

Housing Forward: CDD Financing for Housing Development and Housing Services Application

This application form should be used for projects seeking funding from City of Madison Request for Proposals #2020-8976; Housing Forward: CDD Financing for Housing Development and Housing Services. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on November 25, 2020**. Email to: cddapplications@cityofmadison.com

APPLICANT INFORMATION

Proposal Title:	Habitat Mortgage Reduction Program		
Amount of Funds Requested:	\$200,000	Type of Project:	<input type="checkbox"/> Development <input checked="" type="checkbox"/> Housing Services
Name of Applicant:	Habitat for Humanity of Dane County		
Mailing Address:	3101 Latham Dr Madison, WI 53713		
Telephone:	608-255-1549	Fax:	608-255-1823
Project/Program Contact:	Valerie Renk	Email Address:	vrenk@habitatdane.org
Financial Contact:	Val Kudrna	Email Address:	vkudrna@habitatdane.org
Website:	www.habitatdane.org		
Legal Status:	<input type="checkbox"/> For-profit <input checked="" type="checkbox"/> Non-profit <input type="checkbox"/> Non-profit (CHDO)		
Federal EIN:	39-1592769	DUNS #:	143683071
Registered on SAM:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Community Housing Development Organization:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> CHDO Application Attached		

AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the City of Madison Ordinance 39.02 and file either an exemption or an affirmative action plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at <http://www.cityofmadison.com/dcr/aaFormsID.cfm>.

LOBBYING RESIGTRATION

Notice regarding lobbying ordinance: If you are seeking approval of a development that has over 40,000 gross square feet of non-residential space, or a residential development of over 10 dwelling units, or if you are seeking assistance from the City with a value of over \$10,000 (this includes grants, loans, TIF, or similar assistance), then you likely are subject to Madison's lobbying ordinance, sec. 2.40, MGO. You are required to register and report your lobbying. Please consult the City Clerk for more information. Failure to comply with the lobbying ordinance may result in fines of \$1,000 to \$5,000. You may register at <https://www.cityofmadison.com/clerk/lobbyists/lobbyist-registration>.

CITY OF MADISON CONTRACTS

If funded, applicant agrees to comply with all applicable local, state and federal provisions. A sample contract that includes standard provisions may be obtained by contacting the Community Development Division at (608) 266-6520.

If funded, the City of Madison reserves the right to negotiate the final terms of a contract with the selected agency.

SIGNATURE OF APPLICANT

Enter Name: Valerie Renk

By submitting this application, I affirm that the statements and representations are true to the best of my knowledge.

By entering your initials in this box you are electronically signing your name as the submitter of the application and agree to the terms listed above.

Date: 11/24/2020

PROPOSAL OVERVIEW

1. Please provide a brief overview of the proposal. Describe the impact of the proposed development or program on the community as well as other key characteristics. *(Please limit response to 300 words including spaces).*

Habitat for Humanity of Dane County (Habitat Dane) helps address the growing problem of limited affordable housing units in the city of Madison. On November 23, 2020, there were only 5 homes priced under \$200,000, making it extremely difficult, if not impossible, for families of low and moderate income to own a home. For these families, Habitat Dane is one of the only paths to realizing the stability and self-reliance that homeownership provides.

The Habitat Dane program makes homeownership affordable through no interest mortgages with monthly payments limited to 28% of household income. This not-for-profit model is made possible through generous financial and in-kind contributions from individuals and organizations, a volunteer labor force, and Habitat ReStore revenue. As the cost of land, building materials, and contracted construction services steadily increase, these additional revenue sources and cost saving measures become a limiting factor in Habitat Dane's ability to provide more opportunities for homeownership.

Habitat Dane is seeking \$200,000 in mortgage reduction assistance for seven qualifying families seeking to own their first home.

Number of unduplicated households estimated to be served by this project: 7

HOUSING FORWARD GOALS & OBJECTIVES

2. Please check which of the following goals outlined in the Request for Proposals are met with this proposal:

1. Preserve, improve and expand the supply of affordable housing for homeowners and renters.

2. Improve housing stability for homebuyers.

AFFORDABLE HOUSING NEEDS

3. Describe your agency's knowledge of and experience in identifying affordable housing needs of the City of Madison.

Habitat Dane has a 30-year track record of community development in the city of Madison, with strong community support and consistent interest from potential partner families. On average, about 300 people attend periodic Habitat Dane Information Sessions, where potential partner families learn about the Habitat Dane Home Building program and have the opportunity to apply.

The need for more affordable housing is clear. Home prices and rents grew faster in the City of Madison and Dane County than elsewhere in the state due to a significant gap in available units. The 2019 UW-Madison Institute for Research on Poverty Fact Sheet cites that 22% of all households in the county are cost-burdened, spending more than 30% of their income on housing. About 24% are severely cost-burdened, spending more than 50% of their income on housing. The rental vacancy rate is also very low at 2%, much lower than rates of a healthy market. This forces many into less than ideal conditions or locations, complicating access to preferred jobs, schools, services or units that can accommodate larger families.

