The Role of Nonprofit Associations and Public Agencies in Promoting Home Improvement Activity

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Research Overview

• JCHS estimates private sector home improvement spending to be about $300 billion annually, but this does not factor in any activities by public and nonprofit agencies directed at maintaining and improving the U.S. housing stock.

• Nonprofits, government agencies and other community based organizations invest significant resources, both direct and supportive, in the broader home improvement industry.

• The major goal of this study is to better understand the roles public/nonprofit agencies play in home remodeling, including their aim, service mechanisms, populations served, and estimated impacts.
Main Objectives of Public and Nonprofit Agencies Focusing on Home Improvement

• Provide safe and healthy homes to vulnerable households

• Stabilize and sustain neighborhoods and communities

• Preserve affordable housing opportunities
Some Major Players in the Public/Nonprofit Remodeling Sector

• 2 federal programs (HUD)
  – HOME Investment Partnerships Program
  – Neighborhood Stabilization Program (within the Community Development Block Grant program)

• 5 private nonprofit organizations
  – Enterprise Community Partners
  – Habitat for Humanity
  – Local Initiatives Support Corporation (LISC)
  – NeighborWorks America
  – Rebuilding Together
Shared Characteristics of Major Nonprofits and Public Agencies Promoting Home Improvement

- Significant **resources** disbursed through a wide network of local, community-based organizations

- A **networked structure** that allows the national organization to focus on policy issues and lobbying efforts while funding and project implementation is handled by local affiliates

- A **collaborative approach** that encourages partnerships among affiliates, local community organizations, and local governments as well as between the national organizations and the federal government
US Department of Housing & Urban Development Programs

HOME Program

- Provides grants to state and local governments for use in building, buying and rehabilitating affordable housing for low-income people
- Each year it allocates approximately $2 billion
- HOME's flexibility empowers communities to design and implement strategies tailored to their own needs and priorities
- Requires 25% match of program funds from community resources

Neighborhood Stabilization Program

- Established for the purpose of stabilizing communities through purchase and rehabilitation of foreclosed and abandoned homes
- $7 billion awarded to over 350 state and local governments and non-profits over three rounds of funding since 2008
Overview of Nonprofit Agencies Providing Financing and Technical Assistance to Local Community Organizations

<table>
<thead>
<tr>
<th>Service Model</th>
<th>Populations Served</th>
<th>Number of Areas Served/ Affiliates</th>
<th>Overall Impact 2010</th>
<th>Remodeling Specific Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Community Partners</td>
<td>Low-Income, Distressed Neighborhoods</td>
<td>10 cities and regions across US</td>
<td>Invested $755M to create and preserve the affordability of 13,400 homes</td>
<td>$3M+ in bridge loans for neighborhood stabilization; transferred 3K distressed prop. to communities.</td>
</tr>
<tr>
<td>LISC</td>
<td>Low-Income, Distressed Neighborhoods</td>
<td>30 cities and states</td>
<td>$1.1B in housing, schools, foreclosure mitigation, financial literacy and jobs</td>
<td>$56M in financing preservation projects with 15,000 units since 2001</td>
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<tr>
<td>NeighborWorks America</td>
<td>Low-Income, Distressed Neighborhoods</td>
<td>Network of 235 independent, nonprofit organizations serving more than 4,500 communities</td>
<td>Generated $3B in public and private investments</td>
<td>$35M capital funding for rehabilitation of affordable housing awarded to 115 organizations</td>
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Overview of Nonprofit Organizations Providing Direct Rehabilitation/Repair Services to Homeowners

