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Attention Council Members:

Central Nebraska Habitat for Humanity (CNHFH) has been working in this geographic region of 34 counties for over three years. During this period of time, eight homes have been acquired and the ninth build is well underway. There is a Habitat home located in Lexington. I have been contacted to begin to develop a Habitat for Humanity chapter within the Lexington community.

CNHFH is a grassroots organization that is locally funded, as all Habitat affiliates across the United States are. CNHFH does not receive any funding from Habitat for Humanity International, nor has funding been received from United Way or the Red Cross. This non-profit corporation lives or dies based on the generosity of local donors, organizations, volunteers and government agencies.

CNHFH is requesting that \$15,000 funding from the City of Lexington be included in the annual budget plan to aid in the cost of overhead expenses for development of a local chapter. This request is justified because of the economic development benefits to the community where Habitat builds are completed. Currently this request constitutes approximately 7.5% of the total costs of construction and management for a single home build.

Habitat for Humanity builds houses by forming a partnership between selected families and community volunteers. The importance of the partnership to the community extends far beyond the benefit to the partner family.

When a community dedicates itself to building a Habitat home, economic development is one of the results. The pre-selection process for Habitat families guarantees that newly constructed homes are pre-sold before building begins. Habitat families are employed in the community contributing to the local workforce. The homes become part of the real estate base with taxes staying in the community. All mortgage principal payments are retained for use of construction of the next home in the chapter's area.

Acquiring a Habitat home adds stability to a family and generally increases enrollment in local schools, impacting school subsidies. Children that grow up in a stable environment tend to be more productive adults; often returning to the community where they grew up. Family purchases support local merchants, generating sales tax revenue.

A Habitat home brings beauty to an area, often transforming a blighted lot into a centerpiece for an entire neighborhood.

In short, Habitat homes;  
Impact the workforce,  
Increase the real estate tax base,

Generate revenue for the next build,  
Stabilize a family impacting local population,  
Increase school enrollments/subsidies,  
Generate sales tax revenue,  
And beautify the city.

Habitat for Humanity in central Nebraska is economic development one home at a time.

For further information supporting this request, please contact me at the above number.

Dorothy Davis, Executive Director  
Central Nebraska Habitat for Humanity



*Central Nebraska Habitat for Humanity changes lives by bringing together God's people and resources to help families in need build and own simple, decent homes in rural Nebraska.*

## Myths and truths fact sheet

**MYTH:** Habitat for Humanity gives houses to poor people.

**TRUTH:** Habitat for Humanity builds houses by partnering with selected families and then sells the houses to the family using a no-interest standard mortgage. Houses are built principally by the family and volunteers. The selected family is required to invest hundreds of hours in "sweat equity" building their own house. No houses are given away.

**MYTH:** Habitat families are on welfare.

**TRUTH:** In Central Nebraska, Habitat families work at low to moderate income jobs. They must meet strict criteria in order to qualify for a Habitat partnership. Partner families must have an income sufficient to make their house payment. Many times this payment is lower than rental contracts in the area. Often this opportunity to become a home owner stabilizes the family sufficiently to improve their income earning ability.

**MYTH:** You have to be a Christian to become a Habitat for Humanity homeowner.

**TRUTH:** Habitat for Humanity was founded as a Christian ministry. However, homeowners are chosen without regard to religion, race, creed or nationality. Habitat also welcomes volunteers from all faiths -- or no faith -- who actively embrace the goals of Habitat for Humanity.

**MYTH:** Habitat houses lower neighborhood property values.

**TRUTH:** Central Nebraska Habitat for Humanity provides affordable housing that improves the property value where they are constructed. The selection and construction process helps build community by strengthening the community spirit while adding to the local tax base.

**MYTH:** Habitat homeowners sell their houses and make a large profit because of the original low cost of construction.

**TRUTH:** The entire equity of a new Habitat home is encumbered by first and "special" second mortgages. These second mortgages are gradually excused as the family pays the first mortgage. Both mortgages are written for the same length of time protecting the family and the donors.

**MYTH:** Central Nebraska Habitat for Humanity is funded by Habitat for Humanity International.

**TRUTH:** Central Nebraska Habitat for Humanity is not funded by any other agency. The funding comes from local private donors, businesses, churches, trusts and grants funds provided by foundations interested in Nebraska economic development. No funding is received from the Red Cross, United Way or Habitat for Humanity International. Efforts are underway to partner with Nebraska agencies.

**MYTH:** Central Nebraska Habitat for Humanity is managed outside of Nebraska.

**TRUTH:** Central Nebraska Habitat for Humanity is governed by a Board of Directors made up of local individuals and managed by a local Executive Director. The affiliate office is located in Ogallala, Nebraska. While guidelines and recommendations are provided by Habitat for Humanity International in Americus, Georgia, Central Nebraska Habitat for Humanity is a Nebraska non-profit corporation with a specific service area under a covenant relationship with Habitat for Humanity International.

