

**Joint Center for Housing Studies  
Harvard University**

**The Role of Nonprofit Organizations and Public Programs in  
Promoting Home Rehabilitation and Repair Activity**

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## **Abstract**

The approximately \$300 billion a year private home remodeling and repair market comprises most of the investment for maintaining and improving the nation's housing stock. Yet many nonprofit organizations and public agencies also serve vital roles, both direct and supportive, in the broader home improvement and repair industry, fulfilling a need that the private sector cannot or does not meet. Indeed, major nonprofit organizations and public funding programs contribute significant support for maintaining and improving the homes of America's most vulnerable households—including the elderly, disabled, and those with low-incomes—who might not otherwise be physically or financially able to undertake critical home remodeling and repair projects themselves. This study examines several of these national nonprofits: Rebuilding Together, Habitat for Humanity, Enterprise Community Partners, the Local Initiatives Support Corporation, and NeighborWorks America, as well as the public funding programs that support their work. The major goal of this study is to better understand the specific roles nonprofit agencies and public programs play in home remodeling and repair, including their main objectives, service mechanisms and strategies, locations and populations served, and estimated impacts. This study documents how nonprofit organizations and public agencies are investing considerable resources—financial, technical, and direct provision of services—to make homes safer and healthier, more energy efficient, and more accessible for low-income, elderly, disabled, and otherwise disadvantaged households. These efforts are resulting in the preservation of badly-needed affordable housing opportunities, as well as the stabilization and revitalization of distressed neighborhoods.

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## **I. Introduction and Research Overview**

The Joint Center for Housing Studies' Remodeling Futures Program estimates total private spending of approximately \$300 billion annually for the improvement and repair of the nation's \$16 trillion owner-occupied housing stock, as well as nearly 43 million rental units. Yet, this market size estimate does not fully factor in the significant support and activities by nonprofit organizations and public programs aimed at maintaining and improving the U.S. housing stock. Major nonprofits such as Rebuilding Together, Habitat for Humanity, Enterprise Community Partners, the Local Initiatives Support Corporation (LISC), and NeighborWorks America, as well as thousands of local community development organizations across the country, play important roles, both direct and supportive, in the home improvement industry. As part of their broader goals for community revitalization and affordable housing, these organizations leverage public and private resources to maintain and improve the homes of America's most vulnerable households including the elderly and those who are disabled, or have low-incomes, with considerable attention focused on stabilizing and sustaining distressed neighborhoods. From enlisting on-the-ground volunteers to funding for essential improvements and repairs, these organizations serve a vital role for disadvantaged households who might not otherwise be physically or financially able to undertake critical remodeling and repair projects themselves.

Certainly, nonprofit organizations and public agencies are investing considerable resources—financial, technical, and direct provision of services—into maintaining and improving the housing stock of America's most vulnerable households. The collaborative and networked structure of major nonprofits in this sector allows for the flow of resources to support the efforts at a local level, where the specific needs of their community are best known. These efforts are resulting in the preservation of badly-needed affordable housing opportunities, as well as the stabilization and revitalization of deteriorating neighborhoods, which has been especially important in recent years.

The major goal of this study is to better understand the specific roles nonprofit agencies and public programs play in home remodeling, including their main objectives, service mechanisms and strategies, locations and populations served, and estimated impacts. While

many thousands of local community and faith-based organizations engage in home rehabilitation and repair activities, this study will focus on key national non-profits and the federal and state funding programs that support their work. These funding programs are specifically designed to generate more involvement among nonprofits in the home improvement arena to fulfill a need that the private sector cannot or does not meet.

The main research questions addressed by this study include: What needs are these nonprofit organizations addressing through their mission and work that are not being met by the private remodeling market? How much and what kinds of home improvement activity do nonprofit organizations account for, either directly or indirectly through grants, loans, or technical or other support? What are the outcomes of nonprofit involvement for the families served in terms of improved accessibility, affordability, and safety, and what are the broader benefits to the community?

All of the national organizations highlighted in this research share three major goals. The first is simply that all households, but especially those most vulnerable in our society, are given an opportunity to live in safe and healthy homes. The second shared objective is to stabilize and sustain neighborhoods and communities. Possibly never before has this goal been so critical with the mortgage market crisis and housing crash drastically increasing the need for widespread stabilization efforts in communities that have seen a concentration of foreclosures in recent years. The third common objective is to preserve affordable housing opportunities for households. For homeowners in need, that means working in partnership to keep them in their homes by doing critical home repairs for their health and safety.

Although this study will highlight all five of the aforementioned nonprofit organizations, it will also provide a more in-depth case study of one of them—Rebuilding Together—to help illustrate its unique role serving homeowners in need. A member of the Joint Center’s Remodeling Futures Steering Committee,<sup>1</sup> Rebuilding Together offered to provide support for

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<sup>1</sup> The Remodeling Futures Program, launched in 1995, is a research program within the Joint Center for Housing Studies of Harvard University. The Remodeling Futures Program’s steering committee is comprised of executives from leading corporations involved in the housing sector, including homebuilding, building materials manufacturing and distribution, housing finance and mortgage banking, design, construction, and renovation. At semi-annual conferences, committee members review research results and discuss future activities.

an affiliate and homeowner survey during their National Rebuilding Day period in the spring of 2011. These surveys collected data on the various types of projects undertaken by a sample of Rebuilding Together affiliates, as well as demographic and socioeconomic information about the homeowners served and their experience partnering with Rebuilding Together.

The organization of this paper is as follows. Section II describes the two national nonprofits—Rebuilding Together and Habitat for Humanity—providing direct rehabilitation and repair services to disadvantaged homeowners, as well as the three leading national community development intermediaries—Enterprise, LISC and NeighborWorks—supporting both owner- and renter-occupied home rehabilitation and repair activities as part of their broader agenda for creating and preserving affordable housing opportunities. This section explores the main goals and objectives of these nonprofits, the populations served, major funding sources, and service models and strategies for promoting and supporting home improvement activities, as well as common themes and collective impacts of their efforts in the home rehabilitation arena. Section III describes the major federal programs supporting home rehabilitation and repair for low- and middle-income households, which all of the nonprofits utilize in one form or another. Finally, Section IV offers a more detailed look at Rebuilding Together by exploring the findings from the Joint Center’s affiliate and homeowner surveys of program outcomes and impacts, and discussing the implications of these findings for both public policy and the remodeling industry as a whole.

**II. National Nonprofits Providing Rehabilitation and Repair Services in Support of Affordable Housing**

While at the local level many thousands of community development organizations play both direct and supportive roles in the broader home improvement industry, at the national level there are two major nonprofit organizations that provide direct rehabilitation and repair services to low-income, elderly, disabled, and otherwise disadvantaged homeowners. These nonprofits are Rebuilding Together and Habitat for Humanity. As seen in Figure 1, these organizations have hundreds of affiliates across the country that leverage volunteer labor and donated materials and services to maintain and improve the homes of America’s most vulnerable households. Each year these nonprofits account for significant home improvement activity that impacts thousands of homeowners and results in hundreds of millions of dollars of market value.

**Figure 1: Overview of National Nonprofit Organizations Providing Direct Rehabilitation Services to Homeowners**

Organization	Service Model	Populations Served	Number of Affiliates	2011 Impacts
<b>Rebuilding Together</b>	Direct provision of rehab & repair through volunteer mobilization, donated materials and services, and private /corporate partnerships	Low-Income, Senior, Disabled, and Veteran Homeowners	200 affiliates in 41 states and Washington, DC.	Repaired and modified 9,000 homes with the help of over 200,000 volunteers for an estimated market value of \$170 million.
<b>Habitat for Humanity</b>	Direct provision of rehab & repair through volunteer mobilization, donated materials and services, and low-interest loans	Low-Income, Senior, and Disabled Homeowners	Over 100 affiliates involved in Neighborhood Revitalization Initiative; total of 1,500 affiliates in U.S.	4,500 families received home rehabilitation and repairs.



