

Anchoring Affordability

Everywhere you look or listen these days you'll hear something about the availability or affordability of housing. The current housing market is as tight as it's ever been. Vacancy rates for rental apartments are under 3%. The vacancy rate for apartments which are affordable (\$1000/month or less) to low wage workers and very low-income adults and families is even lower.

Limited rental vacancies and a luxury housing building boom have put additional upward pressure on rents. More affordable unsubsidized housing has disappeared at alarming rates as owners have sold off properties to others who can add a coat of paint, a new kitchen countertop and increase the rents. According to Minnesota Housing Partnership data in their "Market Watch: Minneapolis as of March 2018", rent has risen 17% over the past 7 years. At the same time, wages have stagnated or dropped for those at the lowest income brackets. The gap between high rents and low income has made it tough for working adults and families to afford a roof over their heads. The biggest gap in affordability and available apartments is for people earning 30% or less of area median income - \$19,850 for a single adult and \$28,300 for a family of four. In addition, low vacancy rates

allow property owners to be very selective. It's now nearly impossible for anyone with no or poor credit and any history of criminal convictions or housing evictions to find a place to live.

This market and housing challenge is Alliance Housing's sweet spot. Alliance fills a critical niche in Minneapolis' affordable housing marketplace. Our units are some of the most affordable - 30-50% below market rents (and 15-20% below the affordable marketplace). Alliance Housing also bucks the trend of stringent screening criteria. We give nearly everyone a second chance at stable housing. Our relational and flexible management practices keep properties an asset for the residents and the neighborhood.

A single adult on social security or disability payments can rent a sleeping room from Alliance Housing for as low as \$350/month. Most of our residents on a fixed income earn less than \$1000/month. These residents share a bathroom and kitchen. While this means giving up a bit of privacy, it also mitigates isolation. Some residents work for a living - food service, janitorial and temp service jobs. Because of the lower rent, residents who work 24 or more hours a week can cover their rent.

Tamika has rented a 3 bedroom apartment from Alliance since February 2014 for her family. She is a Binder Folder Operator for a Twin Cities printing company and earns about \$30,000 per year to care for herself, spouse and 2 kids. Her rent is 30% of her income – right on target with what is suggested for us all. Alliance’s bargain rent of \$775 per month allows her extra discretionary income. Market rents in South Minneapolis average \$1300 for 2 bedroom apartments which would take up 50% of the family’s income. Tamika said, “We really like our apartment and neighborhood. My kids are happy and doing well. That’s what home is all about.”

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Chaz has been an Alliance resident since May 2014. He is a veteran in food service – management, cook, server and cashier. Chaz currently earns \$14 per hour as a restaurant cook. He only has to work 17 hours per week to afford his room rent, and the rest of his earnings can go toward his other needs and responsibilities, including a newborn daughter.

Alliance’s two and three-bedroom family apartments cost between \$735 and \$895/month. It would take one or two individuals working 50 hours per week at \$10 per hour to afford the two-bedroom apartment and 61 hours to afford the three-bedroom apartment at 30% of their income (verses 67 or 97 hours per week at units generally considered affordable). While a stretch, many families spend up to half of their income toward rent or rely on the wages of two or more individuals. Childcare, call service, food service management and personal care jobs are common in the \$10-\$13 per hour range.

Alliance’s newest project at 3301 Nicollet is in the Lyndale neighborhood of Minneapolis - a community facing immense affordability pressures and the surrounding pressures of gentrification. The project’s proposed affordability is in great contrast to the current neighborhood trends. Rents for studio apartments in new, market rate, multi-family properties start at \$1200/month. A single full-time worker would need to earn at least \$23/hour to afford the rent at these new properties. Existing properties are in the same range, with studio apartments ranging from \$850 to \$1500/month and 1-bedroom apartments from \$750 to \$1700/month. These rents are notably higher than the proposed Alliance Housing

Nicollet studio rents of \$495 to \$895/month and one-bedroom rents of \$528 to \$1053/month. Alliance is raising capital dollars for this important and timely project and hopes to break ground in 2020.

