

Hope Village Capital Campaign Financial Rationale

The purpose of this document is to review the financials of the Hope Village Capital Campaign while also providing the basis for the need in order to ultimately ensure Hope Village can be sustainable.



Mission: Guide guests to stable housing using a program of sheltering, mentoring, and educating.

Vision: A community free from homelessness

Goals:

- To build and maintain a small community of temporary and transitional tiny houses in Chippewa County
- To offer case management and mentoring for all tiny house guests
- To remodel and maintain a community center with kitchen, laundry, showers, and severe weather shelter
- To build and maintain affordable housing units to meet a community need and ensure sustainability

Supply and Demand of Affordable Housing in Chippewa Falls

The Chippewa County Council on Homelessness and Hunger was formed in 1990 in response to the increasing number of households requesting emergency housing assistance. Since its founding, the issue of homelessness has continued to be a growing problem in Chippewa County, with a low housing stock and a lower-than-average median household income.

The County of Chippewa is now seeing levels of housing insecurity that are unparalleled since the founding of the Council on Homelessness in 1990. When the area's only homeless shelter closed in 2014, the council knew action was needed. This was the foundation of what is today known as the Hope Village Project.

Why tiny houses?

The Tiny House Shelter Program offers a cost-effective and sustainable shelter model, utilizing volunteers in a variety of ways from initial construction to ongoing maintenance and re-stocking of the tiny houses. Mentors are assigned to each family to ensure they have the support needed to make progress on their Secure Living Plan goals and exit to permanent housing.

The first tiny house was built entirely by community members in the spring of 2016 and was the birth of The Hope Village Tiny House Shelter Program. With the support of many Chippewa

Valley churches and community volunteers, the organization has grown to 10 tiny houses, serving 45 unique households and 70 individuals since its founding.

The first phase of growth, already underway, is to renovate the building located at 1825 Kennedy Rd. into a community center with a storm shelter, shared kitchen, dining room, laundry facilities, bathrooms and showers and the organization's office spaces. The renovation and construction activities are estimated to be completed by December 2022, at which point 10 tiny houses will be moved on to the site.

During the pandemic when the YMCA and laundry facility closed, Hope Village had to find alternatives for guests. This challenging situation highlights the need for new shower and laundry facilities. This facility will improve resident access to facilities necessary for basic needs, while participating in the Tiny House Shelter wraparound support program. Even with these recent projects it is evident that Hope Village needs to expand, to bring hope to dozens of more families and individuals.

In 2021, 2,685 Chippewa County individuals sought housing stabilization services, as compiled by the Chippewa County Council on Homelessness and Hunger (CCCHH). The average need for housing services increased to 224 monthly, up from 99 per month in 2020. Of 2,685 individuals in 2021 who were seeking services, 1,976 (an average of 165 monthly) were assisted by these local agencies. Still, 709 (an average of 59 monthly) had unmet needs.

The Chippewa Valley Housing Task Force released a 2019 report, in which they summarize that "housing supply in the Chippewa Valley is insufficient to meet current need and demand in every income category and housing type. **The most acute need is for quality rental housing that is affordable for persons of low-income.**"

In addition, vacancy rates from the Census further identify the need:

- In the 4th quarter of 2020, there was a 6.5 percent vacancy rate in rental units nationally, versus a 3.2 percent vacancy rate in Wisconsin during the same period.
- In the 4th quarter of 2021, the national vacancy rate was 5.6 percent versus a 5.4 percent vacancy rate in Wisconsin and 4.7 percent in Chippewa Valley.

The 2019 American Community Survey for Chippewa County shows that 33.4 percent of the population are paying **35 percent or more** of their household income on rent – this means that up to one-third of County residents are housing burdened and struggling to afford their units.

Hope Village intends to use a portion of the property Hope Village owns to develop affordable housing that could serve as a transition for the guests from their tiny houses to permanent housing. Rents would be kept affordable, and any surplus revenue from the rents would be used to provide the supportive services of the Navigator and ongoing costs of maintaining the tiny houses or the Community Center.

