

onPhilanthropy.com

Setting Green As Practice: Building Affordable Housing for Family Sustainability

May 8, 2008

By DeShele Dorsey

There was a time when green was simply an adjective that described foliage, the wide rolling hills of Ireland, a child's favorite color in a box of crayons or perhaps the latest fall cashmere sweater. But today, green has an entirely new purpose, and it is serious business. "Green" is now a verb, appealing to the consciousness of people to conserve the world's natural resources, reduce greenhouse gas emissions, find solutions to global warming, and integrate sustainable practices into their daily lives.

Green is also synonymous with statements such as this one from former Vice President Al Gore, "Hey, wake up! We're facing a planetary emergency here." Every day, individuals, governments, nonprofit organizations and companies are taking active steps to respond positively to this call to action. Even the philanthropic community has made green the focal point of its grantmaking, conference plenaries, and annual reports.

Earlier this year, Habitat for Humanity International (Habitat) and The Home Depot Foundation joined forces to launch a new national green building initiative called Partners in Sustainable Building. The Home Depot Foundation is contributing \$30 million in support to Habitat, including cash, in-kind donations, and technical assistance over the next five years. This initiative underscores the Foundation's commitment to creating healthy and sustainable housing options for low-income families in the United States.

"We are the only corporation with a philanthropic initiative committed to building affordable housing to green standards in the country. All of our work has focused on building green and addressing the pocketbook issues for families seeking affordable housing," remarked Kelly Caffarelli, president of The Home Depot Foundation.

Habitat affiliates will now have greater access to more energy-efficient equipment, water conserving fixtures, and systems that provide better indoor air quality through the Partners in Sustainable Building Initiative. In addition, the one-year pilot program gives approximately 30 Habitat affiliates the opportunity to participate in education seminars and access information that will establish a foundation of green building practices, procedures and expertise well into the future.

Caffarelli believes the green building initiative is a perfect pathway for empowering families of modest means and a gateway for them to capitalize on

the wellness and economic benefits of owning a durable, healthy, high-quality home. “The Home Depot wants to help its customers make their home ownership dreams come true and we also are looking to use our community investments wisely to help build homes that low-income families can be proud of as well. This program is a natural outgrowth of our 20 year relationship with Habitat and we couldn’t have a better partner for this sustainable housing project,” she explains.

To date, Habitat has built more than 250,000 houses around the world, providing over one million people in more than 3,000 communities with safe, decent, affordable shelter. OnPhilanthropy spoke with Marty Koosistra, Senior Director of Global Program Design and Implementation from Habitat to understand the vision and goals of the Partners in Sustainable Building program in greater detail.

onPhilanthropy (OP): Marty, thank you for taking some time to speak with us today. We imagine it is an exciting time at Habitat with the recent announcement of Partners in Sustainable Building funded by The Home Depot Foundation. Can you start by sharing what makes this partnership such a critical part of helping Habitat achieve its mission and goals?

Marty Koosistra (MK): Given the nature of our work, there is a strong societal need to build our homes in a way that reflects the standards of “being green.” The beauty of this partnership is that Habitat now has access to a pool of funding that gives the organization the flexibility to re-grant dollars to its affiliates, removing the incremental costs for building to these higher standards.

In the past, there has been an immediate tension or concern about building in more sustainable ways because the affiliate’s goal is to provide quality housing at a sales price that is affordable for our partner families. Support from The Home Depot Foundation helps our affiliates stay true to their primary mission and be on the cutting edge of environmentally friendly practices.

OP: Marty, that sounds like a great win-win situation. How does the re-granting process work?

MK: Affiliates that choose to participate in the program are eligible for a \$2,000 grant. The grant covers the incremental costs to build to Habitat’s minimum construction standards, which encourages that each home be built to energy star plus and indoor air quality requirements. Affiliates can choose to step-up to the next level of sustainability standards by meeting local community and state preferences of “green” standards, including the Leadership in Energy and Environmental Design (LEED), Earthcraft, National Green Building Program and Enterprise Green Communities; making them eligible for an additional \$2,000. It is like an incentive program and we want to move as many affiliates as we can to at least the minimum standards. Covering the incremental costs allows our affiliates to still sell the house at an affordable price and create family

sustainability.

OP: And how do you define family sustainability?

MK: This means that as affiliates adopt Habitat's new building standards, the home's durability increases and the long-term maintenance and utility costs associated with home ownership for our families are reduced. Working this way gives our organization a chance to create a life cycle of sustainability in communities all across the country by changing how our homes are designed, built and constructed.

