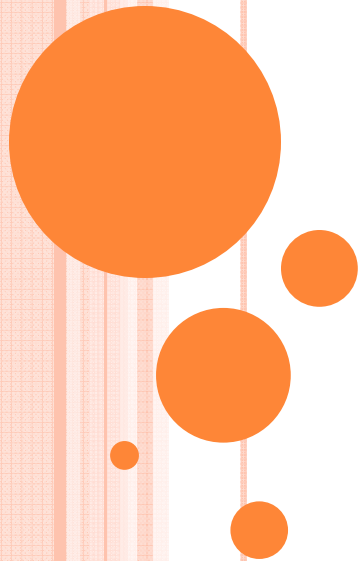




**MEETING COMMUNITY NEED:
INNOVATION IN A TIME OF LIMITED RESOURCES**



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” – in kind 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

