



Section 2: Starting a Neighborhood Networks Center



Highlights of Section 2: Starting a Neighborhood Networks Center

<input type="checkbox"/> Bringing Neighborhood Networks to Your Community	11
<input type="checkbox"/> Preplanning: Envisioning Your Center	12
<input type="checkbox"/> Planning: Turning Your Vision Into a Reality	13
<input type="checkbox"/> Step One: Build a Solid Foundation that Begins with Residents	13
<input type="checkbox"/> Step Two: Offer the Right Programs	15
<input type="checkbox"/> Step Three: Spreading the Word About Your Center	18
<input type="checkbox"/> Step Four: Organizing and Managing Your Center	20
<input type="checkbox"/> Step Five: Getting Up and Going	20
<input type="checkbox"/> Step Six: Figuring Out the Finances	23
<input type="checkbox"/> Step Seven: Drafting and Submitting a Business Plan	25

Starting a Neighborhood Networks Center

Bringing Neighborhood Networks to Your Community

There are three critical steps to establishing a successful Neighborhood Networks center—planning, planning, and planning. Before getting started, talk with a local HUD Project Manager or HUD Neighborhood Networks Coordinator. A list of HUD Neighborhood Networks Coordinators can be found online at www.NeighborhoodNetworks.org. You can also contact the Neighborhood Networks Information Center toll-free at (888) 312-2743 for additional information and assistance. The following section provides an overview of the planning process for starting a Neighborhood Networks center. For a more comprehensive step-by-step explanation of creating a business plan for a Neighborhood

Networks center, please see Section 3 of this publication, *Charting a Course for Success with START and Center Classification*. The section details the Strategic Tracking and Reporting Tool (START), an effective tool for developing, managing, and tracking center operations.

Timing Is Everything

The time required to develop a center depends on many variables, such as staff, computers, participants, space, and available funds for operations. For example, a community technology center can be established within a short time if a supervisor, hardware, and space are readily available. However, it is likely to take at least a year to establish a Neighborhood Networks center, as organizers and steering committee members may have constraints on their time, such as full-time jobs and families. These constraints usually mean that time given to the center will be limited and should be used wisely, which emphasizes the importance of planning.

Consider This

Some questions to consider during the preplanning stage:

- Who are the stakeholders (residents, owners, the community) that will have an interest in the center?
- Who will the center serve (residents, community members, neighborhood children)?
- What are the demographics of the population to be served by the center? For example, what languages, cultural groups, age groups, income levels, and family status will be represented among center users?
- What will the center do?
- Where will the center be located?
- When will the center begin its work? What is the timeframe for startup? What hours will the center be open?
- What is the center's purpose?
- How will the center be successful?
- Is the center unique? If so, how?
- What would be the benefits for all of the stakeholders?

Preplanning: Envisioning Your Center

The following activities comprise the preplanning process:

- **Assessing center mission.** During this step, you should evaluate how the center benefits the various parties who have a stake in your center's success, such as owners, managers, property staff, residents, community members, employers, and other key stakeholders. You should also identify assets in the community and beyond, staffing resources, and potential center users' interests and needs. At this time, it is beneficial to form a steering committee that will provide guidance on

program planning and center operations. Please see the *Consider This* sidebar for a list of questions to consider while assessing your center's mission and the *Key Staff* sidebar for a description of the roles and responsibilities for various staff members.

- **Program planning.** During this step, begin determining the programs that will be offered (based on center user needs); targets for standard annual outcomes that can be measured and evaluated; customized programmatic goals, activities, and outcomes; and a center program calendar.
- **Marketing and outreach.** This step includes developing an internal and external marketing plan targeting potential center users, potential partners,

Key Staff

- The **Neighborhood Networks center organizer** is the individual who had the original idea to establish a center. The center organizer coordinates all aspects of center development and makes key decisions about how to start and maintain a sustainable center.
- The **resident representative**, or representatives, provides information about residents' interests to the center organizer. A representative can help assess residents' needs by distributing surveys or questionnaires among residents. The representative also encourages resident participation at the center by promoting center programs and activities.
- The **local business community representative** brings special skills, expertise, and other business support to the center. For example, a local technology company representative could offer knowledge about computer hardware and software.
- The **educational representative** (from a local school, community college, college, or university) will be a valuable contributor regarding the local school system and may provide entry to other systems as well. The educational community may be a valuable source of volunteers, instructors, and survey takers.
- **Various professionals** may be needed at different stages of center development. For example, an accountant can help set up an accounting system to track and report income and expenses to keep you within your budget and to provide documentation to potential partners and financial supporters. An attorney can help establish the center as a nonprofit corporation under state and federal laws, obtain zoning variances to use a vacant apartment as a community learning center, review leases for center space, and review any insurance policies.
- **Other participants** can be added as center planning and startup progress. People with knowledge of equipment acquisition, fundraising, hiring, and training can be valuable.

and the larger community. A list of potential partners who can help meet programming needs and a plan of action to develop partnerships to help a center meet its goals also are created at this time.

