

Sammamish Affordable Homeownership

A proposal for King County's Eastside by Habitat for Humanity Seattle-King County



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To address the critical need for affordable homeownership on King County's Eastside, and share the benefits from stable, well-supported communities with those who earn less, Habitat for Humanity Seattle-King County (Habitat SKC) is breaking ground on a 10-cottage community in Sammamish, WA. We welcome your partnership in this important project.

Need & Opportunity

Children's environment in their formative years sets the path for the lives they will lead—from education and earnings to health and quality of life.ⁱ Studies show that children who move with their families from low-income to high-income areas before the age of 8 will **earn \$302,000 more in their lifetime.**ⁱⁱ Not only does a child's peer group influence the networks and opportunities he or she can access,ⁱⁱⁱ but the **psychological effects** of living away from factors such as crime, for both children and their parents, are also profound and lasting.^{iv,v} **Quality supermarkets,^{vi} parks, and walkable neighborhoods^{vii}** are all fixtures in wealthier neighborhoods, but lacking where low-income families live.

King County's Eastside—with an **average home price of nearly \$772,000^{viii}**—features these benefits and is an ideal place to raise a family. With property taxes supporting local schools,^{ix} the **quality of education** available on the Eastside is outstanding. The problem is, **only those wealthy enough to afford to live on the Eastside can access** these benefits.

In Sammamish, almost 74 percent of households earn \$100,000 or more^x (one of the highest rates in the nation), and home values have gone up 9.3% over the past year.^{xi} The nearest low-income apartment property has a **waitlist 2-5 years long.**^{xii} On their own, lower-income households—including many teachers, police, firefighters, and clergy—simply can't afford to live on the Eastside.

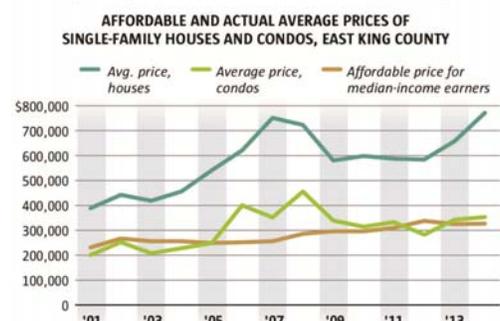
Through a **generous donation of land by the City of Sammamish** and other seed partners, low-income families are one step closer to being able to access the peer group, education system, health, and future earning benefits of living in one of our most affluent communities. Habitat is looking for **additional generous community partners** to meet the steep infrastructure and building costs in this boom market—and help families unlock the power of homeownership.

“We would love to see our teachers, police, firefighters and clergy who work here be able to live here as well.”

- Lynne Robinson,
Bellevue City Councilmember

Eastside home prices on the rise

The average-priced single-family home on the Eastside—\$772,000 in 2014—is no longer affordable to even people with the King County median household income of \$88,200 a year.



Source: Central Puget Sound Real Estate Research Committee

KELLY SHEA / THE SEATTLE TIMES

Healthy Communities & Generational Benefits: THE HABITAT MODEL

While building homes is what Habitat is known for, the wealth-building aspect of homeownership is what makes our model life changing—for families today, and for future generations. By locking **housing payments at 30% of their income**, offering very low- or 0%-mortgages, Habitat families' housing payments are put to dual use. For up to 30 years, their mortgage checks function as substantial deposits into a **house-shaped piggy bank—that just happens to provide shelter and stability along the way.**

By screening thoroughly for families who are ready to improve their lives through greater responsibility, **99.3% of participants successfully complete** the Habitat program, either paying off their mortgages, or selling their home back to Habitat and recouping their investment. Habitat works with **families who already demonstrate a commitment** to stability—success in maintaining an income, housing, and paying bills—but have hit a ceiling in their ability to put money aside for a better living situation. We then train them further for success in homeownership and transforming their financial futures, through vehicles such as:

- **Sweat Equity:** Families complete 250-500 hours of work with Habitat to be eligible for a mortgage.
- **Homebuyer Education** training: A five- to seven-hour class covering financial decisions.
- **Budget & Savings 1&2:** Covering topics from getting out of debt to building an emergency fund.
- **Homeowners Insurance:** Understanding coverage levels and how to adequately insure property.
- **Children's Savings and Budgeting, & Teen Credit Class.**



At Issaquah Highlands, the last Eastside project completed by Habitat in 2011, the homes blended into the neighborhood so well that visitors often drove by multiple times looking for the site.

“I was almost 40 before I was able to afford my first home... housing was critical to me as a single mom. It's families like mine that are going to be left behind if we don't resolve these issues. I am where I am and my children are where they are because of the availability of affordable housing on the Eastside where I worked.”

