



Housing Resources

Achieving self-sufficiency one home at a time.

Annual Report

July 1, 2009 - June 30, 2010



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Phone 970-241-2871 Fax 970-245-4853



www.housingresourceswc.org

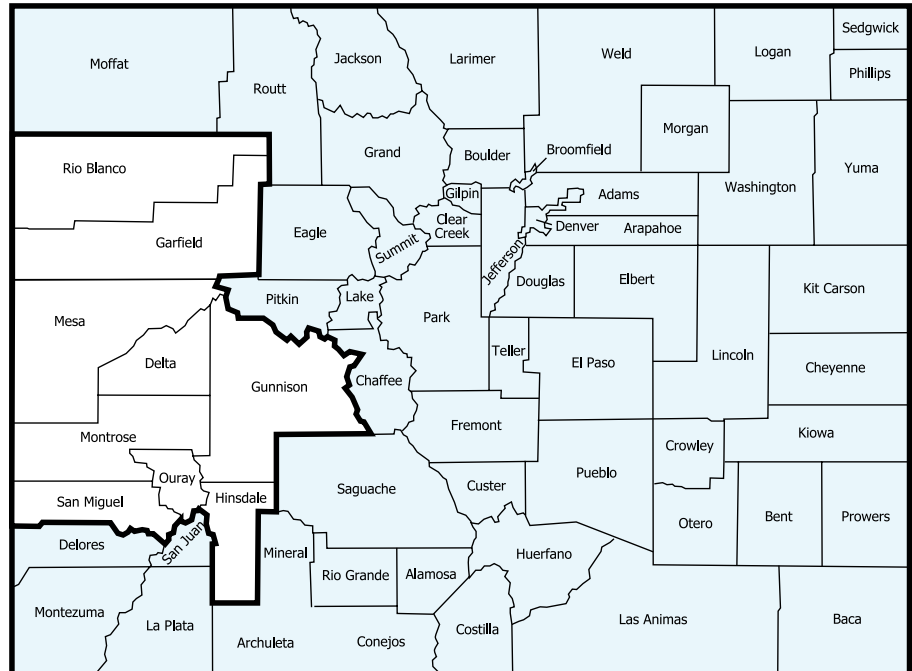
Mission Statement

The mission of Housing Resources of Western Colorado (HRWC), a private non-profit corporation, is to provide affordable housing and to promote the wise and sustainable use of resources. HRWC also serves the development needs of the communities in non-entitlement areas. HRWC offers education and awareness programs, opportunities for community revitalization and the provision of decent, safe, and affordable housing for those with low and moderate income.

Service Area

Housing Resources of Western Colorado serves the counties of:

Rio Blanco
Garfield
Mesa
Delta
Gunnison
Montrose
Ouray
San Miguel
and Hinsdale



Board of Directors

Daniel Gartner, President
Architect, Chamberlin Architects

Elsie Norris, Vice President
Retired from Mesa County Human Services

Patty Arguello, Secretary/Treasurer
Retired from State of Colorado Rehabilitation Services

Darin Carei
Homebuilder/Developer

Michael Kirschner
Teacher, School District 49 JT

Peter Robinson
Realtor

Letter from the President

July 1, 2010

During the past fiscal year, Housing Resources continued to offer its programs as usual, with a significant expansion in our Weatherization Program. We feel fortunate to have accomplished the following in the context of the weak economy in our community, the state, and the nation, and believe our achievements are indicative of our stability and strength despite the current challenges for the housing sector.