- **Planning for center organization and management structure.** This step involves defining the roles of residents and an advisory board, board of directors, or steering committee; identifying the benefits and advantages of 501(c)(3) tax-exempt status; creating a timeframe for developing accounting infrastructure and personnel policies and procedures; and creating a list of goals, activities, and outcomes for the organization and management of the center.
- **Planning for center operations.** During this step, you should determine needs for space, equipment, accessibility, maintenance, retrofitting, and security. A center operations timeline is created.
- **Budgeting and fundraising.** This step involves estimating startup costs and center operating expenses for the first 3 years, and developing potential sources of funding such as HUD funding, user fees, foundation grants, and business development.

Planning: Turning Your Vision Into a Reality

Once you have completed the preplanning phase, the next step is to begin turning your vision into a reality. The following steps will help you achieve this.

Step One: Build a Solid Foundation that Begins with Residents

The vitality and long-term success of any Neighborhood Networks center primarily depends on the participation of its users. No matter how relevant or attractive your center programs are, if the community it serves does not feel actively engaged, program attendance will decline and services will eventually be discontinued because of disuse.

Rather than deciding in advance what programs a particular group or community needs or desires, it is crucial that you first solicit information and feedback from residents directly, during the earliest phase of planning. At times, the best efforts and intentions of those involved in the planning and management of a Neighborhood Networks center can fall short due to assumptions about what will be most beneficial to residents, other stakeholders, and the community at large. Generalizations based on age, race, or gender may result in residents being stereotyped, resulting in individual needs going unmet and programs that could increase participation not being implemented.

To achieve long-term sustainability for your center, involve residents in every phase of planning, from assessing needs to program development and evaluation. Treated as partners in this process rather than passive recipients, residents will provide straightforward information about their individual needs and interests, as well as collective goals for the center's success.

An effective first step in engaging residents is to include them on the center's steering committee, where they can have an active role from the beginning in guiding the center's course and developing programs. In addition, residents who have completed previous programs and/or applied new skills in the community might also be hired to coordinate or lead new program offerings.

More informally, residents can be invited to join in brainstorming sessions that allow for the free flow of ideas and experiences that can generate creative and meaningful input to program design. These meetings can also serve as an opportunity to fully inform residents of new developments, building trust and demonstrating that their participation is essential to the center's success.

Assessing the Situation

To help determine the needs of residents and other potential center users, a resident survey should be

conducted. This survey should seek to gather information about resident needs for particular services, program and schedule priorities, data that you will need regarding the spatial and equipment needs of the center, available resources, and other issues affecting stakeholders. These assessments will allow you to:

- **Identify center users.** A Neighborhood Networks center serves residents of the HUD property and may also serve members of the extended community. It is important for the center organizer to collect data on the intended community of center users in the HUD property (and in the community at large, if needed). It may be helpful

Tips for Collecting and Compiling Information

The online Strategic Tracking and Reporting Tool (START) and the *START Workbook and User Guide* contain worksheets for collecting and compiling information on the age, gender, race, ethnicity, and socioeconomic traits of the expected center population. When collecting data, it is important to do so in a manner that is sensitive and does not offend, demean, or intrude upon the privacy of residents or the extended community. You may consider mailing or distributing—either door to door or in a community meeting room or meal site—an anonymous questionnaire. If a low response rate is an issue, you may have to use more creative ways of getting the information. You may want to ask for input during a community meeting or focus group, or ask residents about their friends, relatives, or neighbors to get an *idea* of resident traits. If you are using multiple methods to gather data, devise a tracking system to aid in followup and to minimize duplicate responses. Finally, it is imperative that you tell respondents how their responses will be used and how their privacy will be protected.

for the property owner or manager to first compile data on property residents and then separately list estimates for other community members if the center will be opened to the surrounding community.

- **Identify resident needs and interests.** Because a center's success depends on how well it meets the interests and needs of residents and other center users, perhaps the most critical step is to collect data on what center users want and need. For this phase, the most direct approach is typically the best approach. (See the *Tips for Collecting and Compiling Information* sidebar for more information.)
- **Identify stakeholders** that will be affected by the center. Residents have a stake in the success of a center because it provides services for them. The community might have a stake in the center because it improves residents' employability. Determine the benefits the center will bring to the owner, manager, and property staff; residents; the community and employers; and other key stakeholders.
- **Identify community partners and resources.** Partners may include businesses, organizations, and schools. Create a list of community institutions that are potential partners and the resources they might contribute. This process will help you identify the best possible partnerships. The more possibilities, the better.
- **Identify what resources are available through Neighborhood Networks.** Multiservice community learning centers that are part of Neighborhood Networks gain access to many resources, including:
 - Informational materials, such as newsletters (published semiannually online and in print); *TARGET*, which contains information on a variety of topics (sustainability, fundraising, partnership development, consortia, and software donations); and Web-based articles and resources, such as weekly funding opportunities and success stories.

