



Family Finalist: Habitat for Humanity Grand Traverse Region

Initiative: Habitat for Humanity: Building Homes & Hope

OVERVIEW OF THE INITIATIVE

This initiative will help Habitat for Humanity better serve the Grand Traverse region by using Impact100 grant funds as revolving capital in order to accelerate the building process and increase the capacity for new builds. In this proposed model, Impact funds would be used to build a Habitat home for a low-income family; then when the family closes on the home, Habitat for Humanity Grand Traverse would be reimbursed, allowing them to reinvest in the next build. This plan would provide consistent capital which would allow for a continuous building cycle with no down time between builds, increasing the capacity for the organization to build needed homes consistently without delays.

The following sections contain key information from the application, as written by the applicant. Please note that while detailed financial information has not been provided here, each applicant submitted an initiative budget and supporting financial documents as part of their application. Each proposed initiative and the supporting financial documentation has undergone a thorough financial review by our Community Investment Review Committee and the initiatives proposed by our finalists have been found to be fiscally sound.

FULL EXECUTIVE SUMMARY

The Habitat Building Homes & Hope Initiative is a transformational, impactful project positively changing the trajectory of families lives for generations to come. Habitat for Humanity Grand Traverse Region (HFH GTR) has served Grand Traverse, Leelanau County, and Kalkaska Counties for 34 years. Now more than ever because of the pandemic, the need for healthy, safe and affordable housing in Northern Michigan is moving far beyond critical. More and more families are living in unhealthy, unsafe, deteriorating housing with leaking roofs, mold, furnace insufficiencies, and lack of adequate insulation and space. These families are unfortunately being forced to raise

their children in these conditions being unable to overcome an obstacle or life change (divorce, death, loss of job). They are hard-working, proud, and cling to hope that if they only had a "hand up" then their circumstances could change. Hope has arrived!

Our project initiative is to increase our capacity to serve using the Impact 100 grant to build a Habitat home for a low-income family, then when the family, who has secured a low-interest USDA loan, closes on the home, HFH GTR is reimbursed the amount invested, and immediately reinvests it into the next home, continually revolving this capital into the next build. We seek assistance from this grant to have consistent capital and no down time between builds. Currently, one financing strategy to increase our capacity, in addition to direct donations, involves investor funds for our Habitat builds. But when a Habitat family closes on the home, we pay back our investor leaving us minimal funds to restart the next Habitat home. This can result in delays and valuable time lost in the fight against the need for affordable housing. The Impact 100 grant would be transformational by providing Habitat the ability for a continuous process which will add capacity to our affiliate's build cycle.

Currently eligible families wait in substandard conditions until we raise the funding to help. We cannot break ground on their home until at least 50% of the funds are secured. We MUST think in innovative and collaborative ways to do more to expedite the service of our most vulnerable community members. Those living with the most critical needs cannot wait for housing solutions. Today we can offer quality of life, economic stability and a sense of community to those who need our help. Both families and employers need help now. Habitat has a proven solution to sustainable affordable housing. Selecting HFH GTR will enable us to increase capacity by building homes consistently without delay. This project will impact HFH GTR, families and future generations forever! How do we know? We know because Habitat families over the last 34 years and their children have told us so. You will find individual stories within this grant application.

Who will be involved? HFH GTR's experienced staff, local contractors, core volunteers, community volunteers, alongside our partner families, all working together to build sustainable homes, communities and hope.

COMMUNITY TO BE SERVED

Habitat for Humanity Grand Traverse Region (HFH GTR) serves Grand Traverse County (population 92,573), Leelanau County (population 21,657, and Kalkaska (population 17,634).

The 2019 Northwest Michigan ALICE REPORT (Asset-Limited, Income-Constrained, and Employed) = (ALICE: households that earn more than the Federal Poverty Level, but less than the basic cost of living for the state of Michigan) reports, "Across our region, 38% of households struggle to afford the BASIC necessities of HOUSING, child care, food, technology, health care and transportation. It is a complex term for a POPULATION we know too well. These are our neighbors in need around us. ALICE is working hard, but barely surviving and definitely not thriving. ALICE is part of our economic engine but ALICE is struggling. ALICE may be a college student, working and going to school hoping for a better life or a senior citizen making a difficult choice between food, housing and prescriptions. ALICE could be a working dad, with childcare, transportation and housing costs that leave very little to provide shoes for his children. ALICE affects everyone's QUALITY of LIFE."

