

# **World Changers: Successful Partnership for Housing Rehabilitation**

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## **World Changers: Successful Partnership for Housing Rehabilitation**

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### **ABSTRACT**

This article covers Muncie's (Indiana) ability to provide quality, affordable housing units in the face of substantial economic hardships. Through several recent programs, including World Changers and HOPE VI, the city is continually improving its housing supply. This article will discuss in detail the housing rehabilitation partnership that now exists between the City of Muncie and the World Changers organization (a mission-based organization). This article would be of interest to organizations interested in an innovative and effective approach to stretching housing-rehab dollars in a mid-size city.

### **INTRODUCTION**

During a stretch of time, beginning in late 1997 and ending in the early part of 1998, Muncie (located in east central Indiana) was hit particularly hard by a series of job losses. In all, roughly 2000 jobs were lost during this time period, and economists were predicting that another 2,300 to 2,800 jobs would be lost in coming months (Shcuman, 2001). Despite this tough economic forecast, Muncie was able to continue implementing parts of its housing plan with the help of the World Changers organization, including providing quality, affordable housing units.

Both groups identified housing rehabilitation as a primary goal, meaning that a common underlying purpose and understanding was already in place when the groups first met for discussion in the early spring of 2000. Having a clear and common purpose already in place allowed both groups to start discussion of a workable partnership several stages ahead of where many partnerships typically start. This article will outline details of the partnership and how the partnership impacted housing rehabilitation in the City of Muncie.

### ***ORIGINS AND RATIONALE: A PREMATURE RECESSION***

More than six years before the United States economy slowed down, Muncie (and East Central Indiana) began to experience a recession of its own (Barkey, 2002). During the six-month period described previously, Muncie suffered several major economic blows. Borg-Warner, which specialized in manual transmission manufacturing, shut down its transmission line, which resulted in a loss of 800 jobs. Then, ABB Manufacturing closed an 800,000 square foot facility in Muncie, which took away another 325 jobs from the local economy (along with 200 to 250 employees waiting to be called back). Next in line was the departure of Delphi/New Venture Gear, which resulted in the loss of another 380 jobs from the Muncie manufacturing economy. Finally, the long-established Ball Corporation closed its Muncie-based corporate headquarters and moved to Broomfield, Colorado. Ball Corporation had been in existence in Muncie for over 100 years, but when its' headquarters moved, an additional 180 jobs were lost (Schuman, 2001). The Indiana Business Research Center estimates that at least an additional 1,000 manufacturing jobs have been lost since the U.S. economic slowdown began in 2000 (Barkey, 2002).

Muncie was not alone however; the entire state of Indiana, the state most dependent on manufacturing jobs, has lost roughly 100,600 manufacturing jobs since employment peaked in that sector in February 2000 (Heikens, 2003).

With a total population of only 67,000 (2000 U.S. Census) this series of events represented a significant decline in the amount of available jobs for local workers, especially in an area that relies heavily on the manufacturing sector. Despite the flawed economic conditions of the time, the city's Community Development Department still made providing quality affordable housing one of its top priorities.

### ***SUMMARY OF WORLD CHANGERS***

When World Changers (an activity of the North American Mission Board) first began their goal was to change the way that mission education was approached by participating in a hands-on mission experience. The focus was to change the life of the participants by giving them an opportunity to change someone else's world. That focus is still true today. Even though World Changers has become a strategic plan to eliminate substandard housing for many communities, the focus is still on changing the world of the participants by giving them a hands-on mission experience (World Changers, 2002).

World Changers typically sponsors four types of mission projects: Junior High projects, Senior High projects, College Projects, and All Youth projects (all levels). Junior High projects tend to focus on less complex housing rehabilitations such as painting, window replacements, siding repair, and other types of repairs that would be relatively minor. Senior High projects tend to be somewhat more complex and involve work such as roof replacements, complete siding replacements and all of the work performed in Junior High projects. The College Projects are the most complex and consist of extensive/major repairs and would encompass most of the previously described work. The All Youth projects combine projects of all levels in one project area (such as the City of Muncie). Normally all projects are completed over the duration of one week, and typically take place in the summer months, when mission participants are available.

