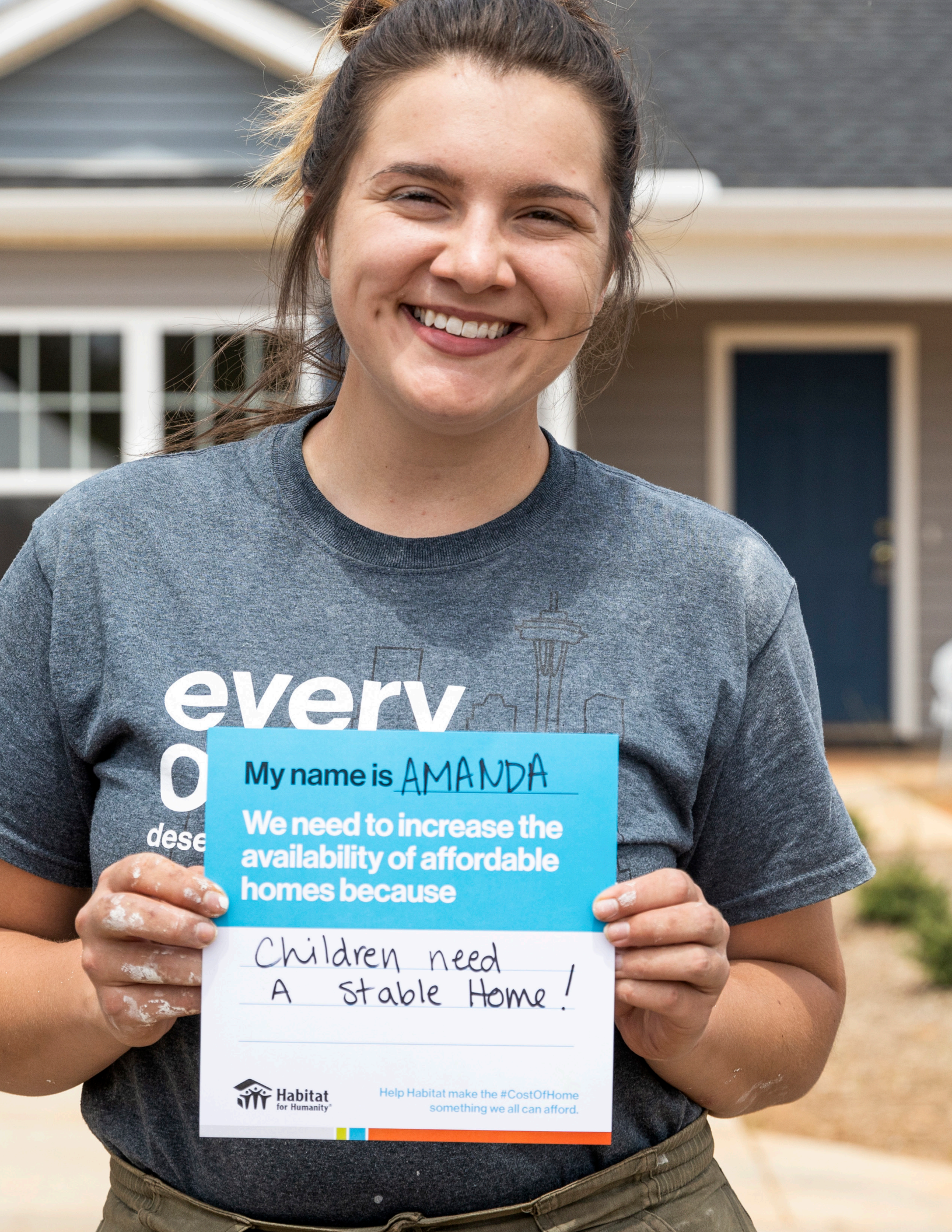




progress report
FY2022

Cost of Home



Housing affordability, stability and equity remain our focus.

Three years ago, Habitat for Humanity launched Cost of Home, our first national advocacy campaign in the United States. We, along with our network, partners, volunteers and community members across the country, set a **big five-year goal:**

Help
10 million people
gain access
to an affordable
and stable place
to call home.