- We handled a total of 2,437 telephone contacts (a 35% increase over FY 09) and 1,207 walk-ins (an increase of 23% over FY09) for our various programs through the front desk.
- With the assistance of a marketing firm, we completed an extensive rebranding/marketing process culminating in a new logo, tag line, new marketing collateral and educational material, a redesigned website, and a venture into social media, such as FaceBook, Twitter, etc.
- After two years of work, we successfully achieved LEED certification on our Plaza del Sol office building. This designation is particularly noteworthy because it is the first existing building to be LEED Certified in Grand Junction, Colorado. Additional efficiency measures enacted by our office staff include a reduction of paper use by 20%.
- With the receipt of \$2,231,670 in federal stimulus funds, we doubled production in our weatherization program, completing 570 jobs. We also hired and trained 6 new employees to assist us.
- Twenty-four Homebuyer Education classes were provided by our staff (an increase of 15% over FY 09) in an expanded area including neighboring Garfield County. Eighty-five households attended.
- We completed 7 homes and began construction on 9 homes in our Self Help Housing Program. In addition, we increased our stockpile of lots to 71, taking advantage of low land prices to help ensure affordable housing in the future.
- We successfully completed fundraising for our Learning/Community Center at Garden Village Apartments, broke ground, and are anticipating completion in November 2010.
- Energy audits were completed for 23 of our older rental units and grant funds of \$254,500 were received to undertake energy efficiency improvements at those properties.

In June, our Board met to develop a strategic plan to take us through the next 3 years. In reviewing economic data and demographic trends, the following goals were established:

- Due to program funding deficit, difficulty of assessing effectiveness, potential for duplication by other agencies, and the lack of a strong tie to our mission, the Foreclosure Intervention program will be discontinued and the Homeownership Counseling program will scale back operations.
- Due to ongoing significant demand for Rehabilitation services, expansion of the Rehab program will be explored.
- Future production goals for the Weatherization program should be established recognizing the expiration of stimulus funds in 2012.
- Downpayment assistance should continue to be used in the Self Help Housing program.
- A broader approach to Financial Literacy through community partnerships will be explored.
- The Mutual Self Help Housing Program should continue at its exemplary level.
- Further development of affordable single family homes outside the Self Help program should remain on hold pending improved economic conditions.
- If an opportunity becomes available to purchase an existing multifamily development, explore financial feasibility of ownership to help satisfy the high demand for our rental properties.
- Develop a plan regarding future financing/development of expiring tax credit projects.
- Look for ways to expand our Property Management line of business.
- Discontinue Energy Audits and Energy Star programs due to private sector competition.
- Embody sustainability leadership throughout our programs, and look for opportunities to promote and enhance broader and deeper sustainable efforts in the communities we serve.

As we enter our 2011 fiscal year, we expect the demand on our programs to increase due to the current economic uncertainty. We believe that we are well positioned – with strong financials, a dedicated and talented staff, both new and long-term partners, a re-imagined logo and website, and clarified strategic and operational plans - to weather the economic storm and continue to affect positive changes in our community.

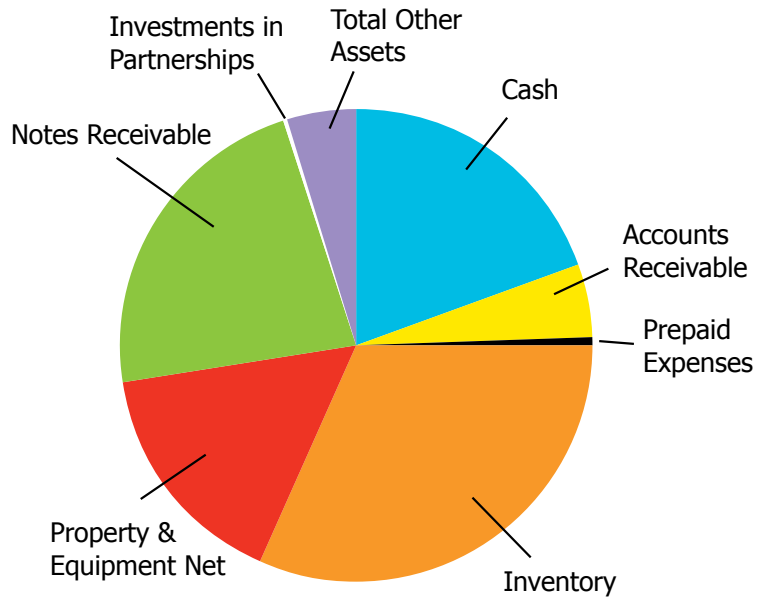
We hope you enjoy reading about our organization in more detail in this Annual Report.