In order to most effectively impact the communities that they visit, World Changers prefers to work on single-family, owner-occupied housing units. Most project units are one-story (or one and a half story) houses for the safety interests of the volunteers. The efforts of the World Changers organization are also directed towards exterior rehabilitations in order to have the most positive impact on a community as possible. Furthermore, the rehabilitation activities usually focus on one neighborhood at a time. This provides the opportunity to make broad changes in a single neighborhood in a relatively short time span.

### ***INNOVATIVE ELEMENTS OF THE PARTNERSHIP***

World Changers provides an innovative solution for housing rehabilitation goals in several ways. Some of these elements and techniques are listed below and will be discussed throughout the article. In this case study, elements include:

- Mutually beneficial outcomes for multiple organizations
- Stable, apolitical leadership and administration
- Religious elements, but homeowner participation not required (allows for federal funding)

- Leadership training for newcomers and returning participants
- Similarity to Habitat for Humanity, with subtle but important differences
- Strong background planning efforts unique to the Muncie partnership
- Utilization of GIS technologies by non-profit organization
- Partnership provided a catalyst for other programs

### ***NOT EXACTLY HABITAT FOR HUMANITY ALL OVER AGAIN***

World Changers is somewhat similar to Habitat for Humanity in the sense that it is a volunteer-based group with an emphasis on housing improvement. The major differences are somewhat subtle, but still important for gaining a better perspective in what efforts are required for each type of project.

Habitat for Humanity prefers to focus most of its efforts on providing new-construction housing stock for lower income populations, while World Changers prefers to concentrate its efforts on rehabilitating the existing housing stock of lower income clients.

One of the primary differences between the two organizations is the financial aspect of each group's operation. Habitat for Humanity supplies new construction housing stock whereby the owners are required to pay back a no-interest mortgage. The mortgage payments are then used to fund other Habitat projects, therefore there is *no-profit* involved. Owners are also required to provide volunteer labor, or sweat equity, towards the completion of their own house, and the houses of others (Habitat for Humanity, 2003). By comparison, World Changers requires no monetary investment or volunteer labor on behalf of the owners. Through partnerships with other agencies, World Changers is able to procure the necessary materials for completion of its projects, and the necessary volunteer labor is provided by mission-participants.

Habitat for Humanity is typically small-scale development work, typically constructing one house at a time (but it is important to note that they have occasionally been involved in the development of entire subdivisions). World Changers has a slightly different approach in that it tends to be slightly more large-scale. As many as 400 volunteers will descend on an entire neighborhood (typically for one full week) and work on several housing rehabilitation projects simultaneously. Those efforts are not replicated for another year within the same community. Nevertheless, the results of each group's efforts are the same: volunteer-based efforts to improve not only the living conditions, but also the lives of lower-income citizens, and thus entire neighborhoods and communities.

### ***SETTING THE TABLE FOR PARTNERSHIP***

One of the reasons for the high level of success and cooperation of the partnership was that World Changers entered into this partnership under the stability of a two-term city administration. The Honorable Mayor Dan C. Canan has been the mayor-elect for the City of Muncie since 1996, and has therefore had the opportunity to establish effective working relationships across both department lines and political party lines. Under the Canan administration, World Changers has made four consecutive mission-based visits including the initial project in 2000. Part of the reason for the continued partnership has been that the Muncie location has become popular with both the project coordinators and the youth.

## ***THE PROCESS***

Several months before the projects were to take place, neighborhood housing condition surveys were conducted using the “windshield survey method” and a laptop computer. Once back in the office, the data was transferred into a Geographic Information System (GIS) that was used to produce customizable maps of the neighborhood’s housing conditions. The GIS surveying component of the project was based on Delaware County’s parcel database in order to take advantage of detailed data that already existed. Addresses were cross-referenced with a city directory to identify those units which were owner-occupied (a requirement of all projects). Homeowners were then contacted to discuss possible interest in participating in the project. Once a list of project sites and homeowners was compiled, it could then be called up through the GIS software to produce the project site maps. As project sites and details changed, the GIS software allowed for quick adaptability and dissemination of the latest and most accurate information. Final project site maps were distributed to all crew chiefs (project site leaders), construction coordinators, and Community Development staff.

