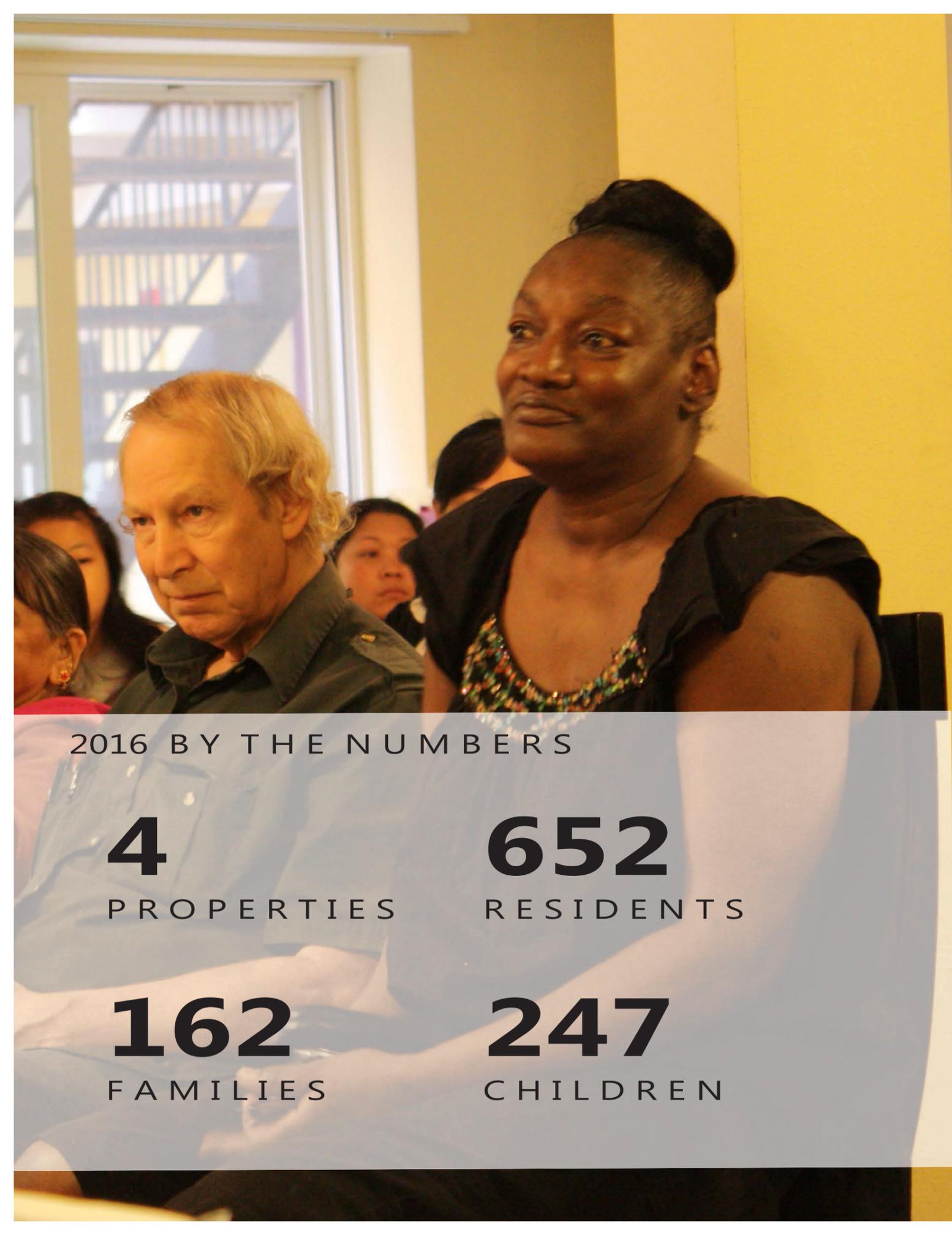


HOME · OPPORTUNITY · COMMUNITY
2016 | ANNUAL REPORT





36

YEARS

thousands

SERVED

Our mission is to create
**inclusive, healthy
communities** through
**quality, service-enriched,
affordable housing**