- Onsite technical assistance designed to improve a center's self-sufficiency and sustainability. Information on volunteer recruitment, training, and leadership is available in addition to consortia and partnership development.
- Monthly conference calls that discuss topics of interest to centers. Conference call transcripts are archived on the Neighborhood Networks Web site for easy reference.
- Fundraising support through grantwriting seminars held at regional training workshops and identification of potential partners.
- Neighborhood Networks banners that can be borrowed for grand openings and other center events. Centers can also receive assistance with community and media outreach to promote special events.
- Staff development, which can be received by attending Regional Technical Assistance Workshops (RTAWs) and the biannual national conference. Participants in these events are given the opportunity to listen to topical experts, attend skill-building workshops, and share best practices with other centers from around the country.

Announcing Your Mission

Once you have identified who the center will serve, what the center should offer, and why the center exists, you will be able to create a mission statement that can be shared with center users, stakeholders, and the larger community. An example of a mission statement might be "to increase job opportunities for the residents of Evergreen Terrace community by providing reliable access to computer technology and training." The mission statement can be modified as the planning process continues or as experience with operating a center grows. Having a mission statement on paper will help to focus planning efforts and demonstrate how potential partners can work with the center.

Step Two: Offer the Right Programs

The most effective Neighborhood Networks centers are those offering programs that specifically target the needs and interests of center users. To ensure that you deliver programs that center users will find useful, leave ample time to conduct program planning. During the program planning phase, focus on the following:

- Selecting the programs to be offered.
- Developing customized goals, activities, and standard annual outcomes that can be measured and evaluated.
- Developing a program calendar.

Types of Programs

To guide you, use the information gathered with the resident survey, which will help you create programs that meet the interests and needs of center users. When determining what programs to offer, you may want to group programs by function or type of activity. Most centers will offer programs in two or more of the following areas:

- **Public access or open lab time.** Most centers include some public access and/or open lab time. Public access offers members of the community the opportunity to use technology to explore their own interests, develop new skills, and become familiar with computers. Some centers ask participants in open labs for a voluntary contribution of \$1 to \$2 to help defray the costs of printer paper, cartridges, and disks. It is important to schedule public access or open lab time during the day and evening. Evenings will normally be a heavy usage time, with a variety of individuals all doing different things. It is advisable to have an appropriate number of staff or volunteers present—at a ratio of at least 1 for every 10 users. If public access includes the use of the Internet, more than one telephone line or a high-capacity line may be needed. Special rules limiting a user's time on the computer may be useful.

- **Preschool and family activities.** Preschool and family activities provide an opportunity for parents and young children to work together to explore appropriate software, such as drawing, animation, and learning games. These programs also offer center staff members an opportunity to develop partnerships with a local Even Start, Head Start, or daycare program that may not have access to computers. Due to the short attention span of young children, such sessions should last 30 to 45 minutes, at most. Parents may need guidance in using the software to enable them to work effectively with their children. It may be useful to plan an introductory session for parents prior to the activity.
- **Afterschool activities.** Afterschool activities can be structured for different age groups or offered as open lab time for children, during which they can hone their basic computer skills. Some afterschool activities may include:
 - Subject-area activities, including commercial software that offers homework help, tutorials, and other activities covering subjects such as reading, writing, mathematics, and science.
 - Games, which can be effective tools for encouraging children and young adults to learn more about computer technology. When selecting games, exercise caution, as some may not be appropriate.
 - Exploring the Internet, which allows children to improve their computer skills by surfing the Internet, using the Internet to conduct research, or communicating with peers via e-mail.
 - Multimedia publishing, including designing personal Web pages, constructing family or neighborhood profiles, and creating project reports for school.
 - Making music, including learning about and/or writing music and songs. This activity may require additional hardware and software.
- **Adult education.** If a program is to be comprehensive, it needs to involve far more than computer access. There should be a classroom or tutorial space for noncomputer-based learning and instructors with the experience and qualifications needed to teach these classes. Rather than developing an adult education program from the ground up, consider a collaboration or partnership with an existing community program. Adult education generally includes General Educational Development (GED) classes, English as a Second Language (ESL) courses, adult basic education classes, lifelong learning opportunities, and basic computer classes, such as an introduction to the keyboard, mouse, and to basic applications that will allow individuals to use the computer without supervision and prepare them for more advanced computer training.
- **Elder services.** Because seniors often prefer to learn about computers in classes made up of other seniors, offering seniors-only courses may increase their satisfaction and participation levels with the center and encourage them to return. Like everyone else, seniors learn better in smaller classes. Classes and activities of interest to seniors might include mentoring young people, playing games (e.g., chess, backgammon), communicating via the computer with family and friends, using the computer for Internet or CD-ROM-based travel explorations, attending financial planning classes, using family tree and history computer programs or Web sites, and receiving health services and health-related information.
- **Internet access** (this can be a focus or part of another program). Most centers offering Internet access have found that the main attraction for their participants is either e-mail for initiating and/or maintaining contact with friends, colleagues, and family; and/or self-publishing, such as developing personal Web pages and publishing stories, recollections, poetry, music, still pictures, and video to a worldwide audience. To help people who are experiencing computer access for the first time achieve a degree of comfort, it is

