

A Proposal for Funding of the Rebuilding to Remain Construction Finance Program

November 22, 2018

The Housing Cooperative of the Village of Al Aqaba and Rebuilding Alliance propose to work together to build and keep standing new homes in Al Aqaba, a village in so-called Area C of the West Bank, which will be owned by the villagers of Al Aqaba. The intention of the parties is to develop in Al Aqaba a model of affordable housing finance that can be scaled, after a first phase of 16 loans to complete construction on 16 homes, to fund loans of up to 90% of the cost of construction of additional homes in Al Aqaba, and then used in multiple villages in Area C.

Crowdfunding a Capital Campaign: Crowdfunding will provide funding of \$180,000 USD. \$120,000 will be donated to the Housing Cooperative to create an endowment to allow the Housing Cooperative to provide revolving, affordable loans to village families to complete construction of 10 homes in the village. Banking experts will provide technical assistance to the Housing Cooperative in developing loan documents for the loan program.

The Association of Banks will also donate \$60,000 to Rebuilding Alliance to support one year of advocacy on behalf of the right of the people of Al Aqaba to return, to remain and to live in their completed homes free of the threat of demolition. The story of Al Aqaba, its success as a peaceful West Bank Village and its rights under international law to build and live on its land, will be shared throughout the year with American voters and members of the U.S. Congress, as further described herein.

Role of the Housing Cooperative. The Housing Cooperative will provide affordable loans to complete construction of a total of 16 homes: 10 homes in the village endowed by the Association of Banks, and 6 homes endowed by Rebuilding Alliance. The 10 homes are all within the line which the Israeli High Court has said will remain standing “for the time being”. To be affordable the loans will be for a term of repayment or purchase and will provide for interest or profit that will result in monthly payments by the borrowing family which do not exceed 25% of the borrowing family’s income. No payments will be due if the home is demolished. In that event the loan will be forgiven.

The Housing Cooperative will administer draws on the finishing loans based on completion of construction as confirmed by the engineer retained by the village.

Each loan will be secured by the personal guarantees of other village families who are members of the Housing Cooperative. As the loans are repaid the principal portion of each repayment will be added by the Housing Cooperative to funds to be made available again to village families for housing construction loans. The interest or profits portion of the repaid loans will be used by the Housing Cooperative to fund its operating expenses.

The Housing Cooperative will provide quarterly reports to Rebuilding Alliance. The reports will describe the progress of lending and construction and repayment. After all of the \$120,000 has been disbursed for the first 10 completion loans the reports by the Housing Cooperative will be made annually for five (5) years. The Housing Cooperative will work with the Al Aqaba Affordable Housing Project Manager to facilitate the advocacy work to be led by the Project Manager, as more specifically described below.

The Role of Rebuilding Alliance. Rebuilding Alliance will raise \$60,000 to fund the completion of construction of the six (6) homes in Al Aqaba that are outside of the “center of the village” line designated by the Israeli High Court. At minimum, Rebuilding Alliance will raise sufficient funds to pay for two loans per calendar year at, on average, \$10,000 for each loan. If fundraising is successful the \$60,000 will be funded more quickly. The Rebuilding Alliance monies for the completion of the six homes outside the line will be provided to and administered by the Housing Cooperative as affordable loans, along with and in the same manner, as the loan funds provided by the Association of Banks.

With the \$60,000 received by Rebuilding Alliance from Crowdfunding for advocacy, Rebuilding Alliance will hire in Palestine an Al Aqaba Affordable Housing Project Manager. Working with the Executive Director and the Director of Advocacy, it will be the Project Manager’s job to get out the good news about what Al Aqaba is accomplishing, how a peaceful village can develop and grow, providing many opportunities for its residents. The primary goal of this effort will be to increase the number of interested American voters and to keep them informed. The Project Manager will develop external relationships in the US and Palestine and knowledge of Rebuilding Alliance’s advocacy tools so that she or he can respond immediately to activate the best available advocacy resources in the US, as needed. The goal of such “activation” will be to alert interested and informed US voters so they can quickly contact their representatives in the US Congress who can then contact the US Administration to try to prevent harm to Al Aqaba.

The Project Manager will work closely with the leadership of the village to understand what is happening there on an ongoing and first-hand basis. In addition to time spent in the village, the Project Manager will spend time developing local contacts who might be of assistance in obtaining additional funding and in activating advocacy help when needed.

The Project Manager will work with the Director of Advocacy to develop an advocacy plan and budget for the year which will include: keeping in touch with American voters interested in the Al Aqaba model of economic development and peace; assisting the Executive Director in fundraising for Al Aqaba; and strategic travel to the US by representatives of Al Aqaba including the dynamic mayor, by the Project Manager and by others who can be helpful in letting voters and members of the US Congress know what a success story Al Aqaba is and how it needs to not only be protected but its success duplicated in other Area C villages.

The Project Manager will prepare quarterly reports for issuance by Rebuilding Alliance to Global Giving and the Housing Cooperative. The reports will describe advocacy activities for the preceding quarter, successes, lessons learned and activities planned for the next quarter.

The Al Aqaba Model: The parties intend the success of rebuilding to remain in Al Aqaba to be a model that can be employed in other villages in Area C. In that spirit the leadership of the Housing Cooperative and Rebuilding Alliance agree that this initial collaboration should be developed with a view to extending it in Al Aqaba to new construction of entire homes and then to offering it to other villages. This means that efforts will be made to find additional funding for endowments of loan funds so that the loan program can be expanded in Al Aqaba and offered to other villages, for growing the support of American voters for peace the Al Aqaba way, and for the sharing and teaching by the village leadership of its skills and practices that make the affordable housing program a success in Al Aqaba. While this initial phase is expected to be of relatively short duration, it is the intention of the parties that it be used as a beginning to set a new standard for growth, development and peace in Area C.