- Jean Garber,
Mayor of Newcastle

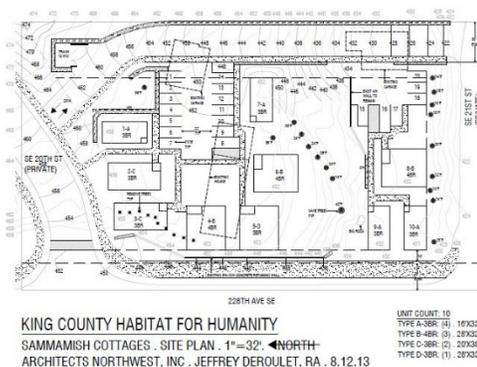
Habitat homeowners are also bound by the covenants of a Homeowners Association (HOA), the terms of which are set by Habitat, to make sure **properties are adequately maintained, and housing improvements budgeted for.**

Through careful selection, a rigorous financial literacy program, and a model proven and refined over 40 years, Habitat's work has **been a resounding success** both for families and the communities they have joined. Over 400 families have benefited from the Habitat program in King County alone, and the average new Habitat homeowner has saved **a nest egg of \$82,000 in their time partnered with us.**

Proposal: A Cottage Community in Sammamish, WA

The City of Sammamish donated a parcel of land to Habitat SKC in 2013, to be dedicated to low-income housing. Having secured initial partners to support the site's infrastructure needs, Habitat SKC is ready to engage community groups, businesses, faith communities, and individuals to partner in the construction of the Sammamish cottages.

As planned, the project will consist of up to 10 single-family, cottage-style homes, with modest designs from 1,000 to 1,500 square feet, and two to four bedrooms each. Each will be built to local and state green standards, of high-quality design that is compatible with nearby neighborhoods. The design prioritizes parks and recreation, child safety, preserving the natural environment, and gathering spaces for civic and cultural opportunities. In addition, a network of interior sidewalks creates a walkable neighborhood, encouraging community interaction. When completed it is estimated that the project will provide safe, affordable, decent housing for up to 45 adults and children.



Site plans for the 10-unit single-family cottage development in Sammamish, WA.

Funding & Partnership

Completion of Sammamish Cottages will depend on partner types and levels across the spectrum. Cash gifts will help us with the permits, fees, skilled labor, materials, and other hard costs for the project, and in-kind donations of materials and contract work will help reduce our cash needs. We are grateful for the key partners who have stepped up already, and are eager to talk to you if you would like to be part of this important work in the Sammamish Community.

Sponsorship opportunities are available, and can be reserved now for 2016-2018. Sponsors contributing \$250,000 per home will receive an extensive package of benefits for each unit sponsored, customized with the donor, and gifts or pledges at any level will be appreciated graciously. Please contact us to discuss customized benefits that meet your groups needs. If you are in the position to help with construction or labor needs, and drawings and takeoffs can be provided on request.

Benefits can be customized according to the donor's goals, and for top partners, can include the following:

- Thorough promotion of your support to **local media outlets**, including **media day opportunities** on request, in concert with your PR & Marketing teams.
- **Video and photo opportunities** through every stage of the build. (*Using Habitat footage, [one partner produced a spot that aired during the 2016 NFL playoffs.](#)*)
- **Logo placement on-site through the 2.5-year build**, at the specific home lot(s), on our website, in the Puget Sound Business Journal & other publications, in social media, and in other sponsor recognition efforts, as approved by you.
- **Premium engagement opportunities for your employees and partners**, including:
 - Up to **30 build-day volunteer opportunities**, for up to 20 employees each day.
 - **Construction and hospitality staff dedicated** to your company throughout the build, providing customized construction experiences, morning coffee and lunches, community speakers, informative Habitat chats each day, and more.
 - **Private Kickoff and Dedication ceremonies** for your company for each home sponsored, with homeowners, elected officials, and community leaders invited to participate.
- **Invitations for your senior leaders** to attend exclusive Habitat events throughout the year.
- Recognition in our annual report, e-newsletters, and more.

We welcome your inquiries and are happy to meet in person to present about the project, or arrange a tour of the Sammamish site to discuss partnership possibilities.



Summary

We are excited to partner with organizations and individuals on the Eastside to bring the benefits of stable communities to the lower-income families who are integral to our cities—our teachers, firefighters, police, and many other roles. We offer this proposal as an opportunity for leading community organizations to be part of this effort, to join forces in ensuring that diversity and opportunity keep our communities vibrant, healthy, and thriving as our county transforms for the future.

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Notes & References

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- ⁱⁱ Chetty, Raj, Nathaniel Hendren, and Lawrence F. Katz. The effects of exposure to better neighborhoods on children: New evidence from the Moving to Opportunity experiment. No. w21156. National Bureau of Economic Research, 2015, p.5. http://www.equality-of-opportunity.org/images/mto_paper.pdf.
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- ^v Shroder, Mark. "Moving to opportunity: An experiment in social and geographic mobility." *Cityscape* (2001): 57-67. <https://www.huduser.gov/periodicals/cityscape/vol5num2/shroder.pdf>
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- ^{viii} <http://www.seattletimes.com/business/real-estate/affordable-housing-vanishes-as-eastside-grows-richer/>
- ^{ix} Kent, Calvin A., and Kent N. Sowards. "Property taxation and equity in public school finance." *Journal of Property Tax Assessment & Administration* 6.1 (2009): 25. http://www.marshall.edu/cber/docs/2008_XX_XX_Kent-Sowards-PropertyTaxationEquity-2008.pdf
- ^x <http://www.seattletimes.com/business/real-estate/affordable-housing-vanishes-as-eastside-grows-richer/>
- ^{xi} <http://www.zillow.com/sammamish-wa/home-values/>
- ^{xii} Information from private email, 1 June 2016, on file with Habitat.