essential for centers with Internet access to offer introductory classes aimed at equipping participants with basic computer skills.

- **Career development/job preparation and placement.** A comprehensive focus on job preparation will require additional noncomputer classroom space and instructors with the experience and qualifications needed to conduct classes. Job preparation generally includes job skills training and job search activities. Job skills training may include classes in basic computer literacy, keyboarding, word processing, graphics applications, spreadsheets, and databases; résumé writing; interviewing skills; proper workplace attire and behavior; and how and where to look for a job. If a center decides to focus its program offering on job preparation and placement, the steering committee should form an employer advisory council that will match the types of training offered, software selection, and program emphasis with the types of jobs available in the community. Successful job placement may require a collaborative effort with existing community service or employment agencies.
- **Microenterprises.** A variety of business activities can be conducted at a center, including outsourcing, small business support, self-employment, and entrepreneurship.

Setting a Program Focus

Based on the data obtained during the resident survey, you can begin determining the center's program focus. Another worthwhile activity for program planning is to compile a report summarizing similar and/or complementary programs already available in the community. The data collected will provide a good indication of the initial offerings and populations that should be the focus of a center's programming.

For assistance with program selection, contact the Neighborhood Networks Information Center toll-free at (888) 312-2743 or contact your local HUD Neighborhood Networks Coordinator.

Measuring Success

After selecting your center's programs, it is important to establish customized goals, activities, and outcomes on which to focus:

- **Goals** set a clear direction for action and establish program priorities. They answer the question: What does the center want to achieve?
 - An example of a program goal is: Increase residents' ability to gain employment and become more self-reliant.
- **Activities** are specific tasks required to meet goals. They answer the question: What does the center need to do to achieve its goal?
 - If the program goal is to increase residents' ability to gain employment and become more self-reliant, some activities may take the form of programs that build on residents' skills (assets) and help residents respond to employment opportunities, and/or offer career placement and ongoing support during the early months of employment.
- **Outcomes** are the results of activities. They can be measurable results or positive differences made in the lives of people and the community. Measurable results are anything that can be counted, such as people (class participation, GED graduates, residents who interviewed for jobs or gained employment); events (course offerings, regular meetings); or materials (brochures, manuals, curricula). Outcomes may include educating people, bringing families together, improving the community, or changing the way people behave. Outcomes are the effect of the center's services on clients, program participants, financial supporters, the community, and partners.
 - If your goal is to increase residents' employability and self-reliance, and you offer activities in the form of programs that build skills, help residents respond to job opportunities, and provide career placement and ongoing support during the early months of employment, then the expected outcomes may be: Fifty percent of participants will become employed within the

Achieving Your Internal Marketing Goals

When promoting your center, be sure your marketing activities are achievable and measurable. Examples of an internal marketing goal, activity, and outcome are given below.

- **Goal:** Promote the center to residents as a community resource that will help them achieve their personal goals.
- **Activity:** Involve as many residents as possible in the design and delivery of programs to ensure maximum satisfaction.
- **Outcome:** Ten percent of residents will be involved in planning and/or marketing.

first year of a center's operation. Thirty percent of those who become employed will hold these jobs for a year.

START helps centers create unique goals, identify appropriate activities, and establish measurable outcomes for a center. A goal worksheet is available in the *START Workbook and User Guide* and in START online.

Developing a Program Calendar

The final step in program planning is establishing times and dates for specific classes and programs. These programs, classes, or events should reinforce the program planning conducted earlier—ensuring that center goals are met and outcomes are achieved.

Step Three: Spreading the Word About Your Center

Getting the word out about your center and the types of programs and activities it offers is key to maintaining and increasing participation among users and also bolstering support from partners and other

stakeholders. All of the data collected on potential center users and their needs and interests will help guide your marketing and outreach activities—which should target residents as well as the community at large and other stakeholders.

START provides a goals chart that you can use to begin developing your center's goals, identifying activities to meet those goals, and determining outcomes for your internal and external marketing activities. Create as many goals as you wish, but remember that staff time and resources are required to implement each goal.

Internal Marketing: Reaching Potential Users

Promoting your center to potential users allows you to inform users of center programs and services so that they can gain the necessary skills to obtain employment, improve their current employment situation, improve their academic status, and obtain much-needed information to improve their quality of life.