## ***Rebuilding Together***

Many nonprofits and community organizations do housing and shelter related work, but Rebuilding Together is the only national nonprofit whose mission is focused solely on preserving and maintaining the homes of homeowners in need. Rebuilding Together's mission statement is straightforward: "Bringing volunteers and communities together to improve the homes and lives of low-income homeowners."<sup>2</sup> Rebuilding Together started out as a grassroots organization more than 30 years ago in Midland, Texas when a small group of people realized a growing community need of elderly or disabled neighbors on fixed incomes struggling to maintain their homes. Rebuilding Together affiliates were organized to bring neighborhood volunteers together to donate their time and skill to make critical and necessary repairs and improvements to the homes of their neighbors in need. As the organization grew and spread across the country, Rebuilding Together opened a national headquarters in Washington, D.C. in 1988.<sup>3</sup>

Today, Rebuilding Together has a network of approximately 200 affiliates located in 41 states and the District of Columbia. The organization focuses on serving low-income, elderly, disabled, and veteran homeowners in underserved neighborhoods by providing critical home repairs at no cost to homeowners. By engaging the help of millions of volunteers and fostering private and corporate sponsors and partnerships over the years, Rebuilding Together estimates that it has delivered over \$1.4 billion in market value since its founding and has completed work on more than 100,000 homes across the nation. In 2011 alone, Rebuilding Together affiliates served over 16,000 homeowners by mobilizing 200,000 volunteers to rehabilitate nearly 9,000 homes and 700 community centers for an estimated market value of nearly \$170 million.<sup>4</sup> Rebuilding Together's efforts at preserving affordable homeownership and revitalizing neighborhoods all go toward realizing its vision for providing "a safe and healthy home for every person."<sup>5</sup>

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<sup>2</sup> <http://rebuildingtogether.org/whoweare/our-mission-and-vision/>.

<sup>3</sup> <http://rebuildingtogether.org/whoweare/history/>.

<sup>4</sup> Unpublished statistics from Rebuilding Together National Office, tabulated March 6, 2012.

<sup>5</sup> Rebuilding Together Annual Report, 2010.

Rebuilding Together has four main areas of focus to their work providing safe and healthy homes: assisting the elderly and disabled with home accessibility and aging in place, assisting veterans and active-duty service members with home accessibility and safety, providing energy efficient home repairs to reduce the energy costs of homeowners, and providing disaster rebuilding and repair to return displaced families back to their homes and communities. The networked structure of the organization allows for the national headquarters to focus on policy issues, lobbying efforts, public relations, and the fostering of corporate sponsors and partners, while fundraising, volunteer management, and project selection and implementation are handled by the local affiliates who best know the specific needs of their communities. In particular, affiliates are responsible for interviewing and selecting homeowners in need, organizing both skilled trade volunteers for specialty work such as plumbing or electrical and unskilled volunteers for more general repairs and tasks, and soliciting donated building materials and supplies or purchasing whatever supplies could not be obtained through donation. At both the national and affiliate level, a collaborative approach encourages partnerships and relationships among the affiliate, local community organizations, and local municipalities, as well as among the national headquarters, the federal government, and corporate sponsors.

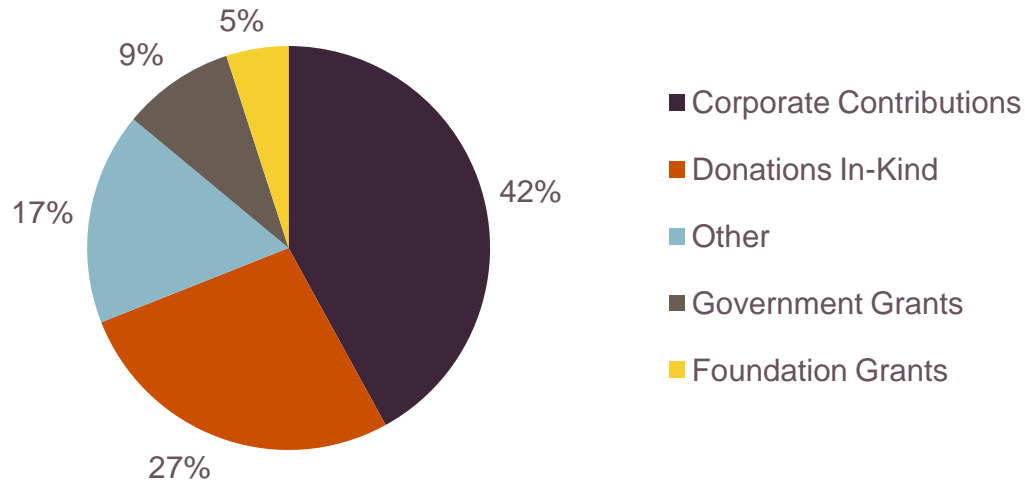
As seen in Figure 2, at the national level, Rebuilding Together receives the majority of its funding from corporate contributions and in-kind donations of services and materials. Government and foundation grants are also important sources of funding. Typical Rebuilding Together affiliates receive about 20% of their total funding from the national office; corporate contributions, foundation grants, and individual donations are significant sources of funding as well. In 2011, 14% of funding for affiliates, totaling \$5 million, came from the federal government, typically in the form of Community Development Block Grants (CDBG) and HOME program funds from the Department of Housing and Urban Development (HUD). Indeed, over 30 affiliates, or nearly 20%, stated they had a relationship with HUD in 2011 to support rehabilitation work in their communities.<sup>6</sup>

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<sup>6</sup> Unpublished statistics from Rebuilding Together National Office, tabulated March 6, 2012.

## Figure 2: The Majority of Funding for Rebuilding Together National Comes from Corporate Sponsors and In-Kind Donations

Share of total revenue and support, 2011



Note: Other revenue and support includes membership dues, investment income, affiliate insurance, special events, and national conference.

Source: Unpublished statistics from Rebuilding Together National Office, tabulated March 6, 2012.

Looking at some key demographic and socioeconomic characteristics of homeowners served by Rebuilding Together, it is clear that this organization serves a distinct homeowner population, one who would not otherwise be able to undertake much in the way of home improvement and repair.<sup>7</sup> In 2011, over 60% of homeowners served were age 65 or older, over half of all homeowners had a disability, and 15% were veterans. An equal share of homeowners served were non-Hispanic blacks and non-Hispanic whites at 42% and 41% respectively, while over 11% of homeowners served were Hispanic. Having lower-income is a critical factor for partnering with Rebuilding Together, and in fact the typical annual homeowner income was \$20,000 or less.<sup>8</sup> Most homeowner partners have been long-standing members of their communities with affiliates reporting that the average homeowner served had been living in their home for 23 years. A more detailed description of the homeowner population served by

<sup>7</sup> Eighty-five percent of affiliates captured and reported homeowner demographic and socioeconomic information in 2011.

<sup>8</sup> Fifty-eight percent of affiliates reported average annual income for homeowners served in 2011.

Rebuilding Together, as well as the kinds of projects undertaken for a typical household will be provided in the case study of Rebuilding Together in Section IV of this paper below.

### ***Habitat for Humanity International***

Habitat for Humanity International (HFHI) is a nonprofit, ecumenical Christian housing ministry that was founded in Americus, Georgia in 1976. With the mission of “bringing people together to build homes, communities and hope,” Habitat for Humanity works in partnership with local families living in substandard housing or with high housing cost burdens to build simple, decent, and affordable homes.<sup>9</sup> Indeed, Habitat envisions “a world where everyone has a decent place to live” and to date has built or repaired over 600,000 affordable houses and served 3 million people worldwide.<sup>10</sup> Habitat uses volunteer labor and donated funds and materials to build and rehabilitate homes in close partnership with homeowner families. Partner families invest hundreds of hours of “sweat equity,” or their own labor, into building their Habitat house and the houses of other Habitat partners. These houses are sold to partner families at no profit and are financed with affordable, no-interest, or low-interest loans. The homeowners’ monthly mortgage payments are then used to help fund the building of more Habitat houses.

Habitat for Humanity International is headquartered in Americus, Georgia, providing support services and resources to more than 1,500 affiliates in the United States and 550 international affiliates. Habitat affiliates are responsible for coordinating all aspects of program implementation in their local communities from fundraising to building site selection, partner family selection and support, house construction, and mortgage servicing.<sup>11</sup>

While Habitat is best known for building new affordable housing, rehabilitation and repair projects make up about 10% of the work being done by most U.S. affiliates<sup>12</sup> and over

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<sup>9</sup> Habitat for Humanity International Annual Report FY2011.

<sup>10</sup> <http://www.habitat.org/how/factsheet.aspx>.

<sup>11</sup> <http://www.habitat.org/how/affiliates.aspx>.

<sup>12</sup> Habitat for Humanity International Annual Report FY2009.

