

Hudson River Housing Home Ownership Program Expansion Feasibility Study

**Prepared by:
Eileen M. Flanagan, Community Development Consulting
Marcia Nedland, Fall Creek Consultants
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Introduction

During the fall of 2002, Hudson River Housing conducted an assessment to determine market opportunities for expansion of their home ownership program. This feasibility study further analyzes the most promising market opportunities identified in the assessment to determine the best approaches for pursuing them. The specific opportunities examined in this study are:

1. *Provide Faster, Quality Homebuyer Education to Stronger Buyers*
2. *Reach Out To Growing Ethnic/Racial Market Niches*
3. *Increase Purchasing Power Through Second-Mortgage Lending*
4. *Reach More Homebuyers Through Partnerships with Employers*
5. *Increase Affordability by Providing Access to Purchase With Rehab*
6. *Increase Affordability by Providing Access to Two- To Four-Family Housing Stock*

The first opportunity listed in this report, "*Provide Faster, Quality Homebuyer Education to Stronger Buyers*", is a specific mechanism to address the opportunity previously described as Income Targeting. As agreed, we did not explore the "*Supply Side Approaches*" opportunity - which suggested that direct development of affordable homeownership units is needed in Dutchess County and may be a viable product for HRH - because it would require a separate study and was outside the scope of our work.

This feasibility report is organized in a fashion that explores each opportunity separately including associated costs. Most of the market data supporting each opportunity is not reiterated in this report but can be found in the Market Opportunities Report. Our intent with this analysis is to provide Hudson River Housing with information to consider each opportunity independently. It should be noted that if several opportunities are pursued some costs may be consolidated rather than duplicated. Also some opportunities only make sense if other opportunities are also pursued. Some overhead expenses are calculated for each opportunity, but no management salary costs are included. HRH should be cognizant that each opportunity requires some varying degree of up-front development and fundraising, which will require management time and effort.

Where appropriate, we have presented an operating income and expense projection for each opportunity *that describes a scenario in which it would be financially feasible to take on this opportunity*. There could be other scenarios, or it could turn out that aspects of this scenario prove impossible to achieve; however, each scenario is based on experience with other similar organizations and funders and programs around the country.

These pro formas also estimate the amount of staff time needed for implementation, and include that staff time as an expense. Hudson River Housing may instead decide to free up the same amount of time from existing staff, in which case you may not need to hire; however, we wanted to express the true cost of staff time in any case.

Opportunity 1: Provide Faster, Quality Homebuyer Education to Stronger Buyers

Conclusion: There is a need and a feasible opportunity for Hudson River Housing to provide an additional homebuyer education product that is faster than the five month Home Club and more meaningful than the 1.5 hour one-on-one counseling service.

Hudson River Housing currently offers two main forms of homebuyer education. The first is a five-session, five-month Home Club, which was designed to support a matched savings program through the Federal Home Loan Bank (FHLB) of New York (the "First Home Club"). The target customer for this is one whose household income is less than 80 percent of the area median, who does not have the savings to buy a home, and probably wouldn't be able to save the requisite amount within a year were it not for the match provided by the FHLB. The FHLB requires the homebuyer to save over the course of no less than 10 months in order to receive a match. These program participants also receive one-on-one counseling as needed, and are tracked and reported on throughout their participation.

The second homebuyer education product is a 1.5 hour, "superfast" (our term) one-on-one counseling session for buyers referred by banks or by the City of Poughkeepsie when the buyers have already selected a house and financing and are about to close. This has been done in the past in person or by phone, and there is talk now about consolidating all of these referrals into one, once-a-month class so that HRH can act more efficiently.

HRH is also about to begin a Credit and Budgeting Workshop for buyers who need more financial fitness work before entering the Home Club.

In every homebuyer market we've encountered, there is a significant segment of homebuyers who will not wait 10 months to buy a home, but still need and will pay for homebuyer education. On the other hand, waiting until they are committed to a house and financing is what the industry calls "11th-hour homebuyer education", and while it may provide some benefit in knowing what to expect when one is a homeowner, it can't do anything to help the buyer make good choices about selecting a real estate agent, a home and financing.

Most of the homebuyer education industry meets this need through a four- to eight-hour homebuyer education product, offered in one-four segments over the course of one day to a month. In the NeighborWorks® network, this product is called FasTrack, and in order to meet Campaign for Home Ownership standards, must include at least eight hours of classroom training. We recommend that you develop and offer this "FasTrack" product, without income restrictions, but targeted to homebuyers with reasonable credit, enough savings to qualify for a home using available programs, and typically earning 80-120 percent of area median income. This income level is significant for HRH to serve

because within Dutchess County a household needs to earn nearly 115 percent of area median income to purchase the median-priced home.

