



DESALES COMMUNITY HOUSING CORPORATION **OUR MISSION**

**DESALES COMMUNITY HOUSING CORPORATION IS A COMMUNITY-BASED NON-PROFIT FORMED IN 1976 TO SERVE THE FOX PARK AND TOWER GROVE EAST NEIGHBORHOODS IN THE CITY OF ST. LOUIS. GOVERNED BY A BOARD OF DIRECTORS AND EMPLOYING A FULL-TIME PROFESSIONAL STAFF, DESALES PROMOTES THE ONGOING GROWTH OF NEIGHBORHOODS AS HEALTHY, DIVERSE URBAN COMMUNITIES WITH QUALITY HOUSING.**

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## LETTER FROM THE EXECUTIVE DIRECTOR

On behalf of the Board of Directors and staff of DeSales Community Housing Corp., I am pleased to present you with our 2007 Annual Report.

I don't need to tell you that these are difficult times for the economy in general and for housing in particular. The daily headlines have told about the precipitous drop in the national and local housing values. Foreclosure rates are at historic highs. Housing starts have plummeted and developers have been forced out of business.

Challenging times such as these accentuate the value of strong community development corporations like DeSales Community Housing Corp. As private investment declines, effective CDCs find ways to fulfill their mission to advance community vitality. Since 1976, through good times and bad, DeSales has been just such a steady, effective force.

That sense of commitment produced some significant results in 2007, which you will read about in this report. Highlights include:

Implementation of a new strategic plan that our organization adopted in 2006. The plan has made us a more effective organization by strengthening the engagement of our board of directors and the working relationship between board and staff.

Under our contract with the Garden District Commission (GDC), completion of McBride & Sons Homes' 143-home Botanical Heights subdivision. We also carried out property acquisition, public improvements and planning activities, and coordinated the celebration of the GDC's 10th anniversary.

Continued rehabilitation of Fox Park and Tower Grove East buildings by DeSales and private developers.

Although challenges loom, we look to the future with confidence and optimism. Despite the recent slowdown, the neighborhoods we serve are stronger today than they have been in many decades. DeSales Community Housing Corp. is strong too thanks to the leadership of our community-based board of directors, the talent of our dedicated staff and the help of our many friends like you.

Thank you for taking a little bit of your time to review this report. Best wishes from everyone at DeSales!

Tom Pickel  
*Executive Director*



## STRATEGIC PLAN

In 2006 DeSales Community Housing Corp. embarked on the preparation of a new strategic plan to guide the organization for the next 5 years. The plan was put into operation over the course of 2007 and it has already had a positive impact on the way DeSales does business.

According to President Larry McCarthy, the board of directors was felt that an updated plan was needed to enable DeSales to grow and to more effectively carry out its mission. The board hired non-profit consultants The Rome Group to assist with forming the plan.

The first step in forming a new plan was an extensive internal and external survey. The Rome Group conducted the survey to identify the strengths and weaknesses of the organization, along with opportunities to improve and any possible trouble areas. After completing the survey, The Rome Group facilitated a series of meetings of the board of directors and staff to draft the new strategic plan.

An important objective of the new plan is to more actively engage board members in the work and governance of DeSales. By clarifying committee responsibilities and channeling the work of board members, the plan aims to

reinvigorate the board committee structure and to streamline board meetings.

The new strategic plan was formally adopted in December 2006. The plan addresses five major functional areas, laying out specific goals and objectives for each and assigning responsibility to one or more board committees. The areas are:

- I. **Ventures:** Business initiatives that can generate revenue consistent with our mission.
- II. **Operations:** Operational improvements that will increase net revenue, asset value and organizational effectiveness.
- III. **Relationships:** Ways to improve how we interact with and are perceived by the people, communities and organizations that we serve and depend on to carry out our mission.
- IV. **Support:** Ways to increase contributed revenue from public, private, and philanthropic and individual sources to support the organization's non-profit mission.
- V. **Planning:** The systematic implementation, assessment and updating of DeSales Community Housing Corporation's strategic plan.



