



2012-2013
HOME HEADQUARTERS'
ANNUAL REPORT



CRYSTAL'S CORNER



Its been a busy year at Home HeadQuarters as you will see in our Annual Report. Besides loan closings, property sales and educating new homebuyers we've been busy submitting funding proposals and managing our contracts. Funding has become very limited as well as much more competitive at the local, State and Federal levels. With limited funding, funders have become much more focused on outcome measurement (i.e. reporting) and compliance related activities. While this isn't a bad thing, it has kept us very busy with status updates, M/WBE compliance reporting, asset management reviews and quarterly outcome reporting.

Crystal Purcell Cosentino, Chief Compliance & Operations Officer

Home HeadQuarters Staff (below)

Front Row: Crystal Purcell Cosentino, Christine Zivica, Amanda Pascall, Jean-Marie Strong, Rey Ortiz, Jr., Kerry P. Quaglia

Second Row: Jenna McClave, Joyce Ramos, Stephanie Schuster, Camille Tisdell, Joe Von Works

Third Row: Joanne Demaree, Aleesha Morris, Shannon Fiumano, Dina Bukolt, Celina DeFrancis

Last Row: Ron Gallman, Julia Robert, Hilary Mansur, Kelley Guyder, Terri Lockett, Laura Haley, Curtis Harris

Staff Photo (right)

From Left to Right: Amarillis Flores, Mary Jo Richer, Rickey Brown, Beverly Edwards





Another exciting year at Home HeadQuarters saw our programs and staff continue to provide cutting-edge assistance to homeowners in Syracuse and Central New York. During the past year Home Head-Quarters provided \$4.7 million in home improvement loans, invested more than \$3.5 million in new housing, rehabilitation and demolition projects, and helped 147 families purchase a home.

Home HeadQuarters also continued to innovate and create new opportunities for homeownership and counseling including innovating a new program with support from the New York State Attorney General for foreclosure counseling, teaming up with various community partners to redevelop the site where the old Otisca building once stood in Prospect Hill and assisting in the financing and construction management of the Babcock Shattuck House down in the University Neighborhood, and working with the newly formed Greater Syracuse Property Development Corporation (also known locally as the Land Bank).

As a Board member, I am interested in the mission of our organization. Home HeadQuarters was founded in 1996 to respond to insufficient resources in home improvement financing in the City of Syracuse. In

the past seventeen years, Home HeadQuarters has innovated and persevered through two recessions, using a proactive and collaborative model, to provide the residents of Syracuse and Central New York with the resources to become successful homeowners and sustain homeownership in our community. Home HeadQuarters continues to be one of the single largest home improvement lenders in both the City of Syracuse and Onondaga County.

The work of the Board would not be possible without the hard work and dedication from all of the staff at Home HeadQuarters. Having a staff that shares the passion of the Board members and provides the thoughtful stewardship of Home HeadQuarters' mission makes our job that much easier. Thank you to the staff for all that you do—you are all an inspiration!

I would also like to thank my colleagues on the Board and the volunteers on all of our Committees for their service during the past year. They represent a diverse group of business and government leaders and individuals who are invested in our community, I would like to thank them for giving me the honor of leading them for the past year. We all look forward to the challenges and opportunities of continuing our work with this great organization.

Anthony Marrone
Board President

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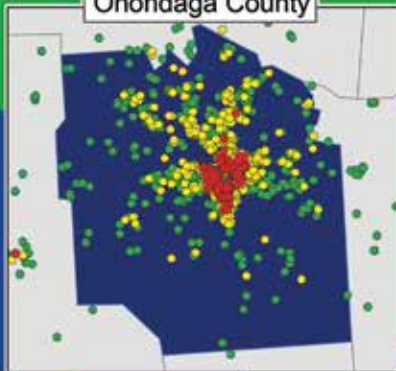