The rent structure at 3301 Nicollet has been structured specifically to provide high quality affordable housing options for low income wage workers. These individuals are being priced out of the market and are often the individuals in greatest need of access to public transit. Specifically, an individual making \$10/hour (i.e. janitorial & food service workers) will be able to afford the units, both studios and one bedrooms, with rents at 30% Area Median Income (AMI). Individuals will be able to afford this without subsidy. An individual making \$12.50/hour (i.e. child care, call center, food service management workers) will be able to afford the 30% AMI units, both studios and one bedrooms, and also the 50% AMI studios without subsidy.

Fortunately, despite much of this bleak news, affordable housing is at the top of many political agendas. The Minneapolis mayor and many city council members were elected with housing at the top of the list of their priorities. Mayor Frey just announced a \$40 million proposed 2019 budget for housing, a significant increase in resources available for housing production, preservation and tenant protections. City council members adopted a \$15/hour wage ordinance. They are also considering a whole host of policy changes from inclusionary zoning to property tax abatements that will address the housing shortage and gap between rents and income. The Governor’s Task Force on Affordable Housing just released its findings and recommendations. These recommendations can be a road map to addressing the many facets of the affordable housing crisis over the next several years. Hopefully it will widen the circle of owners, like Alliance, who are willing to give renters a second chance and take advantage of new housing resources to anchor much needed affordability in all our neighborhoods. 



2018 FINANCES

Statement of Activities & Changes
in Net Assets
(For the 12 months ending
June 30, 2018)

Support and Revenue:

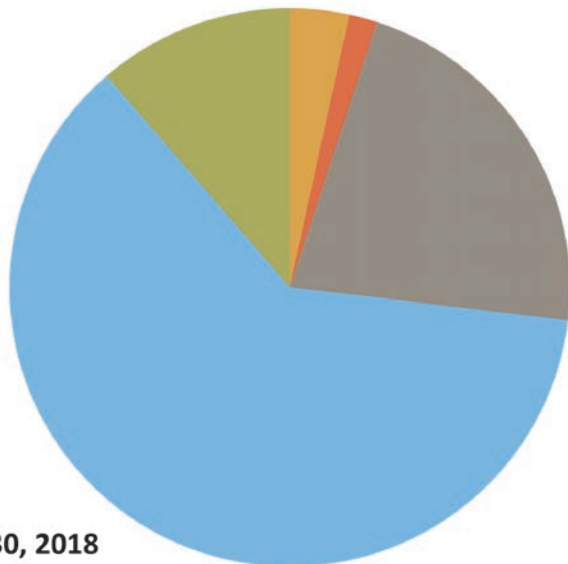
Contributions	\$204,552
Government Grants	\$280,628
Partnership Management Fees	\$2,935
Rental Revenue	\$1,736,223
Miscellaneous Income	\$18,282
	<u>\$2,242,620</u>

Operating Expenses:

Administrative & Management	\$100,899
Fundraising	\$47,433
Basic Needs Housing Management	\$643,233
Workforce Housing Management	\$1,821,523
Program Services	\$333,951
	<u>\$2,947,039</u>

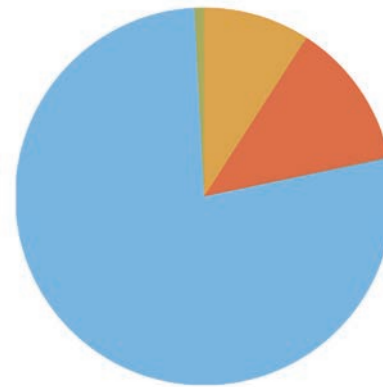
Net Income After Debt
Forgiveness & Other Changes in
Net Assets

-\$100,521



JUNE 30, 2018
Audited Expenses

- Administrative & Management
- Fundraising
- Basic Needs Housing Management
- Workforce Housing Management
- Program Services



