



progress report
FY2023

Cost of Home



Reframing Habitat for Humanity

Habitat's chief executive officer, Jonathan Reckford, asked his team how long it would take, given the organization's growth rate, to build all the houses the world needed.

The answer: 1,030 years.

"That seemed unbearably slow," Reckford recalls. "It became an Aha! moment."

The data was clear: Hammers, nails and paint weren't enough. To move faster, Habitat also needed to address the systemic issues blocking millions of people from access to adequate housing by addressing them through policy and system changes.

Cost of Home is an advocacy campaign in the U.S. focused on four key areas:

- Supply and preservation of affordable homes.
- Access to credit.
- Land use.
- Communities of opportunity.

Through the Cost of Home campaign, we are helping families build the foundation for a stable, healthy future, no matter who they are, where they live or how much money they earn.

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Building on momentum

As the Cost of Home campaign enters its fifth and final year, it is with gratitude that we celebrate the successes of Habitat for Humanity’s network, sponsors and campaign partners. By helping shape and change hundreds of policies and systems, the campaign is playing an integral part in Habitat’s work to improve access to affordable housing for everyone in the U.S.

We also recognize with a great sense of responsibility and urgency that our obligations to home affordability, accessibility, sustainability and equity remain unfinished.

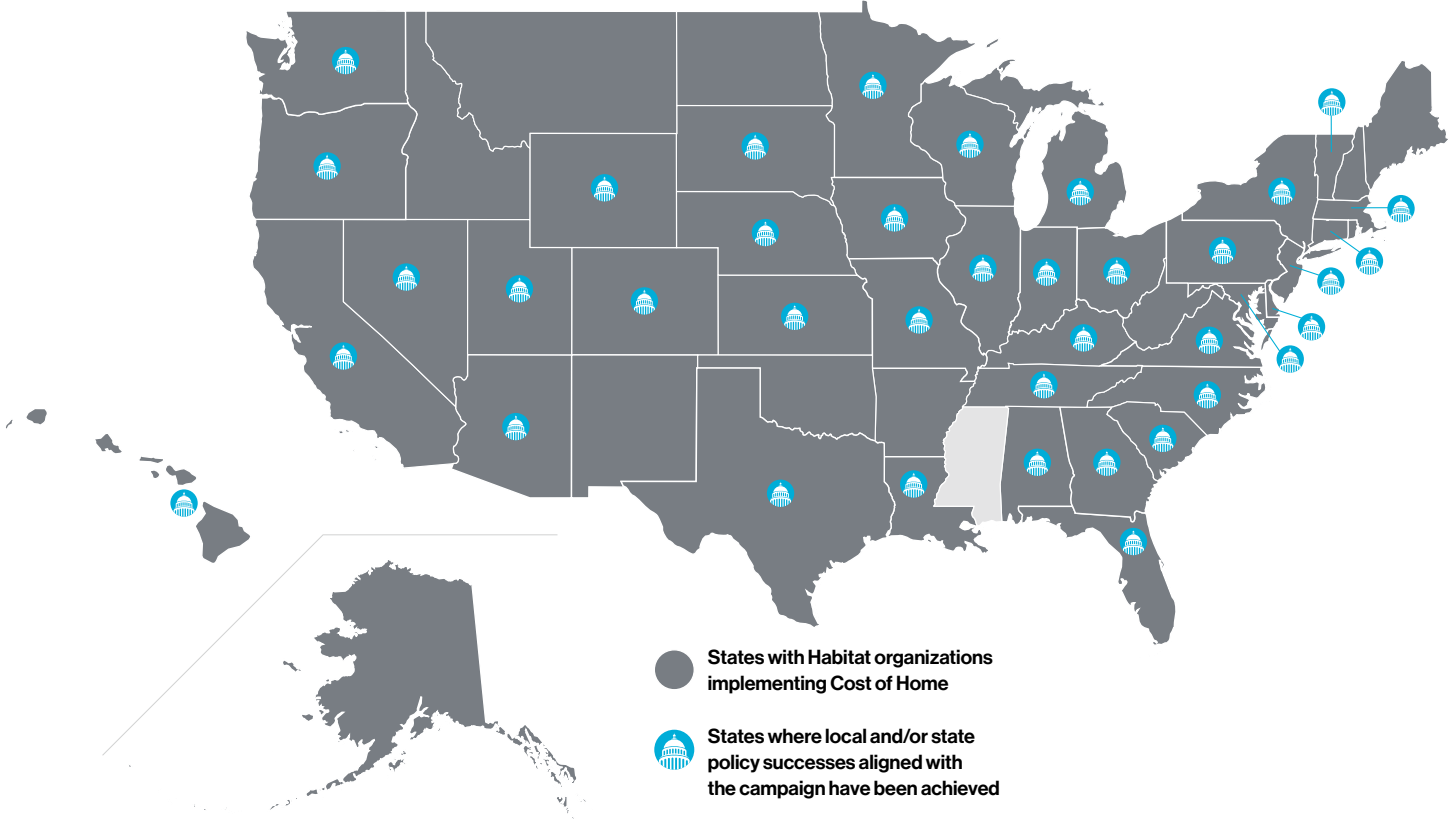
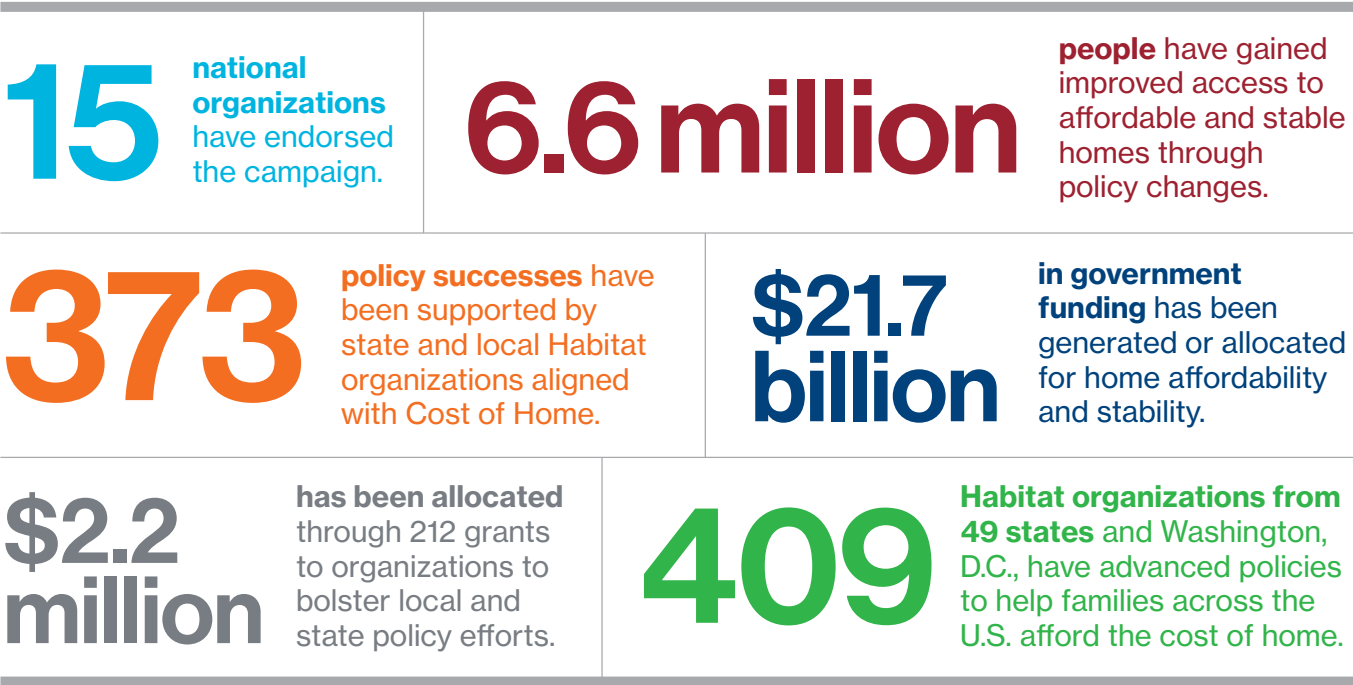
Even though we’ve measured significant impact and movement toward the campaign’s five-year goal to help 10 million people across the U.S. gain access to affordable and stable places to call home, the reality is that too many people continue to pay more than half of their income on housing. This is forcing households to make the impossible choice between paying for shelter or other essentials like health care or child care. The shortage of housing, especially affordable homes, continues, and racial inequity and housing disparities persist.