These are the clients HFH GTR serves. The hardworking, but low-income, struggling and needing a hand up to improve the quality of their lives and their children's lives and HFH GTR is proud to be part of their positive life change. How do we know we have made an impact on the families that we have served? The Monteith family were homeless for two years couch surfing, living in cold, dark, windowless basements. Kyle, a veteran, had a decent paying job, but with housing prices skyrocketing, they found themselves unable to afford rent or purchase a house. Holly Monteith: "Habitat for Humanity has given us this amazing gift of a place for our children to call HOME. Not just a house, not just a shelter, but a HOME. A place where everyone loves you and cares for you, a safe space no matter what your problem is, a place for family to gather around a table and laugh and have homemade dinners. These are all things we couldn't enjoy when we were essentially homeless for two years. Tonight is the first night in two very long years that Kyle and I get to sit down at the table with our kids and ENJOY our dinner. Thanks to Habitat, we will never need to worry if we will be in the same spot in a few days, or a few weeks, or if we are going to be unwelcome house guests. Tonight, we get to eat our first dinner in our FOREVER HOME."

NEEDS OF THE COMMUNITY TO BE SERVED

Currently, 34% of households in Grand Traverse County, 46% of households in Kalkaska County, and 33% of households in Leelanau County are classified as ALICE. How much does ALICE earn? In Michigan, 61 percent of jobs pay less than \$20 per hour, with almost two-thirds of those jobs paying less than \$15 per hour. The Household Survival Budget for Michigan to meet basic needs for housing, food, healthcare, transportation is an hourly wage of \$30.64. HFH GTR serves the low-income population in northern Michigan (Habitat home mortgage payment averages \$650/month). Over the last year, we have held monthly Homeowner Information Sessions with over 100 attending and also averaging 300 walk-ins into our office with people seeking information about home ownership. 69% of applicants live in Grand Traverse County; 18% of applicants live in Kalkaska County, and 13% of applicants live in Leelanau County. 19% of applicants report they are living with friends or family out of necessity; 35% of applicants report they are living in an overcrowded situation; 40% of applicants report that their current living situation is unaffordable; 28% of applicants report that their current living situation is in need of repair; 17% of applicants report that their current living situation is unsafe, and 12% of applicants report that they are homeless.

Almost every week, you see a story in the paper or online about the shortage and monumental need for affordable housing in Northern Michigan. Such as The Leelanau Ticker, March 9, 2020, Trudy Galla, Leelanau County Planning & Community Director, "A parcel in Maple City will now be developed affordable housing by Habitat for Humanity amidst what officials consider as an affordable housing crisis in Leelanau County." HFH GTR met with the resort manager of The Homestead in Fall 2019, and he spoke about the need for affordable workforce housing in Leelanau County. They have workers making \$10-\$15 an hour (ALICE population) and driving for an hour to work because there is no affordable housing in Leelanau County. They cannot retain workers because their workers cannot afford the low wage and gas for travel time. Hearing this HFH GTR took action. We secured a piece of property in Maple City in Leelanau County to build a home this year, and worked extensively with the Leelanau Land Bank Authority and secured additional land in Maple City to serve 6-8 more families

Currently, we are working on a land deal with New Waves Church to serve 14 families in the near future in Leelanau County.

HFH GTR has land and families in all three counties waiting to be matched with funding. In 2019, HFH GTR's requests for services increased by "175 percent." The funds from this grant will enable us to continually build homes for families in need in our community without having to stop because we need to raise more funds for the next build. It will enable us to serve families for "generations" to come, positively impacting their lives and their children's lives for good.

GAPS IN SERVICES

HFH GTR is working hard to secure funding and investors to help us increase annual capacity each year moving forward to help us keep pace with the demand for safe, healthy, affordable housing in our community. There has been an outstanding increase in demand for workforce and affordable housing in Leelanau County following the pandemic (301 ownership units and 367 rental units projected for 2020 with 83% of the demand for rent of \$1,000 or less per month, per Sarah Lucas, Executive Director of Housing North) and growing beyond our previous projections in all three counties we serve. HFH GTR helps fill this gap of affordable/workforce housing with the average monthly mortgage payment averaging \$650. HFH GTR needs to secure all available funding to build affordable homes and to reach our strategic goal of building 10 homes annually by 2024. If we can secure this revolving capital, then we do not have to put our builds on pause because we need to raise more funds to continue the building process. It is imperative that we stay on task, to help be a part of the solution to this critical problem in our community.

GOALS, OBJECTIVES, OUTCOMES & INDICATORS

HFH GTR's goal is to secure a revolving capital fund to enable us to continually build home after home to keep pace with critical demand for safe, healthy, affordable homes in our community

Under Habitat International standards, a medium-sized Habitat affiliate, based on GSA and population, averages 4 new builds annually while maintaining other programs like home repair services and ReStore. With a massive demand for housing in our region,

we need to think in innovative ways using collaborative efforts to make a greater impact. Status quo is not enough – our community deserves our best efforts. In 2014, with the support of a design team of experts, we built the first Habitat for Humanity Net Zero Energy neighborhood; each home producing as much energy as it consumes. Seeking to build to better standards for families, community and the environment, this was the solution. Net Zero Energy housing reduces the lifecycle cost or cost to live for the homeowner. That reduction is achieved in little-to-no utility bills each month allowing families to focus their discretionary income on food, child care, transportation, education and healthier lifestyles.