The Capital Campaign provides a portion of the funds for the development of these rental units, but Hope Village will also seek grant funds to supplement the construction costs. Hope Village is working on obtaining a Community Housing Development Organization (CHDO) certification from the State of Wisconsin that would enable it to apply for grant funds specifically for the development of new construction affordable housing. This effort is in collaboration with the Chippewa County Housing Authority. There are several other funding sources to consider including Federal Home Loan Bank, Foundations, and Government funding.

Bridging the Gap of the Chippewa County Human Services Mandates

Unfortunately, providing services for homeless households is not a mandated service for the federal government or the local county or city governments. As a result, few government agencies provide direct or indirect services for households experiencing homelessness. If the government does support homelessness, it is solely funded by local taxes. There is recognition of the problem of homelessness by the county and city. Local municipalities have supported Hope Village and the development of resources to address the issue. The City of Chippewa Falls assisted Hope Village by sponsoring the CDBG application that is being used to renovate the community center and preparing the property for relocating the Tiny Houses. Chippewa County has provided the clerical support for the launching and carrying out of the Capital Campaign.

Serving Affordable Housing Needs

Rents on the open market are often priced too high for low- and moderate-income households to afford. The units that are within low- and moderate-income households' budgets are often low quality and poorly maintained. These older units have poor insulation and windows/doors making utility costs very high. Rents in the Chippewa Valley are being raised at an alarming level.

For example, an 83-year-old woman rented her two-bedroom apartment for 20+ years. She started receiving rental assistance in 2016. Her rent has been \$600 since 2016. This year her landlord raised her rent to \$1,175. The new rent exceeds the maximum allowed on the assistance program and she cannot afford the rent without assistance, so she is forced to move. These rent increases are in part caused by the very low vacancy rate in the Chippewa Valley where the vacancy rate is 4.7 percent. Low-income households have a difficult time competing for rental units due to lack of security deposit and lower credit scores. If low-income households are homeless, they lack rental references as well.

There is a shortage of three-bedroom or larger units for families in Chippewa County as well. Private developers are focusing on one- and two-bedroom units to maximize the number of units they can build within their development space. Hope Village intends to help meet the needs of this underserved population by making 12 of the 28 units three-bedroom units. In doing so, Hope Village will not only meet a local need but receive additional scoring points in the grant applications that are submitted.

Grant Opportunities

United Way:

Hope Village has been awarded a three-year grant from the United Way of the Greater Chippewa Valley. The grant of \$20,500 per year will be used for operational costs (salaries, utilities, mortgage payments, etc.) from 7/1/22 to 6/30/25. This grant opportunity will be available again in 2024 for a three-year funding period from 7/1/25 to 6/30/28. Applicants are eligible to apply and can be funded in two consecutive grants periods.

Rental Housing Development Status:

Hope Village will apply as a Community Housing Development Organization (CHDO). The funds will be awarded as a grant rather than a loan. Funds are available twice per year and Hope Village will apply twice a year. The CHDO funds will help pay for the development and construction costs of affordable rental units. Each grant award requires a 25 percent match; however, Hope Village is planning to raise a 30 percent match to remain conservative in addition to providing a cushion against fluctuations.

Federal Home Loan Bank-Affordable Housing Program:

Hope Village will apply along with a sponsor (member Bank). There are several local member banks who could sponsor our application including Northwestern Bank, Citizens State Bank, and Royal Credit Union. Grant funds will be used for the development and construction of affordable housing. This funding would supplement either of the above grants. Federal Home Loan takes applications annually. Hope Village will coordinate this grant with the Rental Housing Development funds to serve as the match because it is non-federal money.

Both the Federal Home Loan Bank Affordable Housing program and the Rental Housing Development Status are ongoing. If Hope Village does not receive grants, they will continue to apply.

American Rescue Plan Act:

Funds to support the development and construction of affordable housing for households who are homeless. There are no match requirements but there are rent limits and income restrictions. It is a one-time grant made available by the federal government in response to Covid-19.

Please see below table that provides timing and funding sources for the project beginning at the incorporation of Hope Village in 2016. Additional grant research/writing is ongoing. We anticipate securing additional private grants throughout the campaign.