These barriers to housing are complex and didn’t form overnight. Solutions require commitment to influencing policy agendas – not just building. Habitat’s reputation as a global affordable housing leader gives us the credibility and authority to influence policies and systems.



As we move into the final year of the campaign, planning for the next phase of Habitat’s U.S. advocacy is already underway. Looking ahead, Habitat will build on the tremendous successes and momentum of the Cost of Home campaign while continuing to adjust to and address growing housing challenges.

The accomplishments outlined in this report are a direct result of the hard work, commitment and support of the Habitat network, partners, sponsors and campaign endorsers. Each is integral to the progress we’ve made over the past four years and vital to the work still ahead.



Habitat's five-year Cost of Home campaign is influencing policies and systems that improve and promote:



SUPPLY AND PRESERVATION

- Expanding affordable home production.
- Increasing access to existing housing stock.
- Preserving existing affordable homes.
- Helping people keep their homes during times of hardship.



ACCESS TO CREDIT

- Strengthening housing finance systems.
- Updating credit scoring and underwriting standards.
- Promoting fair lending and consumer protections.
- Expanding asset development and housing counseling.
- Facilitating access to safe, affordable credit.



LAND USE

- Reducing land and development costs.
- Creating incentives or requirements for affordable housing.
- Ensuring long-term equity, affordability and asset building in land use.



COMMUNITIES OF OPPORTUNITY

- Improving the quality and availability of existing housing stock.
- Supporting healthy and economically integrated neighborhoods.
- Broadening economic mobility and access to communities of opportunity.

Habitat affiliates across the U.S. are working in partnership with coalitions, campaign sponsors, endorsers and lawmakers to influence policies in each of these areas. This report provides a sampling of fiscal year 2023 advocacy efforts and policy solutions that align with the Cost of Home subthemes.

Advancing Black Homeownership

A century of discriminatory housing and land use policies have denied Black households and other households of color access to homeownership, education, credit and neighborhood opportunities offered to white households. The consequences of these decisions are multigenerational and vividly reflected in today's racial disparities in housing security, education statistics, workforce opportunities, health, income and wealth. All of us have a moral obligation to rectify this harm and to correct policies that continue to disadvantage Black households. Our advocacy must address the systemic racism that has all too often played out in housing policy. Habitat's Cost of Home campaign provides critical tools to help advance this goal.

As Habitat's primary vehicle for advancing policy solutions to address racial equity in housing, the Cost of Home campaign calls for advocates and policymakers to acknowledge and address these well-documented historic patterns of racial discrimination in housing and land use policies – at all levels of government – that still impact the makeup and opportunities of our communities.

Already, through Cost of Home:

- Habitat has increased our focus on solutions to address property tax burdens through grants to support local and state policy changes. The campaign's property tax relief policy and advocacy toolkit highlights the connection between property taxes and home affordability and the disparate impact of these taxes on communities of color and older low-income homeowners. The toolkit also



suggests policy solutions and provides guidance on engaging key stakeholders and crafting sample legislation and messaging, along with other resources.

- Habitat released a [report](#) on racially equitable land use advocacy. The report discusses principles, lessons and promising practices inspired by more than 20 Habitat advocacy successes, to make zoning and other land use policies fairer and more inclusive for people of color. It also helps clarify what steps advocates can take to craft more racially equitable policy generally, on any topic.

