

Annual Report
1996-'97
HOMES FIRST!



PROVIDING Affordable
HOUSING
In Our COMMUNITY

MESSAGE From THE PRESIDENT

The majority of Thurston County residents retire each night into a house, whether small or large, that they are confident will be there tomorrow and all the nights after that. There are some, however, who aren't so fortunate. Thousands of people are only one precarious rent payment away from being homeless. These people struggle, often paying 50% to 80% of their incomes for rent. The generally accepted definitions of affordability of housing is 30% of income for housing—rent and utilities.

Every year in Thurston County the price of housing increases by considerably more than the wages of entry level and nonprofessional jobs. The result of this trend is a serious shortage of affordable housing for low-income households. The Housing Authority of Thurston County has a waiting list of over 1000 low-income households who qualify for rental assistance. The average wait to receive assistance is three years.

Homes First! plays a small but important role in addressing this growing crisis of affordable housing. Since being formed in 1990, we have acquired houses scattered throughout the Olympia/Lacey/Thurston County area, renovated them to be safe, pleasant and energy efficient, and rented them to qualifying households at 66% to 75% of market rental rates. Qualifying households are those that make 50% or less of the median income for their household size in our county, regardless of whether they're married or single, parents or childless.

Homes First! is an extremely efficient nonprofit organization. We own and manage 21 housing units, are continually working to locate, negotiate and seek funds for additional units, and at the same time we continue to develop partnerships with local governments, concerned citizens, businesses and other nonprofit organizations—all with only two part-time staff people and many active and committed volunteers. As the following article by our treasurer points out, we have reached a size and workload that requires additional administrative support.

We hope that you will join us in celebrating our accomplishments to date and consider adding or continuing your financial, moral and volunteer support as we continue to build upon our experience and develop new and innovative projects such as those highlighted in the following section of this report.

1996 in REVIEW

In 1996 Homes First! moved forward with one project and began another. Our Mollie B. Oxford House, purchased in 1995, received a loan from the Washington State Department of Community Trade and Economic Development (DCTED). The funds were for repairs to this large old Victorian home that provides housing for women in recovery from drug and alcohol dependency. In the fall of 1996 a new roof was installed to replace the chronically leaking one, just in time to fend off winter rains. Also in '96 we assessed the house in detail and began planning for 1997's extensive renovations. We are particularly proud of this project which involves a partnership with the Oxford House Inc. nonprofit, an organization that has received national attention for its self-help method of recovery. Oxford House Inc. teaches democratic participation and self sufficiency skills as well as sobriety and has a stellar (80 percent) success rate for ongoing sobriety for its residents and graduates.



TESC Student Orientation Volunteer Work Party

In 1996 we also began a very ambitious project, our Lacey Affordable Housing Project. Phase One of the project is to provide housing for six households referred by the Safeplace domestic violence shelter. Homes First!'s project committee in collaboration with Safeplace, spent many hours creating the vision for this project and then pursuing the funds to make it a reality. The committee's time and effort was rewarded with successful funding applications to the Federal Homes Loan Bank (sponsored for us by Olympia Federal Savings) and DCTED that allowed us to purchase six units in need of renovation in Lacey.

1997ⁱⁿ REVIEW

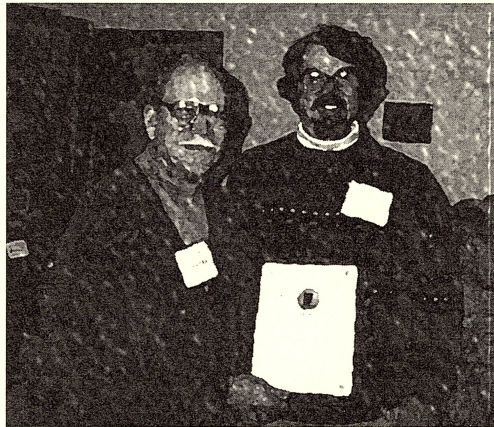
VOLUNTEER HIGHLIGHTS

In 1997 Homes First! sought and received funding for Phase Two of our Lacey Affordable Housing Project and completed the bulk of renovations to our Oxford House and six Safeplace rental units. Having two major renovation projects running concurrently in the same year kept our staff and volunteers busy. The Oxford House, a 1905 Victorian in need of serious TLC, received new plumbing, paint, windows, furnace, insulation, etc. The house now provides shared, self managed housing for up to ten individuals in recovery from drug and alcohol dependency.