Habitat Dane specializes in affordable housing development for low-income, low-asset households. Families who partner with Habitat Dane have a household income between 30% and 60% of Dane County median income to be eligible for the home buying program. Median income for Habitat Dane families in 2019 was \$42,864. Habitat Dane serves many poor and near poor families who frequently live paycheck to paycheck. All partner families are drawn from highly vulnerable communities: 100% are low-income (yet working hard to provide for their families). Annually, at least one third are living in substandard housing and unsafe environments. At least 26% are housing cost-burdened (spend more than 30% of income on housing). Many are single-parent households. 45% are female head of household. Approximately 70% (50% minority, 20% other) identify as minority races and ethnicities, many have disabilities or special needs that make finding adequate safe housing a uniquely onerous challenge.

Habitat Dane's goal of increasing access to safe and affordable housing is more important than ever, and CDBG funds would allow Habitat Dane to keep its commitment to low income families. Specifically, \$200,000 in CDBG funds will be deployed to reduce the mortgage loans for seven first-time homes buyers by approximately \$28,500 each.

Habitat reaches prospective homeowners through extensive community outreach. Habitat staff members contact faith organizations, businesses, schools, social service providers, and community organizations to spread awareness about the Habitat program to both perspective homeowners and potential referrers. Secondary referrals and self-referrals are also solicited through information on Habitat's website, e-newsletter, print newsletter, posters, and placement of enrollment sessions in community calendars and faith community bulletins. Many referrals also come from volunteers and current Habitat families.

Open enrollment sessions are held periodically throughout Dane County where program requirements are presented and applications are available with in-person page by page instructions. Habitat staff and a volunteer selection committee evaluate the applications based on the income, need, and willingness to partner. The Habitat Board of Directors then approves families for the program.

4. Please describe the anticipated demand for the proposed target populations intended to be served.

The proposed target population of seven future homeowners in three neighborhoods in the city of Madison have already been identified, with all seven future families having been formally accepted to the Habitat Dane program.

There is no shortage in families seeking stability through homeownership. This is true in the city of Madison as seen in the number applicants to the Habitat Dane program. Habitat Dane is currently committed to families who will be closing on their homes through mid-2022.

AGENCY OVERVIEW

5. Describe the Agency's Mission Statement and explain how this project supports the Mission Statement.

Habitat Dane's mission is "to bring the community together to build homes for people in need." Social benefits of homeownership ripple through neighborhoods. With firm roots in stable housing, studies show homeowners are more likely to be involved in their neighborhood and community organizations, more likely to vote, and even less likely to be a victim of crime. Homeowners better maintain their property and present a lesser drain on municipal services than renters. Property taxes support local schools and services. Higher levels of homeownership can stabilize at-risk communities by increasing property values and contributing to lower crime rates, reduced vacancies and blight. Homeownership increases overall community appeal, attracting people and new investments. Not only is homeownership proven to be one of the most effective means of building wealth and breaking the cycle of generational poverty, owning a home can break down racial and income divisions.

Homeownership is proven to provide significant short and long term economic and social benefits including better health, higher educational achievement and enhanced financial stability. Homeownership means stability for families, Local and national studies repeatedly show children living in a home their family owns are more likely to get better grades, finish school and go on to a post-secondary school. The children also report better health, cognitive development and the ability to make and keep friends because they stay in the same neighborhood and school. Homeowners increase wealth via home equity, build positive credit from stronger financial skills and on-time loan repayments, and gain new access to mainstream economies and premier financial tools with appealing terms. Homeowners are more likely to vote, and even less likely to become a victim of crime. A vital benefit of homeownership is roots. Habitat Dane partner families acquire sound housing and membership in a local community. This means, finally, a place to unpack, build stability and raise families. Currently, approximately 92% of the families Habitat Dane has partnered with since 1987 continue to live in their homes.

Homeowners also invest their own labor -- sweat equity -- into building their Habitat house and the homes of others, working at the Habitat Restore, or in the Habitat offices. Future homeowners also participate in financial capability training and home maintenance courses to ensure they are set up for success as first-time homebuyers. In the 9 to 18 months it takes for a partner family to progress through the homeownership program, they will have participated in 40+ hours of classes designed to increase capacity to successfully take on the responsibilities of a mortgage and integrate best practices for financial management to move towards greater self-sufficiency and financial resiliency. This model is designed to provide families' the foundation needed to maintain homeownership in the long term. Since its founding, Habitat Dane has built and sold homes to more than 300 low income individuals/families throughout Dane County.

6. Please describe the capacity of your agency to secure the total financing necessary to complete your proposed project, and past performance that will contribute to the success of the proposed program.

Habitat Dane's below market rate lending model creates a deficit in cash flow, offset by other funding sources. Habitat Dane receives generous cash and in-kind donations from the community to assist with this deficit. Charitable donations have averaged over a million dollars per year for the past several years. In addition, Habitat Dane operates two ReStore retail outlets that sell gently used home improvement items donated by the public. These stores net approximately \$480,000 per year out of a gross sales of \$1,714,100, providing additional cash to assist with the costs of home building and lending. In order to maintain building and lending services with a deficit cash flow model, and a break-even budget, additional funds are required. Currently these funding sources include, but are not limited to:

1. \$61,200 - CDBG funds from the City of Madison
2. \$64,400 - United Way donations
3. \$542,200 - gift-in-kind donations, primarily volunteer labor to construct the homes
4. \$762,000 - raised from the community via monetary contributions
5. \$1,714,100 - combined income from Habitat's two ReStore retail operations
6. \$1,571,600 - for homeowner mortgages provided to the families purchasing homes
7. \$650,500 - other income, primarily mortgage sales and deferred mortgages paid off
8. \$330,000 -- CDFI Grant income Habitat Dane budgets to break-even with a contingency fund.

