

HOME HEADQUARTERS' ANNUAL REPORT

2014–2015



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A YEAR IN REVIEW

It gives me great pleasure to present to you the Annual Report for Home HeadQuarters for the 2014/2015 Program Year. If we were asked to describe our efforts this year in just one word, it would most certainly have to be “focus” as we needed to have that discipline in each of our lines of business to have such a successful year.

In our Real Estate and Construction Line of Business, we were extremely focused on redeveloping 40 vacant, deteriorating properties with funds provided from the Attorney General’s Office through the Land Bank. All of these properties will be completely refurbished and sold to owner occupants who will not only care for their property, but also care about the neighborhood in which it is located.

Our Community Development Lending Line of Business has been focused on our First Mortgage Initiative which seeks to provide acquisition financing for credit-worthy families who may not otherwise qualify for bank financing in today’s highly regulated environment. We also kicked off a new program whose intent is to encourage “mom and pop,” local investors to purchase deteriorated properties from the Land Bank, or other sources, and renovate those properties into much-needed affordable rental. While we recognize we have not yet scratched the surface of the need for capital in our community, these initiatives are working and are worthy of replication.

Our Home Ownership Center has been focused on meeting our customer’s demand for all of our home ownership programs and services. The First-Time Home Buyer classes have been full and we have made far greater use of the E-Home America online tool than ever before. Locally, the message is quite clear – families in our community want to own their own home!



As one successful year turns into another, you have my commitment that Home HeadQuarters will continue to focus with laser precision on the needs of Syracuse and Central New York to help improve the place we all call home.

Kerry P. Quaglia
Kerry P. Quaglia
Executive Director



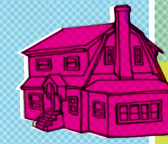
HOME HEADQUARTERS STAFF

Front Row (from left): Amy Schmidt, Shannon Fiumano, Lisa Coward, Cali Nellis, Terri Lockett, Angela Dence, Ashley Pettigrass, Rey Ortiz, Amanda Pascall, Constance Foster, Debbie DeJesus, Kate Palermo

Second Row: Mary Jo Richer, Jennifer Miller, Laura Haley, Kelley Guyder, Ron Gallman, Kerry Quaglia, Celina DeFrancis, Sheila McManus, Lori Dieroff, Hilary Mansur, Zachary Romano

Third Row: Jassie Medina, Curtis Harris, Jean-Marie Strong, Jenna McClave, Meghan Carroll, Dina Bukolt, Andrew Erickson, Justin Quaglia

Not Pictured: Elisa Morales, Joe'von Works, Joyce Ramos, Rickey Brown, Crystal Purcell Cosentino



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OPPORTUNITY HEADQUARTERS

Front Row (from left): Doug Carrick, Dan Wright

Second Row: Brian Wright, Mike Kepner

Third Row: Shawn Wright, Rob Kepner

DIRECTORS EMERITUS

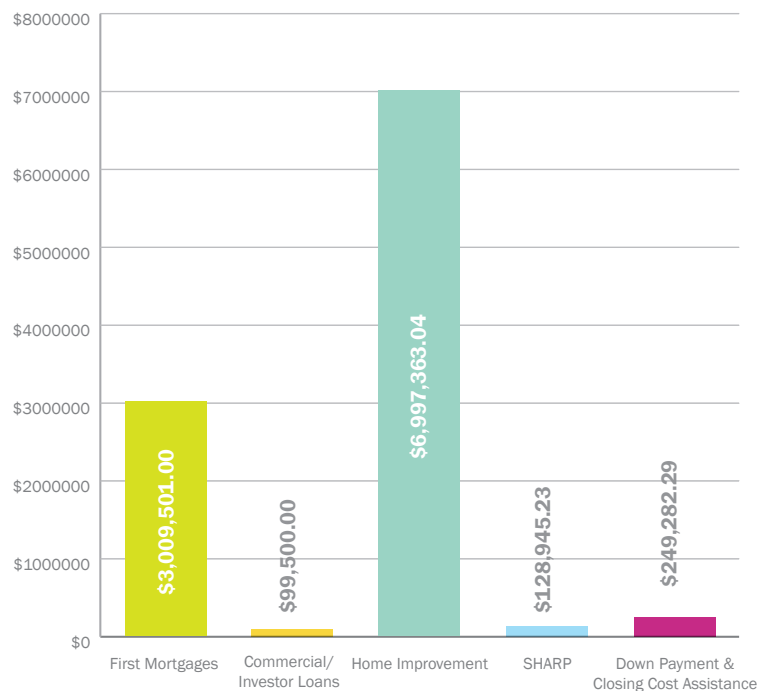
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COMMUNITY DEVELOPMENT LENDING