4,500 families partnered with Habitat for home rehabilitation and repair services in FY2011.<sup>13</sup> In fact, Habitat has several programs with a focus on rehabilitation, including their new *Neighborhood Revitalization Initiative*, for the rehabilitation of vacant and foreclosed homes, and *A Brush with Kindness* program that provides exterior house repairs with a no-interest loan to low-income, elderly, and disabled homeowners struggling to maintain their homes. In an effort to both raise additional funds and keep reusable materials out of landfills, many Habitat affiliates have also opened resale outlets, known as ReStores, that sell donated reusable and surplus building materials to the public at a discount. In FY2011, hundreds of Habitat ReStores across the United States generated a total of \$80 million in revenue.<sup>14</sup>

The *Neighborhood Revitalization Initiative* was first launched in April 2010 with funding from HUD's Neighborhood Stabilization Program (NSP), which was established as part of the federal government's Housing and Economic Recovery Act of 2008 for the purpose of stabilizing communities through the purchase and redevelopment of foreclosed and abandoned homes. Habitat for Humanity received \$137 million in NSP funds, most of which will be directed to affiliates working in parts of the country that were especially hard hit by foreclosures, including Florida, California, Texas, and New York.<sup>15</sup> Habitat's *Neighborhood Revitalization Initiative* encompasses not just rehabilitation of vacant and foreclosed properties, but also weatherization activities to make new and existing homes more energy efficient and affordable. Meanwhile, the *A Brush with Kindness* program offers painting, landscaping, weather stripping, and other minor, but critical, repair services for existing low-income homeowners in need. Over 100 Habitat affiliates were participating in some aspect of the *Neighborhood Revitalization Initiative* in FY2011, and by FY2012 fully 23% of families served by Habitat received these critical repairs.<sup>16</sup>

The greatest source of funding for Habitat for Humanity International, at 55% of total revenue and support in FY2011, is contributions of cash, stock, and estate gifts, and donated

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<sup>13</sup> This count includes families served in both the U.S. and Canada. In FY2012, 5,100 families received home rehabilitation and repair services. Habitat for Humanity International Annual Report FY2011 and FY2012.

<sup>14</sup> Habitat for Humanity International FY2011 Annual Report.

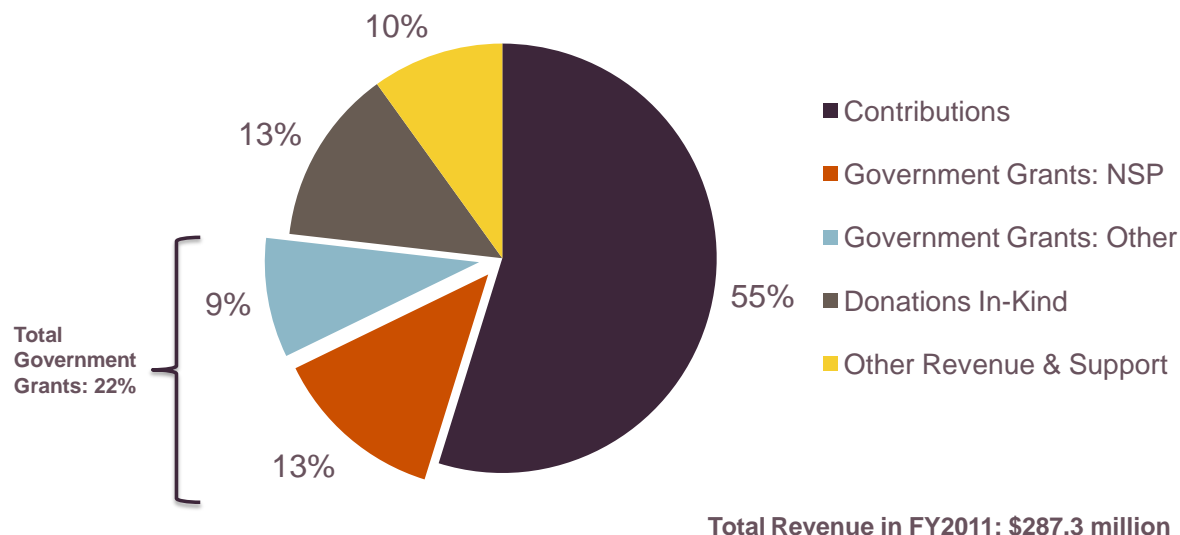
<sup>15</sup> Habitat for Humanity International FY2010 Annual Report.

<sup>16</sup> Habitat for Humanity International FY2011 Annual Report and FY2012 Annual Report.

services and support from individuals, corporations, foundations, and other organizations (Figure 3). Another major source of funding in FY2011 was government grants, with HUD’s NSP funding accounting for nearly 60% of all government funding received that year. In a more typical year, government grants might only make up less than 10% of total revenue and support at Habitat.<sup>17</sup> In-kind donations of building materials and supplies and services were also significant at 13% of total revenue and support.

### Figure 3: Government Grants Became an Increasingly Important Source of Funding for Habitat for Humanity After Housing Crisis

Share of total revenue and support, FY2011



Note: Contributions include cash, stock and estate gifts, and donated services and support from individuals, corporations, foundations, and other organizations.

Source: Habitat for Humanity International FY2011 Annual Report.

The three national community development intermediaries—Enterprise Community Partners, Local Initiatives Support Corporation (LISC), and NeighborWorks America—are nonprofit organizations that provide financial assistance and technical and operating support to local community-based organizations in carrying out efforts to provide affordable rental and homeownership opportunities for lower- and middle-income households and the revitalization

<sup>17</sup> Government grants actually increased from 22% to 26% of total funding from FY2011 to FY2012.

of distressed neighborhoods. Whereas Rebuilding Together and Habitat for Humanity strictly focus on serving homeowners in need, the national community development intermediaries work to provide affordable housing opportunities for both owners and renters. The national intermediaries operate local branch offices in most major cities to channel resources from financial institutions, philanthropic organizations, governments, corporations, and individuals to local organizations, such as a community development corporation, that best know the needs of their communities (Figure 4). The intermediary organizations also provide training and networking opportunities at the local level, and advocate for sound affordable housing policies at the local and national level. While the full scope of the national community development intermediaries goes far beyond the rehabilitation and repair of affordable rental and homeowner housing, all of the intermediaries support this critical activity for preserving the nation’s affordable housing stock in one capacity or another as described below.

**Figure 4: Overview of National Community Development Intermediaries Supporting Rehabilitation of Affordable Housing**

Organization	Service Model	Number of Affiliates	2011 Impacts
<b>Enterprise Community Partners</b>	Financing and technical assistance for real estate development	12 affiliate offices in all regions of the country	Invested \$1.1 billion to create and preserve the affordability of 16,400 rental and owner homes
<b>Local Initiatives Support Corporation</b>	Financing, technical and management support to local CDCs and other partners	30 cities and 60 rural communities in 31 states	Invested \$1.1 billion in over 14,000 affordable rental and owner homes
<b>Neighbor Works America</b>	Grants, technical assistance and training to local CDCs & nonprofits	Network of over 235 independent, nonprofit organizations serving more than 4,500 communities	Invested \$4.2 billion assisting 260,000 families with housing needs

### ***Enterprise Community Partners, Inc.***

Enterprise Community Partners (originally named The Enterprise Foundation) was founded in 1982 with the goal that everyone in America has the opportunity to live in decent, affordable housing. After more than 30 years of building and facilitating public-private partnerships toward this goal, today Enterprise is a leading provider of capital and expertise for improving and increasing the supply of affordable housing, with at least 12 affiliate offices operating in all regions of the country. Enterprise partners with developers, investors, governments, community-based organizations, and others to support their mission of “creating opportunity for low- and moderate income people through affordable housing in diverse, thriving communities.”<sup>18</sup> Enterprise’s main areas of activity include financing and development of affordable multifamily housing through new construction or rehabilitation (with an emphasis on energy efficiency), creating innovative solutions for revitalizing and sustaining communities in need, and advocating for greater financial resources and commitments to sound housing policies at all levels of government.

Since its founding, Enterprise has invested over \$13.9 billion in equity, grants, and loans to create or preserve 300,000 units of affordable rental and for-sale housing across the country. In 2011 alone, Enterprise invested \$1.1 billion in affordable housing development and improvements, and nearly 45% of the construction work undertaken was specifically for moderate or substantial rehabilitation of housing units.<sup>19</sup> In fact, in more recent years as the housing and mortgage crisis unfolded and many vulnerable neighborhoods were devastated by falling home prices and foreclosures, community stabilization and the rehabilitation of foreclosed homes became a more critical part of Enterprise’s work.

In 2008, in response to the foreclosure crisis and in partnership with five other leading national organizations in the housing and community development field, Enterprise formed the *National Community Stabilization Trust* (NCST) as an intermediary between the financial institutions holding a significant number of vacant foreclosed properties and the communities

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<sup>18</sup> <http://www.enterprisecommunity.com/about/mission-and-strategic-plan>.

