

Rethinking Neighborhood Within The Community

Presented By:

**Christon Clark
Kristine Hueber Kinney
Hunter Randall
Rebecca Spitler**

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Rethinking Neighborhood Within The Community

Introduction:

“Several years ago, after experiencing financial complications, I lost my home to foreclosure. I was in a situation in which I had to seek rental housing, which was difficult to find with a limited income and a poor credit rating. After a long process I was able to secure a house to rent that was large enough to house my family and still fit into my budget.

After moving in I discovered a leaky roof that was causing mold to grow in two of the bedrooms. I notified the property manager, a contractor was hired and some repair work was completed. However, the roof continued to leak and the mold was not removed. I notified the property manager once again and was told that she didn't know what I was expecting but that she was not going to put a lot of money into a rental property. I felt trapped and as though I had no other options. I understood at that moment how people lose hope and neighborhoods fall into disrepair,” as told to us by a Kosciusko County Resident. This is a challenge which residents of our community continue to face on a daily basis.

Which leads us to the question that has driven our project; how do we address the need for desirable, accessible and sustainable housing that promotes a sense of community among our diverse residents?

History of Habitat for Humanity:

Kosciusko County is fortunate to have an organization right here in our community that has championed this cause. Habitat for Humanity is an organization that provides the hope of obtaining affordable housing for thousands of low-income families.

Habitat for Humanity, founded in 1976 by Millard and Linda Fuller, is a Christian based ministry that uses the concept of "partnership housing" to help families in our community build homes and enrich their lives. Simple, decent homes are built or renovated through the use of volunteer labor and donated money and materials. Habitat homes are sold to partner families – who are required to assist in building their home and other Habitat homes – at no profit with affordable, no interest loans. The monthly mortgage payments along with tithes from affiliates are used to fund additional housing projects. In this manner Habitat is a sustainable organization. It takes 21-25 mortgages to fund the construction of one home per year. Habitat for Humanity of Kosciusko County currently holds seven (7) mortgages.

Habitat for Humanity is not a giveaway program, but rather a “sweat equity” program that nurtures a pride of ownership for the new home owner and establishes connections between people from all walks of life as they to work together to build houses for families in need.

Habitat for Humanity has made incredible strides in assisting low income families with home ownership and investing in their future and the future of others. This is a significant work, yet in many cases there seems to be a disconnect between obtaining their home and investing in their future. We propose that placing Habitat homes in multi income neighborhoods that include a shared community space would help to erase the stigma of owning a Habitat home and naturally teach new homeowners how to care for and maintain their home as they observe their neighbors.

What is the impact of home ownership versus tenancy?:

While renting a home is a viable option for many, especially as a short term solution, research from the National Association of Realtors shows there are numerous financial and social benefits of homeownership. Benefits for families that own rather than rent their home include a higher rate of teens that graduate from high school and move on to higher education, a reduced rate of teen pregnancy and a natural, progressive teaching/understanding of “life management skills” due to the obligations of home ownership.

Studies also show that home ownership increases the owner’s civic participation in their community as the resident feels a more vested interest in their community. Homeowners have much more to lose financially than do renters; therefore crime rates are lower as these communities are more diligent in monitoring and protecting their investments.

Buying a home in a community/neighborhood you love creates an emotional tie and a sense of stability that you may not find when renting. When you invest your time and money to the upkeep and appeal of your home, you enhance the quality of your life and the people around you; your neighbors.

Kosciusko County Socioeconomic Information:

The Kosciusko County Comprehensive Plan, 1996 states, “Housing development in the county is typically single family, detached, low density in character (an exception is around the lakes) and usually does not have the diversity of affordability and other special needs of the communities.”

In 2011, Kosciusko County had a population of 77,336 and the median household size was 2.6 people. If we divide the population of Kosciusko County by the median

household size, the county would need a combination of 29,744.62 housing units. According to data, Kosciusko County had 5,745 renter occupied apartments and 21,538 owned/occupied houses and condos in 2011. This represents a housing shortage of 2,461.62 units. As the county keeps growing, there is a demand for affordable, sustainable and attractive housing at varying price points.

As the economy slowly makes a recovery, it is hard for low-income and some middle-income families to find the finances and housing to fit their budget. Habitat Humanity of Kosciusko County is a solution to this problem. Habitat partner families are between 30-60% of the local median income. In 2011, the median household income of Kosciusko County was \$50,823.

