

APPLICATION B: PROGRAMS & SERVICES

This application form should be used for projects seeking funding from City of Madison Request for Proposals #2022-11066; Housing Forward: CDD Financing for Homeownership Development, Programs, and Services and responding to **Subsection B – Programs and Services**. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on September 1, 2022**. Email to: cddapplications@cityofmadison.com

APPLICANT INFORMATION

Proposal Title:	Habitat for Humanity of Dane County Home Repair Program & Homebuyer Mortgage Reduction Program		
Amount of Funds Requested:	\$202,000		
Type of Project:	<input checked="" type="checkbox"/> Rehabilitation <input checked="" type="checkbox"/> Homebuyer Assistance <input type="checkbox"/> Homebuyer Education		
Name of Applicant:	Habitat for Humanity of Dane County		
Mailing Address:	3101 Latham Dr. Madison, WI 53713		
Telephone:	608-255-1549	Fax:	
Project / Program Contact:	Paul Sukenik	Email:	psukenik@habitatdane.org
Financial Contact:	Val Kudrna	Email:	vkudrna@habitatdane.org
Website:	www.habitatdane.org		
Legal Status:	<input checked="" type="checkbox"/> Non-Profit	Registered on SAM:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Federal EIN:	39-1592769	SAM/UEI #	TGPAJDKABHL1

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 REGISTRATION

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

Name:



Date: 8/31/2022

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 ☒ VR you are electronically signing your name as the submitter of the application and agree to the terms listed above.

PROPOSAL OVERVIEW

Provide a brief overview or abstract of your proposal. Include how your proposal meets the goals and objectives, and if applicable, responds to preferences outlined in the RFP. Include the impact of your proposed program on the community, key characteristics, and if applicable, targeted populations to be served. Examples of target populations can include BIPOC, LGBTQ+, immigrant, income-level, disability, and/or individuals, households, and geographic clusters, etc.

The purpose of this proposal on behalf of Habitat Dane is to secure \$30,000 for up to six minor home rehabilitation projects within the City of Madison, and \$172,000 to assist with mortgage reduction for up to four homes in the Owl Creek neighborhood.

Habitat Dane's Home Repair program relies on the applications of people who currently own their home. The number of projects depends on how many applications Habitat Dane receives, how many qualify, as well as how many are in the City of Madison. In the case of Mortgage Reduction, Habitat Dane currently owns two lots in Owl Creek that will utilize these funds, but the remaining two homes requested are contingent on the purchase of Owl Creek for Development.

On behalf of its mortgage reduction program, Habitat Dane has been supporting low-income families including the BIPOC community since its existence. Habitat Dane utilizes its relationships with organizations like Urban League and Movin' Out to ensure its program information reaches a diverse population. Habitat Dane has readily provided interpretation needs for its meetings and at the last round of meetings provided information for Hmong, Spanish, French, Arabic, and Bengali.

Applicants to the Habitat Dane Homeownership Program begin their journey by attending a one-hour information meeting where Habitat Dane staff explains the expectations or what is required of the family if accepted, the details of what a family needs to be eligible, the timeline that a family can expect from application to home purchase and a review of the application itself. Families will have a two-week window from the last information cycle to turn in a completed application.

Applicants that meet eligibility requirements and are accepted to the program will be required to take a series of 10 classes designed to prepare them to be successful homeowners. Families will also take a four-section course on Financial Capability where budgeting, use of credit, identify security and other topics are covered. Homebuyers will also complete a HUD Certified First Time Homebuyer course and complete a Pre-purchase counseling session.

In exchange for this effort – Habitat provides the family with an interest free loan which will represent a tremendous savings to the household and a much faster path to building equity in their home and generational wealth to share with their heirs. For example – today 8/24/22 a 30-year mortgage rate is 5.5%. On a \$189,000 first mortgage a borrower will pay over \$197,000 in interest over the life of that loan. Our Habitat buyers avoid that entire expense. The Mortgage Reduction assistance helps fill in the gap that is often left between what a homeowner pays over the life of the loan, and the overall cost to build the home.

For Habitat Dane's Home Repair Program, it assists people who need necessary repairs needed for longevity within their home and aging in place, such as wheelchair ramps, accessible showers, or replacing a leaky roof. Individuals interested submit inquiries online through the website or by contacting the office. From there, staff from the Family Services Department follow up on the inquiry, answer questions and send out program application materials by mail, email or have available for pick up at the affiliate office.

If an inquiry advances to an application, it is reviewed, and information is verified by a qualified loan originator (QLO) within two business days to determine eligibility. Eligible applications are shared with the construction department which will contact the applicant and arrange for a site visit to determine the scope of work. Home Repairs funded by HUD funds will also have an HQS inspection done to determine if work outside of the applicant's original request would be required. The applicant is provided with a scope of work to review and agree to before work starts.

