

SHIELD

SAFE Housing and Economic Development, Inc.



Changing people's lives through housing opportunities

A message from SHED's executive director ...

When we worked three years to develop a transitional housing facility for domestic violence victims and homeless women and their children, we never dreamed we would be getting in the housing business. But that is exactly what happened! Three months after the SAFE Transitional Housing facility was completed, we were approached by Rural Local Initiative Support Corporation Program Manager Jeff Mosley to begin to work on permanent housing for the residents. After working three years in the development and construction of the SAFE Transitional Housing facility, my first words were: "Why would we want to do permanent housing?" The answer is simple – because safe, decent and affordable housing is needed in southern West Virginia, and there were no private developers to take on the task.

One year later, SAFE had one million dollars for home ownership opportunities. At that point the Board of Directors had to make a decision as to whether to open this program to all residents or limit to the residents of the transitional housing facility. After considering that 50% of the housing in McDowell County was classified as substandard and 75% is over 50 years old, the Board of Directors made the decision to make the expansion. SAFE Housing and Economic Development, Inc. (SHED) was created in 2002.

In the past seven years SHED has become the leading housing developer in McDowell County with the completion of 36 loans to first-time, low-income homebuyers, and SHED served as loan originator on three secondary market loans for West Virginia Housing Development Fund.

We learned that not everyone can be a homeowner, although that is the ultimate goal, to reach the American dream of homeownership. Probably the second most important decision that we made was to develop rental housing. SHED has now developed, owns and manages 86 units of rental housing. SHED has become known as for having the best rental housing in the area due to the management of the units.

Finally, we must mention the home repair program grew out of the fact that 80% of McDowell County owns their home. What that statistic does not tell you is the condition of the home that they own. SHED had to look for ways to make necessary repairs to make these homes more safe and livable for the current homeowner. SHED has provided repairs to over 75 homes with a number of funding sources through grants and low interest loans.

What a ride --- to go from a staff of two in a downtown Welch storefront to helping so many families with their housing needs! None of this could have happened without the generous funders, committed Board of Directors and hard working staff. Thank you to all of the partners for the creation and growth of SHED.




Sharon A. Walden
Executive Director

A photograph of an elderly man in a light blue shirt and khaki pants walking a small, scruffy dog on a leash along a paved sidewalk. In the background, there are parked cars and trees.

Building community


SAFE's housing program began with the development of transitional housing for victims of domestic violence and homeless women and their children. A former school building donated to SAFE was transformed into 31 living units, each containing a bathroom; two child care centers; a full-sized gymnasium; a thrift store; a learning center; conference room; laundry rooms; office space and dining areas. After raising more than \$2 million for the renovations, the facility opened in January 1997.

A close-up photograph of a woman with blonde hair, wearing a bright red sweater with small decorative buttons, smiling warmly at the camera.

SAFE and our newer non-profit, SHED, continue to look for opportunities for further housing development in McDowell County where the housing statistics before two floods noted that 50% of the housing was classified as substandard and 75% of housing was over 50 years old. SHED is rising to the need and working toward "changing people's lives through housing opportunities". We hope the faces in this report confirm that we are accomplishing this goal.

A photograph of a person wearing a white head covering and a brown shirt, leaning against a wooden balcony railing. The background shows a building with a white railing.

changing lives



In March 1997 with help from Local Initiative Support Corporation (LISC), SAFE began to develop a program to help low-income families become first time homeowners. By leveraging HUD funds (HOME/CHDO) from The West Virginia Housing Development Fund; Rural Development funds through the U.S. Department of Agriculture; SHOP funds from the Housing Assistance Council; and AHP funds from the Federal Home Loan Bank of Pittsburgh through the Pioneer Community Bank as the local member, more than \$1.5 million in housing loans have been made to 35 families.