Campaign Table

PHASE	TIMING	FEATURES	TOTAL INVESTMENT	PROJECTED GRANTS *	\$2.7M GOAL
Phase I	2016-2021	Hope Village Property	\$35,000	Funds Secured	
		Build/remodel 10 Tiny Homes	\$85,000	Funds Secured	
Phase II CDBG Grant	2022	Community Building Remodeling	\$220,000	Funds Secured	
		Tiny Home Infrastructure	\$408,603	Funds Secured	
		Motel Vouchers	\$124,950	Funds Secured	
		Administration to Chippewa County Housing Authority	\$99,444	Funds Secured	
Phase III A Capital Campaign	2023-2024	Community Center Mortgage	\$273,000		\$273,000
		2 Affordable-Rent Duplexes/4 units	\$435,200	\$304,640	\$130,560
		Affordable-Rent 6-Plexes/6 units	\$1,458,000	\$1,020,600	\$437,400
		Architectural/Contingencies/Site Prep/Fundraising	\$431,000		\$431,000
Phase III B Capital Campaign	2024-2026	3 Affordable-Rent Duplexes/6 units	\$652,800	\$456,960	\$195,840
		1 Affordable-Rent 6-Plexes/6 units	\$1,458,000	\$1,020,600	\$437,400
		Landscape Community Area/Pavilion	\$150,000		\$150,000
		Playground	\$60,000		\$60,000
		Operational Contingency/Building Supply/Workshop Construction	\$200,000		\$200,000
	2027	1 Affordable-Rent 6-Plexes/6 units	\$1,458,000	\$1,020,600	\$437,400
TOTAL PHASE III A & B WELCOME HOME CAMPAIGN			\$6,576,000	\$3,823,400	\$2,765,260

Projected grants: American Rescue Plan Act

Filling Rental Units to Ensure Sustainability

This chart shows the level of need from the following organizations that support those seeking affordable housing in Chippewa Falls. Please note, the following data was collected during the COVID-19 pandemic. The totals are likely much higher due to the many that likely were not recorded.

One, Two, & Three Bedroom Estimated Affordable Housing Need

*Based on 2021 statistics

	Klein Hall	Hope Village Tiny Home	Chippewa Housing Authority	Career Development Center	The Hub	Total
December-February	12	3	28	138	2	183
March-May	12	1	30	213	2	256
June-August	12	1	31	164	-	208
September-November	12	1	32	194	-	239

It's important to note that the general public will also be a potential renter for Hope Village's affordable housing.

- Based on 2019 census data for Chippewa County, 33.4% of households in Chippewa County are housing burdened.
- The most recent ALICE report for Chippewa County shows that there are 25,485 households in total, 8,512 households (33.4% of the total # of households) are housing burdened and could benefit from the availability of more affordable housing.

Sources

Hope Village

- Hope Village has searched for and found housing for 29 of the 46 households served during the past five years.
- Seventy two percent of Hope Village guests are single person households and four percent are couples without children.
- Twenty-two families over the last 5 years would qualify for either a 1-bedroom apartment or a two-bedroom apartment.
- In the last three years, seven of the households would qualify for a three-bedroom apartment.

Please note, this is a conservative estimate based on the first five years of the tiny home's existence. The number of homes has since doubled and the last homes built have been larger and able to serve larger households. Hope Village anticipates a higher number of guest move outs per year beginning in 2022. Many of these households will need three-bedroom housing.

Chippewa County Housing Authority

- As of March 2022, there are 142 households on the affordable housing waiting list.
 - 88 households on the waitlist are eligible for a 1-bedroom voucher, and 33 households are eligible for a 2-bedroom voucher.
- All of the households on the waiting list have income at or below 50 percent of the County Median Income.
- Twenty-three percent of head of households on the waiting list are elderly, 73 percent are female head of household, 39 percent are headed by a member with a disability, and 33 percent are families with children.

The Hub

- In 2021, The Hub has had 7 people exit.
- The Hub estimates that the number of guests exiting the program will increase by 2-3 next year in 2022.