Home HeadQuarters—IMPACT

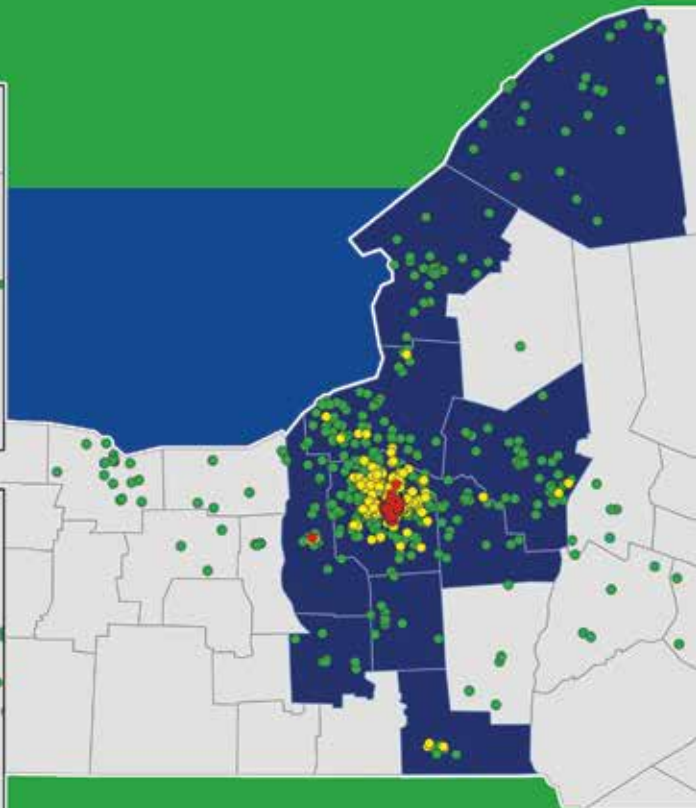
1996-April 2013



Onondaga County



City of Syracuse



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WELCOME

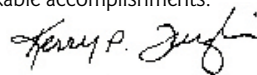
I am so pleased to be able to report the conclusion of another successful year at Home HeadQuarters and the anticipation of great years ahead! The past year was a great barometer for us as we began the implementation phase of our strategic plan which called for the deployment of our affiliated entities. The theory behind our plan is that the housing and community development field is complex and multi-faceted. It is only by being engaged in the many facets of the industry that we can grow and sustain our business to reliably serve our customers.

We cannot be happier with the growth of our real estate affiliate, CNY Affordable Realty as we now have three licensed real estate sales professionals on staff taking listings for sellers and representing buyers who are primarily looking at homes on the affordable side of the housing market. Property management opportunities have also presented themselves through this subsidiary as a result of the new Greater Syracuse Land Bank and we are excited about the growth opportunities in that business line. Similarly, the work of our construction crew housed at our affiliate, Opportunity HeadQuarters has been nothing short of spectacular. Our new construction and substantial rehabilitation efforts continue to lead the affordable housing sector as these properties are constructed with an emphasis on quality seldom seen in affordable housing development. We look forward eagerly to becoming even more

engaged in energy retrofitting that will make homes more comfortable and affordable for our home owners.

Our Home Ownership Center continues to educate consumers at a near record pace. These customers are extremely motivated to purchase their first home even with the anemic economic recovery in Upstate New York. These buyers will need mortgages to purchase homes and Home HeadQuarters has worked extremely hard to fill that void in the housing market as traditional mortgage lenders have retrenched significantly and it is becoming more and more difficult for young families, just starting out, to obtain mortgage financing. As such, our first mortgage originations increased significantly and are poised for explosive growth.

Being in a position to control your own destiny is a wonderful place to be, but it also requires the total dedication and the tireless efforts of our management team, staff and board members. I cannot be more proud of the team we have assembled here at Home HeadQuarters and the capacity that we amassed to do community development lending, real estate development and pre-purchase and post-purchase education for home owners. I want to thank each and every one of you who has taken part in our remarkable accomplishments.



Kerry P. Quaglia
Executive Director

WELCOME





LENDING

Home HeadQuarters continues to adapt to market demands with innovative lending programs and flexible financing for traditionally underserved customers. In 2012-2013, 377 home improvement loans and grants totaling \$4.7 million were provided to homeowners in the City of Syracuse and Central New York. While our lending activity experienced a downturn as a result of the recession, tightening of credit markets, and shrinking federal and state resources, we have seen a positive shift in demand over the latter half of last year indicating an increase in home improvement lending needs and specifically, a need for “green” related products. We have also received requests from larger “green” contractors wanting to partner to provide low-interest lending products for their customers. We are excited about this new collaboration with the contracting community.

In 2012-2013, Home HeadQuarters also capitalized on our successful relationships with CORE Federal Credit Union, Countryside Federal Credit Union, Seneca Federal Savings & Loan Association and Adirondack Bank to leverage more than \$2 million in “off-balance sheet” lending to offer low-interest loans to customers throughout Upstate New York and we continue to offer in first mortgage financing through NBT Bank with guarantees from the Allyn and Reisman Foundations. To date, we have originated nearly \$700,000 in first mortgage financing.

