

**Federal Reserve Bank of St. Louis
Investment Connection Proposal**



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Organization Name	United Housing, Inc.
Mission statement	United Housing, Inc. (UHI) is a nonprofit organization founded in 1994 that supports sustainable home ownership and quality housing opportunities for residents of Memphis and Shelby County, Tennessee, through financial education, mortgage lending, construction services and innovative partnerships. UHI's goals are to empower its clients—who are mostly low-and moderate-income persons—with self-sufficiency, to provide knowledge and tools for families to become financially stable, while also strengthening Memphis neighborhoods.
Overview of Organization	<p>Founded in 1994 as an affiliate of the United Way of the Mid-South, United Housing, Inc. is now known as the premiere homeownership agency in our community. UHI quickly grew to be a one-stop shop for homeownership. In 2000, UHI became part of NeighborWorks America. Currently, United Housing serves low to moderate income families throughout West Tennessee. Over 23 years, UHI has served 9,000 families, helping 4,000 individuals buy or save their home, building or renovating over 400 homes and lending \$11 million in down payment assistance and repair loans. In total, this means more than a \$500 million impact on our targeted service area.</p> <p>United Housing helps clients overcome the barriers of homeownership by focusing on three strategic programs: homebuyer education, lending services, and construction services. UHI offers all three of its services in English and Spanish and promotes its services throughout Memphis' growing immigrant communities.</p> <p>Firstly, UHI's comprehensive homeownership education and counseling program benefits both existing</p>

homeowners and first-time homebuyers. The curriculum emphasizes the fundamental mechanics of financial literacy and homeownership. UHI's program has been certified by the U.S. Department of Housing and Urban Development (HUD) and recognized by the Tennessee Housing Development Agency (THDA), Neighborhood Reinvestment Corporation (NRC), and the City of Memphis. UHI's counseling program has two goals. First, counselors educate clients on their specific credit scores and what they mean. After reviewing their credit, counselors work with clients to formulate a plan for becoming mortgage-ready. Secondly, United Housing's program includes follow-up budgeting, money management education, and resource referral for clients who will have to work for up to two years before buying a home.

Participants get the practical information and skills needed to accomplish their homeownership goals. By the time the course is complete, United Housing clients are able to confidently undertake what will most likely be the largest purchase of their lifetime. United Housing's program is unique because it offers long-term, intensive training on life skills topics, rather than simply ushering unprepared clients through the mortgage process. The result is a sustainable set of homeownership skills that should last each graduate throughout their lives.

Secondly, UHI offers a wide range of lending options to make sustainable homeownership possible. UHI's lending staff evaluates each applicant's financial profile and packages loan products that best suit their needs. UHI's loan packages include a range of products along the affordable lending continuum. This system allows United Housing to blend loan products and create the most affordable option for the client. The combined impact of these lending products on the community literally transforms houses, streets, and neighborhoods. Without United Housing's national affiliations, many of these products would be unavailable in the service area.

Additionally, UHI works with local government and private lending partners to maximize their investment in affordable housing. Our Loan products include first mortgage products, down payment and cost assistance loans and refinancing options for individuals and families interested in securing a new home that needs some additional work.

Lastly, UHI focuses its construction services on designing, building and rehabbing affordable housing units for residents of West Tennessee. UHI conducts scatter site development, infill construction and partners with local