Hope Village Affordable Housing Information

- A standard Wisconsin lease will be utilized and will follow the Wisconsin and Federal rental laws.
- Leases will be offered for one year for the initial lease period
- Lease renewals will be offered based on the tenant's rental history.
- The new rental amounts will vary slightly based on the tenant's choice with a monthly lease being more expensive, six-month lease slightly less per month and an annual lease the lowest.
- Non-renewals and evictions will follow Wisconsin laws.
- Hope Village will screen applicants within the limits of rental laws.
- Parameters for credit reports and rental references are still being determined.
- Standards must be and will be applied equally across the board of all applicants to ensure there is no discrimination, including criminal histories.
- A criminal report and credit report will be completed for every applicant.
- If the Hope Village affordable units are built with federal dollars, Hope Village will be required to verify the income of each tenant household and show that they meet the income restrictions of the funding source at the time they enter into a lease. This "affordability period" requirement will be for 20 years.
- Utilities are included in the planned cost of all units.

Hope Village Historical Income

Year	2019	2020	2021
Corporate/Church	\$23,708	\$11,337	\$48,752
Fundraising/Special Events	\$6,562	\$2,981	\$10,089
Grants	\$21,000	\$16,370	\$45,083
Individual donations	\$20,436	\$24,208	\$34,462
Total	\$71,706	\$54,899	\$138,385

Hope Village Rental Program

The chart included in the budgets shows the anticipated rents to be charged for the rental units built and owned by Hope Village. These rents include utilities (heat/air conditioning, electricity, water/sewer, and garbage). The units will be wired for internet and cable television which tenants will pay themselves if they so choose. Thermostats will be controlled by management. According to the grant funding sources units must be rented to residents with annual incomes ranging between 30% to 60% of the county median income (CMI). Rents charged must meet HUD's Fair Housing Market rents which are published each year. Applicant incomes will be verified at the time of admission prior to move in. If their income increases during tenancy, they are eligible to remain in the unit as long as they are in compliance with their lease.

Hope Village will designate some of the units to those households who are homeless, but others will be open to the general public who meet the income restrictions. Tenants will be offered a one-year lease initially which can be renewed on a month-to-month basis.

Hope Village will follow and comply with the Wisconsin rental laws and state and federal fair housing laws. Every applicant will be screened for income eligibility, criminal history, credit history and rental history according to the approved Tenant Selection Plan. Applicants whose income is not sufficient to afford the rents will be encouraged to apply for a Housing Choice Voucher through the Chippewa County Housing Authority or other subsidy programs available to them so they can receive assistance in paying their rent. Tenants will not be accepted unless their income is sufficient to pay the rent, or they have been approved for a voucher or another form of rental subsidy. Hope Village will offer assistance to applicants who wish to apply to rental assistance.

This chart shows the anticipated rents to be charged for the rental units built and owned by Hope Village. These rents include utilities (heat/air conditioning, electricity, water/sewer, and garbage).

Hope Village Rental Program

Revised 4/30/22					
2023 and 2024	#Units	Rent	Monthly	Yearly	85%
1 BR Duplex Units	4	\$650	\$2,600	\$31,200	\$26,520
2 BR six plex Units	2	\$850	\$1,700	\$20,400	\$17,340
3 BR six plex Units	4	\$1,130	\$4,520	\$54,240	\$46,104
					\$89,964
2025 and 2026	#Units	Rent	Monthly	Yearly	85%
1 BR Duplex Units	10	\$675	\$6,750	\$81,000	\$68,850
2 BR six plex Units	4	\$900	\$3,600	\$43,200	\$36,720
3 BR six plex Units	8	\$1,150	\$9,200	\$110,400	\$93,840
					\$199,410
2027	#Units	Rent	Gross	Yearly	85%
1 BR Duplex Units	10	\$700	\$7,000	\$84,000	\$71,400
2 BR six plex Units	6	\$950	\$5,700	\$68,400	\$58,140
3 BR six plex Units	12	\$1,160	\$13,920	\$167,040	\$141,984
					\$271,524

Budgets Per Phase

The Hope Village project and this Capital Campaign aim to address the need to improve housing security, increase affordable housing, and end homelessness in Chippewa County once and for all. Please see included budgets per phase. Please note that proformas are also available.