Achieving Your External Marketing Goals

When promoting your center to potential users, set goals that are achievable and measurable. The following are examples of an external marketing goal, activity, and outcome:

- **Goal:** Identify corporate and other partners who will support the center with volunteers, cash, and equipment donations, and/or enlist their participation in center programs.
- **Activity:** Build relationships with local police and fire departments, schools, banks, churches, temples, libraries, and local businesses.
- **Outcome:** The center will establish links with three social service organizations, two community-based organizations, and two faith-based organizations.

External Marketing: Promoting Your Center to a Broader Audience

Like your internal marketing goals, the goals you establish for your external marketing program should be achievable and measurable. Your external marketing activities should strive to increase awareness of your center with potential partners and stakeholders, as well as encourage collaboration with potential partners.

Developing Solid Partnerships

No Neighborhood Networks center has the staffing and financial resources to offer all of the programs and services that residents want and need without the support of partners. Partners are an invaluable resource, providing cash and in-kind donations to centers so that they can offer the types of programs and services that will help move residents toward self-sufficiency.

When evaluating whether you want to form a partnership with an entity, determine if the potential partner shares enough of your organization's philosophy and mission to be able to work together successfully.

To get started on developing partnerships, review the Neighborhood Networks partnership section on the Web at www.hud.gov/offices/hsg/mfh/nnw/nnwpartnerships.cfm. Select potential partners based on resident needs and interests; goals, equipment, and funding needs; and partners' interests and capabilities.

Other useful resources for developing partnerships include:

- **The CTCNet Center Start-Up Manual.** This manual contains a comprehensive list of types of community partnerships that have worked for community technology centers.
- **The local telephone directory.** You can obtain contact information for professional associations, such as the local Board of Realtors and the

American Society for Training and Development, that may be willing and able to help your center.

- **Local churches.**
- **Unions.** Socially active groups such as teachers' and government employee unions are especially good resources.
- **Government agencies.**

Consider This

When creating management and governance systems, consider:

- Is there a residents' committee? If not, when will one be created? Describe the residents' committee or the plans to establish one.
- Is there an advisory board or a board of directors? If not, when will the board be established? Describe the advisory board/ board of directors or plans to establish one.
- Does the organization have bylaws (that is, rules that govern the internal operations of a group or committee)? If not, when will bylaws be adopted?
- Is the center a 501(c)(3) tax-exempt nonprofit organization? If not, when will it apply for tax-exempt status?
- Is there an accounting system to track money received and money spent? If not, when will a system be in place? Describe the accounting plan, detailing who will handle accounts and the accounting methods the center will use, including any automated or computerized tasks.
- Does the organization offer employee benefits? Does it have a personnel manual or a plan for staff training and evaluation?

Appendix A includes a comprehensive list of public, private, and nonprofit organizations that may be helpful to centers in the planning and implementation of programs and activities.

Once you have identified potential partners, you will want to create a tracking log that allows you to store essential information about each potential partner, as well as keep track of your activities in developing a partnership. It will also remind you to maintain contact with partners and potential partners. (START provides a useful Partnership Profile Form to help you do this.) Activities for partnership development may include:

- Sending a letter of introduction.
- Making follow-up calls.
- Organizing the initial meeting.
- Establishing a partnership.

Once you have established the partnership, you will want to track resources and commitments from the partner. In your tracking log, be sure to include the partner name, resources donated, donation value, and type of in-kind donations. If a partner contributes more than one type of resource, enter a separate funding commitment for each so that you can track contributions by resources and funding types.

Additional partnership development information is available in Section 6.

Step Four: Organizing and Managing Your Center

To operate your center with maximum efficiency and attract funders and partners, it is important to have effective management and governance systems in place. When creating these systems:

- Consider the center's management structure, including the roles of residents and an advisory board or board of directors, and the center's 501(c)(3) status.

- Develop a timeframe for setting an accounting infrastructure and creating personnel policies and procedures.
- Establish goals, activities, and outcomes for the organization and management of the center.

The way in which a governance structure is established and the role that residents play in the decision-making process will determine how effectively the center serves its target population. And the presence of a sound accounting system and IRS 501(c)(3) tax-exempt designation often determine if a funding source is willing to commit resources.

When establishing a management infrastructure:

- Describe the center's management team. Outline the supervisory roles of managers and the reporting structure.
- Describe how the center is operated. Who is responsible for which tasks? How are responsibilities divided among supervisors? How do managers coordinate their efforts?

When creating a governance structure:

- Identify which group or groups—board of directors, residents' groups, advisory committee—are involved in providing input and overseeing center activities. The number of people involved depends on center needs. Consider having people from diverse groups, such as residents, businesses, educators, and other professionals, provide advice. A residents' committee is important because their perspectives ensure that the center meets resident needs. The committee can propose ideas to the center director for review and consideration. The voting power of the committee will vary from center to center.