While the details for each site were being finalized, construction coordinators (from World Changers) toured each site to assess the level of skill that would be needed to complete each project. From there, crews were assigned to project sites, and a materials list was developed for each individual project site. As projects were added to and dropped from the list, sites needed to be reevaluated and revisited. This required the expertise of several personnel (from both organizations) familiar with the housing rehabilitation process, especially in ‘scoping’ projects. Once all the needed materials had been identified, they were ordered in bulk and delivered to a local street garage. Two days before the projects were scheduled to begin the materials were delivered to each individual project site.

The city had also established accounts at local building construction supply retailers, whereby several designated persons could travel to the nearest location to purchase needed supplies for the project site. An arrangement was also made whereby unused building materials still in good condition could be returned for full credit, thereby saving the city the burden of swallowing the cost of excess materials. This created a dynamic environment that improved the time element of project completion because materials were delivered almost as soon as they were ordered.

Throughout the project week, communication between construction coordinators, crew chiefs, and city personnel occurred through the use of excess police radios (cell phones were used in 2003). This excess equipment turned out to be vital to the project’s success, as it allowed ubiquitous access to the key decision makers involved in the project. As a result of this, critical decisions were handled in a matter of minutes, not over the course of hours or days.

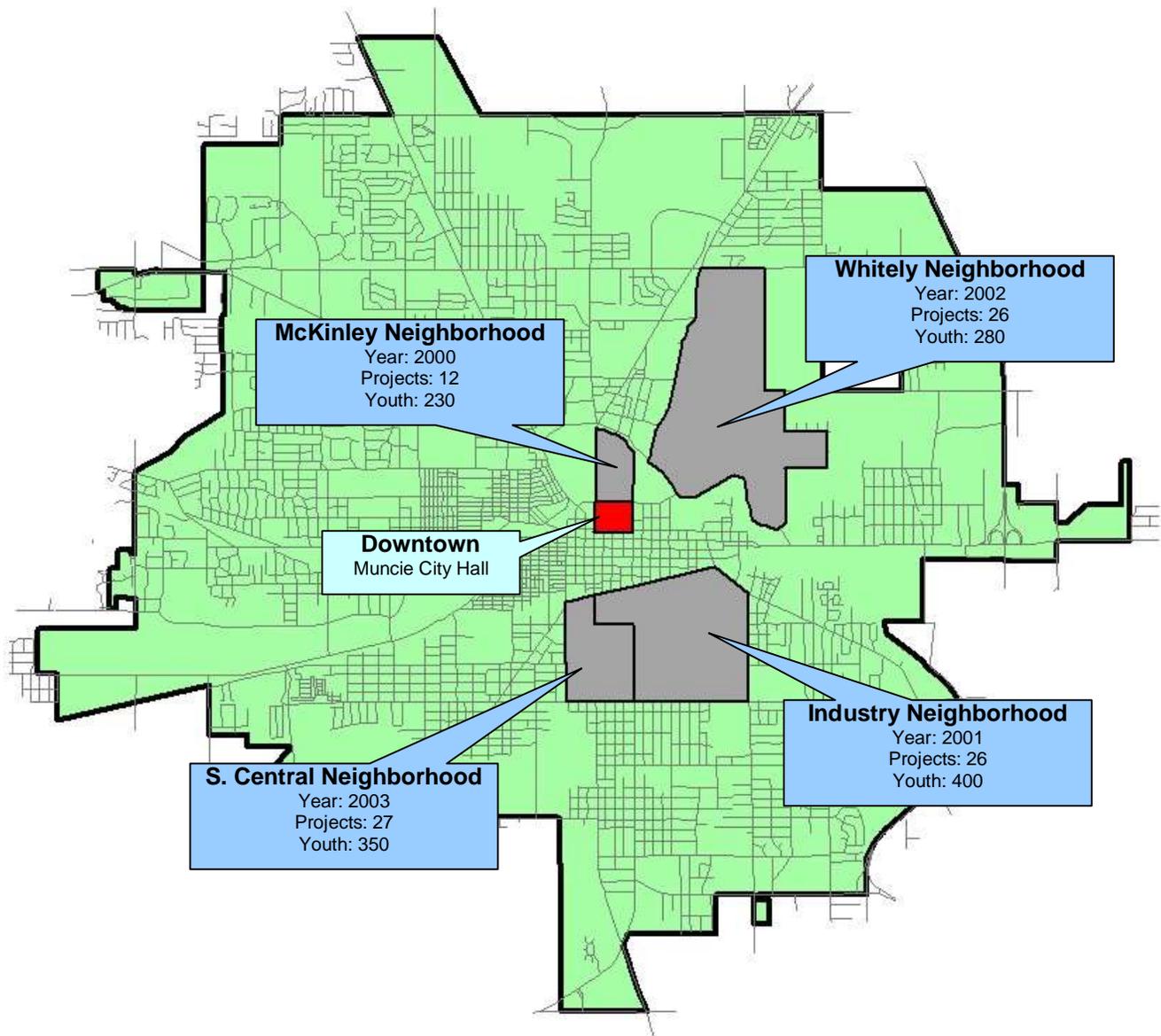
These background planning activities have proven to be vital to the continued success of this program. Through its willingness to cooperate and accommodate, Muncie has earned a reputation as a desirable place to work with in the World Changers community.

