

Khaki Foundation Grant Application

Part 2: Purpose of Project/ Project Proposal

Please include the following:

1. A brief outline the purpose of the project on hand.

Habitat for Humanity is a community-based, volunteer driven low-income housing developer. Through its unique model of no-interest loans and self-help homeownership, Habitat generates homeownership opportunities, or opportunities for home repair, for low and very-low income households. While best known for our traditional model of building houses using primarily volunteer labor and selling them at cost to working families whose income is less than 60% of the area median income, we also repair and preserve existing housing stock to keep low-income homeowners in safe, decent, affordable housing. Habitat's ultimate goal is to transform lives and communities not just through housing itself, but through engaging the community in the creation of it.

2. The goals of this project along with a projected timeline.

There is no organization whose mission and methods carry more potential to create lasting community transformation than Habitat for Humanity. Among the variety of affordable housing developers in King County, we are the only organization that leverages volunteer labor and donated building materials to build decent, affordable homes and provide very low-income families with the opportunity to build their long-term stability and wealth through homeownership. But affordable housing is a complex arena. Simply building affordable homes is not enough. Habitat's Homeowner Education Program is a key ingredient in the success of our families - both families that are newly selected for Habitat homes and for ensuring the success of long time Habitat homeowners.

Families usually spend about 12 to 18 months in the program before moving into their homes. At any given time, there are 7 to 13 families in the program. Each new family is required to take a homeowner education class each month and must complete 13 of them before moving into their homes.

The 13 mandatory classes are: Construction Safety, Budgeting 101, Budgeting 102, Budgeting 103, Credit Repair, Home Design & Warranty, Living with Diversity/Conflict Resolution, Living in a Homeowner's Association, Community Governance, Mortgage & Escrow Documents, Saving Energy/Living Green, Homeowner Repair and Maintenance, and Disaster Preparedness.

We recruit volunteers with expertise in these areas to lead the classes. We also periodically offer classes on investing, home design "on the cheap", nutrition and other topics of interest to home-owners. We have also developed two programs for children so that we can engage the whole family during the time of the class.

The goals of our affordable housing program are to provide new, and to repair existing homes, for low-income families in King County. In 2012 we completed 8 new homes in Issaquah and Renton, and in 2013 we will complete at least 5 more new homes in Renton, and begin construction on 3 more, while also doing critical repairs on existing 6 homes in the area.

As the two affiliates merge our programs we expect these numbers to more than double as we work more efficiently together.

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3. A description of the community needs of the population being served. Include in this description the anticipated impact of this project in response to these needs.

Need for Affordable Housing

Business leaders and policymakers agree that affordable housing is vital to keeping our communities strong and growing. Without enough affordable housing: companies have trouble recruiting and retaining qualified workers; people commute longer distances and traffic congestion worsens; families move more frequently and children lose stability; and people pay too much in rent and risk homelessness.

Studies show that homeownership can create a better future for the whole family. Compared to renters of the same age, income, race, etc., homeowners in the United States are:

- 12 times wealthier,ⁱ
- 15 percent more likely to vote,ⁱⁱ
- 16 percent more likely to belong to school or community organizations,ⁱⁱⁱ
- 28 percent more likely to repair or improve their homes.^{iv}

Homeowners, and those who are homeowners for longer periods of time, have significantly higher household wealth.^v This is compounded by the fact that homeowners are less likely to move than those who rent.^{vi} In addition, the median wealth of low-income homeowners is much higher than low-income renters.^{vii} Homeowners have higher rates of satisfaction with their lives, themselves, their residences^{viii} and their neighborhoods.^{ix} They also have wider networks of people they can rely on for social support^x and are more likely to participate in voluntary organizations and local politics.^{xi}

The children of homeowners are:

- 25 percent more likely to graduate from high school,^{xii}
- 116 percent more likely to graduate from college,^{xiii}
- 59 percent more likely to own their own home within 10 years of leaving their parent's household and^{xiv}
- 20 percent less likely to become teenage mothers.^{xv}

The children of homeowners also have mathematical cognitive scores that are nine percent higher and reading scores that are seven percent higher compared to the scores of children whose parents are not homeowners. In the long run, they also are more likely to achieve higher income and accumulate more wealth than children of renters.^{xvi}

Positive outcomes for homeowners and children reverberate throughout the community. Habitat homeowners volunteer in local efforts, take pride in their neighborhoods and keep their homes and communities safe and clean. In many cases Habitat building projects provide an impetus for non-Habitat homeowners nearby to improve their own homes. Higher graduation rates among children of homeowners bring more skilled workers into the job market, while additional homeowners contribute to the tax base and promote economic development. In addition, increased levels of homeownership increase the overall stability of neighborhoods.^{xvii}

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4. A plan of how the success and effectiveness of the project will be evaluated throughout the project. Please be sure to address the following points:

- a. What are the most innovative aspects of the project?