FUNDING SOURCE PREFERENCE

The funding sources allocated to this RFP have various requirements and restrictions. It is important for applicants to understand the additional federal regulations imposed on HOME and CDBG funds that the City is unable to waive. Please acknowledge which funds your organization would be willing to accept, if awarded funds through this RFP:

☐ City Levy / Affordable Housing Funds ☐ HOME ☒ CDBG

CDD will make the final determination of the appropriate mix of financial sources to awarded proposals, based on the information identified above by applicants.

AFFORDABLE HOUSING NEEDS

1. Describe your agency's process in identifying affordable housing needs within the City of Madison and how that process informed this proposal
2. Specifically, describe the data used to inform the anticipated demand for the proposed target populations and how your proposal will assist in meeting that demand.

Use the space below to answer questions 1 & 2 under affordable housing needs.

Habitat Dane has a 35-year track record of community development in the city of Madison, with strong community support and consistent interest from potential partner families. On average, over 200 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. Through 2020 UW-Madison Institute for Research on Poverty Fact Sheet discovered 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. Average income for Habitat Dane families in 2021 was \$40,986. 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 24% 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, \$202,000 in CDBG funds will be deployed to reduce the mortgage loans up to four first-time homes buyers by approximately \$40,000 each and \$3,000 per household to cover costs and closing fees. These funds would also assist with the minor home rehabilitation projects for up to \$5,000 per project.

Habitat Dane reaches prospective homeowners through extensive community outreach. Habitat Dane 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.

AGENCY OVERVIEW

1. What other funds will your agency leverage to cover program costs?

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 \$445,000 per year out of a gross sales of \$2,150,000, 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. \$200,000 - CDBG funds from the City of Madison
2. \$76,900 - United Way donations
3. \$582,600 - gift-in-kind donations, primarily volunteer labor to construct the homes
4. \$961,600 - raised from the community via monetary contributions
5. \$2,150,000 - combined income from Habitat's two ReStore retail operations
6. \$2,388,700 - for homeowner mortgages provided to the families purchasing homes
7. \$858,000 - other income, primarily mortgage sales and deferred mortgages paid off
8. \$274,400 -- CDFI Grant income Habitat Dane budgets to break-even with a contingency fund.

2. Describe the agency or team's experience using federal HOME and/or CDBG funds. List past programs administered utilizing HOME or CDBG 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 \$3,646,367.67. Habitat Dane has received \$610,200 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.

3. Describe how your agency builds relationships and authentically engages with individuals and households served.
 - a. Specifically include information on previous and new strategies to engage individuals or households (who are BIPOC, LGBTQ+, immigrant, low-to-moderate income, and/or have a dis/ability), into your agency's operations and housing programs.
 - b. How does your community shape the direction of your organization?

All Habitat Dane 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 24% 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 Dane has established a DEIB taskforce to help break down and develop new strategies to involve more members of the BIPOC and LGBTQ+ population in its programs. Habitat Dane's family selection committee is made of community volunteers and represents members of the BIPOC community.

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 2021 closings include:

- 14% of the households served had a disabled member
- The average household income was \$40,986 with an average at 44.28% 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.

4. Briefly describe your connection to established systems, collaborations, and networks (i.e. referral process or client support). What is your group/agency's role? Identify any partnerships that have been or will be formed to ensure the success of the program.

Habitat Dane has collaborated with a number of local organizations including educational collaborations with Movin' Out, Dane County Extension, City of Madison, Bank of Sun Prairie and individual professionals. We share program information about our program to facilitate 2-way referrals with organizations like Movin' Out, Urban League, the Road Home, Shelter from the Storm Ministries to name a few. We will continue to nurture these relationships while expanding to other organizations like Centro Hispano. We have membership with the Home Buyer Round Table where we can share with other non-profits, City of Madison staff, Dane County staff, WHEDA area lenders and bankers. Many of our selection committee members have come from those relationships.

5. Describe how your agency promotes and supports equity in internal policy and procedures and speak to the diversity of your staff.

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.

6. List Percent of Staff Turnover in 2021:

44

7. Divide the number of resignations or terminations in calendar year 2021 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.

Habitat Dane works hard to retain employees through employee engagement that begins with the hiring process. They are offered competitive salaries and incentives, such as good health benefits, vacation, and retirement. Habitat Dane encourages a culture of open communication by quarterly conversations throughout the year with all staff. It has become a priority especially during the pandemic, to create a value of work/life balance, for this reason, Habitat Dane has also established short-term disability and a parental leave for its employees. By establishing these additional benefits, it is the hope that Habitat Dane can get its turnover rate back below 20%.