	CDC's to maximize the impact of their work in targeted neighborhoods. UHI also conducts small scale subdivision development and is currently in the process of developing a large multiyear middle income housing initiative in the Frayser community.
Website	www.uhinc.org
Location of project/activity	Memphis; Shelby County
Project/proposal title	Memphis 10K Housing Plan
Support request	Investment/Grant
Requested amount	250,000
Other significant partners in the proposal	Tennessee Housing Development Agency (THDA), The University of Memphis Law School, Design Center at The University of Memphis, Paragon Bank, TNCare, NeighborWorks America, Vision To A Reality LLC, SunTrust Bank, Renasant Bank, Community Lift, Memphis Light Gas and Water (MLGW), Faxon Gillis Homes, City of Memphis, Shelby County, Economic Development Growth Engine (EDGE), brg3s architects, First Tennessee Bank, Landmark Community Bank, United Way of the Mid-South, Bank of Bartlett, Blight Authority of Memphis Inc., Frayser Community Development Corporation, Hyde Foundation, National Association of Real Estate Brokers (NAREB), Independent Bank, and the Memphis Medical District.
Proposal narrative	UHI and Vision To Reality LLC (VTR) have conceived the Memphis 10K Housing Plan© as an array of housing-related services and activities to be carried out by a coalition of nonprofit and for-profit developers, builders, lenders, and other agencies. It is a strategy to align private and public resources to arrest and reverse the decline of housing in Memphis, reclaim and reinvigorate residential neighborhoods. We have presented the findings and proposed strategies to 19 collaborating agencies throughout Memphis whose representatives have signed a Memorandum of Understanding agreeing to actively serve on a 10K Advisory Council to support the development and eventual implementation of the 10K Plan. The 10K collaboration is driven by nonprofits and business partners recognizing that their agility is required and government resources are limited. 10K will leverage resources and expertise from the nonprofit, private and public sectors. The broad goals of the 10K Plan are to create a new system of housing finance opportunities that will be accessible to individuals, nonprofit and for-profit entities; to produce 10,000 housing units in 10 years (new and rehabilitated single-family homes, and special needs group housing); and to provide home buyer education and financial counseling to 40,000 persons/families in the same 10

	<p>years. The authors have collected extensive historical data on single-family home sales, analysis of the problems facing potential home buyers and of the market opportunities. They have communicated the vision and goals to partners throughout the city, who have expressed enthusiastic support and willingness to work on bringing this vision to fruition.</p> <p>What is now required are resources to create operational details for the 10K Plan. Through funding from the Hyde Family Foundation and the First Tennessee Foundation, a research and data collection working group led by The University of Memphis Design Collaborative was formed. This group has been collecting data, researching and documenting best practices, and mapping target redevelopment areas and properties. Additional funding from the Investment Connection will support the work of UHI and VTR to continue the momentum of convening local organizations, continuing to contract with expert consultants, seeking technical assistance from like organizations, exploring and establishing appropriate organizational infrastructure, making peer connections, identifying programs and solutions that are working in other communities, considering and developing detailed solutions and programs that will work in Memphis, and creating a published, detailed Memphis 10K Plan. The time is ripe for this project as Memphis’s housing stock and housing market are at a critical low ebb. Investment in this project—or lack thereof—will leave a lasting mark on Memphis for 50 years or more. Memphis is experiencing a climate of collaboration, a convergence of thinking about the livability of the city with the economic realities of our residential tax base and population loss/growth. Memphis’s new mayor recently initiated the city’s first Comprehensive Plan since 1981. The 10K Plan can fill the void for housing planning, fulfilling the local government’s desire for a plan by activating and engaging the nonprofit and private sectors to craft it.</p>
Issues addressed	Financial access, capability and empowerment; Neighborhood revitalization and stabilization; Affordable housing
Geographic impact	Countywide; Citywide; Neighborhoods
Population served	Population to be served is the entire city of Memphis and Shelby County, with a narrowed focus on the historically under served communities with high rates of foreclosures, high populations of renters and blight.
Income of population served	Income of immediate population served is low to moderate.

