



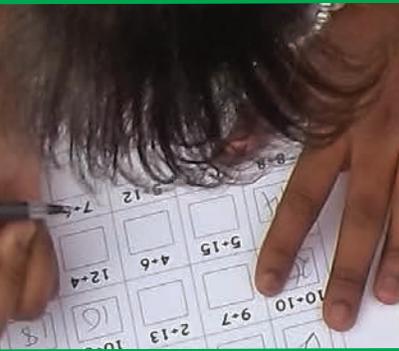
A DIVISION OF THE NHP FOUNDATION

Operation Pathways

BUILDING BRIGHT FUTURES



FISCAL YEAR 2011 ANNUAL REPORT



MAKING RESIDENTS' LIVES BETTER

OPERATION PATHWAYS is absolutely essential to the fulfillment of the NHPF mission. Without it, our holistic approach to preserving and creating affordable housing communities would not be successful. A community has to be more than just bricks and mortar—and the programs of Operation Pathways are the key to making that happen.

NHPF has grown to include 22 housing communities in 12 states, and we're working hard to continue that growth. In each of those communities, the resident services coordinators have countless stories about the positive impacts Operation Pathways makes in the residents' lives. We have shared just a few of those stories in this annual report, and hope you find them as meaningful as we do.

We believe in the good work done day in and day out by the Operation Pathways staff, and salute their hard work and dedication.

Sincerely,

Thomas Carr
Chairman, Board of Trustees

Richard F. Burns
Chief Executive Officer



NURTURING GROWTH



AS A CHILD, I would help my mother in the vegetable garden preparing the soil, planting, cultivating, and harvesting the vegetables that my family would eat throughout the year. I learned many lessons from my mother during those moments in the garden. Occasionally, these gardening lessons would be applied later in life to my work in education and now directing Operation Pathways—the resident services division of The NHP Foundation (NHPF).

In 2011, I celebrated my 5th anniversary as the director of resident services, and I reflect back proudly on the progress that NHPF’s Operation Pathways has made in the last five years. At first, we realized that we needed to decrease in size in order for us to become even greater, and 2011 was that new beginning. By January of 2011, we had ensured a stable infrastructure, enhanced programs and services, and rededicated ourselves to making Operation Pathways a more efficient

and effective organization. We challenged ourselves to make 2011 a year of growth and I’m confident we reached that goal. I remember my mother teaching me about the art of pruning. **Sometimes we need to cut back our plants if we want them to grow fuller, stronger and produce a greater harvest.**

In the first six months of 2011, NHPF had reinstated resident services at four program sites that had been closed for more than two years. The new resident services coordinators were trained in a new brand of programs and services that highlight “opportunities” and “personal responsibility.” The NHPF creates innovative and effective programming from which our residents choose where they wish to participate. **If the soil is rich and well prepared with fertilizer and nutrients, the seed will decide to sprout and the plant will decide to grow.**

One great example of our 2011 year of growth comes from our Louisiana properties. Because health issues have kept many of our residents from being productive in the workforce, we initiated a nutrition and fitness program aimed at lowering blood pressure as part of our “Pathway to Healthy Living.” After an extensive needs assessment, NHPF found that the most pressing health issue in our housing communities in Louisiana was hypertension. With the help of the Freddie Mac

Foundation, NHPF leased “Health Computer Kiosks” for our community centers that help our residents monitor their blood pressure, heart rate, and body mass index. Our Manager of Health and Wellness then works with them to provide on-site nutrition workshops and fitness classes. **If you don’t weed your garden, the nutrients are taken away from the plants making them weak and unable to produce a harvest.**

Another great accomplishment of 2011 was the successful rollout of our “Pathway to Financial Success” initiative. The goal of this financial literacy program is to give our residents the skills and tools to save money and build assets. Each program site developed a relationship with at least one local financial institution that conducts workshops and makes presentations on topics of financial literacy. By the end of 2011, more than 500 adults and 200 children participated in classes, workshops and presentations on the importance of budgeting, saving, repairing credit, and building assets for the future. **You only eat what you need from your bumper crop and store your excess for when times are lean.**

Operation Pathways continues to grow as the NHPF grows in the number of affordable housing communities it creates and preserves. As we grow, we understand the need for strong collaborators and investors to help us continue to provide opportunities for our residents to become self-sufficient and prosperous. We are grateful for the friends and volunteers who help make this possible. If you are not yet a part of our work and want to find out how you can support Operation Pathways, please know two things: **Your help is always needed, and my door is always open for visits to get new partnerships started.**

Sincerely,

Kenneth D. White

Managing Director, Resident Services



WHERE YOU LIVE MATTERS,

Life-Changing

When a 3rd grader walked into the Forest Park afterschool program, he was not a very happy young man. His family had moved four times in the last year, he was failing academically, and, in his frustration, had started acting out in ways negative to himself and others. In time, he became a regular participant in “The Exploration Station.” Twice a week, he received one-on-one tutoring in math and reading, and enjoyed other small group activities. He loved the hands-on academic games, and was able to capture the skills he had not mastered in the 1st and 2nd grades. David will proudly tell you that he still enjoys The Exploration Station, has become the lead organizer of our weekly Chess Club, and now earns a great report card in all subjects.



