

URBAN HOPE
ANNUAL REPORT

for

2019

2019 HIGHLIGHTS

\$1,000,000 INCREASE IN REAL ESTATE ASSETS

The new investor model was rolled out in 2019, transferring ownership of nine rental properties to Urban Hope at below-market value in return for Notes payable to the previous owners. The result is a dramatic increase in real estate assets and equity, which UH is now able to leverage in fulfillment of its mission.

DEDICATED DEVELOPMENT STAFF

The pace of gentrification is accelerating in the East End, limiting availability of affordable properties for Urban Hope to acquire. Due to the urgent need to grow contributions to take advantage of remaining opportunities, Lawson Wijesooriya joined the UH staff to spearhead fundraising efforts.

MAJOR CAPITAL GIFT

Hope Church made the second-largest capital contribution in Urban Hope history, enabling both the purchase and renovation of a single family home which is now part of the Urban Hope portfolio.

Dear Urban Hope Family,

As we look back and consider 2019, two major things stand out: Urban Hope is on the right track, and we are well-positioned for yet more significant growth. The eviction crisis that was brought to national attention in 2018 sadly already was familiar territory for us and our colleagues around the city who do this challenging work. Urban Hope was deeply affirmed when the City's Eviction Diversion Program outlined plans that closely match our own, hard-learned best practices.

In fact, we know from our years of experience that often we need to go further with our tenants. We stick with them, for the long haul. For some tenants, a one-time diversion is simply not enough. We take time to build relationships of trust that equip our tenants to utilize the resources available to them and move toward better financial health and greater stability.

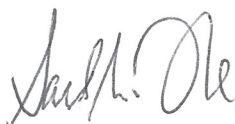
This work is complicated. We are not simply handing out good advice and helpful instructions to our clients. We are learning about their obstacles, and even what's behind those. And we see every day that the habits and patterns that shape all of our lives are long-established, often complicated, and definitely hard to change.

Urban Hope is committed not only to helping our tenants and clients change their lives, but to helping our community and our funders understand that this work takes time – a lot of time – even over generations. To do it well, we need to have practices that are not only sustainable, but that allow for the long and winding path of change.

2019 was a pivotal year for us. We made a major move toward greater sustainability: we carried out our plans to convert ownership of our properties from our investors to Urban Hope. Now, we have a dramatically different-looking balance sheet that includes \$1,500,000 in fixed assets, compared with \$592,000 in 2018. The estimated market value of the current property portfolio less the balance of the Notes used to finance the properties results in almost \$550,000 in equity, giving Urban Hope more financial options to expand our portfolio in 2020 and beyond. We are incredibly grateful to our founding investors, most of whom have agreed to this new model. It truly is a transformation for our organization that will allow us to provide significantly more housing opportunities.

We are neck-deep in our strategic planning process, and have a lot of energy around the objectives that will move us forward. We have a number of exciting projects in the works, and we look forward to sharing our progress with you. Thank you for your interest in and support of Urban Hope and the people of our city.

Gratefully,



Sarah M. Hale
Executive Director



Caitie Rountree Chan
Board Chair

URBAN HOPE PROGRAMS

EQUIP

with financial health training

Education and coaching in financial health is a core program for Urban Hope to cultivate tenants for UH rental units, but also as an end unto itself. UH's unique and proprietary 12-month training program, "Great Start, Money Smart", was rolled out in October of 2017. It moves students from suspicion to transparency, building stability and hope among class members.

Using a trauma-informed approach to expand executive function, the training curriculum is built for a small-group setting that is comfortable for individuals from a variety of backgrounds. Each session includes dinner and childcare. Out of each class, 2-4 students emerge ready to rent from Urban Hope or enter the broader rental market, and countless others get closer to the goals they aspire to achieve.

We provide our clients with a space to connect with their feelings about money and understand how they relate to it. We coach them along in class or one-on-one meetings to foster a change of mindset in relationship to their financial situations, set realistic goals with ample support along the way, and celebrate when those goals are achieved.