7. Please describe the agencies or development teams experience using federal HOME, CDBG or EECBG funds.

Habitat Dane has been partnering with the City of Madison for more than 10 years. In that time, there are 110 Habitat Dane properties in the city of Madison that received funding assistance through CDBG or HOME that total \$3,416, 856.17. Habitat Dane has received \$386,900 since January 2, 2016 Paul Sukenik, Community Services Director, works closely with city staff to administer the CDBG and HOME grants that have been awarded to Habitat in the past. He has a thorough knowledge of the program regulations, parameters and reporting requirements.

8. How does your agency reflect and engage the experiences of the target populations you serve or intend to serve, including black, indigenous, and other people of color, into your agency's operations and housing programs?

All partner families are drawn from highly vulnerable communities. 100% are low-income yet working hard to provide for their families. Annually, at least one third are living in substandard housing and unsafe environments. At least 26% are housing cost-burdened spending more than 30% of income on housing. Many are single-parent households. 45% are female head of household. Approximately 70% (50% minority, 20% other) identify as minority races and ethnicities and many have disabilities or special needs that make finding adequate safe housing a uniquely onerous challenge. All are first time homeowners. All would be hard pressed to secure equitable, affordable home financing from any other source besides Habitat Dane.

Habitat serves a diverse group of families living in Dane County with household incomes of 30% to 60% of Dane county's median income. All these families meet the HUD definition of first-time home buyers who would be unable to obtain conventional financing to purchase a home. Habitat Dane uses community-wide outreach to develop an applicant pool diverse in race, family composition, languages spoken, and physical and mental ability. Outreach is followed by a careful screening process conducted by the professional Habitat staff and a team of dedicated community volunteers.

Habitat consistently serves families that are underrepresented in the traditional homebuyer market. Sample demographics from 2019 closings include: • 14% of the households served had a disabled member • The average household income was \$42,865 with an average at 42.7% of County Median Income Sample race demographic over a four-year average: • 19.12% of mortgage holders identify as Black or African American (Increasing to 31.5% when all household members are factored in). • 18.32% as Asian (the percentage remains the same when factoring in household members) • 13.69% as Hispanic (increasing to 14.3% when factoring in all household members) • 45.47% as White (decreasing to 36.5% when factoring in all household members). *note – borrower race based on information provided while household member race is based on observation.

9. Describe how your agency promotes and supports equity in internal policy and procedures and within the community and the greater Madison area.

Habitat Dane has partnered with a diverse group of more than 300 families of modest means in Dane County for 32 years to achieve stability through homeownership.

Habitat Dane knows that strength and success rely on people coming together to make a difference. It promotes racial equity and strives to increase diversity, inclusion, and cultural competency in all aspects of the organization. The diversity of human experience benefits all. Habitat Dane respects the individuality of each member of the community and is committed to an organization free of any kind of discrimination based on race, color, religion, sex, age, sexual orientation, gender identity and expression, disability, national or ethnic origin, politics, or veteran status. To that end, Habitat Dane is committed to increasing the diversity of our staff, board, volunteers, and partners, and to fostering an inclusiveness within our network.

Habitat Dane partners with a diverse population, with nearly 60% of clients being people of color. Habitat was a founding partner in the Non-profit Equity Coalition (NPEC), operates with two affirmative action plans, is subject to fair lending and fair housing laws, and the staff participate in continuing education in diversity and inclusion and are active in diversity and inclusion initiatives in several organizations throughout the community. A staff-led DEIB task force will further coordinate internal training and related issues for more impact.

Based on the Habitat principle of inclusivity, Habitat Dane will actively include people from all walks of life in our work and be intentional about developing a diverse network of partners. Habitat Dane embraces common humanity, working side by side building a community where everyone has a decent, affordable place to call home.

10. List Percent of Staff Turnover in 2019: 6.8%
11. Divide the number of resignations or terminations in calendar year 2019 by total number of budgeted positions. Do not include seasonal positions. Explain if you had 20% or more turnover rate. Discuss any other noteworthy staff retention issues or policies in place to reduce staff turnover.

6.8%. HFHDC implemented more staff check-in meetings quarterly vs. annually. The manager group made staff retention a priority by visiting more ways to engage staff in 2019.

12. Indicate by number the following characteristics for your agency's current staff and Board of Directors.

DESCRIPTOR	STAFF	BOARD
GENDER		
Female	27	7
Male	10	7
Unknown/Other		
TOTAL GENDER	37	14

AGE		
Less than 18 yrs old		
18-59 Yrs	34	12
60 and older	3	2
TOTAL AGE	37	14
RACE*		
White/Caucasian	35	13
Black/African American	2	1
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
MULTI-RACIAL:		
Black/AA & White/Caucasian		
Asian & White/Caucasian		
Am Indian/Alaskan Native & White/Caucasian		
Am Indian/Alaskan Native & Black/AA		
Balance/Other		
TOTAL RACE	37	14
ETHNICITY		
Hispanic or Latino		
Not Hispanic or Latino		
TOTAL ETHNICITY	0	0
PERSONS WITH DISABILITIES	0	0

*These categories are identified in U.S. Department of Housing and Urban Development (HUD) Standards.