Ways to Give

We hope you will join us in combating housing insecurity in our community through this campaign and consider making a gift that is personally meaningful and satisfying to you.

We hope you will consider giving an outright gift of pledge that is meaningful to you to curb the effects of the unsheltered in Chippewa County, and gratefully appreciate such a consideration of a gift.

When you are asked to give, please give generously in support of those, families, children, and residents in our community in need.

For more information about the Welcome Home campaign, visit hopevillagechippewafalls.org or, call/email Mike Cohoon at 715-210-5405 or Director@HopeVillageChippewaFalls.org.

Hope Village 12/31/23 and 12/31/24 Phase Budgets

Community Center/Tiny Houses/4 Duplex Units and one 6-plex

Income				Notes
Corporate/Church donations	\$20,000			
Fund Raising/Special Events	\$18,000			Scrap Metal, WOGO, Calendar, Sold4U
Grants	\$50,000			
Interest Income	\$300			
Individual donations	\$40,000			
Net Rental Income	\$64,264			2 Duplexes and one 6-plex= 10 units (1BR=4, 2BR=2, 3BR=4)
Projected income			\$192,564	
Expenses				
Advertising and Promotion	\$500			
Appreciation/Volunteer Recognition	\$500			Mentor mtgs, gifts to CDC
Bank Fees	\$50			
Business Fees	\$100			Agency registrations/requirements
* Capital Campaign	\$0			Expenses related to campaign only
Case Management	\$10,000			
Community Building Expense	\$2,000			Maintenance/repairs
Credit Reports/Criminal Checks	\$250			
Direct Guest Assistance services	\$1,500			TH Guests only, trac phones, transportation, license renewal
Executive Director Salary		\$64,554		Full time with 3% annual increases
Payroll Taxes		\$4,938		
Payroll Costs	\$69,492			
Insurance	\$2,500			
Keys	\$100			
Lawn Care/Snow Removal	\$2,000			Includes whole property
Mileage Reimbursement	\$600			
Mortgage (Principal/Interest)	\$17,880			
Office Supplies	\$1,000			
Office Equipment	\$1,200			Copier (leased), printer with Fax
Permits & Fees	\$300			
Postage	\$110			
Printing & Copying	\$500			
Professional Fees	\$5,000			Audit, legal, Acctg,
* Project services	\$0			Engineering, other non-grant expenses
Real Estate Taxes	\$0			exempt
Registration Fees	\$300			Tiny Houses
Supplies	\$700			General/Multi use (gas, paint, batteries)
Tiny Home Expenses	\$2,700			Maintenance/repairs
Cell Phone		\$500		Mike's cell phone
Gas/Electric		\$2,400		
Water/Sewer		\$4,000		
Internet		\$500		
Garbage		\$250		
Phone		\$400		Landline
Total Utilities	\$8,050			Utilities for community center and tiny houses
Training	\$1,000			Exec. Director, Navigator, Mentors
Projected expenses			\$128,332	
Excess Revenue/(Loss)			\$64,232	