2019 Metrics

- 24-30 individuals attended more than once, including five new students. Most students stay in the class beyond the initial 12 weeks for continued accountability and the sense of community.
- 2019 was a year of maturation for the class: one member bought a home, and two moved out of subsidized housing and into the open market.

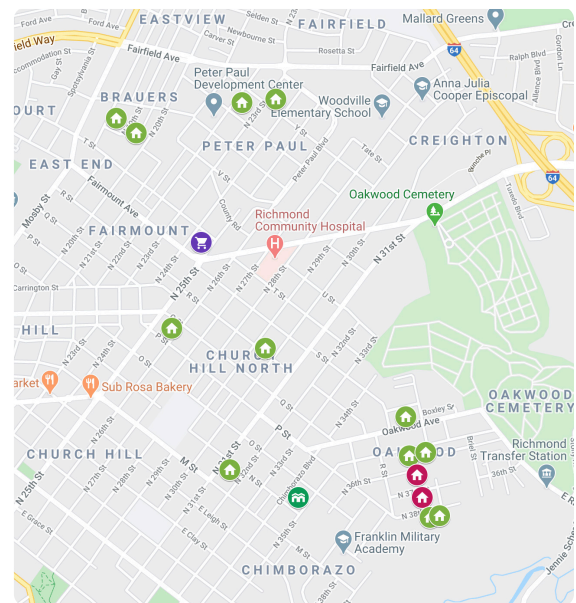
2020 Goal

Start a second class to double the impact.

PROVIDE

a supply of affordable rental housing

The other core program of Urban Hope is building a portfolio of affordable rental properties, owned and managed by Urban Hope.



2019 Metrics

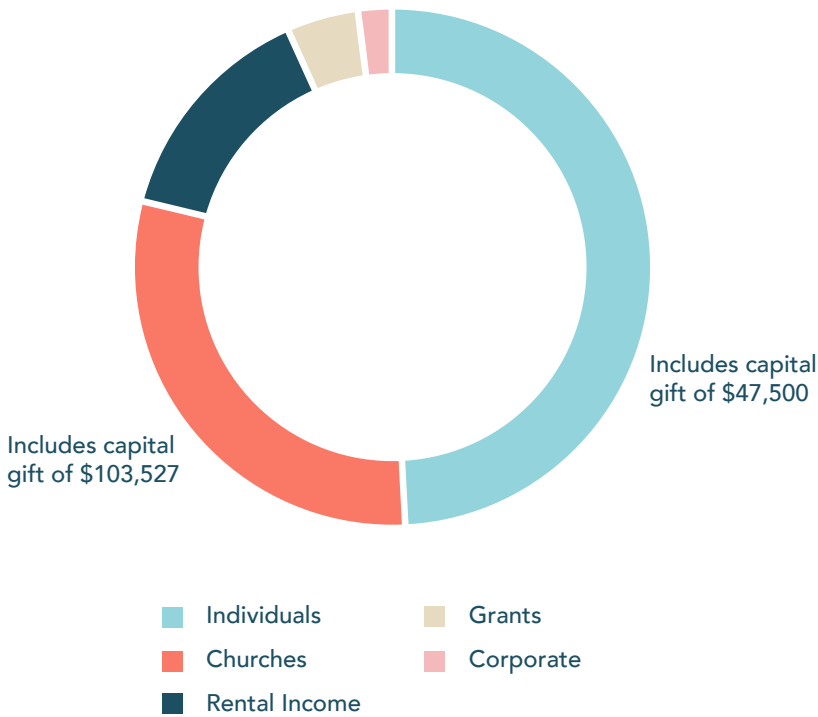
- Total UH rental units increased to 17 with two more currently under development.
- Number of UH-owned properties increased by ten due to the rollout of the new investment model.
- Provided stable, quality, affordable housing for approximately 50 people, but we have more ready renters than housing units available.