13. The following attachments are included with this application:

- Housing Development – Owner-Occupied (Complete Attachment A and Budget Workbook)
- Housing Development – Rental (Complete Attachment B and Budget Workbook)
- Housing Services (Complete Attachment C and Budget Workbook)
- Homebuyer Education (Complete Attachment D and Budget Workbook)

Note: Proposals for housing services should only complete Worksheets 1-3 (Agency Overview, Capital, and Expenses) in the Budget Workbook. Proposals for housing development should complete Worksheets 1-4 (Agency Overview, Capital, and Expenses, Proforma). Proposals for homebuyer education services should only complete Worksheets 1 and 5 (Agency Overview and Homebuyer Education Budget).

PLEASE ATTACH THE FOLLOWING ADDITIONAL INFORMATION AND CHECK THE BOX WHEN ATTACHED:

- A completed Application Budget Workbook, showing the City’s proposed financial contribution and all other proposed financing.
- A current list of Board of Directors, with home addresses included for each board member.
- For development proposals, a detailed map of the site and a second map using the AHF Affordable Housing Targeted Area Map showing the site in the context of the City.

- For development proposals, a Capital Needs Assessment report of the subject property, if the proposal is for a rehabilitation project and if the report is available at the time of application.
- For development proposals, a recent market study or analysis, if available at the time of application.
- For applicants seeking EECBG funds, an energy audit, prepared by a certified Focus on Energy auditor, if available at the time of application.
- For rental development proposals with more than one owner, a Project Organizational Chart, including ownership interest percentages.

NOTE: If an appraisal, market study, or capital needs assessment is not available at the time of application, and the proposal is funded through this RFP process, these items must be submitted to the City prior to receiving a loan agreement.

ATTACHMENT C – Housing Services

Funds will be applied to:

- Down Payment/Closing Cost Assistance Rehabilitation Services for Owner Occupied Dwellings

Estimated total number of units to be served: 7

Estimated number affordable of units (<80% CMI): 100%

Estimated number affordable of units (<50% CMI): 86%

Average amount of CDD funds requested per unit: \$28,571

Program Design

1. Please describe in detail what services your agency intends to offer to participants if this proposal is funded. Include how you have calculated the average amount of CDD funds per unit.

Families who qualify for Habitat Dane's homeownership program earn an income between 30 and 60 percent of Dane County's median income. In partnership with thousands of volunteers and donors, each family contributes 325-375 hours of sweat equity throughout the Habitat program. Sweat equity is earned mostly on the construction site and at the two Habitat ReStores, but also in the classroom, at events and in other forms.

Habitat homeowners purchase their homes at market value. They pay an affordable monthly mortgage payment limited to 28% or less of their gross income. The mortgage payment includes principal, escrow funds to cover their property taxes, homeowner's insurance and association dues, when applicable. Any other funds needed to purchase the home are covered through deferred (silent) mortgages. This format is key to making homes affordable to families while allowing them to build assets.

CDBG funding will be dispersed evenly among the slated seven homes to be built in the city of Madison through the contract period ending in 2022.

For each unit, Habitat Dane is requesting mortgage reduction of \$26,000 per unit and up to \$2,571 in direct service delivery fee recovery.

2. Please identify the geographic area(s) and/or target neighborhoods this program intends to serve.

Habitat Dane has made commitments and begun the partnership process with the seven future homeowners who will be living in the City of Madison properties built in partnership with habitat. These communities were chosen for affordable housing solutions because of the demand for families currently living in these communities, especially from families wanting to keep their kids in the same school district for stability, as well as finding more affordable lots still available for purchase in these neighborhoods.

The following properties are schedule to be built and sold during the contract period ending in 2022; 2431 Dunns Marsh Terrace, 3813 Eliot Lane, 3806 Eliot Lane, 3810 Eliot Lane, 1824 Tennyson Lane, 109 Rustic Drive, and 6321 Driscoll Drive.

3. Please describe the target population intended to be served, including any preference that will be given to a specific population. Explain how this proposal will address, reduce, and/or eliminate barriers to housing or affordability concerns in housing experienced by the proposed target population.

Home mortgage financing data (HMDA) tracked by the FFIEC consistently reveal significant unmet demand. In 2015, traditional lenders received over 3,200 applications for conventional mortgages from low-income applicants in Dane County, including 1,035 from very-low income applicants. Lenders were four times as likely to deny very low-income applicants as those making at least the Area Median. Lenders were twice as likely to deny low-income than higher-earning counterparts and also originated loans at a much lower rate. This suggests just how hard it is for low-wealth families to access fair and equitable conventional financing. Literally, Habitat Dane makes loans where others will not. Habitat serves a diverse group of families living in Dane County with household incomes of 30% to 60% of Dane county's median income. All these families meet the HUD definition of first-time home buyers who would be unable to obtain conventional financing to purchase a home.

Habitat uses community-wide outreach to develop an applicant pool diverse in race, family composition, languages spoken, and physical and mental ability. Outreach is followed by a careful screening process conducted by our professional staff and a team of dedicated community volunteers. Habitat consistently serves families that are underrepresented in the traditional homebuyer market.

Sample demographics from 2019 closings include: • 14% of the households served had a disabled member • The average household income was \$42,865 with an average at 42.7% of County Median Income Sample race demographic over a four-year average: • 19.12% of mortgage holders identify as Black or African American (Increasing to 31.5% when all household members are factored in). • 18.32% as Asian (the percentage remains the same when factoring in household members) • 13.69% as Hispanic (increasing to 14.3% when factoring in all household members) • 45.47% as White (decreasing to 36.5% when factoring in all household members).

