



ZELINDA LEBOUTILLIER CHARITABLE FOUNDATION REQUEST FOR PROPOSALS

I. SUMMARY SHEET

(One page only. This page will be shared with Grant Committee Members.)

Date: March 28, 2023

Contact Information:

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Year Incorporated: 1989

Has your nonprofit previously applied to the Community Foundation: Yes X No ___

Field/s of Interest:

___ Arts, Culture and Humanities ___ Environment/Animal Welfare ___ Health
X Human Services ___ Education ___ Religion

Organizational Information:

Geographic Area Served *(If not all of Chester County, specify primary Chester County municipalities served):*
All of Chester County

Annual # of Clients & Description of Population Served:

15-20 low-income families per year. Family sizes vary. All earn 30%-80% of the area income.

Mission Statement: Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities, and hope. Habitat's envisions a world where everyone has a decent place to live.

Organization Description: Habitat for Humanity of Chester County seeks to eliminate poverty housing in Chester County by building affordable new housing and making critical home repairs to preserve existing affordable housing stock in Chester County. We help our neighbors build strength, stability, and independence through homeownership. Since 1989, Habitat for Humanity of Chester County has provided affordable housing for 180 families in Chester County.

Annual Budget \$5,593,790

71% of budget for program expenses

20% of budget for administrative expenses

9% of budget for fundraising expenses

100 % total

20 # of Full-Time Equivalent Paid Staff

15 # of Board Volunteers

2,500 # of Active Non-Board Volunteers

30,000 annually # of Volunteer Hours



Top 3-5 funding sources:

Bentley Systems

3M

Wells Fargo

DuPont

Bank of America

QVC

Proposal Information:

The HfHCC Board of Directors would like to provide a range of funding opportunities to the trustees of The Zelinda LeBoutiller Charitable Foundation for consideration.

Option 1 Grant Amount Requested \$5,000

This grant would fund the purchase of all the materials needed to build a family room in a new, affordable Chester County home. This includes framing, drywall, flooring, coat closet, light fixtures, and the exterior door leading out of the home. The gift of a place for family to relax after work and school builds memories that will strengthen the family bond.

Option 2 Grant Amount Requested: \$2,500

This grant would fund the purchase all the materials needed to build a child's bedroom in a new, affordable Chester County Habitat home. This includes framing, drywall, windows, flooring, closet, light fixtures, and the interior door. The gift of a new bedroom gives children the gift of a good night's sleep, a quiet place to complete homework, and a sanctuary to dream about their future.

Option 3 Grant Amount Requested \$1,000

This grant would fund the purchase of all the materials needed to build a maintenance free front deck in a new affordable Chester County Habitat home. This includes composite material decking and vinyl railings. The gift of a front porch to sit outside and enjoy the weather builds a strong sense of community.

OVERVIEW AND HISTORY

Habitat for Humanity of Chester County, Incorporated (HfHCC) is organized as a Pennsylvania nonprofit corporation, governed by a self-perpetuating Board of Directors with full responsibility for all of its fiscal and operational affairs. It is one of more than 1,500 United States affiliates of Habitat for Humanity International (HfHI) headquartered in Americus, GA.

Our primary objective is to provide a hand up to hard-working families in need by building decent, affordable housing in Chester County. Habitat for Humanity is led and sustained by volunteers of all faiths, serving low-income families regardless of race, gender, culture, religion or familial status.

HfHCC began operations in 1986 as part of the Greater Philadelphia Area Habitat for Humanity. Since becoming a separate affiliate in 1989, community volunteers and donors have provided affordable homeownership for 180 families in Chester County. In 2022, HfHCC launched a Critical Home Repair Program to help even more families preserve their affordable homes.

Each new Habitat home is sold to a low-income family using a no-interest 30-year mortgage for the full purchase price of the home. The price is determined by the costs expended directly for materials and non-contributed labor plus apportioned administrative costs. Mortgage payments made to HfHCC go into a revolving fund that is used to build more houses for low-income families in need. A soft second mortgage based on the difference between the purchase price of the home and a certified market appraisal is established between HfHCC and the homeowners. This prevents profiteering and is designed to help insure the stability of the neighborhood.

