

BUILDING COMMUNITIES & HOPE

November 2024



Building Communities & Hope Project Proposal 2024

Country background

In Guatemala, the housing deficit affects more than 2.2 million households. Adding to this is the impact of the Covid-19 pandemic, which has exacerbated the economic situation faced by millions of families, leaving 52.4% of the population in conditions of poverty or extreme poverty. This means that more than 8 million Guatemalans survive on less than USD\$6 a day, an amount insufficient to cover basic needs such as food, essential services, and, even more critically, access to decent and adequate housing.

Currently, of the more than 2.2 million households affected by the housing deficit, approximately 96% of it is related to qualitative housing deficiencies. In other words, millions of Guatemalans, including children, live in homes that do not meet minimum habitability standards, posing risks to their health, development, and safety. These homes often have issues such as damaged roofs, deteriorating walls and structures made of non-permanent materials, a lack of water and/or sanitation services, and predominantly dirt floors.

In Guatemala, there are no formal financial services catering to the D1 socioeconomic segment, which includes over 1.9 million households with monthly incomes between USD 384 and USD 1,024. As a result, millions of Guatemalans lack access to financial tools that could improve their living conditions, health, and housing. The World Bank highlights that promoting financial inclusion for underserved populations can improve key national indicators, including stability, growth, education, and health. It also supports greater social inclusion for women, enabling them to contribute more to household income and decisions that affect their lives.

It becomes evident that in order to address poverty, one of the fundamental Sustainable Development Goals in the 2030 Agenda, it is necessary to promote programs and initiatives aimed at improving access to financial services for those who need it most and who have encountered the greatest difficulty in accessing these services. This ensures that all human beings have equal rights to economic resources and financial services, which are vital for the development of any individual.



Previous work in the country by HFHG

Habitat for Humanity Guatemala (HFHG) is a non-profit organization founded in 1979 in response to the 1976 earthquake that left 1 in every 6 Guatemalans homeless. Forty-five years later, HFHG continues to work tirelessly in the country to reduce the current housing deficit. It is estimated that by providing over 170,117 housing solutions over 45 years, HFHG has reduced the housing deficit in the country by 8.49%. To date, HFHG remains committed to providing Guatemalan families living in poverty or extreme poverty with housing solutions that are safe, hygienic, affordable, and culturally accepted, thereby promoting better living conditions and health for all.



Since its beginning, HFHG has supported over 1,016,782 individuals through more than 170,117 housing solutions. In 2023, HFHG provided in-kind financial support to over 2,223 families through its revolving fund. In 2024, the goal is to provide access to this financial opportunity to another 2,300 families, thereby granting dignified housing to more than 11,500 Guatemalans.

In comparison to other organizations in the country, HFHG has a comparative advantage due to its extensive presence.

Through its 24 offices in the 22 departments, the HFHG team is capable of serving families in the entire Guatemalan territory, thus maximizing opportunities to identify, select, and assist the most vulnerable and often excluded communities and families in need of support. Similarly, due to the reach and impact of the revolving fund, HFHG's home ownership program shows significant sustainability, with a 12% growth in its active portfolio in 2022 compared to 2021.

Project Summary

The project called "Building communities and hope" aims to enhance the quality of life and promote the family development of 25 Guatemalan families by providing them with access to land and in-kind financial support for home construction. The specific objectives of the project are the following:

- **Objective 1:** Facilitate the purchase of safe and affordable land for families.
- **Objective 2:** Identify 25 families to receive in-kind financing and participate in the HFHG's home ownership model to build dignified homes.
- **Objective 3:** Support families throughout the construction process with technical supervision and educational training.
- **Objective 4:** Promote volunteer work on construction site through Global Village and local volunteer groups.

Through this project, HFHG will help 25 families acquire financing through a revolving fund to build homes using one of HFHG's 22 models. This will improve the health and living conditions of 125 people, primarily children. A well-maintained roof will protect against moisture and mold, reducing the risk of respiratory illnesses. Concrete floors will provide structural stability and reduce health risks associated with dirt floors, such as gastrointestinal and respiratory illnesses. Families will also receive a water purifier, ensuring access to safe water and reducing waterborne diseases.