Sincerely,



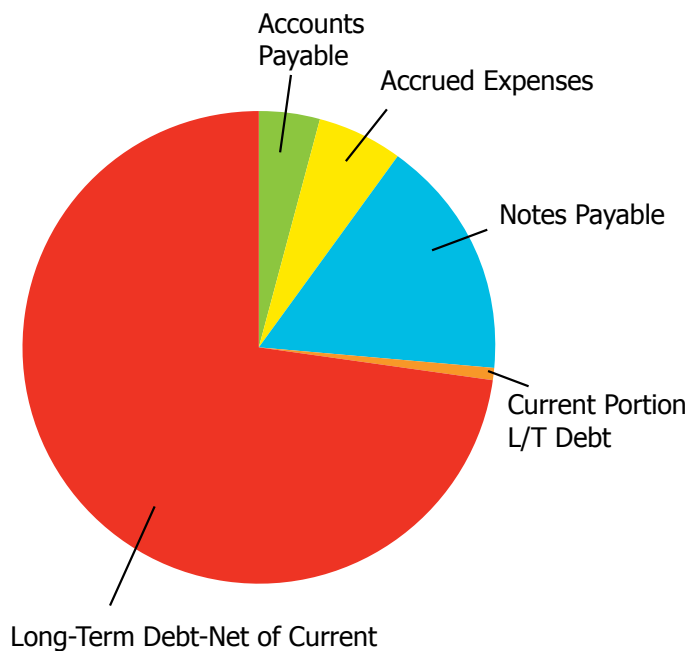
Daniel Gartner, Board President

Financial Statement as of 6/30/2010



ASSETS

Cash	2,329,468
Accounts Receivable	724,910
Prepaid Expenses	20,812
Inventory	3,788,556
Total Current Assets	6,863,746
Property & Equipment Net	1,914,952
Notes Receivable	2,661,193
Investments in Partnerships	30,110
Total Other Assets	513,371
Total Assets	11,983,372

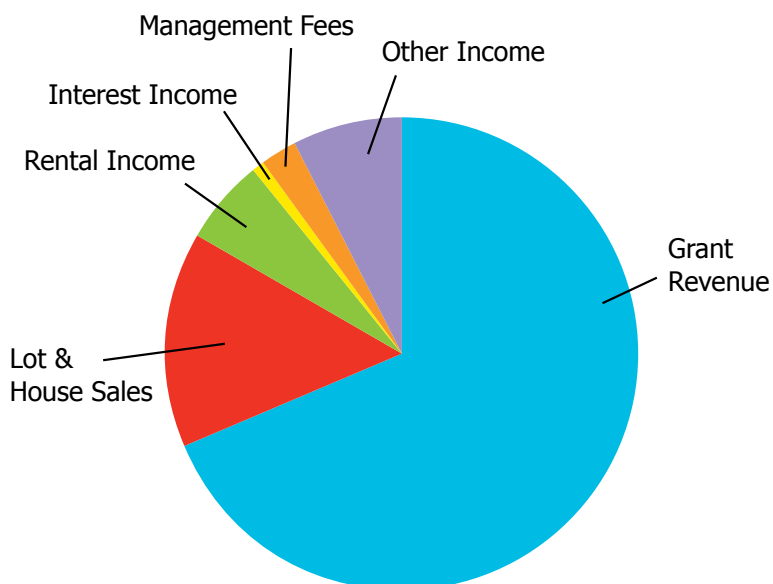


LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	183,897
Accrued Expenses	248,513
Notes Payable	717,153
Current Portion L/T Debt	28,265
Total Current Liabilities	1,178,188
Long-Term Debt-Net of Current	3,147,808
Total Liabilities	4,325,996
Net Assets	7,657,376
Total Liabilities & Net Assets	11,983,372

REVENUE AND SUPPORT

Grant Revenue	3,014,785
Lot & House Sales	643,600
Rental Income	253,306
Interest Income	43,622
Management Fees	112,078
Other Income	319,543
Total Revenue & Support	<u>4,386,934</u>



EXPENSES

Program Services	
Weatherization	2,026,741
Rehabilitation	53,056
Self Help Housing	1,172,338
Housing Development	39,248
Other Programs	709,433
Total Prog/Services Expenses	<u>4,000,816</u>