OP: This is rather interesting, especially when you consider that Habitat for Humanity International has been dedicated to building cost-effective, environmentally friendly homes for its partner families for some time. How does the partnership with The Home Depot Foundation deepen your organization's commitment to "green building?"

MK: That's a great question! The partnership with The Home Depot Foundation helps Habitat stay apace with the trends. We are at a point now where society is very aggressive about "green." It has become a movement. There are policy regulations and public demand that puts pressure on our organization and others to change the way we do our work. Habitat wants to be on the cutting edge of this movement and we have begun to formalize the process with The Home Depot Foundation's commitment to the Partnership for Sustainable Building Initiative. This partnership also helps us truly understand where our affiliates are individually and collectively with respect to meeting the standards I previously mentioned. This initiative gives us the capacity to help our affiliates also receive third-party verification of nationally recognized green building standards and serve as a model for other affordable housing providers.

OP: Are there additional ways that you foresee this partnership impacting your organization beyond the construction and building process?

MK: This initiative is designed to serve as a catalytic effort that first changes how Habitat and its affiliates perform internally; and with our success we hope this same dynamic permeates in the external environment. Our leadership believes this is an attainable goal. The beauty of Habitat is that we have a "laboratory" that is active in 87 countries around the world producing affordable housing units every single day. When you consider the combined power and strength of Habitat's and The Home Depot's brands, as well as our recognition in the field as leaders, we have an incredible opportunity with the Partners in Sustainable Building Initiative. If we can reach the initiative's goals, we can send a clear message that we hope will inspire others...if a nonprofit housing organization can operationalize sustainable building standards, anyone can do it. In our minds, this will lead to community transformation, changing the economic status of families not only in the United States but around the world.

We are beginning to see early implications of our efforts through requests from other groups, nonprofits, and donors who ask what they can do to support us and leverage The Home Depot Foundation's funding. This is a true testament that we are on the right track and will open doors for Habitat to build even more green homes.

OP: What are some of the benchmarks of success that you are looking for during the pilot year of this initiative?

MK: We are looking for our affiliates to demonstrate that sustainable building is a systems change which impacts organizational decisions, policies, and operations.

We want sustainable building to be a matter of practice, not just an augmentation.

In order to make this a reality for our network, Habitat will provide access to leading organizations in the field such as the United States Green Building Council's LEED for Homes Program, Southface, National Association of Home Builders, Global Green, Building Knowledge, Inc., Building America and others for training and technical assistance.

As more and more affiliates opt-in to the program, our program staff will be working closely with the leadership of each organization to create development plans and offer scholarship assistance for local staff to participate in the training and other professional development courses available through the initiative.

OP: What are the top 2-3 outcomes you hope to achieve at the end of the fifth year with the initiative?

MK: Some of the key outcomes include the number of affiliates that build to our minimum standards as a matter of course, the number of communities that have adopted green standards, and others. We will also take a closer look at the maintenance and utilities cost across our housing stock to determine if the new design and construction process actually contributes to the long-term sustainability of families.

OP: Given the level of work that you are doing with the affiliates, will you also be providing support to families to internalize sustainable practices?

MK: Yes, that is a necessary step for this initiative to lead to family sustainability. We recognize that we have to help our partner families understand how to take full advantage of the technology in their homes. Our intention is to support our families in adopting a day-to-day lifestyle that contributes to water and energy conservation.

OP: What advice would you share with other nonprofit organizations seeking to

establish strategic partnerships such as you have with The Home Depot Foundation?

MK: As an organization, you have to make a decision that the relationship with any funder is symbiotic and not purely transactional. First, get to know and understand your partner. What are the funder's priorities and goals? What are the needs of your organization and how can the partner support your efforts? What is non-negotiable with respect to the relationship? Once you understand how both organizations' missions and programs align, you can begin to clearly articulate the value proposition you are espousing as a recipient of financial support from the donor.

Secondly, identify the assets your organization has to create deal enhancements for the prospective partner. Every organization should take a close look at its assets and determine how to leverage these resources to benefit the relationship. Pausing to reflect on your organization in this manner can help to strengthen any nonprofit's relationship with its funders. It is a recipe for success and that is what we see as a vision of this five-year partnership with The Home Depot Foundation.



Mandy Hunsicker

Senior Account Executive | Manning Selvage & Lee

a 1170 Peachtree St. NE, Suite 400; Atlanta, GA 30309

o 404.870.6815 | **m** 404.558.8636 | **f** 404.892.1274

e mandy.hunsicker@mslpr.com

w www.mslpr.com/atlanta