Land option 1: Bosques del Porvenir, Chimaltenango

(1 hour 10 minutes away from La Aurora Airport in Guatemala City)

In the municipal center of the department of Chimaltenango, the subdivision “Bosques del Porvenir” has been identified as a viable option. This area has a gentle slope, with inclines suitable for 6x15 meter lots. The main access is through a paved two-lane municipal road that leads to San Martín Jilotepeque. The internal roads within the subdivision are made of gravel or graded, with a width of 32 feet, including a 1-meter-wide sidewalk on each side and concrete curbs.

The subdivision has the following basic services:

- **Electricity:** Private electricity supply provided by ENERGUATE.
- **Potable water:** From a dedicated well located within the residential area.
- **Sewage system:** Connected to the municipal network.
- **Roads:** Internal roads are 32 feet wide covered in gravel or graded.

The identified plots or land are within a subdivision that is currently under development. The dimensions of the available lots are suitable for the majority of housing models listed in the Habitat Guatemala catalog, with the largest model covering up to 71 square meters. Furthermore, the cost of each lot is favorable, given its location along the main road and the availability of private services, as noted above.

Additionally, the subdivision's location is strategic, within the urban perimeter of the municipal center, providing quick and easy access to services such as public and private educational institutions and commercial areas, including markets, plazas, and shopping centers.

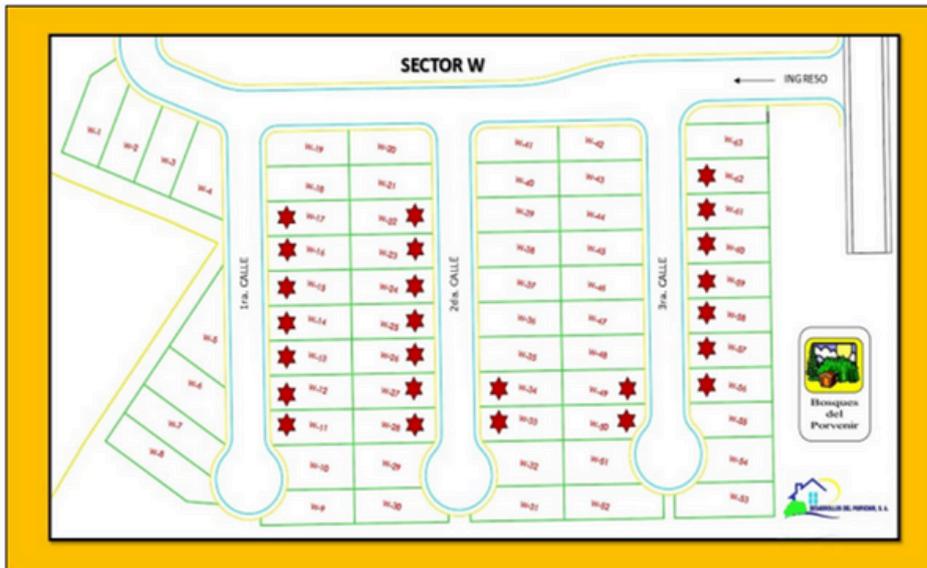


Reference distance between the development and the commercial center of Chimaltenango.

HFH Guatemala has verified that this development is currently subject to legal tenancy, with established agreements in place by the current owner. These tenancy agreements are fully compliant with local laws and regulations, ensuring that the rights of all parties are protected. This provides a clear understanding of the property's use and the obligations involved before proceeding with the purchase.

Specifications of the potential lots for acquisition

- **Total Cost for 25 Lots:** \$ 655,000
- **Lot Dimensions:** 19.68 feet (front) x 49.21 feet (depth)
- **Area per Lot:** 968 ft²
- **Lot Location:** Sector W (lots numbered 11, 12, 13, 14, 15, 16, 17, 22, 23, 24, 25, 26, 27, 28, 33, 34, 49, 50, 56, 57, 58, 59, 60, 61, 62)



The lots marked with a red star are those currently under a sales agreement with the developer.



