

PAY IT FORWARD FUND IN MEMORY OF RONN FLETCHER

I. PROPOSAL SUMMARY SHEET

Contact Information:

Date: 5/15/24

Organization Name: Open Hearth, Inc.
Address: 701 S. Main Street, Phoenixville, PA 19460
Phone: 610-792-9282, x202
Website: www.openhearthisc.org
Year Incorporated: 1991
FEIN: 23-2652023

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Contact Title: CEO
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Fax: 610-792-9285
Year Incorporated: 1991

Has your nonprofit previously applied to the Community Foundation: Yes No

Field of Interest: Human Services

Organizational Information:

Geographic Area Served: All of Chester County and portions of western Montgomery County along the Chester County border. Ninety-nine percent of our clients are Chester County residents.

Annual # of Clients & Description of Population Served: We serve the most vulnerable members of the community including those who are experiencing homelessness or facing eviction, those who are looking to improve their financial stability, as well as those with a serious and persistent mental health diagnosis or other disability. Our clients come from diverse racial and ethnic backgrounds and over 98 percent earn less than 80 percent of the median family income. Our programs served 1,208 unduplicated households in 2023.

Mission Statement: Open Hearth, Inc., a leader in resource coordination and community building efforts, provides innovative programs to support and empower people to end the cycle of homelessness, acquire affordable housing, a means of transportation, workforce opportunities, and achieve financial stability.

Organization Description:

Annual Budget \$2,991,595	19.2 # of Full-Time Equivalent Paid Staff
78% of budget for program expenses	9 # of Board Volunteers
13% of budget for administrative expenses	17 # of Active Non-Board Volunteers
9% of budget for fundraising expenses	105 # of Volunteer Hours (not including board)
100% total	

Top 3-5 funding sources: Chester County Dept. of Community Development, \$1,902,439; Community Care Behavioral Health, \$447,471; Chester County Dept. of Human Services, \$234,700; United Way of Chester County, \$195,619; United Way of Greater Philadelphia & Southern New Jersey, \$127,000

Proposal Information:

Grant Amount Requested: Year 1 \$25,000 + Year 2 \$25,000 = Total \$50,000

Summary Description of **Paradigm-Shifting** Grant Purpose:

JumpStart is a new model for stabilizing struggling households in Chester County. Through the provision of zero percent interest car repair loans (up to \$1,000 per participant), low to moderate income residents will be able to afford an unexpected repair, allowing them to maintain their transportation and therefore their employment, without also threatening their ability to pay for other essential expenses like rent, food, or utilities.

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II. GRANT PROPOSAL NARRATIVE

1. **Organization's history, goals, key achievements and distinctiveness**

Open Hearth, Inc. was originally formed in 1989 as a local grassroots committee to assure equal housing opportunities. We were incorporated as a nonprofit organization in 1991. We believe our greatest strengths are staying abreast of emerging issues and best practices and then developing programs and effective partnerships to meet the needs of the community we serve. Because of this, we have expanded our services to include asset development, financial education and coaching, transportation solutions, and robust resource coordination. Our time of greatest growth occurred between June 2021 and September of 2022 with our contract to administer the disbursement of over \$7 million in direct rent and utility relief to Chester County residents affected by Covid-19 via the Emergency Rental Assistance Program.

Open Hearth has always taken a strong leadership position in the community regarding housing, quality of life and financial stability. We have been an active participant and collaborator in the Chester County Partnership to End Homelessness since its inception. In 2018 our CEO was asked to chair the Partnership's governance board, with her term ending in December of 2022. She is also a member of the Tower Health Community Benefits Committee and serves on the Phoenixville Council of Affordable Housing. Additionally, other Open Hearth staff serve on multiple community advisory boards and committees.

As a component of our focus on community building, Open Hearth has facilitated the Phoenixville Area Resource Network (PARN) for 18 years. PARN includes a monthly networking meeting for staff from local social service agencies, as well as a twice-monthly e-newsletter that updates over 350 nonprofit staff with community announcements between meetings. Additionally, in partnership with the Phoenixville Area Community Foundation, we have published six editions, and distributed over 260,000 copies, of *The Help Book—A Health and Human Services Guide*.

