

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:	Homebuyer Education & Counseling		
Amount of Funds Requested:	\$50,000	Type of Project:	<input type="checkbox"/> Development <input checked="" type="checkbox"/> Housing Services
Name of Applicant:	Housing Resources, Inc.		
Mailing Address:	7830 W. Burleigh Street, Milwaukee, WI 53222		
Telephone:	414-461-6330	Fax:	414-461-6320
Project/Program Contact:	Katrina Weinberg	Email Address:	Katrina_Weinberg@hri-wi.org
Financial Contact:	Trena Bond	Email Address:	trena_bond@hri-wi.org
Website:	www.hri-wi.org		
Legal Status:	<input type="checkbox"/> For-profit <input checked="" type="checkbox"/> Non-profit <input type="checkbox"/> Non-profit (CHDO)		
Federal EIN:	39-1706658	DUNS #:	874623820
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: Trena Bond

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

Date: 11/25/2020

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).*

HRI will provide monthly virtual interactive 6-hour homebuyer education workshops for residents of the city of Madison who wish to purchase homes. Homebuyer education workshops not only provide buyers with the basic knowledge needed when purchasing their first home; they help to instill the importance of being responsible homeowners; and provides buyers an in-depth overview of the home purchase process. HRI staff facilitates the workshops and gives buyers information about how to handle credit responsibly; how to create and maintain a budget; how to determine their affordability; and how to know if purchasing a home is right for them and much more. Real estate industry professionals are featured including lenders, real estate agents, home inspectors and home insurance specialists. These professionals put a face on the process and provide real-time information about their responsibilities to buyers and their role in the process.

We anticipate educating 175 or more residents. The majority of the buyers assisted will be low and moderate income.

Number of unduplicated households estimated to be served by this project: 175

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.

Over the past several years, HRI has provided homebuyer education to 22 residents of the City of Madison. The organizations nearly 30 years of working with homebuyers informs our knowledge of the barriers faced by first-time buyers within our service areas. We do understand that each area is different and has different challenges. Our work with our partners has been helpful to us in identifying low to moderate income individual needs for homebuyer education and counseling and gaps within the areas we serve. We understand that there are barriers to buyers purchasing in the city that include credit, affordability, and lack of saving for entry costs. These are common barriers which are even more pronounced for low- and moderate-income and minority buyers.

The City of Madison's 2020 to 2024 Con Plan identifies homeownership as a priority need under Affordable Housing. As a HUD approved agency with HUD certified counselors, and as a NeighborWorks America affiliate ranked 1st in the state of Wisconsin and 3rd in the midwest region, we have resources available to us that would be invaluable in providing homebuyer education for residents who live in the City of Madison.

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

We understand that due to the COVID-19 pandemic this year the in-person homebuyer education workshops ceased and the alternative was online education. We anticipate educating 175 buyers next year by providing virtual homebuyer education workshops in English and Spanish. This is a conservative estimate based on previous years attendance of workshops in Madison, while keeping in mind an increasing interest overall in the housing market and anticipated rebound of jobs with hopes the pandemic is better under control.

Using an analysis that involved data from ACS tables (2019) including City of Madison median household income, vacancy status, tenure by age of householder, units in structure, household income by gross rent as a percentage of household income, value for owner-occupied housing units, and median value (dollars) for owner-occupied housing units - as well as HUD 2019 median income and HUD 2020 median income we obtained the following estimates: 11,272 potential homebuyers (renter households qualified for a mortgage) 80% and below AMI; and estimated vacant units available is 918.

We understand that the inventory is somewhat scarce in the city and that we may have more buyers interested in pursuing homeownership than homes for them to purchase. Our plan is to partner with local developers who will purchase and renovate homes to provide them with purchase-ready buyers; work in partnership with the City; continue to work with our lending and other real estate professional partners; providers of down payment assistance to make homeownership affordable; and work with the Urban League as they provide alternatives to buyers who may be ready to purchase over time with our assistance.