LENDING

LENDING ACTIVITY

- 377 home improvement loans and grants
- 16 first mortgages facilitated
- 65 first-time homebuyers received \$190k in down payment and closing cost assistance



BANKING PARTNERS



Deutsche Bank



SENECA
FEDERAL
SAVINGS
AND LOAN ASSOCIATION





Before



During



After

REAL ESTATE DEVELOPMENT

Home HeadQuarters continues to make significant real estate investments in the Near Westside and Prospect Hill as well as Skunk City, Park Avenue and the Southside. We had a very active real estate and construction season where we sold 24 properties that had been newly constructed or substantially rehabilitated, including two properties that were completed in the City of Auburn. In addition, we supervised the demolition of more than 14 vacant and dilapidated housing units that were unfit for occupancy.

Of note, we had three new homes under construction on Park Avenue as seen in the images to the left. In July, we hosted an open house to showcase these three brand new, single family homes that were built where 26 neglected rental units once stood. It was an amazing transformation and rounds out the significant work we've done in this neighborhood. All of the homes have since been sold to first-time homebuyers.

Equally as important as new construction to many residents, is when we purchase and rehabilitate one house (the "worst" house) on an otherwise stable street. In 2012-2013, we substantially rehabbed properties in both the Lincoln Hill neighborhood and the Tipperary Hill neighborhood. These efforts support new homeownership creation and keep neighborhoods stable.

DEVELOPMENT



Before



After



Before



After

CNY AFFORDABLE REALITY

We've also been busy developing our not-for-profit Brokerage company as CNY Affordable Realty received its 501(c)(3) status in February and immediately began working with clients interested in buying or selling properties in Syracuse and CNY. This new enterprise has exceeded all of our expectations in its "start-up" phase and appears poised and ready for explosive growth.

HOMEOWNERSHIP CENTER

The economic downturn of 2008 continued to plague the housing market well into 2012. Lenders responded with tighter lending standards which left potential buyers with less buying power than in previous years. In spite of wavering consumer and investor confidence and a decline in funding opportunities to promote homeownership, Home HeadQuarters helped to facilitate 147 Central New York homebuyers during the past fiscal year, a slight increase over the previous year and an early indication that market conditions may be settling.

HUD housing data strongly demonstrates the need for homeownership services and opportunities; while conversely, resources evaporate. The HomeOwnership Center serves to bridge this gap by focusing on both homeownership and home retention resources and options. Even in the current environment, Home HeadQuarters remains dedicated to helping those with homeownership dreams both purchase and sustain affordable housing.



HOMEBUYER EDUCATION AND COUNSELING ACTIVITY

- 665 attended HomeBuyer Orientation
- 426 graduated from HomeBuyer Education Course
- 147 became first-time homeowners
- 196 received 461 Foreclosure Prevention Counseling sessions
- 24 foreclosures prevented



HOMEOWNERSHIP





OPPORTUNITY HEADQUARTERS CREATES ADVANCED ENERGY

Opportunity HeadQuarters is our non-profit construction affiliate that newly constructs and rehabilitates Home HeadQuarters' properties. In addition to a busy construction season, this year they began the process of creating a for-profit affiliate called Advanced Energy Construction. This business will provide Opportunity HeadQuarters with the ability to serve a new clientele with a particular emphasis on energy home improvements. Revenue generated from such activities will help us support our trainees as public dollars for job training in the construction field have become difficult to find. A draft business plan has been started and we have engaged a consultant to help with generating private jobs.



OPPORTUNITY

APPRENTICE TRAINING PROGRAM

Through Opportunity HeadQuarters, we offer apprentice training opportunities for low-and moderate-income individuals interested in securing permanent employment in the construction trade. The six-month training program is targeted to minorities and women and focuses on introducing individuals to construction math, measuring skills, basic carpentry, basic painting, job and interviewing skills, and general safety practices. Apprentices gain construction skills by working on-site at various residential rehabilitation and new construction projects as active crew members.



2012-2013 HIGHLIGHTS

ATTORNEY GENERAL SUPPORTS NEIGHBORHOOD REDEVELOPMENT

With funding obtained through the National Mortgage Settlement, New York State Attorney General Eric Schneiderman is reinvesting these funds into neighborhood revitalization and stabilization efforts in the City of Syracuse and Central New York. Home HeadQuarters was pleased to be an active partner in these efforts in 2012-2013.

LAND BANK

In June, the Attorney General visited the City of Syracuse to announce that \$20 million would be made available to the state's newly formed land banks to help redevelop foreclosed properties. He made this announcement at one of our newly constructed homes on Marcellus Street in the Near Westside. This home is a prime example of Home HeadQuarters' property redevelopment work, but it also illustrates the impact vacant, dilapidated properties can have on these efforts. After purchasing the property and building a new, energy efficient home, Home HeadQuarters needed a buyer. We found one, but she had one question—what we're going to do about that property next door? That property was one of nearly 3,500 tax delinquent and about 2,000 abandoned properties in the City of Syracuse. At the end

of October, the Attorney General was back in Syracuse to announce that the local land bank had been awarded \$3 million to jump-start their efforts and we are pleased to report that we will work collaboratively with the Land Bank to rehabilitate 40 properties and demolish 20 structures.



