



# REALTOR® ASSOCIATION

## Funding Request Form

Date: May 9, 2006

### Funds Requested By:

Applicant/REALTOR® Association: Dave Stefanides/Orange County Association of REALTORS

Address: 25552 La Paz Road

City/Zip: Laguna Hills, CA 92653

Telephone: 949-268-0416

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Name of Executive Officer: Linda Lang

Email Address: linda@ocar.org

Contact Person (if different): Dave Stefanides

Email Address: dave@ocar.org

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### Purpose of Funding:

To support construction of Habitat for Humanity of Orange County's 27-home development in San Juan Capistrano, CA.

Recipient of Check: Habitat for Humanity of Orange County (name of organization)

Treasurer/Financial Officer: Lýnda Hill, Controller

Address (Street/P.O. Box): 2200 S. Ritchey

Santa Ana, CA 92705

Federal Tax ID #: 33-0311059

Brief Program Description:

Construction of 27 homes in San Juan Capistrano to be purchased by low-income families

Amount Requested: \$ 50,000

Authorized By (to be completed by HAF): \_\_\_\_\_

**IMPORTANT: REALTOR® Associations must attach a copy of Association minutes which authorized this request for funds.**

To avoid delays in processing requests, please be sure the above information is complete and accurate. INCOMPLETE FORMS WILL BE RETURNED FOR FURTHER INFORMATION. Requests for funds will be received on an ongoing basis throughout the year. The review process will typically take 30 to 45 days from the date on which a request is received. The review process may be delayed if additional information or clarifications are required.

**E-Mail completed form to:** [monicar@car.org](mailto:monicar@car.org)

**For more information call:** (213) 739-8380

**Program Description:** *Please attach additional material as necessary.*

1. Please describe, completely and concisely, the purpose of the program:

Responses to questions #1-7 are attached.

2. Please describe the history/evolution of the program:

3. What are the benefits and who are the beneficiaries of the program?

4. What is the significance of the program to REALTORS®? How will this program affect housing affordability in your community?

5. Who has overall responsibility for the program and, if different, who has day-to-day responsibility? How are these persons selected, and what are their qualifications?

6. What are appropriate measures of success of the program?

7. Do other programs provide the same or similar service? How does this program differ?

**HOUSING AFFORDABILITY FUND  
PROGRAM DESCRIPTION  
Habitat for Humanity of Orange County**

**1. Please describe, completely and concisely, the purpose of the program.**

The purpose of the Habitat for Humanity of Orange County (HfHOC) San Juan Capistrano Development is to further Habitat's mission to *end poverty housing throughout Orange County by building simple, decent, affordable homes for hard-working, low-income families*. The San Juan Capistrano Development will consist of 27 homes built in cooperation with the Redevelopment Agency of the City of San Juan Capistrano on a 2.7 acre site owned by the Agency at the eastern terminus of Calle Rolando. Fourteen two-story structures will be constructed consisting of 13 paired homes and one single home. The homes will include two, three, and four bedroom designs with between 957 and 1,391 square feet each. Each home will have a two-car attached garage and on-site guest parking. The homes will be of wood framed construction with stucco exteriors and concrete tile roofs. A Homeowners' Association will be established for maintenance of the common area and building exteriors. The common area will include a 5,500 square foot park area with passive recreational amenities such as park benches for community gatherings.

The homes will be target marketed, in part, to disabled military veterans and/or surviving veterans' families. This is a pilot program for HfHOC and is intended to provide affordable housing for an underserved Orange County demographic. It is envisioned that this emerging pilot program will become a model for other Habitat affiliates across the country.

**2. Please describe the history/evolution of the program.**

HfHOC is an affiliate of Habitat for Humanity International and was incorporated as a 501(c)(3) organization in 1988. Since that time, Habitat has built 112 homes in Orange County, helping 540 adults and children move from substandard housing to an affordable home in a safe neighborhood. Seven homes in Cypress and one home in Huntington Beach are currently under construction. When completed in the next few months, these eight homes will provide permanent homes for forty-two adults and children. This year Habitat will embark on its most ambitious building schedule to date including two homes in Placentia, four in Anaheim, seven in Buena Park, and nine in Fullerton. The twenty-seven home development in San Juan Capistrano is expected to begin construction in the third quarter of 2007.