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

DESCRIPTOR	STAFF	BOARD
*These categories are identified in U.S. Department of Housing and Urban Development (HUD) Standards.		
GENDER		
Female	18	8
Male	19	6
Unknown/Other	3	
TOTAL GENDER	40	14
AGE		
Less than 18 years old	0	0
18-59 years	31	12
60 years and older	9	2
TOTAL AGE	40	14
RACE*		
White/Caucasian	22	12
Black/African American	1	1
Asian		1
American Indian/Alaskan Native		0
Native Hawaiian/Other Pacific Islander		0
MULTI-RACIAL:		
Black/AA & White/Caucasian	1	
Asian & White/Caucasian		
Am Indian/Alaskan Native & White/Caucasian		
Am Indian/Alaskan Native & Black/AA		
Balance/Other		
TOTAL RACE	24	14
ETHNICITY		
Hispanic or Latino	1	1
Not Hispanic or Latino		13
TOTAL ETHNICITY	1	14
PERSONS WITH DISABILITIES	Not Asked	Not Asked

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

- ☒ A completed Application Budget Workbook B – “Programs and Services”, 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.
- ☐ If this is a collaborative project, attach Memorandum of Understanding (MOU). MOU should describe the purpose of the collaboration, how it is expected to enhance the activity/project and how it will operate, be governed and share resources.

The proposal must identify a lead agency and include a Memorandum of Understanding (MOU) signed by each of the collaborating agencies.

- ☐ If applying for Financial Literacy and Homebuyer Education, provide evidence that organization is current a HUD-Certified counseling agency or evidence of submitted application for HUD Approval.

IF APPLYING FOR

- Homebuyer Assistance proceed to **page 6** and complete section.
- Major / Minor Rehabilitation proceed to **page 8** and complete section.
- Financial Literacy and Homebuyer Education proceed to **page 10** and complete section.

HOMEBUYER ASSISTANCE (DOWN PAYMENT / MORTGAGE REDUCTION ASSISTANCE)

Estimated total number of units/households to be served:	4
Estimated total number of units/households (<80% CMI):	4
Estimated total number of units/households (<50% CMI):	3
Average amount of CDD funds requested per unit/household:	\$40,000

PROGRAM DESIGN

1. Describe in detail the process participants will go through and services they will receive through your program. Further, elaborate how your organization will support participants who have historically experience difficulty or barriers to purchasing a home.

Applicants to the Habitat Dane Program begin their journey by attending a one-hour information meeting where Habitat Dane staff explains the expectations or what is required of the family if accepted, the details of what a family needs to be eligible, the timeline that a family can expect from application to home purchase and a review of the application itself. Families will have a two-week window from the last information cycle to turn in a completed application.

Applicants that meet eligibility requirements and are accepted to the program will be required to take a series of 10 classes designed to prepare them to be successful homeowners. Classes include an introduction course explaining the Habitat program and history, an explanation of sweat equity including the number of required hours and activities that will be performed, a detailed explanation on the finance layering used to make a home affordable and how that is calculated from their income. Other classes focus on how to be a good neighbor, how to maintain their home, how to maintain their yard, how to plan their estate, a pre-closing class on all the documents involved in the purchase and a course on being part of a homeowner's association or condo association if applicable. Families will also take a four-section course on Financial Capability where budgeting, use of credit, identify security and other topics are covered. Homebuyers will also complete a HUD Certified First Time Homebuyer course and complete a Pre-purchase counseling session.

In exchange for this effort – Habitat provides the family with an interest free loan which will represent a tremendous savings to the household and a much faster path to building equity in their home and generational wealth to share with their heirs. For example – today 8/24/22 a 30-year mortgage rate is 5.5%. On a \$189,000 first mortgage a borrower will pay over \$197,000 in interest over the life of that loan. Our Habitat buyers avoid that entire expense.

Habitat Dane has been supporting low-income families including the BIPOC community since its existence. It has a history of delivering meeting announcements throughout the area to community centers, libraries, convenience stores and cultural grocery stores to try to get the message out to all communities. It has readily provided interpretation needs for its meetings and at the

last round of meetings provided information for Hmong, Spanish, French, Arabic, and Bengali.

2. Explain how you have calculated the estimated average amount of CDD funds per household.

The average funds requested is based on the increasing costs to construct and increasing sale prices on homes in Dane County along with the average median income for families being around 44% of Dane County's CMI. While having spread out prior awards by the number homes being built by Habitat Dane we have in recent history been using the CDBG/HOME funds at a lower level in City of Madison than in the rest of Dane County and would like to even that out.

For example, financing a \$250,000 home finance layering would look like:

Home Buyer Down Payment: \$2,500.00

Habitat First Mortgage: \$185,300.00

City of Madison HOME/CDBG: \$40,000.00

FHLBC DPPA Grant: \$6,000.00

Habitat Fourth Mortgage: \$16,200

3. Describe your agency's affirmative marketing strategy, including what strategies it will include to engage the target population or neighborhood.

Habitat Dane 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, in January 2022 informational meetings were held Virtually with 100 interested individuals attending. Interpretive services are available upon request.

Habitat Dane's outreach and marketing initiatives include:

- On the Habitat Dane website, habitatdane.org, there is 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.
- Meeting dates are posted on all Habitat Dane 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.
- An email is sent to all current families to ask them to tell their families and friends about the program.
- Habitat Dane receives several referrals from current homeowners.