JUNE 30, 2018
Audited Revenues

- Contributions
- Government Grants
- Partnership Management Fees
- Rental Revenue
- Miscellaneous Income

Statement of Financial
Position
(As of June 30, 2018)

Assets:

Cash - Operations	\$403,246
Cash - Restricted	\$1,782,729
Other Receivables	\$85,784
Prepaid Expenses	\$101,249
Rental Properties, Net	\$21,305,596
Other Assets, Net	\$20,938
	<u>\$23,699,542</u>

Liabilities:

Accounts Payable	\$85,324
Accrued Payroll & Related	\$23,292
Accrued Real Estate Taxes	\$133,859
Security Deposits	\$119,895
Debt	\$9,989,668
Deferred Notes Payable	\$3,187,908
Accrued Interest - Short & Long-Term	\$685,387
	<u>\$14,225,333</u>

Net Assets:

Unrestricted	\$8,045,568
Temporarily Restricted	\$1,428,641
	<u>\$9,474,209</u>

Total Liabilities and Net
Assets: \$23,699,542



GOOD NEIGHBOR CIRCLE

AFSCME Local 34
Stacy Becker
Tom Beer and Rita Doucet
Mike Brown
Cermak Rhoades Architects
Jim and Linda Comb
Community Capital
Development
Joe and Jean Crocker
Flannery Construction
Foundation for the
Development of People
Frerichs Construction
Company
Mary Gabler
Darryl and Linda Graves
Gray Plant Mooty Foundation
Hayes-Gibson International
Mark and Margaret Hottinger
Barbara Jeanetta and Mark
Richardson
Nancy Kiskis
Charles and Debora Lance
Dean LeDoux
Nicole Lettner
Bob and Mardie Marshall
Richard and Kimberly Merriam
David and Monica Nassif
National Equity Fund, Inc.
Francis Neir
Rick and Lisa Nelson
NorthPoint Health and
Wellness Center
Ben Olk III and Kris Berggren
Paul Gates Architects
Julie Peterson
Dan and Lynne Rectenwald
Rajdeep and Jasjeet Singh
Steven and Stephanie Smith
Polly Stafford
Sunrise Banks
John and Jill Trautz
U.S. Bancorp Community
Development Corporation
U.S. Bank
Watson Forsberg General
Contractors
Wells Fargo Foundation
Minnesota
Welna Hardware, Inc.
Richard and Debra Wicka
Dan and Carol Wolfe
Michael and Sandy Wurm

Alison Morse and Peter Yackel
Paul and Debra Zisla

LEGACY GIFTS

Mary Jo Henning
Michael Peller

DONORS

1 Better LLC
A Fresh Look, Inc.
Bruce and Teresa Ackland
Mary Adair
Mary Adams
Susan Adams Loyd and
Richard Loyd
Sharon Ahern
Tom Albin
All Seasons Garage Door
Alpine Asphalt
Ameriprise Financial Giving
Campaign
Caralyn and Gene Anderson
Susan Anderson
Mary Ann Andreason
Anonymous - Patti Neir
Memorial
Thomas W. Atchison
Axion Real Estate LLC
Carol Bahl
Will and Carol Baudler
BDS Laundry
Virginia Becker
Mariann Bentz
Tracy Berglund
Blueberry Hill Antiques
Kristin Brehm
Ann Breitenbucher
Broen Housing
Barbara Broen and Greg
Finzell
Henry A. Bromelkamp Fund
For Peace and Justice
Leo and Sue Bulger
Paul and Shannon Burke
Buuck Family Foundation
Gretchen Camp
Arthur Campbell
Andy Carlson
Susan Carr
Alberta Carroll
Centraire Heating & Air
Conditioning, Inc.
Steven and Julie Christensen
Anne Clark
Jean Clark