<sup>19</sup> Bayer, Naomi. 2012. Telephone interview by author. 28 November, and Enterprise Community Partners, Inc., Investor Report 2011.



seeking to revitalize such properties.<sup>20</sup> The NCST also provides bridge financing in communities especially hard hit by the foreclosure crisis for those seeking to acquire, rehabilitate, and resell or rent foreclosed, abandoned, and blighted properties for community stabilization purposes.

Enterprise also worked closely with policymakers during this time to develop and refine regulations governing HUD's Neighborhood Stabilization Program. As a continuing effort to stabilize and revitalize devastated communities, Enterprise has been providing technical assistance to NSP grantees for distributing funds in their local communities and building capacity, especially in the area of green rehabilitation, as well as mortgage financing, financial management, and program operation.

Much of the NSP funding stream is currently being used by local governments and nonprofits to renovate recently acquired distressed properties. Many purchases are single family homes that are acquired, renovated, and resold to homeowners, though some NSP funding is also going into the rental stock now too. According to Enterprise, distressed properties purchased by nonprofits or with government funding are generally receiving more extensive renovations and are being resold to owner-occupants, whereas private sector investors are typically doing less to prepare the distressed homes they have purchased and are more commonly renting the properties after renovations are complete. Rehabilitation financing projects for Enterprise vary in scale, but much of the current work being done on the distressed stock is energy-related and structural, in addition to more basic maintenance work such as painting. While many nonprofits are active in managing the renovation work (e.g. hiring contractors and purchasing materials), Enterprise and the other community development intermediaries are more typically involved as the funding mechanism for this work by local agencies and nonprofits.

In addition to distressed property rehab, Enterprise has also been focusing heavily on initiatives for improving the energy efficiency of the affordable housing stock. Enterprise and the other intermediaries took advantage when the 2009 federal stimulus act greatly expanded funding for the Department of Energy's Weatherization Assistance Program (described in

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<sup>20</sup> These organizations are NeighborWorks America, Housing Partnership Network, Local Initiatives Support Corporation, National Council of La Raza, and the National Urban League. See: <http://www.stabilizationtrust.com/about/sponsors/>.

section III). Enterprise and LISC partnered to use \$15 million of weatherization funding and \$5 million additional city and private funding to complete energy retrofits on affordable multifamily housing in New York City. Enterprise and LISC were involved in the full scope of project design and implementation, from analyzing what retrofits were needed to overseeing the hiring of contractors to project completion. In 2010-2011, nearly 100 affordable multifamily properties consisting of over 2,200 units were upgraded with energy-efficient heating and hot water systems, balanced ventilation, water conserving fixtures, EnergyStar appliances, insulation and air sealing, and window repairs and replacements.

Building off of this experience, Enterprise developed their PartnerPREP program, which is a full suite of “green” fee-based services for multifamily housing organizations to manage their portfolios for energy efficiency. As part of this in-depth program, Enterprise analyzes the energy performance of the client’s housing portfolio, develops a customized long-term energy management plan, and works with the fiscal, operations, and maintenance staff of the client group to implement energy management protocols. Enterprise also identifies financial opportunities and incentives for implementing energy efficiency improvements within the client’s affordable housing portfolio, particularly at recapitalization events.

### ***Local Initiatives Support Corporation (LISC)***

In the face of waning federal support for community development projects, the Local Initiatives Support Corporation was founded in 1979 as a direct response to a call from The Ford Foundation for the creation of a non-governmental organization that would support the revitalization activities of community development groups across the country. LISC’s mission is to help communities “transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity.”<sup>21</sup> LISC works to accomplish this goal by marshaling financial support and technical assistance from corporations, governments, and philanthropic organizations to local nonprofit community development corporations (CDCs). Like the other national community development intermediaries, LISC also advocates for local, statewide, and national policies that support community revitalization and affordable housing.

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<sup>21</sup> <http://www.lisc.org/section/aboutus/mission>.

As a “national organization with a community focus,” LISC is headquartered in New York City and has local offices in 30 cities across the country, as well as partnerships with over 60 rural communities in 31 states. LISC’s overarching strategy for building sustainable communities involves addressing the many interrelated aspects of a healthy and thriving community including affordable housing, local business development, employment and financial counseling for low-income families, access to quality education and childcare, community safety and crime prevention, open spaces for recreation, and access to healthy food sources. LISC staff collaborate with local CDCs to help identify community priorities and challenges, and to craft solutions that will deliver the most appropriate support to meet these needs whether in the form of loans, grants, or equity investments or technical and management assistance. Since its founding, LISC has invested \$12 billion in the construction, renovation, and financing of 289,000 affordable housing units, 46 million square feet of retail and community space, 153 schools, 174 childcare facilities, and 254 recreation spaces. In 2011 alone, LISC invested \$1.1 billion in over 14,000 affordable homes and apartments.<sup>22</sup>

While LISC recognizes that redevelopment of distressed neighborhoods requires all-encompassing approaches, providing and preserving affordable housing is a critical piece of neighborhood recovery and thus remains a critical part of LISC’s mission. Families can once again put roots down in a community when vacant and blighted properties are replaced with decent, affordable homes through new construction or renovation efforts. In 2001, LISC established the *Affordable Housing Preservation Initiative* to help stem the loss of affordable rental housing in the face of expiring federal subsidies, and to promote public policies supporting the preservation of affordable rental housing. Through this initiative, LISC helps CDCs “acquire and preserve housing developments, build partnerships with housing authorities and other organizations, and advocate for government policies that can reduce the loss of affordable homes and apartments.”<sup>23</sup> Preservation of affordable rental properties is especially important considering the high costs of constructing new multifamily developments. Indeed, when affordable rental housing is in jeopardy of disappearing or becoming unaffordable for

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<sup>22</sup> LISC Annual Report, 2011.

<sup>23</sup> <http://www.lisc.org/section/ourwork/national/preservation>.

low-income families, for many communities the only realistic choices are to work to preserve their existing affordable housing stock or lose it altogether. Since the *Affordable Housing Preservation Initiative* began, LISC has provided technical assistance and committed over \$56 million in financing for the preservation of 15,000 units of affordable rental housing.<sup>24</sup>

Neighborhood revitalization has been a main focus of LISC since its beginnings, but the recent mortgage foreclosure crisis made vacant properties and foreclosure response a national priority for the organization. As lower-income neighborhoods were disproportionately affected by the crisis, many LISC-supported communities were at risk of seeing long- and hard-fought gains at renewal vanish overnight. In response to this crisis, LISC co-sponsored the creation of the National Community Stabilization Trust in 2008 and has provided over \$70 million in grants and below market rate loans to revitalize vacant, abandoned, and foreclosed properties. This financing helped create or renovate about 2,800 properties totaling 4,800 affordable homes and 485,000 square feet of commercial space, and leveraged over \$150 million in HUD Neighborhood Stabilization Program funds to support community efforts at capacity building, strategy development, foreclosure prevention and mitigation, and homeownership counseling.<sup>25</sup> LISC was also awarded a total of \$6.6 million in NSP Technical Assistance funds in recent years to help dozens of local NSP grantees design and implement foreclosure response programs.

### ***NeighborWorks America***

The beginnings of NeighborWorks America go back to 1968 when Dorothy Mae Richardson, a community activist, campaigned for better housing and access to capital for home rehabilitations in her Pittsburgh neighborhood. The successful efforts at community development and reinvestment in this Pittsburgh neighborhood served as a model for starting local NeighborWorks organizations across the country. In 1978 Congress acted to formalize the growing NeighborWorks network and provided a mandate for promoting reinvestment in older

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<sup>24</sup> <http://www.lisc.org/section/ourwork/national/preservation/achievements>.

<sup>25</sup> [http://www.lisc.org/section/ourwork/national/foreclosure\\_response](http://www.lisc.org/section/ourwork/national/foreclosure_response).

neighborhoods and improving communities in distress.<sup>26</sup> Today NeighborWorks America continues to be a national leader in affordable housing and community development. The organization's mission is to "create opportunities for people to live in affordable homes, improve their lives and strengthen their communities."<sup>27</sup> Headquartered in Washington, D.C., NeighborWorks operates two regional offices and seven district offices, which provide resources to NeighborWorks' network of over 235 independent, community-based nonprofit organizations that serve more than 4,500 suburban, urban, and rural communities nationwide.