Our Safeplace rental units also received a major face lift. These modest apartments were substandard when we bought them and by year's end they became sound, safe and ready for occupancy. Our Safeplace housing will include a resident's council where tenants will participate in policy setting and enforcement of the rules of residency. Tenants will also participate in the upkeep and beautification of the grounds. Homes First! worked with Safeplace and a consultant with experience in resident councils to create the screening process and resident council model for this site. Once all units are occupied, residents will receive free workshops on diversity, effective meetings, building community and conflict resolution.

Last but not least, in 1997 Homes First! received the last of the funds it needs to move forward with Phase Two of our Lacey Affordable Housing Project. We applied for and received a low interest loan from The Department for Community, Trade and Economic Development that will enable us to move forward with purchase and renovation of three houses that will serve ten adults with developmental disabilities. Among other renovations, the houses will be made more wheelchair accessible. Homes First! is working with the developmental disabilities service providers South Sound Options Unlimited and Wright Enterprises on this project.

Homes First!'s tenants are typically responsible for the upkeep and beautification of their yards. In some cases however, such as when a tenant has a disability that limits their ability to maintain their yard, or in the event of a major maintenance or upgrade project, Homes First! convenes a "work-party" of volunteers to undertake the task. These work-parties often include a mix of board members, staff and community volunteers.



Treasurer Rene Herrera and President Russ Fox

In the tradition of "many hands make light work" we always accomplish more than we thought possible, and rain or shine, we have a lot of fun.

Though there were too many volunteer projects in 1996 and '97 to be able to mention them all, some examples include the enthusiastic and hard working United Way Day of Caring landscaping work-parties at our triplex and developmental disabilities houses

in 1996, a very successful painting work-party with the Evergreen State College women's soccer team in 1997, and the industrious weeders from St. Michael Church who met after the event to discuss the value of social activism in everyday life.

In both 1996 and 1997 we hosted new student orientation week work parties with Evergreen State College students who took brushes and soap to the vinyl siding at one property and did weeding and landscape planting at several others. After the famous ice storm, a volunteer work crew of Homes First! board members, friends and staff sawed up and hauled away a 20 foot tall, 40 foot long old growth laurel "hedge" that had fallen into the road.

Additional highlights include the fantastic job the Olympia Federal Savings volunteers did in helping to staff our 1996 and 1997 barbecue picnics, and the ongoing help with committee work and accounting that several community members have diligently contributed to Homes First! over the years. To all of our wonderful volunteers, thanks from the bottom of our hearts for your kindness, hard work and support.

WHY DO *We Need* YOUR SUPPORT?

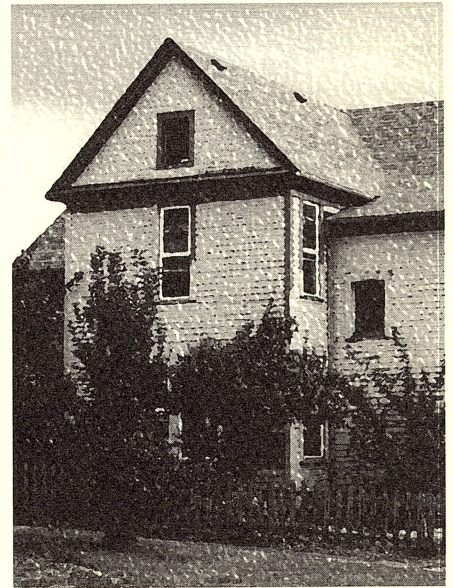
When Homes First! buys and renovates a house it is done with loans from private, federal, state and city funds, usually with the benefit of low interest rates of between zero and five percent. Still, as with any loan, we need to be able to repay these debts out of our yearly income.

Because our goal is to provide affordable housing to families with low and very low incomes, we set our rents to cover only the minimum necessary expenses of the properties: loan repayment, property taxes, utilities, insurance and reserves for maintenance and repairs. Sometimes, when extraordinary repairs occur, our reserves are insufficient and the cash flow from the rental income cannot cover the expenses. Here we must rely upon donations from our community supporters.

Then comes "administration!" Yes, our non-paid Board of Directors and local volunteers contributed more than 2200 hours in 1996 and 1997. We also had an average staffing level of only .81 full time equivalent (less than one full time paid staff!) over the 1996/97 years. But operating a business that has 21 rental units, new projects to develop, properties to purchase and rehabilitate, public relations, committees and government reports to keep up with, etc. is a lot of work for this small crew. We expect our staffing expenses to increase as we take on new projects while maintaining our existing rental properties in 1998. Our office space, telephone, postage, supplies and printing are kept to a minimum, so we make good use of every dollar we receive.