Step Five: Getting Up and Going

This section focuses on what is needed to open and operate a center. It discusses space and equipment requirements and accessibility issues, and provides guidance in developing an operations timeline.

Environment and Equipment

A successful center is one where people want to visit, stay, and return. Some features that can contribute to a welcoming environment include:

- An open, friendly reception area with flyers about the center, membership applications (if appropriate), center schedules, current class registration information, and someone to welcome people and dispense information. Walls can be used to display photos of center staff and volunteers (with names and relevant information), lists of sponsors and donors, and newspaper articles about the center and its participants. There should be a community bulletin board on which participants can post notices of meetings, services, or opportunities to further reinforce the fact that the center is of, and for, the community.
- Comfortable, noncomputer social spaces or workspaces. Users may want to take a break, relax, exchange information with others, read a magazine, or do pencil-and-paper work in connection with their computer projects. If possible, situate this social space within view of the computer area to give reticent individuals, such as parents, a sense of what goes on. They may become intrigued enough to participate themselves.

Other issues regarding your center's environment to consider:

- **Maintenance and retrofitting.** Does the center need construction or maintenance to be operational? What office supplies (file cabinets, paper, pens, etc.) and storage are needed? What is the center's physical infrastructure and location? Is it located in community space or an offline unit? Is retrofitting required? What is needed to make this space work? If construction and/or renovation is needed, estimate start and end dates. Is there a plan to ensure access for people with disabilities? If not, when will an accessibility plan be developed? The plan should describe how access to the center, equipment, and

programs would be provided to people with disabilities. When will the center be accessible to people with disabilities? Access may be provided through wheelchair access, voice recognition software, location of services, and other methods.

- **Security.** What type of security does the center need (locks, locking cabinets, specific computer security, cameras, and in some cases, a security guard)? Does the center have a security plan? If not, when will a security plan be developed? When will the plan be in place?
- **Operations timeline.** Using data collected from potential center users, develop an opening and operating timetable. Try to create a schedule that is both timely and realistic. Avoid unnecessary delays, but do not set a schedule that is impossible to meet. For assistance in planning the center's opening and operational schedule, contact your local HUD Neighborhood Networks Coordinator or call the Neighborhood Networks Information Center toll-free at (888) 312-2743.

Once the physical environment has been identified and finalized, the next step is to determine equipment needs. Some considerations for equipment include:

- **Computer equipment.** A major component of a new center is obtaining computer equipment, which can be purchased, leased, or received as a donation. When determining the amount of computer equipment needed for a center, consider how many residents and users the center expects to serve at once, including peak use periods. Be sure there are sufficient computers to serve users. Specifically, determine the amount of space (in square feet) that is available for computers and users, the number of computers the center can support (as a general rule, each computer needs approximately 20 square feet), the number of computers that are needed to support the programs offered, the number of computers that are currently available, where in-kind donations of computers may be available, and the minimum number of computers required for startup.

- **Software selection and criteria.** The programs to be offered by the center determine the software to be used at the center. The software selected will directly impact, and be impacted, by the type of computer hardware available. Selecting software is a team effort. If the center director or coordinator has been identified, he or she should be directly involved. Some local partners, especially computer-training educational institutions, information technology firms, or associations, may be able to help with software selection and acquisition. Assistance is also available by contacting the Neighborhood Networks Information Center toll-free at (888) 312-2743. The Information Center can put you in contact with other centers that have successfully selected and implemented software programs.

Regardless of its size, constituency, programmatic goals, hardware configuration, or budget, every center must make certain software programs available to its participants. These programs include word processing and desktop publishing, spreadsheets, databases, graphics, and communications software. Often referred to as productivity tools, application software, or business applications, these software packages form the building blocks of computer comfort and skill. Creative instructors find ways to use these tools in the service of many disparate objectives, such as adult literacy, job training and job seeking, preschool education, homework help, virtual travel, and group projects.

Staffing

The quality of its staff and volunteers is vital to the success of a Neighborhood Networks center. Resourceful, friendly, helpful, flexible, and reliable staff members will make people want to visit and return to a center. In general, interpersonal skills are more important than technical expertise, as technical skills can be learned, bought, or volunteered, but the ability to relate easily with a wide range of people, give them confidence, and recognize and appreciate the abilities they already have is critical. Staff members should be able to communicate in the languages spoken by participants. Otherwise, both parties are

at a disadvantage. When thinking about staffing, you may want to consider the number of staff members needed, whether the center will need administrative and computer support, and whether the center will use volunteers from agencies, schools, or the community.