NeighborWorks America facilitates collaborations and partnerships between the public and private sectors and community residents to create and preserve affordable housing opportunities, revitalize neighborhoods, and strengthen communities by supporting its network of member organizations with grants, programmatic support, training, and technical assistance. NeighborWorks also partners with two affiliated capital corporations to develop loan products and support financing vehicles that expand affordable housing opportunities. In FY2011, NeighborWorks leveraged its \$168 million federal government appropriation into nearly \$4.2 billion in direct investment that assisted over 260,000 families with their housing needs, whether through homeownership, rental, or counseling for home purchase or foreclosure.<sup>28</sup>

Like the other national community development intermediaries, home rehabilitation and repair is just one of many housing-related activities undertaken by NeighborWorks America. Yet, NeighborWorks recognizes that "effective home repair and rehabilitation is a critical strategy for homeowner retention, affordability, increased energy efficiency, and stabilization of strong communities. Property rehabilitation is particularly important to senior homeowners who, in order to stay in their homes, often require retro-fit rehabilitation loans and assistance managing the contracting process."<sup>29</sup> NeighborWorks organizations offer a multitude of services to homeowners in need of home rehabilitation, including assistance with

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<sup>26</sup>This act of Congress established the Neighborhood Reinvestment Corporation, which began doing business as NeighborWorks America in 2005. See:

<http://www.nw.org/network/aboutUs/history/default.asp>.

<sup>27</sup> NeighborWorks America Annual Report, 2010.

<sup>28</sup> Fiscal Year 2013 Budget Justification, Neighborhood Reinvestment Corporation, Doing business as NeighborWorks America.

<sup>29</sup> Ibid.

project financing, locating qualified contractors, writing work specifications, and project management to ensure that the work is done correctly and within budget. NeighborWorks has also increasingly incorporated energy efficient and sustainable building techniques into its home rehabilitation projects. In both FY 2010 and 2011, Congress appropriated an additional \$35 million to NeighborWorks specifically for the rehabilitation and repair of affordable housing. Even so, NeighborWorks reported that demand for these funds far exceeded the amount of funding available. In FY 2011 alone, NeighborWorks repaired over 43,000 housing units and preserved over 18,000 single family owner-occupied units.<sup>30</sup>

### ***Common Themes and Collective Impacts***

All of the nonprofit organizations discussed in this paper have three major goals in common. The first goal is simply that all households, but specifically those most vulnerable in our society, are given an opportunity to live in safe, healthy, and affordable homes. In addition to their on-the-ground work in local communities, these organizations are engaged in lobbying for more supportive affordable housing policies at the federal, state, and local level.<sup>31</sup>

The second major objective is to stabilize and sustain distressed neighborhoods and communities. In many cases, the recent housing crash and recession quickly undermined years, and even decades, of these organization's efforts at stabilizing and improving lower-income and minority neighborhoods in cities across the country, and all of the nonprofits have responded with special initiatives for dealing with foreclosed and vacant properties. Indeed, neighborhood revitalization efforts can go far beyond stabilization to also have an impact on private sector home improvement spending. It is thought that when the amount of home improvement activity in a given neighborhood is high or rising, individual homeowners see their house values

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<sup>30</sup> According to NeighborWorks' *Fiscal Year 2013 Budget Justification*, "repaired units refer to emergency and other home-repair services," while "housing preservation refers to activities that serve single-family homeowners that include rehabilitation services, refinance provision, reverse mortgage provision, financing for rehab, and foreclosure prevention counseling activities that result in retaining the home," (p. 52).

<sup>31</sup> As a congressionally-chartered and federally funded nonprofit organization, NeighborWorks America is explicitly prohibited from engaging in lobbying activities. Instead, NeighborWorks focuses more on providing information and education regarding policies that affect the housing and community development field.

rise and are thus more likely to invest in their properties themselves. In fact, previous research by the Joint Center Remodeling Futures Program found evidence of this “neighborhood effect” in which home prices appreciated more in neighborhoods with higher remodeling spending overall, regardless of individual spending levels.<sup>32</sup>

A third common objective of these nonprofit organizations is to preserve the affordable housing stock. Oftentimes due to the enormous expense of building new, home rehabilitation and preservation is the only option for keeping affordable housing affordable to low- and moderate-income households. For homeowners and renters in need, doing critical repairs means keeping them in safe, healthy, and affordable homes.

Other common themes to these nonprofit organizations promoting home improvement activity is that they all disburse significant resources from a national headquarters through a wide network of local, community-based affiliates or organizations by either directly undertaking remodeling projects (in the cases of Rebuilding Together and Habitat for Humanity) or building partnerships and funding projects through local community development organizations (in the cases of Enterprise, LISC, and NeighborWorks). This networked structure allows the national organization to focus on policy issues and efforts to inform and educate national decision-makers while project implementation is handled by local affiliates who best know the needs of their communities. Also, the highly collaborative approach utilized by these nonprofits encourages partnerships among affiliates, local community organizations, and local governments, as well as between the national organizations and the federal agencies supporting community development and affordable housing.

While it is difficult to arrive at a precise market value of the home rehabilitation and repair activity undertaken or supported by all nonprofits and public funding programs in any given year, it is clear by examining the activities of the five organizations in this paper that nonprofits and public agencies are investing significant resources, whether directly or indirectly, in preserving the nation’s affordable housing stock. The major national nonprofits alone have invested billions of dollars and mobilized millions of volunteers over the past several decades to

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<sup>32</sup> Park, Kevin. April 2008. “Good Home Improvers Make Good Neighbors.” Joint Center for Housing Studies Working Paper, W08-2.

create and preserve affordable housing opportunities for the nation's most vulnerable households.



### **III. Federal Programs Supporting Home Rehabilitation and Repairs**

All of the nonprofit organizations discussed here utilize several major federal funding programs for rehabilitation and preservation activities (Figure 5). These programs are vital sources of funding for maintaining the affordable housing stock and revitalizing distressed communities, and most are administered by the U.S. Department of Housing and Urban Development (HUD). One of the longest-running HUD programs is the Community Development Block Grant (CDBG) program, which funds a wide array of local community development activities with the broad goals of benefiting low- and moderate-income people, preventing or eliminating blight, or addressing an urgent threat to health or safety in a community. The CDBG program was specifically designed to be flexible enough to allow state and local governments and local communities to select development activities that best address their needs within the scope of eligible activities and requirements of the program. While CDBG activities must meet the criteria of serving low- and moderate-income households, funds are largely used at the discretion of the state and local governments and their sub-recipients, which are generally nonprofit organizations.

According to HUD, rehabilitation of owner-occupied homes is one of the most common community development programs administered nationwide, while rehabilitation of rental units is also an eligible use of CDBG funds. CDBG grantees can choose to use funds for emergency repairs; replacement of specific features such as roofing, windows and doors, and HVAC systems; or even full house rehabilitation. In FY2011, over \$500 million in CDBG funds was used by grantees for rehabilitation of single-family housing units and another \$68 million for multi-family housing, while nearly \$30 million was used for the repair of foreclosed properties. Between 2005 and 2008 (the most recent years for which national accomplishment data were available), CDBG grantees reported assisting an average of 115,000 households each year in single-family units with home rehabilitation work, and another 17,000 households in multi-family units each year. During this period, the average rehabilitation spending per household assisted was just over \$5,000. Given this level of average expenditure, most CDBG

rehabilitation projects tend toward specific replacements as opposed to whole house remodeling.

A relatively recent addition to the CDBG program is the Neighborhood Stabilization Program (NSP), which was established as part of the federal government's Housing and Economic Recovery Act of 2008 for the purpose of stabilizing communities through the purchase and redevelopment of foreclosed and abandoned homes. To achieve neighborhood stabilization, localities can spend NSP funds on five eligible uses: "establish financing mechanisms for the purchase and redevelopment of foreclosed homes; purchase and rehabilitate properties that have been abandoned or foreclosed upon; establish and operate land banks for homes and residential properties that have been foreclosed upon; demolish blighted structures; and redevelop demolished or vacant properties."<sup>33</sup> In three rounds of funding since 2008, HUD has allocated over \$6.8 billion to nonprofits and local governments in all 50 states.

Where the CDBG program has a broad application for community development activities, HUD's HOME Investment Partnerships Program was designed exclusively for increasing the supply of affordable housing for lower-income households in the United States. HOME is the largest federal block grant to state and local governments, allocating approximately \$2 billion each year. The HOME program was also designed to be flexible enough for local communities to craft their own strategies for addressing local needs and priorities, as well as to foster stronger public-private partnerships in developing affordable housing. Indeed, HOME requires participating jurisdictions to match 25 cents of every dollar in program funds by mobilizing community resources in support of affordable housing. Like CDBG, the HOME program also has income requirements for serving low- and moderate-income households (specifically incomes at or below 80 percent of the area's median income). Yet, HOME goes one step further by requiring that assisted units remain affordable for a period of five to fifteen years for units receiving funding for rehabilitation work (the length of time depends on how much funding is provided for the project), and twenty years for new construction.

