GROUNDED SOLUTIONS NETWORK

Comprehensive Assessment for Homeownership Programs

HOME**FUTURES**INSTITUTE

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Welcome to the Comprehensive Assessment for Homeownership Programs! This assessment is designed to help program practitioners take a step back to reflect on what is working well programmatically, where there are pain points, and where there are growth edges that the program may want to work on. This assessment could also help inform any potential scopes of work with an external technical assistance provider.

This assessment is detailed and may take 1.5- 2 hours to complete. For some programs, a single person may be able to answer all the questions; for others, it may be a collaborative effort.

Instructions and Tips

Answer the questions below to the best of your ability and keep the following in mind:

- No program is going to answer "yes" across the board to all the questions, nor should they. There may be practices that the assessment asks about that don't apply to your program.
- This is a self-assessment and so for questions such as, "do you have adequate staffing to cover your current workload," use your own judgment, drawing upon your own experience.
- The bulk of this assessment is specific to the homeownership program. Outside of the initial section about the organization and overall portfolio, it does not inquire about any rental, commercial or non-residential activities.

Program Documents

As you complete the assessment, it may be helpful for your organization to reference program documents and materials. Below is a list of documents you may want to have on hand. Programs are not expected to have all—or this exact—list of materials, especially when in the start-up phase.

Note: If you are completing this assessment to inform the scope of work for an external technical assistance provider, you may want to gather these documents and share them with your TA provider along with this assessment.

1. **Foundational Documents**
   a. Articles of Incorporation
   b. Organizational Bylaws
   c. 501(c)3 letter
   d. Most recent audit
   e. Any other governing documents, enabling legislation or ordinances
2. **Program and Business Planning**
   a. Primary legal document that secures affordability (ex: ground lease, deed-restricted covenant, deed of trust, subordinate loan)
   b. Current strategic or business plan
3. **Affordable Pricing**

a. Affordable pricing formula or table for initial sales
4. **Mortgage Financing**
    a. Summary of loan and lender requirements
5. **Fair Housing and Buyer Selection**
    a. Marketing plan and/or process summary
    b. Program/ home sales marketing materials and outreach
    c. Homebuyer selection criteria and preferences
    d. Homebuyer selection process (including lotteries)
    e. Homebuyer application form
    f. Description of application review process and timeline
    g. Program disclosures that summarize the program guidelines and resale restrictions in plain language for the buyer
6. **Resales**
    a. Resale formula
    b. Plain language resale example or other educational materials for homebuyers
7. **Support, Monitoring, and Enforcement**
    a. Homebuyer education materials
    b. Homebuyer support program descriptions
    c. Monitoring and enforcement plan (ex: CLT fee payments, improvement requests, noncompliance with legal documents, etc.)

A Special Note for Start-up Programs

Start-up programs are generally those that are in the early days of organizational development. Typically, they have not yet sold a home and they may not have program-specific staff yet. Or perhaps they have sold a few homes but have not fully built out the program. **There will likely be lots of questions that are not yet applicable to you** and that's okay! Just check the "needs improvement" box for those practices that you intend to do in the future and move on. Our hope is that it is informative (but not stressful) to see the full questionnaire and document list for established programs.

Organizational Overview

In this section, please respond to the questions from an organizational perspective. If you are completing this assessment for internal use only, it may not be necessary to answer all the questions in this section. Feel free to answer just the questions that are helpful for your reflection.

Organizational Overview	
Corporate structure (choose one):	☐ Standalone nonprofit organization ☐ Nested in another program or agency ☐ Local or regional government ☐ Not yet legally incorporated
Primary governing document(s) (choose all that apply):	☐ Bylaws ☐ Ordinance ☐ Program guidelines ☐ Resolution ☐ Affordable housing agreement ☐ No governing documents yet ☐ Other:
Do you consider your organization to be led by a person or people of color?	☐ Yes ☐ No ☐ Not sure
Please describe the primary <u>operational</u> funding sources for the organization:	
Does your organization have written financial policies and procedures?	☐ Yes ☐ No ☐ Not sure
When was the last organizational audit completed?	