For these reasons we need the continuous support of local churches, banks, businesses and individuals.

Every dollar we spend in administration is really spent in the necessary support of our goal: providing affordable housing to low and very low income families. Each dollar donated to Homes First! contributes to maintain that affordable rent for a family that cannot afford the high market prices of rentals in Thurston County. This is why we are active in fund-raising projects such as the Washington State Employees Combined Fund Drive, our annual "BBQ in the Park", the sale of Entertainment Books, and our requests for your tax-deductible charitable contributions.



Homes First! staff, board and volunteers clean up after the ice storm

HOMES FIRST! Financial Statement

1996 - 1997

	Balance Sheet	1996	1997
ASSETS			
Cash and Cash Equivalents		\$ 45,351	\$ 47,636
Approved Loans and Grants Receivable		128,915	74,762
Homes - Net Depreciated		1,414,228	1,603,690
Equipment and Furniture		1,891	5,525
		\$ 1,590,385	\$ 1,731,613
LIABILITIES			
Current Liabilities		\$ 15,767	\$ 14,236
Long Term Liabilities		1,551,940	1,698,130
		\$ 1,567,707	\$ 1,712,366
NET ASSETS			
Temporarily Restricted		\$ 5,000	\$ 0
Unrestricted		17,678	19,247
		\$ 22,678	\$ 19,247
		\$ 1,590,385	\$ 1,731,613
Statement of Activities			
		1996	1997
INCOME			
Rent Collected		\$ 81,558	\$ 97,123
Donations		14,524	38,839
Grants		3,030	10,362
Contributed Services		19,663	5,566
Insurance Claim		0	2,800
Interest Earned		1,078	1,396
Other		911	0
		\$ 120,764	\$ 156,086
EXPENSES			
<i>Program Services</i>			
Property Management		\$ 34,873	\$ 31,895
Repairs and Maintenance		30,709	16,121
Property Taxes, Utilities and Insurance		27,957	37,734
Interest on Loans		13,516	15,282
Depreciation		22,233	29,660
Miscellaneous		841	2,850
		\$ 130,129	\$ 133,542
<i>Supporting Services</i>			
General Management		\$ 5,314	\$ 17,542
Office Support		3,040	4,018
Audit		0	4,415
		\$ 8,354	\$ 25,975
		\$ (17,719)	\$ (3,431)

THANKS To Our SUPPORTERS

HOMES FIRST!

BOARD OF DIRECTORS 1996

President: Russell Fox
Vice-President: Billie Heath
Secretary: Ed Stanley
Treasurer: Rene J. Herrera
Bill Crabtree
Don Foran
Jan Hanson
Maureen Hill
Julia Mertina-Letinich
Michelle Morlan
Rick Stence
Randy Shaw

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Vice-President: Michelle Morlan
Secretary: Billie Heath
Treasurer: Rene J. Herrera
Karen Bert
Bill Crabtree
Larry Eickstaedt
Don Foran
Jan Hanson
Maureen Hill
Randy Shaw
Ed Stanley

CHURCHES AND ORGANIZATIONS:

St. Michael Catholic Church
Good Shepherd Lutheran Church
Gloria Dei Lutheran Church
Stormans Inc. (Bayview and Ralph's Thriftways)
L.J. William's MegaFood
Washington State Employees
Combined Fund Drive
United Way Day of Caring
Evergreen State College - Volunteers
Olympia Federal Savings - Volunteers
Prime Locations
Olympia Rental Association
Housing Authority of Thurston County
Entertainment Publications
The Sherwood Press
Clees Miles CPA Group
City of Olympia
S.P.E.E.C.H.
Common Ground

BANKS:

Anchor Savings Bank
Centennial Bank
Continental Savings Bank
Heritage Bank
Olympia Federal Savings
Washington Mutual Foundation

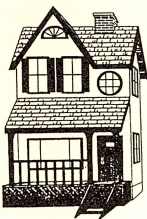
SPECIAL GRANTS:

Washington Community Development
Loan Fund
The Fleetwood Limited Partnership
The Community Foundation
Olympia Federal Savings
Washington State Dept. of Community,
Trade and Economic Development

INDIVIDUALS:

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Barbara Blulaugh
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Gema and Roberto Casanas
Craig Chance
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