We understood then, like we do now, that families are struggling. In the U.S., 1 in 7 households are still paying more than half of their income on a place to live. They are working hard and still coming up short, not because they aren't doing enough, but because of persistent issues such as systemic racial barriers, historic housing supply shortages, skyrocketing inflation, accessibility challenges, an inequitable economy and the COVID-19 pandemic.

Our network of campaign contributors and housing experts are addressing these policy and system barriers head-on at all levels of government. Now, more than halfway through the campaign, we are proud to announce that Cost of Home has been instrumental in advancing policies that have helped an estimated 6.45 million people transform their lives by gaining increased access to stable and affordable homes.

What we are doing is working, but we can't stop now.

An independent midterm evaluation of Cost of Home has been completed to assess the campaign's effectiveness to date. It found that the campaign has led to scalable increases in the Habitat network's capacity to advocate at the local, state and federal levels. Our goal moving forward is to use this information to narrow our focus and target our strategies, maximizing our policy influence so that more people have a decent place to call home. The results are also informing how we continue to build momentum and scalable solutions for the remainder of the campaign and beyond.

The world around us is constantly evolving. Habitat for Humanity plans to evolve with it.

Supporting mortgage assistance for homeowners like Mattie



Mattie was able to stay atop of her Habitat mortgage thanks to the Homeowner Assistance Fund, part of the American Rescue Plan Act and a top federal advocacy focus of Habitat's Cost of Home campaign. The fund provided \$9.96 billion in COVID-19 relief to prevent defaults and foreclosures.

The American Rescue Plan Act, passed by Congress in March 2021, provided all U.S. states and territories with funds to support homeowners at risk of default, foreclosure and displacement because of the COVID-19 pandemic. The New York State Homeowner Assistance Fund was created to disburse some of this funding with the aim of helping people affected by the pandemic stay in their homes. The fund was administered by the New York state government's affordable housing agency and its Homes and Community Renewal department, offering more than just housing payment assistance.

Recipients could speak to case managers about mortgage relief and how it could impact their future housing payments, and they could receive referrals to professional housing counselors and legal service providers who are experts in this field.

Flower City Habitat for Humanity in Rochester, New York, reached out to its approximately 140 homeowners with active mortgages to gain a sense of how they were being affected by the pandemic, to offer relief such as forbearance plans, and to make them aware of the Homeowner Assistance Fund.

The affiliate gave those who applied the financial information on their mortgage that was required on the application.

The affiliate also helped spread the word about the fund to non-Habitat homeowners in their community through their Facebook, Instagram, Twitter and LinkedIn channels. They posted information about the fund and included the link where homeowners could apply. Tim Guillemette, the chief operating officer at Flower City Habitat, was grateful that his affiliate promoted the fund. "Habitat in general has considerable brand recognition, and people generally trust Habitat affiliates," he says. "As a result, it has been my experience that while some of the families we serve may be skeptical about new programs, knowing that Habitat is recommending it helps to ease their concerns. It's the Habitat seal of approval, so to speak."

Mattie had been living comfortably for 10 years in the Habitat home she helped build in Rochester while working at Catholic Family Center. She was still working in her community when her health began to

decline in 2020. She lives with a chronic autoimmune disease that requires her to be on oxygen and move more slowly. The combination of her increased medical costs, no longer being physically able to work full time, and the effects of the COVID-19 pandemic made it harder to keep up with critical needs, including her mortgage, and to make ends meet. Thankfully, she still had a great relationship with Flower City Habitat, and after speaking with the staff she was confident that the Homeowner Assistance Fund was a legitimate program. The staff provided her additional information about her mortgage and guided her throughout the application process.

Mattie was thankful that she qualified for this assistance after successfully making mortgage payments for over a decade, and it was a huge relief to remain in her beloved home and neighborhood where her roots run deep. She once again has the security and stability to focus on managing her health and to continue helping others in her community.



Cost of Home's impact three years in

15 national organizations endorsed the campaign.