Habitat homeowners are selected based upon their need for decent, affordable housing, a qualifying income, and the willingness to invest their time, helping to build their future home (sweat equity).

Habitat for Humanity of Chester County is the only nonprofit housing organization in the county serving low and very low income ($\leq 60\%$ of Area Median Income) families.

FUNDING REQUEST

A. *Coatesville Needs and Issues*

The City of Coatesville suffers from a high proportion of rental housing, high rental rates, low housing values, and **limited opportunities for homeownership**.

High Rental Housing Population

There is a high percentage of housing units (62.7%) devoted to rental housing (the County average is 22.9%). The high rental percentage creates a destabilizing effect on neighborhoods as the rental populations tend to be transient and renters have little incentive to maintain their properties.

Escalating Rental Rates

Housing affordability is a concern in Coatesville. Over the past 20 years, rental rates have increased very rapidly. Currently, the median rental price is ~\$830 per month. High rent is particularly onerous to residents in Coatesville who tend to have incomes that are significantly low, especially compared to regional standards. A single wage earner making \$8 per hour would need to work almost 73 hours each week to afford the median rent in the City of Coatesville.

Housing Values

Housing values in Coatesville are less than half the county's median value as a whole. 17.8% of owner-occupied households in Coatesville reported housing values of less than \$100,000, compared to 5% of households countywide. Only 741 owner-occupied households (41.1% of the total) reported house values greater than \$150,000.

Homeownership Opportunities

The affordable housing standard is defined as paying no more than 30 percent of one's gross income on housing. Using this standard, a prospective homebuyer for the median price of a new home in the Coatesville area would need a yearly income of \$71,070, while the Coatesville median household income is only \$35,553. Households spending more than 30 percent on housing are labeled cost burdened and those spending more than 50 percent are labeled severely cost burdened.

Substandard Housing Units

There are a large number of deteriorated and substandard rental and owner occupied housing units in locations throughout the city. Many existing owner-occupied and rental housing units need repair. Residents who own homes need to have access to contractors who are affordable and produce quality work. Given the low incomes of City of Coatesville residents, a simple problem could become a huge burden. Additionally, the housing stock in the City of Coatesville is aging, with 66.2% of the homes built more than 40 years ago.

B. Project Impact

The goals of Habitat's affordable homeownership program include the following:

- Increase affordable housing stock in Coatesville by building a 45-home community on a 12.5 acre plot in the City of Coatesville over an eight-year period;
- Offer appropriate mortgage products to low-income families;
- Incorporate energy efficient technologies and sustainable building practices in all activities;
- Provide critical housing support services to low-income families;
- Strengthen existing strategic partnerships and generate new ones to holistically address community challenges; and
- Engage a broad collection of key neighborhood stakeholders, including local government, business and most importantly, residents in creating and implementing solutions.

C. Overall strategies used to implement the project

Homeownership Program

Habitat's Homeownership Program is one of intervention—stepping in to break the cycle of poverty characterized by burdensome housing costs and poor housing conditions. By selling homes instead of giving them away, HfHCC allows homeowners to take control of their own lives and create their own fresh start.

Our standards for selecting new homeowners are as high as our hopes for them. We review all applications on the basis of three criteria: need for adequate shelter, ability to pay and willingness to partner. When we select a family for partnership into our homeownership program, they receive far more than a house. Several milestones along families' paths to a new Habitat home help them become vital participants in our community.

- Fiscal Opportunity - Habitat for Humanity is not a giveaway program. Each property is sold to a partner family using a no-interest, 30-year mortgage for the full purchase price of the home. This economic model ensures that hard-working, though low-income, families can have access to the benefits of homeownership.
- Homebuyer Education - Effective homebuyer preparation has enabled HfHCC to achieve a mortgage default rate of only 3.6%. Through a partnership with Open Hearth, Inc., HfHCC families understand and resolve credit issues and learn budgeting basics and money-saving techniques. Furthermore, partner families attend workshops on general home maintenance, preparing them for responsibilities of homeownership.
- Family Partnership - Each of HfHCC's future homeowners forms a relationship with a volunteer "Family Partner," who serves as a mentor throughout the transition into homeownership. Family partners also help monitor progress with the families' commitment to the Habitat program.
- Sweat Equity - Each adult applicant is required to work 200 hours on the construction site as part of his or her eligibility for Habitat homeownership. As well as adding to our construction labor pool, this model makes homeowners immediate stakeholders in the neighborhood in which their home is located. Working side-by-side with volunteers allows partner families to develop positive relationships with community members.