Larry Clausen
Rachel and John Clevenger
Barry Cohen
Ruth Colby
Mildred Collier
Linda Comstock
Kathleen Conklin
Steven Conrad
Deborah Cornell
David and Jeanne Cornish
Giving Fund
Mary Deaner and Ehud Snir
Jeff DeGree
Kelly Delahunty
William and Colleen Delaney
Callmie Dennis, Shelon
Hachett and Shekera
Combs/Ebenezer
Fellowship SDA Church
Jessica Donahue
Gail Dorfman
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Highland Park Branch
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David and Mary Emery
Teresa Enriquez
Joan Ericksen
Richard Esquivel
Bob Faulkner
Mathew and Meghan Finn
William Fisher
Ed Flahavan and Susan
O'Leary
Gerry Flannery and Jean
Henjum
Jamey Flannery
Robert and Jolene Forsberg
David and Carol Forsberg
Yvonne Forsythe
Jim Fournier
Herb and Olivia Frey
Frey Foundation
Paul Gates and Marie
Franchett
Joan Gilbertson
Ann Godfrey
John Goggin and Julie
Weighter
Hal Goldstein
Peter James Goldstein
Fred and Ruth Gonnerman
Leota Goodney
John and Nancy Grace
Andrew Grimsley

Sandra Gunderson
John and Barb Haer
Rolf Hage
Chip Halbach
Laurie and Dee Halberg
John Hannahan
Claire Hanson
Lyle and Cheryl Hanzal
Staci Harbaugh
William Hefner
Pat Helin
Barbara Helling
Mark Hennessey
Mary Jo Henning
Jonathan Hill
Judy Hinck
Nancy Hirshfield
Shalaunda Holmes
Matthew and Rose Horovitz
Mark Houser
Jean Howell
J.C. Miller & Sons Inc
Insurance Advisors
Helen Jansma
JDS Development Services LLC
The John P. and Eleanor R.
Yackel Foundation
Peggy Johnson
Tina Johnson
Patricia and Russell Juvrud
Peggy and John Kaatz
Edith Kadlec
Patricia Kasimor
Todd and Cheri Kennedy
Elizabeth Kiernat Zakrajsheck
Bruce and Deb Kierstead
Morris and Lana Knopf
Evelin and John Knorr
Maggie Knorr
Benedict Kohler
Jennifer Kotval
David Krall and Mary Burnison
Martha Krikava
Susan Lamb
Jeremy Lane
Electa Lang
Candace Lang
Susan and Mark Lasoff
Jeanne Leibel
Cara Letofsky
Jarett Lettner
Juneth Lettner
Twin Cities LISC
Jan and Charlie Lloyd
Kevin Locke
Lockhart Family Fund
Marna Lorentz
Madeleine and Phil Lowry

Lowry Hill Neighborhood Association
J.A. and S.H. Madole
Mahoney Ulbrich Christiansen & Russ, P.A
Marcia Mans
Nora Marino
Market Analyst Professionals
Aaron Martin
Mary R. McCarthy
Peter and Charlotte McDermott
Andrew McMahan and Katie Burns
Mike Menner and Margaret Grosspietsch
Jeffrey Meyer
Chet and Miriam Meyers
Richard Michel
Cynthia Micolichek
Minneapolis Area Association of Realtors Foundation
Minnesota Brownfields
John and Pauline Mitchell
Bruce and Audrey Moe
Paul Moe and Karine Swenson Moe
Jim and Carol Moller
Phil and Mary Montgomery
Bill Moore and Mary Wagner
Moss and Barnet
Diane Mountford
Greg Mure
Tim and Mary Nantell
National Checking Company
Elizabeth Nelson
Margaret Nelson
Tom and Janet Nelson
Burt Nordstrand Family Fund
David Norton
Elisabeth Norvik
Zahara Nur
Erika Oberpiller
Thomas O'Connell and Rebecca Heist

