

Vets

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It's not the first experience with residential real estate for AFH, which owns 53 properties in Orange and Los Angeles counties, ranging from condos and single-family homes to a 26-unit building. Potter's Lane is AFH's only property to exclusively serve homeless veterans—a group that has the organization bringing a sense of urgency to the task.

It also has a ready supplier for the basic building blocks of the project. The shipping containers—also referred to as “modified steel structures”—used to build Potter's Lane are manufactured by Los Angeles-based **GrowthPoint Structures**, which provided some of the materials either at cost or as a donation.

The need is so great for housing that we wanted to come up with a model that was inexpensive, could be built very quickly and, also important, easy to replicate,” she explained. “GrowthPoint Structures has built schools using these modified steel structures. When we saw that, we thought, ‘Can this be done with housing?’ And the answer is, yes.”

The structures—similar to mobile homes—are approved by the state of California. Their interiors and other features—kitchens, bathrooms, windows, insulation and flooring—are built off-site while the main structure is being manufactured.

“Everything comes together very quickly, unlike in traditional ... builds where everything needs to be completed from the ground up,” Gallup said.

It will take approximately three months to complete the entire complex.

SVA Architects, based in Santa Ana, designed the exterior of the complex at cost.

The Potter's Lane site is in an unincorporated area of Orange County adjacent to the AFH headquarters. The area is largely industrial, and AFH has worked closely with the businesses in the area to secure their support.

Orange County Supervisor **Andrew Do** also has been a staunch and vocal supporter of the project, Gallup said.

There were 447 homeless veterans in Or-



GrowthPoint Structures: Los Angeles-based maker of single-use shipping containers also has found a niche for product as classroom

ange County as of August, according to **Orange County's Coalition to End Homelessness** annual report.

“But the actual number is far higher than that,” said Gallup. “In fact, veteran homelessness has been increasing in Orange County.”

“Many of our young vets come back from overseas service suffering from [post-traumatic stress disorder], depression or anxiety,” she said. “It may be difficult for them to find work, or they may have developed an addiction. These vets are at greater risk for homelessness than those with a support system.”

Henry Pritchett, a retired real estate developer and volunteer with AFH, has played an integral role in planning Potter's Lane. He spent three years working on the development of a different housing program for homeless veterans that didn't come to fruition. It didn't go to waste, though—the days he spent getting to know veterans at VA facilities in Seal Beach and Compton helped him understand what homeless and displaced veterans need to achieve a self-sustaining way of life.

“Vets do better when they are surrounded by other vets, because they are trained to support each other in units,” he explained. “If one vet falls off the ladder, the others will do what they need to (to) pull him back up. If one gets out of line, they will kick his butt back into it.”

Residents of the adults-only Potter's Lane

will adhere to a lease and pay up to 30% of their income toward rent.

Potter's Lane has no restrictions, as long as the tenant is following the terms of the lease and engaging in appropriate behavior.

“These vets are adults—if they want to have a glass or wine or own a dog, that's fine,” Gallup said. “We want them to be able to enjoy themselves and live life.”

“Vulnerability Index”

AFH is currently in the process of selecting the 15 veterans who will live at Potter's Lane when it opens in July, using a screening program called the Vulnerability Index (VI). The VI is a nationwide standard that ranks people based on how long they've been homeless, the condition of their overall physical and mental health, and other factors. The higher the VI, the higher the risk.

“Those veterans that are highest risk are the ones who will be selected first for Potter's Lane,” Gallup said. “Potter's Lane provides veterans with more than a roof over their heads.”

The complex will be the centerpiece of a structured support system administered by AFH, which will be able to bring intensive case management, therapeutic counseling and crisis intervention to bear as needed. There also will be classes on building and maintaining good credit, budgeting and employment counseling, all at the Potter's Lane location.

“We have a nurse on staff, which is an important component of the project,” Gallup said. “Many homeless—especially the veterans—have neglected their physical and mental health. Helping them address issues they haven't dealt with is very important.”

Business Backers

Gallup said that the entire Potter's Lane project will cost \$3.6 million. AB 639, the 2013 Veteran Housing and Homeless Prevention bond, will cover 41.4% of the total cost. AFH launched its capital campaign in November to help cover the gap. Other funding sources include loans, unrestricted grants, and support from companies, including **Pacific Premier Bank**, **Home Depot** and **Coopersburg**, Penn.-based **Lutron Electronics**, which

has a training center in Irvine.

Pacific Premier Bank First Vice President **Sherri Scott** said the bank has committed to waiving the fees on AFH's \$2.9 million construction financing loan, an amount totaling \$29,000.

“The Potter's Lane project aligns with our Community Reinvestment Act program,” she said. “The CRA program focuses on supporting economic development and affordable housing opportunities that benefit low and moderate-income communities in the areas served by the bank.”

Pacific Premier also is a member institution of the **Federal Home Loan Bank of San Francisco**, which provides community banks with access to low-cost funding on qualifying projects. Scott said Pacific Premier will apply for an Affordable Housing Program grant subsidy on behalf of AFH and the Potter's Lane Project.

Gallup said her organization will accept in-kind donations, as well as financial contributions. “Supporters can underwrite the fitness court or the furnishings—they can sponsor the art installation in the courtyard,” she said. “However people want to help, we are happy to accept it.”

Scale

The design approval from the state means that AFH can take the Potter's Lane concept to other sites, which brings the potential to cut significant amounts of time off future developments and get more veterans off the streets.

The next one could be close by.