4. 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 has been partnering with the City of Madison for many years. In that time, there have been 120 Habitat homes built or renovated in the city of Madison that received funding assistance through CDBG or HOME that total \$3,646,367.67. Habitat Dane families have received \$610,200 in mortgage reduction assistance since January 2, 2016, when Paul Sukenik, Community Services Director started working for Habitat. To the best of our knowledge, the City of Madison has always been repaid their full amount, plus equity sharing in the event of a sale or foreclosure. Since Habitat Dane has partnered with the City, I am only aware of two foreclosures on properties within the City and in each case the City was paid fully.

Habitat Dane consistently serves families that are underrepresented in the traditional homebuyer market. Sample demographics from 2021 closings include:

- 14% of the households served had a disabled member
- The average household income was \$40,986 with an average of 44.28% 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

5. If awarded federal funds, 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 relevant to federal regulations.

Paul Sukenik, Community Services Director, started working at Habitat in 2016, bringing 25 years of banking experience. He has a bachelor's degree in Finance with an emphasis in Real Estate from the University of Wisconsin- Whitewater. For the last six years, Paul has worked 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.

Paul is a Qualified Loan Originator (QLO) which is a Habitat for Humanity International designation and requires annual training on both Federal and State lending regulations. He is also certified by NCHCE in Pre-Purchase Homeowner Education which requires continuing education credits.

Val Kudrna, Finance Director, enables and maintains the fiscal responsibility of Habitat Dane and its ReStore businesses. She has 17 years of experience and is responsible for all aspects of accounting, loan processing and servicing, systematic portfolio management, financial record-keeping, and compliance reporting (audits, IRS, government filings, required and requested reports for key stakeholders). She will monitor all loans, working with staff, legal reps and financial coaches keep borrowers on track. Val is a CPA with experience in both public accounting and the private sector with nonprofit organizations.

PROPOSAL TIMELINE

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

Activity/Benchmark	Estimated Month / Year of Completion
Complete construction and sale of lot in Owl Creek	6/2024
Complete construction and sale of lot in Owl Creek	6/2024
Complete construction and sale of lot in Mosaic Ridge (pending successful RFP)	6/2024
Complete construction and sale of lot in Mosaic Ridge (pending successful RFP)	6/2024

MAJOR / MINOR REHABILITATION

Funds will be applied to: ☐ Major Rehabilitation ☒ Minor Rehabilitation

Estimated total number of units/households to be served:	Up to 6
Estimated total number of units/households (<80% CMI):	Up to 4
Estimated total number of units/households (<50% CMI):	Up to 3
Average amount of CDD funds requested per unit/household:	\$5,000

PROGRAM DESIGN

1. Describe in detail the process participants will go through and services they will receive through your program.

Individuals interested in the Habitat Dane program submit inquiries online through its website or by contacting the office. From there, staff from the Family Services Department follow up on the inquiry, answer questions and send out program application materials by mail, email or have available for pick up at the affiliate office.

If an inquiry advances to an application, it is reviewed, and information is verified by a qualified loan originator (QLO) within two business days to determine eligibility. Eligible applications are shared with the construction department which will contact the applicant and arrange for a site visit to determine the scope of work. Home Repairs funded by HUD funds will also have an HQS inspection done to determine if work outside of the applicant's original request would be required. The applicant is provided with a scope of work to review and agree to before work starts.

If financing is involved in the project, the QLO will complete required financing documents and if a home mortgage is involved, the applicant will have a three-business day right of rescission before work can start on the project. Applicants are required to sign all paperwork and make a down payment equal to \$200.00 or 10%, whichever is greater.

Projects funded internally require a minimum monthly payment of \$75.00, up to an affordable payment (when included with all other debt payments) does not exceed 43% of gross income. Projects funded with HUD funds will follow documentation required for that program. Homeowners will sign a Memorandum of Understanding which includes volunteering to assist as they are able.

2. Describe your agency's affirmative marketing strategy, including what strategies it will include to engage the target population or neighborhood.

Habitat Dane 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, in January 2022 informational meetings were held Virtually with 100 interested individuals attending. At this time 140 individuals have registered for the four combined in person meetings to be held in July. Interpretive services are available upon request.

Habitat Dane's outreach and marketing initiatives include:

- On the Habitat Dane website, habitatdane.org, there is 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.
- Meeting dates are posted on all Habitat Dane 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.
- An email is sent to all current families to ask them to tell their families and friends about the program.
- Habitat Dane receives several referrals from current homeowners.

3. Describe your agency's affirmative marketing strategy and procurement efforts to encourage the participation of Minority, Women's, Local, and Small Business Enterprise contractors.

On an annual basis, Habitat Dane posts its projects and specifications online and broadcasts availability to multiple contact lists. Included in these lists are the City of Madison's four business directories (Small, Minority and Women-owned, Disadvantaged, Section 3). When Habitat Dane works with contractors who qualify for Targeted Business Enterprise programs that are not listed in the directories, we encourage them to apply to expand the reach of their businesses.