Left: Main boulevard of sector W. **Right:** 1st street of sector W.



Additional HFH Guatemala staff visited the subdivision to carry out a physical evaluation and verification of the location, size and inclination of the lots.



The roads in the subdivision will be graded. Electricity is available through Energuate's system. Water is available through a well land elevated tank located within the subdivision.



Water supply is abundant in the subdivision. The subdivision provides access to green areas and recreational spaces.

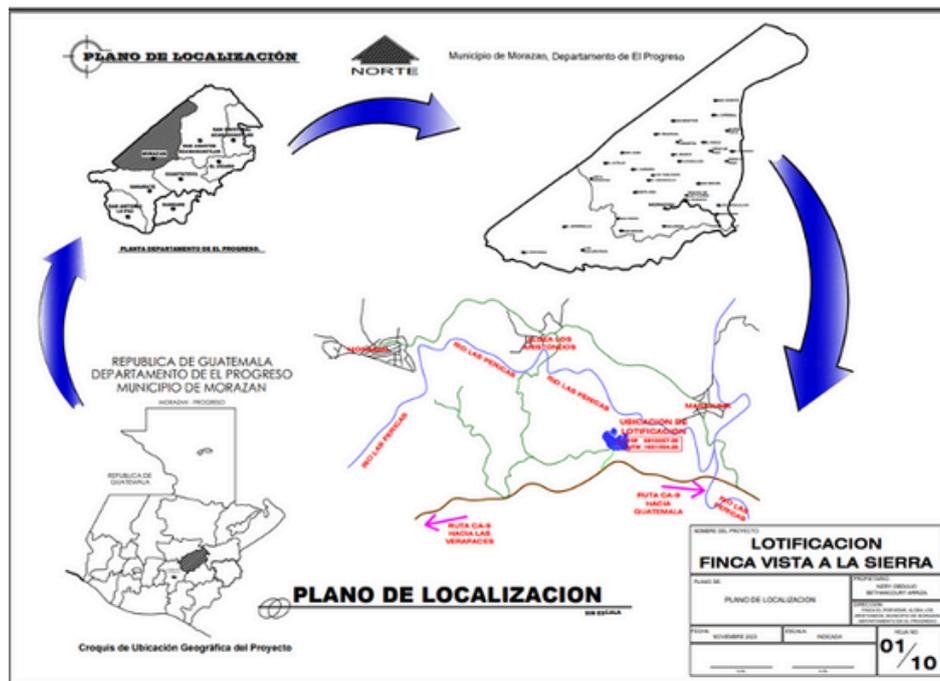
Land option 2: Vista a la Sierra, Morazán, El Progreso

(2 hours 10 minutes away from La Aurora Airport in Guatemala City)

In the municipality of Morazán, department of El Progreso, a second subdivision option, 'Vista a la Sierra,' has been identified for land acquisition. This subdivision features a gently sloping, semi-flat topography, with inclines suitable for 10x20 meter lots. The main access route is a paved, two-lane departmental road leading towards Las Verapaces. Internally, the subdivision has gravel or graded roads with a width of 5 meters and 0.5-meter-wide sidewalks on each side, with plans for paving.

The subdivision offers the following basic services:

