Central Oklahoma Habitat for Humanity
Economic Impact

May 2015

Executive Summary

This report presents measures of low income in central Oklahoma, a survey of Habitat homeowners, and an economic impact of Central Oklahoma Habitat for Humanity. Combined, the information in this report communicates the need for affordable housing in central Oklahoma, the high level of satisfaction that Habitat homeowners have with COHFH, and the impacts that the organization has in the economy.

Highlights from the report:

- One of the criteria that COHFH has in assessing potential homeowners is that the potential homeowner must have a pre-tax household income of at least $21,500 per year up to a maximum gross family income that qualifies as "low income" by HUD standards. There are estimated to be over 44,200 families in central Oklahoma that meet these income qualifications alone.
- Additional measures of the need for affordable housing include the fact that:
  - There are 157,964 people (53,326 children less than 18 years old) in central Oklahoma that have incomes between 100% and 185% of the poverty level.
  - There are 9,910 total housing units in central Oklahoma that have crowded living conditions.
  - There are 3,428 occupied housing units in central Oklahoma that lack complete kitchen facilities.
- As a part of the Habitat homeowner survey, most homeowners indicate that the space for their family has improved (86.3%) and that they feel safer (68.1%) after becoming a Habitat homeowner.
- Among those Habitat families that have children, many indicated that their children have performed better in school or have had an improved social life after moving into their Habitat home.
- Nearly seven-eighths of the survey respondents (87.0%) indicated that they could not have owned a home without the help of central Oklahoma Habitat for Humanity.
- With operational impacts supporting 130 jobs and total impacts supporting 158 jobs, COHFH has a sizeable and positive impact on the economy.

In any economy, resources are limited. However, COHFH makes the most of the resources granted to it from its volunteers, donors and sponsors to fulfill its mission of providing affordable housing in central Oklahoma. It is a valuable organization that enhances the region.

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About Central Oklahoma Habitat for Humanity

Habitat for Humanity provides homeownership opportunities for families that are unable to obtain conventional financing. Central Oklahoma Habitat for Humanity (COHFH) is an affiliate of Habitat for Humanity International and, since 1987, has built homes throughout central Oklahoma. COHFH is a Certified Professional Builder, a member of the Central Oklahoma Home Builders Association, and a member of the Oklahoma State Home Builders Association.

In the 28 years since it began operations, COHFH has built homes in Bethany, Bethel Acres, Blanchard, Bridge Creek, Carney, Choctaw, Del City, Edmond, El Reno, Guthrie, Midwest City, Moore, Mulhall, Mustang, Oklahoma City, Spencer, The Village, and Yukon. Obviously, the reach of the organization in central Oklahoma is extensive and, driven by its mission, its impact on the region goes beyond the economic impacts that can be measured in jobs and dollars. This report highlights some of the economic impacts as well as some of the social impacts that result from COHFH's mission:

> *"Central Oklahoma Habitat for Humanity is a non-profit, ecumenical Christian housing ministry that provides and preserves affordable housing for hard-working, limited-income families living in substandard conditions."*

It is a misconception that Habitat homeowners receive their Habitat homes for free. And while the homes are not free, the volunteer hours, the sweat equity, and the donations from the numerous sponsors help COHFH to offset construction costs and ultimately provide affordable homes to lower incomes families. Many of these families would likely not be able to afford a quality, energy efficient home without the assistance of COHFH, and this will be reflected later in the report.

Central Oklahoma Habitat for Humanity has five criteria that they use in assessing potential homeowners, among which is the ability to pay a mortgage. Specifically, the five criteria are:

1. **Need/Living Conditions:** Currently be living in substandard, inadequate, or overcrowded housing, or otherwise be able to demonstrate a need for the program.
2. **Stable Income:** Be able and willing to make regular monthly mortgage payments on a new Habitat home. Must have a pre-tax household income of at least $21,500 per year and a maximum gross family income that qualifies as "low income" by HUD standards.
3. **Sweat Equity:** Be willing and able to contribute at least 300 hours of "sweat equity" volunteering with Central Oklahoma Habitat for Humanity.
4. **Homeowner College:** Be willing and able to participate in workshops covering home maintenance/repair, financial planning, budget workshops, and legal aspects of homeownership including insurance, property taxes, and city code enforcement. Attendance at some of the workshop training sessions is applied to sweat equity hours, and some of the training is given by Consumer Credit Counseling Service of Central Oklahoma.
5. **Neighborhood Involvement:** Be able to live in and become an active part of the neighborhood where Habitat is building homes.

$3,212,975 Monetary Donations Received in 2014

$629,323 New Housing Materials Donated in 2014

800 Homes Dedicated since 1987

8,812 Volunteers Donated 44,060 hours in 2014

COHFH accepts no government funding for home construction and is not a United Way Partner Agency. Sponsors, including foundations, corporations, churches, and individuals, donate money, materials and time to COHFH. In fiscal year 2014, sponsors made monetary donations of over $3.1 million and new housing materials of more than $600,000. The non-profit's operations are funded through a combination of these donations, mortgage repayments made by Habitat homeowners, and revenue from Renovation Station operations.

After the homeowner has established their 300 sweat equity hours and has their house built, their house will have a mortgage of approximately $100,000. Most mortgages are for a period of 23 years, and as homeowners repay their mortgage, the money is recycled by Habitat to fund ongoing operations, to build additional homes, or to fund the Critical Home Repair program.

Since Central Oklahoma Habitat for Humanity began operations, 36 homeowners have defaulted on their loans. While it is unfortunate, the default rate is slightly lower than the default rate in the broader economy. If the default rate in the broader economy were applied to the homes built by COHFH, between 50 and 60 homes would have been in default.

At any given time, COHFH typically has 10 houses under construction and generally builds 45 houses per year. Each house takes approximately 75 days to build from start to finish. In 2015, Central Oklahoma Habitat for Humanity will dedicate its 800th house – a remarkable milestone.

In 2005, COHFH received a donation of 59 acres of cleared pasture land; through the help of community partners, enough money was raised to develop the first all-Habitat neighborhood, Hope Crossing. Hope Crossing is now complete with a park, walking trails, and over 200 families. Currently, their newest neighborhood, Faith Landing, is nearing completion, and COHFH has purchased and has begun developing 37 acres in northwest Oklahoma City for its Legacy Estates addition, which will house approximately 145 families. In the future, Habitat is focused on seeking additional infill lots and larger parcels of land. All-Habitat neighborhoods allow COHFH to not only help break the cycle of poverty for low-income families, but also develop and build communities. Homeowners in all-Habitat neighborhoods are required to participate in active homeowners' associations creating a greater sense of community. An additional benefit of building multiple houses in a concentrated area is the reduction of construction costs through more efficient use of time, labor and resources.

These new homes not only help low income families in central Oklahoma achieve the stability that comes with homeownership, but the community benefits as well from having property owners engaged in their neighborhoods. Not only is this one of the criterion for participating in Habitat homeownership, but it is also reflected in comparative property taxes.

Property taxes included in the escrow of the homeowner's mortgage are about $1,350 per year on some of the newer homes. Comparatively, per unit property tax costs associated with apartment complexes, which are locations that lower income families might live if they did not own a Habitat home, range from $220 per unit to about $450 per unit in Oklahoma City. This means that Habitat homeowners are paying approximately $1,000 more per year in property taxes to support local police, fire, schools and CareerTech campuses by living in their Habitat home as opposed to apartment complexes that they could be living in.

Central Oklahoma Habitat for Humanity Activities

There are three groups of activities that COHFH performs – constructing new homes, providing critical home repair/weatherization services and operating the Renovation Station retail locations.

Framing a Home

The primary activity that many people associate with Habitat for Humanity is the construction of new homes with volunteer labor. In 2014, COHFH engaged 8,812 volunteers who contributed 44,060 hours of labor to home building and home repair activities. If this labor is valued at the median hourly earnings rate of carpenters and construction laborers in Oklahoma City, then these people donated over $650,000 of their time to COHFH.

Many people provide volunteer labor to construct the new homes; however, just like any private developer, Habitat homes have to meet city building codes. And while volunteers donate time to construct portions of the homes, any construction activity that needs to meet building and structural codes is performed by licensed professionals. In fiscal year 2014, COHFH paid over $1.7 million to licensed professionals to ply their trade. This subcontracting work included electricians, plumbers, foundation labor, HVAC installation, roof installation, brick laying, concrete labor, insulation, fencing, drywall labor and floor installation. In the end, Habitat homes are high quality homes with brick façade and new quality materials. In fact, some sponsors of COHFH donate new materials for Habitat homes. National donors include Whirlpool, Valspar, and Dow among others. Locally, ClimateMaster, and Malarkey Roofing Products are among the major contributors.

Associated with the new home construction activities, COHFH provides training and workshops to upcoming homeowners to ensure that they have the skills they need to be successful and responsible homeowners.

Regarding critical home repair/weatherization services, COHFH provides low-income homeowners home repairs for energy efficiency, safety, and security. COHFH plans to work with approximately 40 homeowners per year through their Critical Home Repair program. In fiscal year 2014, COHFH spent over $100,000 to hire licensed contractors associated with this program. Critical home repair can include: exterior and interior painting, minor roof repair, installation of ramps and grab bars, minor structural repairs, repairing and sealing windows and doors, additional insulation, and weatherization. Critical Home Repair projects are selected based on need, availability of resources, and the ability of volunteers to complete the project. The projects typically cost $3,000 to $5,000 and help low-income homeowners maintain their homes due to income, age, disability, or other limitations.

COHFH also operates two Habitat Renovation Station stores, which specialize in selling new, used, and vintage building supplies and other home items from hardware to décor. Profits go towards constructing new homes and the Critical Home Repair program. The two Renovation Station locations had over $3.8 million in sales fiscal year 2014. Of the $3.8 million in total sales, 31.5% of the sales were donated used goods valued at $1.2 million at the time of sale. These are products that are still valuable, benefit COHFH from their sale and do not end up in a landfill.

Typical Habitat House features and a Comparison with Existing and New Homes

All homes are built to LEED energy efficiency standards, and Habitat home plans range from houses that are between 1,000 square feet with 2 bedrooms/1.5 bathrooms to 1,500 square feet with 4 bedrooms/2 bathrooms. Among other options, new home buyers can choose their floor plan, exterior paint colors, countertops, floor coverings, and have other options from patterns available through COHFH vendors. New Habitat homes are constructed with high-efficiency geothermal HVAC systems, have superior insulation, new appliances, brick veneer, Class 4 impact resistant roofing, and optional in-ground storm shelter.

