
Flower City Habitat for Humanity MLK Housing Fund Transition Application

Flower City Habitat for Humanity
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Introduction

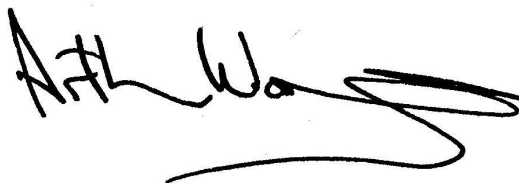
Flower City Habitat for Humanity (FCHH) is excited at the possibilities and opportunities available to our community through the Martin Luther King Jr. Housing Fund (MLK Fund) Transition. As longtime recipients of the MLK Fund through the United Way, FCHH knows first-hand the impact these funds can have on improving poverty housing and thus the quality of life for low-income families. FCHH is an experienced low-income housing developer, having built nearly 200 units, using a unique “hand-up, not hand-out” approach that gives faith, civic, school, and business groups opportunities to fundraise and volunteer building houses. Moreover, with its work based on no-profit, low-overhead, and volunteer engagement, costs are significantly lower than for-profit or large non-profit developers. Recently, Habitat has expanded its reach to include a repair program for non-Habitat homeowners.

As an organization, FCHH knows that some fundamental things have changed since the MLK Fund's creation:

- The population of the City of Rochester has declined resulting in a surplus of properties, especially in low-income neighborhoods.
- The population of low-income residents has increased in the inner suburbs. In Gates families in poverty increased from 4.3% in 2000 to 6.1% in 2008, in Greece from 3.6% to 6.3%, in Henrietta from 3.2% to 6.3% and Penfield from 2.3% to 4.4%.
- The population is aging and health resources are changing, requiring housing adaptation to ensure longer term residence. In Monroe County 104K (or 14% of the population) is 65+. In Henrietta the 65+ population increased 37% between 2000 and 2010. 81% of 60+ live in the suburbs, 75.6% own their homes, and 26.5% suffer from a disability.
- There is a surplus of rental properties in the City relative to demand.
- New tax-credit financed low-income rental developments represent inefficient use of limited funding—units can cost as much as \$300K each and because of PILOT (payment in lieu of taxes) such developments do not add value to the tax rolls.
 - Pre-development funding is typically covered through for-profit developers and large non-profit developer reserves, which are reimbursed once the development is underway. This obviates the need for loans from the MLK Fund.
- Habitat cannot meet the demand for participation in its low-income homeownership program. Its current waiting list of qualified future homeowners includes 30 families with 30 additional families on a waiting list for later consideration.

Due to these changes, FCHH will be expanding programs to address the evolving housing needs of low-income families in the Rochester Metropolitan area. Our goal is to show how the MLK Fund fits with FCHH's mission and expanded services. We will also show how FCHH's existing assets, infrastructure, community support, and staff are already primed and ready to take on the responsibility of managing a fund such as this one, allowing moneys within the fund to seamlessly transition from United Way to FCHH and be immediately put into action through a proven sustainable model.

Thank you for considering FCHH for as manager of this fund.

A handwritten signature in black ink, appearing to read "Arthur Wang", with a long, sweeping underline.

Our Mission

Flower City Habitat for Humanity is the Rochester affiliate of the non-profit, ecumenical Christian housing ministry working globally to eliminate poverty housing through the creation of decent, affordable homes in partnership with families, volunteers, and donors.

The phrase “through the creation of decent affordable homes” includes not only new construction but rehabilitation, exterior repair, and weatherization of existing housing stock. Working in partnership with low-income, disabled, elderly, and veteran families, FCHH continues to provide safe, accessible, and affordable homes for existing and first-time homeowners throughout Rochester and surrounding areas. Our goal is to eliminate substandard poverty housing in Rochester.

Governing Process

As the Rochester affiliate of Habitat for Humanity International (HFHI), we are required to remain in good standing with HFHI practices and principals, but are not financially supported by or obligated to HFHI. Daily operations are led by our CEO and President reporting to a volunteer Board of Directors comprised of 22 members of Rochester’s corporate community. The Board of Directors provides oversight on matters of finance and governance. Additional support is provided by a Leadership Council consisting of 22 additional community members providing oversight on matters of homeowner selection and support, volunteers, church relations, and high school/college clubs. Four senior staff members and 12 full-time staff (four of whom work at the ReStore) report to the CEO.