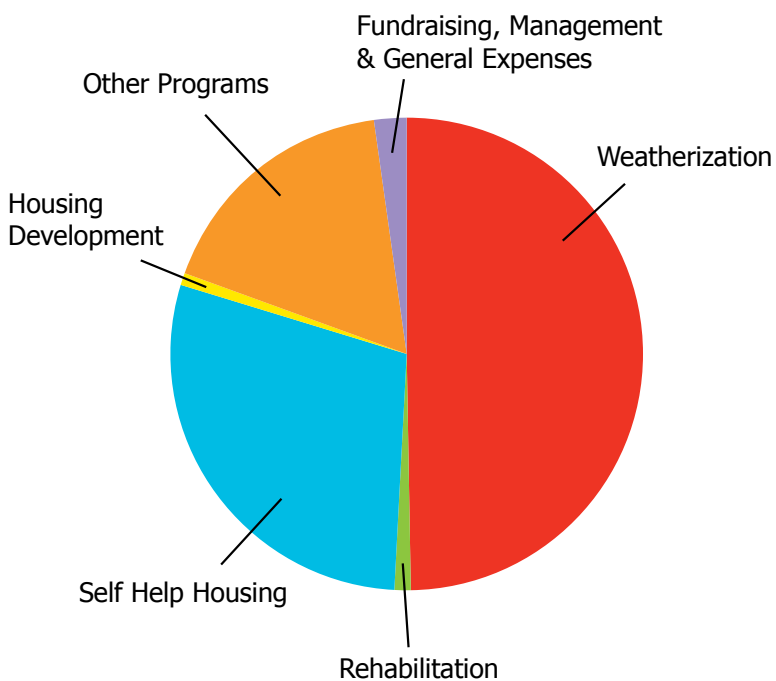
Supporting Services	
Management & General	66,865
Fundraising	17,860
Total Supporting Expenses	<u>84,725</u>

Total Expenses 4,085,541

Increase in Net Assets 301,393

Net Assets-Beginning of Year 7,335,983

Net Assets-End of Year 7,657,376



HRWC's Accomplishments

- 1977 - Founded as The Grand Junction Public Energy Information Office and funded by Mesa County and the City of Grand Junction providing solar energy conservation, education and recycling program.
- 1982 - Began delivering low cost weatherization under funding from the Colorado Office of Energy Conservation.
 - Became a 501C (3) not for profit organization.
- 1988 - Awarded contract from the Colorado Division of Housing to provide weatherization in Mesa County.
- 1991 - Established the Housing Rehabilitation program.
- 1995 - Certified by the State of Colorado as a Community Housing Development Organization (CHDO) under the state HOME Program. Initiation of the CHDO designation was prompted by the need for development of permanent affordable housing options in the Grand Junction and Mesa County areas.
- 1997 - Established a USDA Rural Development Self –Help Housing program.
- 1998 - Initiated the affordable rental program with the purchase of Tiffany Apartments - 15 units.
- 1999 - Produced first tax credit project - Grand Valley Apartments - 50 units.
 - Expanded weatherization program to become the regional provider.
- 2000 - Purchased and rehabilitated Linden Apartments - 12 units.
- 2001 - Became a charter member of NeighborWorks America.
- 2002 - Changed our name from The Energy Office to Housing Resources of Western Colorado.
 - Celebrated 25th anniversary.
 - Purchased and rehabbed second tax credit project - Garden Village Apartments - 91 units.
- 2003 - Purchased an energy efficient office building located at 524 30 Road and relocated HRWC offices.
- 2004 - Partnered with Homeward Bound to establish the Phoenix project, the purchase and rehab of 8 apartments for homeless veterans transitional housing.
- 2005 - Established a HUD Housing Counseling program.
- 2006 - Purchased four HUD foreclosures for rehab and resale.
 - Assumed field operations at the MADA weatherization office.
- 2007 - Increased efforts towards energy conservation by holding a green design workshop, teaching building professionals about green techniques, and initiating LEED-EB certification process for HRWC office building.
 - Celebrated 30th Anniversary and completion of over 200 self help homes.
- 2008 - Increased replacement of refrigerators, furnaces, boilers by 150% through ESP Plus program by partnership with Mesa County Youth Corps.
 - Received donation of 12 acres of vacant land from Mesa County.
 - Began foreclosure mitigation counseling with work out plans/loan modifications.
- 2009 - Increased by over 100% number of Tier I energy audits completed.
 - Completed 46 homes in Self Help Program—an increase in production of over 100%!
- 2010 - Received first designation in Grand Junction for LEED Existing Building Certification for our Plaza del Sol office building.
 - Received \$2.2 million in federal stimulus funds for weatherization program to double production.