AGENCY OVERVIEW

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

Our mission is to prepare people for successful home ownership. We believe the key to any homeowner being successful starts with them educating themselves about the homebuying process and the roles real estate professionals they should expect to be a part of their team during the process. Specifically, we will host 12 (6 hour) virtual homebuyer education workshops in English and/or Spanish for residents of the City of Madison. These workshops will provide buyers the opportunity to interact with other buyers; receive an overview of the home purchase process from real estate professionals; and provide the motivation they need to begin to work on overcoming their barriers to home ownership should they have them. In addition, buyers who wish to receive the education at their own pace can participate in our online education. Although the education is critical as buyers prepare to make decisions about one of the most expensive and important purchases they will make, the one-on-one counseling and advocacy provided by our organization plays an integral role in buyer's success upon completion of the homebuyer education workshops.

HRI works to ensure that our buyers enter into the process eyes wide open; they understand the responsibilities that come with homeownership and our work prepares them to be successful. Studies have shown that people who complete home buyer education are less likely to suffer a foreclosure than those who do not have the education.

In working with partners, we have identified an unmet need in the city for our services. We believe this project fits within our mission.

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.

As a non-profit community service organization, HRI relies on contributions from corporate, foundation and individual partners to ensure we have the funding needed to support our programs.

Although we do receive government funding to support our program and services, it can be unreliable due to delays in funding and uncertainty about the amount of funding that will be allocated. HRI's Board, Fund Development Committee and staff continually works to strengthen and increase other funding sources such as foundation, corporate, individual and fee income streams to reduce our reliance on government funds.

Our organization is well established and respected in the homeownership education and counseling arena. We have long-term and new partnerships with lending institutions and real estate professionals who understand the importance of our work; trust that we are experts at what we do; and choose to financially support our efforts.

We continue to solicit support from the diverse group of people and organizations who have historically recognized the importance of our efforts while also working to expand this base with area foundations, private sector institutions and individuals.

HRI has experience successfully entering new service areas. We have maintained satellite offices in Milwaukee south side (7 years), Waukesha (10 years) and Racine (20 years).

In 2019 alone, our organization educated over 1400 buyers; provided one-on-one counseling for more than 700 buyers; and assisted 325 buyers in purchasing their first homes.

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

HRI's housing counseling staff has experience in completing various tasks including explaining program requirements; income qualifying; application assistance; coordinating assistance; and providing real estate professional referral lists for buyers who wish to obtain HOME funds for their purchases. For nearly 30 years we have worked with the City of Milwaukee on various down payment assistance; purchase and rehab programs using home or CDBG funds. Over the last 10 years (2011 – 2020) HRI has been a preferred provider in providing homebuyer counseling services for Waukesha County and the HOME Consortium DPA.

We were recently awarded CDBG funds to provide mortgage assistance for Milwaukee County (\$3 Million); the City of Racine (\$520,000) and Waukesha County (\$200,000). Those funds are in addition to the funds allocated to support our homebuyer education and counseling work in those areas. We are a trusted partner in our various service areas and have proven that we can manage various government grants. This has led to us receiving increased funds for our programs.

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?

Our agency reflects and engages the the experiences of the target population we serve or intend to serve by maintaining a staff and board composition is representative of the clients we serve. 1/3 of our board members are considered residents within our service area. We also survey our clientele to determine how our programs are working for them; what we are doing right; and determine what additional information or changes we need to implement. We use the insights from all of the above groups to inform the programs and services offered by the organization through our 5 year strategic as well as our annual program planning.

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

HRI has over 30 years of experience in serving homebuyers with a staff and board that is just as diverse as the people we anticipate serving in the City of Madison. We expect to intensify our efforts and focus to meet the need for increased opportunities for residents to obtain and retain housing that is affordable. We work with various organizations; partners; and collaborative to assist and serve diverse communities.

We understand that when it comes to homeownership opportunities there is not equal access for all. In fact, low and moderate income or minority people, seem to left be out, discouraged or unable to qualify for loans due to lending disparities that remain constant. There is also a racial wealth gap in median household wealth that exists. Home equity is a large percentage of most families' wealth. As a result, increasing minority homeownership is critical to closing the gap. In addition, a basic understanding of finances and relationships with traditional banks or credit unions can help overcome these disparities. Our project goes directly to the heart of the matter and in fact, for the past 29 years our agency has been working to close that gap between minority homeownership and others. We work directly with the residents of the neighborhoods who need us most and help them eliminate barriers and gain access to, maintain and retain affordable home ownership.

Within our organization we maintain a diverse staff that is reflective of the community we serve. We promote and support equity by clearly sharing expectations and goals while using a merit, performance and tenure based system to assess and promote staff.