2016 BY THE NUMBERS

4

PROPERTIES

652

RESIDENTS

162

FAMILIES

247

CHILDREN

100% of units are INCOME-BASED

2,281 PROGRAMMING HOURS provided

605 RESOURCE NAVIGATION cases logged

40% of residents are REFUGEES

Dear friends,

I am not sure if you are aware of this, but Hope Communities was one of the earliest pioneers to build and manage affordable housing with self-sufficiency programs in Colorado. I recently met with visionary founders of the program, Ray and Marilyn Stranske, who established the organization nearly thirty-seven years ago. Their approach was revolutionary and their innovation regarding opportunities for investment in housing development for low-income individuals and families was extraordinary. Their insight regarding the factors leading to housing instability and their commitment to find solutions is praiseworthy.

Now, more than ever, our community needs to embrace Ray and Marilyn's concept to provide affordable housing and supportive services to give adults the skills they need for economic mobility and children the programs and services they need to build a foundation for later success. I am happy to be a catalyst for that work.

While Hope Communities' mission remains the same, the organization has steadily evolved and adapted to maintain its relevancy and impact throughout the years.

Hope currently operates four residential properties with nearly 300 rental units and serves approximately 1,000 individuals annually. All apartments are provided to low-income renters at a cost appropriate for individuals making 60% of the area median income (AMI) or below. I am proud to report that with our commitment to affordability, we are positioned to support a broad range of residents – from those who would be homeless without our housing to lower-wage earners who make up the fabric of our community.

We are more than affordable housing. We care about providing a real **home** for Hope Communities' residents. That includes a well-kept apartment and a safe, supportive community environment that offers plenty of opportunity to build relationships and interact with neighbors. We ensure the buildings are in good shape, take pride in the grounds, and we offer many activities that bring neighbors together.

Resident programs and services are a vital part of the work we do. We offer case management, resource navigation and essential programs to residents. Hope Communities collaborates with community partners to leverage resources better than any like organization I have ever seen. While we accomplish a lot with very little, there is a dire need to provide more to residents at all our properties – with particular focus on those related to academic achievement, economic opportunity and self-sufficiency. Our first priorities will be to expand programs, case management and community partnerships in our Park Hill and Five Point properties.

A big part of building an inclusive community is embracing the many people from diverse backgrounds that call Hope Communities home. While each of our properties is very different in terms of size, scope and demographics, Hope Communities is home to a large percentage of refugees and recent immigrants. We appreciate the fact that these individuals have arrived in Denver with dreams for a new beginning – for themselves and their families. We work diligently to help them learn new customs, navigate the community and gain the skills, education, career path and resources they need to be successful. **Providing hope, support and opportunities for economic mobility are core to our mission – for refugees and ALL the families at Hope Communities.**

One more characteristic that sets Hope Communities apart is a focus on community-building. We understand the value and importance of building a stronger, more cohesive society to address the complex issues facing all of us today. **To that end, we collaborate with a broad array of partners to leverage resources and create collective impact; concentrate on strategies to foster economic development; work with agencies to achieve common goals; and offer leadership and advocacy training to residents of our programs so they are better prepared to be engaged members of the community.** We allow neighbors adjacent to our apartments to participate in our classes, and we are leaders and conveners for discussions pertinent to societal issues and neighborhoods surrounding our properties.

We have a deep commitment to securing additional affordable housing units across the city to ensure the inclusive, healthy communities we set out to build nearly 37 years ago. This is a goal that we alone cannot resolve. We need your help in achieving this, and other goals, for the good of the organization and our region.

We hope you will assist us in growing our programs to ensure economic mobility for our residents. And, we strongly encourage you to join our movement to create more service-enriched, affordable housing in the Denver Metro Region. Please consider giving your support – through donations, volunteerism and advocacy for these causes.

Your engagement in our work WILL make a difference.

Thank you so much.



Sharon A. Knight
President & CEO



AFFORDABLE HOUSING IN DENVER

The Department of Housing and Urban Development determines an individual to be cost-burdened if he or she spends **more than 30% of their income on housing**. In Denver, the average cost to rent a two-bedroom apartment is \$1,156, meaning one would need an average annual salary of \$46,240.