The geothermal HVAC systems in new Habitat homes have a 22 EER (Energy Efficiency Ratio) rating, which is a measure of energy efficiency. Given that entry level HVAC systems in typical new home construction come with units that have SEER ratings of 14-15, Habitat homes are very energy efficient. Beginning January 1, 2015, all new home construction in the Southeastern

states (includes Oklahoma) must have HVAC systems with at least a 14 SEER rating. Ultimately, energy efficient homes reduce the home's energy costs, thus providing more discretionary income for Habitat families, and these savings were included in the economic impact later in the report.

Additionally, the roofing material is a premium Class 4 impact resistant roofing material and helps to lower property insurance costs for the homeowners. Compared to roofing materials with lower ratings the Class 4 impact resistant roofing materials can save the Habitat homeowner $350-$500 per year on homeowner's insurance.

In 2014, COHFH built 44 houses with the below characteristics.

- 2 bedroom, 2 bathrooms, 2 car garage; 1,076 sq. ft.
  - 1 home built in 2014;
  - Average cost to homeowner $90,500 + land
- 3 bedroom, 2 bathrooms, 2 car garage; 1,196 – 1,275 sq. ft.
  - 28 homes built in 2014;
  - Average cost to homeowner $91,500 + land
- 4 bedroom, 2 bathrooms, 2 car garage; 1,260 – 1,500 sq. ft.
  - 15 built in 2014;
  - Average cost to homeowner $94,500 + land

Given the quality of materials mentioned above, newly completed Habitat homes typically have an appraised value between $125,000-135,000 according to county appraiser statistics. And while the appraised costs are higher, that is not the cost for the homeowner.

Existing Home Comparison

Assuming that the home buyer had access to credit, a potential homeowner in the Oklahoma City area with a budget of $100,000 would typically find homes for sale in Oklahoma City that are 1,300 to 1,500 square feet and built between 1960 and 1970. A COHFH homeowner could likely afford to purchase a home at this price, but older homes usually have higher maintenance costs, have less energy-efficient appliances, older roofs and less energy efficient HVAC systems. The monthly operating costs for these homes are typically higher and would cost more over time than a COHFH home.

New Home Comparison

While existing homes at similar price points are not of the same quality as new COHFH homes, purchasing a new home from a private developer would be more expensive than a COHFH home for a Habitat family. For lower income families, a private developer could likely not build an affordable home at the quality level and price points associated with a COHFH home.

Construction cost estimating tools are available, and we use RS Means as a tool for estimating construction costs associated with economic development projects. This same tool can be used for residential development cost estimates as well.

Using RS Means for new home construction, a newly built brick veneer/wood frame home constructed with average quality features (as opposed to custom, luxury or economy quality features), would be associated with the below cost estimates in the Oklahoma City market. These represent cost ranges for a home builder to match the size of the homes constructed by Habitat in the past year in the Oklahoma City market and include a profit margin for private sector home developers.

- 2 bedroom, 2 bathroom house with 1,076 sq. ft.
  - Per Square Foot Cost: $119.74/ft^2
  - Total Estimated Cost: $128,800
- 3 bedroom, 3 bathroom with 1,196 – 1,275 sq. ft.
  - Per Square Foot Cost: $113.59-$112.51/ft^2
  - Total Estimated Cost: $135,850 to $143,450
- 4 bedroom, 2 bathroom house with 1,260 – 1,500 sq. ft.
  - Per Square Foot Cost: $112.70-$104.35/ft^2
  - Total Estimated Cost: $142,000 to $156,800

Measure of Demand/Potential Market

Ultimately, COHFH has a mission to provide "*affordable housing for hard-working, limited-income families living in substandard conditions*." The quality of the homes that COHFH builds make them desirable places to live, but if the organization cannot provide quality in conjunction with affordability, then it would not be able to fully realize its mission.

COHFH plans to build 45 houses and will dedicate their 800th house in 2015. The services provided by COHFH address the need for affordable housing in central Oklahoma, but there remains tremendous demand and need for affordable housing in the region. One measure of this demand is the number of applications that are received compared to the number of houses that are built. In 2014 alone, COHFH received 1,192 requests/applications to participate in their program. While some of the potential families may not meet the criteria set by COHFH, the differential of over 1,100 requests that have to be turned down demonstrates unmet demand for affordable housing in central Oklahoma.

As mentioned in the beginning of the report, COHFH has income requirements to participate in their program which range from $21,500 and up to $64,850 depending on the size of the family, which are usually 105% to 150% of poverty guidelines from the US Census Bureau. Requiring a stable income ensures that COHFH can help other families and continue their mission of providing affordable housing – not free housing. The specific income guidelines are in Table 1 below:

Table 1: 2014 HUD Income Levels for Very Low Income and Low Income Families

	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
Very Low Income	$21,500	$24,600	$27,650	$30,700	$33,200	$35,650	$38,100	$40,550
Low Income	$34,400	$39,300	$44,200	$49,100	$53,050	$57,000	$60,900	$64,850
Source: HUD								

To estimate the size of the population in central Oklahoma that fall within these income ranges, information about income ranges and family size were obtained from the US Census Bureau's 2013 American Community Survey (ACS) in Canadian, Grady, McClain, Oklahoma and Pottawatomie counties. These counties contain the cities where COHFH has built homes, and the 2013 ACS is the most recent information available from the US Census Bureau.

There are 385,365 households in central Oklahoma. Of these households, 250,690 are family households where the householder is related to at least one other person in the household by birth, marriage or adoption. The remaining 134,675 households in central Oklahoma are non-family households and the majority of these non-family households (83.9%) are single-person households.

Appendix A, at the end of the report, contains detailed information about (1) the number of family households by income in central Oklahoma, and (2) the number of families by family size in central Oklahoma. The information used in those tables was used to estimate the number of families in central Oklahoma that could qualify for affordable housing by income measures. To be conservative, this does not include non-family and single homeowner households.

Using the tables in Appendix A to estimate family households that have incomes qualifying for affordable housing, Tables 2 to 7 contain estimates of the number of families in central Oklahoma that fall within the income ranges in Table 1. Assuming that family size is evenly distributed among the income ranges, then there are over **44,200 family households** in central Oklahoma that are estimated to fall within the affordable housing income ranges from COHFH.

Table 2: Estimates of Number of 2 Person Families with Qualifying Incomes

	Canadian County	Grady County	McClain County	Oklahoma County	Pottawatomie County	Central Oklahoma
$21,500 to $24,999	258	254	139	2,664	310	**3,625**
$25,000 to $29,999	348	370	194	4,071	466	**5,449**
$30,000 to $34,999	480	342	209	4,106	469	**5,606**
$35,000 to $39,300	443	282	171	3,375	363	**4,634**
Total Family Households	**1,529**	**1,248**	**713**	**14,216**	**1,608**	**19,314**

Table 3: Estimates of Number of 3 Person Families with Qualifying Incomes

	Canadian County	Grady County	McClain County	Oklahoma County	Pottawatomie County	Central Oklahoma
$27,650 to $29,999	87	74	47	980	105	**1,293**
$30,000 to $34,999	257	147	108	2,104	226	**2,842**
$35,000 to $39,999	276	141	103	2,011	204	**2,735**
$40,000 to $44,200	352	134	99	1,665	197	**2,447**
Total Family Households	**972**	**496**	**357**	**6,760**	**732**	**9,317**

Table 4: Estimates of Number of 4 Person Families with Qualifying Incomes

	Canadian County	Grady County	McClain County	Oklahoma County	Pottawatomie County	Central Oklahoma
$30,700 to $34,999	195	132	86	1,492	157	**2,062**
$35,000 to $39,999	244	148	96	1,658	164	**2,310**
$40,000 to $44,999	370	167	110	1,634	189	**2,470**
$45,000 to $49,100	216	114	64	1,073	130	**1,597**
Total Family Households	**1,025**	**561**	**356**	**5,857**	**640**	**8,439**

Table 5: Estimates of Number of 5 Person Families with Qualifying Incomes

	Canadian County	Grady County	McClain County	Oklahoma County	Pottawatomie County	Central Oklahoma
$33,200 to $34,999	44	28	18	389	43	**522**
$35,000 to $39,999	103	60	38	809	85	**1,095**
$40,000 to $44,999	156	68	43	798	98	1,163
$45,000 to $49,999	111	56	31	639	82	**919**
$50,000 to $53,050	160	80	37	811	111	**1,199**
Total Family Households	**574**	**292**	**167**	**3,446**	**419**	**4,898**

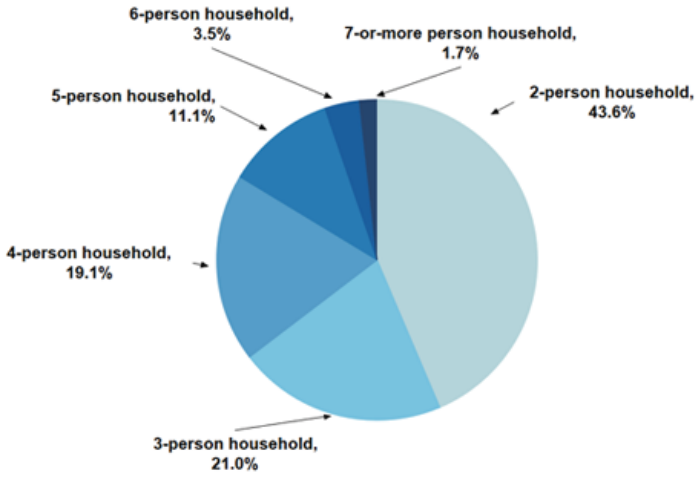
Table 6: Estimates of Number of 6 Person Families with Qualifying Incomes

	Canadian County	Grady County	McClain County	Oklahoma County	Pottawatomie County	Central Oklahoma
$35,650 to $39,999	26	17	8	266	21	**338**
$40,000 to $44,999	45	22	11	302	28	**408**
$45,000 to $49,999	32	19	8	242	23	**324**
$50,000 to $57000	53	31	11	352	37	**484**
Total Family Households	**156**	**89**	**38**	**1,162**	**109**	**1,554**

Table 7: Estimates of Number of 7 or more Person Families with Qualifying Incomes

	Canadian County	Grady County	McClain County	Oklahoma County	Pottawatomie County	Central Oklahoma
$40,000 to $44,999	27	10	9	162	15	**223**
$45,000 to $49,999	19	8	6	130	12	**175**
$50,000 to $59,999	46	20	12	270	28	**376**
Total Family Households	**92**	**38**	**27**	**562**	**55**	**774**

Graph 1: Family-Size with Qualifying Incomes in central Oklahoma



The accompanying pie chart represents the estimate of potentially qualifying families by size of family in central Oklahoma. With over 44,200 family households in central Oklahoma within the income ranges, the potential size of families having stable incomes in COHFH's market is large. Two, three, and four family households represent more than 80% of the family households that could potentially benefit from affordable housing in central Oklahoma.