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<sup>33</sup>[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/communitydevelopment/programs/neighborhoodspg](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/neighborhoodspg).

The HOME program allows for activities that support affordable housing for both homeowners and renters including the acquisition, renovation, or construction of either for-sale or rental housing, tenant-based rental assistance, and rehabilitation of owner-occupied properties. In the case of home purchase or rehabilitation, HOME funds are used to provide financing assistance, or low-cost loans, to eligible homeowners or homebuyers. Over the last two decades, HOME funds totaling over \$4 billion went toward the rehabilitation of over 200,000 owner-occupied homes, which is an average spending per unit of about \$20,000. Certainly the typical HOME-funded renovation is fairly comprehensive including bringing the home up to local codes through whole house rehabilitation if necessary.

In addition to HUD, the U.S. Department of Energy (DOE) is another federal government agency that offers significant funding for home rehabilitation and repair activity, especially in the area of weatherization improvements, which includes a variety of energy-related projects associated with the building envelope (walls, roofing, doors, and windows), heating and cooling systems, the electrical system, and major appliances. The DOE's Weatherization Assistance Program provides funding to states for disbursement to local governments, nonprofits, and community-based organizations so they may provide weatherization services for improving the energy efficiency of homes occupied by low-income owners and renters. The weatherization program provides services at no cost to the households and gives priority to the elderly, disabled, and families with children. Low-income households for the purposes of the weatherization program are defined as at or below 150% of the federal poverty guideline or 60% of the state median income. According to the DOE, the Weatherization Assistance Program has provided weatherization services to more than 6.4 million low-income owner and renter households over the past three decades of the program's existence. In more recent years, the DOE has weatherized about 100,000 homes per year investing \$6,500 on average in each home. Families receiving weatherization services see their annual energy bills reduced by an average of about \$400, depending on fuel prices.<sup>34</sup>

Lastly, a major program relied on particularly by the national community development intermediaries is the Low-Income Housing Tax Credit (LIHTC) program. The LIHTC program is an

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<sup>34</sup> <http://www1.eere.energy.gov/wip/wap.html>.

indirect federal subsidy used to encourage private sector investment in the development and preservation of affordable rental housing for low-income households. The LIHTC program was created through the 1986 Tax Reform Act and is administered by the U.S. Treasury Department. Through the LIHTC program, the Internal Revenue Service allocates housing tax credits annually to each state (usually to designated state housing finance agencies). These federal income tax credits are then awarded to investors and developers of qualified projects for acquiring, rehabilitating, or building affordable rental housing. While the program has had its fair share of criticisms over the years, it is generally accepted that the low-income housing tax credits have been effective in increasing the supply of affordable rental housing in many communities across the country. In order to qualify for the LIHTC Program, the property must be a residential rental property that offers reduced rents to low-income households, and agrees to operate under the rent and income restrictions for a minimum of 30 years.

LIHTC projects include both new construction and substantial rehabilitation of existing structures. According to Joint Center tabulations of the LIHTC Database, on average, over 100,000 rental units were placed into service each year between 2000 and 2009, and more than a third of all LIHTC projects during this period involved the renovation of an existing structure. Given the complexity of the program, LIHTC is usually pursued for more extensive rehabilitation activities to multifamily properties. The typical LIHTC rehabilitation project received \$350,000 in annual tax credits for major improvements and repairs to low-income rental housing properties placed in service in 2000-2009, while the average amount allocated per unit was about \$4,200. The neighborhood revitalization that occurs through the LIHTC program not only brings investment and stabilization to vulnerable communities, but substantial rehabilitation of properties also encourages further investments in these communities by increasing values of nearby properties and preventing them from being lost from the stock.<sup>35</sup>

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<sup>35</sup> Ellen, I.G. 2008. "Spillovers and Subsidized Housing: The Impact of Subsidized Rental Housing on Neighborhoods."

**Figure 5: Overview of Federal Programs Supporting Home Rehabilitation and Repairs**

Program	Agency	Enacted	Purpose	Home R&R Funding
<b>Community Development Block Grant</b>	U.S. Department of Housing and Urban Development	1974	Fund local community development activities benefiting lower-income people, eliminating blight, or addressing health or safety concerns	Approximately \$600 million annually
<b>Neighborhood Stabilization Program</b>	U.S. Department of Housing and Urban Development	2008	Stabilize communities through the redevelopment of foreclosed and abandoned homes	Over \$6.8 billion since 2008
<b>HOME Investment Partnerships Program</b>	U.S. Department of Housing and Urban Development	1990	Increase the supply of affordable housing for lower-income households	Over \$4 billion since 1992
<b>Weatherization Assistance Program</b>	U.S. Department of Energy	1976	Improve the energy efficiency of homes occupied by low-income owners and renters	Approximately \$250 million annually; one-time appropriation of \$5 billion from 2009 Recovery Act
<b>Low-Income Housing Tax Credit</b>	U.S. Department of the Treasury	1986	Encourage private sector investment in the development and preservation of affordable rental housing for low-income households	Over \$1.1 billion during 2000s

#### **IV. Case Study of Rebuilding Together**

In an effort to better understand the outcomes of nonprofit organizations providing home improvement assistance, the Remodeling Futures Program undertook a survey of selected Rebuilding Together program affiliates and participating households from the 2011 National Rebuilding Day period, which occurred between mid-April and mid-May of that year. The purpose of the survey was to document the characteristics of the households and homes served by the program, the types of home improvement projects that were undertaken, and the principal outcomes that resulted from the program. Specifically, the research questions addressed were:

- What types of households are served by the program in terms of socio-economic and demographic characteristics?
- What were the home improvement needs of households selected to participate in the program, and what types of home improvement projects were undertaken?
- What were the desired outcomes of the program, and how well were these objectives achieved?

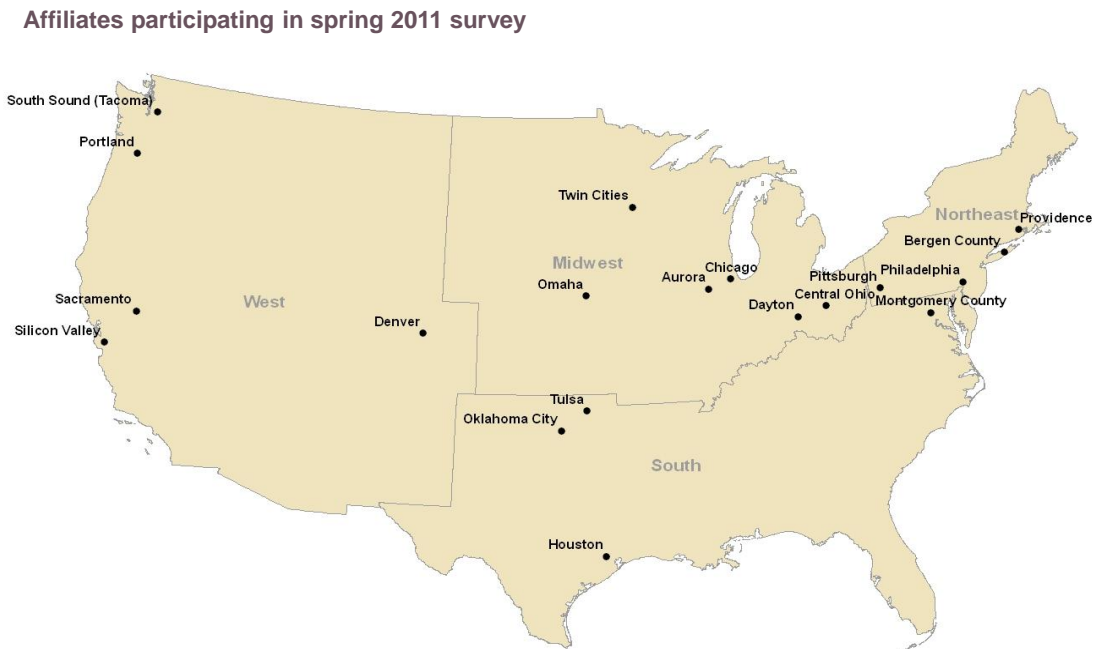
We conclude that the program serves a predominantly elderly, minority, disabled, and low-income population who are vulnerable to inadequate housing conditions. The projects undertaken were concentrated in categories that promote programmatic goals of safety, accessibility, and energy savings. As a result of program activities, the overwhelming majority of participating households feel that they have seen either moderate or substantial improvement in safety, accessibility, and energy savings.