Use of Fund

In the transmittal letter to the then Community Chest, Joseph C. Wilson noted:

“There is sufficient flexibility in our thinking and in the resolution adopted by the Community Chest Executive Committee, so that these ground rules can be changed by mutual agreement and adapted to changing circumstances.” (August 2, 1968)

FCHH feels the circumstances of our City and Greater Rochester have changed sufficiently that a re-conceptualization of the MLK Fund is appropriate. By re-thinking how the funds are spent we can effectively and efficiently use the MLK Fund resources to assist Rochester Metropolitan low-income residents’ evolving housing needs and still stay true to Mr. Wilson’s philanthropic goal. We propose to invest the fund (through Tompkins Financial Advisors, our fund managers) and use the investment earnings to fund programs. Based on the assumption of a 5% drawdown from the MLK fund yielding \$125,000 an example of annual spending would be:

Partial House Sponsorship (Supervision & Materials)	\$34,000
Brush With Kindness/Repair City 10 Houses at \$3K Inner Suburb 7 Houses at \$3K (Supervision & Materials)	\$30,000 \$21,000
Refurb/Brockport Village Partnership 1 Refurb To be Matched by Local Fundraising (Supervision & Materials)	\$20,000
Community Initiative (Respite, Hospice, Group-home Build) 2 at \$10,000 Each (Supervision Only for Volunteer Work Days)	\$20,000

Use of Fund (Continued)

Purchase of land

- FCHH will purchase additional vacant lots in the City of Rochester to build 1-2 additional Habitat houses with qualified low-income families a each year.

Rehabilitation/renovation/repair of existing buildings

- FCHH will expand its programs of rehabilitation, weatherization and exterior home repair projects to create additional safe, affordable, low-income housing solutions in both the City of Rochester and Monroe County communities.
 - Based on existing experience and scope of work of 12 potential repair projects we estimate the cost of \$500 to \$7,000 per house.
- FCHH will work with surrounding communities to bring the same rehabilitation capabilities to “eye-sore” and vacant/abandoned properties in their area to provide solutions to low-income housing for existing residents. A partnership is under development with the Village of Brockport to rehab 2 specific properties in order to curtail the spread of blight, as well as providing housing for low income residents.

Collaboration with other groups on community based initiatives

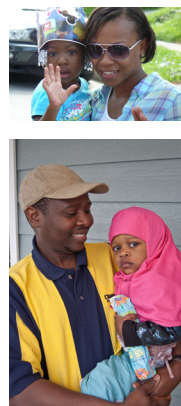
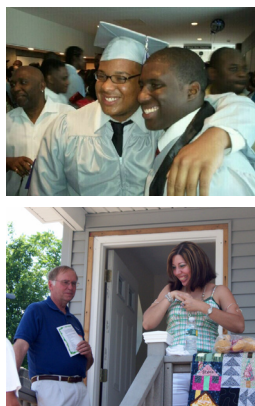
- FCHH will partner with other community organizations to develop respite, group homes, and hospices - engaging the local community in the building process. Currently, we are partnering with Heritage Christian Services to develop a group home in the town of Brighton for the disabled population. We also are in discussions with Harley School to help them build a hospice where students and families would be able to assist in building.

Construction Costs

- FCHH will use moneys to fund program construction costs, leveraging our existing local and national partnerships to get the best prices for materials, supervision, and insurance while utilizing a labor force of 4,000+ volunteers, including high school students.
- FCHH will expand construction programs to include accessibility renovations for the low-income, disabled, veterans, and elderly – allowing them to live in their existing houses longer.

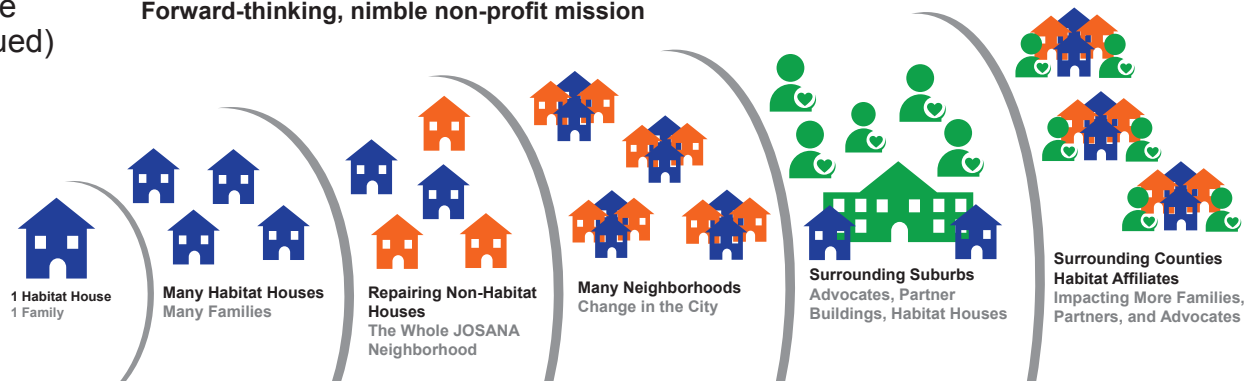
Leveraging the Fund

FCHH's mission is to eliminate poverty housing (which was the intent when establishing the MLK Fund) and mobilize volunteers/community resources. We plan to use our years of expertise to most efficiently leverage the moneys in the MLK Fund, to help the highest number of low-income people.