The potential market size of 44,200 families with incomes in the ranges qualifying as very low income and low income is a large number of families that could benefit from affordable housing. There are similar and complementary figures that demonstrate the need for affordable housing in central Oklahoma presented below.

Cost of Living	Crowded Living	Substandard Housing	Poverty Indicators
32,130 Occupied Rental Units in Central Oklahoma with Rent greater than 50% of Household Income	**4,244** Housing Units in Central Oklahoma with Crowded living conditions of >1 person per Room	**1,484** Occupied Housing Units in Central Oklahoma that lack Complete Plumbing Facilities	**157,964** People in Central Oklahoma between 100% and 185% of the Poverty Level
24,667 Owner Occupied Units with housing costs > 30% of Household Income between $20,000 and $49,999	**5,666** Rental Units in Central Oklahoma with Crowded living conditions of >1 person per Room	**3,428** Occupied Housing Units in Central Oklahoma that lack Complete Kitchen Facilities	**78,108** Adults aged 25-64 in Central Oklahoma with incomes between 100% and 185% of the Poverty Level
23,421 Renter Occupied Units with housing costs > 30% of Household Income between $20,000 and $49,999	**9,910** Total units in Central Oklahoma with Crowded living conditions of >1 person per Room	**7,732** Occupied Housing Units in Central Oklahoma that do not have Telephone Service Available	**53,326** Children < 18 years old in Central Oklahoma living in households with incomes between 100% and 185% of the Poverty Level

Source: US Census Bureau; 2013 American Community Survey

Survey Results of Central Oklahoma Habitat for Humanity Homeowners

In addition to compiling information about potential demand for affordable housing in central Oklahoma, we performed a homeowner's survey at the request of Central Oklahoma Habitat for Humanity.

The survey asked 19 questions of Habitat homeowners and covered three major sections, which were (1) Stability and Health, (2) Children, and (3) Financial questions. A sample survey is contained in Appendix B.

714
Surveys Mailed

282
Surveys Compiled

39.5%
Response Rate

95%
Confidence

The survey was sent to 714 Habitat homeowners. To improve response rates, (1) COHFH mailed the surveys directly to the Habitat homeowners, which instilled confidence in the homeowner that the survey was legitimate; (2) a self-addressed stamped envelope was included, which facilitated survey participation; (3) Surveys were sent in both English and Spanish, which increased the likelihood that Spanish speaking homeowners would participate; and most importantly, (4) survey respondents were offered a $20 gift card as a result of a donation that COHFH received from a valuable sponsor.

The self-addressed stamped envelopes included in the survey were addressed directly to the Oklahoma Department of Commerce. COHFH mailed the surveys in early March, and Commerce began receiving completed surveys on March 10. We stopped compiling surveys after April 9 to complete the report.

After Commerce staff received the surveys, we compiled them and notified COHFH of the survey participants so COHFH may send the gift card to the participating Habitat homeowner. Of the surveys we received, there were two duplicates, which were removed from the compilation. Additionally, 268 of the surveys were in English and 14 were in Spanish.

Regarding the survey compilation, answers that were left blank with no indication of a respondent's choice were tallied as "blank" responses within each question. Surveys that had a blank answer, but did have respondent commentary, were tallied with an appropriate response based on the context of their commentary and answers to surrounding questions.

As a result of the above actions to encourage participation, 282 surveys from Habitat homeowners were received by our deadline. This represents a 39.5% response rate. The results of the survey have a 95% confidence level that the answers are representative of the population of Habitat homeowners. Not all survey respondents answered all questions. The percentages discussed in the following sections represents those non-blank respondents.

Demographics

Before presenting information from the surveys, it would be helpful to understand the demographics associated with some of the neighborhoods where COHFH has built homes. To save on space and to improve survey response rate, demographic questions were not asked in the survey. Rather, the demographic questions were intentionally removed to reduce the perceived burden of answering the survey. While they were removed, demographics associated with the neighborhoods surrounding COHFH housing additions can be obtained from the Census Bureau.

Census tracts associated with Shelliebrook, Faith Landing, Hope Crossing, Legacy Estates and Las Rosas were obtained to understand the broader picture of where COHFH builds homes. They are diverse representations of the larger Oklahoma City metro area.

The **Shellibrook Addition** Census tract

- Of the five Census tracts reviewed with COHFH neighborhoods within them, the Shellibrook Census tract is the largest with 9,214 people
- Older population with a median age of 39.2 years
- Median family income of $67,686
- Median home value is well above the Oklahoma City MSA at $173,200
- The area is predominately White (83.9%) with Native Americans (5.4%) accounting for the next highest race

The **Faith Landing** Census tract

- Population totals 2,354 people
- Slightly older than the Oklahoma City MSA with a median age of 38.7 years
- Median family income is $78,333
- Median home value is $143,300
- The area is also predominantly White (74.5%) with sizeable Hispanic (9.7%), African American (6.0%), and Native American (5.8%) populations

The **Hope Crossing** Census tract

- Smallest Census Tract with a population of 1,742 people
- Median age of 37.0 years
- Median family income of $41,528; which is in closer proximity to the majority of our survey respondents
- Median home value is $128,600
- Hope Crossing's Census tract is predominantly African American (58.4%) with the next largest percentage being White (33.5%)

The **Legacy Estates** Census tract

- Population totals 2,195 people
- Much older population with a Median age of 47.1 years
- Median family income is the highest of all the neighborhoods at $89,826
- Median home value at $214,700, over one-and-half times higher than the Oklahoma City MSA
- The area is predominantly Caucasian (69.2%) with more than a quarter of the population being Asian (25.3%)

The **Las Rosas** Census tract

- Second largest population with 4,068 people
- Very young population with a median age of 20.9 years
- It is also the poorest area with a median income of $25,990
- Median home value is less than half the home value of the Oklahoma City MSA at $43,700
- The area is predominantly Hispanic (70.8%) with the next largest racial category being White (16.6%)

Overall, this data shows that COHFH has built homes in diverse areas within the Oklahoma City metro area. The organization does not concentrate in low income areas, older population areas or areas with high concentrations in any one racial category. Rather, the above demographics show that COHFH seeks to build affordable housing throughout central Oklahoma.

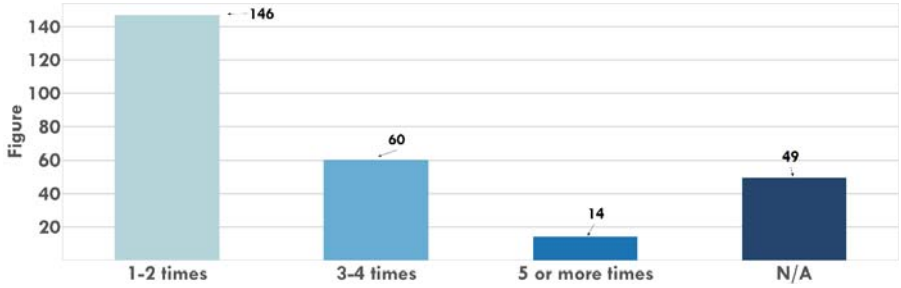
Survey Results - Stability & Health Questions

Question 1:

How many times did you move residences in the 5 Years prior to becoming a Habitat Homeowner?

Homeowners move less frequently than renters, so they are able to become a part of a neighborhood and community for a longer period.[1] Furthermore, mobility rates tend to be higher among low-income individuals.[2] COHFH seeks to provide stable and affordable housing for low-income families. This improves families' lives through stability and encourages involvement in the community as a whole.

- 269 non-blank respondents
- Over half of the respondents (54.3%) reported moving 1-2 times prior to becoming a Habitat homeowner
- Almost a quarter of our respondents (22.3%) reported moving 3-4 times before becoming a homeowner
- Only fourteen respondents (5.2%) reported moving 5 or more times
- The remainder of the respondents (18.2%) did not report moving in the five years prior to moving into their Habitat home



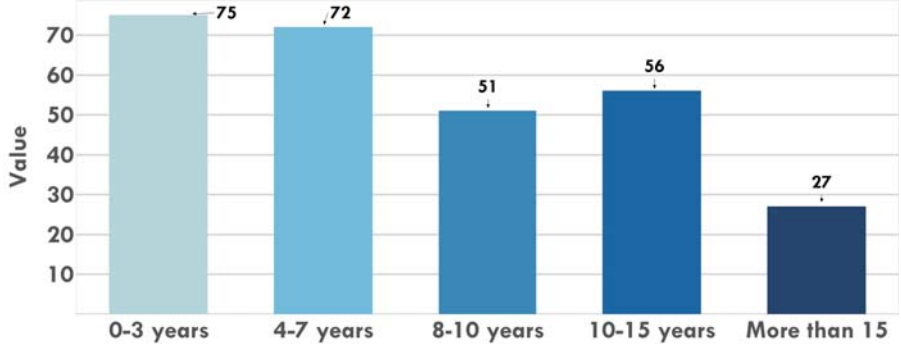
1. National Association of Realtors, http://www.realtor.org/sites/default/files/social-benefits-of-stable-housing-2012-04.pdf
2. U.S. Census, Current Population Survey, 2012

Question 2:

How long have you lived in your Habitat home?

Respondents were represented by a relatively even distribution of new Habitat homeowners and older Habitat homeowners.