2020 Goals

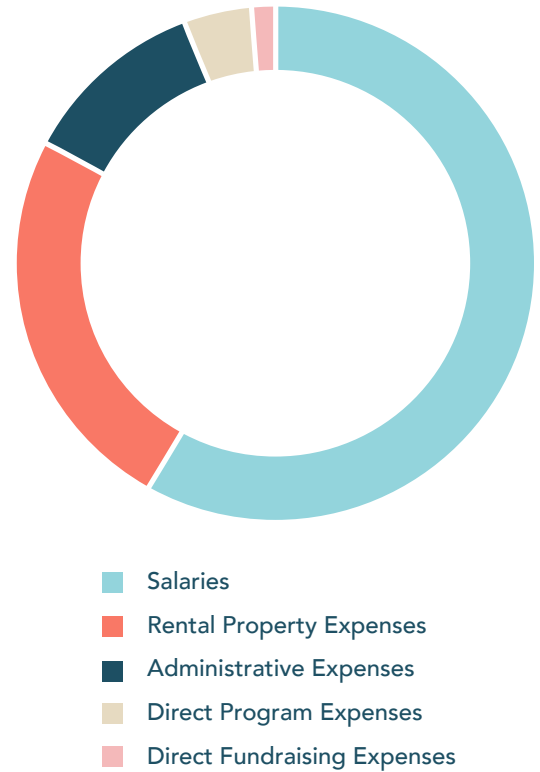
- Invest in infrastructure to support growth of property portfolio by at least 3-5 additional rental units.
- Explore new, creative ways to finance growth in property portfolio.

2019 FINANCIAL RESULTS

2019 Sources of Income: \$444,658

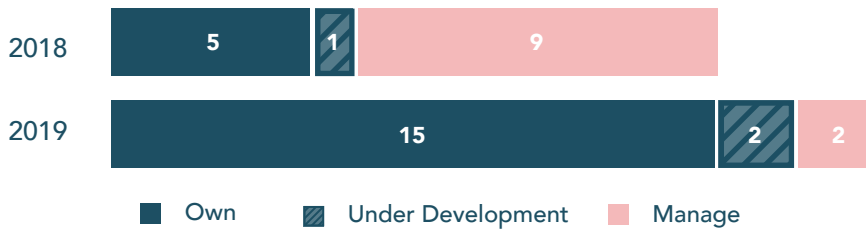


2019 Operating Expenses: \$225,181*



NOTE: Printing of this annual report preceded official filing of Form 990 which is available upon request.

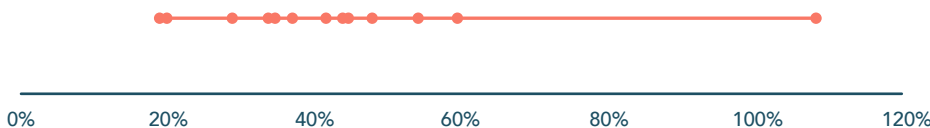
2019 Dramatic Shift to Urban Hope Owned Properties



As the result of Urban Hope's new financial model rolled out in 2019, the proportion of UH-owned properties increased dramatically. Urban Hope will continue building its portfolio of owned properties to provide stable, affordable rental options to our clients over the long term.

2019 Urban Hope Tenants by % of AMI

(Area Median Income)



URBAN HOPE MISSION: To make home a cornerstone of opportunity by keeping it affordable

Urban Hope partners with East End families in their journey out of poverty by providing financial literacy training and support, and by procuring a portfolio of quality affordable rental housing options.

UH aspires to be the “go-to” source of affordable rental housing for those in the 20-50% AMI (Area Median Income) range.

UH participates in the creation of a stable, thriving, mixed-income community in the East End of Richmond with the benefits of gentrification, but without the displacement of the economically challenged community that has long called the East End “home”.



URBAN HOPE VALUES

The core values of Urban Hope underpin all we do. Because of Jesus...