Organizational Governance (for nonprofit organizations only)				
Is the organization membership based?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If yes, do members pay dues?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If yes, do you have annual membership meetings?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If yes, do your members elect your board of directors?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the organization have a board of directors?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If yes, do the demographics of the board reflect the community that you serve?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If yes, is there homeowner representation on the board?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If yes, does the organization provide orientation and/or training for board members?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Beyond (or in addition to) board representation, what ways does the organization ensure accountability to the community it serves?				
Do the organization's bylaws protect against land sales and transfers?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Are there any other reflections or insights you have on the organization's governance?				

Homeownership Program Overview	
Current program status (choose one):	☐ Active ☐ Inactive ☐ Funded but not staffed ☐ Not currently funded ☐ Other:
Year started:	
Program service area (choose one):	☐ National ☐ Interstate region ☐ The state ☐ The Metropolitan Statistical Area (MSA) ☐ More than one county, but not the MSA ☐ The county ☐ The city (include consolidated city-county) ☐ The neighborhood or multiple neighborhoods ☐ Other:
Program service area description:	
Target market description:	
Program type (choose all that apply):	☐ Leasehold ☐ Covenant or deed restriction ☐ Second Loan Program ☐ Other:

Homeownership Program Overview (cont.)	
Affordability mechanisms (choose all that apply):	☐ Price restrictions ☐ Income restrictions ☐ First right of refusal ☐ Right to cure ☐ Excess proceeds ☐ Other:
Recorded Documents (choose all that apply):	☐ Notice of resale restrictions ☐ Summary of restrictions ☐ Deed of trust ☐ Excess proceeds deed of trust ☐ Performance deed of trust ☐ Request for notice of default ☐ Other:

Portfolio Overview	
Number of units currently in program:	☐ 0 ☐ 1-20 ☐ 21-50 ☐ 51-100 ☐ 101- 200 ☐ 201- 500 ☐ 501- 1,000 ☐ 1,001- 5,000 ☐ 5,001- 10,000 ☐ 10,000+
Approximate number of units created annually:	
How do units come into your program (choose all that apply)?	☐ Program constructs/ rehabs units ☐ Program partners with a developer who constructs/ rehabs ☐ Buyer-initiated program ☐ Receive units from an inclusionary housing program ☐ Steward units that are owned by another entity ☐ Other:
What types of housing do you steward (choose all that apply)?	☐ Single family detached homeownership ☐ Condominium ☐ Townhome ☐ Cooperative ☐ Lease to purchase ☐ Mobile/ manufactured home ☐ Single family rental ☐ Multi-family rental
Description of primary capital/ development funding sources:	

Portfolio Overview (cont.)	
Description of primary <u>subsidy/ affordability</u> funding sources (if different from above):	
What local policies are in place that support the scaling of affordable housing development (choose all that apply)?	☐ Inclusionary housing policy ☐ Housing Trust Fund ☐ Discounted access to public land ☐ Land Bank ☐ Tenant Opportunity to Purchase Act ☐ Infill Zoning and/or ADUs ☐ Tax Increment Financing ☐ Funding set-asides for CLTs and/or lasting affordability ☐ Funding preferences for CLTs and/or lasting affordability ☐ Equitable property taxation for homeowners ☐ Other(s):
What types of development/ partnerships do you wish you could do more of and why?	
What types of development/ partnerships do you wish you could do less of and why?	
What do you see as your greatest opportunity for increasing unit production and why?	
What do you see as your greatest barrier to increasing unit production and why?	
Are there any other reflections or insights you have on this topic?	

Section 1: Homeownership Program and Business Planning

From here on out in the assessment, please respond to the questions specifically from the perspective of the homeownership program. For example, this section asks if the homeownership program has a written mission statement, not if the organization or entity has a written mission statement.

Sustainable Programs				
Does the program have a written mission statement?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have stated goals and objectives?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If yes, does the program track its progress toward meeting goals and objectives?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have a way to systematically track information on the buyers, the transactions and the units?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If yes, what systems do you use (choose the one that most applies)?	☐ Excel spreadsheets ☐ CRM, like HomeKeeper ☐ Compliance system, like Neighborly ☐ Not sure ☐ Other database:			
If yes, what does the program track (choose all that apply)?	☐ Applicant/ homebuyer demographic information ☐ Homeowner demographic information ☐ Homebuyer application management ☐ Property inventory/ management ☐ Monitoring and enforcement (ex: Notifications of sale) ☐ Finances and accounting ☐ Homeowner financial health ☐ Homeowner wealth creation ☐ Other:			
Does the program have someone designated to assist with information system management?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have a clearly identified service area?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable

Sustainable Programs (cont.)