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<tr>
<td>Habitat for Humanity</td>
<td>Direct provision of rehab &amp; repair through volunteer mobilization and no-interest loans</td>
<td>Low-Income, Seniors, Disabled</td>
<td>160 affiliates involved in Neighborhood Revitalization Initiative; 1,500 affiliates in US</td>
<td>6,700 families served in US &amp; Canada (2,300 for rehab and repairs)</td>
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<tr>
<td>Rebuilding Together</td>
<td>Direct provision of rehab &amp; repair through volunteer mobilization and private/corporate partnerships</td>
<td>Low-Income, Seniors, Disabled, Disabled, Veterans</td>
<td>200 affiliates across US</td>
<td>Repaired and modified 10K+ homes with the help of over 200K volunteers</td>
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REBUILDING TOGETHER CASE STUDY
Rebuilding Together (RT) Case Study

- Collected data from a sample of RT affiliates and homeowners during the 2011 National Rebuilding Day period (April 15-May 15)

- Participation of 19 affiliates from all four regions of the country

- Received data from affiliates on projects undertaken at 430 homes and follow-up surveys from over 240 homeowners (56%).
Participating RT Affiliates in Spring 2011 Survey
## Characteristics of Homeowners Served by RT Compared to Overall Population

### Share of Homeowners (Percent)

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<thead>
<tr>
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<th>Rebuilding Together</th>
<th>All (AHS 2009)</th>
<th>Elderly (AHS 2009)</th>
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</thead>
<tbody>
<tr>
<td>Age 65+</td>
<td>60.6</td>
<td>25.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Minority (including Hispanic)</td>
<td>68.3</td>
<td>21.2</td>
<td>15.0</td>
</tr>
<tr>
<td>With Disabled Resident</td>
<td>62.8</td>
<td>17.6</td>
<td>35.6</td>
</tr>
<tr>
<td>Household Income Under $20,000</td>
<td>65.4</td>
<td>13.5</td>
<td>29.4</td>
</tr>
<tr>
<td>Home Value Under $100,000</td>
<td>52.4</td>
<td>25.7</td>
<td>30.6</td>
</tr>
<tr>
<td>In Home 20+ Years</td>
<td>64.4</td>
<td>27.3</td>
<td>58.0</td>
</tr>
<tr>
<td>Improvement and Repair Spending</td>
<td>64.6</td>
<td>37.7</td>
<td>46.8</td>
</tr>
<tr>
<td>Under $1,000, Past Two Years</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Spending on Exterior Projects</td>
<td>35.0</td>
<td>17.9</td>
<td>22.7</td>
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Note: Figures for spending on exterior projects is the share of total homeowner improvement expenditures.

Source: JCHS tabulations of the 2009 American Housing Survey (AHS) and 2011 Harvard-Rebuilding Together Affiliate and Household Surveys.
Over 80% of RT Homeowners Reported Serious Health and Safety Concerns with Their Homes

Share of homeowners responding to the condition of their home prior to partnering with Rebuilding Together

- Major health/safety problems, 38%
- Minor health/safety problems, 17%
- Health/safety problems that could become more serious if not corrected, 45%

Typical RT Project Focused Heavily on Exterior and Kitchen/Bath Repairs and Improvements

Share of total estimated value of projects completed

- Exterior: 35%
- Kitchen & Bath: 23%
- Other Rooms: 19%
- Other Property: 14%
- Systems: 6%
- Insulation: 3%

Note: Other Property includes landscaping, fencing, and walkway projects.
Volunteer Labor and Purchased Materials Make Up the Bulk of the Value of a Typical RT Project

Breakdown of the estimated value of an average RT project

- Volunteer (Unskilled) Labor, 36%
- Purchased Materials, 35%
- Skilled Labor, 15%
- In-Kind Materials, 14%

Average Value: $6,140

A Large Share of Owners Believe They Will See Substantial Improvements in Safety, Accessibility and Energy Savings

Main Conclusions

• Public and nonprofit agencies invest considerable resources—financial, technical and direct provision of services—into maintaining and improving the housing stock of America’s most vulnerable households.

• The highly collaborative and networked structure of major nonprofits in this sector allows for funding, training and technical assistance to support the efforts of local organizations, which know their community needs best.

• These efforts result in the preservation of much-needed affordable housing opportunities, as well as the stabilization and revitalization of deteriorating neighborhoods.