Anne O'Keefe
Kari Olk
Rita and Benedict A. Olk, Jr.
Carolyn Olson
David Olson
David Orlady
Gabriel Orlet
Joe Palen
Lois and Steve Parker
Chuck and JoAnne Parsons
Peace Presbyterian Church Mission Group
Jackie Peak
Michael Peckenschneider
Mary Pepin
Jim and Donna Peter
John Pikala
Mary Pincumbe
Martin Plantenberg
Ted and Mary Pouliot
Benjamin Pressgrove and Katharine Cunningham
Ron and Kim Price
Proto Labs Foundation
George Puzak
Randy's Environmental Services
Doris Rausch
Barbara Renshaw
Mary Resemius
Brian Rice
Richard M. Schulze Family Foundation
Alice Richardson
John and Catherine Ries
Paul Roberts
Jeffrey Roy
RPZ Testing
Sahades Family/Ebenezer Fellowship SDA Church
Saludos a Doris Fund
James Scheibel and Mary Pat Lee
Gary Schokmiller
Colleen Schwartz

Trent Senske
Wayne Serie
Marcy Shapiro
T.J. Sheldon
Sheridan Ventures LLC
Lyndon and Christy Shirley
Tammy Shockley
Eleanor Skelton
Eileen Smith
Laura Smith
Stephanie Smith
Carlotta Smith
Tanna and Mark Sobocinski
Deanna Somvong
Kate Speed
St. Joan of Arc Catholic Community's CARE Committee
Deb Stack
David Stanton
Terry and Linda Starks
Erica Steinke
Jim Stengel and Sandra Heidemann
Donna Stevermer
Sally Stinson
Melissa and Gregory Struve
Travis Sutherland
Jim and LaVonne Swanson
Mary Swenson
Margaret Sylte
Mike and Lynn Szurek
Judith Takkunen
Mark Simonson and Pat Thompson
Susan Thompson
Thrivent Financial Services
Thrivent Foundation for Lutherans
Michael and Dawna Tierney
Denise Toussaint
Al and Parker Trostel
Mike Troutman and Amy Blumenshine
Eric and Gretchen Tuck

Turner Family Foundation
Clara Ueland
UnitedHealth Group
US Bank Foundation
Verizon Foundation
Veteran's Painting
Gary Vig
Tracy and Diane Vig
Karen Viskochil
Barry Vulcan
Nancy Wachs
Anthony Waldera
Andrea Walker
Bettie L. Walker
Dewayne and Theo Wee
Marvin Welk
James and Lori Wellman
Wells Foundation
Jim and Sue Welna
Pat Welna
Kristi Wermager and Mark Gleason
Richard and Sandy Westby
Western Insurance Agency, Inc.
Chris Wiger and Nancy Pellowski-Wiger
Paul Williams
Susan and Mark Williamson
Michelle Lynn Wincell O'Leary
Stanley and Ellen Wolfson
Cathy Yandell and Mark McNeil
Jerilynn Young
Paul Zorn and Janet Petri



Nicki Lettner: After Jarett joined the Alliance board, I got really taken by the connection between my work as a realtor, helping people find their home, and some of the challenges Alliance tenants have in finding and establishing home. Donating some of my fees makes my work feel more purpose-filled.

STAFF

Barbara Jeanetta, Executive Director
Mariann Bentz, Donor Steward
Michael Bobick, Maintenance Assistant/Caretaker
Bob Bono, Property Manager
Tom Geiselhart, Maintenance Tech
Erica Pizarro, Christo Rey Work Study Student
Audrey Preston, Tenant Service Coordinator
Mary Resemius, Housing Operations Assistant
Craig Spivey, Janitor/Caretaker
Marv Welk, Contract Accountant



Best wishes and gratitude to Greg Lough who retired in April 2018 after working 20+ years as Alliance's Maintenance Tech. Greg says he looked forward to a quieter phone (especially after 10pm) and camping after years of fixing leaks, repairing windows and screens and other repairs needed to keep our properties "best on the block."

