MEETING COMMUNITY NEED:
INNOVATION IN A TIME OF LIMITED RESOURCES

AUGUST 8, 2014
DEFINING THE CHALLENGE

- NSP funding
- HOME entitlement community
- Bank funding for housing counseling
- Reliable HUD housing counseling funding
- City general funds for housing counseling & down payment assistance

- Total CDBG allocation for City is aprox. $600,000 – that’s competitively awarded.
- HOME funds through Dept. of Housing used to be awarded quarterly. Now, the last RFP was issued two years ago.
ACQUIRED AN ASSET

- Sharon Manor II Limited Partnership was created in 2001 to own a 16-unit apartment complex – LIHTC property.
- BOTHANDS was managing partner & JPMorgan Chase was the equity partner.
- After 10-year benefit period, we assumed the property:
  - Reduced real cash expenses on an annual basis.
  - Renegotiated debt on property.
  - Equity in the property.
SHIFTED DEVELOPMENT FOCUS

- Organizational history of developing homes for sale to low- & moderate-income households.
- No funding available for this and no appetite to focus on homeownership.

Growing demand for affordable rentals:
  - Focus on NAU student expansion.
  - Little development for 2-3 years.
  - More households falling into poverty & less upward mobility put pressure on “affordable units”.
**SHIFTED DEVELOPMENT FOCUS**

- **What’s in it for us?**
  - As an organization we had very few assets.
  - Eaten through our “reserves”
  - Financing was a challenge; tough to qualify for loans for operating/development

- **Rental development was an opportunity:**
  - Meet community need
  - Access available grant funding
  - Develop assets for the organization
  - Build future cash flow
  - Meet our CHDO obligation to build homes
SHIFTED DEVELOPMENT FOCUS

- Some Scattered Site Acq/rehab/rental
  - CDBG funding
  - Relied on bank partnerships
  - Purchased foreclosed homes or purchased homes from prior clients.
  - Applied to be property tax exempt on all our affordable rentals

- East Street
  - Able to access HOME funds (limited)
  - Understanding seller/donor/partner w/ land willing to have contract contingent on grant funding
  - Leverage CDBG funding on the purchased
Started looking at earned-income potential
Identified our “abundance” – inkind donations for Sharon Manor
Board requirements:
  1. Start-up revenue & 2. Operating reserves
Identified and secured grant funding for start-up (AHEAD) and salaries (CDBG) in lieu of operating reserves
Opened store March 1, 2014

- Realized significant community support for Sharon’s Attic & our programs
  - 35 active volunteers
  - Over 250 donations in May/June
  - Sales revenue exceeded projection through June 30 by $20,000.00
  - Increased visibility for ALL programs
  - Employment opportunities for residents
  - Vouchers for residents to shop at Sharon’s Attic
NAME CHANGE

- BOTHANDS name is an acronym – Building Opportunity Through Housing and Neighborhood Development Services.
- Confusing for clients to find us & understand our services.
- Not connected to “housing”
- Only one “H” which impacted email and internet searches.
Launched “Housing Solutions” name May 1, 2014
Clearly identifies purpose of the organization
  • Growing pains of a name change
  • Marketing & awareness within the community
LAST THOUGHTS

- Because not a surplus of resources & because it’s “small town” where everybody knows everybody

- All of our actions/steps have been with partners
  - City of Flagstaff
  - Bank partners
  - ADOH
  - Community supporters/donors/volunteers
  - Land owners