Income Guidelines for Habitat for Humanity of Kosciusko County

Number in Household	Income Minimum	Income Maximum
One	\$12,450	\$24,900
Two	\$14,200	\$28,440
Three	\$15,750	\$31,560
Four	\$17,500	\$35,040
Five	\$18,900	\$37,860
Six	\$20,300	\$40,680

There are multiple misconceptions and stereotypes as it relates to Habitat housing. Some of the most common misconceptions are that the affordable housing lowers property values, affordable housing is a government hand-out and affordable housing is ugly and cheap. In an effort to prove these misconceptions are false, the public must be educated on Habitat for Humanity and what the program can offer

and provide to those of various incomes. Multiple studies have been done over the past few years to counter the common misconceptions.

Myth: Affordable Housing Lowers Property Value

Wayne State University studied the impact affordable housing has on property values. They found that it did not change the value of existing homes, but in some cases increased the value especially if the housing is fully integrated into the neighborhood and community.

Myth: Affordable Housing is a Government Hand-Out

Through the mortgage and interest tax deduction, overall government spending is greater for the highest 20% versus the bottom 20% income.

Myth: Affordable Housing Must be Ugly and Cheap

All Habitat houses must meet all local requirements for building codes. In fact, most Habitat houses exceed local code requirements as well as utilizing high quality building materials. Moving forward, the Kosciusko County Habitat for Humanity design plans will be aesthetically pleasing and fit into the surrounding neighborhood.

Mixed income communities that initially raised controversy such as Millennium Place in Muncie, Indiana and Cabrini–Green in Chicago, Illinois are urban examples of how successful these types of neighborhoods can be. At Millennium Place, a neighborhood that was once declining and whose reputation was tarnished, there is currently a growing waiting list of renters and buyers eager to seek residence in this location. The infamous Cabrini–Green development houses a population of residents that is made up of 30% public-housing, 20% "workforce affordable" housing and a variety of other income levels including luxury buyers. Residents of this mixed-income development have reported fewer problems and crime has dramatically decreased as the area's population has shifted, friendships develop and a sense of community grows.

When people from all walks of life live together as one intertwined neighborhood, we begin to see the value of our neighbors and stereotypes that we once believed as truth begin to be dispelled. We begin to care about each other and develop a true sense of community. Because of this, we propose that not only can mixed income neighborhoods exist, but that they are essential for the growth and development of Kosciusko County.

Project Description:

Kosciusko County Habitat for Humanity builds homes that are extremely affordable for their residents. To improve the type of housing Habitat provides in the county, we want to change the stereotypical Habitat “box” house to a home that is affordable and sustainable with a neighborhood feel. We propose doing this by building three bungalow style houses side by side that would be considered a mixed-income development. Two of the houses would be used by Habitat to help fill the housing gap for lower income families. The third house would be sold at market rate as a possible way to fund the other houses or to fund future development projects.

Property:

While reviewing the available land within Warsaw that would meet our criteria of a multiple build site with shared outdoor space, we discovered the property at 805 E. Market Street (picture below). The property was foreclosed on in 2012 and is currently owned by Mutual Federal Savings Bank. This property is an ideal location and it has easy walking or biking access to local grocery stores, pharmacies, discount stores and restaurants.



Design:

Habitat has long advocated the mantra simple, decent, affordable when it comes to housing. Habitat for Humanity of Kosciusko County will be adding desirable, accessible and sustainable while maintaining simple, decent and affordable.



Millennium Place in Muncie where dwelling as a mirror of self principles were utilized.



Millennium Place



Fall Creek Place in Indianapolis, another example of utilizing thoughtful design to revitalize a neighborhood.



Local homes that will serve as design inspirations for this project.



Habitat for Humanity of Kosciusko County's Women Build design, under construction at present on Market Street.

Financials:

Habitat has a construction budget of \$64,000 per house in Kosciusko County. Additionally \$11,000 is typically budgeted for land acquisition and development costs for a total budget of \$75,000 per house. Appraisals for previous Habitat projects have averaged out around \$90,000 creating an opportunity for a \$15,000 profit on market sold homes built by Habitat that be directly put toward the construction of Partner Family homes. This would allow Habitat to use its every day operations of construction as a fundraising activity while also providing the mixed income development that has proven a more successful model in other communities.

The project would be primarily funded through private donations, grants and fundraisers. The fundraisers could include, but are not limited to, selling bricks/pavers for the shared park, penny donations at the elementary schools, silent auctions, etc.

Habitat is currently forging relationships with several churches in the county. We view this as a great project for area churches to become involved to help provide housing to those in need. Corporations, civic groups, educational institutions are prime candidates for sponsorship and volunteer opportunities.

Next Steps:

Looking into the near future, we want to assist Habitat in getting this project off the ground. We will do this through fundraising and community education. Educating the county on the needs of the community and the socioeconomics is imperative to change mindsets and ensure we all work as one. Moving forward, we will work as a team to gather the resources to ensure this dream project becomes a reality.

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