Business Plan and Financial Projections
Dwelling Place 2021
Pending Board Approval 4/7/2021
Dwelling Place of Grand Rapids NPHC

2021 Outlook

- Dwelling Place is projecting a 2021 cash surplus of $2,031,974.
- The COVID 19 pandemic will continue to require remote working conditions until all staff are vaccinated. These conditions will prevent full implementation of most resident support services and community building programs. The pandemic is also expected to slightly depress rent collection rates as residents struggle to maintain employment and as eviction moratoriums are extended.
- NeighborWorks affiliation will continue to generate benefits to Dwelling Place with organizational grants and enhanced training opportunities for board members, staff and residents.
- The Board will complete it’s search process and hire a new CEO to replace Dennis Sturtevant who is retiring on July 30, 2021.
- More than 2,500 households will be touched by housing programs, support services and other community building and engagement programs provided through Dwelling Place.
- Dwelling Place will sell it’s first homes as part of the new Dwelling Place Regional Community Land Trust initiative.
- Two new housing initiatives in the Roosevelt Park Neighborhood will complete construction.
  - Avenida Brillante Apartments is comprised of 24 two and three bedroom apartments.
  - Suroeste Brillante Apartments is comprised of 24 two and three bedroom apartments.
- One major rehabilitation/re-syndication will complete construction.
  - Ferguson Apartments, a permanent supportive housing program, is comprised of 119 studio apartments and two commercials spaces in the Heartside Neighborhood of Grand Rapids.
### 2021 Dwelling Place NPHC Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td><strong>Revenue/General Operating</strong></td>
<td>$15,989,300</td>
<td>$13,584,092</td>
<td>$12,568,619</td>
<td>$13,138,355</td>
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<tr>
<td><strong>Expenses</strong></td>
<td>$9,946,632</td>
<td>$10,670,134</td>
<td>$11,004,574</td>
<td>$12,379,814</td>
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<tr>
<td><strong>Operating Gain</strong></td>
<td>$6,042,668</td>
<td>$2,913,958</td>
<td>$1,716,622</td>
<td>$2,031,974</td>
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<tr>
<td><strong>Dwelling Place Unrestricted Cash and Traded Securities</strong></td>
<td>$10,349,550</td>
<td>$11,992,066</td>
<td>$13,656,966</td>
<td>$15,688,940</td>
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</tbody>
</table>

- The substantial operating gains between 2018 and 2020 are largely derived from three sources including:
  - Contributions made to Dwelling Place and two other organizations from shared acquisition proceeds and developer fee payments for 5 Michigan Nonprofit Housing Corporation (MNPHC) properties
  - Developer fees from 5 Dwelling Place properties, 4 of which are new construction and
  - Limited dividend payments from cash flow in Dwelling Place properties

- Going forward MNPHC will generate large limited dividend payments which Dwelling Place shares with two other non-profit groups. Dwelling Place expects to receive approximately $560,000 in 2021.

- Developer fee payments from all 5 LIHTC projects under construction or recently completed and limited dividend payments from existing projects will generate substantial cash flow to Dwelling Place in 2021.

- Unrestricted cash and traded securities in this report reflect assets of Dwelling Place NPHC and Dwelling Place Foundation including cash on hand and investments but not receivables.

- Year to year cash balance increases are sometimes not equal to the annual operating gains as some cash is used to pay off debt or to fund other investments, all of which are reflected in the balance sheet.
Dwelling Place NPHC 2021 Projected Expenses

- Salary, Benefits & Development: 50%
- Professional Fees: 15%
- Insurance: 7%
- Mortgage & Construction Interest: 5%
- Utilities: 3%
- Supplies: 3%
- Maintenance & Repairs: 2%
- Other: 2%
- 7%
2021 Dwelling Place Programs

Cash Flow Budget Projections

- Administration $13,377
- Affordable Housing $93,526
- Housing Development $1,255,034
- Fund Development $12,026
- Support Services $34
- Community Building & Engagement $0
- Dwelling Place Residential $19,433

The substantial positive cash flow in Housing Development is derived primarily from developer fee payments on new projects.
2021 Housing Development Projects