We value **RELATIONSHIPS** of mutual respect to empower our work.

We value **EQUIPPING** our clients and tenants to flourish.

We value **ACCOUNTABILITY** to our community and to each other.

We value **INNOVATION** to close the gaps in affordable housing.

WHAT MAKES URBAN HOPE UNIQUE

ONLY Richmond area non-profit primarily focused on providing affordable rental housing in the East End of Richmond.

ONLY Richmond area housing non-profit focused on assisting the 20-50% AMI population of the East End.

ONLY financial literacy training tailored to victims of trauma and chronic poverty, providing a pool of healthy renters for its own properties and those owned by others in the area.

UH's portfolio of properties is self-funding. Rents collected fund interest payments on Notes used to purchase the properties, maintenance expenses, and property management costs.



URBAN HOPE STAFF



Sarah Hale - Executive Director

Sarah leads Urban Hope with a focus on growing the visibility of the organization in the community, building the property portfolio of affordable rental units, and overseeing the growth of both the staff and capital needed to pursue the mission of UH.

Sarah's thirty-year career prior to Urban Hope spanned communications, marketing, development, and public relations, with a concentration on interior design. Using design to improve the everyday lives of families and create the stability of home is what drew her to work in affordable housing.

In her personal time, Sarah volunteers at Third Church and St. Christopher's School, and is a leader of Moms in Prayer for St. Christopher's and St. Catherine's Schools. She is founder and co-leader of the Saints' Bible Study, a large and small group study, currently in its sixth year.



Carolyn Loftin - Director of Housing and Family Services

Carolyn serves as the community liaison for individuals who seek affordable housing. As a Certified Financial Social Work Coach, she developed and leads the Great Start, Money Smart financial training classes offered by Urban Hope. She believes that good financial management is the key to navigating out of poverty and is passionate about enabling UH clients to achieve their goals while fostering a sense of community.

Outside of Urban Hope, Carolyn is a board member for the Maggie Walker Community Land Trust. She is also a member of the Transformation in Action (TIA) steering committee focused on improvements that will revitalize the commercial corridor in the East End. In her personal time, Carolyn is an active member of the choir and the worship team at East End Fellowship.



Lawson Wijesooriya - Director of Development and Strategy

Lawson is responsible for fundraising, infrastructure, and policy development at Urban Hope. After graduation from UVA as a Phi Beta Kappa Jefferson Scholar, she moved to Richmond with a dream of living intentionally towards Martin Luther King's vision for Beloved Community. Lawson began her career as a teacher before leaving her post to help start Blue Sky Fund. Lawson served as its founding executive director for ten years. After Blue Sky, Lawson opened an ice cream social enterprise, the Neighborhood Scoop, with the mission of hiring young people and building community.

Lawson serves on several local boards and remains highly involved at her children's neighborhood schools. She also continues to serve in other community development capacities alongside fellow members of East End Fellowship's congregation, a church she helped plant in 2008 as a founding elder.

A big THANK YOU to all our volunteers this year!



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"Throughout the program I have learned how to overcome life's challenges! I also had the best instructor along the way to guide me: Carolyn Loftin. She has always been encouraging and supportive throughout the entire journey.

While in class we had assignments on finances and after each class we were assigned homework which was designed to make you THINK! I would like to thank the Urban Hope program for a place to call home!"

- Ms. Rhonda Smith

"As both an employee and a former tenant, it has been a remarkable journey being a part of the Urban Hope family. For the last five years, I have felt blessed by the ability to see from both sides of the table. The real beauty is bearing witness to how our entire organization seeks the Lord in caring for all of the families connected to our program.

This time at Urban Hope continues to bring me spiritual maturity in the hard work of caring for others in the right way — with grace, dignity, and respect. It challenges me to challenge others in our community to do the same, because the work that we do affirms the notion that we really do need each other to survive and thrive."

- Carolyn Loftin, Director of Housing and Family Services



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