In its final year, the Cost of Home campaign will continue to address racial inequity in housing in all its forms, prioritizing research on and promotion of state and local policies focused on racial equity in land use, property tax relief and heirs' property. These efforts will remain a priority after the campaign ends, reflecting Habitat's commitment to advancing racial equity.

Habitat's Advancing Black Homeownership initiative works to dismantle the systemic bias permeating U.S. home buying, home financing and exclusionary zoning practices, which have prevented generations of Black families from accessing the intergenerational wealth-building potential of homeownership.

Acknowledging mistakes of the past, looking to build and influence a better future:

Washington State House Bill 1474



The United States has always been known as a land of opportunity, but it hasn't always been the land of equal opportunity. In fact, for much of the 20th century, developers used racially restrictive deed covenants to bar certain people from purchasing or renting homes in various neighborhoods. This, combined with other racially discriminatory policies, drove segregation and very different educational, homeownership and wealth-building opportunities for Black households and other people of color. While such racist policies were outlawed in 1968 with the

passage of the Fair Housing Act, their impacts are still felt today, negatively and cumulatively affecting homeownership rates for Black, Indigenous and people of color, or BIPOC, trying to save for or purchase homes.

Acknowledging the mistakes of the past and looking to build and influence a better future, Habitat for Humanity of Washington State, a Habitat affiliate support organization and Cost of Home campaign enrollee, secured funding for an official legislative

work group of community members and leaders. The group included those who for generations have not been able to access typical mortgage products, get a fair home appraisal or find a real estate agent to represent them. A homeownership racial disparity study also was done. After a year, the group established a list of actionable budget and policy items that were brought to the legislative session in 2023, along with the results of the study. As a result, others were inspired to give testimony on their own experiences, including a few Habitat homeowners who explained how the former policies had harmed them and their families.

Partially as a result of this study and Habitat's advocacy efforts, representatives began looking for ways to be more accountable for the policies that keep people from prospering. A group of Washington state legislators introduced the Covenant Homeownership Account bill (House Bill 1474), which would create a new down-payment and closing-cost assistance program for first-time homeowners who were either directly affected by racially restrictive covenants before 1968 or are descendants of someone impacted by these covenants.

“The Covenant Homeownership Account bill was important to me because, for so long, I have been a part of the struggle that Black folks know all too well,” says Lechelle, a Habitat homeowner who has been working toward her own dream of homeownership. “We have been systemically shut out of the American dream of homeownership, which, in turn, eliminates the ability to build generational wealth and continues to impact Black

families’ ability to stabilize and grow financially. The struggle is the system. The system is discriminatory.”

Knowing that HB1474 would help pave a path to homeownership for many Washington families, Habitat of Washington State and local affiliates made advocating for this bill a top priority, leaning heavily on lessons learned during the passage of a similar bill in Oregon in 2022. The organization testified in hearings, sent thousands of emails, made countless phone calls, worked with a lobbying firm, and met with key players on the committees that the bill needed to get through, sharing their data and the struggles of BIPOC homeowners.

“This was the first real celebration of what I hope will be a lot of equity-focused legislation to come,” says Michone Preston, Habitat of Washington State’s CEO. “It’s an important bill, and we learned a lot from Oregon. They are a great mentor. Hopefully someone will learn from us, and we’ll just keep marching across the nation.”

HB1474 passed in Washington’s House and Senate, and Governor Jay Inslee signed the bill into law in May 2023. Habitat expects the bill to directly benefit many BIPOC families as well as thousands of other households across Washington. “Numerous, numerous families will benefit from this, and those families are going to be able to build generational wealth,” says Cliff Cawthon, advocacy and policy manager at Habitat Seattle-King County. “We’re going to see stronger communities that are resilient against displacement. And we are going to be able to finally make a huge dent in closing the racial homeownership gap here in Washington state.”

POLICY
FOCUS:



ACCESS
TO CREDIT



COMMUNITIES
OF OPPORTUNITY

Habitat on the Hill 2023



Habitat on the Hill, Habitat’s annual legislative conference, brings nearly 400 Habitat staff members, board members, homeowners, volunteers, and community and emerging leaders to Washington, D.C., for a three-day conference packed with experts in the housing field who share insights into practical tools and tactics to build influence at all levels of government.

