

Why is there a need for permanent housing?

The orphanage offers residential housing for over 80 kids. A reasonable accommodation on rent is quite expensive (\$3k/year). It is a big hassle being asked to move and is a major setback in providing for the children.

For small residential organizations to survive over time they need to have permanent housing.

Why do they want to buy this building? Why now?

They have spent much effort and resources over the last couple of yrs to make the accommodation comfortable for the children.

If they do not put an effort to buy the building, they are required to vacate it immediately. Q & A detailing the situation is below.

Is the property worth the price being quoted?

Yes, the building with this size and area is worth the the price.

Has the property been valued by a professional?

Yes. The valuation report from a govt registered valuer is available in the building documents at the project website. The results of this report are used by individuals to pay property tax. It is also the amount that is paid to an owner by the govt, if for example, they decide to build a bypass through the owners home and want them evicted. This price is much lower than market price and has been quoted as 35 lakhs (\$70k). The market value of the property is estimated between 40-50 lakhs.

Can the \$\$/sq.ft be compared to other WAH projects?

The property is \$9.31/sq.ft in comparison with other projects in cities:
Street to School is \$11/sq.ft (only construction) and \$13.7/sq.ft(including land)
VOICE \$7.8/sq.ft (building alone)

How about a comparison of \$\$/child in a given year?

With present (anticipated in the case of NAB and Street to School) strength,
Seva Chakkara: \$1k/child
NAB : \$1k/child
Street to School: \$1k/child

Wont the \$/sq.ft be much larger if you buy a building instead of constructing it?

It is very case specific. In this case, it would be the same.

Doesn't the fact that the owner defaulted in the loan and that a court is involved create a lot of trouble to buy the property?

No, the funds are deposited to the court with records that the funds belong to Seva Chakkara and not to the owner.

The present building was a toy factory and became available when the owner lost his business. The owner had taken a loan (\$50k) from the SBI with the building as collateral (securities/collaterals are worth much more than the loan that is advanced for them). The owner does not have other assets to pay back this loan and the interest (\$50k principle, \$30k interest).

If the loan is not paid, the property will be transferred to the SBI, which will need to auction the property to recover the loan. They will have to evict Seva Chakkara to make this auction. The min amount of the property on auction will not only be the loan and the interest but also the costs of having gone to court. If Seva Chakkara does happen to be the highest bidder, they will need to pay half the amount the same day and the rest over two weeks. It is much preferable to raise these funds over two years instead. The bank which is a patron of Seva Chakkara has advised them to buy off the property in court itself.

What is the present legal standing?

The court has allowed Seva Chakkara to pay in installments. They monitor the fundraising by meeting every 45 days, at which time the orphanage is allowed to make a contribution towards the payment.

There is no minimum on the amount that needs to be paid to the court, but till the principle (\$50k) is paid back the simple interest keeps adding up. The WAH proposal (\$40k), money already committed by Seva Chakkara (\$6k) and funds sent by the NYCNJ and MHV chapters (\$10k) will also account for this principle.

Are any of these legal documents available to view?

Yes, they are available in the documentation on building construction at the website.

Do they need to live in the same locality?

They need to live in the same locality because:

- they have established local goodwill over 16 yrs, this is their social safety net,
- there is access to schools and medical facilities,
- over 40 children are studying in local schools,
- most of the volunteers, some who have been with them for over 8 yrs live in

the local area.

What are the other options in the same locality?

There is no other building in the locality that is suitable for 82 children at this point. This is an industrial area and most of the houses are small with one or two rooms. The present housing became available only when the toy factory using the building went out of business.

Can the remaining funds be raised?

The remaining funds \$24k will be raised in two years by the chapters involved and the orphanage.

Have such funds ever been raised by Asha?

The NYCNJ chapter has raised such funds for specific projects in the past:
\$26k for VESC through the stars
\$19k last year for SKB
\$19k/year of running expenses from SAC for Seva Chakkara.