10. List Percent of Staff Turnover in 2019: 6%
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.

While our staff turnover percentage is under the amount that requires an explanation, we would like to say that the one staff person who left employment with us in 2019 was the office manager and not a hands-on counselor or educator who worked directly with clients. We did replace that FTE with a housing counselor.

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

DESCRIPTOR	STAFF	BOARD
GENDER		
Female	15	6
Male	5	2
Unknown/Other		
TOTAL GENDER	20	8
AGE		
Less than 18 yrs old		
18-59 Yrs	16	6
60 and older	4	2
TOTAL AGE	20	8
RACE*		
White/Caucasian	8	4
Black/African American	11	4
Asian		
American Indian/Alaskan Native	1	
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	20	8
ETHNICITY		
Hispanic or Latino	7	1
Not Hispanic or Latino	13	7
TOTAL ETHNICITY	20	8
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 D – Financial Literacy and Homebuyer Education

1. Please describe in detail what services your agency intends to offer to participants if this proposal is funded.

Housing Resources is seeking funding to support our Homebuyer Education and Counseling Program for first-time homebuyers in the City of Madison.

Housing Resources will provide a 6-hour homebuyer education workshop on a monthly basis. These workshops not only provide buyers with the basic knowledge needed when purchasing their first home; they help to instill the importance of being responsible homeowners; and provides buyers an in-depth overview of the home purchase process. HRI staff facilitates the workshops and give buyers information about how to handle credit responsibly; how to create and maintain a budget; how to determine their affordability; and how to know if purchasing a home is right for them. Real estate industry professionals are featured including lenders, real estate agents, home inspectors and home insurance specialists. These professionals put a face on the process and provide real-time information about their responsibilities to buyers and their role in the process. We have found that this is one of the most effective means of encouraging, preparing and exciting new buyers to take the corrective actions needed to eliminate barriers to homeownership.

Upon completion of homebuyer education, one-on-one pre-purchase counseling and credit counseling is available to clients interested in pursuing home ownership. HRI's counseling curriculum is very individualized and tailored to the potential homebuyer and his/her needs. We pull credit reports from all three credit repositories; use that information along with other information gathered to create individual action plans for each buyer; and assist buyers in eliminating their barriers to home ownership through advocacy, coaching and follow-up appointments. Upon the completion of the home buyer's action plan, HRI staff discuss loan products with buyers; assist them in determining the loan products that best suits their needs; and explains the homebuyer assistance programs available to buyers. In addition, staff make program referrals to the lending institutions of the clients' choice and submits complete loan packages on the buyers' behalf. These packages are put together by HRI staff for buyers and include all pertinent client information needed for pre-approval. Once approved, we supply lists of local reputable REALTORS, home inspectors and home insurance providers to the clients. Additionally, we coordinate and help buyer apply for grant funds to assist in covering down payment and closing costs. We continue to work with buyers throughout the purchase process until they close.

The goal of our program is to increase opportunities for responsible and affordable home ownership, while providing buyers with the critical skills required to purchase and retain their homes.

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

The program will serve the City of Madison with specific focus on targeted areas of the city.

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 experienced by the proposed target population.

Although our services will be open to the public, the primary target populations assisted by our program will be first-time buyers who are low and moderate-income and otherwise under-served populations.

Our education program not only provides buyers with the basic knowledge needed when purchasing their first homes, it also instills the importance of the being responsible homeowners. Increased credit scores and down payments are needed to purchase homes which require our counselors to spend more time with clients who are in our pre-purchase program, to ensure they have the knowledge they need to become and remain successful homeowners while thAlthough our services will be open to the public, the primary target populations assisted by our program will be first-time buyers who are low and moderate-income and otherwise under-served populations.

Our education program will not only provide buyers with the basic knowledge needed when purchasing their first homes, it also instills the importance of the being responsible homeowners. Increased credit scores, good credit and down payments are needed to purchase homes, but they can be barriers to many low income buyers. In additon to educating buyers about the process, we actually provide one-on-one counseling and work hand-in-hand with buyers through the process to ensure they qualify for market rate mortgage loans. We create an action plan

for each buyer with their input which identifies their barriers as well as timelines to correct them. Our counselors will provide help with credit repair, budgeting and saving tips and techniques.