4. 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 completed repairs on their homes, etc.

Habitat Dane has completed 37 home repair projects since July of 2015. Projects have ranged in cost from \$333.00 to \$18,858.00 for an average project cost of \$4,880. Projects have been completed in areas throughout Dane County including 13 within the City of Madison. Historically Habitat Dane has not tracked demographics data in the same manner that it has with its Homeownership program. With repair as a focus for growth in its operations, Habitat Dane will collect this data going forward.

Historically all Habitat Dane projects have been for low-income households, with many of them for purposes of aging in place. One such example includes a widowed senior citizen female in a rural part of the county with repairs to stabilize the current home and provide modifications for accessibility needs.

5. Explain agencies past experience utilizing other established rehabilitation programs in State of WI (i.e. State's Division of Energy, Housing and Community Resources (DEHCR) Weatherization Program, State's Lead Safe Housing Program (LSHP)).

Habitat Dane is a Certified Lead Safe Contractor, but it has not had to utilize any of the funding listed due to it being a self-funded program.

6. If awarded federal funds, 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 relevant to federal regulations.

Paul Sukenik, Community Services Director, started working at Habitat in 2016, bringing 25 years of banking experience. He has a bachelor's degree in Finance with an emphasis in Real Estate from the University of Wisconsin- Whitewater. For the last six years, Paul has worked 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.

Paul is a Qualified Loan Originator (QLO) which is a Habitat for Humanity International designation and requires annual training on both Federal and State lending regulations. He is also certified by NCHCEC in Pre-Purchase Homeowner Education which requires continuing education credits.

Val Kudrna, Finance Director, enables and maintains the fiscal responsibility of Habitat Dane and its ReStore businesses. She has 17 years of experience and is responsible for all aspects of accounting, loan processing and servicing, systematic portfolio management, financial record-keeping, and compliance reporting (audits, IRS, government filings, required and requested reports for key stakeholders). She will monitor all loans, working with staff, legal reps and financial coaches keep borrowers on track. Val is a CPA with experience in both public accounting and the private sector with nonprofit organizations.

Adam Helt-Baldwin, Construction Director, coordinates and oversees all phases of building affordable family homes in support of the Habitat Dane mission. He leads a team that plans and constructs all Habitat Dane houses. He (and team) will be directly involved with each home built by and for families benefitting from these funds. He and his team lead on-site activities of all volunteers, borrowers, sponsors and the public daily, provides training including home construction and maintenance, and creates and monitors all budgets and costs of home builds, working with Habitat staff, volunteers and development partners.

7. Administration of this program requires knowledge of the City of Madison's Minimum Housing Code and Lead Based Paint Standards. Describe experience, trainings, and/or certifications that the individual(s)/agency have completed or attained.

Habitat Dane is a certified lead-safe company with the Wisconsin Department of Health Services and employs multiple licensed lead-safe renovators. Our agency has completed countless full demolition and rehabilitation projects since its inception in 1987, and has completed over 30 painting, remodeling, and repair projects on owner-occupied homes since 2015.

PROPOSAL TIMELINE

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

Activity/Benchmark	Estimated Month / Year of Completion
Marketing and program promotion	3/2023
Application intake and review	4/2023
Exterior repairs to projects 1-4	10/2023
Interior repairs to projects 1-4	3/2024
Exterior repairs to projects 5-6	6/2024

FINANCIAL LITERACY AND HOMEBUYER EDUCATION

Funds will be applied to: ☐ General Financial Literacy and Homebuyer Education

☐ Owl Creek Financial Literacy and Homebuyer Education

☐ Southside Financial Literacy and Homebuyer Education

Estimated total number of units/households to be served:	
Estimated total number of units/households (<80% CMI):	

PROGRAM DESIGN

1. Describe in detail what services your agency intends to offer to participants. Applicant should provide detailed information on how they intend to provide services to the community including: initial contact and outreach, frequency/availability/delivery of the education, intake process, and, how both short and long-term outcomes will be recorded and reported.

2. Describe the applicant or team's experience providing: homebuyer education, one-on-one credit and budget counseling, and financial coaching.

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

4. Describe how your agency will retain program participants throughout the duration of the homebuyer education program.

5. Describe how the proposed homebuyer education program is innovative and/or different from other programs currently offered in the community. Explain how this education program will serve the targeted population in a way that traditional homebuyer education courses are not able to do.

6. 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.