- 281 non-blank respondents
- 26.7% of respondents are relatively new Habitat homeowners and had lived in their home 0-3 years
- 25.6% of respondents who had lived in their home 4-7 years
- 47.7% of respondents had lived in their home more than eight years
- 9.6% of respondents, or nearly one-in-ten respondents have lived in their Habitat home more than 15 years

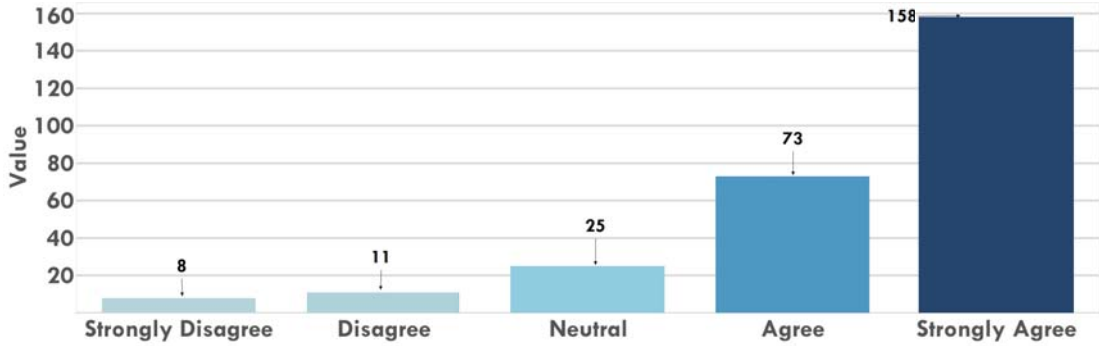


Question 3:

Compared to your residence prior to becoming a habitat homeowner, the space available for my family has improved.

When housing in the regional economy is too expensive, residents may be forced to live with extended family members, friends or in smaller spaces. Smaller space, or crowded space can increase their exposure to stressors and infectious disease.[3] Given that 9,910 housing units are currently overcrowded in central Oklahoma, COHFH serves the community by improving living conditions in the region.

- 270 non-blank respondents
- 86.3% of our respondents saw space improvement in their Habitat home compared to their previous residence
- Of the total, a majority (58.5%) of respondents selected "strongly agree"
- Only 6.2% of the respondents "disagreed" or "strongly disagreed" and did not see a space improvement in their Habitat home compared to their previous home



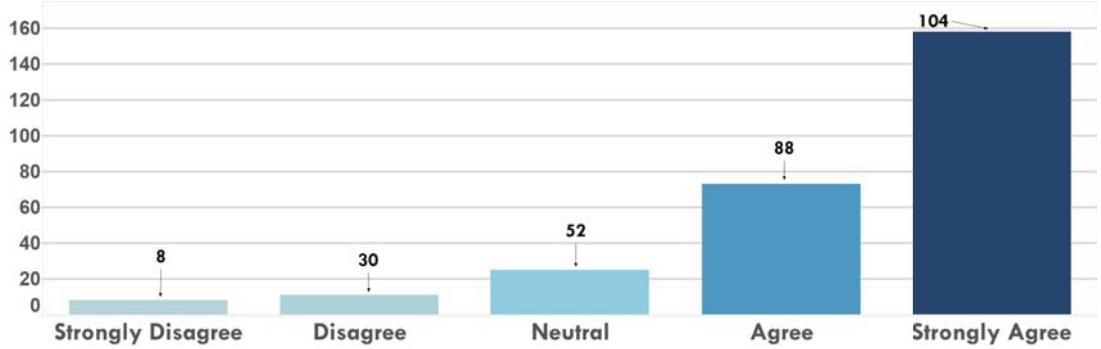
3. National Housing Council, http://www.nhc.org/media/files/Insights_HousingAndHealthBrief.pdf

Question 4:

Compared to your residence prior to becoming a habitat homeowner, my family and I feel safer in our habitat home and neighborhood.

Research shows that increases in homeownership rates reduce criminal activity,[4] which can have a profound effect on community involvement and improve property values.

- All 282 survey respondents answered this question
- 68.1% of respondents reported feeling safer in their Habitat home and neighborhood after becoming a Habitat homeowner
- 13.5% of respondents disagreed with the statement
  - This does not necessarily mean that they feel less safe; rather, without further clarification, this might mean that the Habitat homeowner felt safe in their previous home and neighborhood



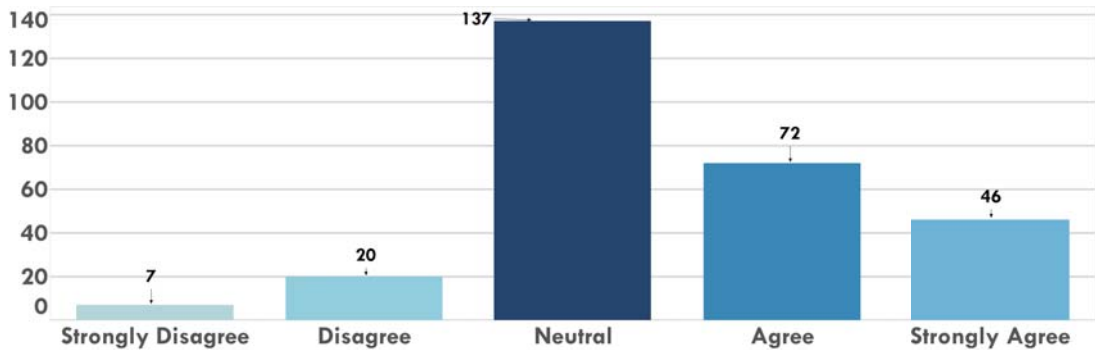
4. Jinlan Ni & Christopher Decker, "The Impact of Home Ownership on Criminal Activity." http://ecedweb.unomaha.edu/neba/journal/EBJI-P2009NiDecker.pdf

Question 5:

My Health has improved since moving into my habitat home.

Well-constructed affordable housing can reduce health problems associated with poor quality housing by limiting exposure to allergens, neurotoxins, and other dangers.[5]

- All 282 survey respondents answered this question
- 41.8% of respondents saw health improvement in their Habitat home
- Almost half of respondents (48.6%) selected "neutral" or "not applicable"
- Only 9.6% of respondents did not report health improvements

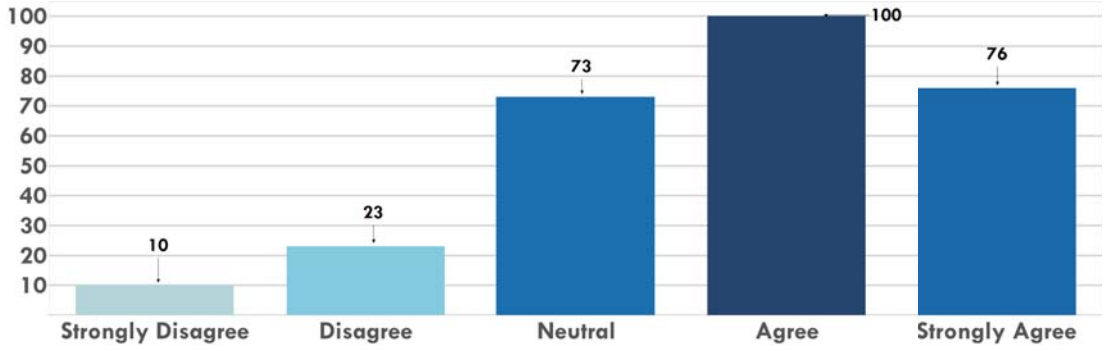


Question 6:

My level of anxiety has improved since moving into my habitat home.

Affordable stable housing can reduce residents' stress and improve mental health.[5]

- All 282 survey respondents answered this question
- Nearly five-eighths of respondents (62.3%) reported their anxiety level had improved since moving into their Habitat home
- Over a quarter (25.9% selected) "neutral or not applicable"
- Only 11.7% did not report an improvement in anxiety



5. National Housing Council, http://www.nhc.org/media/files/Insights_HousingAndHealthBrief.pdf

Survey Results - Questions about Children

Children's home environments affect physical health, social and emotional functioning, and cognitive development.[6]

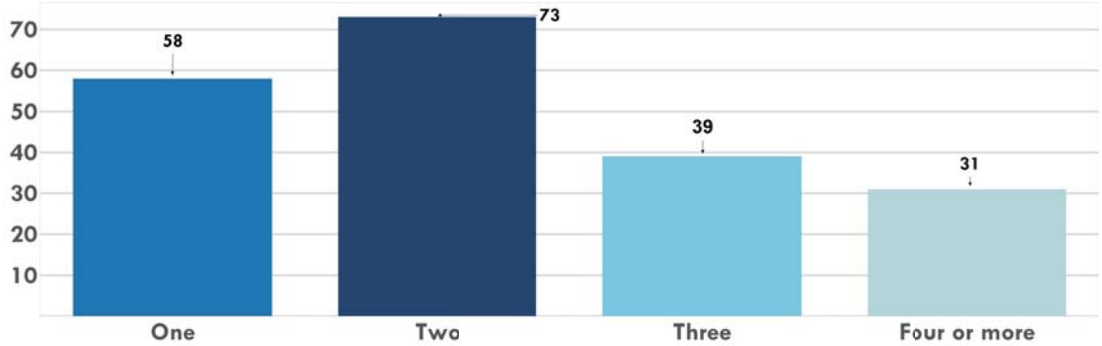
For this section, we divided the data into two sections: homeowners with children currently in the home and homeowners with older children. Homeowners identified with older children had children at one time in their home, but they have since grown up and moved out.

Question 7:

How many children reside in your home?

Many of the non-responders made a note that they had older children that had moved out and left this question blank. They then answered the remaining questions about children's grades, behaviors, etc. afterwards.

- 201 responses from respondents with children currently in the home
- 28.9% reported having 1 children
- 35.8% reported having 2 children
- 19.4% reported having 3 children
- 15.4% reported having 4 or more children



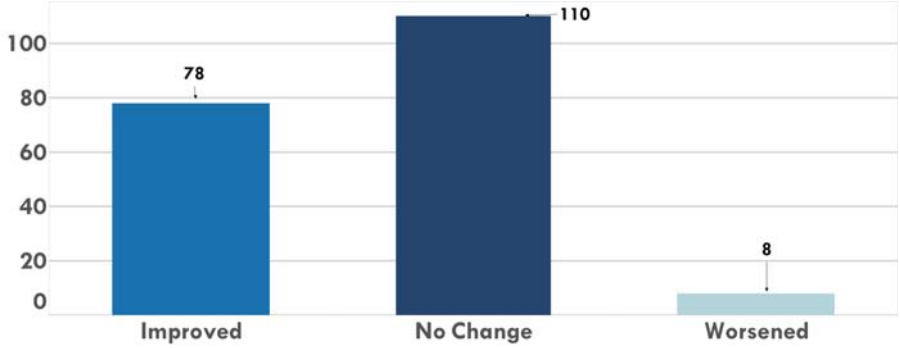
6. "How Housing Affects Child Well-Being," http://www.fundersnetwork.org/files/learn/Housing_and_Child_Well_Being.pdf

Question 8:

How did your children's grade change after moving into your Habitat home?