*note – borrower race based on information provided while household member race is based on observation.

To qualify for Habitat's homeownership program, a candidate family must earn between 30%-60% of DCMI, possess three years of positive rental history, and must demonstrate stable sources of income and good current credit. Our family selection committee chooses homeowners based on their level of need, their willingness to become partners in the program and their ability to repay the first mortgage. Habitat for Humanity follows a nondiscriminatory policy of family selection. We will not discriminate based on race, gender, color, religion, national origin, sex, disability, marital status, age, because an applicant receives income from a public assistance program, or because an applicant has in good faith exercised any right under the Consumer Credit Protection Act.

4. Please describe your agency's affirmative marketing strategy, including what strategies it will include to engage the target population.

Habitat hosts informational meetings for individuals or families interested in applying to the program. Individuals and families receive an application for the program at these meetings. The meetings are 60 minutes and are generally held in accessible locations at least four times a year throughout the county. (Due to COVID-19 restrictions on large gatherings, in 2020 informational meetings were held in January and the plan is to hold informational meetings in September. Interpretive services are available upon request.

Habitat's outreach and marketing initiatives include:: • On our website, habitatdane.org, we include information on how families can apply to the program, eligibility requirements, an online eligibility questionnaire, and informational meeting times and locations.

Individuals register for a meeting online and are sent confirmation of their registration. • We post the dates of meetings on our social media accounts for both Habitat for Humanity of Dane County and Habitat ReStore of Dane County. • Individuals who call about the program are informed when registration for the next informational session will open. • We email our current families and ask them to tell their families and friends about the program. We receive several referrals from current homeowners. • We email news releases about the meetings to local news outlets. • We post flyers at businesses that potential homeowners visit (laundromats, supermarkets, libraries, as well as cultural and community centers) • Occasionally, we mail postcards to rental households that meet our income requirements. • Our staff and board communicate through out networks to area businesses, faith communities, schools, and other community organizations.

5. If this proposal is for a program already operated by your organization, please explain the outcomes of the program to date, including success rates, number of persons from the target population who have closed on their homes, etc.

Habitat Dane currently assists its families with mortgage reduction assistance, and have successfully assisted 110 families in the Madison area alone. All partner families are drawn from highly vulnerable communities. 100% are low-income yet working hard to provide for their families. Annually, at least one third are living in substandard housing and unsafe environments. At least 26% are housing cost-burdened spending more than 30% of income on housing. Many are single-parent households. 45% are female head of household. Approximately 70% (50% minority, 20% other) identify as minority races and ethnicities and many have disabilities or special needs that make finding adequate safe housing a uniquely onerous challenge.

All are first time homeowners. All would be hard pressed to secure equitable, affordable home financing from any other source besides Habitat Dane. Habitat serves a diverse group of families living in Dane County with household incomes of 30% to 60% of Dane county's median income. All these families meet the HUD definition of first-time home buyers who would be unable to obtain conventional financing to purchase a home. Habitat Dane uses community-wide outreach to develop an applicant pool diverse in race, family composition, languages spoken, and physical and mental ability. Outreach is followed by a careful screening process conducted by the professional Habitat staff and a team of dedicated community volunteers.

Habitat consistently serves families that are underrepresented in the traditional homebuyer market. Sample demographics from 2019 closings include: • 14% of the households served had a disabled member • The average household income was \$42,865 with an average at 42.7% of County Median Income Sample race demographic over a four-year average: • 19.12% of mortgage holders identify as Black or African American (Increasing to 31.5% when all household members are factored in). • 18.32% as Asian (the percentage remains the same when factoring in household members) • 13.69% as Hispanic (increasing to 14.3% when factoring in all household members) •

45.47% as White (decreasing to 36.5% when factoring in all household members). *note – borrower race based on information provided while household member race is based on observation.

6. Explain how your organization will support participants, especially those who have historically experienced difficulty navigating other systems in the past, to increase the likelihood that the client will close on their first home or the homeowner will be able to engage a contractor to complete rehabilitation work.

Habitat for Humanity of Dane County refers homebuyers to the in-person First Time Home Buyer Classes offered by locally by the Home Buyers Round Table. These classes are currently organized and facilitated by Movin'-Out HUD certified counselors. In addition to attending the classes the homebuyers are also referred to the Movin'-Out HUD certified counselors for a Pre-Purchase counseling session. The cost to the homebuyer for classes are free but the pre-purchase counseling session charges a fee equal to the Federal Home Loan Bank of Chicago's allowable fee for counseling for users of the Down Payment Plus Advantage program, which is currently \$500.00 and payable out of the grant monies. Classes are seven hours in length plus and additional hours is allocated for counseling.

During the Covid-19 Pandemic, referrals are also being made to online educational providers like eHomeAmerica and Framework, which have fees associated with them for the classes and counseling, which combined, we have found to be less expensive for the homebuyer compared to the free in-person class and fee counseling with Movin'Out. In addition to the above – Habitat Homebuyers also complete the educational courses identified below:

1. Introduction to Habitat (2 hours)– Reviews the requirements of becoming a Habitat homeowner, including sweat equity requirements, required classes, and the history of Habitat. These courses are taught by the Family Services staff.

