

CITY OF SAN MARCOS
2019 CDBG PUBLIC SERVICES APPLICATION



Due Date: June 18, 2021

I. APPLICANT CONTACT INFORMATION

Austin Habitat for Humanity, Inc.
Applicant Organization: _____
Kate Reznick 512-472-8788 x117
Contact Name: _____ Telephone: _____
500 West Ben White Boulevard, Austin, TX 78704-7030
Mailing Address: _____
Same as Above
Physical Address, if different from mailing address: _____
kreznick@ahfh.org www.austinhabitat.org
Contact E-Mail Address: _____ Web Address: _____
Phyllis Snodgrass, CEO
Who is authorized to execute program documents? _____

II. APPLICATION SUMMARY INFORMATION

Housing Counseling
Project Name: _____
\$23,656
Amount of CDBG Funds Requested: _____
Location in City building to be determined for in-person service; virtual appointments also available
Project Location: _____
Will all CDBG funds for this project be expended by July 15, 2021? _____ Yes _____ No
X
See
If "No", what percent is expected to be completed by that date? Timeline

PROGRAM SUMMARY

Briefly summarize the program for which CDBG funding has been requested.

Through our Housing Counseling initiative, Austin Habitat for Humanity empowers low-to-moderate income Texans, including those in San Marcos, to increase their financial capability and confidence, including preparing for successful homeownership. Our Housing Counseling program was introduced in 2010 and has positively impacted more than 12,500 members of our local communities, including all potential Habitat homeowners who have joined the program in the past 11 years. Both the program and our two Spanish-bilingual housing counselors are certified by HUD, and our counselors continually seek training and recertification to ensure that they are providing the highest-quality service to our communities.

The program has two major components. The first is a series of group workshops, including an initial orientation, introduction to Habitat, classes on construction and maintenance for future homeowners, and the Realizing the American Dream course from NeighborWorks America, an intensive workshop focused on the real costs of home purchase and homeownership. The workshops are taught by our housing counseling team and volunteer subject-matter experts on areas including real estate and insurance. The program also features one-on-one counseling, designed to help each family identify obstacles to success (for example, high debt or poor credit) and create and execute plans to overcome these barriers. The workshops and counseling are required for all Habitat partner families as part of their "sweat equity" investment before buying a home with us, and are also offered to members of the public. Other than a small fee for credit reports, waived as needed, all services are without cost to the participant.

In 2020, Austin Habitat pivoted to online classes and counseling sessions due to the Covid-19 pandemic restrictions. Going forward, we plan to offer in-person sessions as soon as possible, and continue offering online sessions to clients who prefer this option.

USE OF FUNDS

How will the funds be used?

If awarded continued CDBG funding by the City of San Marcos, Austin Habitat for Humanity will continue to support the direct costs of providing the Housing Counseling program in San Marcos, along with de minimis (10%) overhead. Specifically, expenses to be supported will include the portion of the salary, fringe benefits and payroll taxes for the housing counselor(s) who will provide services in San Marcos; a portion of the salary, fringe benefits and payroll taxes for the program director (Chief Program Officer) and communications staff who will provide outreach; a portion of the costs of training for the counselor(s); a portion of the costs of curricular materials for course participants; support for program-specific outreach; and the cost of any sign-language or foreign-language interpreters needed. It is our understanding that the City of San Marcos will be able to offer space for workshops and counseling sessions at no cost to Austin Habitat if in-person sessions resume during the grant period.

Because of a time change to our 2020 grant, we are requesting funding to support our Housing Counseling initiative from July 1, 2022 to June 30, 2023 if possible.

ACCOMPLISHMENTS

Once the project is completed, how can its success be measured?

To determine whether this program is successful in the eyes of our participants, Austin Habitat for Humanity uses a short survey after workshops and financial counseling sessions to determine respondents' changes in knowledge and confidence after the session. Our satisfaction rate, and the percentage of respondents who rate themselves more knowledgeable and confident after a workshop, are approximately 98%.

For housing counseling participants who are in the process of qualifying to become Habitat partner families and buy their own homes, we have an ongoing process. Homeowners complete surveys at program entry, home closing, and for several years. The financial literacy-based data includes ability to fund children's education, staying on a budget, and ability to cover monthly expenses. In addition, because we are the mortgage-holder for most of our homeowners, we are able to determine the delinquency rate on most Austin Habitat homes. Even during the pandemic, our delinquency rate was less than 8%, and we were able to assist our clients who fell behind due to the health and economic impacts of Covid. Our delinquency rates have continued to compare favorably with Habitat rates and national rates for LMI purchasers.