Donors, Partners and Funders

Adolph Coors Foundation

Bank of the West

Bray Property Management

Colorado Association of Realtors

City of Grand Junction

Colorado Division of Housing

Colorado Housing and Finance Authority

DCP Midstream

El Pomar Foundation

Energy Outreach Colorado

EPA - Energy Protection Association

ETC Canyon Pipeline

Freddie Mac

Frostbusters & Coolth

Goodwin Foundation

Governor's Energy Office

Grand Junction Housing Authority

Housing and Urban Development

Housing Assistance Council

Mesa County

Mesa County Department of Human Services

Mexican American Development Association

NeighborWorks America

Rural Community Assistance Corporation

State of Colorado

United Way

US Department of Agriculture/Rural Development

Vectra Bank

Wells Fargo Bank

Wells Fargo Foundation

Western Colorado Conservation Corps

Xcel Energy

Staff

Dan Whalen
Eldon Krugman
Elizabeth Rowan
Sheryl Rogers
Kelly Blanton
Christine Beauchan

Executive Director
Deputy Director
Development
Director of Accounting
Office Manager
Administrative Assistant

Executive Team

Coleen Simpson
Jaye Baugh
Brandy Gilson
Tim Hurley
Joe Leahigh
Rick Johnson

Director of Property Management
Garden Village Property Manager
Garden Village Office Assistant
Property Management Maintenance
Property Management Maintenance
Property Management Maintenance

Property Management

Jani Hunter

Housing Rehabilitation Loan Specialist

Rehabilitation

Tom Sommerville
Katie Wilson
Ryan Burkepile
Paul Iverson
Anne Baker

Director of Self Help Housing
Self Help Family Coordinator
Self Help Construction Manager
Self Help Construction Superintendent
Self Help Account Administrator

Mutual Self-Help Housing

Mike Hansen
Wendy Genkov
Chris Esquibel
Campbell Stanton
Jamie Blanton
Rick Hills
Frank Moreno
Shawn Cox
Tristan DeBruin
Ray Atkinson
Robin Bonner
Dave Boss
Donald Deal
Rex Powell
Roberto Quintero
Derek Rowbotham
Isaac Sandman
Mike West
Josh Jarvis
Chris Gilson
Bill Cordova
Don Dowden
Thomas Johnson
Michael Stout
Dave Lopez
Allen Luce
Larry Velasquez
Debra Lueck

Director of Weatherization
Weatherization Administrative Assistant
Weatherization Crew Leader/Montrose
Weatherization Energy Auditor/Tech
Weatherization Energy Auditor/Tech
Weatherization Crew Leader
Weatherization Production Coordinator
Maintenance Specialist
Auditor/Inspector
Weatherization Energy Tech
Weatherization Energy Tech
Weatherization Energy Tech
Weatherization Energy Tech
Weatherization Energy Tech
Weatherization Energy Tech
Weatherization Energy Tech
Weatherization Energy Tech
Weatherization Energy Tech/Montrose
Weatherization Energy Tech/Montrose
Weatherization Energy Tech/Montrose
Weatherization Energy Tech/Montrose
Weatherization Energy Tech/Montrose
Weatherization Energy Tech/Montrose
Weatherization Energy Tech/Montrose
Weatherization Admin/Montrose

Weatherization

Testimonials

Dear Housing Resources,

I Can't begin to tell you how wonderful it is in my home now. The difference is amazing. I had no idea how cold we were until now. My home is now cozy.

Your team worked very hard to make my house warm. I don't feel like I am heating all of Grand Junction now. They were very thorough. I would never have been able to do this on my own. Even after only two weeks I can already tell a difference. Before my furnace was running all the time, now it only runs a few times and it stays warm.