6.45 million

people have gained improved access to affordable and stable homes through policy changes.

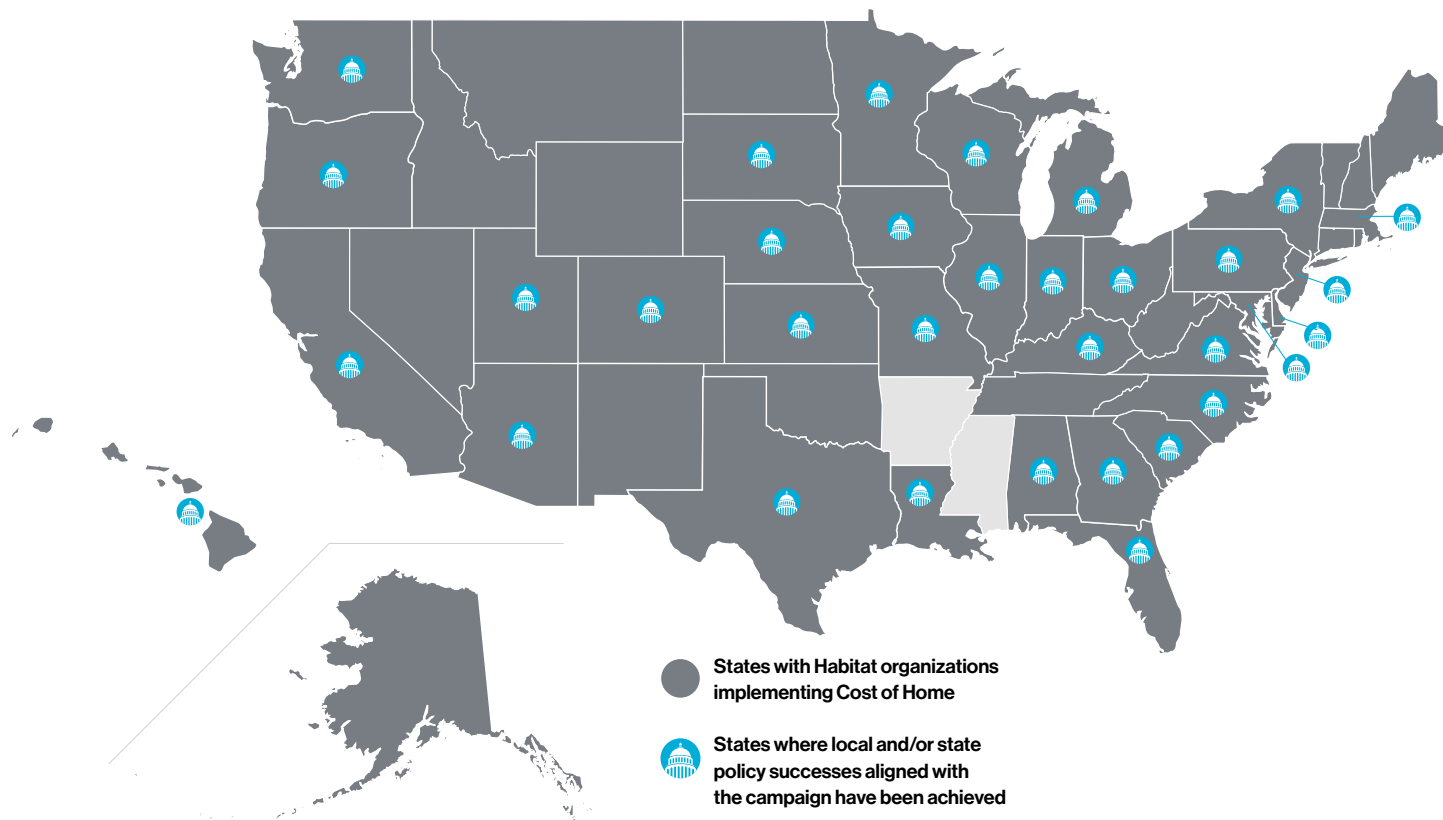
218 policy successes have been supported by state and local Habitat organizations aligned with Cost of Home.