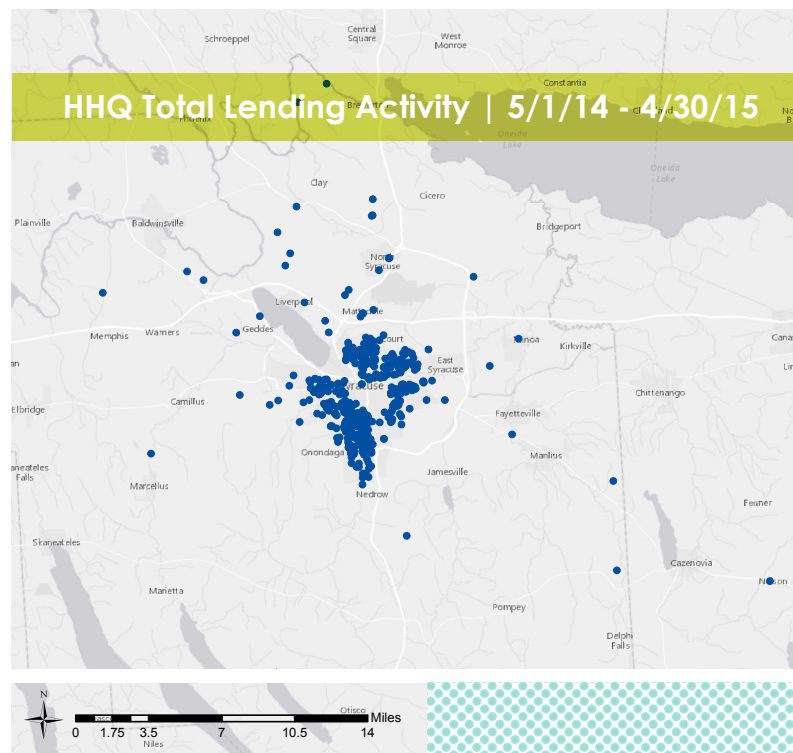
Nearly 1,000 families in Central New York reached out to Home HeadQuarters for financing during this program year. That represented about a 10% increase in applicants over the year prior. We saw an unprecedented demand for our federally-funded programs as 238 people applied for the SHARP Program for minor home repairs and 148 families needed help through our "Urgent Care" program for items like a sewer back up, leaky roof or red-tagged furnace. We also had record demand for our first mortgage product as 26 families required our financing to purchase their first home.

Finally, as we closed out our program year last year, we were celebrating our ability to receive a \$1.5 million credit facility from Key Bank to implement an investor loan program for small "mom and pop" investors who want to purchase and manage rental units in or near the neighborhood in which the investor lives.

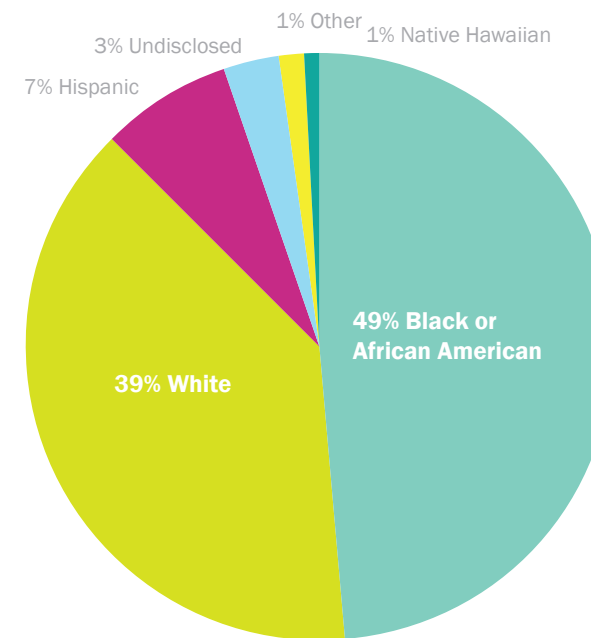
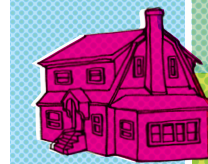
2014 - 2015 LOANS & GRANTS