2. Sweat Equity/Communications (2 hours)– Addresses in depth the program's sweat equity requirements, what activities are permitted to be used for sweat equity and devising a plan for a family to complete their hours within the required time frame. It also addresses how families should respond to commonly asked questions regarding Habitat so they feel more comfortable describing the mission of the organization. This includes a brief media training and how to prepare for media interviews. This course is taught by Family Services and the Communications staff.

3. Homeowner 101 (2 hours) - Reviews the traditional Habitat mortgage structure and explains repayment details, discussion of typical costs of homeownership compared to renting, discussion of items and tools that are needed to maintain a home and yard, and discussion of Home Insurance. This is taught by the Family Services Director and Industry professionals.

4. Financial Class (8 hours) - Addresses such topics as budgeting and savings tips, credit history and reporting, predatory lending, homeowner insurance and other insurance products, building wealth, energy conservation and more. This class is taught through a partnership with the UW Extension - Financial Education Center. It is taught over a four-month period, meeting two hours each month. It also includes the assignment of a Financial Coach that will meet with the family face-to-face monthly for at least six months.

5. Home Maintenance (2 hours)– Addresses regular and unexpected home maintenance needs to maintain an attractive, safe, and well-functioning home. The Construction Department teaches this class.

6. Lawn and Yard Care (2 hours) – Addresses the maintenance required to establish freshly seeded lawns, discusses shrubs and trees and landscaping options. Habitat's Green Team teaches this class.

7. Good Neighbor Class (2 hours) – Advises families on communication strategies for strong neighborhood connections and how to handle and prevent conflicts with neighbors. Volunteer professionals from the City of Madison leads this class.

8. Estate Planning Class (2 hours) – Advises families on titling of real estate ownership, wills and planning for the inevitable. Taught by Industry Professionals.

9. Pre-Closing (2 hours) – Addresses the financial package offered to families at closing. Discusses terminology, detailed information regarding the mortgage structure and explanation of any regulations or restrictions that apply to the mortgages. Provides and explains required disclosures. Sample documents are shared. The Family Services Director teaches this class.

7. Describe how your agency is part of the larger system of services and/or housing resources. How will your agency partner with other organizations (e.g. financial institutions, community partners, etc.) and systems to support your agency's project participants?

Habitat Dane works closely with numerous organizations in order to make grants and other funding stretch further for future homeowners. Habitat Dane partners with Dane County, the Federal Home Bank of Chicago, collaborates with the UW Financial Education Center, as well as Home Buyer Round Table. Habitat Dane also works with

organizations like Movin' Out to help ensure all homes are accessible to homeowners. All of these partnerships help reduce costs out of pocket for Habitat Dane future homeowners.

8. Who will be responsible for monitoring compliance with federal regulations? Please describe the experience of the individual(s) including trainings and/or certifications that the individual(s)/agency has completed and/or attained.

Habitat Dane staff is trained in Mortgage Loan Origination. Staff has completed American Banker Association (ABA) courses on federal and state regulations related to Mortgage Origination and is on an annual training schedule. Staff is experienced in completing employment, housing, and benefit verifications.

Third party appraisers are used to determine Market Value. Non-lending staff orders appraisals from a pool of licensed appraisers and rotate through that pool. Family Selection Committee members are professionals with many being from the Mortgage lending profession. They review underwriting completed by staff for accuracy. Habitat's current Family Services Director worked in the banking industry for over 25 years before joining Habitat and spent considerable time reviewing applications, financial statements, credit reports and tax returns. He also served as a bank's Community Reinvestment Officer. In 2017 he completed a NCHEC Certification of Homeownership Counselor.

Habitat has hired a Loan Service Specialist who has many years of experience in loan documentation and compliance with regulations. A real estate attorney is used for promissory notes, mortgage and deeds preparation and reviews this documentation with the home buyer at closing. Licensed software is used to generate federally required Loan Estimates and Closing Disclosures as well as Universal Residential Loan Applications.

PROPOSAL TIMELINE

Describe activities/benchmarks by month/year to illustrate how your project will be implemented.

Activity/Benchmark	Estimated Month/Year of Completion
2431 Dunns Marsh Terrace	Spring 2021
3813 Eliot Lane	Spring 2021
3806 Eliot Lane	Spring 2021
3810 Eliot Lane	Late 2021
1824 Tennyson Lane	Late 2021/early 2022
109 Rustic Drive	Late 2021/early 2022
6321 Driscoll Drive	Late 2021/early 2022

APPLICANT & PROJECT NAME: **HABITAT FOR HUMANITY OF DANE COUNTY, INC.**

1. AGENCY OVERVIEW

This chart describes your agency's total budget for 3 separate years. Where possible, use audited figures for 2019 Actual.

Account Description	2019 Actual	2020 Budget	2021 Proposed
A. PERSONNEL			
Salary (including benefits)	1,841,453	1,860,571	1,944,180
Taxes	135,980	131,151	149,220
Subtotal A	1,977,433	1,991,722	2,093,400
B. OPERATING			
All "Operating" Costs	572,040	546,046	640,510
Subtotal B	572,040	546,046	640,510
C. SPACE			
Rent/Utilities/Maintenance	395,051	385,137	352,098
Mortgage/Depreciation/Taxes	109,556	99,918	98,302
Subtotal C	504,607	485,055	450,400
D. SPECIAL COSTS			
Subcontracts			
Deposits to Reserves			
Debt Service (Excl Mortgage)			
Other: (Specify)			
Home Costs/Mortgage Discounts/Interest	3,188,593	4,318,817	3,648,270
Subtotal D	3,188,593	4,318,817	3,648,270
Total Operating Expenses:	6,242,673	7,341,640	6,832,580
REVENUE			
Direct Public Grants	229,742	238,060	330,000
Direct Public Support	1,457,685	1,483,626	1,353,000
Indirect Public Support			
Miscellaneous Revenue	55,195	47,686	335,480
Restricted Funds Released			
Program Income	4,520,026	5,172,083	4,861,600
Total Income	6,262,648	6,941,455	6,880,080
Net Income	19,975	(400,185)	47,500