\$17.95 billion in government funding has been generated or allocated for home affordability and stability.

\$1.25 million has been allocated through 161 grants to organizations to bolster local and state policy efforts.

402 Habitat organizations from 48 states and Washington, D.C., have advanced policies to help families across the U.S. afford the cost of home.

ADVOCACY EFFORTS NATIONWIDE



Addressing the housing supply shortage

As a nation dealing with the crippling effects of inflation at every turn, it's imperative to understand that we can't rein in housing inflation until we correct our systemic housing shortage, particularly our undersupply of decent and affordable homes. For decades, construction of these modest starter homes and affordable rentals has steadily declined, affecting every major region of the country and having an outsized impact on marginalized communities in particular. The issue has been exacerbated by rising construction and land costs, labor shortages and a global pandemic.

Federal solutions, coupled with supply solutions at the state and local levels, are key to bringing inflation down and placing more families into affordable homes.

At the federal level, we applaud the administration for releasing the Housing Supply Action Plan in May 2022, which includes housing supply and production solutions championed by the Cost of Home network over the past several years. Congress also needs to enact bipartisan housing solutions like the Neighborhood Homes Investment Act, the Restoring Communities Left Behind Act, and the Housing Supply and Affordability Act. These solutions would offer tax credits and grants to create or preserve affordable housing and incentivize local land use and zoning reforms.

By coupling these solutions with dedicated local and state funding for the affordable housing supply and other innovative local policies, we can ensure that more families can afford the cost of home.

Fayetteville Area Habitat for Humanity in North Carolina successfully advocated for increased funding for the city of Fayetteville's affordable housing trust fund. The city estimates this \$300,000 will help create 9,700 units of affordable housing and impact 24,700 residents.

Read Habitat for Humanity CEO Jonathan Reckford's op-ed in POLITICO:
"When It Comes to Inflation, Our Focus Should Be on the Cost of Housing."

"There's a real need for policy solutions that both increase overall supply and lead to affordable options for lower-income homebuyers, and in particular communities of color."

Jerusalem Demsas,
Formerly a policy reporter for Vox.com

"Right now, there are less homes for purchase or rent than at any other time over the last three decades. Realistically, there is roughly a 2 million home shortfall, and the deficit is concentrated at the bottom of the market, like entry-level homes and affordable rentals."

Jim Parrot,
Urban Institute Fellow

Advancing Black Homeownership

With the gap in homeownership between Black and white households wider than before the Fair Housing Act passed in 1968, there is a critical need to address the intentional and systematic racial discrimination in housing policy that led to this inequity.

Addressing these barriers has always been part of our work, but now Habitat is making an explicit commitment to closing this gap.

Habitat's **Advancing Black Homeownership** initiative, launched in the Cost of Home campaign's third year, works to dismantle the systemic bias permeating U.S. home buying, home financing and exclusionary zoning practices, which has prevented generations of Black families from accessing the intergenerational wealth-building potential of homeownership. The Cost of Home campaign will be the primary vehicle for advancing policy solutions aligned with this initiative.



Bobby was able to buy a home in the Towns at Ivy City development in Washington, D.C., through an inclusionary zoning program and partnership between Habitat for Humanity of Washington, D.C., and the D.C. Department of Housing and Community Development.

READ:

Advancing Black Homeownership in Richmond

Mary Kay Huss, Richmond Metropolitan Habitat's chief executive officer, talks about historic housing discrimination and what Habitat is doing to help advance Black homeownership locally.

WATCH:

Closing the Racial Homeownership Gap in the U.S.

As part of Habitat's +You leadership series, a group of experts gathered to explore the deep-seated inequities in America's housing market and the steps necessary to create more inclusive housing practices.

DISCOVER:

"Opinion: The Black-White Homeownership Gap Is Wider Than It Was in the '60s. Here's How to Close It" – CNN

Habitat CEO Jonathan Reckford and National Fair Housing Alliance CEO Lisa Rice share thoughts on this homeownership gap and the bold actions required to fix it.