Volunteer Programs

The driving force behind Habitat for Humanity of Chester County is our volunteers – those who contribute a day, a week, or even a few months or more, to give Habitat's vision tangible outcomes.

Our volunteer opportunities include:

- Construction - Hammer swinging has emerged as the quintessential volunteer experience with us. Volunteers and partner families work alongside of each other to build all HfHCC homes to the highest standards.
- ReStore - HfHCC operates two retail stores that receive donations of new and gently used building materials, furniture, appliances and other miscellaneous housewares. Items are then sold at a discounted rate, with profits supporting the work of Habitat. Volunteers play a vital role by stocking shelves, picking up and unloading donations, and helping customers.
- Family Services - The work that is done to help our partner families make the transition from renter to homeowner is critical to their long-term financial health. The Family Services Committee reviews applications for homeownership and chooses family applicants who meet the criteria for our housing program.

- Committee Participation - All committees, including the Board of Directors, are composed of volunteers and welcome the contribution of new members.
- Office Support - Office volunteers provide vital assistance in making the management of Habitat programs effective. Tasks can include entering data, folding newsletters, addressing envelopes or processing volunteer information.

Fundraising

Habitat for Humanity draws on various funding sources to finance its operations. The primary sources of funding are individuals, corporations, churches, special events, house sponsorships, foundation grants, United Way donor designations, mortgage income, and ReStore retail sales.

D. Why it is important to fund this now

For many hard-working families, the fruit of their labor is substandard housing. Trailers infested with cockroaches, apartments that lack adequate plumbing, and heating systems that no longer work are just some of the deplorable conditions they are forced to live with. Moreover, **rental costs, even for unsafe or inadequate housing can easily consume more than half a family's income** - leaving low-income families little money for other basic necessities like food, clothing or health care. These families must also live a great distance from the workplace, increasing their commuting time and decreasing their productivity.

In order to provide for the basics of life, many Chester County families are forced to live in unstable, unsafe, and substandard housing situations. Naturally, there are imminent threats to the health of families who live in such situations. Some of the greatest threats, however, are more intangible. Families in substandard housing live a precarious existence where the loss of a job, illness of a breadwinner, or simply a rise in rent can mean homelessness.

IMPACT AND RESULTS

Of the 180 homes built or rehabilitated by HfHCC volunteers, only 5% have gone to foreclosure and subsequent sheriff sale. This low percentage is due to the homeowner's investment of time during the construction of their home, creating a sense of pride of ownership.

Upon transfer of the home to the applicant family, HfHCC's Director of Family Services will monitor the family's progress. Longer-term results are measured by the number of years that the family will spend in their home, mortgage payment history, satisfaction of the second mortgage, and satisfaction of the first mortgage.

Ultimately, there is a "human factor" to our self-help homeownership program, one that can only be measured over a lifetime. Studies have shown that Habitat homeowners experience an improvement in self-esteem, well-being, overall family health and neighborhood pride. Homeownership confers a substantial benefit to children, too: children of homeowners score better on academic tests, graduate at a higher rate, and experience fewer behavioral problems. Each Habitat home represents an investment in the future of a hard-working family in need.

Furthermore, Habitat home construction activity generates approximately \$1,000,000 in revenue for local businesses and suppliers each year. Affordable housing creates value in our community and provides a clear return on investment for our homeowners, volunteers and donors alike.

Home equity is the largest single source of household wealth for most Americans. According to the Federal Reserve Board, the median net worth of most modest-income owners is almost \$60,000 compared to less than \$10,000 for renters in the same income group.

Habitat recognizes that affordable housing is an urgent problem that requires extraordinary steps. The Zelinda LeBoutillier Charitable Foundation's support would provide a critical hand up to a hard-working family in need of simple, decent housing and make the City of Coatesville a better place to live.