Habitat for Humanity is unique among non-profit housing organizations in that we rely upon volunteers to work alongside staff and prospective homeowner families to build affordable homes.

- b. What will ensure the long term sustainable success of the project and how?

Habitat EKC has proven its model is successful with 119 homes completed in eight Eastside cities, with 16 additional re-sale homes that are now home to their second homeowner families. As an affiliate of a large, international organization Habitat for Humanity International, we share the accomplishments, and best practices of more than 2,000 sister affiliates located in almost 100 countries.

- c. What are the key project milestones and timelines?

The first six homes in La Fortuna, Renton were dedicated Oct. 6th, 2012 and the second building of five homes will be completed in May, 2013. This fall we will install the foundation of the third building, consisting of three townhomes, while continuing to do critical home repairs for low-income homeowners in the surrounding neighborhood.

- d. What are the key success metrics and how will they be measured?

Success is measured by the number of families served, the numbers of volunteers who work with us, the amount of funding received as well as the long-term benefits to homeowners that will continue to increase.

We measure homeowner benefits through an annual homeowner survey and we measure volunteer satisfaction with a brief survey response card at the end of their build day. Funding is measured against our annual projected budget and the balance and mix of private and public sources.

- e. What reporting will you provide during the execution to monitor progress and how frequently?

We send monthly Enewsletters to update donors and volunteers on our work, invite them to home dedications and special events. Our annual report recognizes donor contributions as well as highlighting the various sponsors, community groups and events that support our mission. Additional reports furnished as needed.

- f. What accountabilities have been defined for the project?

We are meeting the qualifications of an Affiliate of Distinction by Habitat Intl. These requirements are:

- Be an affiliate in good standing with Habitat Intl.
- Meet all the standards on the Habitat for Humanity Quality Assurance checklist
- Be current with Form 990 filings and appropriate IRS requirements
- Contributed a tithe for at least the last two fiscal years
- If the affiliate has a Store, it must be operating in the black.

5. Explain how your project meets the Khaki Foundation's guidelines and criteria.

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Programs and objectives

Affordable homeownership: Habitat EKC develops decent, affordable permanent housing, both multi-unit and single-family homes. We build these homes using over 90% volunteer labor and sell them – with zero-interest mortgages, at zero profit and with zero financial down payment – to families earning 60% and below of median income. We provide Habitat families with homeowner education and support them as they complete the 500 sweat-equity hours that serve as their down payment.

Homeowner Education: In the months before they purchase their homes, families complete a rigorous training program including classes on budgeting, finance, credit repair, running a homeowners' association, home maintenance and other aspects of successful homeownership. Once families are housed, our staff contributes to the homeowner's association, offering additional classes and providing individual support to families as needed.

Volunteerism: Volunteerism is central to our mission. Every year as many as 3,000 volunteers donate 23,000 volunteer hours to support Habitat EKC. The opportunity for volunteers and families to work side-by-side creates valuable community bonds. Volunteers, who come from all walks of life, have the chance to breathe fresh air, make new friends, and learn new skills while helping families in need transform their lives in permanent, tangible ways.

Habitat for Humanity is an equal opportunity housing provider.

Our Family Selection process is designed to ensure that the homes we build go to the most deserving families, regardless of background. To help ensure this, members of the all-volunteer Family Selection Committee who review families' financial qualifications see numbers only; they do not know names or background of those they review and interview. Families are ultimately selected by consensus; no single voice has more power than the others. Current Habitat Homeowners are welcome to serve on the Family Selection Committee, and several have and still do; staff sits in on the meetings but cannot vote.

As a result of these efforts, our homeowners represent a highly diverse population for King County, which is 74% white. Of the 507 people currently living in Habitat Homes in East King County, 51% are in white families, 15% Hispanic, 15% Asian, 12% are black or African 2% Native American, 4% are in bi-racial families. Families represent a broad range of ethnic and faith communities.