"Homeownership is an opportunity to participate in the American dream that was extended to millions of families through government programs that excluded non-whites during much of the 20th century. Today, the power of multigenerational homeownership in building wealth and opening the door of first-time homebuying is well understood. Habitat's Advancing Black Homeownership initiative and the Cost of Home campaign are positioned to make a meaningful difference in efforts to close the homeownership gap and increase wealth and equity in America."

David M. Dworkin

President and CEO

National Housing Conference

"The economic factors caused by the government-sanctioned segregation of the 20th century leaves many Black households in poorer neighborhoods and housing still today. Thankfully, homeownership remains one of the best wealth builders available for ALL Americans, and there are many ways now and in the future for African American households to make that a reality. By partnering with the Advancing Black Homeownership initiative, Buckeye Ridge Habitat is seeking to come alongside as many African American families as possible to help them achieve the dream of homeownership."

Lynn K. Zucker

Executive Director

Buckeye Ridge Habitat for Humanity

"I applaud the Advancing Black Homeownership initiative! Systemic racist practices and policies have kept us on the sidelines for far too long. What better way to correct the wrongs of our past than by placing the same intent and energy that kept us out of homeownership into accessing it. We are moving talk into action. Affiliates around the country are having real conversations about interrupting and interrogating policies, practices and replacing them with solutions to fight the disparities that have plagued the Black community – my community – for far too long!"

Shereese Turner

Chief Program Officer

Twin Cities Habitat for Humanity



Tami had trouble juggling the high cost of rent and saving for a down payment on a house of her own, but advocacy work by Habitat of Washington, D.C., led to an expansion of the Home Purchase Assistance Program that helped Tami and her 19-year old son, Yancey, find a place to call home in the Towns at Ivy City development.

Wichita Habitat continues to support affordable housing with COVID-19 relief funds



These affordable homes were built in Wichita Habitat for Humanity's Rock the Block revitalization neighborhood.

Wichita, Kansas, received \$72.4 million in State and Local Fiscal Recovery Funds from the American Rescue Plan Act, a federal COVID-19 economic stimulus bill passed in 2021. After the city conducted an ARPA funding survey in which many respondents expressed a need for the funding to support affordable housing, Wichita Habitat for Humanity successfully advocated for \$5 million to go toward the city's first affordable housing fund. The fund will support the growth of affordable housing through new home builds and home repairs. Nonprofit and for-profit developers can apply for grants or forgivable loans from the fund. The grants can be used for housing services such as credit

counseling, while forgivable loans can go toward new construction or home repairs.

The former executive director of Wichita Habitat serves on Wichita's planning commission and was part of the affordable housing task force that considered and made recommendations in support of the affordable housing fund. The city requires the funding to target low- to moderate-income households, and the repaired properties must have deed restrictions to ensure long-term affordability. The establishment of the affordable housing fund will have a great impact on the work of Wichita Habitat and on the lower-income communities it serves.

Habitat of Oregon works toward advancing Black homeownership and closing the racial wealth gap



Homeownership is a critical factor in building generational wealth and securing economic security for families and communities. Unfortunately, because of historical discriminatory practices such as redlining and restricted access to credit, the rate of Black homeownership in the U.S. – and in Oregon specifically – is 30% lower than the rate of homeownership for white families. That's why Habitat for Humanity of Oregon made advocating for the passage of Senate Bill 1579: The Equity Investment Act a 2022 legislative priority. The act was signed into law in March.

This act is an important investment that will create intergenerational wealth-building opportunities in Oregon's historically underserved communities

by growing small businesses, providing critical workforce training and increasing homeownership access. It will allocate \$15 million every two years to the Oregon Business Development Department to provide grants to community-based organizations such as Habitat that support paths to homeownership, workforce development and entrepreneurship. The ultimate goal is to create greater community resiliency in communities of color, which will strengthen Oregon as a whole.

"The Equity Investment Act represents a sea change in our ability to respond to Oregon's diverse communities across the state with tangible solutions for a more stable, thriving Oregon," says Shannon Vilhauer, executive director of Habitat Oregon.