**Plaza Roosevelt** is a planned neighborhood collaboration involving Habitat for Humanity, Dwelling Place, City of Grand Rapids, Grand Rapids Public Schools, Mercy Health, Ferris State University, the Hispanic Center, Roosevelt Park Neighborhood Association, Grandville Arts and Humanities and other neighborhood groups to develop a multi-faceted revitalization plan in the Roosevelt Park Neighborhood on the city’s southwest side. Dwelling Place is creating two affordable housing communities as part of this initiative including:

- **Avenida Brillante Apartments - 24 two and three bedroom apartments**
  This property will also incorporate a commercial space that is presently being planned for lease or sale to a local early learning initiative.
- **Suroeste Brillante Apartments - 24 two and three bedroom apartments**

Construction for both of these apartment communities was initiated during the fourth quarter of 2019 and is expected to be completed in the first quarter of 2021.

**Ferguson Apartments (119 units)** is an existing permanent supportive housing apartment community that Dwelling Place has owned and managed since 2002. The planned renovation is substantial including replacement of the plumbing and HVAC systems, refurnishing of all apartments and enlargement of the offices and community spaces in the building. Some of the residents were temporarily relocated to other apartment communities during renovation. The Ferguson building incorporates 2 commercial spaces including one leased to Grand Valley State University for their Nurse Managed Family Clinic and a second space, being renovated for lease in 2021.

**Dwelling Place Regional Community Land Trust (DPCLT)**
During 2021, DPCLT anticipates the sale of at least 5 -10 homes from apartment rental conversions and the construction start on another 32 single family homes for sale through its newest line of business, creating affordable home ownership opportunities.
Property Performance in 2021

Three projects may require financial assistance from Dwelling Place. These include:

- **West Shore Apartments**  Whitehall, Michigan
- **Harvest Hill Apartments**  Rockford, Michigan
- **Roosevelt Apartments**  Muskegon Heights, Michigan

West Shore Apartments remains in the Rural Housing program with strict limits on rent increases and the property is aging. Long term planning will begin in earnest in 2021.

Harvest Hill Apartments exited the Rural Housing Program in 2020. New rents at 60% AMI are expected to help its financial performance as apartments turn over and may even allow for some future borrowing to renovate property.

Roosevelt Apartments has incurred security costs not included in the initial underwriting. Resident rents are gradually being increased to match allowed rental maximums.

All other properties should meet or exceed positive financial projections.
In 2021 the Dwelling Place Regional Community Land Trust (DPCLT) will initiate sales of renovated apartments, converting them to homeownership. DPCLT will also acquire property in 2021 to build 32 new CLT homes for sale in 2022.

DPCLT preserves affordability in homeownership

- DPCLT retains ownership of land
- DPCLT Homebuyer purchases their home at 75% of the appraised value
- Land lease to homeowner contains resale provisions, sharing appreciation with DPCLT to ensure affordability for future homebuyers
Dwelling Place will initiate a new strategic planning process in the second half of 2021 as a new CEO begins his/her tenure following the retirement of Dennis Sturtevant, the current CEO who has held that position for 32 years.

Managing for growth will continue as a major focus in strategic planning, especially in reference to building strong human resource and asset management programs.

Board and staff development in a post pandemic world will create new challenges for Dwelling Place as it balances priorities to develop and maintain a diverse and inclusive organization with the likelihood that fewer face to face meetings will become the norm.

As the Dwelling Place Regional Community Land Trust program implements its first major development initiative in Grand Rapids, using Brownfield TIF, strategic planning will help define a path for expanding this innovative model for affordable homeownership outside of Kent County.

Rental programs may expand as the national affordable housing crisis grows and elected officials at all levels of government focus on public policy to address the crisis.
2021 Dwelling Place NPHC
Our Customers

1,101 Total households in 27 apartment communities owned and managed directly by Dwelling Place

466 Total households in Permanent Supportive Housing

27 Commercial Tenants in 12 mixed-use and 3 commercial-only buildings

71 Live/Work spaces and market rate apartments

261 Total households in 4 apartment communities owned through joint ventures with other owners

1,311 Total households in 5 apartment communities owned by Dwelling Place in affiliation with Michigan Nonprofit Housing Corporation

267 Total households in 7 apartment communities owned by Genesis Nonprofit Housing Corporation but managed by Dwelling Place
Dwelling Place of Grand Rapids NPHC
Celebrating 40 years of making a difference