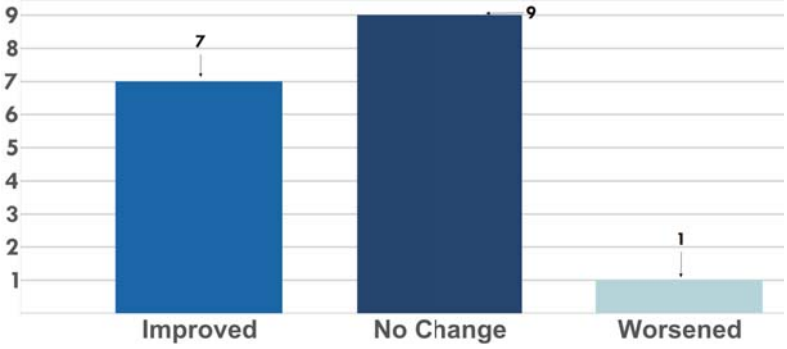
Research shows that stable housing improves the educational performance of children; changing schools is shown to negatively impact children's educational outcomes.[7]

- 196 non-blank responses
- 39.8% of respondents saw improvement in children's grades
- 56.1% reported "no change"
- Only 4.1% of respondents reported children having worse grades since moving into the Habitat home



Older Children

- 17 non-blank responses
- 94.1% of respondents reported improvement or "no change" in grades
- Only one respondent reported worsened grades after they moved

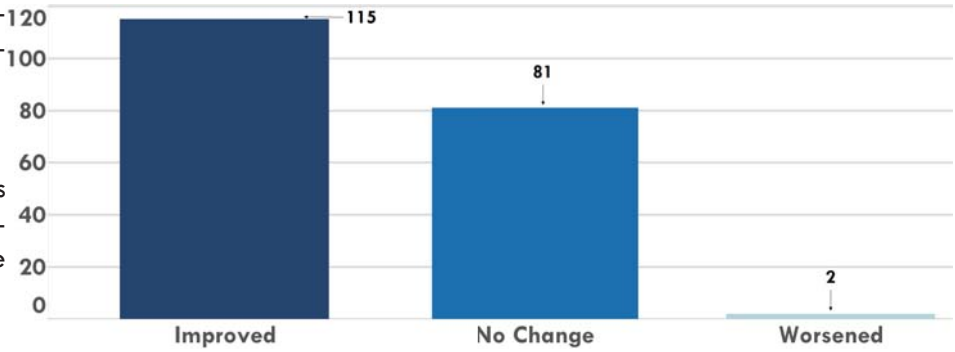


7. National Association of Realtors, http://www.realtor.org/sites/default/files/social-benefits-of-stable-housing-2012-04.pdf

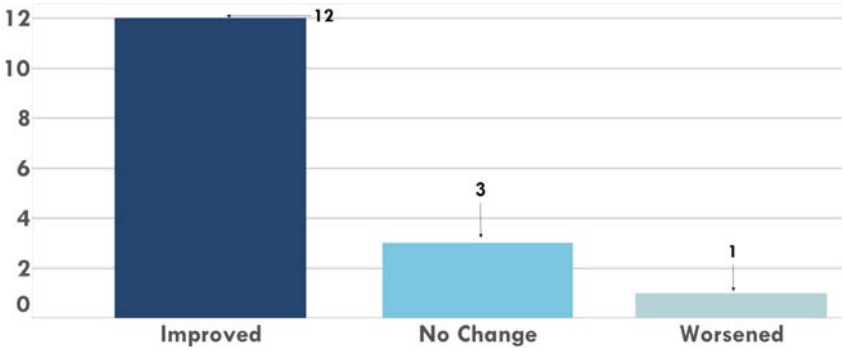
Question 9:

How did your children's confidence change after moving into your Habitat home?

Negative housing situations, such as overcrowding, can cause children to feel helpless and result in a loss of self-efficacy.[8]



- 198 non-blank responses
- The majority of respondents (58.1%) reported improved confidence in their children, since moving into the Habitat home.
- 40.9% reported "no change"
- Only 1.0% reported children having worsened confidence



Older Children

- 16 non-blank responses
- 75.0% of respondents reported improvement in children's confidence
- 18.8% reported "no change" in confidence after children moved into a Habitat home
- Only one respondent reported worsened grades after they moved

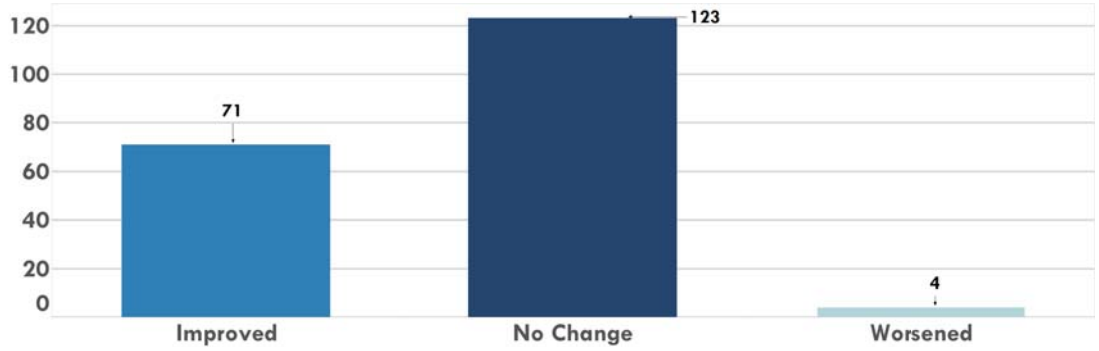
8. S. Vandivere et al. "How Housing Affects Child Well-Being," http://www.fundersnetwork.org/files/learn/Housing_and_Child_Well_Being.pdf
S. Vandivere et al. "How Housing Affects Child Well-Being,"

Question 10:

How did your children's school attendance change after moving into your Habitat home?

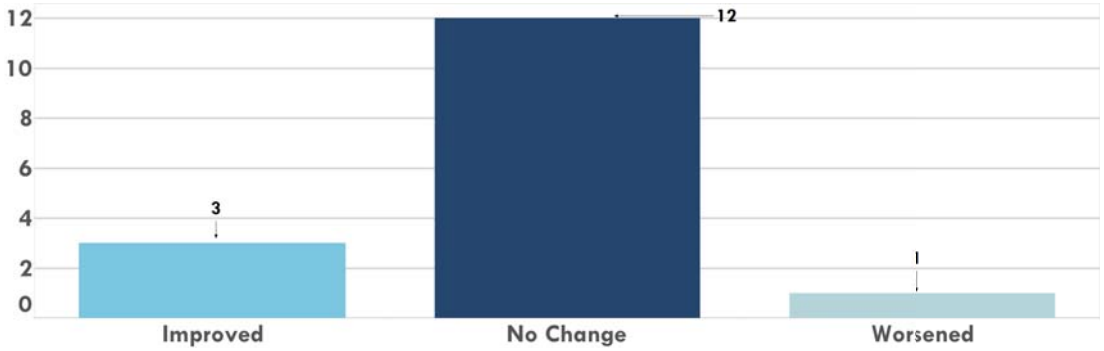
Stable housing provides children the ability to remain in the same school or school district for a longer period, while also improving health outcomes; therefore, children miss less school and continue their educational progress.[9]

- 198 non-blank responses
- The majority of respondents (62.1%) reported "no change" in children's school attendance
- 35.9% of respondents reported improved school attendance
- Only 2.0% of respondents reported worsened school attendance after moving into their Habitat home



Older Children

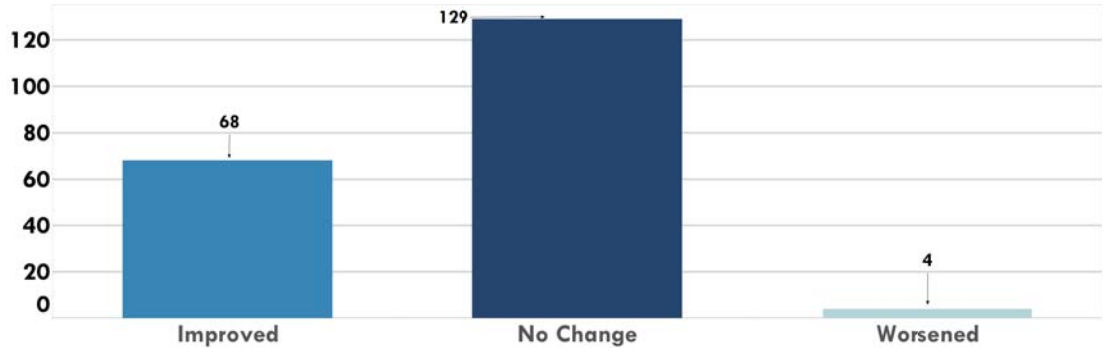
- 16 non-blank responses
- 75.0% of respondents reported "no change" in school attendance
- 18.8% reported improved school attendance after children moved into a Habitat home
- Only one respondent reported worse school attendance after they moved



9. S. Vandivere et al. "How Housing Affects Child Well-Being," http://www.fundersnetwork.org/files/learn/Housing_and_Child_Well_Being.pdf
S. Vandivere et al. "How Housing Affects Child Well-Being,"

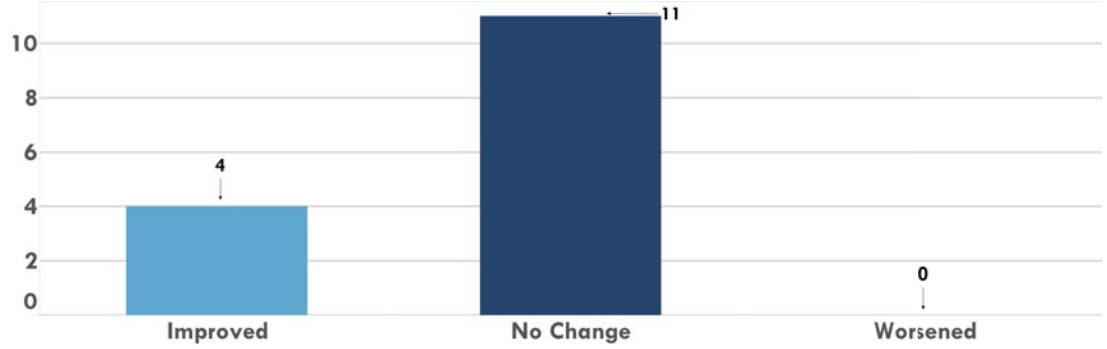
Question 11:
How did your children's health change after moving into your Habitat home?

