

## NEIGHBORHOOD CENTERS A SCALED APPROACH TO SERVICE DELIVERY

### BACKGROUND

Houston ranks among the largest and most diverse metropolitan areas in the country. Its population numbered over 6 million in 2011. More than 60 percent of the region's residents are people of color, and more than one in five Houstonians is foreign-born.

Houston has also experienced rapid growth and change since 2000. Greater Houston's population grew by more than one-quarter between 2000 and 2011, or more than 1.3 million residents. Displacement from natural disasters like Hurricanes Katrina and Irene, and a growing employment base of low to middle wage jobs, also changed the region economically. From 2000 to 2011, the number of poor residents in the city of Houston grew by more than one-third (37 percent). At the same time, the suburban poor population more than doubled. As a result, Houston's suburbs became home to the majority of the region's poor (52 percent) for the first time.

Such rapid changes in a large and diverse region like Greater Houston create challenges for systems and strategies to connect lower-income people and places to the economic opportunities the region has to offer.

### THE INNOVATION

Founded more than 100 years ago as part of the settlement house movement, Houston's Neighborhood Centers is a social service nonprofit that provides a continuum of services to over 400,000 low-income residents a year in more than 60 locations throughout the Houston region and across Texas. Its services reach inner-city as well as suburban communities, and include programs for children, youth, seniors, and immigrants on everything from health and education, to leadership and economic development, financial literacy and security, and paths to citizenship.

Neighborhood Centers has created a unique model that allows it to be both scaled and local, reaching region-wide in ways tailored to the distinctive needs and assets of each community.

The organization operates an annual budget of approximately \$275 million that draws on dozens of federal, state, and private funding sources to deliver a range of services in urban and suburban communities alike. To scale successfully, Neighborhood Centers has made significant investments in its administrative capacity, committing staff and resources to the active maintenance of contracts and grants and to the evaluation of program data and outcomes.

At the same time, Neighborhood Centers employs an asset-based approach to its work, which seeks to build on the endemic economic, political, and social strengths of individuals and their communities. Through surveys and face-to-face conversations, Neighborhood Centers ensures that local residents are involved in building the community they want to see and gaining access to the types of services they need.

### ACCOMPLISHMENTS

Neighborhood Centers' innovative and successful approach to community development is evident in the story of the Cleveland-Ripley Neighborhood Center located in the Houston suburb of Pasadena. The center serves a community that has undergone significant demographic change during the past few decades as it shifted from largely middle-class white families to a more diverse place with a growing segment of lower-middle-class Hispanic residents. Through on-the-ground-interviews, Neighborhood Centers found that the community was looking for greater representation of the Hispanic community in local institutions, access to adequate public transportation (there was none in Pasadena at the time), and increasing opportunities for adult education. Hispanic community in local institutions, access to adequate public transportation (there was none in Pasadena at the time), and increasing opportunities for adult education.

# CONFRONTING SUBURBAN POVERTY IN AMERICA

Today, thanks to a strong strategic alliance with the Harris County Department of Education, the Cleveland-Ripley center is both Pasadena's and Neighborhood Centers' largest ESL (English as a second language) and adult education center, with more than 1,000 students enrolled annually. To address transportation needs, the Cleveland-Ripley community advisory board sparked a partnership between Harris County and the cities of Pasadena and neighboring La Porte, which led to the creation of a public bus line that connects these two communities to each other and to Houston public transit. And Cleveland-Ripley staff and volunteers made gains toward increasing the recognition of Latino residents in the community by leading the formation of the Census Count Committee for Pasadena in the spring of 2009. The committee succeeded in significantly boosting local participation in the 2010 Census and paving the way toward greater representation for Hispanics in the community.

## CHALLENGES

Neighborhood Centers' scale has powered its success, but has also created challenges for the organization in working within traditional policy and program structures:

- To provide a seamless service experience to its participants, Neighborhood Centers must coordinate the distribution of resources from 35 different federal programs, in addition to state, local, and private-sector sources. This means that it must juggle multiple, sometimes conflicting rules and regulations in areas like child nutrition, where the U.S. Department of Agriculture, U.S. Department of Health and Human Services, and the Texas Department of Family and Protective Services all provide support.
- Despite its size and capacity, Neighborhood Centers is still subject to the same federal reporting requirements as much smaller, single-service organizations. The lack of alignment between federal grant periods means that Neighborhood Centers faces an almost continuous reporting cycle to remain in compliance with its various funding streams. It must also file upwards of 200 different reports internally and externally on anywhere from a monthly to an annual basis, and it maintains as many as 40 different computer systems to track the relevant data for those reports.
- Other federal policies actually disadvantage a scaled organization like Neighborhood Centers. Some Department of Labor programs, for instance, place limits on salaries for grantees' top management personnel, such that executives at a \$275 million nonprofit like Neighborhood Centers are subject to the same caps as those at grantees just a small fraction of the size. And Neighborhood Centers lost points on a recent competitive grant application because its administrative cost ratio was too low, which agency personnel misinterpreted as evidence of underinvestment in organizational infrastructure.

## IMPLICATIONS FOR POLICY

To help metropolitan areas meet the new and rising challenges of improving low-income residents' access to opportunity, public policy must value and prioritize scaled solutions, like those offered by Neighborhood Centers. This means policy makers, practitioners, and funders should take steps including:

- Providing greater flexibility to multi-service nonprofits to blend data across programs to monitor the joint impacts of investment at the family and community levels;
- Allowing high-capacity, high-performance nonprofits to propose their own reporting system, providing required information but reducing duplication and increasing alignment with planning and evaluation cycles; and
- Supporting smart consolidation among nonprofits and local governments, by encouraging centralized services, and supporting organizational assessments, strategic alliances, and mergers.