The conference culminates in more than 300 impactful, in-person meetings with members of Congress and their staff members on Capitol Hill. Participants directly advocate for federal policy solutions to advance home affordability in order to create impact that will be felt for generations across hundreds of communities.

In 2023, advocates worked to advance solutions that align with the Cost of Home campaign subthemes, including the Neighborhood Homes Investment Act, which would revitalize distressed neighborhoods

by using federal tax credits to mobilize private investments to build and substantially rehabilitate homes for low- and moderate-income homeowners.

The bill’s passage would increase the production and preservation of affordable single-family homes, improve property values, increase family wealth, decrease blight and abandonment in distressed neighborhoods, and create more and better options for shelter – all of which indirectly enhance multiple determinants of health and well-being in residential communities across the U.S.

Habitat on the Hill 2024 will be held Feb. 6-8. This event would not be possible without the generous support of our sponsors. If you are interested in sponsoring the 2024 conference, view our [sponsorship brochure](#).

Advocating for change that helps homeowners across Louisiana: State House Bill 294

Louisiana has faced a record number of natural disasters in recent years, including hurricanes and flooding that have caused billions of dollars in damage. Insurance companies have incurred substantial losses and, consequently, increased insurance rates to cover their expenses. This has created a major cost burden for homeowners across the state, with many facing higher and sometimes unaffordable premiums. The challenging circumstances have hit New Orleans Area Habitat homebuyers particularly hard, with some experiencing an increase in insurance costs of 200% to 300%. Compounding the issue, insurance companies began to withdraw from the state or reduce coverage, fueling the increases in insurance costs from the companies that stayed in Louisiana. Many consumers now rely on the state’s insurer of last resort.

install high-wind-resistant roofs in order to prevent disaster-related damage and preserve local affordable homes. This program alleviates the burden of rising insurance costs, particularly for disproportionately affected low-income homeowners and first-time homebuyers.

“We are seeing a lot of new construction methods that are attempting to deal with what we anticipate to be more heat and more water,” says Leo Marsh, advocacy and community engagement manager at New Orleans Area Habitat for Humanity. It has been calculated that a FORTIFIED™ roof increases home values by as much as 9%, and with the discount offered by Bill 294, residents could save 20%-52% on their homeowner’s insurance.

New Orleans Area Habitat and East St. Tammany Habitat are leading efforts with other Louisiana affiliates to help Louisianians combat affordability issues with weather-related damage and insurance costs.

They built a coalition of board members, business and community partners, and other supporters to successfully advocate at the state Legislature for \$30 million in state funding for the [Louisiana Fortify Homes Program](#). The LFHP will help homeowners

Louisiana Habitat affiliates will continue to increase awareness and educate current and future Habitat homeowners about the LFHP and also will assist interested homeowners in the application process once it is ready.

Additionally, East St. Tammany Habitat is working with a statewide insurance task force to address the dramatic increase of flood insurance premiums so that homeowners do not have to choose between paying for their flood insurance and property taxes or other payments.



New Orleans Area Habitat and East St. Tammany Habitat were recently awarded fiscal year 2024 Cost of Home challenge grants that will help them continue their work.

The Habitat network has been making an impact through Cost of Home

Yes in My Backyard

Congress’ 2023 appropriations package included \$85 million for a new “Yes in My Backyard” grant program to incentivize and support the removal of barriers to affordable housing production. The competitive grant program will reward state, local and regional jurisdictions making progress in improving zoning practices, land use policies and housing infrastructure that will ultimately increase the supply of affordable housing. Habitat supported related bills as part of our Cost of Home federal advocacy efforts that influenced this program, including the Yes in My Backyard Act and the Housing Supply and Affordability Act.