PROPOSAL TIMELINE

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

Activity/Benchmark	Estimated Month / Year of Completion

Activity/Benchmark	Estimated Month / Year of Completion

AGENCY, PROGRAM AND CITY SHARE EXPENSES

Agency & Program: Habitat for Humanity of Dane County: Habitat Housing for Homebuyers

ACCOUNT CATEGORY	City of Madison HOME	City of Madison HOME-PI	City of Madison GPR	City of Madison Other	Non-City Sources	Total Program Budget
A. PERSONNEL						
Salary	0				214,200	214,200
Taxes/Benefits	0				53,500	53,500
Subtotal A.	0	0	0	0	267,700	267,700
B. OTHER OPERATING						
Insurance					9,200	9,200
Professional Fees					5,200	5,200
Audit					0	0
Postage/Office and Program Supplies					3,300	3,300
Equipment/Furnishings/Depreciation					15,800	15,800
Telephone					2,700	2,700
Training/Conferences					0	0
Food/Household Supplies					0	0
Auto Allowance/Travel					2,000	2,000
Vehicle Costs/Depreciation					3,500	3,500
Other (Specify): Marketing & Communications					500	500
Family & Volunteer Expenses					4,300	4,300
Dues & Miscellaneous					4,000	4,000
Subtotal B.	0	0	0	0	50,500	50,500
C. SPACE						
Rent					6,000	6,000
Utilities					1,900	1,900
Maintenance					1,800	1,800
Mortgage Principal/Interest/Depreciation					5,800	5,800
Property Taxes					0	0
Subtotal C.	0	0	0	0	15,500	15,500
D. SPECIAL COSTS						
Rent Assistance (Rent Arrears, Security Deposit, Application Fee)					0	0
Utility Assistance					0	0
Assistance to Individuals (Down Payment Assistance)					0	0
Service/Program Subcontracts					0	0
Other (Specify): Loans to Homebuyers	160,000	0	0	0	424,300	584,300
Appraisal, Survey & Credit Reports	1,200				0	1,200
Title, Title Insurance & Recording Fees	10,800				0	10,800
Gift In Kind Labor					156,960	156,960
Subtotal D.	172,000	0	0	0	581,260	753,260
TOTAL (A-D.)	172,000	0	0	0	914,960	1,086,960

NOTES:

STAFFING: Include ALL staff working for the program			
Staff Position Title	Total Program FTE	City-Funded FTE	Roles and Responsibilities
Construction Director	100%	0%	Responsible for supervision of all construction staff and build sites.
Construction Project Manager	100%	0%	Day to day responsibility for Contractor scheduling and site expedition
Sr. Site Supervisor	100%	0%	Work day schedule and directing work of on site volunteers
Site Supervisor (3)	100%	0%	Work day schedule and directing work of on site volunteers
Warehouse Coordinator	50%	0%	Stocking of construction supplies and filling site orders
Construction Volunteer Service	100%	0%	Coordinating and scheduling individual and group volunteers for build sites
Community Services Director	100%	0%	Recruit and educate homebuyers and prepare documents for closing on homes
Family Education Coordinator	100%	0%	Coordinate classes for homebuyers in the program and educate homebuyers
CEO	25%	0%	Oversite of the entire organization and liaison to the board of directors
COO	60%	0%	Oversite of operation of Construction, Community Service and Land Development
Marketing Director	50%	0%	Ensure affirmative marketing for organization
Finance Director	35%	0%	Directs the accounting, financial, internal control, and risk management activities.
Program Manager	15%	0%	Assists in staff recruitment and support fund raising efforts
Loan Services Specialist	25%	0%	Servicing Homeowner mortgages.
Accounting Clerk	15%	0%	Records the daily accounting transactions including banking, A/P, sales & cash receipts.

Habitat for Humanity of Dane County

Home Repair Program and

Homebuyer Mortgage Reduction Program

Response Submission Due Date: **September 30, 2022 NOON**

INSTRUCTION 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. We ask that you refrain from submitting additional documentation not specifically requested at this time or using alternative formats.

Please use this Word document to record your answers and return this completed document to mdavila-martinez@cityofmadison.com. Please cc: cddapplications@cityofmadison.com

QUESTIONS

Agency Capacity, Experience, and Qualifications

1. Habitat's mortgage reduction proposal indicates that a selection committee is responsible for evaluating household applications "on the basis of income, need, and willingness to partner."
 - a. Provide information on how an individual joins and is selected for the Selection Committee. **Vacancies on the committee are often filled by referrals from departing members, board members or inquiries made to Habitat. Some of the committee members started with Habitat as volunteer financial coaches through our Financial Capability program.**
 - b. Describe the demographic breakdown of your Selection Committee in the table below. **In addition to race and ethnicity – I would like to point we have committee members that speak English, Hmong, Spanish and Arabic.**

DESCRIPTOR	SELECTION COMMITTEE
*These categories are identified in U.S. Department of Housing and Urban Development (HUD) Standards.	
GENDER	
Female	8
Male	4
Unknown/Other	
TOTAL GENDER	12
AGE	
Less than 18 years old	0
18-59 years	10
60 years and older	2
TOTAL AGE	12
RACE*	
White/Caucasian	9
Black/African American	1
Asian	1
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	
Egyptian (Arabic speaker) Balance/Other	1
TOTAL RACE	12
ETHNICITY	
Hispanic or Latino	1
Not Hispanic or Latino	11
TOTAL ETHNICITY	12
PERSONS WITH DISABILITIES	None based on observation

- Habitat experienced 44% turnover in 2021. Habitat's response speaks to policies in place to reduce turnover. Have you seen improvements with the new policies in place?