Once they have completed their plans, HRI will provide them with information local area lending institutions from which they can choose one to pursue home loans. HRI prepares the client loan packages to ensure that all necessary documents are provided to the lender for pre-approval. Once approved, we supply lists of reputable realtors, home inspectors and home insurance providers to the clients. Additionally, we coordinate grant funds for buyers to assist in covering down payment and closing costs and continue to work with them throughout the purchase process until they close. They are rebuilding and repairing their credit. These skills assist families in becoming and remaining self-sufficient by building wealth. We believe this preventative approach to future foreclosures is well worth the time and effort HRI is putting forth.

The Individual one-on-one counseling we provide will help clients identify credit barriers and develop action plans to correct credit problems or even establish credit. Improved credit scores help clients qualify for a market rate mortgages which often results in more affordable housing costs.

Low and moderate-income households face a number of home ownership barriers. These include a lack of knowledge about acquiring a loan, limited resources, bad credit and discrimination in lending practices. There tend to be consistently higher rates on loan denials for minority and low-income buyers—often due to buyers not understanding the mortgage process and not being prepared. The education and coaching provided by HRI helps buyers to overcome those barriers. Receiving education and counseling from a HUD approved counseling organization like HRI greatly increases the buyers' chances of remaining in their homes, avoiding foreclosure and being successful home owners.

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

HRI has always affirmatively market and conduct outreach to attract underserved populations in the service areas (rural and metropolitan – minority and non-minority) in local papers, radio ads, etc. We market to people in our area who are least likely to reach out for assistance. Our services are open to the public. In addition to those activities our home buyer education and counseling services include counseling to make clients aware of discriminatory practices, provide language interpretation services to clients with limited English proficiency and ASL services to those that need it, and assisting clients, if they desire, to seek housing in locations that afford greater housing choice or access to educational or employment opportunities. Our home buyer education classes include information regarding readiness and preparation for homeownership, fair housing rights, and identifying housing and lending discrimination and predatory lending.

Our plan for marketing the project includes:

Refine list of referral sources for the program to include identification of those groups or organizations whose constituents are least likely to apply

Compile list of potential community outreach events and include those that will reach underserved, minority and/or linguistically isolated populations in our target area.

Develop flyer and material in all languages that are specific to our service area

Develop list of all potential flyer drop distribution sites that include those areas or neighborhoods that may be least likely to apply or are under-represented, minority and linguistically isolated as well as provide electronic copies of materials to partners to share

Schedule training opportunities for local real estate professionals and others to learn about the program

Participate in community events in our service areas that draw a substantial amount of low to moderate income attendees. If the chosen event does not include the potential for attendees who are underserved, minority, and/or linguistically isolated or least likely to apply, another event will be identified and participated in

Flyer distribution in areas identified according to affirmative marketing

Personal calls and emails to our homeownership industry partners

Share and promote program information on social media outlets

5. Please describe how your agency will retain program participants throughout the duration of the homebuyer education program.

Homebuyer education provides an opportunity for buyers to learn what it takes to own a home. We anticipate that some buyers will choose not to pursue homeownership after completion of the workshops due to them not being ready to do what it takes to move forward. We will provide various homebuyer education workshop options for buyers to attend the education workshops at their convenience. We will provide opportunities for buyers to make-up portions of the workshops that they may miss when life happens. We will maintain contact with buyers to ensure that upon completion of the workshop they schedule an appointment to meet with a counselor, which is a requirement for buyers to receive their homebuyer education certificate.

6. 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.

HRI will offer our new virtual homebuyer education workshops in the community. It is our understanding that due to the pandemic the only education being offered is online. Our workshops are interactive and allows buyers to see, hear and interact with the presenters and ask questions in real-time.

In addition, the one-on-one counseling is extensive and will help buyers overcome their barriers and walk them through the purchase process.

7. 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.

HRI currently operates similar programs in our other service areas. In 2019 alone, our organization educated over 1400 buyers; provided one-on-one counseling for more than 700 buyers; and assisted 325 buyers in purchasing their first homes. The majority of the buyers served were female (71%). low-and moderate-income (88%) and minority (80%).