Housing advocates gathered on Capitol Hill in Washington, D.C., in 2020 during Habitat's annual Habitat on the Hill legislative conference to bring attention to the Cost of Home campaign, an advocacy initiative addressing the rising costs of housing.

Habitat for Humanity of Washington, D.C., & Northern Virginia: Working to increase the supply and preservation of affordable homes



A home is dedicated as part of Habitat Washington, D.C., & Northern Virginia's 28th Place project, which was largely funded by the Housing Production Trust Fund.

Washington, D.C., like many other places across the U.S., faces a shortage of safe, decent housing where residents can afford to live and raise families. The market for existing single-family houses is very tight, which drives up prices and causes a scarcity of low-cost homes. The Housing Production Trust Fund, which was created in 1988, has been an essential tool to produce and preserve affordable housing. The special revenue fund, administered by the Department of Housing and Community Development's Development and Finance Division, provides gap financing for building homes affordable to low- and moderate-income households.

Habitat for Humanity of Washington, D.C., & Northern Virginia knows firsthand the benefits of this fund and the positive effect that greater investment would

have on its ability to serve the community. Together with the Housing Production Trust Fund Board and the Coalition for Non-Profit Housing and Economic Development's Homeownership Working Group, Habitat successfully advocated for Mayor Muriel Bowser's supplemental budget for fiscal year 2021 that added \$150 million to the trust fund, along with her budget for FY2022 that features a \$250 million investment in the trust fund. This brought the total one-time investment to a record-setting \$400 million, which will have a huge impact on the availability and preservation of safe and decent housing for low-income families in Washington, D.C.

The Cost of Home network has been making an impact

Advocating locally for increased renter protections

- Habitat Seattle-King County signed on to coalition letters and used social media platforms to bring awareness while successfully advocating to extend a moratorium on evictions.
- Habitat of Greater Newburgh advocated for a "good-cause" eviction law in a leadership role as part of the Newburgh Housing Coalition. As a result, Newburgh, New York, became the first Mid-Hudson municipality to pass this type of law.

Celebrating state policy wins

- Habitat for Humanity of Florida, affiliates across the state, and other partners successfully advocated for increasing the state's affordable housing budget. With the passage of Florida Senate Bill 2512, \$147 million – 3.5% above what was proposed – will be allocated toward affordable housing, wastewater treatment and sea-level rise.
- Under the leadership of Habitat Michigan, a network of 48 state affiliates championed a sign-on letter advocates sent to legislators, which influenced Governor Gretchen Whitmer to include \$100 million in her state budget for American Rescue Plan Act funds with a goal of helping 6,000 Michiganders with housing needs.

Advancing the campaign's federal policy agenda

Five bills related to Cost of Home's top federal policy priorities have been introduced in Congress to date. For most of these bills, including the Downpayment Toward Equity Act, Habitat provided policy analysis during their development and helped gain congressional co-sponsors from both parties to expand their support. Further, most of these

proposals and more of the campaign's federal policy priorities were included in the House-passed Build Back Better Act. Habitat continues to push for these bills to be included in any package passed by Congress.

Building network capacity for state and local policy influence in FY2022

3	20	2,835
Strategic partnerships formed to provide in-depth training on community organizing, the history of discriminatory housing policies, and local housing policies.	Promising policy solutions now included in our State and Local Policy Library.	Number of times affiliate staff or board members received training through our annual Habitat on the Hill legislative conference, virtual learning lessons or other Habitat events.

Conducting housing policy deep dives

At the end of 2021, Cost of Home received two new grants from Melville Charitable Trust and the Retirement Research Foundation to conduct deep dives on promising local housing policies. Research on the following is already underway:

- **Property tax relief:** Seven grants were awarded to catalyze high-impact advocacy at the state and local levels to institute or improve property tax relief programs that are income-based and accessible to low-income households, particularly for older adults and households of color.
- **Down payment assistance:** Funding supports research into state and local down payment assistance programs to illuminate features that improve homeownership access for households of color, especially Black households.
- **Equitable land use:** Funding supports research to spread the adoption of land use reforms that increase racial equity.