For each center, there are a multitude of tasks to be completed on a daily basis. By hiring a staff member, you may be able to focus on the long-term development goals of the center. Before developing a staffing plan or making that first hire, consider the tasks that make up a successful Neighborhood Networks center operation:

- **Administrative.** Program development, management, and assessment; fiscal accountability; and liaison with governing/advisory bodies and funders.
- **Community outreach and development.** Community relations and collaboration; public relations; development planning; and researching, writing, and following up on grant proposals and other funding.
- **Direct services.** Educational opportunities (teaching/supervising classes and public access, orienting individuals, creating and facilitating special projects, and counseling); welcoming visitors and participants; answering and routing phone calls; monitoring sign-in/sign-out procedures; providing information about center activities and classes; and scheduling orientation sessions.
- **Facilities and equipment maintenance.** Site management (security, housekeeping, and refuse removal) and technical support (troubleshooting hardware problems; arranging repair and maintenance; supply storage; registration, warranties, and insurance; and recommendations for future purchases).
- **Clerical and support services.** Generating publications and announcements; coordinating mail issues; updating bulletin boards and center information packets; maintaining inventories; and recordkeeping and filing related to finance, attendance, scheduling, and resources.

Volunteers provide some of the best staffing options for Neighborhood Networks centers. They work hard and do not require any pay or benefits. Sometimes, volunteers can be more committed to a center than paid staff because they demonstrate their commitment by working for free. More detailed information on recruiting, maintaining, and managing volunteers is included in Section 6, *Enlisting Partners and Recruiting Volunteers*.

Whether or not you choose to hire a staff member or recruit volunteers, it is important to keep several recruiting strategies in mind:

- **Know your audience.** Think about their multidimensional qualities and then focus on the aspects of your center or program that will “speak” to them.
- **Be prepared.** Know your center and be prepared to answer questions that you might not think to ask. No one wants to work for an organization that is not knowledgeable about the work it does.
- **Be genuinely excited** about the work you are asking them to do and let them know it will be a rewarding and worthwhile experience.
- **Listen to people.** If staff members and volunteers say they would love to come and work at the center but cannot afford bus fare, see if the local bus company will donate a few tokens per month. If they need childcare, try to arrange it for them. Listen to their needs and respond accordingly.
- **Offer diversity.** If you have many ways for someone to get involved, chances are the person you are recruiting will find something that strikes their fancy. The key is to provide people with lots of opportunities so they can fit in where they feel comfortable. Some people just want to answer phones and stuff envelopes. Others will be more excited about being an ombudsman for the center and speaking publicly about it.

Step Six: Figuring Out the Finances

Now that the work of the center and center staff members has been determined, it is time to locate

the programs and resources needed to make the center successful. This section focuses on calculating the cost to start a center and developing operating budgets for the first 3 years.

Creating a Budget

There are two types of budgets—startup and operating. A startup budget includes all of the one-time expenses associated with developing and opening a center. An operating budget includes all of the ongoing expenses related to center operations. When creating a budget for your center, you need to create:

- Estimates of startup costs and operating expenses of the center.
- Estimates of potential sources of funding, such as user fees, foundation grants, business development.

START contains a Budget Expense Worksheet that can help a center develop a complete budget.

Obtaining Funding

Neighborhood Networks centers rely primarily on local support. The Initiative encourages partnership development, business opportunities, and other income-generating activities. To help support and sustain a center, funding can be obtained in various ways, including:

- **HUD funding.** HUD funding may be obtained from one or more of the following:
 - **Residual receipts account.** Residual receipts accounts are found in properties owned by nonprofit and limited dividend owners. Funds from the residual receipts account may be used to fund a center to the extent that HUD determines that these funds are not required to maintain the habitability of units or to meet other building needs.
 - **Owner’s equity.** The owner of a limited-distribution property can increase the amount of the initial equity investment (and, in turn, the yield on distribution) by investing non-repayable funds in the center. A rent increase,

however, will not be approved to provide for additional yield.

Other HUD funding options include:

- **Funds borrowed from the Reserve for Replacement Account.** Funds from the Reserve for Replacement Account may be used to fund a center as long as HUD determines that these funds are not required to meet anticipated repair and replacement needs. If this source of funding is used, a scheduled repayment plan that illustrates how the Reserve for Replacement Account will be replenished must be submitted.
- **Rent increase.** The owner of a property where rents are set under the budgeted rent increase process may request an increase to cover center costs. These increases may be approved at HUD's discretion. For properties with Multifamily Assisted Housing Reform and Affordability Act (MAHRA) contracts, there may be limitations on HUD's ability to raise rents.
- **Requesting a special rent adjustment.** Properties with rents that are set using the annual adjustment factor may request a special adjustment rent increase to cover costs of a Neighborhood Networks center. These increases may be approved at HUD's discretion and are subject to the guidance in the *Multifamily Asset Management and Project Servicing Handbook*, 4350.1, Chapter 34.
- **Excess income.** For properties that generate excess income, HUD Notice 01-07 authorizes the retention of excess income to help develop a Neighborhood Networks center.
- **Private and corporate contributions.** Private contributors include individual donors, some of whom may wish to remain anonymous. Corporations and community foundations often will provide funding for operating and program/project support. Corporate contributions include contributions made by the charitable foundations of corporations. Community foundations receive

money from the public and award grants to organizations within their communities.