Thank you,

Debbie Thornsberry

to whom it May Concern.

I just wanted to say thank you very much, for coming to make our home nice + warm + energy efficient again. It is such a blessing.

Thank you
Marian Habel
Joe Estrada



Profile of Self-Help Client - Interview with BriAnne Jacobsen, Sept. 2010

BriAnne works for Mesa Developmental Services of Grand Junction, and she has been a full-time employee there for over three years. She has been a resident of the Grand Valley her entire life. BriAnne is a single mom with a daughter, six-year-old Adrianna. She recently enrolled Adrianna in Rimrock Elementary School in Fruita.

BriAnne is also a full-time student at Mesa State College where she has a double concentration in Landman/Energy Management and Business Management. She has recently been accepted into the honors program and is also a member of the Academic Advisory Board.

Prior to applying to the Housing Resources Mutual Self-Help Build Program, BriAnne applied with Fidelity Mortgage, where she only qualified for a \$90,000 loan. BriAnne said, "I couldn't even get an existing home in foreclosure for \$90,000." She also applied

to Habitat for Humanity, and did not meet their qualifications.

BriAnne is currently receiving rental vouchers from the Grand Junction Housing Authority. She was referred to the Housing Resources Self-Help program from a past homeowner, and was surprised to learn this was available to her. She applied in February 2009. "Without the Self-Help program, I would not have a chance at homeownership."

BriAnne's group of nine homeowners is currently building in Fruita and no one will move into their home until all are complete. "I love that I get to meet my neighbors through this process," BriAnne said.

She continued, "I love the whole aspect of the program, how it takes people who know nothing about construction and teaches them to build their own home."

GO GREEN

Featuring "Green" Grand Valley businesses

Local nonprofit becomes LEED-certified as 'green' building

SHARON SULLIVAN
ssullivan@gjfreepress.com

Housing Resources recently attained LEED Certification for its decades-old office building, in the Plaza del Sol complex at 524 30 Road.

LEED was developed by the nonprofit U.S. Green Building Council to provide building owners and operators a way to save energy, use water more efficiently, reduce carbon dioxide emissions, and improve indoor environmental quality.

Housing Resource's Plaza del Sol building is the first previously existing structure in Mesa County to achieve the internationally recognized green building certification. Chipeta School, a new construction, is also LEED-certified.

The nonprofit U.S. Green Building Council's mission is to build a "prosperous and sustainable future" through "cost-efficient and energy-saving green buildings."

Buildings in the U.S. are

responsible for 39 percent of carbon dioxide emissions, 40 percent of energy consumption, 13 percent of water consumption, and 15 percent of GDP per year, according to the U.S. Green Building Council website.

To reach LEED certification, Housing Resources met mandatory requirements in five categories: Sustainable sites, water efficiency, energy and atmosphere, materials and resources, and indoor environmental quality.

"They achieved a water-use reduction of 45.83 percent," said Lancer Livermont, an architect who's LEED accredited, and the lead consultant on the project. Housing Resources



reduced its potable water usage with high-efficiency plumbing fixtures, and installing dual-flush toilets that give 1.1-gallon or 1.6-gallon flush options, as opposed to the 3-1/2-gallon flush toilets that were there.

Older style florescent lamps were replaced with more efficient lighting that also removed a lot of electric and magnetic fields within the building, said Eldon Krugman, deputy director at Housing Resources.

"We also installed heat recovery ventilation so we could introduce fresh air into the building and recover some heat energy in the air being exhausted," Krugman said.

At least 60 percent of the

building's energy usage is offset by purchases of renewable energy sources, Livermont said.

When becoming LEED-certified, a business or nonprofit can earn various optional credits. Housing Resources earned alternative transportation credits by establishing bike storage, and a shower and changing room to encourage employees to commute by bike to work. It also purchased a hybrid, energy-efficient vehicle, and adopted car-pooling practices.

Housing Resources is also recycling more of its garbage after completing a waste stream audit.

Housing Resources scored 94 out of a possible 100 on an Energy-Star rating system for optimal energy performance, Livermont said.