Does the program have a clearly defined target market demographic that fulfills a community need?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have a written policy and procedures manual?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have enough staff to manage current or estimated workload?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Number of program FTE staff				
Does the program have legal counsel that specializes in affordable homeownership programs?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Has the program developed a budget to project its operating revenues and expenses for the next few years?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Has the program made a conscious decision to (or not to) charge participants and/or developers program fees? *For example, lease fees, stewardship fees, etc.*	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If yes, to what extent are program administrative costs covered by fees?				

Public Accountability

Is there adequate public support and awareness of the program so that you can accomplish your goals?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program incorporate ongoing evaluation into the program design?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program incorporate *homebuyer* feedback into the program design?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program incorporate *homeowner* feedback into the program design?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program conduct annual program reporting or auditing?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have a clear conflict of interest policy?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Are there any other reflections or insights you have on this topic?				

Section 2: Affordable Pricing

How are the initial sales prices determined? Please describe briefly. *If completing for an external TA provider, you may want to share more detail through an attachment.*	
When did the program last review and/or update its initial pricing formula?	
Does the program ensure that the prices are affordable to the program's target market, absent other subsidies (second loans, grants)?	☐ Yes ☐ No ☐ Needs Improvement ☐ Not applicable
Does the initial pricing formula use an income level below the maximum eligibility level?	☐ Yes ☐ No ☐ Needs Improvement ☐ Not applicable
Has the program been able to sell units to buyers well below the maximum income level?	☐ Yes ☐ No ☐ Needs Improvement ☐ Not applicable
Has the program been able to sell new and resale units within a reasonable timeframe?	☐ Yes ☐ No ☐ Needs Improvement ☐ Not applicable
If no, please describe the challenges.	
Does the program provide or link homebuyers to additional resources such as down payment assistance or homebuyer education?	☐ Yes ☐ No ☐ Needs Improvement ☐ Not applicable
If yes, please describe.	
Does the program ensure that prices are priced competitively below market rate? *For example, 20% below market*	☐ Yes ☐ No ☐ Needs Improvement ☐ Not applicable
Has the initial price of a home ever not been affordable to the target market?	☐ Yes ☐ No ☐ Needs Improvement ☐ Not applicable
Are there any other reflections or insights you have on this topic?	

Section 3: Mortgage Financing

Approved Mortgage Products				
Does the program have written criteria that outline what types of loans and loan terms are or are not permitted? *For example, loan term, fixed vs. variable, balloon payments, etc.*	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program maintain a current list of approved and/or trained lenders?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have its own loan eligibility criteria (in addition to the lender)? *For example, minimum LTV, down payment, asset limit, etc.*	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have written procedures for reviewing and/or approving homebuyer loans?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Who is responsible for reviewing homebuyer mortgages/ loan documents?				
Does the program have a homebuyer education requirement?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have a checklist or system to track documents received after closing (final HUD-1, recorded documents, etc.)?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Is the program able to review and respond to requests for approval within a reasonable time frame?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable

Refinancing and Cash Out				
Do the program legal documents clearly reference policies on refinancing or home equity loans?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
What steps are taken to ensure that homeowners comply with these requirements and avoid noncompliant loans?				
If the program has had experiences with noncompliant refinances, please describe.				

Refinancing and Cash Out (cont.)	
Are there any other reflections or insights you have on this topic?	