Each month, the Family Selection Committee reviews hundreds of requests from low-income families. Program families must have a steady source of income, earn less than up to 80% of the county's median income, demonstrate financial responsibility, and have a good credit history. Though the home has a no-interest loan, the family makes a down payment of 1% of the home price and approximately \$1,000 in closing costs. Habitat homeowners must also be legal residents of the United States and be willing to contribute 500 hours of "sweat equity" in building their own or other Habitat homes or other work that furthers the mission of Habitat for Humanity.

**3. What are the benefits and who are the beneficiaries of the program?**

As the median home price escalated to \$617,000 in Orange County, only 11 percent of the county's residents can afford to purchase a home. Rental rates continue to rise and are forecast to increase by 5.6% in 2006 to an average rent of \$1,446 per month. Wages have not kept pace with

these costs, especially for minimum wage workers who find it increasingly difficult to provide the basic necessities for their family. Habitat for Humanity addresses this need by building simple, decent, affordable homes using volunteer labor and tax deductible gifts of money and materials. The direct beneficiaries of the San Juan Capistrano development will be 27 low-income families who have met the rigorous qualification requirements and have been chosen by the Family Selection committee as having significant housing needs that cannot be met through traditional means. Habitat program families enjoy the following benefits:

- Improved economic stability—program families pay a reasonable, fixed mortgage at or below 30% of their household income, helping them to afford clothing and shoes, utilities, transportation, medical and dental care, nutritious food, and other basic necessities.
- Program families are removed from poverty housing, increasing the likelihood that their children will succeed academically, economically, and socially.
- Having their housing needs secured, Habitat homeowner parents can focus on helping their children attend college or returning to school themselves to improve job skills for better pay.
- Habitat for Humanity's home ownership program offers hope and the means for low-income families to break the cycle of poverty and become financially self-reliant.
- Program families have the opportunity to become first-time homeowners and contributors to local economic growth and community development.
- Educational opportunities through mandatory and elective seminars increase program families' chances of successful home ownership.

**4. What is the significance of the program to REALTORS®? How will this program affect housing affordability in your community?**

Habitat for Humanity's developments throughout Orange County directly reflect the stated mission of REALTORS®: *to play an active role in addressing the ongoing housing affordability crisis . . . by promoting home ownership.* The San Juan Capistrano Development will provide additional affordable housing options for 27 families with a special emphasis on the housing needs of military families.

**5. Who has overall responsibility for the program and, if different, who has day-to-day responsibility? How are these persons selected, and what are their qualifications?**

Organization responsibility is held by the following key management personnel:

- **Sharon Ellis, Executive Director:** Sharon has been Habitat's Executive Director since November 2005. She was previously an administrator in the Newport-Mesa Unified School District and a former middle school and high school principal. She has a Masters Degree in educational administration.
- **Mark Korando, Vice President of Site Development:** Mark's duties include negotiations for land acquisition, acting as project manager on all developments, and coordinating all legal matters, design professionals, and subcontractors. He has been involved with Habitat for Humanity of Orange County since 1995. Mark is a member of the International Conference of Building Officials and is a Certified Building Inspector.
- **Heather McKenzie-Densmore, CFRE, Vice President of Development:** Heather is a Certified Fund Raising Executive (CFRE) with fifteen years experience working with nonprofits in Orange County. Her previous experience includes positions at the Boys & Girls Club of Santa Ana, Discovery Science Center in Santa Ana, and Goodwill Industries of Orange County. Heather is a past president of the Association of Fundraising Professionals. She has a BS in Business Administration from the University of Phoenix.

- **Lynda Hill, Controller:** Lynda has been the Controller of Habitat for Humanity of Orange County for 12 years and is responsible for all accounting and financial transactions of the organization. She has a B.S. in Management from California State University, Fullerton.
- **Nancy Cast, Volunteer Director:** Nancy has been part of the Habitat staff for nine months and has fifteen year's experience in working with volunteers. She was previously the Director of Volunteer Services at Discovery Science Center in Santa Ana.