In 2022, Habitat experienced a turnover rate of approximately 23%. Nearly half of the employees that left Habitat left to due major life changes, including retirement, new professional career path, and traveling abroad. In addition to new employee benefits, Habitat also instituted a number of employee retention measures, including but not limited to, establishing an employee professional development fund, significant pay increases, internal DEI taskforce, improved onboarding, and a value/culture/behavior initiatives. We have seen, and expect to see less staff turnover morning forward.

Innovation, Collaboration, and Partnerships

- With hundreds of interested households attending the Habitat information sessions, how does Habitat continue engagement with households on the waitlist to best prepare them for purchasing a home either through Habitat or in the private market? While Habitat does not maintain a wait list, when applicants do not qualify, we try to make appropriate referrals depending on the reasons they did not qualify. Examples include referrals to our own "Habitat Readiness" financial capability course when certain debt-to-income issues, collections, judgements, or lack of credit are present. When they have too high of income for our program to lenders that work with lower income families (often members of the Home Buyer Round Table organization) or to other programs with higher limits like Project Home, Urban League. Referrals may also be made to the Home Buyer Round Table – First Time Home Buyer Class.
- There is an increase in the number of City of Madison agencies thinking of providing homebuyer education and financial literacy. Would you be willing to participate in a quarterly workgroup of homebuyer education providers that will serve as a hub in the development of related programming? Yes

Budget

- Please clarify the number of loans Habitat is requesting through the mortgage reduction proposal. Four

2. For both services proposals, Habitat is not requesting any funds for “Personnel.” Under this RFP, applicants are able to request up to 15% of the total award towards service delivery fees. Explain if the budget is correct as is or if the budget is incorrect, please submit a revised budget. **Revised budget to be attached.**

AGENCY, PROGRAM AND CITY SHARE EXPENSES

Agency & Program: Habitat for Humanity of Dane County: Habitat Housing for Homebuyers

ACCOUNT CATEGORY	City of Madison HOME	City of Madison HOME-PI	City of Madison GPR	City of Madison Other	Non-City Sources	Total Program Budget
A. PERSONNEL						
Salary	3,000				211,200	214,200
Taxes/Benefits	0				53,500	53,500
Subtotal A.	3,000	0	0	0	264,700	267,700
B. OTHER OPERATING						
Insurance					9,200	9,200
Professional Fees					5,200	5,200
Audit					0	0
Postage/Office and Program Supplies					3,300	3,300
Equipment/Furnishings/Depreciation					15,800	15,800
Telephone					2,700	2,700
Training/Conferences					0	0
Food/Household Supplies					0	0
Auto Allowance/Travel					2,000	2,000
Vehicle Costs/Depreciation					3,500	3,500
Other (Specify): Marketing & Communications					500	500
Family & Volunteer Expenses					4,300	4,300
Dues & Miscellaneous					4,000	4,000
Subtotal B.	0	0	0	0	50,500	50,500
C. SPACE						
Rent					6,000	6,000
Utilities					1,900	1,900
Maintenance					1,800	1,800
Mortgage Principal/Interest/Depreciation					5,800	5,800
Property Taxes					0	0
Subtotal C.	0	0	0	0	15,500	15,500
D. SPECIAL COSTS						
Rent Assistance (Rent Arrears, Security Deposit, Application Fee)					0	0
Utility Assistance					0	0
Assistance to Individuals (Down Payment Assistance)					0	0
Service/Program Subcontracts					0	0
Other (Specify): Loans to Homebuyers	160,000	0	0	0	424,300	584,300
Appraisal, Survey & Credit Reports	1,200				0	1,200
Title, Title Insurance & Recording Fees	7,800				0	7,800
Gift In Kind Labor					156,960	156,960
Subtotal D.	169,000	0	0	0	581,260	750,260
TOTAL (A-D.)	172,000	0	0	0	911,960	1,083,960

NOTES:

STAFFING: include ALL staff working for the program			
Staff Position Title	Total Program FTE	City-Funded FTE	Roles and Responsibilities
Construction Director	100%	0%	Responsible for supervision of all construction staff and build sites
Construction Project Manager	100%	0%	Day to day responsibility for Contractor scheduling and site expedition
Sr. Site Supervisor	100%	0%	Work day schedule and directing work of on site volunteers
Site Supervisor (3)	100%	0%	Work day schedule and directing work of on site volunteers
Warehouse Coordinator	50%	0%	Stocking of construction supplies and filling site orders
Construction Volunteer Service	100%	0%	Coordinating and scheduling individual and group volunteers for build sites
Community Services Director	100%	0%	Recruit and educate homebuyers and prepare documents for closing on homes
Family Education Coordinator	100%	0%	Coordinate classes for homebuyers in the program and educate homebuyers
CEO	25%	0%	Oversite of the entire organization and liaison to the board of directors
COO	60%	0%	Oversite of operation of Construction, Community Service and Land Development
Marketing Director	50%	0%	Ensure affirmative marketing for organization
Finance Director	35%	0%	Directs the accounting, financial, internal control, and risk management activities.
Program Manager	15%	0%	Assists in staff recruitment and support fund raising efforts
Loan Services Specialist	25%	0%	Services Homeowner mortgages.
Accounting Clerk	15%	0%	Records the daily accounting transactions including banking, A/P, sales & cash receipts.