With regular investor workshops held over the past year and other outreach efforts to encourage investors to purchase 1-4 unit residential properties currently being held by the Land Bank, we are beginning to see significant interest in the program.



CUSTOMER DEMOGRAPHICS



In 2014 - 2015, 60% of HHQ's lending customers were minority households.

FIRST MORTGAGES & INVESTOR FINANCING

Historically, when Home HeadQuarters has experienced an obstacle in the home buying, selling and renovation process, it has looked inward to find a solution. Knowledge gained from a variety of challenges has been applied to create offerings that fulfil specific customer needs not being met by other entities. CNY Affordable Realty was created for this reason, as was the Opportunity HeadQuarters team.

Most recently, HHQ has developed programs for first time home buyers and small scale property investors looking for affordable and flexible financing. We noticed that there wasn't much financing out there for these types of buyers - young couples, families, single parents with a low to moderate income looking to start a home and build equity; "mom and pop" investors with some renovation skills looking to fix up the vacant house down the street or supplement a fixed retirement income with a rental property. The response to both programs has been substantial!

Adaptability and innovation have been key in HHQ's remaining not only a financially viable entity but also one that provides assistance to those who need it most. Customers have been able to receive help in every step of the homebuying process - from down payment and closing cost assistance to renovation subsidy on HHQ houses and properties owned by outside sellers, alike.

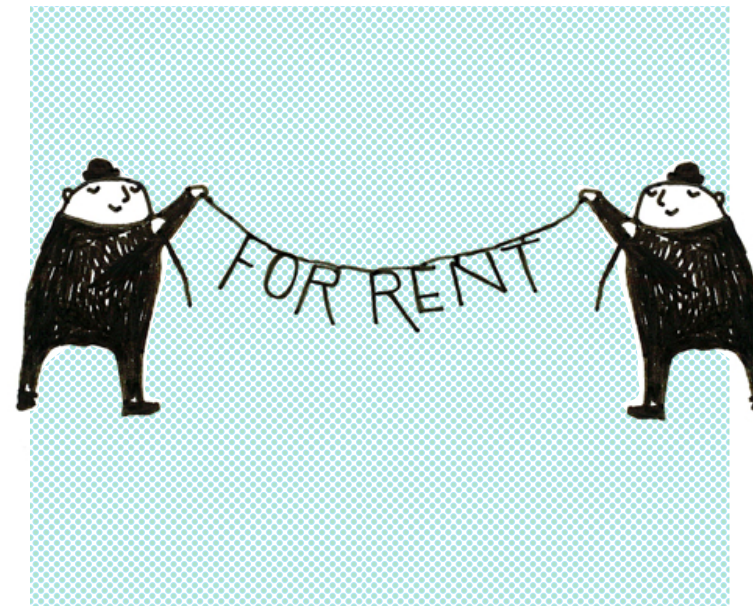
Read about a few of our customers on the following pages...

INVESTING IN HIS NEIGHBORHOOD

As a resident of Syracuse's Hawley-Green neighborhood for more than 30 years, Michael Casler has learned that even a single person can make meaningful contributions to community revitalization. For instance, after he painted the exterior of his house he noticed that some of his neighbors began to make improvements to their properties as well. Mr. Casler has a longstanding vested interest in his community, participating regularly in events like the Neighborhood Watch Program, historic house tours, block parties, and police appreciation picnics.

