

## Community Investments Vol. 15, Issue 1 Restoring Lives to Rebuild Communities

Author(s): Mike Tandy, President and CEO, Restoration Enterprises, Inc.  
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Conventional wisdom sees criminals as a destructive element representing a financial burden to society through loss and the cost of administering justice. A bold new model based on Restorative Justice ([www.restorativejustice.org](http://www.restorativejustice.org)) challenges this wisdom and instead represents an opportunity to rebuild communities. "Restorative justice is a systematic response to wrongdoing that emphasizes healing the wounds of victims, offenders and communities caused or revealed by the criminal behaviour." It involves the collaboration of the public and private sectors to improve the safety and well being of the community.

For Shasta County, California, a picturesque locale situated almost on the Oregon border, the concept of restorative justice was pursued in response to the serious overcrowding in the county's main jail facility and as a means of lowering the rate of recidivism among offenders. With a primary focus on reducing recidivism, community partnerships were formed to apply the best services and resources available to address the "barriers" in the lives of minimum level offenders as a practical alternative to jail time. Instead of handing out incarceration, this approach offered a "hand-up", allowing offenders to make a personal investment in their lives. A seamless integrated plan with accountability and consequences provides a person who is serious about changing his life an opportunity to get substantial assistance while making restitution to the community. Restoration Enterprises ([www.restoringshasta.org](http://www.restoringshasta.org)), created in 1998 as a nonprofit public benefit

corporation to assist the county in realizing its new objective, is the private sector partner in this arrangement.

The "barriers" that Restoration Enterprises must address are not just associated with the minimum level offenders, but apply to "at risk" individuals (low-income, underemployed, welfare-to-work, etc.) as well. These barriers or missing elements include housing, transportation, jobs, training, substance abuse, literacy, education, life skill development and others. Restoration Enterprises' role is to act as a bridge in forming community partnerships between law enforcement, public agencies, community and faith-based service providers to help create a safer and more involved community. Our mission is to provide people and organizations the opportunity and services they need to realize their God-given potential as contributing members of the community.

One of the unique programs developed in pursuit of this mission is our auto loan fund. According to the California Department of Social Services, CalWORKS, the number one barrier to employment for the welfare-to-work client is transportation. With bus systems that do not cover distant locations or odd work hours, many CalWORKS clients face a growing risk of losing their employment. In some cases, accepting a new position of employment or a promotion to another branch operation is impossible because of transportation barriers. As most rural communities do not enjoy the mass transit systems common to urban cities, the transportation issues surrounding child and day care for the working parent are substantial.

Restoration Enterprises created a demonstration pilot project that uniquely addresses the problem of transportation and other client dynamics. Two separate grants from CalWORKS in Shasta county allowed us to establish a revolving loan fund and to support administration of the project. Our analysis revealed that none of our clients would not meet conventional financing because of blemished credit histories. Home budgeting and

management skill training were non-existent. Personal and family financial resources were exhausted and not otherwise available. Working closely with CalWORKS, a client eligibility screening and referral mechanism was developed and the automobile loan project was launched. However, the program is less about cars than it is about jobs.

Borrowers must be CalWORKS clients who have exhausted every other option to acquire reliable transportation. If they demonstrate a need to acquire reliable transportation in order to accept a job, stay employed or improve employment, they are referred to Restoration Enterprises by CalWORKS to complete a loan application. We look at their credit history, including bill payment track record, verify their sources of income, and review other pertinent information--loan clients are not declined because of poor credit history alone. Applicants that meet approval standards must complete our home budgeting course, which requires that they create their own personal budget and in some cases affirm certain creditor obligations. Approved loan applicants are offered a free pre-purchase vehicle inspection at our auto repair facilities.<sup>1</sup>

Now two years old, the loan fund has had positive results and the loan performance has been very successful. Close communication and frequent follow up to reaffirm good performance is a regular part of our staff's daily schedule and one of the key factors in the program's success. Compensation for risk is offset against the loan pool, using accrued interest for any vehicle collection expenses or chargeoffs. CalWORKS of Shasta County has notified us that they are going to more than double our loan fund in the next two months. We would also like to establish a parallel fund to serve non-CalWORKS clients in Shasta County. And there is room to do more.

"When U.S. Bank became aware of Restoration Enterprises' auto loan program, we were very impressed with how comprehensive it is and how successful it is in meeting the needs of its target audience. So

many rural residents do not have access to affordable and reliable transportation, nor do they have public transportation as an alternative form of transportation for traveling to work. The Bank made a contribution to Restoration Enterprise for operating support to assist them in expanding the program in Redding as well as other rural areas. We believe that the program could benefit the residents of many communities, as it provides not only an affordable auto loan, but other components that help the customer succeed, such as financial education, assistance in selecting a reliable auto and ongoing support." (Joyce Keane, VP & Community Development Manager)

With ever-tightening state and local budgets, low-income families with these same employment barriers will fall through the cracks in our cities and counties. We are dedicated to expanding this proven transportation template to meet that challenge and have developed an expansion plan to grow this program into other rural counties with even greater transportation barriers to employment: eastern Shasta, Tehama, Trinity, Siskiyou, Modoc, Lassen and Humboldt counties. With enough resources, expansion into larger metropolitan areas, such as Sacramento and beyond, is also quite feasible.

Creating productive tax paying citizens is smart. It enhances community safety, promotes well being and eventually creates bankable clients and homeowners. CalWORKS has made a significant investment in partnering with us to develop this program, but this is only a beginning. The investment to create a multi-bank loan pool would greatly enable us to expand our expertise in restoring lives to rebuild communities. We encourage inquiries from banks that want to learn more about our program and are interested in a simple but unique opportunity to invest in low-income families.

To inquire, contact Mike Tandy at 530/245-0500 or via email.

<sup>1</sup> Restoration Enterprises auto repair facility opened in May of 1999. The shop hires ex-drug offenders, giving them a chance to start life over. A lot of the repair work comes from CalWORKs, Dept. of Rehabilitation, Northern Valley Catholic Social Services, PIC/SMART clients and the surrounding community.

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## Biography



**Michael R. Tandy** has spent over 30 years in banking and economic development, culminating with the co-founding of Country National Bank in Redding, California, in 1982, where he served as the executive VP and senior loan administrator. During his banking career, Mike became a specialist in SBA lending, covering ten northern counties of California. He was eventually recruited as a bank VP responsible for SBA lending for the state of Nevada.

His background includes serving as general manager of a NASCAR Winston Cup racing team, which attained NASCAR's Rookie of the year. Currently, he serves as president and CEO of Restoration Enterprises, Inc., a nonprofit community organization. Mike is also an ordained minister and pastor. He is a volunteer chaplain at California's High Desert State Prison and chaplain at Shasta Speedway racetrack.