BOARD MEMBERS

Mike Brown
Lisa Buckhalton
Gail Dorfman
Anne Hurd
Dean LeDoux
Jarett Lettner

Andi Marston
Greg Mure
Fran Neir
Rick Nelson
Ben Olk III
Marcy Shapiro*

Kimberly Spates
Miranda Walker
Chris Wiger

*Term ended December 2017

Thank you to Marcy Shapiro who ably served as a board member 20+ years. Marcy led the completion of Alliance's recent strategic planning process and was a strong policy advocacy resource.

VOLUNTEERS

The Sahade Family prepares and serves dinner once per month at 2011 Pillsbury. They do it as part of their service commitment through their church, Ebenezer Fellowship SDA Church. The tenants look forward to the home cooked feast. Mrs. Sahade said **"We get joy from watching guests devour the meal and appreciate everyone lending a hand to set-up and clean-up."**



Mary Ann Andreason
Katessa Archer
Mariann Bentz
Rose Carr
Susan Carr
Mildred Collier
Callmie Dennis, Shelon Hachett &
Shekera Combs – Ebenezer
Fellowship SDA Church
Jessica Donahue

Megan Fatheree
Mindy Hangsleben
Olivia Imbrogno
Jewelean Jackson
Chris Knutson
Anne Marie O'Keefe
Lois Parker
Patrick Presley
Ron Price
Tanner Quie

Chuck Riesenber
Sahade Family – Ebenezer
Fellowship SDA Church
Patrick Straw
Cindy Vue
John Williams
11 anonymous corporate
volunteers facilitated and
supported by Hands on Twin
Cities

2017 Highlights

- Property management operations allowed 141 single adults and 80 families the opportunity to create homes for themselves, regardless of housing and criminal history. Average housing tenure of 4 years for single adults and 2+ years for families. 53% of adults would have been screened out by other landlords and 69% of families.
- Planned and orderly transition through end of Northside Supportive Housing for Families program in March 2018 – 100% of remaining participants continue as tenants of Alliance Housing.
- 100%, \$10.6 million, funding secured for Minnehaha Commons. Due diligence through finance closing will allow construction start of September 2018 and become home for 44 elderly adults who have experienced homelessness and other barriers to housing by October 2019.
- Exceeded budget goals for individual gifts and corporate & foundation grants.
- Met operating cash reserve goals 11 out of 12 months.

Alliance Housing was born out of the vision of St. Stephens' Catholic Church volunteers and emergency shelter staff and residents who wanted to create tangible, long term housing solutions for homeless families and individuals. The nonprofit (not religious affiliated) organization was incorporated in 1991 and took advantage of vacant and available properties at low cost in South Minneapolis. Alliance continues to honor its history by developing housing solutions for homeless, poor and other individuals who lack access to housing market opportunities.



Mission

Alliance's work makes it possible for individuals and families to create homes for themselves, regardless of income and background by developing and managing housing that is: inclusive, affordable, relational, and flexible.

In addition, Alliance housing challenges the environment that limits our residents' opportunities.

Values

Alliance Housing values:

- Ending homelessness for our residents
- Maintaining rents that are affordable for very low income people
- Providing a second chance by screening people in
- Practicing relational property management





**ALLIANCE
HOUSING**
INCORPORATED

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Minneapolis, MN 555404

PHONE: 612.870.2267

EMAIL: info@alliancehousinginc.org

NONPROFIT ORG.
U.S. POSTAGE PAID
TWIN CITIES, MN
PERMIT NO. 29032

ANCHORING AFFORDABILITY

Please join us!

Alliance Housing's Annual Fundraising Breakfast

Thursday, September 27, 7:30-9am

Town & Country Club, 300 Mississippi River Blvd, St. Paul

RSVP by calling 612-879-7633 or emailing info@alliancehousinginc.org

Donations always welcome:

Online at: www.alliancehousinginc.org

Round-up credit purchases by downloading app: <https://app.roundupapp.com>