**MYTH:** Habitat for Humanity was started by former U.S. President Jimmy Carter.

**TRUTH:** Habitat for Humanity International was started in Americus, GA, in 1976 by Millard Fuller, along with his wife, Linda. Former U.S. President Jimmy Carter and his wife, Rosalynn, are longtime Habitat supporters and volunteers who help bring national and international attention to the organization's house-building work. They lead the annual Jimmy Carter Work Project to help build houses and raise awareness of the need for affordable housing.

**MYTH:** Because I can't do construction work, there's nothing I can do to help with a Habitat build.

**TRUTH:** While there certainly must be those that can do construction, there is a huge need for all types of other skills. There's a need for everything from fund raising events, family selection, and land acquisition to sending thank you notes and making lunch for the volunteers on build days. There is literally something for everyone to do to be a part of a Habitat build.

**MYTH:** There is no need for more houses in rural Nebraska communities because there are houses for sale.

**TRUTH:** While there are houses for sale in some communities in rural Nebraska, studies identify the greatest need in rural Nebraska is affordable housing. Simple, decent homes provide the opportunity to help stabilize families and retain population in rural areas.

**MYTH:** Mortgage payments are “taken” by the Central Nebraska Habitat for Humanity office to use for overhead expense.

**TRUTH:** All mortgage payments are mailed to the Central Nebraska Habitat office. Mortgages and escrow are managed through the office by the Executive Director. 10% of the mortgage principle is sent to Habitat for Humanity International as a title and is used to alleviate poverty housing outside the United States. 15% of the principle is retained to cover office expenses. 75% of the principle payment is deposited into the local chapter’s holding account to be used for the next local build.

**MYTH:** The homeowners will destroy their property similar to what has happened with some government housing programs.

**TRUTH:** Careful family selection and the requirement that the partner family helps build the home alleviates this problem. In addition, there are ongoing family support and educational programs that are a part of Habitat for Humanity making it different from other organizations.

**MYTH:** There are not enough resources or volunteers in our community to be able to build a Habitat house.

**TRUTH:** Each community has sufficient resources to build a Habitat house. Some outside dollars are generally captured through the grant writing process, businesses and banks are major contributors, churches partner in the process and many private donors make the build a reality. Central Nebraska’s experience shows that the communities have sufficient volunteers to do the actual building. Nebraska is consistently ranked in the top 5 states for volunteering.

**MYTH:** If we have a building contractor or other expertise in our volunteer group, this will be easy.

**TRUTH:** Building any type of home is work. Expertise in construction is certainly a must, but the volunteers should understand that home construction requires many hours of labor. In addition, there is considerable preparation needed in the areas of land acquisition, family selection, fund raising and planning prior to the beginning of the actual build.

**MYTH:** We can organize and complete a Habitat house in about 3 or 4 months.

**TRUTH:** Experience reveals that it takes 12 to 15 months for a community group to organize, select the family, acquire land and funding and complete the construction of a home.

**MYTH:** Habitat for Humanity builds only in cities with large populations.

**TRUTH:** Central Nebraska Habitat for Humanity is a one-of-a-kind, grassroots organization that provides the opportunity for communities in 34 rural counties of Central Nebraska to build Habitat homes in their own community.

**MYTH:** There was a Habitat group in the place where I lived before and each group is the same.

**TRUTH:** One of the reasons that Habitat for Humanity is successful is because of the uniqueness of each affiliate. While the purpose of helping a family in need stays the same, Central Nebraska Habitat for Humanity has evolved to fit the local culture and is governed in the most appropriate way for this rural area. There are no affiliates that are managed exactly the same as any others.

**MYTH:** There are plenty of government housing programs to help the poor and this is just another one.

**TRUTH:** Central Nebraska Habitat for Humanity works with median income families that are not able to meet the criteria for a standard bank loan, but exceed the guidelines for low income housing.

**MYTH:** The business expense of Central Nebraska Habitat for Humanity is funded by other sources.

**TRUTH:** All administrative and overhead expenses are funded in the same ways that building a home is funded. These necessary expenses are the most difficult to find money to pay. Donations that are made specifically for managing the affiliate should be designated as such.

**MYTH:** A Habitat build is a hand out.

**TRUTH:** A Habitat build is a hand up for a family and a community. Central Nebraska Habitat for Humanity:

- 1) builds privately owned homes;
- 2) helps families provide a stable environment and opportunities for children to become productive adults;
- 3) beautifies the area and increases community pride;
- 4) allows donors the opportunity to experience the joy of giving ;
- 5) is new construction and generates real estate taxes;
- 6) supports local merchants and additional sales tax revenue is generated by stable families;
- 7) increases state aid by stabilizing population and keeping more children in the school systems.