<p>Anticipated outcomes/impact</p>	<p>The 10K Housing Plan will cultivate a stronger, thriving Memphis by creating sustainable homeownership opportunities and developing educated, financially-responsible homebuyers that will contribute to the economic growth of the city. The implemented 10K plan will expand homeownership opportunities for low income purchasers, (re)attract middle-income families to Memphis, and help families remain in their homes and keep them in good repair. The increased number of homeowners will provide an economic boost to the City's revenue by increasing property taxes paid; increasing job opportunities in construction, lending and homeownership service areas; and attracting businesses and retail to thriving, revitalized communities. The programmatic strategies will alleviate one of the major hurdles to homeownership for low/moderate-income, first time purchasers by providing down payment assistance. Lower income homeowners will increase property values by receiving assistance for minor repairs (e.g., roof replacement, weatherization). Partner nonprofits and for-profit developers of single-family housing for low/moderate-income families, special needs clients, and veterans will increase community impact with a streamlined process to better serve their clients; and provide safe, affordable housing for a historically underserved population.</p> <p>The long-term (10 year) projected positive impacts of the Memphis 10K Housing Plan are: to add or retain 35,000 residents to the Memphis community; to provide 40,000 families/individuals with home buyer education and financial/credit counseling; to create 1,600 new jobs in constructions, lending and related fields; to yield financial benefit to low/moderate-income homeowners from equity they build in their houses; to raise property values and thus raise tax revenue, creating a \$2.9 billion economic benefit for the entire city. These economic impact projections have been validated and compiled into a report by Younger and Associates.</p> <p>In addition to the aforementioned effects, sustainable homeownership will positively impact the issue of transient families and student mobility. Increased homeownership among low/moderate families with school aged children will decrease cycles of recurring relocation that negatively impacts student learning and performance. Studies have supported that a highly mobile population can adversely affect overall school and district performance (Fitchen, 1994; Kerbow, 1996; Sewell, 1982). The implemented 10K plan will create not only</p>
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	<p>neighborhood stabilization, but educational stability for the student and district, increasing opportunities for student, family and community success. These broad strategies will require detailed guidelines to be developed, written and distributed. Such will be contained in the operational plan for which United Housing is seeking support.</p>
<p>Evaluation methods used to measure success</p>	<p>Key indicators will be evaluated during pre and post purchase services. The 10K governing entity will track participants starting immediately after completion of the Homebuyer Education class. Each potential homeowner will be assigned a Memphis 10K Housing Counselor that will follow the participant throughout participation in the program. During the plan development process, United Housing will engage a consultant to assist with the development of an Evaluation Matrix that will assess implementation, improvement and outcomes of the program. Participants will be required to engage in the program for a minimum of seven years, post purchase, to effectively evaluate success. Areas to be evaluated and tracked are:</p> <ul style="list-style-type: none"> o Number of participants completing the Homebuyer Education Class, both in person and online: This will be tracked via the agency’s database and registration intake site. Agency will evaluate best methods of recruitment for class attendance. o Number of HBE graduates that successfully secure a home loan: The participant will report to their 10K Housing Counselor once loan is approved. Memphis 10K will have a pool of preferred lenders that will also report approved loans. The agency will compare number of loan applications vs loans approved This information will be tracked in the agency’s database o Consistent property upkeep and maintenance: Homeowner will sign an agreement to upkeep the landscape of the property. Homeowner will sign an agreement to keep all maintenance up-to-date. Agency inspectors will make scheduled site visits to view the property for upkeep. o Longevity of homeownership: Evaluate how many homeowners continue to occupy their property each year. Ensure homeowner is up-to-date on all property taxes and mortgage payments. Homeowner’s Housing Counselor will follow up during the year, offering foreclosure prevention

	<p>services, home maintenance assistance and other services as available.</p> <p>o Economic Impact through increased number of homeowners: Engage professionals to calculate the economic impact of first time homeowners' contribution to the city's tax base and how that impacts the economy over time. Evaluate the economic boosts in homeownership services; e.g. Lawn care, home warranties, security systems, etc. This area will be evaluated by calculating "pre and post" tax contributions of the homeowner and calculating homeownership expenses.</p> <p>o Financial Stability and Maintained Credit Worthiness: Follow up with homeowner to monitor credit report and any potential changes in score. Ensure homeowner is sticking to a budget and building equity in the home. Counselor will track credit scores annually maintain a record in the Agency's database.</p>
Project time frame	Existing Program