

HABITAR Seed Homes

Grant Type: **Dollar and nondollar support**

Dollar Amount: **\$15,000**

Foundation Name: **Working Capital for Community Needs**

What was your objective with the grant or initiative?

In 2014, Working Capital for Community Needs (WCCN) made a grant of \$15,000 in support of HABITAR, an affordable housing nongovernmental organization that works to provide housing to poor women and their families in Managua, Nicaragua. WCCN's objective was to strengthen the organizational capacity of HABITAR to sustainably expand its housing program and its eligibility for investment from WCCN and other funders. HABITAR currently operates on donated funds, and WCCN would like to be that organization's first international lender, helping it to move from grant dependency to creditworthiness so that it can serve more low-income women with affordable housing products.

HABITAR serves some of the poorest people, mostly women, and it incorporates the input of the people it serves in multiple ways. For example, HABITAR's clients developed the idea of the seed home project. It takes its name from homes that are designed to grow as the family can afford an addition. The back wall of the initial home is cost-saving tin (forgoing a brick wall that won't be needed in a few years), which can be used as roofing material for future additions. The basic seed home model costs about \$2,500, and costs are covered through a contribution of work from the family, a housing subsidy, and a small loan.

What were the results of this grant or initiative?

HABITAR has greatly improved its portfolio at risk and is continually improving its collections process, demonstrating its ability to get repaid by borrowers and be worthy of investment capital. Thus, HABITAR now has a more stable and effective affordable housing loan program that is ready to receive loan capital from funders like WCCN.

Why would you say this grant or initiative had outsized impact?

The results are outsized because HABITAR has been able to scale up its impact and capacity to absorb growth capital so that it may serve more low-income women. WCCN has provided grants and donations to HABITAR over many years. As a result HABITAR has grown in sophistication so that it is better able to serve more low-income women with affordable housing products.

Building the capacity of institutions that know their clients well and maintaining relationships over time is essential to scaling up solutions that work. WCCN has partnered with HABITAR for more than a decade, and past capacity-building, grants, and donations from WCCN have helped HABITAR to grow its impact and have positioned it to receive loan capital so that it may continue to grow its impact in a sustainable manner. Building a lasting relationship has yielded fruit for both parties.



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