REVENUE AND EXPENSE REPORT SUMMARY

CITY OF MADISON
COMMUNITY RESOURCES PROGRAM
APPENDIX IV - PART 1

Name of Agency: HABITAT FOR HUMANITY OF DANE COUNTY, INC. MORTGAGE REDUCTION PROGRAM

Date of Report: _____

Period Covered: _____

Person Completing Report: _____

Telephone: _____

All expenditures must be documented. Only program expenses actually paid out for the period covered may be claimed on this report.

****Only use whole numbers, if using formulas or amounts with cents, convert to whole number before submitting to CDD.**

All Program Expenses	2022 City Allocation	City Portion of Expenses billed this Period	City Portion of Expenses billed Year-to-Date	% of City Budget Spend
A. PERSONNEL	3,000	0	0	0%
B. OTHER OPERATING	0	0	0	0%
C. SPACE	0	0	0	0%
D. SPECIAL COSTS	169,000	0	0	0%
TOTAL	172,000	0	0	0%

Vendor #:

Contract #:

Budget Adjustments and Method of Reimbursement

1. Agency may alter this budget within 10% of each deliverable by formal notification to assigned Grant Administrator. Changes which would result in modifications in excess of 10% of any original deliverable must receive Community Development Supervisor's written approval prior to contractor commitment of funds.

2. Costs for this project will be reimbursed pending approval by the Community Development Supervisor upon submission of a) a completed program report describing completed activities (Exhibit 3, Program Activity Report) and b) any other reports specified in the agency contract (Exhibit 1, Scope of Services).

3. Any funds not expended by the termination date of the Agreement are not eligible for reimbursement.

INDIVIDUAL PROGRAM EXPENSES

CITY OF MADISON
COMMUNITY RESOURCES PROGRAM
APPENDIX IV - PART 2

Name of Agency:

All expenditures must be documented. Only program expenses actually paid out for the period covered may be claimed on this report.

**Only use whole numbers, if using formulas or amounts with cents, convert to whole number before submitting to CDD.

Pgm Letter	Program Name	Program Expenses	2022 City Allocation	City Portion of Expenses Paid YTD	City Portion of Exp. Billed this Period	City Portion of Exp. Billed YTD	% of City Allocation Spent
A	Habitat Housing for Homebuyers	PERSONNEL	3,000			0	0%
		OTHER OPERATING	0			0	0%
		SPACE	0			0	0%
		SPECIAL COSTS	169,000			0	0%
		TOTAL	172,000	0	0	0	0%
B		PERSONNEL	0			0	0%
		OTHER OPERATING	0			0	0%
		SPACE	0			0	0%
		SPECIAL COSTS	0			0	0%
		TOTAL	0	0	0	0	0%
C		PERSONNEL	0			0	0%
		OTHER OPERATING	0			0	0%
		SPACE	0			0	0%
		SPECIAL COSTS	0			0	0%
		TOTAL	0	0	0	0	0%
D		PERSONNEL	0			0	0%
		OTHER OPERATING	0			0	0%
		SPACE	0			0	0%
		SPECIAL COSTS	0			0	0%
		TOTAL	0	0	0	0	0%
E		PERSONNEL	0			0	0%
		OTHER OPERATING	0			0	0%
		SPACE	0			0	0%
		SPECIAL COSTS	0			0	0%
		TOTAL	0	0	0	0	0%
TOTAL FOR ALL PROGRAMS			172,000	0	0	0	0%

Funding Source	ESG Match Funds YTD	ESG Match Funds this Period
HUD FUNDS (NON-ESG)		
OTHER FEDERAL FUNDS		
STATE GOVERNMENT		
LOCAL GOVERNMENT		
PRIVATE FUNDS		
OTHER/FEE/PROGRAM INCOME		
TOTAL	\$ -	\$ -

INDIVIDUAL PROGRAM EXPENSES

CITY OF MADISON
COMMUNITY RESOURCES PROGRAM
APPENDIX IV - PART 2

Name of Agency:

All expenditures must be documented. Only program expenses actually paid out for the period covered may be claimed on this report.

**Only use whole numbers, if using formulas or amounts with cents, convert to whole number before submitting to CDD.

Pgm Letter	Program Name	Program Expenses	2022 City Allocation	City Portion of Expenses Paid YTD	City Portion of Exp. Billed this Period	City Portion of Exp. Billed YTD	% of City Allocation Spent
			PI Funds YTD	PI Received This Period			
		PROGRAM INCOME (PI) RECEIVED					