Helping families become homeowners

Creating community at Starland Heights

In May 2000 – before it became an independent non-profit – SAFE began the development of 40 townhouses with a community center that includes a computer lab, child care, laundry facilities, kitchen, office space and a meeting area. The project was accelerated after devastating floods struck the area in July 2001 and May 2002. SAFE formed a construction company to build 16 of the 40 units as well as the 2000 square foot community center. The company hired ten local people, who, in addition to having jobs for two years, learned the expertise of building townhouses. The units were completed with CHDO/HOME funds from HUD through the West Virginia Housing Development Fund; Section 515 and Community Facility funds from USDA-RD; and Affordable Housing Program (AHP) from the Federal Home Loan Bank of Pittsburgh through the local Pioneer Community Bank. The project was completed in October 2002. All units were rented with Section 8 and Section 515 subsidies by February 2003.



Serving the needs of the elderly and the disabled

During completion of the homeownership and rental projects, SAFE saw the need to form another non-profit called SAFE Housing and Economic Development, Inc. (SHED), which was incorporated in November 2002.

SHED took over ownership and management of the Elizabeth Drewry Apartments located at Eckman in May 2003. The apartments are named for the first African-American woman who served in the West Virginia Legislature. The 15 apartments were built with funding from US Department of Agriculture-Rural Development to serve the elderly and disabled through Section 515 subsidies. The apartments have been completely rehabilitated and the development contains laundry facilities and a meeting room.





Partnering with the Mennonites

After reviewing the statistics for McDowell County housing it was evident that there was a desperate need for funds to make the existing housing safe and decent for the residents.

SHED applied for and received Housing Preservation grant funds through the USDA-Rural Development to rehabilitate homes.

Major flooding in McDowell County in 2001 and 2002 made the housing situation more desperate. More than 200 homes were destroyed and more than 2,000 damaged.

The Mennonite Disaster Service (MDS) came into the county in the aftermath of the floods. SHED formed a relationship with MDS and actually purchased a 14 room former coal baron's mansion in Elkhorn where the volunteers lived when they came to work in the county.

After the disaster designation was lifted for McDowell County and MDS had to move to the next disaster, SHED formed a partnership with the Mennonite Central Committee. For the first time in the State of West Virginia, MCC had a presence located in the Elkhorn house owned by SHED. MCC provides the labor match for the Housing Preservation Grant (HPG). Not only does MCC oversee the program and volunteers that come to work on houses but they also become a part of the community.

Housing for the elderly

In 2005 SHED took over management of "The Oaks" apartments in Gary, above. which offer housing to the low income elderly residents of McDowell County under the HUD Section 202 program. The Oaks consists of 15 units, on-site laundry facilities, a community room and a resident manager.

McDowell County Statistics

- ▶ Once ranked as one of the 5 poorest counties in the US
- ▶ Loss of 33% of Population since 1980
- ▶ Double digit unemployment since mid 1980's
- ▶ Over 50% of children living in poverty
- ▶ Approximately 75% of houses are more than 50 years old
- ▶ Nearly 50% are classified as in poor or substandard conditions
- ▶ Median income was \$10,090 in 2006
- ▶ 40% of the population is elderly
- ▶ Largest minority population in West Virginia with 10.6% in 2006



Rehabilitating homes

SHED moved into the new area of rehabilitation for McDowell County homeowners through funding from Housing Preservation Grant funds from USDA-Rural Development. After reviewing the statistics that 80% of families own their home in McDowell County it was evident that there was a desperate need for funds to make the existing housing safe and decent for the residents.



Restoring history

In 2006 SHED was approached by Welch Mayor Martha Moore regarding the Payne Building Apartments located in downtown. After looking at the historical building that had become a drug haven and had nearly been destroyed by the previous renters, SHED decided to rise to the challenge. In October 2007, the newly rehabbed building was opened with 16 rental units and four store fronts.

In 2008, SHED had a number of new funding sources to provide home repair opportunities. The Federal Home Loan Bank of Pittsburgh established a pilot HRP (Home Repair Program) and awarded SHED a grant of \$150,000 for the homeowners. The Department of Environmental Protection (DEP) also awarded \$250,000 to SHED to provide 2% 10 year loans for people to install on-site septic systems. This was a much needed funding source since 67% of McDowell County had no form of sewage treatment.