Shortly after adopting the plan the board established four new committees; Finance, Audit, Board Development, and Planning. These joined Executive, Fundraising & Marketing, and Asset Management as standing committees of the board.

“The new committee structure has definitely given us an improved sense of direction and measurement against goals”, said McCarthy. “They have enabled us to more effectively focus our energy, strengths and vision.”



## **GARDEN DISTRICT COMMISSION (GDC)**

Throughout 2007, DeSales continued working with the Garden District Commission (GDC) on the McRee Town Redevelopment Plan. Since 2005, DeSales has assisted the GDC with the McRee Town Plan, first in acquiring properties and conveying them to the builder, then in planning for the second phase of the project, along with ongoing administrative functions.

In July 2007, DeSales coordinated the sale of the last groups of lots in the Botanical Heights subdivision to McBride and Sons Homes, Inc. By the end of the year home construction on those lots was nearly complete. During 2007, DeSales acquired 14 properties on behalf of the GDC and demolished six dilapidated buildings.

DeSales has been involved in other aspects of neighborhood development as well. Under the GDC's lot development agreement with McBride and Sons, DeSales contracted for the construction of cul-de-sacs and landscaping on the adjacent areas of the 4000 blocks of McRee and Blaine.

DeSales has worked to ensure that revitalization will continue in the area. DeSales assisted the GDC, with the support of 17th Ward Alderman Joseph Roddy, in securing city approval for the McRee Town West Redevelopment Plan. According to Tom Pickel, Executive Director of DeSales, "The new redevelopment plan will enable the GDC to pursue new and rehabilitated housing west of Thurman Avenue as well as commercial revitalization along Tower Grove Avenue."

DeSales also coordinated the ten year anniversary celebration of the creation of the GDC in September 2007. The event was entitled "Coming Together: A Garden District Celebration." Held on Thurman Avenue, the celebration featured games, entertainment, a barbeque dinner, and speeches by Mayor Francis Slay, 8th Ward Alderman Steve Conway and 17th Ward Alderman Joe Roddy. It was attended by residents of the Garden District neighborhoods along with present and past GDC board members.



## 2805 SHENANDOAH

When DeSales purchased the dilapidated mixed-use building at 2805 Shenandoah in Fox Park in 2006, the building had been vacant for as long as most neighbors could remember. Later that year DeSales sold the building to Rob and Rich Trepanier of 920 Development who were more than up to the task.

By the end of 2007 the twin-brother Trepanier team had substantially completed a remarkable rehabilitation that could more properly be called a reconstruction. After years of neglect virtually all of the wood joists had to be replaced and the rear masonry wall had to be rebuilt. The 2,600 square foot building has a commercial space downstairs and a two-bedroom apartment upstairs. The project utilized Missouri Historic Rehabilitation Tax Credits.

The building at 2805 Shenandoah is the third project that 920 Development and DeSales have worked on. The firm purchased a six-family at 2809-11-13 Shenandoah from DeSales in 2005 and converted it to 3 townhouses. In 2004 the Trepaniers rehabbed and sold a single-family on the 2700 block



BEFORE

of Accomac that they had purchased from DeSales. In all 920 has developed nearly ten properties in the neighborhood, building a positive relationship with DeSales in the process.

“Over the years we’ve come to know what to expect from them and they’ve

come to know what to expect from us,” said Rob Trepanier. He said that, especially with the current slump in the housing sector, “It’s good to have an organization that cares about its buildings and what’s going on in the area at this time.”

“Rich and Rob and their company are one of several small developers we’ve worked with to carry out development in Fox Park,” said Tom Pickel, Executive Director of DeSales. “The rehabilitation work that they’ve done is second to none in its quality and design.”

## 2625 IOWA

DeSales continued development on the 2600 Block of Iowa in 2007 with the rehabilitation and sale of a home at 2625 Iowa. Since 1994 DeSales has been a major force for improvement on the block, where it owns and manages seven other buildings.

DeSales bought 2625 Iowa at a foreclosure auction in 2002. Soon after DeSales was able to acquire an identical home next door at 2623 Iowa.