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

Housing Resources, Inc. is prepared to provide homebuyer education and counseling services to residents in the City of Madison. The provision of these services will provide additional capacity and an alternative to assist buyers in purchasing. HRI has longstanding relationships with many of the major financial institutions that service the area and will seek to create new relationships. We like to give our clients as many options for banking and mortgage financing as possible. Other real estate professionals will also be important partners who serve as service providers as well as sources of referrals of buyers. We anticipate partnering with financial institutions to have them assist in presenting our workshops; offering their institutions as options for banking and financing; and receiving referrals of buyers in need of education and counseling. We will partner with community partners in hopes that they can provide referrals of buyers interested in homeownership as well as identify services that our clients can use as they pursue homeownership. We plan to work in collaboration/partnership with local developers to provide purchase ready buyers as they complete local housing development. We will work with the City and other funders to assist buyers in accessing down payment and closing cost resources to make their purchases possible. We will continue seeking partners locally to support and refer buyers to our program.

PROPOSAL TIMELINE

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

Activity/Benchmark	Estimated Month/Year of Completion
Upon approval of RFP- Create marketing materials for distribution and social media	February 2021
Inform our list of partners about the workshops and request their recruitment assistance	March 2021
Conduct HBE workshops - 14 attendees - complete monthly report	April 2021/ Ongoing monthly

Activity/Benchmark	Estimated Month/Year of Completion
Conduct HBE workshops - 14 attendees - complete monthly report	May 2021
Conduct HBE workshops - 20 attendees - complete monthly report	June 2021
Conduct HBE workshops - 20 attendees - complete monthly report	July 2021
Conduct HBE workshops - 25 attendees - complete monthly report	August 2021
Conduct HBE workshops - 24 attendees - complete monthly report	September 2021
Conduct HBE workshops - 58 attendees - complete final report	October 2021- February 2022

APPLICANT & PROJECT NAME: **Housing Resources, Inc. - Homebuyer Education**

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)	786,004	1,115,130	1,344,770
Taxes	51,816	70,754	89,962
Subtotal A	837,820	1,185,884	1,434,732
B. OPERATING			
All "Operating" Costs	217,168	291,287	373,812
Subtotal B	217,168	291,287	373,812
C. SPACE			
Rent/Utilities/Maintenance	83,204	126,400	72,400
Mortgage/Depreciation/Taxes	19,542	19,663	20,378
Subtotal C	102,746	146,063	92,778
D. SPECIAL COSTS			
Subcontracts			
Deposits to Reserves			
Debt Service (Excl Mortgage)			
Other: (Specify)			
Pass Through Grants/ Direct Dono	509,484	143,000	585,000
Subtotal D	509,484	143,000	585,000
Total Operating Expenses:	1,667,218	1,766,234	2,486,322
REVENUE			
Direct Public Grants			
Direct Public Support	1,321,184	1,337,234	2,147,122
Indirect Public Support	73,723	75,000	50,000
Miscellaneous Revenue	302	3,500	2,800
Restricted Funds Released	50,645	86,400	-
Program Income	243,308	264,100	286,400
Total Income	1,689,162	1,766,234	2,486,322
Net Income	21,944	0	-

APPLICANT & PROJECT NAME:

Housing Resources, Inc. - Homebuyer Education

5. HOMEBUYER EDUCATION 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		
City of Madison	\$50,000	Ongoing
NeighborWorks America	\$40,000	Ongoing
Private/Non-Profit Grant Funds		
Old National Bank	\$12,500	Ongoing
Associated Bank	\$16,500	Ongoing
Wells Fargo Home Mortgage	\$10,000	Ongoing
Other Funds from Agency Budget		
Service Fees Income	\$32,383	
Other Funds (Specify Source)		
BMO Harris Bank	\$5,000	Ongoing
Total Funding Sources:	\$166,383	

Program Expenses

Cost Category	CDD Funds	Other Funds	Total Cost
Personnel Costs:			
Salary	\$50,000	\$84,220	\$134,220
Benefits			\$0
Taxes		\$10,268	\$10,268
Other:			\$0
Operating Costs:			
Professional Fees		\$9,695	\$9,695
Insurance		\$1,200	
Audit		\$1,600	\$1,600
Program Supplies		\$3,400	\$3,400
Automobile Costs/Travel		\$400	\$400
Other: Occupancy/Utilities		\$2,600	\$2,600
Other: Staff Training		\$3,000	\$3,000
Other/Special Costs:			
Assistance to Individuals			\$0
Other:			\$0
Other:			\$0
Total Costs:	\$50,000	\$116,383	\$166,383



**BOARD OF DIRECTORS
2020**

(Including Home Addresses)