APPLICANT & PROJECT NAME:

HABITAT FOR HUMANITY OF DANE COUNTY, INC. MORTGAGE REDUCTION PROGRAM

6. HOUSING SERVICES BUDGET

Please use the below budget to outline all funds contemplated to be used to fund the program, and how funds will be used

Program Funding Sources

Funding Source	Amount	One-Time or Ongoing?
Public Funds		
Fundraising	\$689,600	Ongoing
CDFI	\$103,000	One-Time
Madison CDBG	\$200,000	One-Time
Other Govt - DPPA	\$42,000	One-Time
Private/Non-Profit Grant Funds		
United Way	\$34,700	One-Time
Other Funds from Agency Budget		
User Fees - Home Building	\$798,000	Ongoing
User Fees - ReStore Sales	\$127,500	Ongoing
Other Funds (Specify Source)		
Total Funding Sources:	\$1,994,800	

Program Expenses

Cost Category	CDD Funds	Other Funds	Total Cost
Personnel Costs:			
Salary		\$364,400	\$364,400
Benefits		\$70,700	\$70,700
Taxes		\$30,600	\$30,600
Other:			\$0
Operating Costs:			
Office Supplies/Postage		\$6,800	\$6,800
Telephone/Internet		\$7,200	\$7,200
Rent		\$13,400	\$13,400
Utilities (if not included in Rent)		\$4,900	\$4,900
Professional Fees		\$13,500	\$13,500
Tools & Technology		\$29,500	\$29,500
Insurance		\$16,900	\$16,900
Marketing & Communication		\$1,900	\$1,900
Family & Volunteer Expenses		\$11,800	\$11,800
Cleaning and Maintenance		\$3,500	\$3,500
Automobile Costs/Travel		\$10,300	\$10,300
Depreciation		\$17,300	\$17,300
Miscellaneous		\$9,500	\$9,500

Capital Costs:			
Loans to Homebuyers	\$200,000	\$909,025	\$1,109,025
Rehabilitation Labor Costs			\$0
Rehabilitation Materials/Repair Costs			\$0
Other:		\$273,575	\$273,575
Total Costs:	\$200,000	\$1,794,800	\$1,994,800



HFHDC Board of Directors 2020

Current term denoted in (parenthesis) behind name
All officer terms are 1 year, and the chair is a 2-year term.

Raschein, Ann- Chair (6/17-5/23) Term 2

Committees: Executive, Comp/Succession/Land
112 E Winnequah Road, Madison WI 53716
Phone: 608-575-7614
E-mail: ann@DreamHomesByAnn.com
Real Estate Agent, RE/MAX Preferred

Platz, Andy-Vice Chair (6/16-5/22) Term 2

Committees: Executive and Audit
2440 Deming Way, Middleton, WI 53562
Phone: 608-443-0600 (W) 608-220-8316 (C)
E-mail: andy.platz@meadhunt.com
CEO, Mead & Hunt

Dorn, Tom-Secretary (11/18-10/21) Term 1

Committees: Executive and ReStore Advisory
1342 S Midvale Blvd, Madison, WI 53711
Phone: 608-274-2511 x315 (W) 608-438-0271(C)
E-mail: dorn@truevalue.net
Owner- Dorn True Value

Reiter, Josh-Treasurer (12/15-11/21) Term 2

Committees: Executive
82 S. Fair Oaks Ave, Madison, WI 53714
Phone: 262-685-8650 (C)
E-mail: jereiter@gmail.com
Business Analyst, American Red Cross
National Headquarters

Cralam, Amy-At Large (1/18-12/21) Term 1

Committees: Executive and Governance
1210 Stone Edge Court, Waunakee, WI 53597
Phone: 608-333-8093 (C)
E-mail: cralam@msn.com
Assistant General Counsel, Alliant Energy Corp

Gobourne, Kingsley (2/19-01/22) Term 1

Committees: Governance
141 Valley View Road, Mt. Horeb, WI 53572
Phone: 608-228-3808 (C)
E-mail: kingsleyoandersen@gmail.com
Unity Point Health- Meriter
Diversity, Equity and Inclusion Coordinator

Smith-Wilkie, Christina (2/17-1/23) Term 2

Committees: Audit and Development
1433 Dayflower Drive, Madison, WI 53719
Phone: 608-720-8768 (C) 608-833-3872 (W)
E-mail: Christina.smith-wilkie@wellsfargo.com
Business Relationship Manager, Wells Fargo

Weber, Miranda (10/19) HYP Representative

Committees: Comp/Succession
5123 Central Park Place #103 Fitchburg, WI 53711
Phone: 608-931-8604 (C)
Email: miranda.weber@bakertilly.com
Baker Tilly, Business Operations Analyst

Luginbill, Ben UW Chapter Representative (7/20-6/21)

111 S Randall Ave, Madison, WI 53715
Phone: 703-915-7544 (C)
E-mail: bluginbill@wisc.edu
Student, University of Wisconsin- Madison