2. **Paradigm Shifting Funding request:**

- **Specific Chester County needs and issues to be addressed**

Public transportation in the suburban and rural areas of Chester County has long been recognized as woefully inadequate. Chester County's Public Transportation Plan states that "automobile centric land use and transportation system patterns [are] evident in many land developments throughout the county." A needs assessment, *Compass: Chester County's Call to Action*, notes that "transportation emerged consistently as the number one need in the County. Isolated by the lack of transportation in the communities where they live, individuals in the lower socioeconomic sector find their housing choices, employment opportunities, educational and healthcare options restricted by their lack of mobility." When the assessment asked what was the greatest barrier that might prevent people from using existing services, 53 percent responded that transportation was the leading cause. In its conclusion, the study indicated the lack of transportation in Chester County "...sets in motion a cycle which conspires to isolate [those in need] from the very opportunities which would enable them to break out and explore new horizons." The Community Charge that resulted from this study stated, "Access to services is as important as the services themselves."

- **Paradigm-shifting impact**

The impact of this program will shift the paradigm by creating a new model for stabilizing struggling households in Chester County. We are unaware of any other organizations who are providing car repair loans on the scale that we are proposing. We will mainly recruit applicants from organizations we are currently partnering with via our other programs, including the 20 agencies who are referral partners for our Family Savings Partner Program.

- **Overall strategies to implement the initiative**

The JumpStart program will include a zero percent interest loan pool for car repairs (up to \$1,000 per participant). In the first year of the program, we propose providing \$20,000 in loans and another \$20,000 in loans the second year. As loans are repaid and/or other funding is raised, additional participants can be served. The JumpStart

program coordinator will be responsible for networking with repair shops who agree to partner with Open Hearth to provide quality work at fair prices for program participants. Participants may also select a repair shop of their choosing. All repair payments are made by Open Hearth directly to the repair shop. The program coordinator will take part in outreach to nonprofits who currently partner with Open Hearth through our other programs to educate staff about JumpStart and to encourage applications. Current and past Open Hearth program participants will also be eligible to apply for the program. The program coordinator is responsible for recruiting, screening and enrolling applicants. As part of the screening/intake process a budget is developed with each applicant to ensure a repayment plan is possible with their current income and expenses. Repayment plans can include utilizing an expected tax refund to pay off the balance of their loan. The program coordinator monitors participants' loan payments and reaches out if/when anyone has trouble with following their repayment plan and provides support and any available resources that may help them stay on track.

A second component of this initiative we hope to launch in its second year is a car donation program. Our staff would partner with used and new car dealers who would donate used vehicles. We would also encourage individuals to donate their unwanted vehicles. Vehicles would only be accepted if they could be made road-worthy with less than \$1,000 in repairs. The recipient of the car would be responsible for paying for the repairs. As with the repair loans, recipients would be chosen through referrals from our nonprofit partners and from our client base.

- **Why it is important to fund this now**

The cost of purchasing a new or used car has risen significantly within the past several years. As reported on fool.com, when the pandemic hit and new car prices increased due to supply chain issues, consumers "took advantage of low interest rates to purchase used cars instead, driving up prices four times faster than new cars." Additionally, the cost of parts and labor increased rapidly, creating an impossible situation for many low-income drivers who can no longer afford to purchase a new or used car and are now struggling to even pay for repairs of the car they currently own. Without access to a reliable vehicle, someone who has been stably employed may lose that employment due to an unaffordable car repair.

Another reason this is the time to launch this program is our current staffing, which over the last year finally caught up to the program growth that we've been experiencing since the start of the pandemic. We currently have the line staff and supervisory capacity to successfully execute this program.

2. Timetable, with anticipated outcomes and their relevance to the nonprofit's mission

The timetable for implementing this program would be based on the timing of the award, if funded. As soon as funding is received, we are prepared to immediately begin recruiting applicants to the program. The goal is for participants to repay their loans within 12 months of their receipt of the loan. Each participant's repayment plan will be based on their own budget, with the expectation that any remaining balance would be paid in full upon the participant's receipt of their tax refund.

Loans made, loans repaid, and the number of participants that are linked to resources are the primary outcome indicators. Additional client information that will be collected includes household size, income level and source, race/ethnicity, and connections or referrals to other programs. Exit interviews and follow-up meetings, when appropriate and possible, are also scheduled with participants, measuring their progress and satisfaction with the process and services received.

3. How impact and results will be demonstrated

Longer term impacts experienced by the program participants include low-income households not having to make the choice between paying rent or being able to drive to work. Access to a reliable vehicle can also improve employment opportunities, leading to greater household stability and self-sufficiency.