“AFH owns a property in Stanton (with) almost the exact same size lot,” Gallup said. “We are going to approach Stanton once this first project is done. We'll go from area to area, working with local communities.”

She stressed the importance of community and business support.

“It is many people and groups coming together to organize this,” she said. “Businesses, individuals, community groups, local government. People in Orange County are overwhelmed by the homeless problem and don't know what to do about it. When you give people a way to help, they are eager to do so.” ■

App

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last February for \$475 million, and Germany-based **Adidas AG** bought Runtastic in August for \$240 million.

“It is an exciting acquisition for ASICS as the brand continues to grow its global business, create value for consumers, and strengthen its digital marketing efforts,” company officials said in an emailed statement.

Runkeeper tracks fitness activities of about 33 million registered members via smartphone GPS. ASICS can use the insights to send personalized ads to individual app users.

The move is part of a larger effort to expand its customer base by “focusing on female and young customers through digital marketing.”

“When we look ahead, it seems clear that the fitness brands of the future will not just make physical products, but will be embedded in the consumer journey in ways that will help keep people motivated and maximize their enjoyment of sport,” FitnessKeeper founder and Chief Executive **Jason Jacobs** wrote in a message to the Runkeeper user community announcing the purchase.

“By putting these two pieces together (a digital fitness platform and world-class physical products), you can build a new kind of fitness brand that has a deeper, more trusted relationship with consumers and can engage with them in a more personalized way. Partnering with ASICS to fulfill this vision together makes a ton of sense. We both have deep roots in and focus on running as a core component of

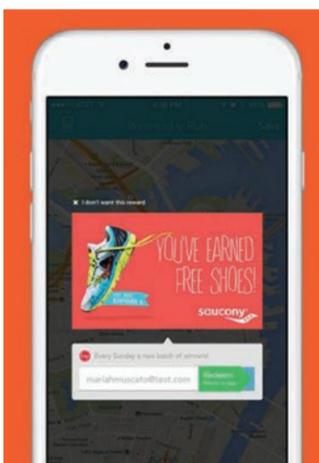
the fitness experience. ... And from people using our Shoe Tracker feature in the app, we know that ASICS shoes are by far the ones that Runkeeper users run in the most.”

Most of Runkeeper's Facebook fans commenting on the deal were supportive, but a few had reservations.

“One of the reasons why I enjoy Runkeeper ... is because it's free of product endorsements and impartial to brand alliances,” **Rachele Fletcher** posted a comment. “It is just about the sweat, guts and glory of anyone who loves to run or almost dies trying! ... It's a hope that Runkeeper stays that way regardless of ASICS now acquiring them.”

ASICS already has 12 running-related apps for iOS and Android devices, all created in-house and most tied to a specific event, including the Tokyo and TCS New York City marathons. Its most popular is My Asics Run Training, which enables users to create a training plan for a marathon or a short race and track their progress.

Runkeeper, in addition to tracking fitness data, sells company-branded merchandise and offers in-app features that ASICS can potentially monetize by introducing its products at an opportune moment. The app, for example, tracks the life cycle of users' running



Perks: app includes push notification that reminds runners to replace their shoes, a potential money maker for ASICS

shoes and sends them a notification once they've hit a specific distance, usually after 300 to 500 miles, to alert them it's time to get another pair.

Runkeeper is a free app, but advanced training programs are offered as in-app purchases that range from \$9.99 per month to \$39.99 a year. It also has teamed up with fitness-friendly companies to host branded contests, including a recent #SundayRunday sponsored by **Microsoft Corp.**'s Band, a smart watch-like device that can track users' heart rates, calorie burn and sleep quality; a “Run 4 It Challenge” by Centrum, a

vitamin product manufactured by **Pfizer Inc.** in New York; and the “Timex Ironman Run x50+ Challenge,” a marketing deal with Middlebury, Conn.-based **Timex Group USA Inc.**

Under Armour recently used its MyFitnessPal app to promote the “Earn Your Holiday Dinner Challenge,” a branded contest that encouraged the app's more than 80 million users to track their calorie intake for a chance to win an outfit from Under Armour worth \$300. Adidas, meanwhile, provided products for Runtastic's “New Year Giveaway,” which ended last month.

ASICS' Japan-based parent, **ASICS Corp.**,

reported \$3.75 billion in sales last year. Its Americas market grew 14.5% year-over-year and represented the biggest share of total revenue—31.8%. It also sold the most running shoes, contributing about \$968.6 million to the category's \$1.96 billion in companywide sales, an 8.4% increase over 2014.

The digital marketing push follows ASICS' decision to let its title sponsorship of the LA Marathon lapse. It was replaced by Sketchers Performance, a division of **Skechers USA Inc.** in Manhattan Beach. And this year will be its last time sponsoring the TCS NYC Marathon, a relationship that commenced 25 years ago.

ASICS last week announced the “Want It More” marketing campaign, which is “designed to support the true sport performance brand's global strategy to expand its footprint beyond running and reach a wider, younger audience.” It was developed by Netherlands-based **180 Amsterdam**, the creative agency that handles ASICS's global ad work. **VITRO** in San Diego, the company's advertising agency of record for the U.S. market since 2012, didn't participate.

The new brand campaign has a significant digital component, including 15-second training spots scheduled to post on ASICS' Instagram account on March 1. They feature ASICS' sponsored athletes, coaches and training influencers offering “tips and challenges” on taking “your workout to the next level.”

The brand also invited consumers to tag their photos with the #wantitmore hashtag on social media and to check out an annual sporting calendar on the campaign website. ■