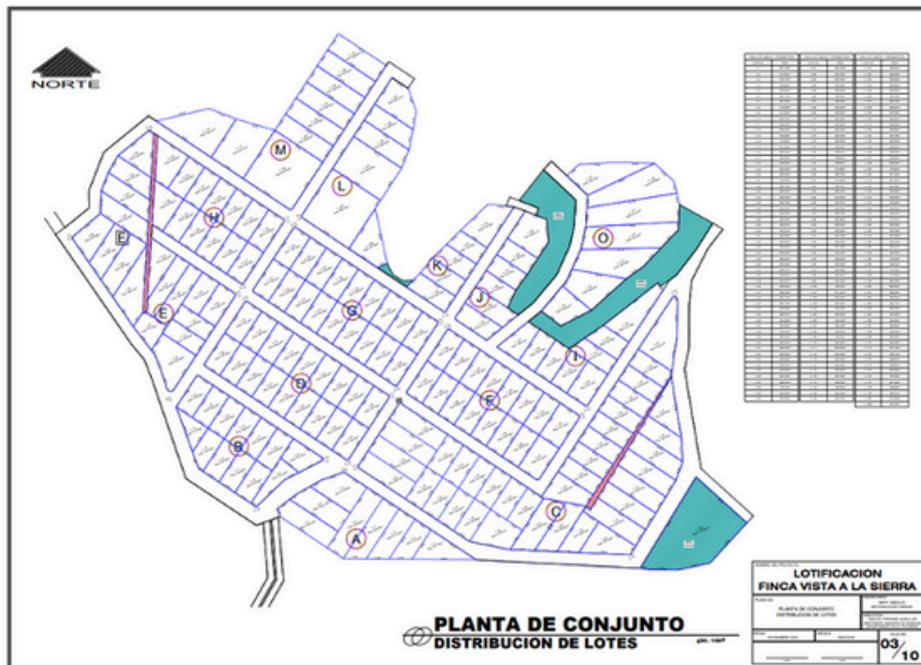
- **Electricity:** The subdivision will be connected to a private electricity supply provided by ENERGUATE.
- **Potable water:** Provided by an on-site well and an elevated tank, which is scheduled for construction.
- **Sewage system:** Each household will need to install a biodigester, which families will be responsible for building.
- **Roads:** Internal roads are 16 feet wide and covered in gravel or graded.
- **Security:** The subdivision is gated with entrance security for residential access.



Location of the subdivision within the municipality, department and country.

The lots are located outside the urban perimeter of Morazán, approximately 20 minutes from Morazán or 10 minutes from El Rancho, El Progreso. There are no nearby educational centers aside from those in Morazán, with commerce and other amenities available in El Rancho.

The subdivision is currently under development. The lot dimensions are suitable for most housing models available in the Habitat Guatemala catalog, with the largest housing option measuring 7x12.5 meters or 71 square meters. The cost per lot is reasonable, considering its location along a major road and the inclusion of private services like potable water.



Currently there is the possibility of choosing the best location of lots, so that they are contiguous to each other.

Although HFH Guatemala has verified that this development is currently subject to legal tenancy according to the National Registry of Estate, during a visit to the land it was identified that the property does not have clearly defined lot boundaries. This lack of established limits raises some concerns about the precise scope of the land, and it will require further investigation to ensure everything is properly surveyed and legally defined before moving forward with any decisions. While the location holds great potential, clarity on the property lines is essential to proceed any further .

Specifications of the potential lots for acquisition

- Total cost for 25 lots:** \$717,500
- Lot dimensions:** 32.80 feet (front) x 65.61 feet (depth)
- Area per lot:** 2152 ft²
- Lot location:** All lots are available within the subdivision.



Additional HFH Guatemala staff visited the subdivision to carry out a physical evaluation and verification of the location, size and inclination of the lots.



Construction of graded roads has begun but is at initial stages. Drainage chambers will be installed at each lot.

Comparison of subdivisions for purchase

Name of development	Location	Distance from La Aurora Intl. Airport	Price per lot	Size in ft ²	Electricity	Water	Drainage	Roads
Bosques del Porvenir	Chimaltenango	1 hour 10 minutes	\$26,176.31	968	Currently provided by Energuate.	Local well.	Municipal system.	32 ft wide. Graded.
Vista a la Sierra	Road to Las Verapaces	2 hours 10 minutes	\$28,655.74	2152	Connection is still pending. It will be provided by Energuate.	Well and elevated tank.	Individual biodigester.	16 ft wide. Graded.

Budget

The price per lot for each subdivision is detailed below. The price per lot includes:

- Surveying fees
- Title search
- Legal fees
- Registration fees
- Property transfer or sale tax
- Utility connection fees

Option	Name of Development	Location	Size (in feet)	Price per lot	Number of lots	Total square feet	Total
1	Bosques del Porvenir	Chimaltenango	19 x 49	\$ 26,200	25	24,219	\$ 655,000
2	Vista a la Sierra	El Progreso	32 x 65	\$ 28,700	25	53,820	\$717,500



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