Life-Saving

Some decisions don't just affect your life, they might just save it. One Bayview Towers resident had a healthcare history that is all too common. With no health insurance, regular medical care was not an affordable option. Knowing this, her neighbors encouraged her to join them in taking advantage of an important OP partnership. Working with the Stamford Tully Center's visiting Wellness Van, Operation Pathways made free mammogram screenings and OB/GYN exams available to the financially-challenged women living in Bayview. Thankfully, that resulted in detection of one woman's breast cancer at a relatively early stage where it could be completely removed surgically. Had it not been for this OP partnership, her cancer may not have been detected and treated until a much later stage, or worse.



Life-Protecting

At 92, Edmund is Ships' Cove's oldest resident. His 89-year-old sister Dot also calls Ships' Cove home. Edmund knew exactly where to turn when he received a deeply disturbing phone call. Greeting his Resident Services Coordinator with the exclamation “Oh, thank God you're here!,” Edmund shared that the caller wanted him to send money through Western Union to help Edmund's granddaughter, apparently injured in Canada. The RSC acted quickly to confirm to Edmund and his family that it was a criminal hoax and his granddaughter was safe and had been at her US workplace all along. She helped Edmund file a police report, and called the Canadian number herself—informing the scam artists that they had been reported to the authorities and not to harass her client any further. Edmund and Dot were greatly comforted: had an RSC not been available at Ships' Cove apartments, Edmund and Dot may have been scammed out of their life savings.



AND HOW YOU LIVE MATTERS EVEN MORE.

Life-Enriching

Very few young people can say their art has hung on museum walls, but that's exactly what's happened to students in four of Operation Pathways afterschool programs in Dallas, Texas. More than 100 pieces of the art they created in their OP programs were hung for a 3-month show at the African American Museum of Art. Following a well-attended opening event, hundreds of people saw the show and 27 of the pieces were even bought by collectors. Based on the show's success, the students were also invited to exhibit at the Junior Academy of Arts and Letters. The museum has asked to make the exhibit an annual event, and our young artists could not be more proud to accept their invitation.



Life-Enhancing

Like many NHPF properties, Walnut Square is committed to providing effective health and wellness programs for its residents. The Crawford Family is one of many who are benefitting from that commitment. By joining the Walnut Square Walking Club and using the Fitness Center equipment, they have lost weight, lowered their cholesterol, increased their energy, and made a nutritional commitment to their new healthy lifestyle. Mr. Crawford has even found a special way to give back to the community. He is now the volunteer football coach for Operation Pathways' afterschool program at Walnut Square.



Life-Sustaining

Working with the Bucks County "Bucks Back Tax Program," Operation Pathways helped Foxwood Manor's residents in preparing their 2011 tax returns. Many had never been able to afford professional tax preparation services, and were unfamiliar with tax credits and other tax-saving opportunities. In all, 944 returns were prepared with the help of 14 volunteers. The savings in accounting fees exceeded \$100,000 and—most importantly—the tax refunds residents received came to a total of \$821,995. By going back a few years to file amended returns, one resident received a total refund in excess of \$27,000.



AUDITED FINANCIAL STATEMENT

NHP FOUNDATION (NHPF) is audited according to standard practices in accordance with audit standards generally accepted in the United States of America. The audit for 2011 was completed by the Reznick Group and NHPF financials were found to present fairly, in all material respects, the financial position of The NHP Foundation and its affiliated entities as of December 31, 2011 and the changes in their net assets and their cash flows for the year then ended.

Beyond that solid report from our auditors, it's important for our supporters and grant makers to understand the financial relationship between NHPF and its resident services division, Operation Pathways.

As a tax-exempt charitable organization, NHPF preserves and increases America's supply of affordable housing by operating 22 multifamily housing complexes in 12 states. Its mission is also to provide meaningful and life-affirming services to the residents of those NHPF properties, and that is accomplished through Operation Pathways.

The majority of NHPF's \$33 million annual operating budget is devoted to the operation and preservation of its affordable housing properties. In fact, \$1,146,310 of the total budget was devoted to Operation Pathways in 2011. Of that budget for resident services, \$865,015 came from operating property rental fees. The remaining balance of \$281,295 was raised through grants and other tax-deductible contributions generously made by supporters of the NHPF/Operation Pathways mission.



A COMPLETE COPY OF OUR 2011 AUDITED FINANCIALS IS AVAILABLE UPON REQUEST TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER, 122 EAST 42ND STREET, NEW YORK, NY 10168, OR BY CALLING 646.336.4940.

TRANSFORMING HOUSING INTO HOMES

WHILE BRICKS AND MORTAR provide a strong exterior for affordable housing, it is the services and programs offered to residents that transform our housing into homes. Achieving the NHPF mission would not be possible without Operation Pathways and the dedicated professionals who staff it. Through their hard work and unwavering commitment to excellence, Operation Pathways offers the keys to turn affordable housing into thriving communities.

Operation Pathways provides low- and moderate-income families and seniors access to a wide variety of educational, health and wellness, and enrichment programming. These high quality, innovative programs have received numerous accolades from the national resident services and affordable housing industries. In fact, we're proud to share that two of the Operation Pathways programs have been featured as best practices in *Creating Opportunities for Families through Resident Services: A Practitioner's Manual*, published by NeighborWorks America and Enterprise Community Partners.

Operation Pathways' successful approach is based on our philosophy of opportunity-driven program delivery that is:

- Impactful** Developing and implementing outcomes-based programming, measuring success by the positive changes in behavior and the increased knowledge and skill levels of the program participants
- Innovative** Creating powerful learning experiences in dynamic settings, engaging participants in meaningful and effective programs and services
- In-House** Capitalizing on the proximity of our community centers to the program participants' homes, customizing each program to address the particular needs and service gaps in each community





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