Funding the campaign

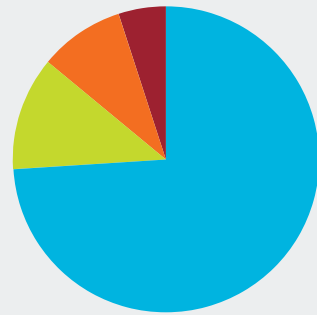
“Having a place to call home – a place of safety, stability, support and belonging – is a basic human need. Far too many Americans, especially families of color, struggle to meet this need because of the stubborn legacy of discrimination and bias in our housing system. Led by its extensive national network of affiliates, Habitat has been effective in helping shift the national conversation and action to advance affordable housing for all. As the price of housing continues to skyrocket, the stakes have never been higher. That’s why the Annie E. Casey Foundation supports the Cost of Home campaign.”

Charles Rutheiser

Senior Associate

The Annie E. Casey Foundation

Fiscal year 2022 expenditures



74% Accelerate the Habitat network's policy influence locally

12% Increase public support of access to affordable homes

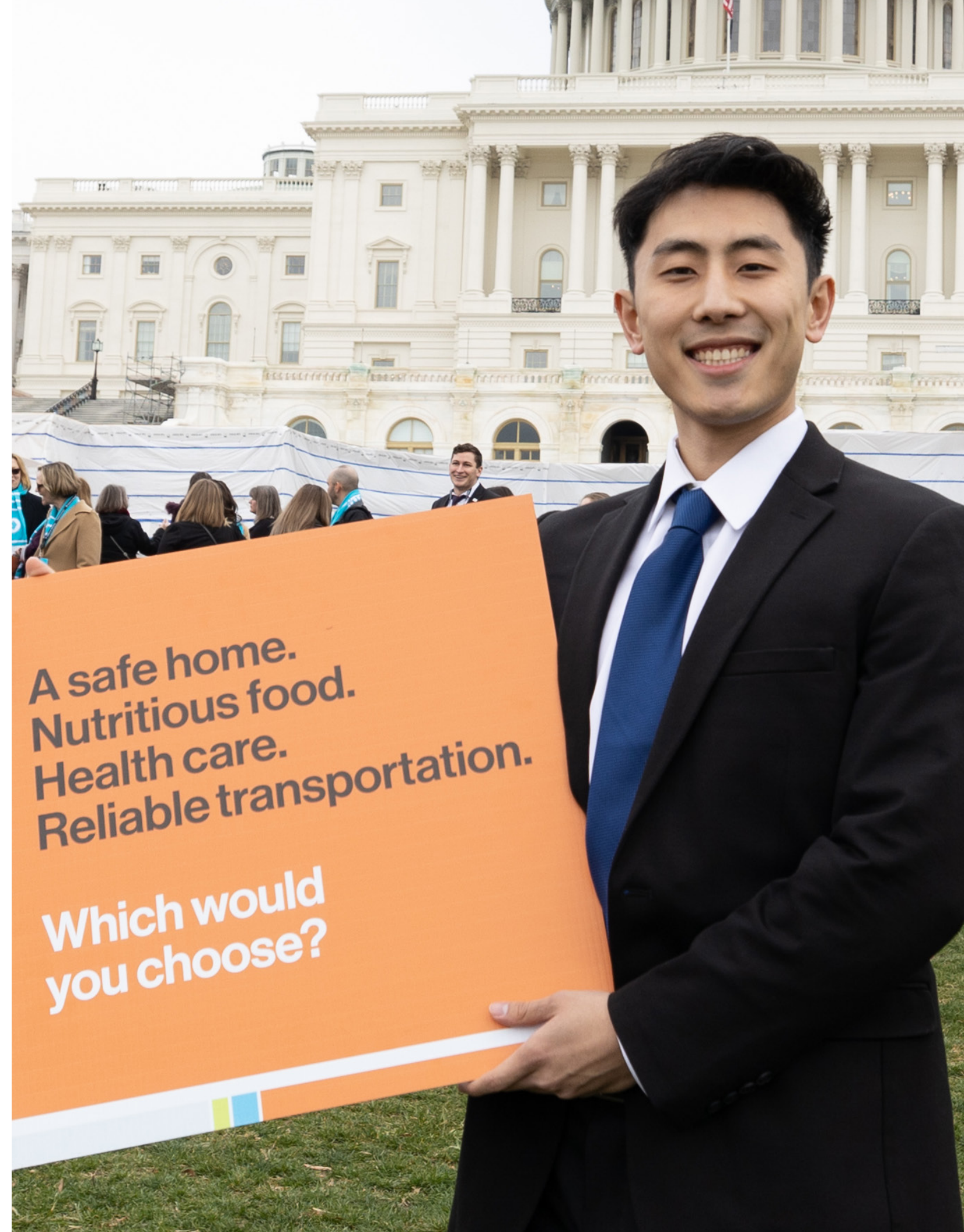
9% Influence federal housing policy

6% Coordinate and build infrastructure for the campaign

To implement Cost of Home, Habitat seeks investments of \$2 million per year, for a total of \$4 million for the remaining two years of the campaign. Over the course of the campaign's first three years, sponsors have generously committed more than \$6.1 million. These investments are leveraged by an additional \$23.4 million to date from

Habitat organizations implementing Cost of Home in their communities.

Together, Cost of Home is a \$29.5 million campaign driving billions of dollars in government investments to improve home affordability in communities across the country.



Thank you

The Cost of Home campaign would not be possible without the partnership, engagement and support of our campaign collaborators. We are grateful for their commitment to addressing the nation's housing need.

Campaign Cabinet

The campaign Cabinet is composed of national leaders in housing-related fields. They provide strategic advice, facilitate connections, and work to ensure a sustainable campaign.

Co-chairs

Jonathan Reckford

Habitat for Humanity International