After considering a number of development options, in 2006 DeSales applied for and received Neighborhood Preservation Tax Credits from the Missouri Department of Economic Development. Russell Redevelopment LLC, an affiliate of DeSales, carried out the gut rehabilitation. Work included all-new interior finishes and systems, new hardwood floors and zoned heating and cooling. Much of the construction work as well as project management was done by DeSales Construction Superintendent Justin Stein. The single-family, 1,700 square foot home was sold to an owner-occupant in February 2008.

The development of both 2623 and 2625 Iowa has been assisted with 10-year tax abatement thanks to the support of 6th Ward Alderwoman Kacie Starr Triplett.



## PRESERVATION WEEK



On Friday May 11, 2007, DeSales partnered with the Landmarks Association of St. Louis to hold the kickoff event for the association's annual Preservation Week. The event was held at St. Francis de Sales Oratory at the corner of Ohio Ave. and Gravois in recognition of the significant ongoing restoration work at the church, which is on the National Register of Historic Places.

The event featured addresses from St. Louis Archbishop Raymond Burke and St. Francis de Sales Rector Father Ken Lenhardt. Archbishop Burke was honored for his commitment to keeping St. Francis de Sales open amidst recent parish closing in the St. Louis Archdiocese. Thanks to Archbishop Burke's intervention, since 2005 St. Francis de Sales has been operated by the Institute of Christ the King. The Institute's traditional Latin Liturgy draws people from throughout the St. Louis Metro area and beyond and has given new life to the century-old church.

After the addresses, guests were invited to tour the Oratory and other parish buildings, followed by a reception in the parish hall. The reception was sponsored by DeSales Community Housing Corporation.

Also as part of the Preservation Week ceremonies, Landmarks announced its 2007 "Most Enhanced" awards on May 14th. DeSales Community Housing Corporation received the "Most Enhanced Streetscape" award for its new homes on the 2800 Block of Russell. The Russell Place development began in 2003 and included the construction of two single-family homes, four town houses and the rehabilitation of an existing home.

## GOLDEN BRICK

DeSales Community Housing Corporation recognizes projects that preserve and beautify Fox Park and Tower Grove East with its annual Golden Brick Awards. On July 11, 2007 DeSales awarded the Golden Brick to the following groups and individuals: **Art by Design, LLC** for the renovation of 3407 Utah; **Srikant Chelappa** for the renovation of his home on the 2900 block of Magnolia; **Harry Klees** for outstanding service to Tower Grove East; **Beverly O'Neal and Nancy Bridges** for outstanding service and their work at the Tower Grove East Community Garden; **Beth Conroy and Beth Stelmach** for the renovation of 2753-55 Accomac Street; **Sonya Henry** for landscaping and exterior improvements at her home on the 2800 block of Russell; **Patty Maher** for the renovation of 2629 Shenandoah; **Jeff and Judy Milan** for landscaping and exterior improvements at their home on the 2800 block of Oregon; **John Nash** for the renovation and operation of the Jefferson Avenue Car Wash at 2313 S. Jefferson; **Kim Norman** for outstanding service as the Executive Director for Operation Weed and Seed St. Louis.





## BOARD CHANGES



In August 2007 Christian Saller was elected to the DeSales Board of Directors. Christian has lived in Tower Grove East for 15 years and serves on the neighborhood association board. Christian is Coordinator for the Management Assistance Program for the Grand Oak Hill Community Corporation. He previously worked for St. Louis Development Corp.

## BOARD OF DIRECTORS



### 2007-2008 OFFICERS

President	Laurence P. McCarthy
Vice President	Tammie Shelton
Secretary	Norah Ryan
Treasurer	Dr. Darrell B. Carroll
VP—Real Estate	Steve Souder