On-site construction supervision is provided by:

- **Nick Schreiber, Director of Construction:** Nick joined the Orange County affiliate earlier this year and is responsible for supervising each aspect of the construction process at all sites. Nick has had extensive experience in the construction business, from supervising three framing crews at the age of 15 to his recent positions as a project manager and general manager for for-profit homebuilders for the past eight years.

**Alan Weyrick, Site Superintendent, and Loretta Drummond, Assistant Site Superintendent,** also provide on-site construction expertise and supervision.

#### **6. What are the appropriate measures of success of the program?**

During construction, progress is evaluated each week as stacks of lumber, drywall, roofing, and other building materials are transformed by hundreds of volunteers and program families into beautiful, well-constructed homes. Monthly construction progress reports are submitted to the Board of Directors and frequently updated on the HfHOC web page ([www.habitatoc.org](http://www.habitatoc.org)). The names of volunteers and the number of hours donated are recorded each week. "Sweat equity" hours and attendance at mandatory classes are tracked for each program family to ensure compliance with Habitat's requirements. The most exciting measure of success is the dedication ceremony when program families proudly accept the keys to their new home, signaling the family's removal from substandard, poverty housing with its demoralizing effects on children and families to an attractive, well-constructed, affordable, safe home. The home dedication is a celebration that reflects 500 hours of "sweat equity" from each Program Family, hundreds of hours of labor from volunteers, thousands of dollars from donors, and the hard work of the HfHOC staff

The success of HfHOC developments is measured by achieving the following outcomes:

- Remove families from poverty housing and its detrimental effects on children
- Improve financial stability for program families
- Contribute to the county's efforts to provide affordable housing for low-income households
- Improve property value in the neighborhood where attractive Habitat homes are located
- Provide educational opportunities that contribute to families' success as homeowners
- Offer meaningful opportunities for volunteer involvement

#### **7. Do other programs provide the same or similar service? How does this program differ?**

*HfHOC is unique in that it is the only non-profit in Orange County that provides home ownership for families who earn 80% or less of the county's median income. Other affordable housing pursuits provide rental assistance, but do not provide decent, permanent shelter with an affordable mortgage that is no more than 30% of the family's income. This strategy allows low-income families to break the cycle of poverty and become economically self-sufficient.*

All Habitat homes are built using volunteer labor and tax deductible donations of money and materials and then sold at significantly below market value to very low-income families with a long-term, no-profit, no-interest mortgage. Program families are required to complete 500 hours of "sweat equity" in building their own or other Habitat homes or other work that furthers the mission of Habitat for Humanity.

Monies received from the no-interest mortgages are "recycled" into the Fund for Humanity to build additional homes. In this way, every home we build helps to build our capacity. These funds are also used to create a buy-back reserve to ensure that Habitat homes remain affordable. By buying back homes and selling them to new program families, additional families can end the cycle of poverty, protecting the community's investment and making progress toward our mission of ending poverty housing in Orange County.

8. Will part or all of H.A.F.'s committed funds be recoverable? Yes  No

If yes, please explain and provide estimate of recoverable funds.

9. Has your association made a contribution to H.A.F.? Yes  No

If yes, what was the amount of the contribution.

### Program Budget

1. What is the budget for this program? \$8,770,057

If program has an indefinite term, what is the annual budget? n/a

2. What percentage of the total program budget would be comprised of the C.A.R.H.A.F. funds requested?

Our request of \$50,000 is .005% of the project budget.

3. Has the program received C.A.R.H.A.F. funds in the past? Please provide year(s) and amount(s):

No previous funding has been received by Habitat for Humanity of Orange County.