TYPE OF PUBLIC SERVICE (choose all that apply)

- | | |
|--|---|
| <input type="checkbox"/> 05A Senior Services | <input type="checkbox"/> 05B Handicapped Services |
| <input type="checkbox"/> 05C Legal Services | <input type="checkbox"/> 05D Youth Services |
| <input type="checkbox"/> 05E Transportation Services | <input type="checkbox"/> 05F Substance Abuse Services |
| <input type="checkbox"/> 05G Battered and Abused Spouses Services | <input type="checkbox"/> 05H Employment Training |
| <input type="checkbox"/> 05I Crime Awareness | <input type="checkbox"/> 05J Fair Housing Activities |
| <input type="checkbox"/> 05K Tenant/Landlord Counseling | <input type="checkbox"/> 05L Child Care Services |
| <input type="checkbox"/> 05M Health Services | <input type="checkbox"/> 05N Abused and Neglected Children Services |
| <input type="checkbox"/> 05O Mental Health Services | <input type="checkbox"/> 05P Screening for Lead Paint/Lead Hazards |
| <input type="checkbox"/> 05Q Subsistence Payments | <input checked="" type="checkbox"/> 05R Homeownership Assistance (Not Direct) |
| <input checked="" type="checkbox"/> Other: <u>Financial Counseling and Education</u> | |
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PROGRAM INFORMATION

1. Program eligibility (please select one):
 - a. This is a new program.
 - b. This is an existing program that: (select one of the following)
 - Has previously received CDBG funding and the amount requested for this year is the same or less than previous funding; or
 - will expand to serve more beneficiaries or to provide more services if the CDBG funding as requested is approved. *Please attach an analysis that details how the program or service will be expanded, how many new beneficiaries will be served by the expansion, and how this number was determined.*
 2. Programs receiving funding from the City at this time (during the current program year):
 - a. How much CDBG funding was awarded? \$23,656
 - b. Is this program receiving any other City of San Marcos sources? No
 - c. If yes, how much was received and from what source? N/A
 3. Is there a fee to clients to participate in the program? Yes No
If yes, please provide fee structure. We charge a small fee (\$30) for credit reports but can waive in cases of need.
 4. Describe the days and hours of operation of the program: The program operates from 8:30-5:30 Monday through Friday, and workshops are offered on Saturdays one or more times per month.
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NEED AND JUSTIFICATION

Describe the need for this program.

As the price of homes and other costs of living soar throughout Central Texas, more families are falling behind their goals. The Housing Counseling program at Austin Habitat addresses two issues. First, for all participants, the program assists low-to-moderate income people and families in building financial capability, confidence and success. For example, a recent report from Experian shows that more than 75% of American credit-card holders are carrying a balance on one or more cards, and a report from CNBC shows that Texans have among the highest level of average credit card debt in the nation at more than \$6,700. The average credit score in Texas is 688, which is considered "fair" and too low for many purchases, including most home lenders. Approximately one-third of Americans say they have no idea how much they spent last month, and some studies estimate that slightly half of Americans are not financially literate. Austin Habitat's Housing Counseling program provides access to education, personalized planning, and ongoing one-on-one support for LMI families, even those that are not interested in purchasing a home.

Second, for low-to-moderate income families who wish to pursue homeownership, there are many barriers. The most recent Financial Literacy Survey from the National Foundation for Credit Counseling shows that one-half of all families who have attempted to buy a home have encountered barriers, including prohibitive prices, poor credit and existing debt. These problems are likely even more severe in the Austin area, where the median home price is now over \$460,000 and home prices have risen 95% in the past decade, with wages rising only 17%. Our program prepares families for the true costs of homebuying and homeownership, and provides ongoing support.

IMPACT

Describe in detail the impact this program will have on the identified need and on San Marcos residents.

The program benefits future Habitat homeowners and members of the public through increased financial knowledge, confidence and capability, including recognition of the barriers to financial success in the client's own life, and the overcoming of these barriers to become a successful homeowner or otherwise achieve financial and life goals. Depending on the client's goals, the outcomes can include successful home purchase and homeownership; improved credit; decreased debt; increased financial knowledge and empowerment; and/or the achievement of a non-housing-related financial goal like saving for one's own or a child's higher education.

The educational workshops provide knowledge around personal finance, home purchase and homeownership and allow each participant to learn from and interact with not only our experienced instructors but also their peers; for those families who join the Habitat program, they often begin forming a bond during their workshops that lasts for months and years before they finally become neighbors in a Habitat community. The individual counseling sessions allow families to set goals, determine and work through defined steps to overcome barriers (poor credit, high debt, etc.) and check in frequently with their counselor to ensure they stay on the path to success.