In February of 2015, the Land Bank took title to the house directly next door to Casler's home. He had been trying to buy the property for a while, and though this was a step closer the process was still a long one that called for a lot of patience. Mr. Casler decided to enlist HHQ's help, having recently learned about the Investor Financing Program and having received HHQ financing when purchasing his own home.

Home HeadQuarters was eager to help Mr. Casler given his interest and engagement in revitalizing his neighborhood. We worked with him to complete the acquisition and rehab loan paperwork, assisted him with his purchase offer and before too long, he was the proud owner of what will be his first investment property.



A FIRST MORTGAGE STORY – THE EVERSLEYS

Clint and Ayesha Eversley are eager to call Syracuse their new home, even in the winter. Hailing originally from Trinidad and Brooklyn, they recently moved to Syracuse to be closer to some of Ayesha's family.

He and Ayesha also felt that New York City was no longer an ideal setting in which to raise their two young daughters. Supervised outdoor playtime for the girls was a challenge, requiring extra time and planning for walks to the park. They had begun to feel claustrophobic in their Brooklyn apartment and had concerns about their daughters' long-term safety.

After having decided to purchase a home, the Eversleys attended Home HeadQuarters' eight hour Home Buyer Education class. They both found it to be helpful in educating potential home buyers about the importance of securing and protecting their credit. "You learn from credit mistakes for sure," says Clint. "Even having a cell phone contract – that can affect your credit even though it's something small."



Next, the couple came in and met with Shannon to get started on their first mortgage loan. The process of securing the loan and putting an offer in on their house proved to be lengthier than they had first anticipated because of a difficult experience with a contractor who had charged them a fee to draw up a proposal to the Land Bank. "That first day we came in to meet with Shannon with our proposal - that was a tough day," recalls Ayesha. "We thought we had everything in order but it turns out we couldn't use it even though we had paid \$1,000 for it." Shannon advised them that homebuyers should never pay for a bid, even in the case of entire house rehabilitation.

She also provided recommendations that apply to anyone looking to hire a contractor: make sure the contractor has Liability Insurance, Workman's' Compensation Insurance, and EPA and lead certifications.

In spite of these challenges, Clint and Ayesha continued on and with support from HHQ they recently closed on their new home. Now they can focus on planning Clint's man cave and Ayesha's greenhouse, and, most importantly, watching their little girls play in their safe and spacious back yard from the comfort of their home.



THE GEAR FACTORY

Syracuse native Rick Destito had been trying to secure a loan for a massive renovation of the building on the corner of S. Geddes and W. Fayette Streets known as the Gear Factory for nearly a decade. In 2012 he won a \$680,000 reimbursable NY State economic development grant to make updates to the building. Destito tried to get a loan from dozens of banks over the course of 2 years but was repeatedly denied.

Believing he had exhausted his options for a traditional loan, Destito approached Home HeadQuarters for advice on possible private investment. Instead, he finally found an organization willing to finance the Gear Factory renovation: Home HeadQuarters. At first glance, a substantial commercial development like this would seem to fall outside of HHQ's typical lending model. However, HHQ has always seen itself as a company looking for ways to eliminate gaps faced by borrowers in Central New York who are looking to invest in transitional neighborhoods and this project promises to be a key element in the renewal of the Near Westside.



NEWLY INSTALLED WINDOW



NEWLY INSTALLED WINDOW

Destito is using \$1.2 million loan to make building updates including but not limited to restoration of the enormous windows (which until very recently were walled off with concrete), installing safety mechanisms like sprinklers, updating the electrical system, adding a second stairwell, an elevator and 22 rehearsal studios for musicians. The roof of the historic building has also been converted to a "green roof" covered with vegetation to absorb rain and snow.

This project exemplifies the spirit of positive change and creativity that will contribute to the evolution of a more vibrant Syracuse; the type of change HHQ endeavors to enact through residential and, now, commercial development and rejuvenation.



