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HABITAT FOR HUMANITY HITS HARD TIMES

Rising costs hinder projects

By Joe Nelson
Staff Writer

For 31 years, Habitat for Humanity International has been building homes around the world — 225,000 of them so far — for more than 1 million low-income people.

The nonprofit has depended on donations of money, materials and services and the ability to acquire land cheaply in order to build the houses.

But throughout Southern California and in other areas across the country where the value of land is soaring, the organization and its affiliates are finding it harder and harder to buy affordable land, and have been forced to seek newer, more creative ways of acquiring it.

"Land has become very expensive, and it's amazing just how that simple concept affects so many different things," said Paula Akompong, executive director for Habitat for Humanity, San Bernardino Area. Her group is in a mad dash to raise enough money, materials and services to build a home for a family of five in San Bernardino by the end of June. It negotiated the purchase of a parcel at the corner of 36th and E streets through the city's redevelopment agency and AT&T, which formerly owned the land. Now the charity needs to raise the money to build the home.

Desire for land in Southern California has become so fierce that the nonprofit now finds itself competing with developers.

"And when you're competing with a market-rate builder, you're priced out," said Michelle Barrett, spokeswoman for Habitat for Humanity International in Corona. "What we're starting to explore now is partnering

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Frank Perez/For The S

Paula Akompong, executive director of Habitat for Humanity, San Bernardino Area, stands in a vacant lot at 36th and E streets. When th organization raises enough money, they'll build a house here for a family that has been waiting two years for a home of their own.

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PAULA AKOMPONG
Executive director, Habitat for Humanity, San Bernardino Area

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To give cash, materials or services to Habitat for Humanity, call (909) 307-2362 or e-mai Habitat for Humanity San Bernardino Area at habitatsb@gmail.com

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"... when you're competing with a market-rate builder, you're priced out. What we're starting to explore now is partnering with builders, who get a tax credit for providing affordable housing."

MICHELLE BARRETT
Spokeswoman for Habitat for Humanity International in Corona

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Habitat for Humanity's San Bernardino affiliate is partnering with city redevelopment agencies and developers to acquire land for building homes.

In Redlands, for example, the organization is working on building a house for a family on Tribune Street and secured a $112,000 interest-free loan from the city's redevelopment agency that will transfer to the homeowner, Akompong said.

"In Redlands alone, every piece of property we were looking at was $300,000 or more, for houses we were going to wind up selling for $120,000," she said. "The fact that the value of land was just so high, and the way we did fundraising, it would take forever for us to make that much money."

In Yucaipa, Habitat's San Bernardino affiliate has joined forces with Tustin-based developer Fidelity Homes Inc., which is selling one of its 1,800-square-foot, four-bedroom, three-bath homes in its soon-to-be-built gated Walnut Estates development to the nonprofit for $75,000. List prices in the 210-home development will range between $350,000 and $500,000, said Richard Alan Nagger, marketing and sales director for Fidelity Homes, Inc.

City redevelopment agencies find partnerships with nonprofits like Habitat for Humanity desirable for their affordable-housing programs because it's typically more economically feasible, Akompong said.

To address the bigger issues going on in Southern California, Habitat for Humanity has formed its Southern California Affiliates Program, which grapples with such issues as property taxes and how low-income people can afford to pay them when they didn't buy their houses at market value, Akompong said.

"Obviously they cannot afford taxes that are calculated on the market value of their home as calculated by the county assessor's office," Akompong said. "This is obviously a regional problem, and that's something we can address at the Sacramento level."

Barrett said the race to snatch up coveted land has left many of Habitat for Humanity's Southern density housing such as condos and town houses to accommodate smaller families are being built instead, she said.

Or, the nonprofit must build where land is affordable, and that usually means building farther away from metropolitan areas.

"We're pushing people further and further out from the cities. Now you're living in Blythe and commuting to Orange County," Barrett said. "And they don't have a lot of options for transportation."

Since 1994, Habitat for Humanity San Bernardino Area has built 23 homes in San Bernardino County, including eight in San Bernardino, 11 in Redlands, one in Colton, one in Fontana, and two in Loma Linda, Akompong said.

Since Akompong became the San Bernardino affiliate executive director two years ago, it has undergone major restructuring and trimmed costs.

"We've been going through a rebirth because we've had to scale back on our personnel, on our operations and focus on these families that we've chosen," Akompong said, adding that six families are on the waiting list for homes.

Among those families are Harold and Rosemary Ray and their three daughters, who will move into the yet-to-be built home at 36th and E streets in San Bernardino when it is built.

The Rays have put in nearly 500 hours of volunteer time with the nonprofit, a prerequisite to qualify for a home, since they were selected two years ago. They have been living in a two-bedroom apartment on Date Street on the city's east side for the last 12 years. They have watched the neighborhood steadily deteriorate while their rent increased.

The Rays first thought they would receive a home in Loma Linda, but were informed that the city required, through its affordable-housing program, a minimum annual income of $50,000, Rosemary Ray said, adding that she is a stay-at- home mom and her husband makes about $35,000 a year as a cable-TV installer.

Then they got their lot in San Bernardino, but the sponsor who initially agreed to do a "blitz build" of the home pulled out, opting for another project in Riverside instead, Ray said.

"So that was our second disappointment. And that's why we're trying to raise money for our home," Ray said.