4. How will C.A.R.H.A.F. funds be used among the following categories?

Category	Amount	Percentage
Admin/Overhead	<u>                    </u>	<u>                    </u>
Direct Services	<u>\$50,000</u>	<u>100%</u>
Fundraising	<u>                    </u>	<u>                    </u>
TOTAL	<u>                    </u>	<u>                    </u>

## Fundraising Strategy:

1. Please indicate specific sources/groups and amounts of revenue already raised for this program.

### Sources/Groups

### Amounts

None at this time

2. What sources/groups are targeted for additional funds and at what amounts?

### Sources/Groups

### Amounts

Edison International

\$500,000

Habitat is in conversation with several potential funders including Dana Capital Group, Ditech, Saddleback Church, and the Veterans Administration. Formal grant requests have not been submitted at this time.

3. What fundraising techniques will be employed?

Fundraising techniques will include grant requests to foundations, face-to-face donor solicitation, proposals to businesses and corporations, and requests for support from communities of faith.

4. What role will consultants play in fundraising?

To be determined

(A) Will a percentage of the funds raised accrue to such firms? Yes  No

If yes, what percentage? \_\_\_\_%



5. What is your timeframe for fundraising and what is the timeframe for the program?

Fundraising timetable: May 2006 - April 2007

Construction timetable: 3rd quarter 2007 - 4th quarter 2009

6. Have you successfully raised funds in the past for similar programs? Please explain:

Yes. Since 1988, Habitat for Humanity of Orange County has consistently raised funds for the construction of 120 Orange County homes. Developments are often being built concurrently.

*I promise to send a follow-up report to the C.A.R.H.A.F. Committee within 30 days after the contribution.*

Signature: \_\_\_\_\_, Association President

Signature: \_\_\_\_\_, Association Executive

#### **C.A.R.H.A.F. Expenditure Guidelines**

The following guidelines indicate the many ways in which C.A.R.H.A.F. funds may be used to advance the housing affordability interests of REALTORS® and REALTOR® organizations.

C.A.R.H.A.F. funds **CANNOT** be used for activities that directly or indirectly support or oppose a candidate for public office.

C.A.R.H.A.F. funds **SHALL NOT** be used to support or oppose the following: 1.) Ballot Measure Campaigns; 2.) REALTOR® Issue Mobilization Campaigns; 3.) Dues and Contributions to Coalitions; 4.) Receptions/Events/Conferences; 5.) Professional or Volunteer Advocacy; 6.) Advocacy and Policy Education; and/or 7.) Policy Research and Consulting Services. These functions are supported by IMPAC funds.

C.A.R.H.A.F. funds must be used for charitable purposes that supports C.A.R.H.A.F.'s mission to play an active role in addressing the ongoing housing affordability crisis facing our state by promoting homeownership and addressing housing affordability issues statewide. The term charitable is used in its generally accepted legal sense and includes, but is not limited to, relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erection or maintenance of public buildings, monuments, or works; lessening the burdens of government; lessening of neighborhood tensions; elimination of prejudice and discrimination; defense of human and civil rights secured by law; and combating community deterioration and juvenile delinquency.

For specific information on C.A.R.H.A.F. guidelines and procedures, contact C.A.R.H.A.F. staff: Monica Rodriguez (213) 739-8380 or email at: monicar@car.org.

#### **C.A.R.H.A.F. Guiding Principles**

The Committee agreed to base its decisions upon the following guiding principles:

- In general, all programs should require matching funds to leverage C.A.R.H.A.F. funds. This includes grants to local associations. For example, a local association could request funds from C.A.R.H.A.F. for a project, but it should be able to obtain matching funds from other entities such as lenders, government, non-profits or other housing advocates.
- Where possible, funds should be recoverable.
- A REALTOR®'s services should be encouraged in all home purchase transactions. This will require that REALTORS® become familiar with both the C.A.R.H.A.F. and the programs offered by C.A.R.H.A.F. partners.

#### **Self-Help Project Guidelines:**

At no time will HAF commit more than 50% of the remaining 25% total annual disbursement to Self Help projects (including Habitat for Humanity). Request for funds will not exceed the LESSER of: A) \$50,000, or B) 10% of total existing funds. However, if a Regional approach with a majority of associations develops a large Habitat program, HAF may grant funds up to 10% of total existing funds. In addition, HAF may consider granting a larger sum with consent of the Board of Directors.