STEEL GIRDER DELIVERY



RENDERING OF COMPLETED PROJECT

THE HOME OWNERSHIP CENTER

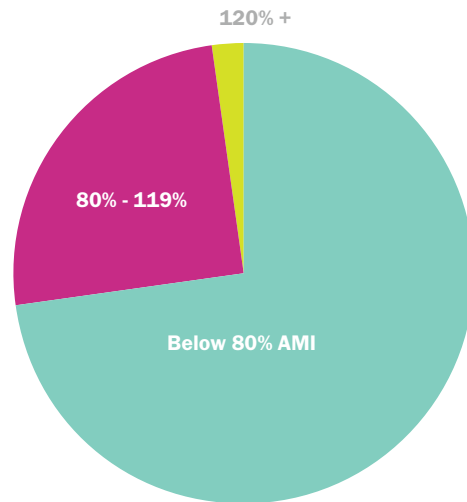
The Homeownership Center at HHQ has been very busy with customers seeking pre- and post-purchase education and counseling services. This past year we completely overhauled our agency website, creating a separate HOC website. We now offer the ability for class attendees to register and pay online. It has really taken off with approximately 75% of class participants registering online and roughly 25% paying on line through a secured online event and payment portal Eventbrite.

This past year we graduated 441 individuals through our Homebuyer Education series, up by 50 graduates over last year. We've helped facilitate 205 individuals in purchasing their home in Central New York, with 67% purchasing in Syracuse. These buyers, all graduated from our homebuyer education class and received at least

one 1:1 counseling session. The buyers were from their early 20's to their late 60's possessing an average credit score of 692 and are 68% of the area median income (AMI) as defined by HUD. More than 30% identify as non-white and 56% are female headed households.

Our foreclosure counselors are just as busy having counseled 244 unduplicated households at risk of losing their home over the past year. More than half are from the City of Syracuse. The average age of our customers are over 50 and are 60% of AMI. More than one-quarter represent a female headed household. Counselors continue to travel throughout the region offering Foreclosure Prevention Workshops in a 7 county area through the NYS Attorney General's Homeowner Protection Program (HOPP).

73% HOC Clients earn less than 80% AMI



REAL ESTATE DEVELOPMENT

CNY Affordable Realty continues to be a catalyst to connect homebuyers to affordable homes. Not only is the affiliate selling HHQ developed properties, but it also manages a handful of private sales meeting a niche market need of those low-to-moderate income, first time homebuyers buying in transitional neighborhoods. Over the last year, CNY Affordable Realty Licensed Real Estate Agents worked with 14 private buyer/sellers in addition to acting as the agent for 21 private sales HHQ was pursuing. As the only not-for-profit real estate brokerage in CNY, the organization is critical to promoting Fair Housing and affordable housing in our community.



224 Glen Avenue West
Sold February 2015



157 Maplewood Drive
Sold October 2014



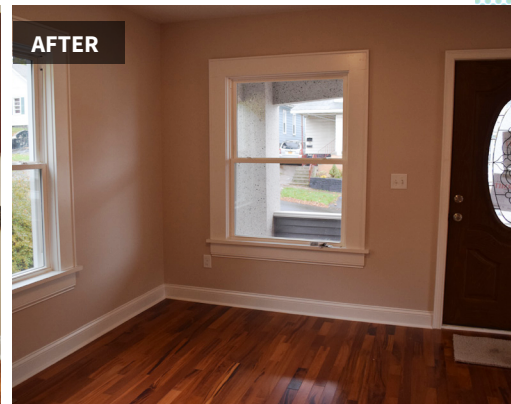
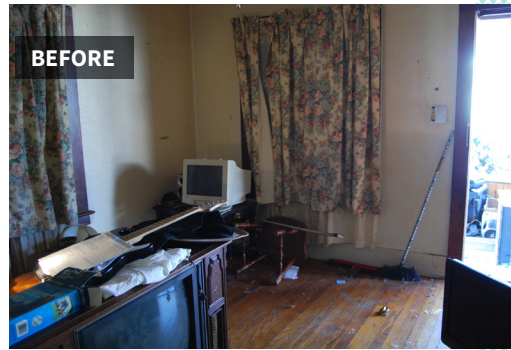
132 Fenton Street
Sold December 2014