## ***BENEFITS: THE HOUSING REHAB PROJECTS***

The first project year was in 2000, which targeted a near-downtown neighborhood known as the McKinley Neighborhood. This was identified as an ideal project neighborhood because it was relatively small, it contained a fair amount of substandard owner-occupied housing and it was

CDBG-eligible, which was important because the City of Muncie's Community Development office was funded entirely through the U.S. Department of Housing and Urban Development's (HUD) grant programs, mainly the Community Development Block Grant (CDBG) program. This neighborhood was also adjacent to the downtown area, and the hope was that it would act as a catalyst for the city's downtown revitalization efforts as well.

**Figure A. World Changers Projects by Neighborhood**



The McKinley Neighborhood project was conducted from June 11-17 (2000) and featured 12 rehab sites completed by 145 youth. The total project cost was just over \$22,000, which is typically enough to complete only 2 or 3 housing rehab projects through the regular CDBG housing rehab program. On the other hand, 12 rehab projects would cost roughly \$80,000-\$100,000 if funded through the traditional CDBG housing rehab program.

### Figure B. 2000 Project McKinley Neighborhood



The second year of the partnership targeted the Industry Neighborhood, which is located southeast of downtown Muncie. This project was completed during the week of July 23-27 (2001) and saw the improvement of 26 units with approximately 400 youth. The total cost of this project was roughly \$50,000. Normally this level of funding would be enough to complete only about six or seven CDBG-funded housing rehab projects.

### Figure C. 2001 Project Industry Neighborhood



The third year's projects were completed in the Whitely Neighborhood, from June 17-22 (2002). The Whitely neighborhood is located about one mile to the northeast of downtown Muncie. Approximately 26 projects were completed by 280 youth participants during this year. The total project cost for this year was \$54,255, again only enough to complete about six or seven CDBG-funded housing rehab projects.

### Figure D. 2002 Project Whitely Neighborhood



The fourth year, and most recent year, of the partnership focused on the South Central Neighborhood, located to the adjacent south of the downtown area. In this neighborhood, 27 projects were completed during the week of June 16-20 (2003). Approximately 350 youth participated in the housing rehab projects.

The total project cost was \$51,456 (not all purchases have been processed yet).