Section 4: Program Marketing and Homebuyer Selection

Affirmative and Fair Marketing				
Who is responsible for deciding how the homes will be marketed?				
☐ The Program 　Does the program have an affirmative marketing plan?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
When did the program last update the plan?				
☐ The Developer 　Does the program require submission of affirmative marketing plans prior to marketing efforts?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have written guidelines for developers or a template or example of an acceptable plan?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
☐ Contractor 　Does the program require submission of affirmative marketing plans prior to marketing efforts?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
☐ Other:				
Who is responsible for implementing the home marketing plan or process?				
Does the plan affirmatively further fair housing?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program maintain a centralized interest list of potential buyers?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable

Affirmative and Fair Marketing (cont.)				
If yes, do you collect any kind of initial eligibility information?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If yes, approximately how many people are on the list?				
Does the program set a maximum timeframe for marketing homes to eligible buyers?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Has the program established a backup sales strategy for unsold units?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Is there a mechanism in place to ensure that the backup sales strategy does not result in a disproportionate financial gain (or loss) to the seller?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable

Transparent Selection				
Who manages the screening and selection of buyers?	☐ The program ☐ The developer ☐ An independent third party ☐ Other:			
If there are third party contracts, are roles and expectations clearly spelled out in the contract?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If your program has more demand than units, how does the program select a buyer (choose all that apply)?	☐ First come, first serve ☐ Lottery ☐ Series of preferences/ ranking ☐ Other:			
Do applicants attend a workshop or one-on-one orientation in which the program, guidelines and restrictions are described?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program explain to applicants the method and process by which buyer applications are ranked, selected and approved?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have a disclosure document that summarizes the program guidelines and resale restrictions in plain language for the buyer?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable

Transparent Selection (cont.)				
If yes, does the program review it in person with the buyer in advance of the closing?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have a written list of homebuyer eligibility criteria made available to all applicants?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have a checklist of documents required to be submitted along with the application?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have a checklist or other process to track applicant documents received?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have any selection processes?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If yes, please describe:				
If yes, has the program ensured that its selection preferences are consistent with fair housing, local and state laws?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have a policy that ensures that units are allocated to households of appropriate size?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program ensure that applicants with special needs have priority in applying for accessible units?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Has the program established an appeals process for applicants who wish to challenge the program's decisions?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Are there any other reflections or insights you have on this topic?				

Section 5: Resales

Describe your resale pricing formula. *If completing for an external TA provider, you may want to share more detail through an attachment.*	

Does every buyer participate in a workshop or one-on-one meeting at which the resale formula is explained with examples?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program periodically evaluate the effectiveness of the resale formula in meeting the program goals?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Has the program successfully maintained affordability over time?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If no, describe what actions you took to maintain affordability.				
Does the program track how much equity homeowners have accumulated?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the resale formula include credits for capital improvements?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the resale formula include deductions for damages or needed repairs?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Is the maximum resale value the lesser of the formula price or the appraised value?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
How are eligible buyers for resale units identified? Please describe.				
Does the program ensure that homes are resold only to eligible buyers?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have a written policy describing the required condition of the home at resale?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have a process for inspecting the units prior to transfer and ensuring that required repairs are made?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable

Resales (cont.)	
Are there any other reflections or insights you have on this topic?	

Section 6: Support, Monitoring and Enforcement

Default and Foreclosure				
Does the program generally subordinate their restrictions to the first lender?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have the right to cure a default, or first right of purchase in the event of foreclosure?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have a mechanism in place to require and enforce lender notification of default?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If/ when notice is received, does the program have written procedures for responding to a notice of default?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Has the program had any homes go through foreclosure?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If yes, what happened? Was the program able to recover the units? Were any permanently lost to foreclosure?				

Active and Sustained Stewardship				
Does the program provide post-purchase support?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
If yes, briefly describe. *If completing for an external TA provider, you may want to share more detail through an attachment.*				

Active and Sustained Stewardship (cont.)				
Does the program communicate regularly with owners about the terms of the legal agreement?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Has the program determined the frequency with which it will monitor program compliance?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Has the program determined what documentation it will require in compliance certification?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program conduct routine site visits to assess the physical condition of a unit?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have an enforcement plan describing steps that staff will take in the event of various forms of homeowner noncompliance?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program provide template forms for homeowners to use? *For example, annual certification form, notice of intent to transfer, etc.*	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Does the program have adequate staffing for support, monitoring and enforcement?	☐ Yes	☐ No	☐ Needs Improvement	☐ Not applicable
Are there any other reflections or insights you have on this topic?				

Wrap-up

Which of the above issues are the most relevant and/or important to the program right now?	
What changes to the program are currently in process?	
Any other reflections or insights?	