

2009 MCASA Update

To increase homeownership options for low/moderate income households

The mortgage foreclosure crisis that the U.S. is currently facing underscores the urgent need for stable, accessible affordable housing stock and knowledgeable homebuyers.

MCASA, LLC is a partnership between Model Cities Community Development Corporation and Aurora/St. Anthony Neighborhood Development Corporation, which began in 2004. The MCASA Homes project uses infill development to increase home ownership options for low/moderate income households. In the past two years, the focus was on redeveloping blighted houses left vacant due to foreclosures.

MCASA Homes houses are available for purchase under three different scenarios. Some houses are sold through conventional sale to home buyers who are already qualified for a mortgage. For home buyers who have had difficulties qualifying for conventional mortgage financing,



741 Fuller Avenue

MCASA uses contract-for-deed and lease-to-purchase financing options. These models are designed to allow time for the home buyer to resolve credit and debt issues that have impeded their ability to secure lender approval. During their lease or contract, participants receive one-on-one counseling and education to support them pre-purchase and after they buy the house.

MCASA Homes also addresses problems associated with vacant and foreclosed properties. The Summit-University and Thomas-Dale neighborhoods have been disproportionately impacted by the foreclosure crisis, and the focus has been on infill development in this area.

Since MCASA Homes began, thirteen houses have been developed, including six (6) newly constructed houses and seven (7) rehabilitated houses. One (1) house has been acquired and is currently being rehabilitated, and two (2) houses are under negotiation for purchase. All of the houses are located in Ward 1.

Rehabbed houses generally include a new roof, windows, kitchens and bathrooms, plumbing and electrical systems. Flooring throughout the house is refinished, or new depending on the condition of the unit at acquisition.



414 Van Buren Avenue

MCASA Homes is funded by philanthropic and government

sources. These subsidies provide critical gap financing to ensure that the houses can be sold at prices affordable to low/moderate income households.

Private lenders provide funding for interim financing and end mortgage financing.



899 Sherburne Avenue



910 Fuller Avenue

2010 GOALS

- Acquire and rehabilitate an additional six (6) houses within the Summit-University and Thomas Dale neighborhoods.
- Six (6) households will occupy newly rehabbed house and be working toward homeownership.
- Acquire five (5) additional properties and begin rehabilitation for Phase IV Contract-for-Deed
- Provide certified Home Stretch and homeownership education and counseling for at least 100 households.

Applications are being accepted. Please call Tom Krebs 651-632-8354 for details and further information.

2009 Financial Report

Statement of Financial Position

Assets	
Current Assets	\$157,369
Property Held for Sale ¹	<u>1,295,659</u>
Total Assets	<u>\$1,453,028</u>
Liabilities	
Current Liabilities	\$61,559
Long Term Liabilities	<u>1,178,704</u>
Total Liabilities	<u>\$1,240,263</u>
Net Assets	
Unrestricted	<u>212,765</u>
Total Liabilities and Net Assets	<u>\$1,453,028</u>

Statement of Activities

Revenue and Support	
City of St. Paul (HOME)	\$150,000
MN Housing	100,000
House of Hope Presbyterian Church	25,000
Receipts	101,339
Interest Income	<u>350</u>
Total Revenue and Support	<u>\$376,689</u>
Expenses	
Project Management	\$37,243
Unrealized Loss on Real Estate ²	313,939
Supporting Services	<u>94,238</u>
Total Expenses	<u>\$445,420</u>
Change in Net Assets	(\$68,731)

Notes:

1. Property Held for Sale: This value represents the sale price of the remaining eight homes.
2. Unrealized Loss on Real Estate: This expense represents the write-down of four homes completed in 2009. The difference between the development costs and the sale prices creates an unrealized loss, which is reflected in the "Change in Net Assets."