.
- ◆ **Persuade partners of benefits they can gain:** In approaching public and private institutions to support the MHC, Jennie Mollica, associate director of Lao Family, and Jacqueline Rickman, the MHC director, used a persuasive argument: Help us to help yourself. In other words, it is in the best interest of public and private financial sources to help a new nonprofit housing

counseling service because doing so will bring new business to banks and other financial institutions, especially from low-income families that have not previously been customers of these institutions.

- ◆ **Look for new opportunities:** As the MHC continues to assist limited English proficient low-income refugee and immigrant families purchase homes, it is planning expanded financial literacy and housing services to broaden opportunities for these families to further increase their economic assets and become more self-sufficient.

## What can other Making Connections’ sites learn from this success in Oakland?

The Casey planning grant to Lao Family Community Development Inc. to start the Multilingual Homeownership Center (MHC) was part of a larger Oakland Making Connections (OMC) strategy to help limited English-proficient, low-income families acquire a fundamental economic asset, a house.

These families need for assistance to acquire their own homes emerged out of community discussions as OMC was establishing itself several years ago in the Lower San Antonio neighborhood. But when the grant was made, OMC did not have a well-developed grantmaking strategy. “We were being very entrepreneurial and organic at that time,” Fred Blackwell, Local Site Coordinator of OMC, said.

***“I used some connections to put her in front of folks. We were active in the leveraging process. We helped our community partners get in doors they might otherwise not be able to get into.”***

—Fred Blackwell

Since Lao Family was an early OMC community partner, the MHC grant wasn't an attempt by Casey to reach out to a new organization. But it was an opportunity to further help a constituent group — limited English-proficient refugees — that was relatively new to OMC on an issue that had surfaced from a new OMC housing committee.

The MHC grant was also a chance for OMC to connect with other partners, such as the city government and local banks that had expressed an early interest in the multilingual home-buying service.

“We wanted to see if we could help families build economic assets,” said Bart Lubow, Site Team Leader of OMC. It was also an opportunity to help Lao Family leverage the Casey grant. “Banks came out of the woodwork for the first meeting [of the housing committee],” Blackwell added. “They showed lots of interest. This was an opportunity for us to reach out to new partners we hadn't worked with before.”

Other than having the Casey name attached to the grant, both Lubow and Blackwell assisted Lao Family in getting other financial support. Both leaders were present at housing committee meetings where potential funding partners were invited.

“Jennie [Mollica of Lao Family] and I worked shoulder to shoulder around the fund-raising stuff,” Blackwell said. “I used some connections to put her in front of folks. We were active in the leveraging process. We helped our community partners get in doors they might otherwise not be able to get into.”

The leveraging process took advantage of some opportunities, Lubow said. Mortgage rates had fallen, making home buying relatively more affordable. Banks and other mortgage lenders were looking to expand their markets. “They came willingly and were eager for this. Jennie saw that and took advantage of it. Need and opportunity — when they converge you do well,” Lubow said.

The MHC grant had some unique features. The collaborative nature of the process was relatively new to OMC. The momentum for a housing assistance program emerged from the housing committee that had community, banking and funder participants. “Very few [OMC] projects had that kind of collaborative support so early. That was unique,” Blackwell said.

Casey's technical assistance on the project design also played a key role. Casey's Technical Assistance Resource Center (TARC) facilitated a national scan of other programs that help limited English-proficient refugees and immigrants buy houses. The scan identified four or five programs that had features similar to the idea for the MHC. Jennie Mollica of Lao Family thought a Seattle project offered the potential for valuable lessons, and Casey assisted her and some associates on a peer site visit.

The decision-making process was largely informal. After attending several housing committee meetings and discussing the matter with Mollica, Blackwell recommended the seed-planning grant idea to Lubow.

Almost a year before the grant was made, Lubow had heard about the need for a multilingual home-buying service from another OMC community partner, the East Bay Local



***“We were able to act swiftly, while the momentum was there.  
There wasn’t a great deal of bureaucracy or red tape.”***

—Fred Blackwell

Development Corp. He, Blackwell and some community partners had engaged in numerous conversations about the viability of an MHC.

“All the ducks were in order on this one,” Lubow said. “This was a process that unfolded in way that a grant process ought to unfold. The initial idea was brought to us, developmental steps on the ground were being taken, and we determined that leveraging was possible. It was an informal process with no RFPs [requests for proposals] or [formal] interviews. That is the way I make grants anyway, but this emerged out of long-term negotiations.”

Because of the relative informality of the decision-making process, there was nimbleness

to the grantmaking. “We were able to act swiftly, while the momentum was there,” Blackwell said. There wasn’t a great deal of bureaucracy or red tape.

“The way Making Connections is set up in general facilitates quick movement. The money set-aside for Making Connections is discretionary at the program officer level. The flexibility and responsiveness [of Making Connections grantmaking] is a plus,” Blackwell added.

The expectations of other community-based organizations for funding, in the wake of the MHC grant, weren’t an issue. Lubow said the grantmaking process at that time was relatively open. Grantmaking in Phase 2 of Making Con-



◆ Another typical residential street scene in the Lower San Antonio.