EXPERIENCE OR REFERENCES

Describe your experience in implementing a similar program, or if this is a first time venture, provide an explanation of why you believe you will be successful in implementation. You may attach up to three letters of reference.

Austin Habitat for Humanity has provided the Housing Counseling program for more than ten years, and has continued to receive strong reviews from participants and ongoing support from funders. Survey respondents who have taken part in the program report strong gains in financial confidence, understanding of the homebuying process, decision-making skills and knowledge. The program and its counselors have received continuous certification from the U.S. Department of Housing and Urban Development (HUD) over the past several years, and the program has been approved twice for funding support from the City of San Marcos.

IV.

PROGRAM BENEFICIARIES

Applicant must be able to document that at least 51% of the beneficiaries have an annual income that is at or below 80% of the Area Median Income and are San Marcos residents.

A. PRESUMED BENEFIT: See definition above of "Presumed Benefit".

1. Will all of the program's beneficiaries in a Presumed Benefit Category? _____ Yes or No

If "yes", list the categories: _____

2. How many persons in each presumed category are proposed to be assisted if funding is received?

Abused Children	Elderly Persons	Battered Spouses	Homeless Persons	Severely Disabled Adults	Illiterate Adults	Persons living with AIDS

3. If this program was carried out the previous full program year (10/1 – 9/30), how many persons were served in each presumed category:

Abused Children	Elderly Persons	Battered Spouses	Homeless Persons	Severely Disabled Adults	Illiterate Adults	Persons living with AIDS

B. BENEFICIARIES WHO ARE NOT CONSIDERED "PRESUMED"

1. How many persons are proposed to be assisted if funding is received? 50

If this program was carried out the previous program year (10/1 – 9/30), how many persons were served?
42 during FY2019 grant period with extension

2. What percentage of persons proposed to be assisted are expected to be low/mod? 100%

3. What percentage of persons proposed to be assisted are expected to be San Marcos residents? 100% CDBG

4. How do you propose to document the income of the beneficiaries? (check all that apply)

Evidence that the child is approved for free or reduced lunch

Evidence that the family lives in housing sponsored by the Housing Authority

Evidence that the family is WIC approved

Income documentation using one of the 3 HUD approved methods

Self-certification, with income verification required of 20% of certifications

Other, describe: _____

VI.

LINE ITEM BUDGET

Please use the following format to present your proposed line item budget. Secured funds are funds on-hand, pledged, or awarded. Following the Line Item Budget, please complete the Supplemental Budget Form – Use of Other Resources. Funds and costs, as outlined on the Sources and Uses of Funds form, may **not** be spent or incurred prior to a contract award date (usually October 1st) from the CDBG Program. Supporting documentation may be attached as an Appendix.

Expense Category	Total Program Budget	CDBG Portion	Other Funding Source	Other Funds Amount
Personnel Services				
Salaries	87,501	10,386	AHFH In-Kind, Private Funders, HUD	77,115
Fringe Benefits	21,875	3,462	AHFH In-Kind, Private Funders, HUD	18,414
Supplies				
Office Supplies	250	100	AHFH In-Kind, Private Funders	150
Program Supplies	1500	500	AHFH In-Kind, Private Funders, Discount/Donated	1,350
Client Materials	5000		AHFH In-Kind, Private Funders, Discount/Donated	5,000
Operating				
Training	5000	500	AHFH In-Kind, Private Funders, Discount/Donated	
Insurance				
Utilities/Rent/Mortgage				
Other (please specify) Outreach	7,500	5,000	AHFH In-Kind, Facebook Ad Grant, Discount/Donated	2,500
Travel	557	557	N/A	
Contractual (interpreters)	1,000	1,000	N/A	
Indirect 10%	13,018	2,050	AHFH In-Kind	
Total	143,201	23,656		

Please provide an explanation for any unusual budget expenditures listed in the line item budget above.

VII.

PROJECTED IMPLEMENTATION SCHEDULE WITH PERFORMANCE GOALS

Projected Start Date:
07/01/2022

Projected Completion Date:
06/30/2023

Activity Description	Start Month/Year	End Month/Year	Performance Measurement Goal
<i>Example: Hiring New Staff Member</i>	<i>October 2021</i>	<i>December 2021</i>	<i>Employment process complete</i>
Secure space in San Marcos with help from City if in-person is back	July 2022	September 2022	Space secured
Continue community outreach to San Marcos	July 2022	Ongoing	Increased number of participants
Complete quarterly workshops in San Marcos, educate 50	July 2022	June 2023	4 workshops completed, 50 educated
Counsel 25 San Marcos residents	July 2022	June 2023	25 counseled