#### ***Overview of the Rebuilding Together Survey***

The Rebuilding Together program survey was undertaken in two parts. First, a survey of selected local affiliates was designed to obtain a demographic profile of all households participating in the affiliate's National Rebuilding Day program, as well as detailed information on projects undertaken, the value of materials used in these projects, and the number of skilled and volunteer hours devoted to these projects. The national Rebuilding Together staff selected

a representative sample of local affiliates, and requested their participation in this program assessment. Nineteen affiliates ultimately provided information on 431 households participating in their National Rebuilding Day programs that year. The 19 affiliates represent a diverse set of programs along the key dimensions of regional location, program size, house price and strength of the local economy, and demographic characteristics (Figure 6). In the second part, the same 19 affiliates were asked to coordinate a follow-up survey of a sample of the households from their service area participating in the 2011 National Rebuilding Day. The number of households to be surveyed was determined by the overall size of the program. In total, of the 430 participating households, over 240 homeowners (56%) completed follow-up surveys.

## Figure 6: Participating Rebuilding Together Affiliates Represent a Diversity of Conditions



### ***Program Overview***

Target homeowner populations for Rebuilding Together participation are elderly, disabled, veterans, and active duty service members. As such, these populations are heavily represented among the participating households in the spring 2011 National Rebuilding Day

program. Over 60% of the households participating in this program are headed by individuals age 65 or older, and an even slightly higher share of the households had one or more disabled members. Over two-thirds of the participating households are members of racial and ethnic minority populations.

In an effort to compare and contrast the Rebuilding Together program population with the broader homeowner population, summary data was generated by the Joint Center Remodeling Futures Program from the 2011 American Housing Survey (AHS). The AHS is an initiative of the Department of Housing and Urban Development that looks at housing conditions and home improvement expenditures, and contains detailed socio-economic and demographic information on the occupying households. Since such a high proportion of program participants were age 65 and over, comparisons are made with the elderly homeowner population from the AHS, as well as the overall homeowner population (Figure 7).

## Figure 7: Populations Served by Rebuilding Together Have High Share of Minorities, Disabled

Share of Homeowners in 2011 (Percent)

	Rebuilding Together Homeowners	All Homeowners	Elderly Homeowners (Age 65+)
Age 65+	60.6	26.8	100.0
Minority	68.3	21.9	15.2
With Disabled Resident	62.8	18.2	35.3
Household Income Under \$20,000	65.4	12.9	25.3
Home Value Under \$100,000	52.4	26.1	29.2
In Home 20+ Years	64.4	29.1	58.0
Improvement and Repair Spending Under \$1,000, Past Two Years	64.6	36.4	44.2
Spending on Exterior Projects	35.0	21.8	27.8

Notes: Figures for spending on exterior projects is the share of total homeowner improvement expenditures. Exterior replacements include roofing, siding, windows and doors in the American Housing Survey (AHS).  
Sources: JCHS tabulations of the 2011 AHS and 2011 Harvard JCHS-Rebuilding Together Affiliate and Household Surveys.

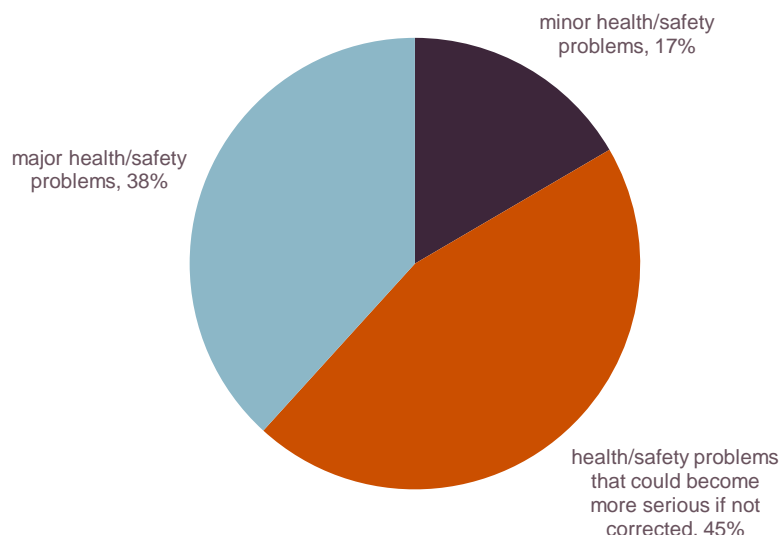


Rebuilding Together households are much more likely than the overall homeowner population represented in the AHS data to be minorities and have a disabled household member. Additionally, participating households have much lower incomes than the overall population, or than the elderly homeowner population. And, even though many of the Rebuilding Together affiliates are located in relatively high house price markets, the share of program participants living in homes with estimated house values below \$100,000 is significantly higher than for either the overall population or the general age 65+ population. Program participants also are very likely to be long-term occupants of their current homes, and therefore long-term residents of their communities. A slightly higher share of program participants have been in their current home for twenty years or more than even the overall elderly population as determined by the AHS. Fully half of the program participants have been in their home 30 years or more.

Program participants were asked to rate the general condition of their home prior to the Rebuilding Together effort. Almost four in ten participants indicated that current housing problems created major health or safety issues for family members (Figure 8). An additional 45% indicated that there were problems that could have become serious health or safety issues if not corrected.

## Figure 8: Most Rebuilding Together Homeowners Reported Health and Safety Concerns with Home

Condition of their home prior to partnering with Rebuilding Together, percent of homeowners



Source: 2011 Harvard JCHS-Rebuilding Together Household Survey.

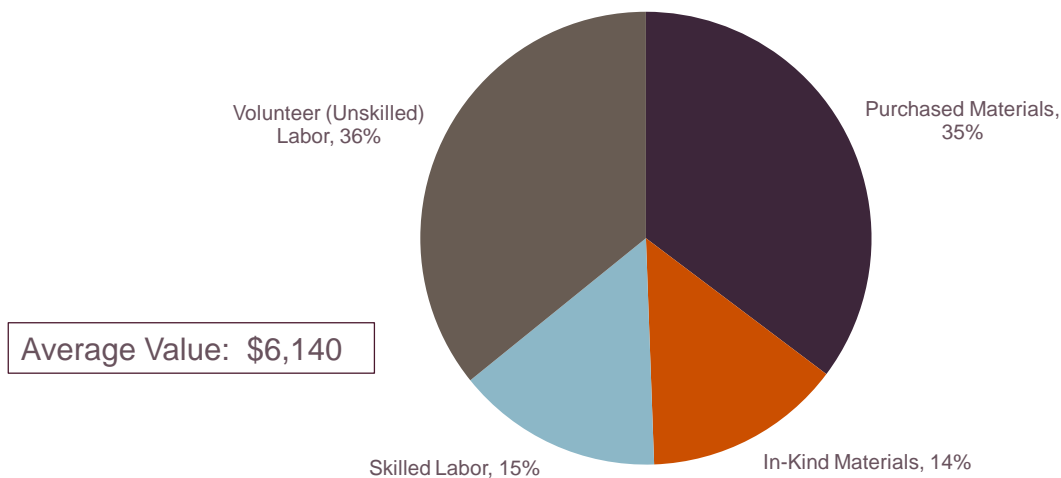
Recent spending on home repairs and improvements as reported by participating households would suggest that many of the homes have seen underinvestment, at least in recent years. Analysis of the 2011 AHS by the Remodeling Futures Program has shown that homeowners spent an average of \$3,000 on home improvements and repairs that year (about \$2,400 on improvements and \$600 on routine maintenance and repairs). Owners age 65 and over spent less: about \$2,300 on average. Yet, almost two-thirds of Rebuilding Together program participants reported having spent less than \$1,000 total on home improvements and repairs over the past *two* years, or less than \$500 on average per year—over 80% less than the typical homeowner in the U.S.

Indeed, the average value of the home improvement and repair projects undertaken by the Rebuilding Together program was in excess of \$6,000 per home according to estimates developed by Rebuilding Together affiliates and the Remodeling Futures Program. These figures included the estimated value of volunteer unskilled and skilled labor, purchased skilled labor

costs, the estimated value of donated materials, and the cost of purchased materials. According to these estimates, project costs were split almost evenly between labor and materials (Figure 9).