### **Figure E. 2003 Project South Central Neighborhood**

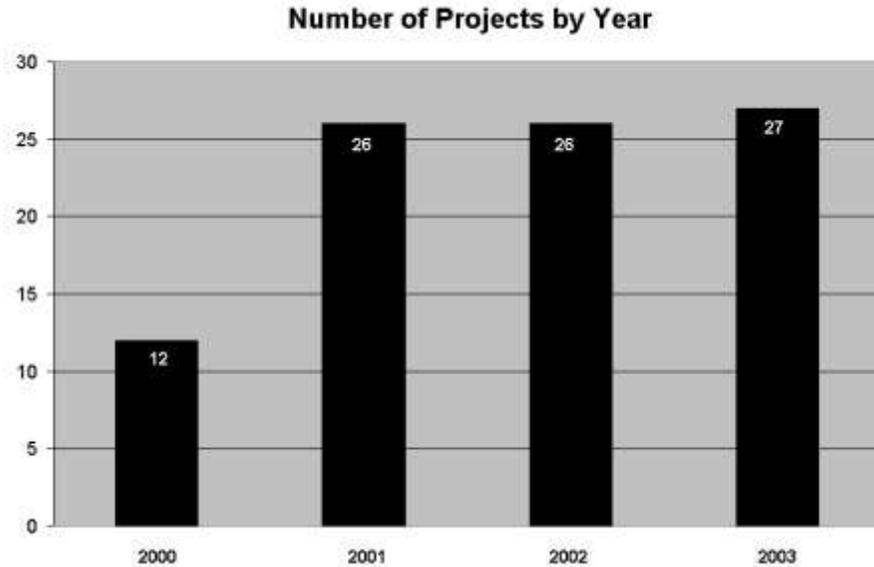


All four years of World Changers projects have been conducted in lower income neighborhoods where a substantial need for housing rehabilitation was clearly demonstrated through Census demographic analysis. It is also important to note that all of the above mentioned projects were completed in addition to the other regular duties carried out by the Community Development department, such as infrastructure improvements, community facility improvements, economic development initiatives, and public service agency assistance.

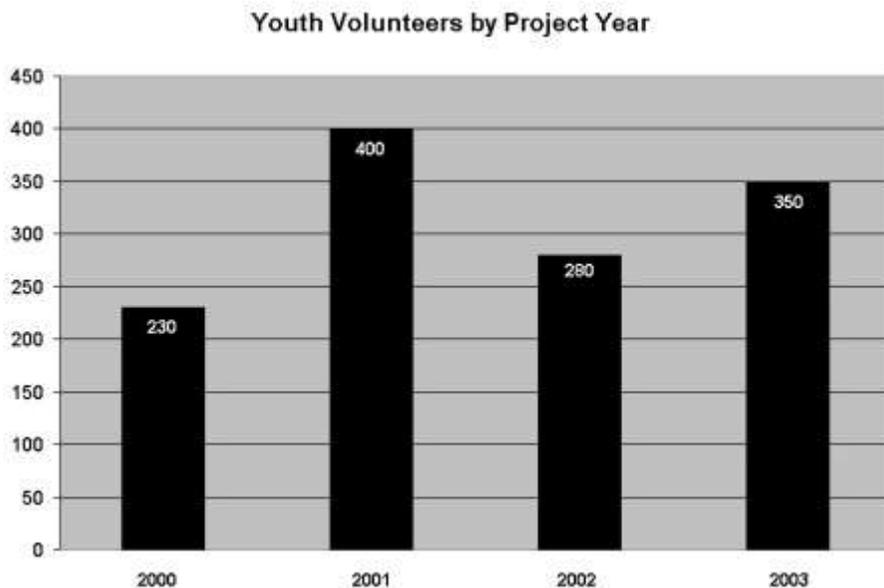
#### ***LESSONS LEARNED: THE DIFFERENCE FOR MUNCIE***

The impact of the World Changers partnership has been dramatic for the City of Muncie. Through the CDBG program, as much as 1/2 of any housing rehabilitation project costs are incurred through the labor portion alone. Manual labor is needed to remove all failing/deteriorated systems (i.e. roofing, siding, foundation), to prepare projects sites, and finally to repair the targeted systems. The materials, therefore, typically constitute only 1/2 of the total project cost. However, the use of volunteer labor, such as that provided by the mission-based World Changers, can stretch the average rehabilitation dollar by *two times with no additional funding*. This is especially important for organizations trying to make a relatively large impact on a relatively small budget. For those readers familiar with the CDBG program, the importance of stretching a limited budget to the fullest extent will be obvious. Although World Changers is a faith-based organization, it does *not* require the homeowner to participate in any type of religious ceremonies or to subscribe to any particular religion, meaning that CDBG dollars are eligible for such projects (HUD, 2002a). Muncie has successfully completed HUD monitoring criteria for three of the four World Changers projects (monitoring has not yet taken place for the fourth year, but is expected to be successfully completed as well).

