PROPOSAL REVIEW: Individual Staff Review for 2011-2012 For Community Resources Proposals to be Submitted to the CDBG Committee

1.	Program Name: Habitat Housing for Home Buyers (aka Program A)			
2.	Agency Name: Habitat for Humanity			
3.	Requested Amounts:	2011: \$560,000 2012: \$??	Prior Year Level: \$286,000	
4.	Project Type: New	Continuing ⊠		
5.	Framework Plan Objective Most Directly Addressed by Proposed by Activity: A. Housing – Owner – occupied housing B. Housing – Housing for homebuyers D. Housing – Rental housing E. Business development and job creation F. Economic development of small businesses L. Revitalization of strategic areas			
6.	Anticipated Accomplishments (Proposed Service Goals) Construct 10 houses available for purchase by lower income households.			
7.	To what extent does the proposal meet the Objectives of the Community Development Program Goals and Priorities for 2011-2012? Staff Comments: The proposal meets the framework objective of increasing homeownership opportunities for LMI households.			
8.	To what extent is the proposed <u>program design</u> and <u>work plan</u> sufficiently detailed to demonstrate the ability to			

result in a <u>positive impact on the need</u> or problem identified?

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Staff Comments: Habitat's proposed program design is a national model that has been very effective in producing affordable housing. In the past 22 years Habitat has created 169 units of housing in Madison and Dane Co and has had only 1 foreclosure.

The proposed work plan needs more detail. The budget for the application indicates Habitat is seeking funding for 2011, but the Activity Benchmark lists June 2012 for completion of the process to select homebuyers, and Dec 2012 for construction completion and selling properties to homeowners. In addition, personnel allocation details in the program description (Prog A-5) are inconsistent with Agency personnel details (Agency Overview – 9). The proposal lacks adequate detail to assess Habitat's plans to accomplish their goals of creating 10 new units of affordable housing.

9. To what extent does the proposal include objectives that are realistic and measurable and are likely to be achieved within the proposed timeline?

Staff Comments: Habitat proposes to construct and close on 10 houses by the end of 2011. Habitat had difficulty completing all of the project goals for the initial Northport Development project within the proposed timeline, and have had similar problems with contract completion dates with their Southwest Housing Development project, originally slated for completion by the end of 2009 and extended into 2010, and recently approved to extend the sale of these properties to homeowners into 2011 Habitat should provide more information to CDBG Committee regarding their past difficulties completing housing development project goals and the possible relationship to their proposed goals for 2011 and 2012.

As stated above, the proposal's timelines and budget information is inconsistent. There is not enough detail about proposed timelines and work plans to determine feasibility of proposed objectives. Given Habitat's difficulties accomplishing housing development goals in 2009 and 2010, this information will be necessary to make a recommendation for 2011 (2012?) funding.

10. To what extent do the agency, staff and/or Board <u>experience</u>, <u>qualifications</u>, <u>past performance</u> and <u>capacity</u> indicate probable success of the proposal?

Staff Comments: Habitat of Dane County has been in existence for 22 years. Habitat has experienced and dedicated staff, volunteers and Board members. Habitat experienced some personnel changes in 2008 and 2009. See note above regarding past performance as predictor of future performance.

The Program Description states "See Resumes" for project staff. Resumes are not part of the proposal.

11. To what extent is the agency's proposed <u>budget reasonable and realistic</u>, able to <u>leverage additional resources</u>, and demonstrate sound fiscal planning and management?

Staff Comments: CDBG has worked with Habitat on housing development projects over the past 10-15 years. Specific construction budgets would have been reviewed and costs would have been appropriate, or modified is needed. However, the financial information in this proposal is unclear and does not provide adequate basis to determine if the proposed budget is realistic.

The Program Description page lists Program A budget as \$2,278,150 with \$560,000 from CDBG. 10 houses would be produced for Program A at a cost of \$227,815/house (\$56,000/house of CDBG). The CDBG Supplement Capital Budget lists the program A budget as \$910,000 with \$560,000 from CDBG for a cost of \$91,000/house. The Real Estate and Owner Occupied property information on the CDBG Supplement pages are not filled out so it is difficult to determine the correct information regarding unit cost.

More detail regarding the project development budget is necessary before a recommendation is made for project funding.

Habitat's program design does an excellent job at leveraging other resources from cash donations to volunteer labor.

12. To what extent does the agency's proposal demonstrate efforts and success at securing a diverse array of support, including volunteers, in-kind support and securing partnerships with agencies and community groups?

Staff Comments: 4,000 volunteers contribute 55,000 hours to support the mission of Habitat. This volunteer labor helps keep the cost of the house affordable.

The Program Budget lists over \$600,000 in donations in addition to revenue generated by the Restore. The homebuyer provides 325-375 hours of sweat equity. This is a unique and beneficial part of this project as it not only helps reduce labor costs but it promotes investment of the buyer into the house.

13. To what extent does the applicant propose services that are accessible and appropriate to the needs of <u>low income individuals</u>, <u>culturally diverse</u> populations and/or populations with specific <u>language barriers</u> and/or <u>physical or mental disabilities?</u>

Staff Comments: All of Habitat's participants are low income. All Habitat buyers attend a homebuyer education class to assist with long term success.

Habitat builds houses to meet the needs of the homebuyer. If a homebuyer needs accessible housing, Habitat builds the home to accommodate the specific needs.

Habitat has materials printed in multiple languages and uses translators when needed to meet the specific language needs of participant.

14. To what extent does the proposal meet the <u>technical and regulatory requirements</u> and <u>unit cost limits</u> as applicable? To what extent is there clear and precise proposal information to determine eligibility?

Staff Comments: The proposal requests \$56,000 per unit. The CDBG Framework allows up to \$60,000 per unit for projects that incorporate energy efficiency into the design. This project does propose incorporating energy efficiency into the design so it would qualify for the \$56,000 /unit. More detail is needed in the program description and Real Estate and Owner Occupied CDBG Supplement to assess the energy efficiency components proposed for this project.

Habitat has developed their projects to be in compliance with technical and regulatory requirements in the past. However, since the Real Estate and Owner Occupied CDBG Supplement information is not complete it is unclear if this proposal meets all the technical requirements.

15. To what extent is the <u>site identified</u> for the proposed project <u>appropriate</u> in terms of minimizing negative environmental issues, relocation and neighborhood or public concerns?

Staff Comments: The proposed is site is on Kennedy and Northport. Habitat has developed units in this subdivision in the past. For past homes, no site issues have been identified. Although an environmental review would be required for the project, staff do not anticipate problems with the proposed sites.

No information was provided in the proposal regarding the Alder's support for the project.

16. Other comments:

Questions:

Habitat has recently completed the first 10 homes at the Northport Development, and proposes another 10 homes within this application. What are their full plans for the Northport Development project, and how does this fit into this larger vision.

	Not recommended for consideration
	Recommend for consideration
\boxtimes	Recommend with Qualifications Suggested Qualifications:

Staff Recommendation

- 1. Submit full details to CDBG Supplement. Clarify budget inconsistencies.
- 2. Clarify timeline regarding proposed activities in 2011 and 2012, including specific benchmarks.
- 3. Address past issues regarding capacity to complete projects as proposed. Question regarding number of units Habitat could build and sell in 2011 and 2012?
- 4. Clarify inconsistencies regarding personnel allocations to project.
- 5. Provide more detail about proposed energy efficiencies.
- 6. Habitat should provide a description all agency activities planned for 2011 and 2012 (e.g. Allied Phase II, Allied NSP, activity in Dane County, etc), and address concerns about capacity to meet projected timelines.