FORECLOSURE PREVENTION

Providing homeowners with education and one-to-one counseling is critical to those facing foreclosure. Through the Home Ownership Protection Program funded by the Attorney General's Office and the funding received by the City of Syracuse, Home HeadQuarters has educated and counseled more than 300 homeowners who were at risk of foreclosure due to mortgage delinquency in and around the City of Syracuse as well as in five other counties.





2012-2013 HIGHLIGHTS

WHAT'S GREEN

Home HeadQuarters successfully received our Green Designation in September. We are one of only 42 organizations in the NeighborWorks network to achieve this recognition for our efforts to create healthier, energy-efficient environments for homeowners, community residents and employees. As part of this process, we look to see where it makes sense (from construction, design and economics) to incorporate green technologies into home improvement, rehabilitation and new construction specifications. The picture to the left shows our crew installing insulated concrete forms (ICFs) while the picture below shows structural insulated panels (SIPs) going up at a new construction project. Opportunity HeadQuarters has become very efficient at installing both of these green construction technologies.



HIGHLIGHTS

SUPPORTING MINORITY AND WOMEN OWNED BUSINESS ENTERPRISE

In March, more than 20 contractors attended our first Minority- and Women-Owned Business Enterprise (M/WBE) contractors' forum that was hosted with support from Assemblyman Sam Roberts, and focused on how to become a State certified contractor. Participants heard from NYS Homes and Community Renewal Regional Commissioner Dan Buyer, Common Council President Van Robinson, City M/WBE Compliance Officer Ashley Wilson as well as local community groups on the resources available to assist with the certification process.



2012-2013 HIGHLIGHTS

MEASURING COMMUNITY IMPACT

This year, over 220 NeighborWorks America Community Development Organizations undertook a Community Impact Measurement Project (CIM) in their communities. The expectation is that each of these NWOs will measure the outcomes of its work to show the impact we make in strengthening communities locally and in the aggregate as the NeighborWorks Network.

Home HeadQuarters chose to measure the outcomes of our work in the Near Westside neighborhood, one of our long-time target neighborhoods. Each NWO was required to use the same basic survey instrument and methodology so that the collective results would be credible and so that NeighborWorks can tell a collective impact story for the network as a whole. Home HeadQuarters partnered with the Near Westside Initiative and with Syracuse University's Community Benchmarking program to knock on over 600 residential doors. Ten student volunteers, eight neighborhood residents and nine Home HeadQuarters staff members collected 269 completed surveys during the months of September and October. Students from the Community Benchmarking Program are now in the process of analyzing the data and will present their final results at the end of the fall 2013 semester.



BLOCK BLITZ

This year we hosted our 8th annual Block Blitz on Hawley Avenue. This community event brings together volunteers from across Central New York to help renovate and improve as many homes as possible—all in one day! Despite the rain and chilly temperatures, more than 130 volunteers and skilled workers, supported by our generous sponsors, helped to clean up, landscape, paint, repair, and restore more than 25 City of Syracuse homes.

PATCH N' PAINT

Working side-by-side with the Court-Woodlawn Neighborhood Group, Home HeadQuarters' staff and volunteers pulled off a successful Patch n' Paint that helped to improve 10 homes and one long-standing business on Worden Avenue located on the city's upper Northside.



THANK YOU

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TOP'S Market
Wegmans

FINANCIAL OVERVIEW FOR FISCAL YEAR MAY 1, 2012 - APRIL 30, 2013

Revenue

Program Related Grants	\$9,330,126
Contributions & Fundraising	\$201,814
Loan & Real Estate Program	\$2,317,889
Other Revenue	\$3,770

Total Revenue **\$11,853,599**

Expenditures

Program Expenses	\$10,766,602
Management & General	\$154,861

Total Expenditures **\$10,921,463**

Total Assets/Liabilities

Total Assets	\$35,723,437
Total Liabilities	\$9,714,666
Total Net Assets	\$26,008,771

Increase in Net Assets* **\$932,136**

* Available for programming



MISSION STATEMENT

Home HeadQuarters is committed to creating housing and related opportunities and services in Central and Upstate New York that improve the lives of underserved people and revitalize the communities in which they live.