Leveraging the Fund (Continued)

Forward-thinking, nimble non-profit mission



FCHH will utilize existing support (strategic and financial) from HFHI, the Affordable Housing Corporation (NYS), churches, and corporations to further leverage the MLK Fund and expand the “one house, one family at a time” solution to poverty housing into programs that support neighborhood revitalization, rehabilitation of vacant/foreclosed houses, and programs that assist accessibility and safety for low-income, disabled, elderly populations.

Trained Staff

- Existing construction site supervisors are trained in managing/motivating volunteers at varying skill levels, while maintaining build quality. One supervisor has been with Habitat for 17 years and another for 14. Our construction manager (a 10 year veteran of Habitat) oversees and coordinates all aspects of construction.
- Existing finance staff are trained in qualifying homeowners, managing loans/mortgages, managing community partnerships on a financial level, and maintaining insurances needed to work in building with volunteers.
- Existing support staff coordinate volunteers, motivate constituencies, develop relationships for future community/corporate partnerships, communicate/promote activities of FCHH for exposure, and education of the next generation of Rochester philanthropists and advocates.

Volunteer Base



Leveraging the Fund (Continued)

- 4,000+ volunteers representing faith-based organizations, youth organizations, corporations, and communities whose constituents support and work to eliminate poverty housing in our community.
- 70+ skilled construction retirees who volunteer their time on a regular basis to support/train other volunteers on site, provide specialized services such as plumbing, heating, and electrical work, as well as custom cabinetry.
- Existing administrative volunteers who support paid staff in constituent data, financial processing, qualified homeowner selection, and community education on poverty housing.
- We have active high school programs (including: McQuaid, Brighton, Wheatland Chili, Aquinas, and Mercy) and college programs (e.g. U of R, RIT, Brockport, Nazareth). We are able to work with students 14 and above on construction projects (some restrictions apply to 14 and 15 year olds).

Assets and Processes



- **Relationships and partnerships:** HFHI, corporate and individual supporters, faith community, the City of Rochester, Rochester and Monroe County Rotary Clubs, area high schools and colleges, Charles Settlement House, not including dozens of non-profit organizations providing complimentary services for our homeowners.
- **Construction assets:** Over 27 years building and rehabilitating nearly 200 homes making FCHH the 3rd largest residential home builder in Monroe County.
- **Volunteer/training process:** Full-time outside constituent manager and online volunteer scheduling capabilities to coordinate and support 4,000+ volunteers a year.

Community Partnerships



Leveraging the Fund (Continued)

- Existing positive partnership with the City of Rochester and other surrounding communities to gain access to land, buildings, and funds that can be used for administrative costs.
- Existing positive partnerships with other non-profits who serve additional needs of low-income, handicapped, disabled, or veteran constituents.
- Existing network of Habitat affiliate partnerships that can extend FCHH reach into the surrounding 5 counties of Rochester.

Acknowledgement of the Wilson Family

There is much opportunity for community exposure, publicity of the MLK Fund, and acknowledgement of the Wilson family. Should FCHH be granted management of MLK fund we would like to explore the possibilities of renaming to the Wilson Martin Luther King Jr. Fund. Our hope is to also explore possible involvement of the Wilson family in the promotions at the level, timing, and frequency they feel appropriate.

Decision-making in Development Selection

FCHH does not support projects that are one-time fixes to a growing problem of poverty housing. We work with communities to empower them to support themselves by creating sustainable programs which eliminate poverty housing.

Criteria considered: Financial need of prospective homeowner or community applying to the program; homeowner's ability to pay a 30-year zero-interest mortgage; homeowner's debt/credit report; homeowner's willingness to provide 450 hours of sweat-equity* (new builds and refurbished); town/community leadership investment in long-term change; town/community resident's willingness to provide volunteer labor.

FCHH does not give away housing. We give people a "hand-up not a hand out" and provide support to projects that will be self-sustaining.

**In the case of the elderly and disabled a modified version of sweat-equity is agreed upon.*

Fund Administration

FCHH has 27 years of fund administration experience. Increased moneys from the MLK Fund into our existing funds will allow us to expand services and the number of families we serve, but not necessitate a change in how we administer the funds. FCHH is currently working with HFHI (through its Capacity Building program) to develop an additional staff position to manage expanded services in neighborhood revitalization.

Resources & Staffing Costs

FCHH has support from existing grants and partnerships to cover current and additional support staff costs. We also leverage our extensive base of skilled volunteers to make sure our staff overhead is lean, successful, and efficient.

FCHH has sources **outside** of the MLK Fund that will be used for administration. No MLK Funds will be used for administration.