Robins, Barbara- (1/13-12/20) Term 3

Committees: Comp/Succession, Advocacy and Communications
953 Sauk Ridge Trail, Madison, WI 53717
Phone: 608-320-2068 (C)
E-mail: robinsbi@gmail.com
Principal, Wide Angle Research Partners

Wiegand, Jeff (2/19-01/22) Term 1

Committees: Audit and Comp/Succession
6000 American Parkway, Madison, WI 53783
Phone: 608-609-5967 (C)
E-mail: jwiegand@amfam.com
Vice President of Protective Services,
American Family Insurance

Mason, Cliff (6/20-5/22) Term 1

Committees: Governance
2302 International Lane, Madison, WI 53704
Phone: 608-237-4988 (C)
E-mail: cliff.mason@tasconline.com
President, TASC

Habitat for Humanity of Dane County Office

Renk, Valerie (Ex-Officio/Non-voting)
3101 Latham Drive, Madison, WI 53713
Phone: 255-1549X103(W) 235-5595 (C)
E-Mail: vrenk@habitatdane.org
CEO, Habitat for Humanity of Dane County, Inc

Kalscheur, Trisha, (6/20-5/23) Term 1

Committees: Family Selection
3844 Lady Fern Ct, Verona, WI 53593
Phone: 608-821-2898 (C)
E-mail: kalscheurtrishal@johndeere.com
President of Operations, John Deere Financial

Habitat for Humanity

Habitat Mortgage Reduction Program

Response Submission Due Date: January 6, 2021 NOON

Instructions to Applicants:

Please respond ***briefly and succinctly*** to the questions below in-line, unless otherwise specified (e.g. additional documentation requested). Maximum 1/3 a page per question. Please use this Word document to record your answers and return this completed document to cddapplications@cityofmadison.com. Please cc: etabakin@cityofmadison.com. We ask that you refrain from submitting additional documentation not specifically requested at this time or using alternative formats.

Questions:

Social and Racial Equity

1. What is plan and timeline to increase the diversity of your employees and board?

Habitat Dane has been a longtime advocate for a diverse staff and board of directors. Habitat Dane's efforts in this regard include an Affirmative Action Plan, an Affirmative Action Marketing Plan, an internal staff taskforce focused on Diversity, Equity and Inclusion (DEI), and DEI consultation for the board of directors. A Spectra DEI assessment of both staff and board will be administered by Mead & Hunt's head of HR. Spectra is a minority owned business in Milwaukee that developed this national tool. The assessment will be used to further select and prioritize the next phase of Habitat Dane's DEI efforts.

In addition to posting available staff positions with the city and county, plans to increase the diversity of the Habitat Dane staff include the strategic posting of available positions to reach underrepresented populations, including but not limited to posting in public libraries, partner organizations such as Centro Hispano, etc., and direct postings to Habitat Homeowners. Habitat Dane also utilizes outside consultants (The QTI Group, The Payroll Company, Erin Delaney), for recruitment and annual review of compensation to help ensure equitable salary and benefits. To increase retention, Habitat Dane has also implemented quarterly feedback conversations, more incentives, better training, and more missionization of the organization, like offering trips to build with Habitat in El Salvador, regularly offered lunch and learns, and an annual mission breakfast. The Habitat Dane staff also recently formed an internal committee to review and provide recommendations for additional opportunities to diversify the staff.

The Habitat Dane Board of Directors has long been working to diversify representation on the board. This works includes annual recommendations of and conversations with potential board members from diverse backgrounds. In addition to a Spectra Assessment, the board is also working with an outside consultant to enhance these efforts and more significantly diversify board makeup.

Program Targeting and Affirmative Marketing

1. What languages are the following offered in: marketing/application materials, Habitat courses, and construction site technical guidance/instruction? What are plans to get in other languages, if not offered?

Habitat Dane currently provides program applications in Spanish, Arabic and English. Marketing materials are provided in Spanish and English. Interpretation services are provided when additional language support is required at informational sessions, construction sites and Habitat Courses, most commonly Spanish, Arabic and Hmong.

2. Beyond Habitat's standard marketing on its website and in its ReStores, how will it market to groups that have historically been excluded from homeownership in Madison?

Habitat Dane partners with groups that have been historically excluded from traditional routes to homeownership, with over 60 percent in the last 30 years being Black or African American, Asian or Hispanic.

In addition to proactive local marketing, a national and local presence, and word of mouth, Habitat Dane partners with a network of community organizations to help identify potential future homeowners. These include but are not limited to churches, community centers, libraries, local partner non-profit organizations, etc. Future Habitat Homeowners and volunteers also thoroughly canvass targeted neighborhoods throughout Dane County with flyers detailing dates and locations of upcoming informational sessions.

3. What organizations does Habitat partner with to attract applicants from targeted populations?

Habitat Dane partners with Bridge Lakepoint, Waunona Neighborhood Center, Urban League, Will-Mar Neighborhood Center, Catholic Multicultural Center, St. Vincent de Paul Food Pantry, Centro Hispano, the Boys and Girls Club of Dane County, and The Road Home. Additionally, Habitat Dane partners with local employers that have employees who would qualify for the Habitat Dane program, like Exact Sciences, Madison-Kipp, etc. Flyers are also distributed at highly frequented areas, like apartments, laundry mats, libraries, and grocery stores.