- **User fees.** Charging a reasonable user fee is another way to generate additional funding. Fees can include:
 - **Membership fees.** Memberships can be offered at individual and family rates. Residents could be offered the option of paying the membership fee on an annual basis or on a per-visit basis. The fees should be reasonable and affordable, equivalent to local bus fare or subway fare. For example, a center in New York charges adults \$30, families (up to five people) \$35, and seniors and children \$15 for a six-month membership at the center.
 - **Class fees.** A center can charge an attendance fee for classes it offers. In addition, if neighborhood institutions use the center to conduct classes for their own members, they can be charged a fee for the use of the center.
 - **Public access fees.** Visitors can be asked to make a contribution to the center. However, no one should be denied access because they have not made a contribution. Note: Some state/local governments may have special licensing requirements for organizations charging public access fees.
- **Business development.** A variety of income-generating business activities can be conducted

Sources of Funding Worksheet

Once potential sources of funding have been determined, calculate the center's budget deficit or surplus. If budget results show a deficit, look carefully at itemized expenses and consider whether additional items might be donated. START provides budget worksheets to facilitate this process. Contact your local HUD Neighborhood Networks Coordinator or the Neighborhood Networks Information Center toll-free at (888) 312-2743 for assistance.

at a center. Business development may include outsourcing, small business support, self-employment, and entrepreneurship. If the center plays a role in training individuals to become successful in business or if the center is used for certain business activities, it might be appropriate to develop a system for sharing profits in lieu of payment.

- **Fundraising events.** Fundraising is an excellent source of funding for a center. It also generates community support. Creativity is key to a successful fundraiser. Types of fundraising events might include:
 - **Annual events.** Start a tradition with an annual bike trip or walk-a-thon for which people collect pledges.
 - **Develop a fundraising activity as a part of your center's Neighborhood Networks Week observance.** Neighborhood Networks Week is held each year to observe the achievements, talents, leadership, and skills of families living in HUD FHA-insured and -assisted housing. This weeklong event includes national Web casts and local activities at individual centers.
 - **Auctions.** Invite residents and local businesses to donate items or services.
 - **Co-sponsored events.** Co-sponsor an event with other organizations or seek sponsorship from Neighborhood Networks partners.
 - **Other organizations' events, festivals, or fairs.** Set up a booth or table to solicit donations and distribution information at events held by partner organizations.
- **In-kind contributions.** In-kind contributions are donations given in lieu of money. Most in-kind contributions must be solicited and often require a formal request. In-kind contributions may include:
 - Computer hardware and software.
 - Space.
 - Volunteer supervisors and teachers.

- Clerical assistance.
- Accounting services.

Step Seven: Drafting and Submitting a Business Plan

Of all the steps, only Step Seven is required for a center to be designated a Neighborhood Networks center. Your START business plan is an integral and necessary part of becoming a Neighborhood Networks center. It serves as the framework for your center's operation, identifies your financial plans and day-to-day management of the center, and describes the programs and activities you plan to offer and their value to residents.

A START business plan:

- Describes the center's goal.
- Identifies the center's current status and outlines what it wants to achieve in the future.
- Defines the steps that help a center achieve its goals.

In addition, an effective START business plan is:

- Forward-thinking.
- A roadmap for the next several years.
- Revisited regularly.
- Revised, as appropriate.

For Neighborhood Networks centers, a START business plan should guide the staff during the lifetime of the center. It serves as a blueprint for the center and contains the tools the staff needs to analyze the center and implement changes. For a START business plan to be of value to a center, it must be kept current.

If a center is planning to seek financing, potential lenders or investors may require a START business plan. This document is crucial, therefore, in establishing the center as a legitimate organization

established in the community for the purpose of serving residents.

Neighborhood Networks' START is an online business planning tool that centers can use to develop a START business plan. Since the document is created and stored online, it is easy to update, allowing you to maintain an accurate and timely picture of center operations. With START, your center will develop the following elements of a business plan:

- Executive summary and statement of purpose.
- Organizational management (governance, accounting, and staffing).

- Program planning.
- Marketing and outreach.
- Budgeting, planning, and fundraising.
- Program evaluation.
- Overall organizational assessment.

Access START by visiting the Neighborhood Networks Web site (www.NeighborhoodNetworks.org) and clicking on *START Business Planning Tool* on the left-hand tool bar. After you complete a business plan using START, you can **electronically** submit it to the appropriate HUD Neighborhood Networks Coordinator for review and approval.