- 201 non-blank responses
- 98.0% of respondents reported either an improvement or "no change" in their children's health after moving into their Habitat home
- Only 2.0% reported worsened health



Older Children

- 15 non-blank responses
- 26.7% reported improved health
- 73.3% reported "no change" in their children's health
- No respondent reported worse health

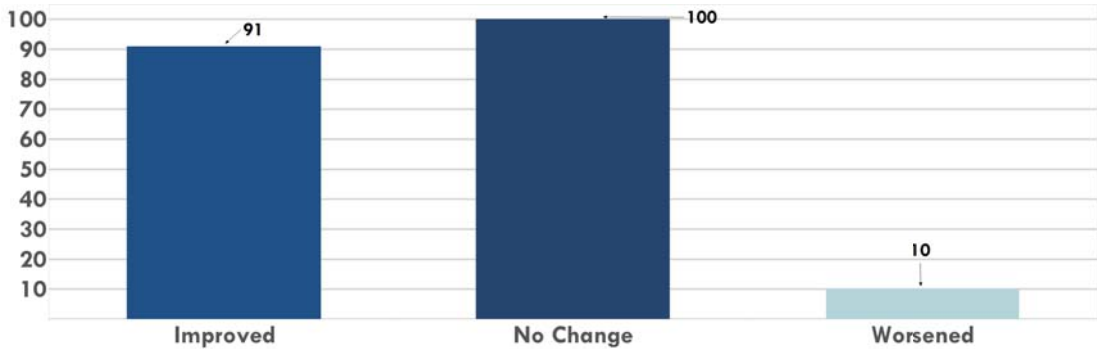


Question 12:

How did your children's social life/friends change after moving into your Habitat home?

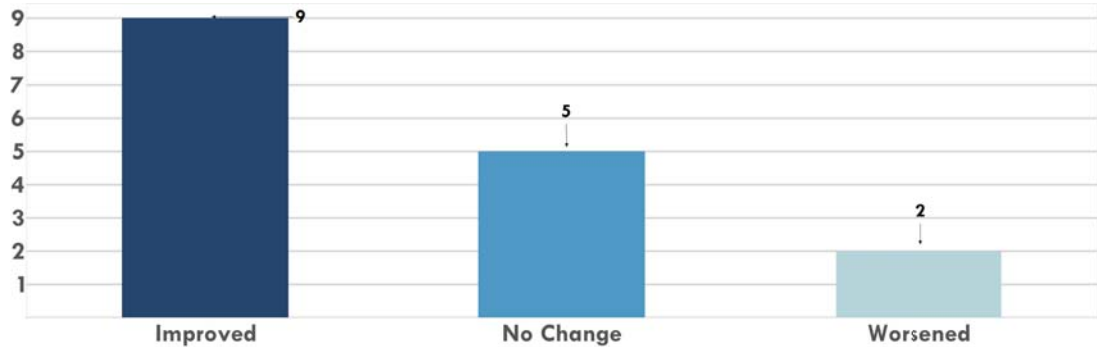
Just as adults are able to become a deeper part of the community through homeownership, children can build social ties in a neighborhood as well.[10]

- 201 non-blank responses
- 95.1% of respondents reported improvement or "no change" in children's social life/friends
- The distribution in "no change" and "improved" social life was very close to being even.
- A small 5.0% reported worsened social life/friends



Older Children

- 16 non-blank responses
- 87.6% of respondents reported improvement or "no change" in children's social life and friends
- 12.4% reported worsened social life/friends in their children's lives after they moved



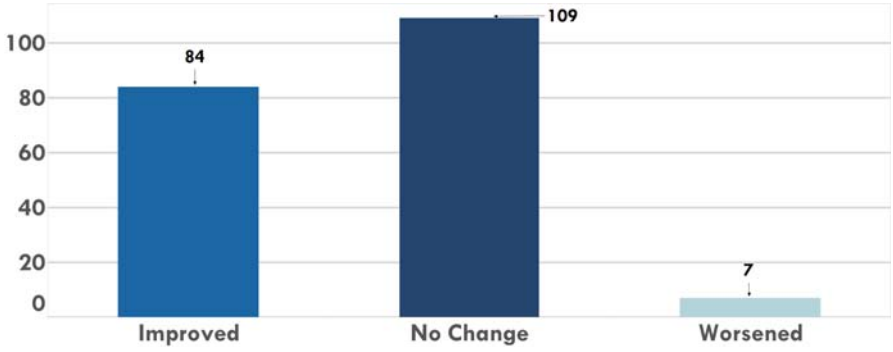
10. S. Vandivere et al. "How Housing Affects Child Well-Being," http://www.fundersnetwork.org/files/learn/Housing_and_Child_Well_Being.pdf
S. Vandivere et al. "How Housing Affects Child Well-Being,"

Question 13:

How did your children's behavior change after moving into your Habitat home?

Children of parents who own their homes are less likely to exhibit behavior problems than renters.[11]

- 200 non-blank responses
- 96.5% of respondents reported improvement or "no change" in children's behavior
- Only 3.5% reported worsened behavior



Older Children

- 17 non-blank responses
- 88.2% of respondents reported improvement or "no change" in children's behavior after they moved
- 11.8% reported worsened behavior in their children's lives after they moved

One area for potential research would be to study whether there is a difference in behavior and social outcomes based on age at the time of moving into a Habitat home.

11. S. Vandivere et al. "How Housing Affects Child Well-Being," http://www.fundersnetwork.org/files/learn/Housing_and_Child_Well_Being.pdf
S. Vandivere et al. "How Housing Affects Child Well-Being,"

Survey Results - Financial Questions

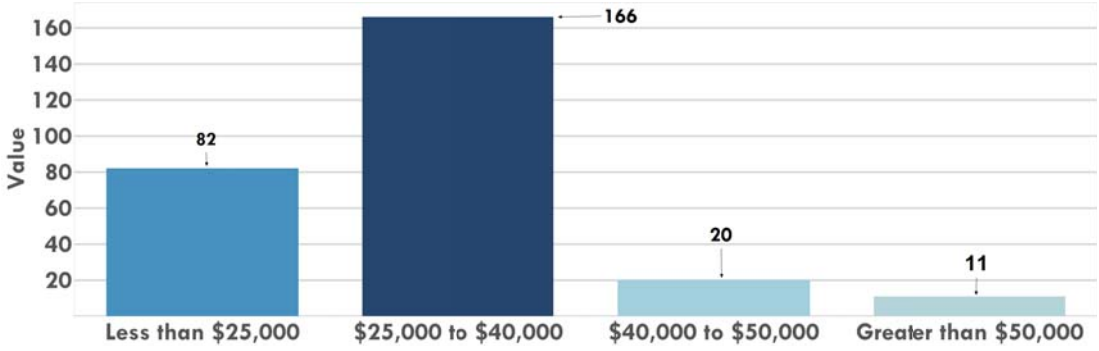
Questions related to income, educational opportunities and jobs were asked to gauge the impact that owning a Habitat home has upon the householder.

Question 14:

What is your household income?

COHFH seeks to provide stable, affordable and quality housing to low-income families. This housing is a quality that would not normally be affordable to low-income families.

- 279 non-blank responses
- The majority of our respondents (59.5%) have a household income of $25,0000 to $40,000 per year.
- More than a quarter (29.4%) of respondents reported making less than $25,000 per year
- 11.1% had an income higher than $40,000 per year

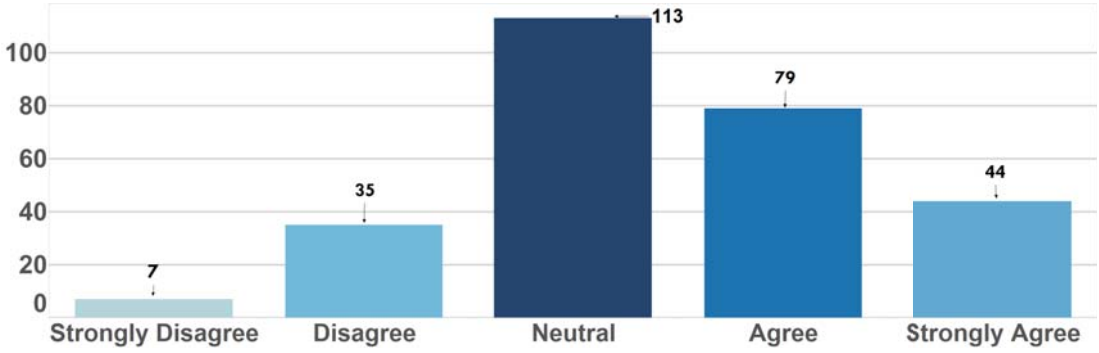


Question 15:

Since the time we moved into our habitat home, my family or I have had improved job opportunities.

Because homeownership is shown to improve health and reduce anxiety, homeowners can focus on other areas of self-improvement.

