



# Priority Home Repair Program

Partnership with Habitat for Humanity – Grand Traverse Region and  
Cherryland Electric Cooperative.

## **What is the Priority Home Repair Program?**

The Priority Home Repair Program is a pilot program aimed at repairing low-income homes in need of weatherization improvements in Grand Traverse, Leelanau, and Kalkaska counties. The program will target building envelope repairs (i.e. roof, insulation, windows, and doors) in both mobile and stick-built homes.

## **Why is Cherryland partnering with Habitat for Humanity to launch this program?**

Over time, Cherryland has noticed that many of its most vulnerable members live in housing that is unhealthy, unsafe, and energy inefficient. With leaking roofs, broken windows, and little to no insulation, this often means they have higher than average electric bills, despite being least able to afford it.

While Cherryland has worked as both volunteers and donors with several local organizations to make these repairs over the last few years, it's become obvious that the need is much greater than the current capacity of these organizations.

## **What is Cherryland's financial commitment?**

In April 2019, the Cherryland board of directors made a three-year commitment of \$100,000 annually to Habitat for Humanity – Grand Traverse Region to launch the program.

## **Where are the funds coming from?**

Cherryland's donation comes from unclaimed capital credits, or excess revenue left unclaimed by a portion of the cooperative's membership.

## **What are unclaimed capital credits?**

As a not-for-profit electric cooperative, Cherryland assigns all excess margins to members at the end of the year. On an annual basis, the Cherryland board decides how much of the capital credit balance to retire to the membership based on the cooperative's financials. This money is retired in December and returned to members on their electric bill or via check if they no longer receive service from the cooperative.

After every capital credit retirement, a portion of the retirement goes unclaimed because Cherryland cannot find members who may have moved off the system. Roughly 10% of every capital credit retirement goes unclaimed. Cherryland holds that money for five years and then it becomes permanent equity. This donation represents a very small portion of that permanent equity.

**Will this donation affect Cherryland's rates?**

This donation affects neither Cherryland's annual operating expenses nor rates. It will have minimal impact to the cooperative's balance sheet due to Cherryland's strong financial position.

**Who is eligible to participate in the program?**

In order to become eligible to participate in the Priority Home Repair Program, one must live in Grand Traverse, Leelanau, or Kalkaska county and meet Habitat for Humanity – Grand Traverse Region's income qualification standards.

**How does one qualify?**

Cherryland members interested in participating in the program must meet Habitat for Humanity – Grand Traverse Region's income qualification standards. Once qualified, Habitat for Humanity's staff will assess the physical needs of the home and determine what repairs can be done reasonably. Interested members can visit <https://www.habitatgtr.org/home-repair/> to learn more.

**Does one have to own a home to participate?**

Habitat is soliciting multiple funding sources for this program. Some of those funding sources are restricted to use in owner-occupied homes. However, the money Cherryland has committed is not. While early funding for renter-occupied homes is limited, renters and home owners are encouraged to apply to participate in the program.

**Will the funds donated by Cherryland be used to make repairs in non-member homes?**

A portion of the funds donated by Cherryland will go toward staffing costs to launch the program. Habitat staff will work with both members and non-members. However, no Cherryland funds will be used to pay for upgrades or building materials for non-Cherryland member homes.

**When will the program start?**

Habitat for Humanity – Grand Traverse Region will begin making repairs to homes in 2020.