307 HERBERT STREET

REHAB HIGHLIGHTS

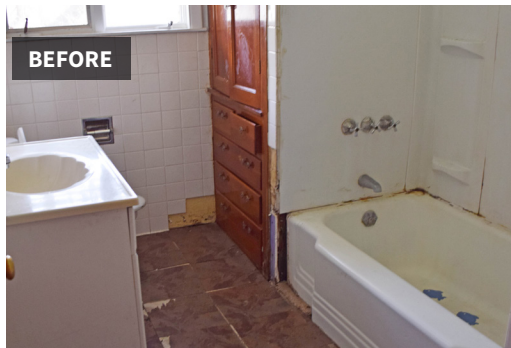


150 CULBERT STREET

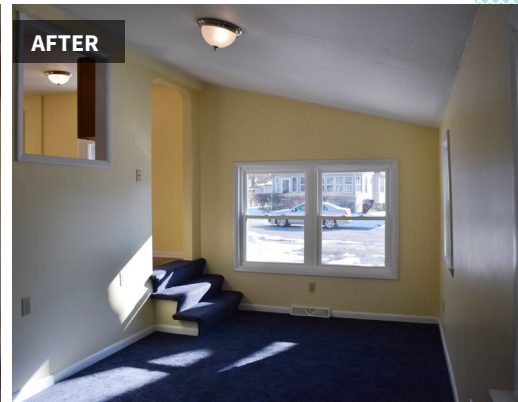


217 FERNDALE DRIVE

REHAB HIGHLIGHTS

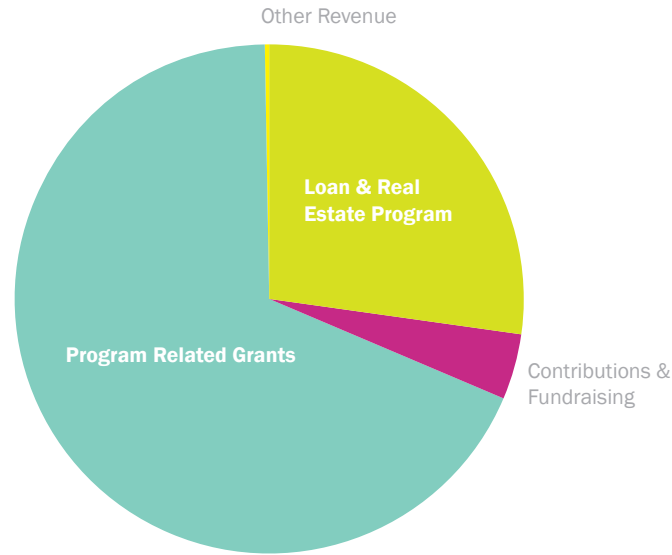


313 EAST GLEN AVENUE



FINANCIAL OVERVIEW

Fiscal Year | May 1, 2014 - April 30, 2015



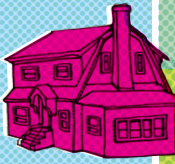
Total Revenue | \$12,698,164.00

Program Related Grants
\$10,015,408

Contributions & Fundraising
\$146,867

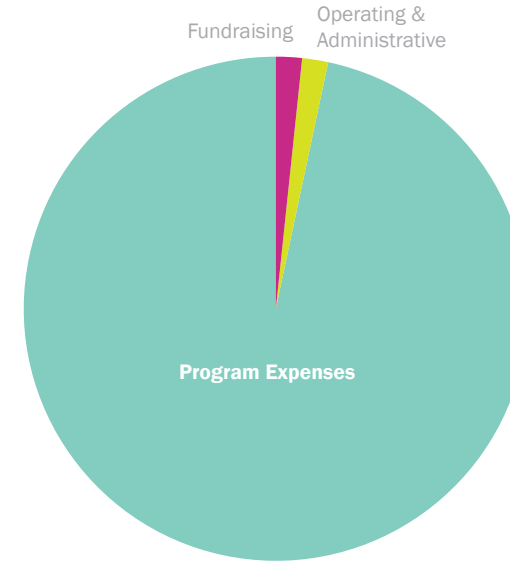
Loan & Real Estate Program
\$2,531,981

Other Revenue
\$3,908



FINANCIAL OVERVIEW

Fiscal Year | May 1, 2014 - April 30, 2015



Total Expenditures | \$9,436,378.00

Program Expenses
\$9,102,618

Operating & Administrative
\$161,510

Fundraising
\$172,250

BANKING PARTNERS

ACMG Federal Credit Union
Adirondack Bank
AmeriCU Credit Union
Auburn Community
Federal Credit Union
Bank of America
Berkshire Bank
Chase
Citizens Bank
Community Bank
Cooperative Federal
CORE Federal Credit Union
Countryside Federal Credit Union
Deutsche Bank
Empower Federal Credit Union
First Niagara
Geddes Federal Savings
HSBC
Keybank
Liverpool Federal Credit Union
M&T Bank
NBT Bank
Pathfinder Bank
Visions Federal Credit Union
Seneca Savings
Solvay Bank
Summit Federal Credit Union

FUNDERS

84 Lumber
Adirondack Bank
Allyn Foundation
Bank of America
Central New York
Community Foundation, Inc.
Christopher Community
Citizens Bank
Deutsche Bank
Dunk & Bright
Empire State Development
Empower Federal Credit Union
Federal Home Loan Bank of NY
First Niagara
Geddes Federal Savings
The Gifford Foundation
Greater Syracuse Association
of Realtors
HAP Housing
JP MorganChase Bank
KeyBank Foundation
Lead Safe, LLC
M&T Bank
NBT Bank
NeighborWorks America
New York State
Attorney General
New York State Homes and
Community Renewal
New York State Affordable
Housing Corporation
New York State Housing
Finance Agency

NorthSide UP
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University Neighborhood
Preservation Association, Inc.
U.S. Department of Housing
and Urban Development
U.S. Department of the Treasury
Community Development
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Wells Fargo Housing Foundation

James Patterson
Brandiss Pearson
Kerry Quaglia
Timothy Rittenhouse
Sally Santangelo
Christina Sauve
Vito Sciscioli
Rick Shirtz
Gladys Smith
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Carl Spencer
Joanne F. Stewart
Craig Sternberg
Patrick Strodel
Josephine Thomas