## Figure 9: Volunteer Labor and Purchased Materials Make Up High Share of Typical Rebuilding Together Project

Breakdown of the estimated value of an average project



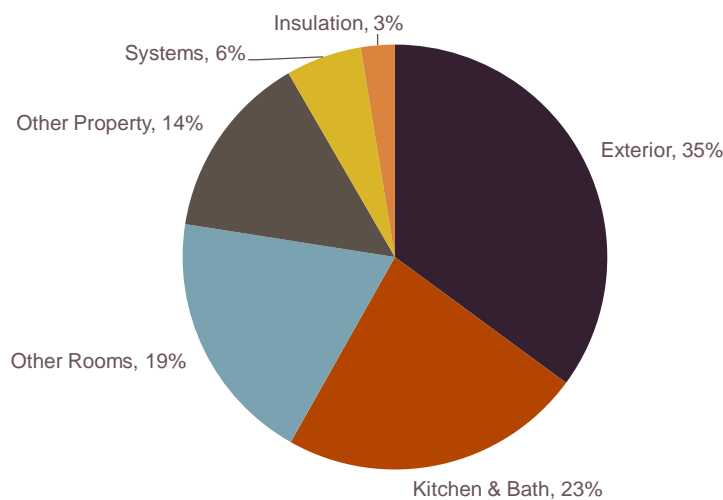
Source: 2011 Harvard JCHS-Rebuilding Together Affiliate Survey.

Home improvement expenditures under the Rebuilding Together program were heavily oriented toward projects that would produce the greatest gains in key program objectives: health and safety concerns of the occupants, improvements in accessibility into and around the home, and savings in energy use. Over a third of participant project expenditures were on the exterior of the home (Figure 10). These projects can help achieve all three objectives. Exterior projects can protect the occupants from structural deterioration in the home and protect the home from exposure to the elements. Exterior projects can also improve accessibility into and out of the home through additions or replacements of steps, ramps, and railings. Finally, exterior replacements of windows, siding, and doors also can be key to producing energy efficiency gains in the home. Spending on exterior projects is also most likely to contribute to the previously mentioned “neighborhood effect” in which home prices tend to appreciate more in

neighborhoods with higher remodeling spending overall, regardless of individual spending levels, since improvements in the appearance of the exterior of the home can influence neighbors to invest in their own homes. Spending on exterior projects was the single largest category within Rebuilding Together projects, well above the share of spending for exterior projects in the broader home improvement industry. From analysis of the 2011 AHS, exterior project expenditures accounted for just 22% of overall improvement spending by owners, rising to about 28% for age 65 or older owners.

## Figure 10: Typical Rebuilding Together Project Focused on Exterior, Kitchen/Bath

Share of total estimated value of projects completed



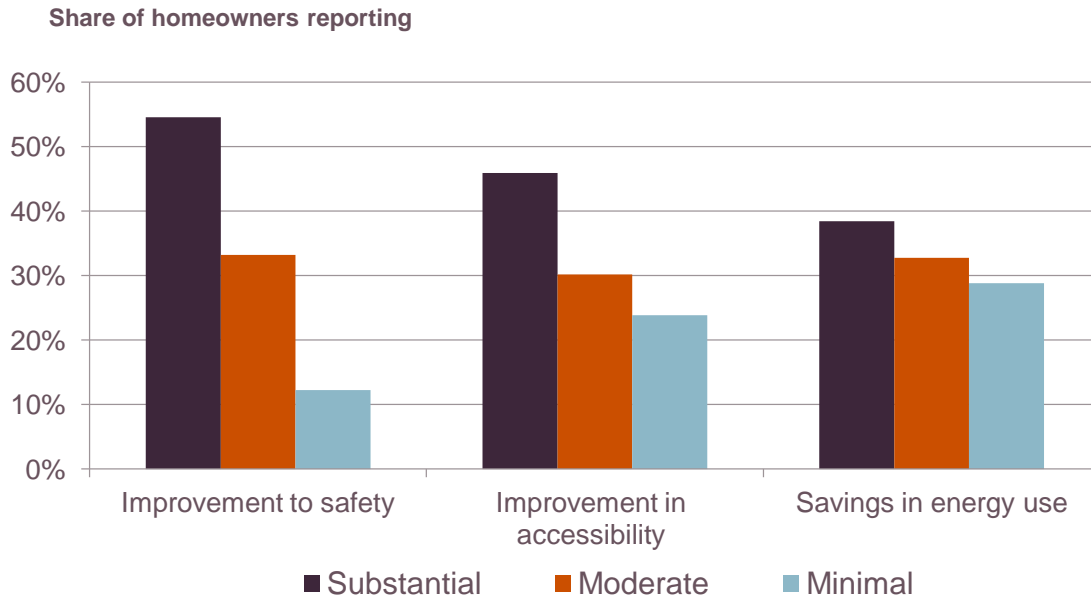
Note: Other Property includes landscaping, fencing, and walkway projects.  
Source: 2011 Harvard JCHS-Rebuilding Together Affiliate Survey.

Improvements to kitchen and baths were the second largest expenditure category for Rebuilding Together projects. These are the spaces in the home that typically garner the most time and attention, and therefore that likely most affect the health and safety as well as accessibility of household occupants. Improvements to other rooms were the third largest expenditure category. Depending on the specific nature of the project, these improvements could also promote all key program objectives.

## ***Program Outcomes***

As a result of involvement in the Rebuilding Together program, participants reported significant improvements in their homes along the three measured program objectives of health and safety concerns, accessibility, and energy use savings. Soon after the National Rebuilding Day project activities, participants were asked their opinion on how the home improvements and repairs undertaken through the program will affect them in these key areas. Participants in the program saw the greatest improvements coming from safety in the home. Almost 55% of respondents felt that there would be a significant improvement with the safety in their homes as a result of the projects undertaken (Figure 11). An additional third of respondents felt that there would be a moderate improvement in safety. Improvement in accessibility into or around the home was the second greatest perceived benefit of the projects undertaken. Almost half felt that the improvements would make a substantial improvement in accessibility, while an additional 30% felt that they would make a moderate improvement. Almost 40% of responding households felt that a substantial savings in energy use would result from project activities, and another 33% expected moderate savings. When asked how partnering with Rebuilding Together had changed their lives, homeowners wrote, “It was an answer to my prayers. I can now live in my house safely and not worry about falling through the floor or being forced to move somewhere else.” “Being able to save money will make a big change in our family. This project made the house safer and more comfortable, and it looks better.” “It has changed my life because I can get around my house better and not hurt myself.” “This experience has given me hope to stay in my own home.”

## Figure 11: Majority of Owners Believe They Will See Improvements in Safety, Accessibility, and Energy Savings



Source: 2011 Harvard JCHS-Rebuilding Together Household Survey.

Other main goals of the Rebuilding Together program are to preserve affordable housing and stabilize neighborhoods. These goals turn out to be very difficult to measure. However, given the generally lower-priced housing occupied by program participants, much of this stock is likely in the affordable category. Of course it is not known what would have happened to these homes in the absence of project participation, but it seems reasonable to assume that Rebuilding Together is preserving stock that tends to be affordable. Moreover, cleaning and fixing up inadequately maintained homes has a broader stabilizing effect on a neighborhood. Program participants were quick to acknowledge how critical these home improvement and repair projects were to their ability to remain in their homes, further enhancing neighborhood stability.

## **V. Conclusion**

Major nonprofits such as Rebuilding Together, Habitat for Humanity, Enterprise Community Partners, the Local Initiatives Support Corporation (LISC), and NeighborWorks America, as well as thousands of local community development organizations across the country, are filling a large and growing need by serving the housing needs of disadvantaged households, which are largely unmet by the private sector. The Great Recession has only added to the need for these types of interventions. The housing bust has undermined years of efforts at stabilizing and improving distressed neighborhoods in cities across the country. Until this past cycle, housing inadequacy—a measure of the physical condition of housing units—had been on the decline in the United States, largely due to the success of government housing policies and the growing affluence of the population. Since the housing market bust, however, this trend has reversed with the number of moderately or severely inadequate homes increasing by 7% between 2007 and 2011 to 2.4 million units.<sup>36</sup>

Certainly, a significant amount of resources are employed by nonprofits, community organizations, and public agencies to help preserve the affordable housing stock by assisting vulnerable populations in maintaining and improving the accessibility, safety, and efficiency of their homes. The collaborative and networked structure of major nonprofits in this sector allows for the flow of resources to support the efforts at a local level, where the specific needs of their community are best known. These efforts are resulting in the preservation of badly-needed affordable housing opportunities, as well as the stabilization and revitalization of deteriorating neighborhoods, which has been especially important in recent years. Hundreds of millions of dollars are spent each year to make homes safer and healthier, more energy efficient, and more accessible for low-income, elderly, and disabled households. Findings from the Rebuilding Together case study show that participants reported significant improvements in health and safety concerns, improvements in accessibility, and energy use savings as a result of nonprofit involvement. The broader benefits to the community include preserving the

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<sup>36</sup> Joint Center for Housing Studies, *The U.S. Housing Stock: Ready for Renewal, Improving America's Housing 2013*.

affordable housing stock and encouraging neighborhood stability by helping long-term residents of the community stay safely in their homes.



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