- 278 non-blank responses
- A plurality of respondents (44.2%) saw improved job opportunities since moving into their Habitat home with answers of "agree" and "strongly agree"
- 40.6% reported "neutral" or "not applicable" to having improved job opportunities

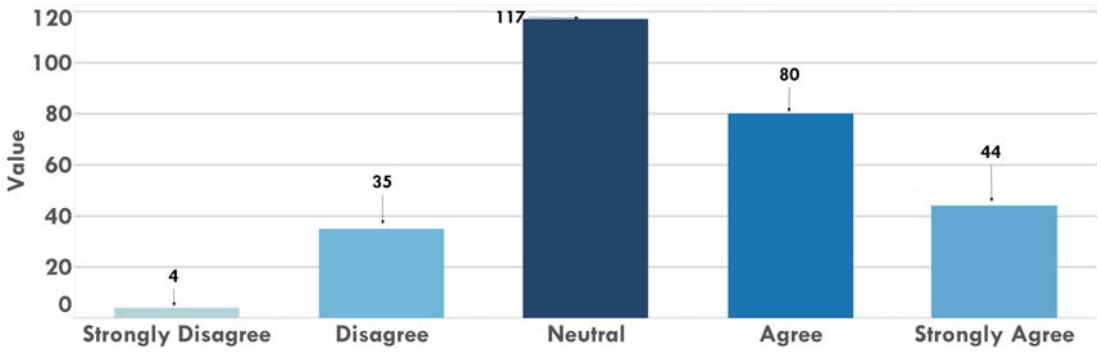


Question 16:

Since the time we moved into our habitat home, my family or I have been able to pursue additional educational opportunities.

Home ownership offers family stability and security, allowing parents to focus on other areas of improvement, such as employment and education continuation or completion.[12]

- 280 respondents answered this question
- A plurality of respondents (43.6%) have seen improved educational opportunities since moving into their Habitat home with responses of "agree" or "strongly agree"
- 41.8% reported "neutral or not applicable"
- 13.8% of respondents disagreed with the statement



12. Join Center for Housing Studies, "Reexamining the Social Benefits of Homeownership after the Housing Crisis" http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/hbtl-04.pdf

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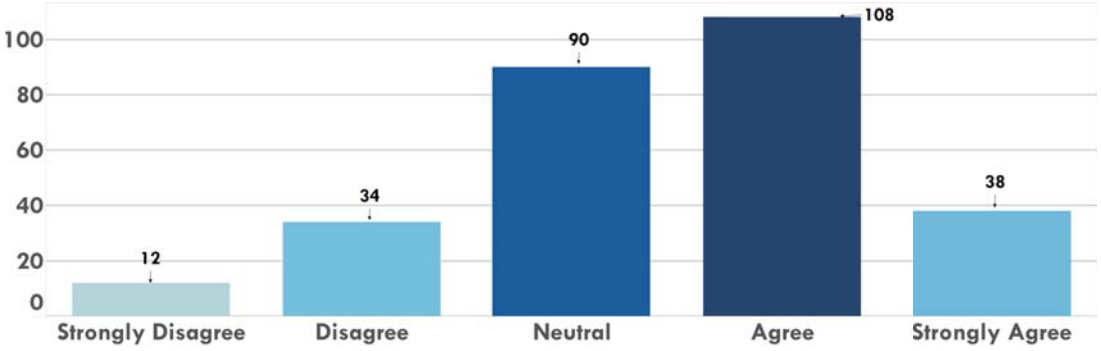
Question 17:

Since the time we moved into our habitat home, my family or I have received a raise or promotion at work.

Homeownership in general is shown to promote wealth creation, which can reduce financial stress and increase families' resources.[13]

- 282 non-blank responses
- Over half of respondents (51.8%) reported having received a raise or promotion at work with responses of "agree" and "strongly agree"
- 31.9% reported "neutral or not applicable"
- About one-sixth of the respondents (16.3%) disagreed with the statement



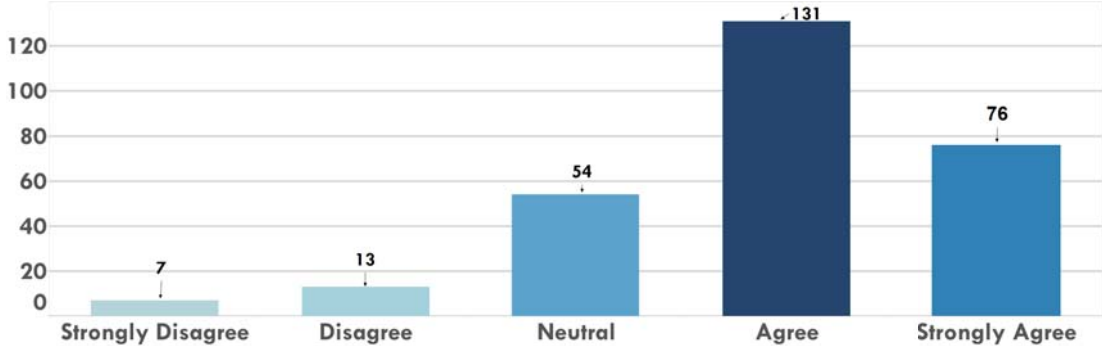
13. National Housing Council, http://www.nhc.org/media/files/Housing-and-Economic-Development-Report-2011.pdf

Question 18:

Since the time we moved into our habitat home, I generally follow a family budget and feel better able to lower debt.

COHFH's "Homeowners College" and partnership with Consumer Credit Counseling Service of Central Oklahoma seek to provide families the knowledge and skills necessary for homeownership. Included in this preparation are budgeting topics, and many respondents appear to continue family budgeting after they become Habitat homeowners.

- 281 non-blank responses
- Almost three-quarters of the respondents (73.5%) reported following a family budget and an improved ability to lower debt
- 19.1% responded "neutral or not applicable" and the remainder either do not follow a family budget or do not feel good about lowering debt



Question 19:

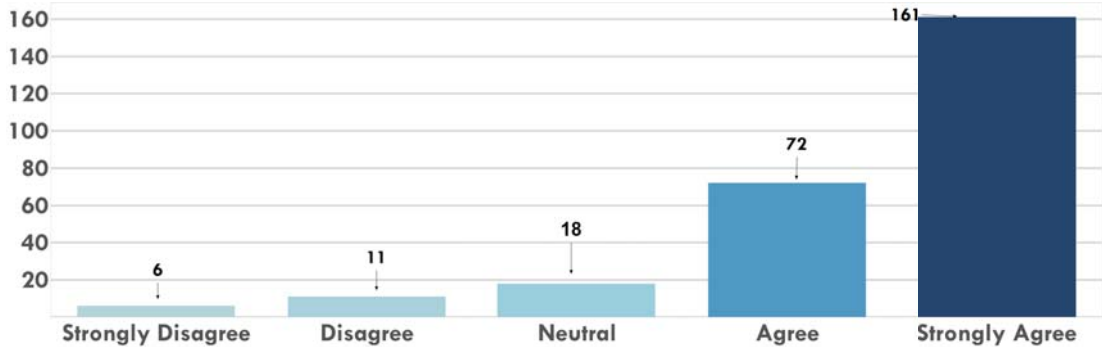
I could not own a home without the help of Central Oklahoma Habitat for Humanity.

The final question sought to understand the impact of COHFH from the homeowners' perspective. Of all the questions in the survey, this question prompted the most written comments. A sample of the comments are contained in Appendix C at the end of the report.

- 268 non-blank responses (the Spanish version of the survey did not include this question)
- Respondents overwhelmingly agreed (87.0%) that they could not own a home without the help of COHFH
- Only 6.3% of respondents disagreed with the statement

Additionally many respondents offered positive comments to Habitat within their survey:

> *"To whom it may concern, I just wanted you to know something about my life living in my house. I finally paid off my house in 2014. The joy I feel every time I walk in my house… I can't put into words. This is a great program. I would do it all over again in a heartbeat!"*



Economic Impact

The final section of the report relates the economic impacts of COHFH in Oklahoma. Economic impacts are one tool to convey the importance that a company or an organization has upon an economy. Some impacts, such as those created by the construction of the new COHFH warehouse, are temporary, but still have an impact upon the economy. However, depending upon the needs of the organization, it may not be the best tool to convey the importance of the organization to the community. COHFH has a positive economic impact upon Oklahoma, but more importantly it has a positive social impact upon Central Oklahoma. These social impacts are conveyed through the survey.

To model the economic impact of COHFH we grouped activities into four categories. They were:

- **Operational Impacts:** These impacts include the operation of the non-profit organization and its construction related activities of prefabricating components in their facilities. It also includes sales at the two Renovation Station locations.
- **Warehouse Impacts:** These impacts result from the investment spending (construction of a warehouse for business purposes is considered an investment activity in economic modeling). These are largely temporary impacts that occur during the construction phase.
- **Spending Impacts:** These impacts result from money that Habitat homeowners save on electricity and homeowners' insurance and are available to be spent or saved by the household in other areas. Energy savings accrue to the homeowner as a result of energy efficient appliances and savings from homeowners insurance are the result of high quality roofs used in the construction of Habitat homes.
- **Contractor Impacts:** COHFH spends over $1.7 million on licensed contractors to perform specialized work requiring skilled tradesmen. These contractors ensure the housing meets building codes. They have impacts separate from the operations of the rest of the COHFH operations.

The economic impacts related on the following pages include economic activity (output), employment, and real disposable income impacts on Oklahoma's economy. We used a REMI and an IMPLAN model to simulate the economic impacts.

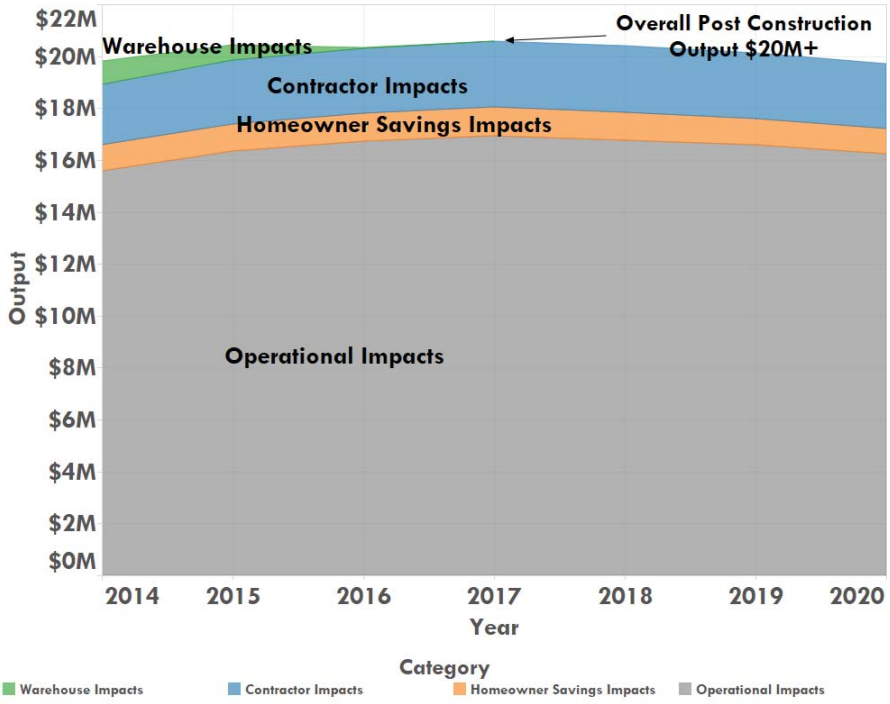
Output Impact

Economic Output

Economic output is a measure of the value-added economic activity in the state. This includes the value of intermediary goods along with value-added activities associated with the production of finished goods within the state. For COHFH, this includes the value of the construction activities (final good) and the value of the goods sold to the non-profit that are required as inputs to the production process (intermediary goods). Central Oklahoma Habitat for Humanity serves several communities, but it also creates demand for goods and services from local businesses.