POLICY FOCUS:

 LAND USE

A \$350 million housing bond in Austin, Texas

Austin Habitat for Humanity supported a \$350 million affordable housing bond package that voters passed to address the city’s rapidly rising real estate prices and rents. The funds will be devoted to creating low-income rental housing, supporting low-income homeownership, paying for home repairs and preserving existing affordable housing. The affiliate mobilized its community in support of the measure by hosting a rally at City Hall, supporting ongoing polling with coalitions, and meeting with the mayor and council teams. It also informed potential political action committee donors about the urgent need for affordable housing to prevent them from funding an opposing campaign. This is the largest housing bond measure ever passed in the city, and it is due to the advocacy efforts of Austin Habitat and its coalition. The affiliate’s efforts were supported by a Cost of Home challenge grant.

POLICY FOCUS:

 SUPPLY AND PRESERVATION

Minnesota’s First-Generation Down Payment Assistance Program

In May, the Minnesota House and Senate passed the First-Generation Down Payment Assistance Program, appropriating \$150 million in down payment assistance for buyers whose parents never owned a home or who lost one to foreclosure. The pilot program was propelled by a diverse coalition, led by Twin Cities Habitat for Humanity, Minnesota Realtors® and The Minnesota Homeownership Center. It is designed to address racial disparities and the gap in access to intergenerational wealth. The program is projected to create 5,000 first-generation homebuyers, particularly in communities of color.

POLICY FOCUS:

 ACCESS TO CREDIT

 COMMUNITIES OF OPPORTUNITY

Colorado’s Proposition 123

Habitat for Humanity Colorado, along with more than 260 partners across the state, advocated for and helped pass the Proposition 123 ballot initiative in November 2022. Prop 123 created an annual, dedicated source of funding for affordable housing, estimated at nearly \$300 million for 2024. In addition to supporting various affordable housing purposes, particularly land acquisition assistance, the new state affordable fund provides grants to local governments to increase their capacity to process land use, permitting and zoning applications for housing projects. Localities seeking any of the funding must

commit to increasing affordable housing by 3% per year and to expediting development approvals for affordable housing projects.

As part of its advocacy effort, Habitat Vail Valley wrote an op-ed discussing how the proposition would benefit Coloradans in need of affordable housing. Habitat of Metro Denver contributed to the campaign, engaged in door-knocking, coalition-building, phone banking, text to action alerts, and voter education to pass the measure.

POLICY FOCUS:

 SUPPLY AND PRESERVATION

 LAND USE

Indiana’s Housing Infrastructure Assistance Program

In 2022, the Habitat for Humanity of Indiana affiliate support organization helped pass legislation to create a bipartisan task force made up of legislators, Habitat Indiana, other nonprofits, state agencies and industry groups. The task force zeroed in on the magnitude of Indiana’s housing issues and identified which levers they could activate to create more housing. As a result, the task force presented 16 housing supply policy recommendations.