The volunteers involved with this project have also raised funds even when they were not associated to the projects involved (Sanjeev - 27 referrals WAH 01, Anita - 35 referrals WAH 02, Geeta - 25 referrals WAH 02). These volunteers are closely involved with this project.

If they cannot raise Rs.40 lakhs, will they lose whatever has been paid already?

No the funds are in the name of Seva Chakkara. Seva Chakkara can pull out all their funds if they can't raise the funds or find a better location for the investment.

It is not comfortable to know that the funds from WAH are not enough to completely buy the building.

WAH funding is very rarely the only funding involved to have a place. Most building constructions are only proposed after land is available. We have also in the past funded only buying the land (e.g. WAH 00 - VESC). The requirement of a building is only met after a few years (in this e.g. 2 yrs) and sizeable investment (in this e.g. \$26k). We could think of \$40k as investment in the land.

It's not the same, since we would own the land, why don't we buy land instead and construct a building later.

The grassroot circumstances of the organizations are different. In case of VESC, SKB the location was not residential, in case of Sebama, Street to school and

NAB, it's either an expansion or a new requirement. However, in this case the case of Seva Chakkara the children are already there. The delay in the utility of a building that needs to be constructed is ok for some organizations not for others.

While they will not own the building, the building is available for use in the mean time.

What is the role of the rural sister concern? Can this be expanded instead of the urban location?

The rural sister concern is only for accomodating children on temporary basis. E.g. a single mother who wants her child to be taken care of while she finds a livelyhood, etc. There are no schools, no medical facilities. So if a child falls sick it needs to be taken to the orphanage. The funding of the rural sister concern comes entirely from the visibility of the urban orphanage.

Will buying this property enable Seva Chakkara to take care of more kids?

They are presently on the 2nd and 3rd floors of the building, if they buy the place they will also have the 1st floor and will be able to accomodate 40 children over time.

How are the running expenses going to be covered?

They are covered through the support-a-child program. In this program Asha gives exposure to the work being done by our partner projects and donors from all over the world pick up a child to account for the child's requirements.

Doesn't having a SAC program overload our present donors?

Most of the donors who donate through the SAC program do not donate to Asha otherwise. They like to see their small but clear impact rather than donating to a general cause. We only have 7-8 SAC programs in Asha and we always have donors that we need to turn down. For a new SAC program there are generally 4 donors/week who hit the SAC sites.

Is this the largest SAC program (i.e. 80 kids)?

No. Asha-Seattle's program for Udavam Karangal involves 120 kids.

What happens as more children are added to the orphanage?

The SAC program grows to cover these children. Adding a few children every year to a SAC program is a simple exercise. We changed the number of children we support from 72->82 over the last year.

Is it fair towards other projects to raise so much money for Seva Chakkara?

There was a clear requirement which the volunteers involved with the project put an effort to meet. As a chapter we certainly have limits on how much we would fund projects, but if funds are raised in novel ways or through project specific donations, we do not stop these from being directed to the project. In this case the SAC is only related to the efforts the volunteers to set up the program and does not hurt any other project. The other funds are comparable to what we support for other projects at our chapter.

Raising funds for a general cause (through events, newsletters, general donations) the only way we can grow as an organization is to give a face to our projects in fundraisers specific to projects.

Can Asha Chennai be leveraged to provide greater visibility to the project?

They are already involved with the orphanage. They invited Seva Chakkara children to their first event, a drawing competition. The donor who supported the computer center also became aware of the project through the efforts of Asha Chennai.

How do the children who study at the orphanage till 5th get into local schools?

They write open examinations for 6th class in local schools.

How have they done this year in the open examination?

This year all the children who were in grade 5 cleared the examinations, three children in grade 4 were also considered talented enough to attempt the examinations and have got a double promotion to grade 6 in the local schools.

If you would like more questions added to the FAQ please mail Sanjeev <presi_asha@yahoo.com>.