Robert Vertucci
Fanny Villareal
Sabrina Webster
Susan White
Terri Williams
Elaine & Douglas Wolf

BOARD OF DIRECTORS

Big things are happening at Home HeadQuarters. We're embarking on our 20th anniversary this year, we're going to be relocating our offices to a great new location this spring and we hope to renovate and rehab approximately 20 homes. There is indeed a lot to look forward to in the year to come, but the year we are reflecting on provided its fair share of highlights.

Home HeadQuarters continued to be the leader in home improvement, home ownership and lending in Syracuse and Central New York. We worked with the New York State Attorney General's Office, the City of Syracuse, Syracuse Industrial Development Agency (SIDA) and the Greater Syracuse Land Bank to complete 32 demolitions. We partnered with Onondaga County to roll out a brand new program to provide home improvement loans up to \$10,000 to homeowners in East Syracuse, Mattydale and North Syracuse. We continued to expand our first mortgage portfolio and have now partnered with half a dozen lending institutions to provide first mortgage financing to borrowers all over Central New York.

Our staff, board and volunteers have been very busy this year. We had a great Block Blitz event on the North Side in Washington Square, as well as several other Patch & Paint events throughout the City. We continue to engage residents and neighborhood organizations to develop programming that is responsive to the needs of each part of the City and unique in our area. Additionally, our foreclosure prevention courses and intervention staff provide resources to homeowners facing the threat of foreclosure that are recognized statewide and unmatched in Central New York and the surrounding region.

It is great to work with the staff at Home HeadQuarters, because they embody our mission and help to convey the personal stories of the people they interact with on a daily basis to the entire Board of Directors, so we can take that message out into the community as advocates for the work accomplished at Home HeadQuarters. It is refreshing to see a team of people who pride themselves so much on the quality of their work and the impact that work has on their community, rather than flashy awards or fancy job titles. Every time I come to Home HeadQuarters, I run into someone who can share a positive story of the impact on someone's life, and that is what makes this work truly rewarding.