### 2007 BOARD OF DIRECTORS

Ann Auer	Executive Vice President, <i>Missouri Growth Association</i>
Dr. Darrell B. Carroll	Chiropractor
Loura M. Gilbert	Vice President—Community Development, <i>Commerce Bank</i>
Jeff Hall	Senior Systems Administrator, <i>InSequence, Inc.</i>
Bonita Isabell	Director/Founder, <i>Regaining Our Children</i>
Laurence P. McCarthy	<i>Retired</i>
Patrick Moore	President, <i>Patrick Moore Construction Company, Inc.</i>
Norah J. Ryan	Attorney at Law
Christian Saller	Program Coordinator, <i>Grand Oak Hill Community Corp.</i>
Tammie Shelton	Senior Lab Tech, <i>St. Louis University Hospital</i>
Stephen Souder	President, <i>Full Circle Design Works, Inc.</i>
Leah M. Sweetman	Coordinator of Internships, <i>Saint Louis University</i>

## FINANCIAL REPORT

Support & Revenue	2007	2006
Grant Revenue	\$ 327,979	\$ 300,586
Contributions	57,732	13,300
Development Fees,	—	190,952
Management Fees	80,558	69,098
Consulting	100,502	89,627
Fundraising	17,499	14,890
Rental Income	688,317	669,220
Miscellaneous Income	61,479	57,691
Gain (Loss) on Sale of Properties	—	36,412
<b>Total Support &amp; Revenue</b>	<b>\$ 1,334,066</b>	<b>\$ 1,441,776</b>
Expenses	2007	2006
Property Management	\$ 956,806	\$ 872,039
Housing Development	162,737	203,623
Community Development	117,165	113,195
Management and General	105,681	145,140
Fundraising	20,189	26,753
<b>Total Expenses</b>	<b>\$ 1,362,578</b>	<b>\$ 1,360,750</b>
Increase in Net Assets	-\$28,512	\$81,026
Net Assets, Beginning of Year	\$515,556	\$434,530
Net Assets, End of Year	\$ 487,044	\$ 515,556

DeSales Community Housing Corporation would like to thank the following companies for their generous support of our activities.

Affordable Housing Trust Fund	Jefferson Bank
AT&T	Johnson Lawn Service
Bank of America	Missouri Botanical Garden
Barnes Jewish Hospital Foundation	National Guardian
Bellon Wrecking and Salvage Co.	ND Consulting Group
Brake Landscaping	Quality Lawn Management
Carpet Specialists	Regional Housing and Community Development Alliance
C.F. Vatterott & Co.	RubinBrown
City of St. Louis	St. Louis Equity Fund
Commerce Bank	Southwest Bank
Community Development Administration	Spectrum Cleaning
Daniel & Henry	Spencer Fane Britt & Browne, LLP
E.M. Harris Construction Co.	Ultra Finish Painting
Enterprise Foundation	UMB Bank
Failoni Consultants R.E.	US Bank
Heine & Croghan Architects	U.S. Title
Hoffman Brothers Heating and Cooling	

## STAFF CHANGES



DeSales welcomed two new staff members to its accounting department in 2007. Controller Wendy Ross, CPA brings 25 years of public accounting experience to DeSales. Wendy holds a B.S. in Accounting from the University of Missouri, Columbia and has previously worked for accounting firms Sabino and Co. and Rubin Brown. Accounting Clerk Kim Jackson recently relocated to St. Louis from Tennessee. Kim graduated from the Southeast Missouri State in 2006, majoring in accounting with a minor in finance.

## STAFF LIST

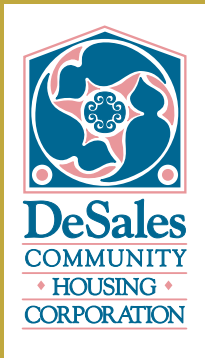


### CORPORATE STAFF:

Thomas J. Pickel	<i>Executive Director</i>
Alana C. Butler	<i>Assistant Director</i>
Wendy K. Ross	<i>Controller</i>
Justin Stein	<i>Construction Superintendent</i>
Paul Werner	<i>Community Development Coordinator</i>
Kim Jackson	<i>Accounting Clerk</i>

### PROPERTY MANAGEMENT STAFF:

Carole Embree	<i>Property Manager</i>
Valerie Stephenson	<i>Assistant Property Manager</i>
Cory Dickens	<i>Leasing Assistant</i>
Jovan Sholla	<i>Maintenance Technician</i>
Stanley Body	<i>Maintenance Technician</i>



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