J. Ronald Terwilliger

Retired, Trammell Crow Residential



Members

Arthur Blank

Arthur M. Blank Foundation

David Dworkin

National Housing Conference

Katherine O'Regan, Ph.D.

New York University

Jimmy Carter

39th President of the United States, honorary member

Eileen Fitzgerald

Wells Fargo Foundation

Pamela Patenaude

Former United States Deputy Secretary of Housing and Urban Development

Rosalynn Carter

Former First Lady of the United States, honorary member

Renée Glover

The Catalyst Group, LLC

Tony Pickett

Grounded Solutions Network

Henry Cisneros

Former Housing and Urban Development Secretary

Chris Herbert, Ph.D.

Harvard Joint Center for Housing Studies

Richard Rothstein

Economic Policy Institute and Thurgood Marshall Institute of the NAACP Legal Defense Fund

Matthew Desmond, Ph.D.

Princeton University

Pamela Kynl

Whirlpool Corporation

Megan Sandel, M.D.

Boston University School of Medicine

Sponsors

We extend our thanks to the following organizations and individuals for their generous financial support of Cost of Home.

Wells Fargo

J. Ronald Terwilliger

Stanard Family Foundation

Whirlpool Corporation

Bank of America

Robert Wood Johnson Foundation

Lowe's

Linda Dotson

Melville Charitable Trust

Retirement Research Foundation

Kresge Foundation

Annie E. Casey Foundation

Weyerhaeuser

Organizational endorsers

These national organizations endorse Cost of Home's campaign goals and collaborate with Habitat for Humanity to influence housing policies and systems at all levels of government in the U.S.

Enterprise

Fahe

Grounded Solutions Network

Housing Assistance Council

Local Initiatives Support Corporation

Mortgage Bankers Association

National Association of Local Housing Finance Agencies

National Association of REALTORS

National Community Stabilization Trust

National Housing Conference

The Mission Continues

Prosperity Now

Rebuilding Together

Rural LISC

Up for Growth



You can help
10 million people
gain access to
an affordable
and stable place
to call **home.**



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