Across the income spectrum, many young people, families, older adults, immigrants and refugees, those with disabilities, and others simply do not have the means to keep up with rising rental prices.

\$46,240

Delivery Driver

Dishwasher

Elementary School Teacher

Food Prep

Groundskeeper

Janitor

Nurse

Police Officer

Retail Worker

Wait Staff

10,000 20,000 30,000 40,000 50,000 60,000

“The ache for
HOME
lives in all of us”

-Maya Angelou

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When families spend more than 30% of their income on rent, there is less available for other necessities such as:

- food
- transportation
- education
- healthcare
- clothing
- childcare



50%

of Colorado renters are

COST BURDENED

Hope's mission **THREE WAYS:**

1

Affordable Housing

2

Resident Programs & Services

3

Real Estate Development

"I feel very safe."

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Karna was born in Bhutan, and grew up to own and operate a successful farm – large fields of corn, lemon and orange trees, and 50-60 head of cattle. He had a wife and children. But in 1993 the government declared Karna an illegal immigrant. Though he had lived in Bhutan his entire life, he was not considered ethnically Bhutanese, and thus expelled from the country.

He spent the next 21 years of his life in a Nepali refugee camp.

Working in the camp was prohibited, so Karna volunteered to distribute supplies and assist with the organization and management of the camp. Only occasionally was he granted day or week passes to leave and find paid work outside the camp. Rain would flood the grounds, and strong winds would knock down the walls of his shelter.

As the years passed, it became clear that Karna and his family would never be able to return to Bhutan. **"I've got only my children and my wife from Bhutan, nothing else."** Karna says.

In 2014, Karna was accepted to resettle in the US. Immediately upon arriving, Karna and his family were placed in Denver at Hidden Brook Apartments. **"I like many items about living here,"** he says, **"I feel very safe. When I have any problem, I talk to manager."**

Now, his three children living in the US are all gainfully employed, and he is a proud grandfather (right, his daughter and granddaughter). Karna and his wife receive assistance navigating the healthcare system, and have also enrolled in an Elder Daycare program, where he interacts with others his age and explores the community.

"The system is good here".

Despite speaking several languages, he has trouble learning English and says cultural differences can cause confusion (he notes the raised eyebrows when he and his wife mention they had an arranged marriage). However, he has made friends with other Bhutanese and Nepali families in the community, who also help him learn about his new home. And while Karna mentions that he has had little formal education in his life, his immense agricultural knowledge is evident. His plot at Hidden Brook's Community Garden is a bit of familiarity in a new world. Karna has become a leader and positive influence in the community.

Living at Hidden Brook has provided his family with stable housing, a solid foundation upon which to rebuild their lives. His apartment here is much more than a place to live. It is, finally, a place to call home.



2016 HIGHLIGHTS

Leadership & Civic Engagement

Residents and community members participated in leadership training, and led a grass-roots effort to request more streetlights and police presence in their neighborhood. Several of the streetlights have already been installed!

Youth Interpreter Program

Through our community partnership with Spring Institute for Intercultural Learning, Hope was able to secure enrollment of several resident youth in an Interpreter Training program - giving them access to employment using their essential language skills.

Resource Navigation

Case management and patient navigation are highly utilized by residents and the greater community, providing services for 41 new, unduplicated families and 605 duplicated services.

Flu Shots & Dental Clinic

Colorado Alliance for Health Equity and Practice held their annual two-day Flu Shot and Health clinic at Hidden Brook Apartments, administering 107 flu shots. Community partners Project Worthmore and Worthmore Dental Clinic provided dental screenings open to Hidden Brook residents and the greater community. At least 20 new households participated. Assessments and referrals were made, children's teeth were professionally brushed and smiles stretched wide.

Community Garden

Through a 3-year joint project with Charles Schwab volunteers, Hidden Brook's Baumgartner Community Garden was completed in 2016. With the help of 25 volunteers, and generous donations from Metco Landscape, the 39-plot garden is fully open for residents to begin planting.

English Classes

Hope continues to offer English classes 6 days a week, at various learning levels and with various learning focuses, including health literacy.