That's significant, Livermont said, as well as the fact LEED certification requires third-party verification.

JANUARY 28-FEBRUARY 10, 2010

Grant to fund construction of 40 homes in Palisade

A nonprofit organization has received nearly \$1 million in federal funding to construct 40 homes in Mesa County over the next two years through an affordable housing program.

Housing Resources based in Grand Junction received a grant of \$946,240 from the U.S. Department of Agriculture Rural Development to build the homes in the Palisade area.

Since Housing Resources established its mutual self-help housing program in 1996, participants have built more than 300 homes in Mesa County and surrounding areas.

The program offers participants the means to afford their own homes by performing a portion of the construction labor themselves. Participants work at least 30 hours a week for six to eight months under qualified supervision. That "sweat

equity" constitutes the down payment on the home and also allows participants an opportunity to qualify for reduced mortgage interest rates.

The mutual self-help housing program is free and requires no previous construction experience. However, participants must be at least 18 years old, have an income of less than 80 percent of the area median income and meet USDA Rural Development credit and allowable debt requirements. Participants can't currently own a home.

Housing Resources provides affordable housing and promotes the sustainable use of resources. In addition to the self-help housing program, the organization operates rental properties, manages housing rehabilitation and weatherization programs and offers a range of housing assistance and counseling services.

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GRAND VALLEY BUSINESS TIMES

JULY 29-AUGUST 11, 2010

\$2.5 million grant to fund weatherization services

A nonprofit corporation based in Grand Junction has received a grant of more than \$2.5 million to provide free weatherization services to low-income families across Western Colorado.

Housing Resources also received a grant of more than \$250,000 to rehabilitate two of its rental properties.

"We are thrilled to receive these grants," said Katie Wilson, a self-help family coordinator with Housing Resources. "Grants like this allow Housing Resources to continue to help so many on the Western Slope to remain in their homes and take pride in where they live."

The Governor's Energy Office awarded Housing Resources a \$2,566,153 grant to provide free weatherization services in a total of more than 500 homes in Mesa County as well as in Delta, Gunnison, Hinsdale,

Montrose, Ouray and San Miguel counties. The grant, which includes nearly \$1.9 million in federal stimulus funding, will pay for the installation of insulation in attics and walls as well as storm window and doors, along with the replacement of furnaces and refrigerators and the sealing of air leaks.

Housing Resources has been weatherizing homes in Western Colorado for more than 30 years, completing more than 4,000 units during that time.

NeighborWorks America awarded Housing Resources a \$254,500 grant to rehabilitate two Housing Resources rental properties. The grant was one of 117 awarded to NeighborWorks organizations around the United States with a combined value of \$35 million.

The money will be used to increase energy efficiency

and upgrade property interiors. The rehabilitation projects will include the installation of high-efficiency boilers and window replacements as well as the remodeling of kitchens and bathrooms. The increased energy efficiency is expected to save on the ongoing operating costs of the properties.

Housing Resources offers a range of services to low- and moderate-income clients, including weatherization, affordable rental housing and home rehabilitation loans.

In addition, Housing Resources operates a mutual self-help housing program in which low-income families construct homes under qualified supervision. The labor that families contribute substantially reduces the costs of the homes and serves as the down payments.

♦

Our Programs

MUTUAL SELF HELP HOUSING



The Mutual Self-Help Housing Loan program is used primarily to provide very low and low income households with the means to construct their own homes. The program targets families who are unable to buy clean, safe housing through conventional methods. Families who participate in this program perform approximately 70 percent of the construction labor, under qualified supervision, on each other's homes. The savings from the reduction in labor costs allows otherwise ineligible families to own their homes.

To participate in the Mutual Self-Help program potential participants must be willing to set aside their spare time for approximately 6 to 8 months. Participants are required to contribute a minimum of 30 hours per week.

Qualified families may also be eligible to receive a reduced interest rate that will keep their monthly mortgage payments affordable. Eligible applicants are those, 18 years or older, who do not currently own a home and meet USDA Rural Development requirements; good credit, allowable debts and income that does not exceed 80% of the area median income.

USDA loans can have interest rates as low as 1% with a loan term as long as 38 years. Eligible families can also borrow all closing costs.