I would like to thank my colleagues on the Board of Directors and the volunteers on all of our Committees, a diverse group of business and government leaders who are invested in our community. I am grateful for the humbling opportunity to be able to work with all of you. I do plan to ask more from the Board and Committees this coming year than I ever have before. We are about to embark on our 20th anniversary year, and I want to make it the best year yet for Home HeadQuarters. I know they will all rise up to the challenge of continuing to develop resources and programming to create housing and related opportunities for residents in Central New York.

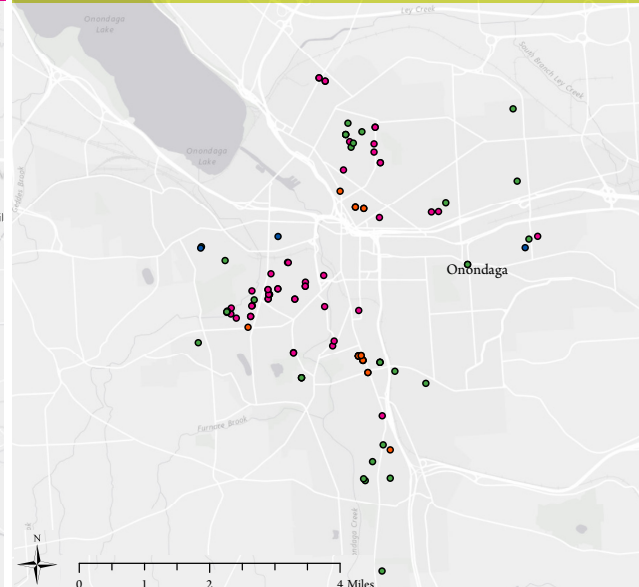
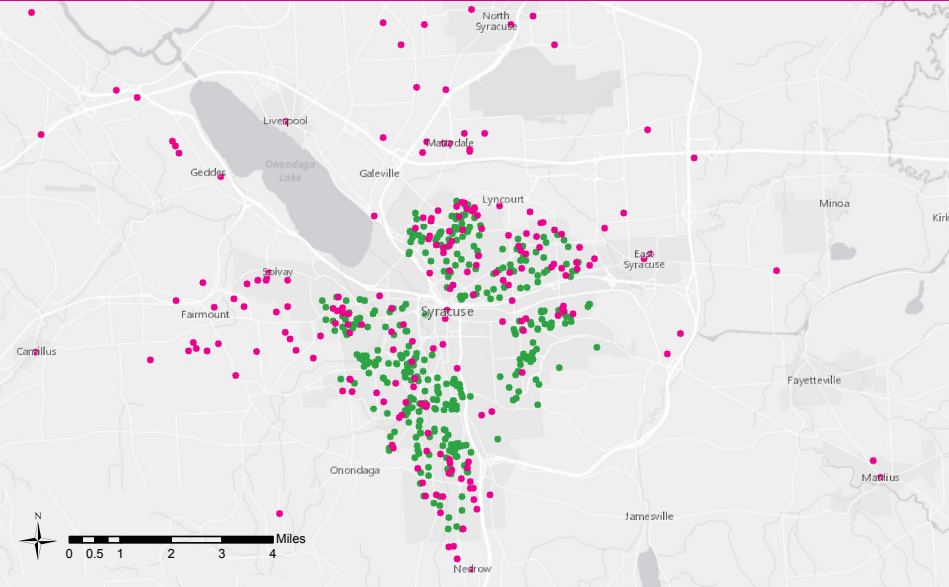
Thank you.

Anthony Marrone | HHQ Board of Directors President



HOMEBUYERS FACILITATED & HOME IMPROVEMENT LENDING 5/1/14 - 4/30/15

HOME HEADQUARTERS REAL ESTATE DEVELOPMENT



- 2014 - 2015 Homebuyers Facilitated (271)
- 2014 - 2015 Home Improvement Lending (394)

- Demo (51)
- Rehab (33)
- Resale (21)
- New Construction (3)



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