***“It’s a good example of how seed funding should work. A planning grant turned into support from other foundations and the City of Oakland and didn’t require ongoing funding from Casey.”***

—Fred Blackwell

nections is being guided more by outcomes and core capacities. At the time of the MHC grant, Phase 1, OMC had more money than grant requests, according to Blackwell. Thus, handling expectations of CBOs wasn’t a problem.

It was later, as OMC transitioned into Phase 2, that expectations were raised. “Requests exceeded available funds so we had to do a better job of managing expectations,” Blackwell said.

The success of the MHC grant has limitations and long-term benefits. The limitations are related to the relatively small number of families who have purchased houses through the program (approximately two dozen in the first 18 months of MHC) and to the fact that some of those families have purchased houses outside of the target Making Connections neighborhood.

But the model has longer-term benefits, according to Lubow. These benefits have to do with educating limited English-proficient refugee families on the need to acquire an economic asset like a house. If the MHC reaches a greater critical mass — helping 50 or 100 families purchase homes in the target neighborhood or immediately adjacent neighborhoods — then its value would be long-term in helping transform a previously struggling locale.

Blackwell sees another value to the MHC success story. “It’s a good example of how seed funding should work. A planning grant turned into support from other foundations and the City of Oakland and didn’t require ongoing funding from Casey.”

At the time of the grant, Lubow and Blackwell didn’t know whether Lao Family would successfully leverage the Casey grant to become self-sufficient. Both thought it was possible that Lao Family would ask for more assistance from Casey, which did not happen.

The MHC is well known in the Lower San Antonio, according to Blackwell. City and federal officials involved in housing issues are aware of the MHC.

As for a communications strategy, a well-publicized news conference was conducted a few months after the MHC began operating, and community residents, city officials and some media outlets attended. “The word is out about this program,” Blackwell said. There is no ongoing communications strategy related to the MHC.

No precise equivalent of the MHC seed grant has been made by OMC, but a grant to support the work of the 23<sup>rd</sup> Avenue Corridor Work Group is similar, Blackwell said. So was Casey’s early grant to support the local Earned Income Tax Credit program. That grant helped leverage support from a number of other foundations and local governments.

The relatively quick success of the MHC grant has important lessons:

- ◆ It built on the momentum emerging from the OMC housing committee.
- ◆ It addressed the needs of a key constituency group, low-income limited English-proficient refugees and immigrants.
- ◆ It involved community, business and local government partners who were willing to collaborate.

***“If the MHC reaches a greater critical mass — helping 50 or 100 families purchase homes in the target neighborhood or immediately adjacent neighborhoods — then its value would be long-term in helping transform a previously struggling locale.”***

—Bart Lubow



◆ Mural on the Lao Family Community Development building.

- ◆ It got strong leadership and performance from Lao Family personnel.
- ◆ And it was a tangible project. “People easily understand helping somebody buy a home,” Blackwell said.

Thus far none of the families helped by the MHC have become more deeply involved in other aspects of OMC. But the potential is there. “Because of the intimacy of the program, there probably will continue to be a connection between Lao Family and the families it helped, and that can be readily translated for mobilization purposes,” Lubow said.

Blackwell added that a key to deepening the involvement of MHC families is to figure out a way to turn that service relationship into a broader relationship with OMC.

Within the MHC design, there is a strong potential link to a continuing relationship between MHC families and OMC. The MHC conducts financial literacy workshops as part of the educational process for first-time homebuyers. Those workshops can be replicated in Individual Development Account (IDA) programs being conducted by some OMC community partners. Moreover, some families getting assistance from OMC partners to claim Earned Income Tax Credits could be candidates for MHC’s services.

*This report was prepared by William Wong, Diarist for Oakland Making Connections, in June 2003 and updated in December 2003.*

***“It was a tangible project. People easily understand helping somebody buy a home.”***

—Fred Blackwell

## The Diarist Project

This is one of a series of stories and reflections about the Annie E. Casey Foundation’s Making Connections Initiative. They come through The Diarist Project, a new approach the foundation is using to learn from its efforts to strengthen families and transform struggling neighborhoods.

Diarists work to capture strategies and insights of the people who are leading the neighborhood transformation work. In Making Connections, the diarist works most closely with the Casey staff person who leads the work in each city, the “Site Team Leader.”

**Making Connections** is a Casey Foundation initiative to support work that demonstrates the simple premise that kids thrive when their families are strong and their communities supportive. What began in 1999 as a demonstration project in selected neighborhoods in 22 cities is now an intricate network of people and groups committed to making strong families and neighborhoods their highest priorities.

**The Annie E. Casey Foundation** works to build better futures for disadvantaged children and their families in the United States. Its primary mission is to foster public policies, human service reforms and community supports that more effectively meet the needs of today’s vulnerable children and families.



Fred Blackwell

For more information about **The Diarist Project** or to receive copies of its publications contact:

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**Making Connections – Oakland** is an initiative to improve life for families living in the Lower San Antonio neighborhood through economic, networking and service strategies among residents, organizations, local government and funders.

For more information contact Fred Blackwell, 1-510-763-4120.

*Photos by Kamau Amen-Ra.*