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2016 HIGHLIGHTS

Community Wellness Summit

The Community Wellness Summit (formerly the Women's Wellness Summit) was expanded from a female-focus and held outside at The Gardens, with 13 organizations and service agencies represented, resulting in the highest participation yet.

Voter Education Campaign

Hope implemented a Voter Education campaign to engage and educate newly naturalized citizens and others in the election process. Providing access to onsite voter registration and voter education was comforting to new citizens, most with refugee backgrounds, voting for the first time ever. A 3.5 hour ballot read session, entitled Election Night, hosted voters from 5 different language groups (Burmese, Skaw Karen, Pwo Karen, Somali and English) and concluded the campaign.

New Bedding for Youth

Through an ongoing partnership with Sweet Dream in a Bag, youth residents from all properties received brand-new bedding and a customized bed-time story free of charge.

Big City Mountaineers Overnight Camp

22 youth residents participated in this annual summer program, providing exposure to nature, wilderness mentoring to build confidence and instill critical life skills.

New Freedom Block Party

Hope and Mercy Housing (Grace Apartments) staff led a grassroots community celebration in the well-loved park. Over 200 community members shared activities (Zumba, face paint, Drum Circle, and more) and a meal together. Prior to event day, 4 organizational meetings were held with community members.

Treasure Store

Over 700 new toys were donated for our annual Treasure Store event, allowing parents to hand-select gifts for their children free of charge during the holiday season. 17 local businesses and organizations participated in collecting the toys, and 35 volunteers assisted to make the event a success.



2016 BOARD OF DIRECTORS

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Partner
Solvera Affordable Housing Advisors

Jennifer K. Balkom | Vice President

Principal
Urban Cap

Rob Chaney | Treasurer/Secretary

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Sotheby's International Realty

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Associate Attorney
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Independent Real Estate Consultant

Brian Windley

VP, Syndication Originator
Enterprise Community Investment

Tom Lucas

PATH Program Manager
Colorado Coalition for the Homeless



"Over the last five years especially, Denver's population and economic growth has been explosive, driving up the cost of housing much faster than incomes. This creates an even deeper gulf between the income capacity of many versus market rate housing costs."

- Bob Munroe, Board President

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Hope Communities' portfolio of quality, affordable rental properties:

CAROLTON ARMS

23rd & Emerson, 23rd & Clarkson
21 Units, 1-3 Bedrooms



THE GARDENS OF HOPE COMMUNITIES

4919 East Thrill Place
92 Units, 2 Bedrooms



HIDDEN BROOK

1313 & 1350 Xenia Street
130 Units, 1-2 Bedrooms



WELTON HOMES AT THE POINT

2550 Washington Street
35 Units, 1-3 Bedrooms



THANK YOU

African Community Center
 AlloSource
 The Anschutz Foundation
 Asian Pacific Development Center
 Bank of America
 Brad and Kia Benson
 Benson Kerrane Storz Nelson
 Big City Mountaineers
 The Bluffs at Castle Rock
 E. Dean Brown Jr.
 Caring Connection
 Rob Chaney
 The Charles Schwab Foundation
 Cherry Creek Presbyterian Church
 Charlotte Clark
 Colorado African Organization
 Community First Foundation
 Bob and Barbara Crook
 Curtis Park Neighbors

FirstBank of Denver
 Larry & Barbara Fullerton
 Sue Glassmacher
 Lynn Haass
 Todd Hall
 Meg Hammel
 Jim and Marty Hartmann
 Cay Hassler
 Robert & Carolyn Howey
 Isabella Bird Community School
 C. Howard Johnson
 Irving and Deborah Johnson
 The Junior League of Denver
 The Kenneth King Foundation
 KEPHART
 Judith Kozlowski
 Erika Kreyger
 John Lake & Harold Winters
 Jody Lehotan and family
 Tom Lucas
 Lutheran Family Services
 Dennis Malone
 Catherine McCarty
 Todd McGuire
 Mental Health Center of Denver
 Mercy Housing (Grace Apartments)
 Metco Landscape
 Mile High Community Loan Fund
 Missions Door
 Moye White LLP
 Anne and Mark Mundt
 Robert Munroe
 National Western Stock Show
 Cynthia Nelson
 Open World Learning