In Fiscal Year 2009-2010, 7 homes were completed.



PROPERTY MANAGEMENT



Grand Valley Properties

This property is comprised of twenty-five duplexes. The fifty units are all ground level, two and three bedroom units with dishwasher and laundry hookups. Residents must be at or below 60% of the area median income.

The Linden Property

These twelve units are located in Orchard Mesa. The six duplexes are all ground level, two bedroom, one bath units with private patios and storage units. Residents must be at or below 30% to 60% of the area median income.



Our Programs



The Tiffany Apartments

These fifteen units are in the heart of downtown Grand Junction. All units are one or two bedrooms in this garden-level building, which includes a lift to the lower level. Residents must be at or below 50% of the area median income.

The Phoenix Project

This site, which is located near the VA Hospital as well as shopping areas, is made up of 8 one bedroom units that serve as transitional housing for formerly homeless veterans. In partnership with Homeward Bound of the Grand Valley this project serves veterans that have an income at or below 30-50% of the area median income. Case management is required to promote self sufficiency.



Garden Village Apartments

This family-friendly subsidized property consists of five two-story buildings that house 91 units with its own on-site rental office. There are one, two, three, and four bedroom units included in this property, which is located in heart of the city. Residents must meet the income guidelines of 50% or less of the area median income.

Plaza Del Sol Building

Not only is this building home to Housing Resources of Western Colorado but also to 5 other office spaces which HRWC owns and manages. With a beautiful solarium, this structure provides a relaxing atmosphere that most commercial buildings do not offer. This building is a solar envelope, providing energy efficiency. Certification as a LEED Existing Building was achieved in July 2010.



WEATHERIZATION AND EMERGENCY REPAIRS

Housing Resources of Western Colorado provides emergency repairs on items such as swamp coolers, furnaces, plumbing, leaking roofs, and electrical problems for qualifying low-income clients. These clients must be at or below 200% of the federal poverty level to be qualified for this program which is funded by grants from United Way, and the Department of Human Services. In FY 2009-2010 114 jobs were completed under this program.



Our Programs

Weatherization means making cost-effective energy-efficient improvements and upgrades in households that are at or below 200% of the federal poverty level. These energy-saving measures include insulation improvements, furnace tune-up and replacements, and air infiltration reduction. Funding for this program comes from Xcel Energy and the Governor's Energy Office. In FY 2009-2010, 570 homes were weatherized.

HOMEOWNERSHIP COUNSELING

Homebuyer education classes, as well as, credit repair counseling, financial fitness counseling and post-purchase counseling were provided during FY 2009-2010. In FY 2009-2010 Housing Resources provided Foreclosure Counseling to 138 households and Homebuyer Education was provided to 85 households.

HOUSING REHABILITATION

This program provides low and moderate income homeowners with the means to sustain decent, safe and sanitary permanent housing, through a low to no interest loan program.

Eligible activities can include, but are not limited to:

- Repair and/or replace plumbing and electrical systems.
- Remove old shingles and install new roofing materials.
- Replace old leaky windows with high efficiency dual pane windows.
- Handicap accessible modifications.

Multiple activities may be applied to each home. Activities will be determined by the initial Housing Quality Standards (HQS) inspection.

There are currently no processing fees or inspection fees for these loans. The only costs are actual construction and material costs, the cost of any environmental testing or third party verification and loan closing fees.

Housing Resources Rehabilitation Specialists secure bids for the projects, help clients choose qualified contractors, help with all inspections and provide assistance with all the necessary paperwork. In Fiscal Year 2009-2010, 3 homes were rehabbed.



Neighborworks® Certification



NEIGHBORWORKS® AMERICA

hereby confirms that

Housing Resources of Western Colorado

is a member in good standing of the NeighborWorks® network.

NeighborWorks® America is a nonprofit organization dedicated to community revitalization through an active partnership of resident leaders, private businesses and public officials.

Membership in the network acknowledges a high level of performance and achievement, and accords status as a NeighborWorks® organization.

the year 2009

A handwritten signature in black ink that reads "Kenneth D. Wade".

Kenneth D. Wade
Chief Executive Officer