Changing lives



Of the 36 homeowners that SHED has assisted, five have been residents of the transitional housing facility and four are employees at SAFE and SHED.



SAFE Housing and Economic Development, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2008 and 2007

	2008	2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$359,726	\$224,543
Designated and restricted cash	72,921	39,922
Prepaid expenses	678	317
Program loan proceeds receivable	50,902	-
Total Current Assets	484,227	264,782
PROPERTY AND EQUIPMENT		
Land, buildings and equipment, net	1,143,375	1,119,553
OTHER ASSETS		
Deferred loan fees, less amortization	<u>2,125</u>	<u>2,375</u>
TOTAL ASSETS	\$1,629,727	\$1,386,710
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$16,218	\$15,900
Notes payable	150,000	150,000
Current portion of long term debt	21,562	13,796
Program loan proceeds payable	<u>28,158</u>	<u>-</u>
	215,938	179,696
LONG TERM DEBT	\$846,900	754,901
OTHER LIABILITIES		
Funds held as fiscal agent	21,000	41,847
NET ASSETS		
Unrestricted		
Operating	472,968	365,715
Designated-Loan reserve	<u>49,684</u>	<u>35,726</u>
	522,652	401,441
Temporarily restricted	23,237	8,825
Total net assets	<u>545,889</u>	<u>410,266</u>
TOTAL LIABILITIES AND NET ASSETS	\$1,629,727	\$1,386,710

SAFE Housing and Economic Development, Inc.

STATEMENT OF ACTIVITIES

June 30, 2008 and 2007

	2008	2007
CHANGES IN UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
Grants	254,923	391,100
Rent	138,906	105,707
Loan subsidy	24,690	20,742
Interest Income	1,465	2,138
Loan fees	6,322	-
Other income	<u>3,279</u>	<u>3,197</u>
Total Support and Revenue	429,585	522,884
Net assets released from restriction:		
Satisfaction of purpose restrictions	<u>(28,370)</u>	<u>(1,425)</u>
Total Unrestricted Support and Revenue	401,215	521,459
EXPENSES		
Program	262,154	265,517
General and Administrative	31,808	51,901
Total Expenses	293,962	317,418
CHANGE IN UNRESTRICTED NET ASSETS	107,253	204,041
TEMPORARILY RESTRICTED NET ASSETS		
Receipts	67,373	2,018
Assets released from restrictions	<u>(39,003)</u>	<u>(593)</u>
CHANGE IN TEMPORARILY RESTRICTED ASSETS	28,370	1,425
TOTAL INCREASE (DECREASE) IN NET ASSETS	135,623	205,466
NET ASSETS, Beginning of Year	410,266	204,800
NET ASSETS, End of Year	\$545,889	\$410,266

Changing people's lives through housing opportunities

SHED Staff

Sharon A. Walden
Executive Director

Cathy Rose
SHED Director

Judith Bailey
Rental Property Manager

Brandee Ellis
Loan Originator/Housing
Counselor

Randy Green
Construction Manager

Brenda Rose
Housekeeping Manager

Albert Delp
Rental Maintenance Manager

Darcia Marshall
Loan Originator/Housing
Counselor

Bessie Persiani
VISTA Member



Front row, from left to right: Brandee Ellis, Judy Bailey, Bessie Persiani, Cathy Rose. Second row, from left to right: Brenda Rose, Randy Green, Albert Delp, DeeDee Marshall.

SHED Board of Directors

Officers

Carol Carter
President

Kathy Gentry
Vice President

Jeff Molenda
Treasurer

Kathy Brunty
Secretary

Tammera Cook
Parliamentarian

Members

Connie Toler

Robin Pruitt

Debra Davis

Darita Green

Eva Jones

Carolyn Stuart

Patricia Freeman

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Housing Assistance Council

**Federal Home Loan Bank of
Pittsburgh**

Pioneer Community Bank

**Community Works of
West Virginia**

**Federation of Appalachian
Housing Enterprises, Inc.**

Fannie Mae Foundation

WV Affordable Housing Trust Fund

Mennonite Central Committee

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Design by Beth Spence

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