Y. Melinda Pasquini
 Peebles Dental Lab
 Place Bridge Academy
 Polsinelli
 The Posner Center for International Development
 Project Worthmore
 Jessica Puzo
 Mandy Rigg
 Marcia Rodgers
 Kristen Russell
 The Sam Bloom Foundation
 Beth Sand
 Robert Schumann
 Neil and Laurie Segall
 Shea Homes
 Solvera Advisors
 Christine Soto
 Spark Policy Institute
 Spring Institute for Intercultural Learning
 Marekah Stewart
 Ray and Marilyn Stranske
 Street Fraternity
 Councilwoman Mary Beth Susman
 Sweet Dream in a Bag
 Tyler Symalla
 The TJX Foundation
 Tschetter Hamrick Sulzer
 Stephanie Urban
 The Virginia W. Hill Foundation
 Jamie Watson
 Susan Weinstein
 Wells Fargo Community Support
 Brian Windley

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Bank of America chose Hope Communities as the recipient of their Community Development Grant, awarding \$10,000 to the community building activities at Hidden Brook Apartments in September 2016.

Hidden Brook's Learning Center was in need of renovation, and this generous support allowed the space to be updated.

In addition to playing a vital role in the programs and services offered to residents and community members, the Learning Center has enabled Hope to expand programming since its renovation.

Many thanks to Bank of America for their commitment to local community development! We are hopeful that this Learning Center will be a valuable resource to the community for many years to come!



Metco Landscape is both a long time vendor and a long time supporter of Hope Communities.

In 2016, Metco generously offered to help Hope add finishing touches to the Baumgartner Community Garden at Hidden Brook Apartments by donating **lilac bushes, honeysuckle vines, honey locust trees, and a flagstone path** (seen left).

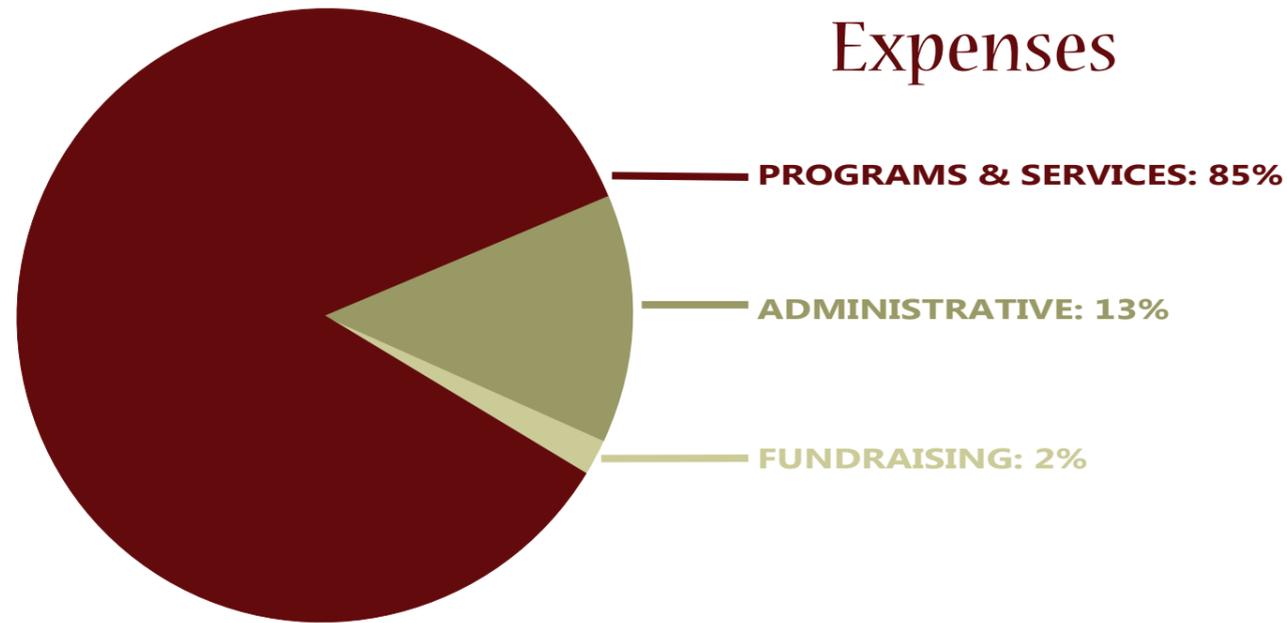
Additionally, Metco has continued its annual tradition of supporting Hope's November toy drive, donating new toys for resident parents to choose from at each property's holiday party.