Hope Village 12/31/25 and 12/31/26 Phase Budgets

Community Center/Tiny Houses/10 Duplex Units/ **2nd 6 plex**

Income				Notes
Corporate/Church donations	\$20,000			
Fund Raising/Special Events	\$18,000			Scrap Metal, WOGO, Calendar, Sold4U, Etc.
Grants	\$50,000			
Interest Income	\$300			
Individual donations	\$40,000			
Net Rental Income	\$131,710			5 Duplexes and two 6-plexes = 22 units (1BR=10, 2BR=4, 3BR=8)
Projected income			\$260,010	
Expenses				
Advertising and Promotion	\$600			
Appreciation/Volunteer Recognition	\$550			Mentor mtgs, gifts to CDC
Bank Fees	\$50			
Business Fees	\$100			Agency registrations/requirements
Capital Campaign	\$0			Expenses related to campaign only
Case Management		\$10,000		TH Gueses, Contracted with CDC
Rental Management		\$5,000		Tenant screening, management, On Call serv.
Lawn Care/Snow Removal		\$3,000		
Total Contracted Services	\$18,000			
Community Building Expense	\$3,000			Maintenance/repairs
Credit Reports/Criminal Checks	\$300			
Direct Guest Assistance services	\$1,500			trac phones, transportation, license renewal, etc.
Executive Director Salary		\$68,428		Full time with 3% annual increases
Payroll Taxes		\$5,235		
Payroll Costs	\$73,663			
Insurance	\$2,500			Community Center only
Keys	\$200			
Mileage	\$600			reimbursing Director, maintenance materials
Mortgage (Principal/Interest)	\$0			Paid off by Capital Campaign
Office Supplies	\$1,500			Copier (leased), printer with Fax
Office Equipment	\$300			
Permits & Fees	\$200			
Postage	\$500			
Printing & Copying	\$1,000			
Professional Fees	\$7,000			Audit, legal, Acctg,
Project services	\$0			Plumbing, electrical, engineering-pd by grant funds
Real Estate Taxes	\$0			exempt
Registration Fees	\$325			Tiny House Registrations and renewals
Supplies	\$700			General/Multi use (gas, paint, batteries)
Tiny House Expenses	\$2,700			Maintenance/repairs
Cell Phone		\$500		Mike's
Gas/Electric		\$2,600		
Water/Sewer		\$4,250		
Internet		\$500		
Garbage		\$300		
Land Phone		\$400		Landline
Total Utilities	\$8,550			Utilities for community center and tiny houses
Training	\$1,000			Exec. Director, Navigator, Mentors
Projected expenses			\$124,838	
Excess Income/(Loss)			\$135,172	

Hope Village 12/31/27 Phase Budget

Community Center/Tiny Houses/10 Duplex Units/Two 6-plex/**3rd 6-plex**

Income	Notes		
Corporate/Church donations	\$20,000		
Fund Raising/Special Events	\$18,000		Scrap Metal, WOGO, Calendar, Sold4U, Etc.
Grants	\$50,000		
Interest Income	\$300		
Individual donations	\$40,000		
Net Rental Income	\$186,724		5 Duplexes and three 6-plexes= 28 units (1BR=10, 2BR=6, 3BR=12)
Projected income		\$315,024	
Expenses			
Advertising and Promotion	\$700		
Appreciation/Volunteer Recognition	\$600		Mentor mtgs, gifts to CDC
Bank Fees	\$50		
Business Fees	\$100		Agency registrations/requirements
* Capital Campaign	\$0		Expenses related to campaign only
Case Management		\$10,000	TH Guests, Contracted with CDC
Rental Management		\$7,500	Tenant screening, management, On Call serv.
Lawn Care/Snow Removal		\$4,000	
Total Contracted Services	\$21,500		
Community Building Expense	\$4,000		Maintenance/repairs
Credit Reports/Criminal Checks	\$400		
Direct Guest Assistance services	\$1,500		trac phones, transportation, license renewal, etc.
Executive Director Salary		\$72,534	Full time with 3% annual increases
Payroll Taxes		\$5,549	
Payroll Costs	\$78,083		
Insurance	\$3,000		Community Center only
Keys	\$200		
Mileage	\$750		reimbursing Director, maintenance materials
Mortgage (Principal/Interest)	\$0		Paid off by Capital Campaign
Office Supplies	\$1,800		Copier (leased), printer with Fax
Office Equipment	\$300		
Permits & Fees	\$200		
Postage	\$750		
Printing & Copying	\$1,500		
Professional Fees	\$10,000		Audit, legal, Acctg,
Project services	\$0		Plumbing, electrical, engineering
* Real Estate Taxes	\$0		exempt
Registration Fees	\$350		Tiny House Registrations and renewals
Supplies	\$750		General/Multi use (gas, paint, batteries)
Tiny House Expenses	\$3,000		Maintenance/repairs
Cell Phone		\$600	Mike's Cell
Gas/Electric		\$3,000	
Water/Sewer		\$4,500	
Internet		\$600	
Garbage		\$325	
Land Phone		\$500	Landline in Community Center
Total Utilities	\$9,525		Utilities for community center and tiny houses
Training	\$1,000		Exec. Director, Navigator, Mentors
Projected expenses		\$140,058	
Excess Income/(Loss)		\$174,966	