Today, we continue to be innovators and lead the way for other Habitat affiliates both regionally and nationally. One of our strategic plan objectives is to provide housing for ten families annually. By using the Impact 100 Grant, we are able to invest the revenue from the sale of the home into the next house. In a 2-3 year timeframe, this grant provides the support and transformation needed for Habitat-GTR to meet our goal. This is our plan:

2020 – 4 homes + Impact 100 transformation = 10 families served!

2021 – 4 homes + 2 – 6 homes

2022 – 4 homes + 3 – 7 homes

2023 – 4 homes + 5 – 9 homes

2024 – 4 homes + 6 – 10

2025 – 4 homes + 6 – 10

The 5 Core Objectives developed by our Board of Directors are as follows:

Core Objective #1: Provide diversity of housing utilizing energy efficient technologies to meet community needs in the next 3-5 years by 2024.

Core Objective #2: Create a consistent funding structure in order to build an investment fund to \$1 million by 2025.

Core Objective #3: Restore to provide 50% of operating costs by 2022.

Core Objective #4: Increase # of residential units year over year with a goal of 10 homes by 2024.

Core Objective #5: Build genuine and lasting relations with our community partners.

Outcomes: New Habitat partner families will have a safe, healthy, affordable home to call their own and raise their children in, instead of living in unhealthy, unsafe living accommodations. Example: Eric Smith, Depot Neighborhood, was living in a bedroom in his parents home and only had partial custody of his son because of his inability to secure affordable housing. In his own words: "I have been through a lot: bankruptcy and losing absolutely everything at one point in our lives. I am very blessed and that is the experience I have known since building my home started because I needed something so bad. I needed a win, so bad. And Habitat gave me that win! They gave it to me and my life has changed for the good ever since the day I found out I was chosen. I have been a total different human being. It has given me a whole new purpose and strength for my son and the rest of my family. It is a priceless lesson that I will carry with me forever. My hope is that my son can see this growing up, so when my son gets older, I can bring him to a Habitat construction site and we can help others on the weekend. Then, he can see that aspect of life that it's not just about you. You need to get out there and change someone's life as well."

Eric Smith 3 years later, 2020: "Everything has changed. I have a different job working at Hagerty Insurance. My son has grown up a lot and I have full custody. I have gotten married. I can always look at this and be thankful and grateful for not only having the house, but for the people that helped me. It is important for my son to know that too. Every night before he goes to sleep, I lay down with him and he sat up in his bed the other night and he said, Daddy I have a question? I said yes, what's up? He said, Daddy who built that wall? And he pointed to the wall and it was such a moment! So all I could tell him without breaking down crying and losing it was, Someone that loves you very much built that wall. Then he started looking around his room and asked, who put that

fan on the ceiling? Someone that loves you very much. Who put the garage door on? Someone that loves you very much. Who put the floor down? Someone that loves you very much. That someone "loved us enough" to do that, I am forever grateful! I can't say that if I wouldn't have gotten this house, what would my son's life be like right now. I have no idea. It is scary to think about. What is upsetting about that thought is knowing that there are others out there in need. That there are other people that applied for a Habitat home and feel the same way and they may not get an opportunity like this. And this is why I am so grateful and thankful every day.

Indicators: 10 or more families will have secured a new home with HFH GTR, bringing them out of substandard housing that is unhealthy, and unsafe. The IMPACT: their lives will be forever changed for good, affecting not only their own lives, but the lives of their children as well for generations to come.

ORGANIZATIONAL CAPACITY

HFH GTR has a solid, experienced team in place to implement this project. We have an educated and experienced Project Manager and Core Volunteers that are experts at building our Habitat homes. We have strong, established relationships with area contractors that are dedicated to our mission by supplying us with in-kind building materials and services to help ensure all our deadlines are met with each build. HFH GTR has a strong leadership team and Board of Directors that is dedicated to fundraising efforts for all our builds, working with donors, foundations, grantors, community partners, and private investors. HFH GTR has been successfully building homes in northern Michigan for 34 years, and have forged and secured solid supporters that assisted us with completing our projects small and large, such as the award-winning Depot Neighborhood that we completed in 2017 where we built ten net zero energy homes. We have no doubt that we will successfully implement and complete this project helping our neighbors in need of affordable housing with our dedicated team, volunteers, funders, investors, and community partners dedicated to carrying out our mission.