2016 Operational Impacts: $16.7 Million

- **Combined Impacts:** Central Oklahoma Habitat for Humanity's investment, operations, spending on contractors and savings accruing to Habitat homeowners is estimated to facilitate an annual economic activity impact of $19.8 million to a little over $20 million in Oklahoma's economy between 2015 and 2020.
- **Operational Impacts:** Between 2015 and 2020, COHFH's operational impacts account for $15.5 million in economic activity in 2015 increasing to $16.9 million in 2017. Projected productivity gains in later years contribute to lower operational impacts with a slight decrease in economic activity to $16.2 million by 2020.
- **Warehouse Impacts:** The impact resulting from the construction of COHFH's warehouse is temporary and lasts primarily through the construction phase. Increased economic activity as a result of this investment is projected to be $1.5 million during the construction phase with lingering impacts into 2016.
- **Savings Impacts:** As a result of homeowner savings accruing to Habitat homeowners, the shift in consumption patterns is projected to contribute impacts at a relatively stable rate of approximately $1 million per year between 2015 and 2020.



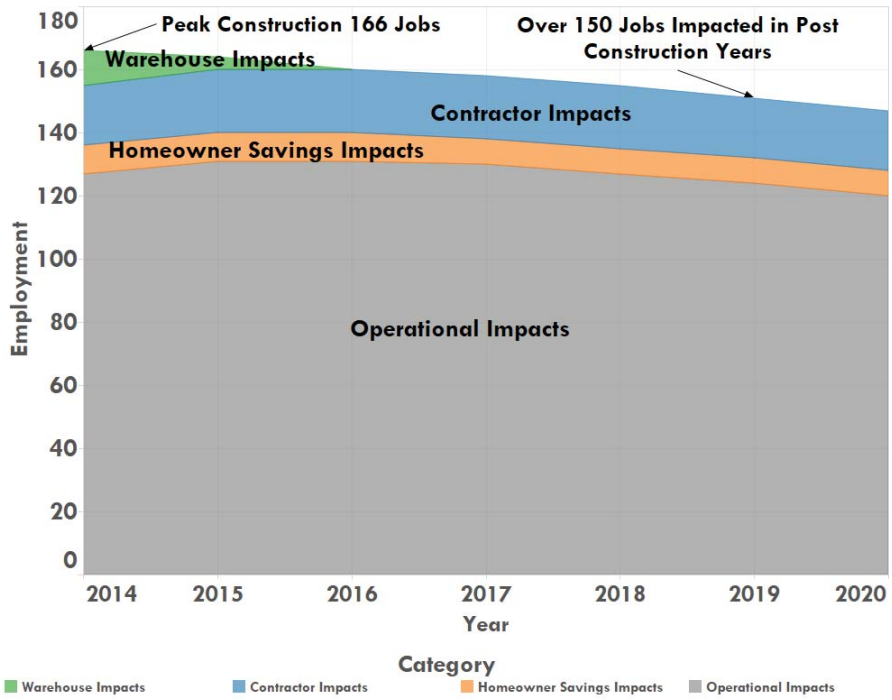
Employment Impact

Employment

Employment impacts represent the number of jobs supported by COHFH's operations, investment activities and contractor spending. This includes the direct employment at COHFH, the indirect employment that facilitates its operations, and the induced impacts resulting from household consumption.

2016 Operational Impacts: 130 jobs

- **Combined Impacts:** COHFH's total employment impacts are projected to support 160-165 jobs between 2015 and 2017. After the warehouse construction is complete, and the impacts work their way through the economy, employment impacts are projected to be 158 jobs in 2018 and decreasing to 151 jobs by 2020.
- **Operational Impacts:** Between 2015 and 2020, COHFH's operational impact is estimated to support approximately 80% of the 151-165 jobs mentioned above.
- **Warehouse Impacts:** The impact resulting from construction and investment activities is projected to support about 11 jobs during the warehouse construction phase. These are over and above the jobs supported by normal operations.
- **Contractor Spending Impacts:** Assuming that COHFH continues to build about 45 houses per year, and that spending on contractors will remain stable in real dollars, the impact of COHFH's spending on contractors is estimated to support 18-19 jobs per year between 2015 and 2020.



Real Disposable Income Impact

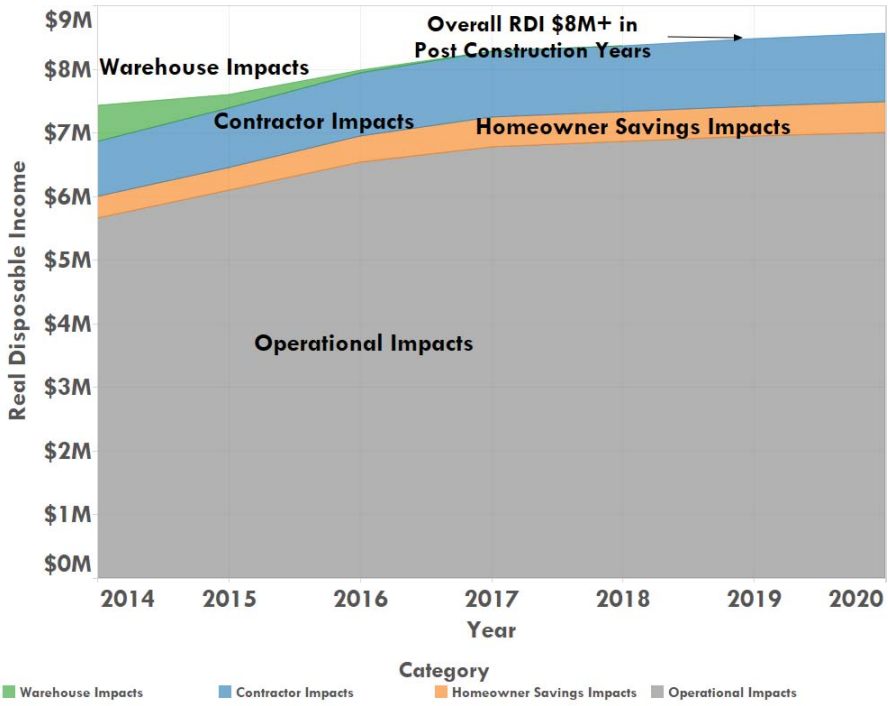
Real Disposable Income

Real Disposable Income is the earned income that is available for spending or saving by workers and their households after paying taxes. Real disposable income is adjusted for expected inflation over time as opposed to disposable income which is a nominal value unadjusted over time.

COHFH employs a range of people from the support staff responsible for the operating the non-profit to the people employed by Renovation Station to the skilled contractors responsible for ensuring the homes are built to code. COHFH also contracts people from the Clara Waters Correctional institution and teaches them construction trades. All of these people earn an income that can be spent in the economy.

2016 Operational Impacts: $6.5 Million

- **Combined Impacts:** Combined impacts on Oklahoma's real disposable income is projected to total $7.6 million in 2015 and steadily increase to $8.5 million by 2020.
- **Operational Impacts:** COHFH's operations are estimated to support between $5.6 million and $7.0 million in real disposable income in Oklahoma's economy.
- **Warehouse Impacts:** The temporary impact resulting from construction and investment activities is projected to generate approximately $570,000 in additional real disposable income in the primary construction year and about $200,000 after the impacts taper off.
- **Savings Impacts:** The additional impact resulting from Habitat homeowners being able to spend more of their income on goods and services other than household operations is projected to be $360,000 to $470,000 per year in additional real disposable income in Oklahoma's economy.



Conclusion

Central Oklahoma Habitat for Humanity serves a vital role in central Oklahoma. Its activities ensure that low income families have the opportunity to obtain affordable, quality housing.

The benefits of its activities extend well beyond the sterile economic impact numbers associated with its activities. As can be seen from the survey responses, Habitat homeowners have a very high opinion of the organization. Fully seven out of eight respondents to the survey indicated that they could not have owned a home without COHFH. And the benefits of homeownership are numerous.

Many of the homeowners felt better about themselves - whether it was their financial situation, health or safety. Additionally from the surveys, COHFH provides families with affordable and quality housing options that enable parents to provide for their children better. This affordable housing has a noticeable impact on children's confidence, grades and behavior.

With 800 houses dedicated in central Oklahoma, COHFH has been successful in obtaining many sponsors, donors and volunteers to assist it in its mission of *providing and preserving affordable housing for hard-working, limited-income families living in substandard conditions*.

Despite its success, the need for affordable housing remains great. There are over 44,200 families in central Oklahoma that have incomes in the ranges qualifying for affordable housing assistance from COHFH. Additionally, there are many other measures of the need for affordable housing, including poverty, substandard housing without adequate plumbing, and crowded living conditions.

COHFH is not a major employer in central Oklahoma in the traditional sense, but the lives it touches - from the homeowners who benefit from the program to the volunteers, donors and the sponsors who make the program possible - creates a major social impact in the region. Its ability to organize resources is an asset to the region and the donors, sponsors and volunteers that contribute their time and treasure are to be commended for their generosity.

Sources & Resources:
Photos, data and operational input provided by Central Oklahoma Habitat for Humanity
Economic Impact Software: IMPLAN, REMI Policy Insight Version 3692