<p align="center">Kathy Gentry/ President Wisconsin Bank & Trust 508 River Oaks Drive Sheboygan, WI 53085 920.208.5762 <u>KGentry@wisconsinbankandtrust.com</u> 2012</p>	<p align="center">Eliana Williams/ Vice President Wells Fargo Home Mortgage 412 E. Lloyd Street Milwaukee, WI 53212 414.302.4104 <u>eliana.m.williams@wellsfargo.com</u> 2012</p>
<p align="center">Wanda Montgomery/ Treasurer Children's Hospital of Wisconsin 7856 N. 47 Street Brown Deer, WI 53223 414.337.8703 <u>wmontgomery@chw.org</u> 2015</p>	<p align="center">Joe Bova Resident 4468 N. 26th Street Milwaukee, WI 53209 414.445.6831 ph <u>joebova7@aol.com</u> 2008</p>
<p align="center">Vinitia Strong-McDonald/ Secretary Associated Bank 2313 W. Olive Street Milwaukee, WI 53209 414.347.2043 <u>vinitia.strongmcdonald@associatedbank.com</u> 2019</p>	<p align="center">Lawanda Chambers Adkins Counseling Servic3768 S. 75 Street Milwaukee, WI 53220 920.815.6627 <u>lcamb21@gmail.com</u> 2019</p>
<p align="center">Daniel Sweeney PNC Financial Services Group 6521 N. Sunny Point Lane Glendale, WI 53202 414.719.9352 <u>daniel.sweeney@pnc.com</u> 2019</p>	<p align="center">Sarah Greenberg Greenberg Strategies LLC 2669 N. Lake Dr. Milwaukee, WI 53211 414.909.2374 <u>GreenbergStrategies@gmail.com</u> 2020</p>

Housing Resources, Inc.
Homebuyer Education & Counseling

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:

Program Targeting and Affirmative Marketing

- 1. Please expand on what targeted areas of the City where HRI intends to focus its marketing, as referenced in question 2 of Attachment D.**

The program will serve the City of Madison with specific focus in target areas designated by the city for residents who are the least likely to receive information about purchasing homes. One specific area we will target is the northside of the city including the northside zip codes of 53597 and 53704. Approximately 20% of folks living within and near the north side are living below the federal poverty level and are most likely to be disenfranchised when it comes to homeownership. Neighborhood agencies such as the Northside Planning Council and the Sherman Neighborhood Association could assist in outreach to families in the area who would like to achieve the dream of homeownership.

As a HUD approved counseling organization, we are mandated to provide our services to anyone who desires to achieve homeownership. However, we have a unique ability to attract under-served populations that includes first-time homebuyers who are low-to moderate-income, minority, linguistically isolated, disabled or large families.

We take on some of the toughest cases – serving the poorest clients with the most complex cases to mitigate and take to closing. Quality homebuyer counseling and education have created a paradigm that has made it possible for career renters to buy and for the financially challenged or financially illiterate to buy, maintain and keep their homes.

- 2. Since the effects of the COVID-19 pandemic may persist throughout 2021, how does HRI intend to shift its marketing approach to reach historically disadvantaged populations that cannot attend events or visit community facilities in-person?**

HRI shifted its marketing approach starting March 2020. We plan to intensify our efforts this year to continue to reach historically disadvantaged populations specifically for the Madison area using the following methods:

- Creating promotional material that can be shared via email, social media or dropped at locations in targeted areas.
- Using social media including Facebook (targeted ads) and other social media platforms such as Twitter and Instagram.
- Communicating with **Real Estate Brokerage Firms** via email asking them to share the flier of the upcoming workshops with their agents and their agent's clients. To include First Weber, Stark, Restaino, Bunbury, Remax, EXP, Keller Williams and other Madison based Boutique Real Estate Firms.
- Communicating with **Local Lenders** via email to share flier of the upcoming workshops with their clients.
- Communicating with **Community Organizations and Centers** asking them to share the flier with their membership to include the Northside Planning Council, Sherman Neighborhood Association, Urban League of Greater Madison, Habitat for Humanity of Dane County, NAACP Dane County Branch #36AB, Latino Chamber of Commerce, Black Chamber of Commerce, Madison Area Chamber of Commerce, Boys and Girls Club of Dane County, Home Buyers Round Table of Dane County, the Minority Home Coalition, YWCA Madison, Madison Area Churches, Progress Center for Black Women, 100 Black Men, local churches, United Way of Dane County and Nehemiah Center for Urban Leader Development.
- Participating in any virtual events or organization meetings who serve similar clientele to promote our services. Placement on partner websites as a homebuyer education provider.
- Working with the City to promote our services and the down payment and closing cost resources available.

