

City of Minneapolis

Request for Committee Action

To: Community Development & Regulatory Services
Date: 5/17/2016
From: Community Planning & Economic Development
Lead Staff: Mark S. Anderson
Presented by: Mark S. Anderson
File Type: Action
Subcategory: Contracts & Agreements

Subject:

Approval of counseling administrator for homeownership, foreclosure prevention, and financial capability counseling services

Description:

1. Approving the City to enter into a one year contract with the Minnesota Homeownership Center with the possibility of extending that contract for up to two additional years, subject to approval of the Director of Community Planning and Economic Development, in the following amounts:
 - a. \$110,000 for administration and oversight of homeownership education curriculum, along with foreclosure prevention and detailed financial counseling services. This will include collection and analysis of counseling data.
 - b. \$79,000 to cover payments to counseling agencies for foreclosure prevention counseling.
 - c. \$85,000 for the financial and homeownership counseling services by a network of counseling agencies, as well as collection and analysis of the counseling data.
2. Authorizing the appropriate City staff to sign the contract and any related documents.

Previous Actions:

There have been no previous actions regarding this request.

Ward/Address:

All Wards

Background/Analysis:

Staff recently completed an RFP process for homeownership, foreclosure prevention, and financial capability counseling services. The respondents to that RFP were:

Real Estate Partners, 6721 Hillside Lane, Edina, MN 55439

Minnesota Homeownership Center, 1000 Payne Avenue, Suite 300, St. Paul, MN 55130

Real Estate Partners proposed to coordinate with and build upon HUD's Housing Counselor program and its whole presentation emphasized that model. They indicated that they would have to develop the counseling curriculum prior to fully engaging in the services and even then they proposed to do weekly training for 12 weeks for the counseling agencies they would engage. Their sole criteria for selection of the counseling agencies is that they be HUD certified. Their proposed cost would be \$151,150 plus other office expenses including mileage.

Minnesota Homeownership Center (the "Center") has provided these services in Minneapolis as leader of a statewide counseling network for over twenty years. They have a fully developed curriculum that the counseling agencies utilize. They have received a designation of "HUD

intermediary” because of their past history, knowledge and experience leading counseling agencies to provide these services. Because they currently are involved in these services, they have ongoing interaction and training for their counseling network. Their proposed charge for these services is \$96,000, but they have expressed a willingness to further discuss the available resources and the breakdown for how those resources are used.

Recommendation

Staff is requesting approval to enter into a contract with the Center in the amount of \$275,000. The funding will be used for the following:

- \$110,000 would be for the Center’s administrative services which will include the following:
 - Provide a centralized approach to homeownership education and counseling and financial education and counseling to ensure that consumers have access to standardized, high quality services.
 - Contract with and lead a network of homeownership and foreclosure prevention counseling agencies to provide these services to residents living in or seeking to move into the City of Minneapolis.
 - Develop and maintain program models for homeownership education and counseling, financial education and counseling, and foreclosure prevention counseling.
 - Create standards for the implementation of these programs conduct periodic monitoring visits of all counseling agencies.
 - Develop and implement or maintain a program of certification training to ensure that all counselors providing services are appropriately trained and prepared.
 - Provide technical assistance and program support to counseling agencies through a variety of mechanisms, including: job aids and fact sheets; periodic conference calls; and individual technical assistance sessions.
 - Implement and maintain continuing education policies to ensure ongoing education. Provide continuing education courses.
 - Coordinate program reporting from counseling agencies, including agencies that may not be a part of the Contractor’s network of counseling providers, to ensure a robust database of consumer and program related information. Create detailed program reports reflecting all activity. Review all data to determine whether program changes or technical assistance is warranted.
 - Coordinate the sharing of best practices among counseling agencies.
 - Coordinate alliances and program improvements with industry stakeholders and funders that are implemented through counseling agencies that benefit consumers.
 - Serve as a referral hotline for consumers seeking services.
 - Provide administrative oversight of this process and the subsequent counseling services including the payments for these services and oversight of the counseling that is being provided. The specific amount of this charge will be negotiated with staff and will not exceed \$15,000. Staff will review and approve the RFP prior to release and will participate in the evaluation selection of the respondents
- \$80,000 for foreclosure prevention counseling services through its network of counseling agencies. The Center to continue to provide the following services on behalf of the City to promote sustainable, affordable homeownership by empowering consumers with the information they need to make informed decisions about home ownership both as they are preparing to purchase a home and after they own their home
- \$85,000 will fund homeownership and financial counseling services by agencies that will include comprehensive financial education and counseling to prepare prospective homeowners, particularly households of color, to become financially ready and qualified to purchase a home.

With both the foreclosure prevention and the financial education and counseling services, the Center will coordinate invoicing and payment to the counseling agencies. This cost will subsequently be reimbursed to the Center by the City out of the above resources.

Financial Review:

No additional appropriation required, amount included in current budget.

Approved by the Permanent Review Committee.

Meets Small and Underutilized Business Program goals.