**Figure F. Number of Projects by Year**



**Figure G. Youth Volunteers by Project Year**



In the case of Muncie's CDBG program, this had a huge impact on its housing rehabilitation program. Before the World Changers partnership the city could only afford to complete approximately 30 housing

Changes in place, 25-30 projects could be completed in merely one week, with enough left in the program budget to complete another 25-30 housing rehabilitation projects (City of Muncie, 2002). Muncie has been able to complete 91 housing rehabilitation projects in partnership with World Changers over four years, with an investment of only \$177,800 (all of which was directed towards construction materials). Any community with a housing rehabilitation program will surely see the benefits, at some level, of such a partnership.

## **MUNCIE'S HOPE VI GRANT AWARD**

The Community Development department's activities are only one piece of the city's overall efforts to provide quality affordable housing units. In 2002 Muncie was awarded a \$12.3-million HOPE VI Revitalization Grant to demolish existing substandard public housing units and replace them with new construction units. HOPE VI is a grant program administered by HUD to demolish the most severely distressed public housing units in the United States and replace them with developments for families of all incomes.

The HOPE VI grant will replace 279 severely distressed units at Munsyana Homes (a public housing development completed in 1939 in the Industry Neighborhood) with 244 new units. Of the 244 new units, 62 will be public housing units, 138 will be affordable rental units and 44 will be home ownership units. All but 22 of the new construction units are considered affordable by HUD criteria (HUD, 2002b).

The HOPE VI grant award of \$12.3M is being leveraged with an additional \$15.04M dollars from various public and private sources, for a total project funding of \$37.39M. The project is being completed in several phases over the course of the next several years. Flaherty & Collins, a statewide developer, will manage the development team and serve as the property manager (HUD, 2002b).

## **CONCLUSION**

The leaders and citizens of Muncie have refused to accept the unfortunate economic situation without fighting back. Through proactive planning and dedication, the city has been able to continue finding ways to improve the housing stock of its neighborhoods.

The first year of projects provided a good learning curve on which following years' efforts were based. By only the second year the partnership was able to accommodate 26 rehab projects and approximately 400 volunteers. One of the keys to success was starting off with a small set of projects to learn from.

Additionally, having prior experience in the housing rehabilitation industry proved invaluable. The combined efforts of the World Changers group, the Community Development department, and the HOPE VI grant activities will see 335 housing units constructed or rehabilitated in Muncie.

What sounded "too good to be true" in the beginning has turned into a mutually beneficial annual event for both the World Changers and the City of Muncie. Having already completed four years of projects successfully, the partnership is currently preparing for its fifth year.

## **ABOUT THE AUTHOR:**

**Louis R. Hill, Jr.** is currently a GIS Planner with the Lake County, IL Department of Planning, Building and Development. Before moving to Lake County, he was a Planner/GIS Specialist with the City of Muncie, where he participated directly in three of the four World Changers projects covered in this article.

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Julie Young (Planner I)

## **GRAPHICS AND ILLUSTRATIONS:**

### ***Maps:***

- A. World Changers Projects by Neighborhood (Louis Hill, City of Muncie Community Development)

### ***Project photos:***

- B. 2000 Project McKinley Neighborhood (City of Muncie Community Development staff)
- C. 2001 Project Industry Neighborhood (City of Muncie Community Development staff)
- D. 2002 Project Whitely Neighborhood (City of Muncie Community Development staff)
- E. 2003 Project South Central Neighborhood (City of Muncie Community Development staff)

### ***Charts:***

- F. Number of Projects by Year (Louis Hill, City of Muncie Community Development)
- G. Youth Volunteers by Project Year (Louis Hill, City of Muncie Community Development)