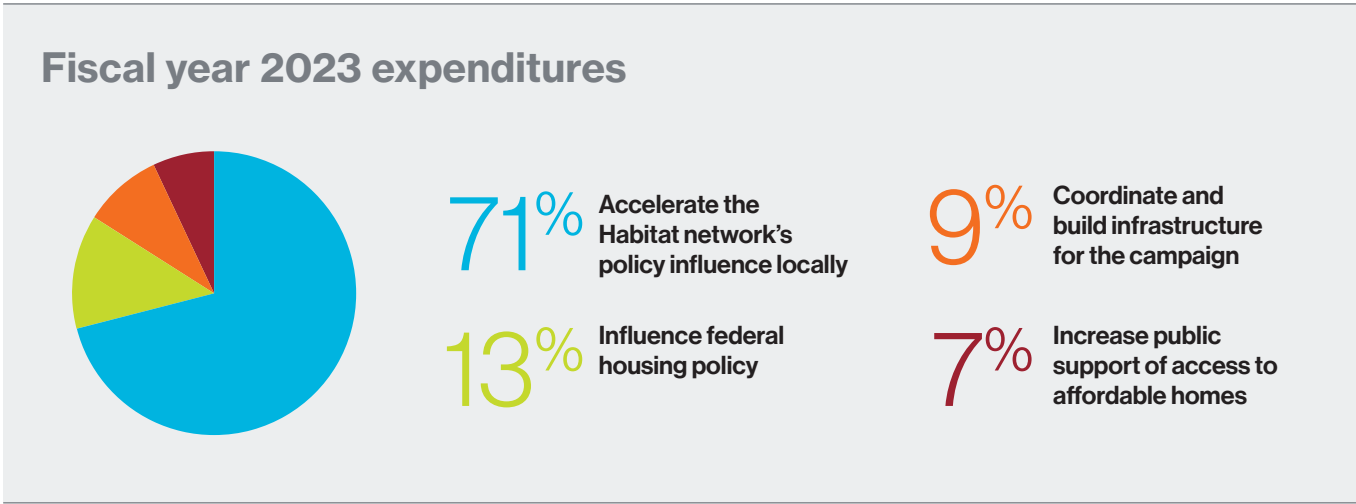
the high costs of roads, storm sewers and lights. Advocates reminded lawmakers of the historic role government played in subsidizing infrastructure for soldiers returning from World War I and World War II and provided them with the price point needed for missing entry-level homes, which helped the bill’s passage. This new law means infrastructure costs will not be passed to the buyer and more starter-level homes will be produced in Indiana. Habitat Indiana’s efforts were supported by Cost of Home challenge grants.

In 2023, the group successfully passed a \$75 million infrastructure bill, which establishes a revolving loan fund for municipalities to subsidize infrastructure costs and incentivize affordable housing development. Before the bill passed, affordable housing developments were stalled by

POLICY FOCUS:

 SUPPLY AND PRESERVATION

Funding the campaign



Moving into the last year of the campaign, Habitat seeks investments to maximize our impact and sustain momentum as we transition into our next phase of U.S. advocacy. Over the campaign's first four years, sponsors have generously committed more than \$6.5 million. These investments are

leveraged by an additional \$23.7 million to date from Habitat organizations implementing Cost of Home in their communities. Together, Cost of Home is a \$30 million campaign driving billions of dollars in government investments to improve home affordability in communities across the country.



Our work continues



Over the course of the campaign, local Habitat organizations, partners, volunteers and community members across the country have been invaluable, providing staffing, boots on the ground, creativity, funding and sheer determination to address housing affordability challenges. Together, we've consistently shared in successes, identified gaps in our advocacy efforts and fine-tuned our approach to the overwhelming challenges still keeping families from accessing affordable homes.

As we enter the final year of the Cost of Home campaign and actively plan for Habitat's next phase of U.S. advocacy, we do so with the understanding that it's a collective and collaborative effort. Aligning with public and private partnerships to oppose barriers to affordable housing, we will shape and influence outcomes that address those barriers.

Together we are changing the landscape of home affordability for the better and creating opportunities for families to grow and thrive.

Contact us to become a campaign collaborator.

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.



Cabinet co-chairs

Jonathan Reckford
Habitat for Humanity International

J. Ronald Terwilliger
Chairman Emeritus, Trammell Crow Residential
Chairman Emeritus, Habitat for Humanity International Board
Co-chair, Terwilliger Center for Innovation in Shelter Advisory Board

Cabinet members

Arthur Blank
Arthur M. Blank Foundation

Jimmy Carter
39th President of the United States, honorary member

Rosalynn Carter
Former First Lady of the United States, honorary member

Henry Cisneros
Former Housing and Urban Development Secretary

Matthew Desmond, Ph.D.
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Renée Glover
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Whirlpool Corporation

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Pamela Patenaude
Former United States Deputy Secretary of Housing and Urban Development

Tony Pickett
Grounded Solutions Network

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

Megan Sandel, M.D.
Boston University School of Medicine

Sponsors

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J. Ronald Terwilliger



Stanard Family Foundation



The Dotson Family Fund



Annie E. Casey Foundation

Walter and Alice Abrams

Mark Jackson

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
Prosperity Now
Rebuilding Together
Rural LISC
The Mission Continues
Up for Growth



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



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