Hope is thankful for strategic partners like Metco as we work to meet the needs of communities across metro Denver.



Allison and Carol Dalvitt
 Denver Police District 2
 Pamela Dice

2016 FINANCIAL INFORMATION



Consolidated Statement of Activities

| REVENUE, GAINS AND OTHER SUPPORT | UNRESTRICTED | TEMPORARILY RESTRICTED | TOTAL |
|---|---------------------|---------------------------|---------------------|
| Rental income | \$ 2,954,124 | | \$ 2,954,124 |
| Contributions and grants | 70,889 | | 70,889 |
| Interest income | 7,449 | | 7,449 |
| Other income | 109,483 | | 109,483 |
| Net assets released from restriction | | | |
| Total revenue, gains and other support | 3,141,945 | | 3,141,945 |
| EXPENSES | | | |
| Affordable Housing | 2,741,068 | | 2,741,068 |
| Resident Services | 134,914 | | 134,914 |
| Housing Development | 84,913 | | 84,913 |
| Total program services | 2,960,895 | | 2,960,895 |
| Administrative | 459,668 | | 459,668 |
| Fundraising | 62,084 | | 62,084 |
| Total expenses | 3,482,647 | | 3,482,647 |
| CHANGE IN NET ASSETS | (340,702) | | (340,702) |
| CHANGE IN NET ASSETS ATTRIBUTABLE TO NONCONTROLLING INTEREST | (650,240) | | (650,240) |
| CHANGE IN NET ASSETS ATTRIBUTABLE TO HOPE | 309,538 | | 309,538 |
| NET ASSETS, BEGINNING OF YEAR | 6,400,761 | 425,000 | 6,825,761 |
| NET ASSETS, END OF YEAR | \$ 5,719,357 | \$ 425,000 | \$ 6,485,059 |

Consolidated Balance Sheet

ASSETS

| | |
|--|----------------------|
| Current assets: | |
| Cash | \$ 2,358,386 |
| Restricted cash | 1,509,820 |
| Accounts receivable, net allowance of \$5,614 | 188,712 |
| Prepaid expenses | 35,925 |
| Total current assets | 4,092,843 |
| Long-Term assets: | |
| Notes receivable, trade, net allowance of \$25,000 | 1,798 |
| Tax credit fees, net of accumulated amortization of \$19,611 | 10,289 |
| Property and equipment, net | 13,321,526 |
| Total long-term assets | 13,333,613 |
| TOTAL ASSETS | \$ 17,426,456 |

LIABILITIES

| | |
|---|-------------------|
| Current liabilities | |
| Accounts payable and accrued expenses | \$ 437,257 |
| Related party payables | 45,570 |
| Refundable security deposits | 129,704 |
| Current portion of long-term debt | 207,156 |
| Total current liabilities | 855,687 |
| Long-Term liabilities | |
| Long-term debt, net of current portion and unamortized loan costs of \$55,896 | 10,085,710 |
| Total long-term liabilities | 10,085,710 |
| TOTAL LIABILITIES | 10,941,397 |

NET ASSETS

| | |
|---|----------------------|
| Unrestricted | |
| Board designated | 827,637 |
| Undesignated | 4,260,730 |
| Noncontrolling interests | 971,692 |
| Total unrestricted | 6,060,059 |
| Temporarily restricted | 425,000 |
| TOTAL NET ASSETS | 6,485,059 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 17,426,456 |



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Hope Communities is a 501(c)(3) charitable organization that provides affordable rental housing and support services in Denver, Colorado.
EIN 84-0829068

All informational references in this report will be provided upon request.

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303-860-1914 (fax)
www.hopecommunities.org