3. Besides English, in which other languages does HRI publish marketing materials?

HRI will publish materials in English, Spanish and Hmong if necessary. We remain open to publishing materials in other languages as needed. In addition, as a HUD approved counseling organization we will provide translation and/or interpretation services for buyers going through our program and cover the cost of those services.

Program Innovation and Design

1. How does HRI intend to ramp up the number of prospective homebuyers it serves in Madison from 22 over the last several years to an estimated 175 over the next two years?

We intend to ramp up the number of prospective homebuyers served in Madison over the next two years by using the marketing approach outlined in question #2 above.

The 175 homebuyers served was a conservative estimate made after talking with local partners and discussing past homebuyer education attendance.

2. Is HRI contemplating opening a satellite office or establishing a physical presence in Madison as it expands its homebuyer education offerings, as it has in Milwaukee, Racine, and Waukesha?

We are contemplating opening a satellite office or establishing a physical presence in Madison. For any area where we have established a presence or opened a satellite office, we have the financial support of the city or county government which is critical to the success of such an endeavor. With a financial commitment (based on our proven outcome and results) our organization can commit to leveraging those funds to bring in federal and state government as well as foundation and corporate funding to ensure that a satellite office is successful there.

We are looking at this first year as an opportunity to build on current partnerships, build new ones, show the demand for our services, and demonstrate that our homebuyer education and counseling model can help the City produce prepared and successful homebuyers. Our commitment to where we place satellite offices is not taken lightly and once open, our plan is to stay long-term just as we have in Racine (20 years) and Waukesha (10 years).

3. Of the 1,400 prospective homebuyers HRI has assisted, approximately what percentage of those individuals have went on to purchase a home?

Of the 1400 prospective buyers educated in 2019, 744 met one-on-one with a housing counselor and 325 went on to purchase homes. So just over 23% of the buyers who attended the homebuyer education workshops purchased homes. However, of the buyers who attend education and counseling, nearly 44% purchased homes.

4. With which local lenders will HRI work?

Housing Resources, Inc. and its staff are advocates for the homebuyers that we serve. That means that our intentions and goals in working with buyers are to ensure that they not only understand what it takes to own and keep a home, but that they are treated with dignity and are able to get the best loan products available to them and have access to any down payment and closing cost assistance they may qualify for.

Our organization will work with any reputable lending institution. The more local lenders we work with, the more options our clients have to receive market rate financing for their mortgage loans. Currently, some of the lenders we work with in our service areas include: Associated Bank, Old National Bank, Johnson Financial Group, US Bank, Wintrust Mortgage, UW Credit Union and Summit Credit Union. We understand

that there are other local banks and credit unions that can work with buyers in Madison and will make it our business to reach out and introduce our organization, programs and services to their staff in hopes that we work together to serve Madison buyers.

5. Please describe how HRI's homebuyer education program is different from other homebuyer education/counseling programs offered in the Madison market.

From the research conducted and meetings we have attended, HRI's homebuyer education program is different from other homebuyer education/counseling programs offered in the Madison market in the following ways:

- HRI has Bilingual staff (English/Spanish) and can provide education and counseling to linguistically isolated residents. We will provide translation and interpretation services for buyers participating in our program who speak any other languages and cover the cost.
- HRI can provide virtual workshops during the COVID-19 pandemic which is interactive versus only providing buyers online education that is not interactive, local or specific to the Madison area.
- In addition to only providing buyers an online or other homebuyer education, our organization can provide one-on-one counseling. This counseling is individualized to each buyer and based on the needs identified in their required intake session. Buyers that need to work on barriers such as credit, savings, budgeting, affordability, etc. can work with our staff over time to resolve those barriers if they are committed to do so over months or years. Staff provide buyers with tips, techniques, advocacy and support over time as outlined extensively in Attachment D of our application response.
- HRI offers supportive services for homebuyers after they purchase a home. Buyers who purchase homes will be invited to attend our post-purchase workshops or receive post purchase counseling if necessary. This education and counseling helps new or existing home owners understand the responsibilities of home ownership, understand how to protect their investment and assists them in avoiding foreclosure.