Because this is the core education program recommended by the NeighborWorks® Campaign for Home Ownership, extensive curricula, standards information and training materials are available through Neighborhood Reinvestment at no cost.

A few assumptions about this product:

1. Ideally, it should be required by lenders to qualify for any of their special loan programs.
2. It should be required to access your second-mortgage loan pool, if you decide to have one.
3. Participants would not be tracked once they leave the class, except that you should offer an incentive to report back when they close so you can track the effectiveness of your training.
4. This product should be very portable in order to go where it is most convenient for the customer: the mall, a church, an employer, various other population centers in Dutchess County, etc.
5. This product needs to be offered in a set of evenings and a set of Saturdays (and maybe a set of weekdays) to make it most accessible to homebuyers.
6. You could teach this product with outside experts or staff.

In order to market this product, as well as your other homebuyer classes, we also recommend you begin conducting one-hour Homebuyer Orientation sessions. These sessions are very portable and risk-free to customers, who can take them to find out more about the variety of classes HRH offers, and to find out which one is right for them. And they give you the opportunity to sell people on why they should spend \$100 on your training. This is also a common tool used by NeighborWorks® organizations, and sample agendas can be obtained from NRC.

Table 1 presents the income and expense projections for this product. A marketing plan is presented in the Appendix.

TABLE 1: FasTrack Homebuyer Education Income and Expense Projection

	Payer	Per Unit	Year 1		Year 2		Year 3	
			# Units	Total	# Units	Total	# Units	Total
Sales								
Homebuyer Orientation sessions		\$0	8	\$0	10	\$0	10	\$0
Fastrack Education (25 per class)	Home Buyer	\$100	100	\$10,000	150	\$15,000	200	\$20,000
	Sponsor	\$1,000	4	\$4,000	6	\$6,000	8	\$8,000
Additional One-on-One Counseling (25%)		\$0	25	\$0	38	\$0	50	\$0
Total Sales				\$14,000		\$21,000		\$28,000
Cost of Goods								
Direct Labor:								
Home Ownership Educator		\$30,000	0.25	\$7,500	0.50	\$15,750	1.00	\$33,000
Fringe (FICA, Unemp., Health, Pension, etc.)		30%		\$2,250		\$4,725		\$9,900
Workshop Expenses:								
Materials (per participant calculations)		\$10	100	\$1,000	150	\$1,575	200	\$2,100
Total COG				\$10,750		\$22,050		\$45,000
Gross Profit				\$3,250		(\$1,050)		(\$17,000)
Selling, General and Administrative Expenses								
Share of Occupancy				\$2,500		\$5,000		\$5,000
Travel, Conferences, Meetings, Memberships				\$200		\$205		\$210
Training				\$1,200		\$1,230		\$1,261
Marketing				\$5,000		\$5,125		\$5,253
Total SG&A				\$8,900		\$11,560		\$11,724
Net Operating Profit				(\$5,650)		(\$12,610)		(\$28,724)
Non-Operating Income: Partnership Fees								
Roll Over Funds from Operating Surplus						\$14,850		\$40,140
New Lending Partners		\$2,500	2	\$5,000	2	\$5,000	3	\$7,500
Realtor Partners		\$100	10	\$1,000	12	\$1,200	15	\$1,500
Insurance Partners		\$5,000	2	\$10,000	2	\$10,000	2	\$10,000

Local Government Partners		\$2,000	2	\$4,000	3	\$6,000	4	\$8,000
Other Partners		\$100	5	\$500	7	\$700	7	\$700
Neighborhood Reinvestment (Campaign for H.O.)						\$15,000		\$15,000
Total Non-Operating Income				\$20,500		\$52,750		\$82,840
Net Income				\$14,850		\$40,140		\$54,116

Opportunity 2: Reach Out to Growing Ethnic/Racial Market Niches

Conclusion: Reaching out to the Hispanic/Latino market is a strong opportunity for Hudson River Housing.

Analysis of demographic trends in Dutchess County revealed growth in real numbers and percentages of the population that identify themselves as Mexican, Puerto Rican, Asian Indian or Chinese. We explored the first three, as they were substantially larger. According to interview subjects, the Asian-Indian group for the most part is highly educated, speaks English, and has strong incomes and sufficient capital to enter homeownership. Their knowledge of buying a home in the United States is minimal upon arrival, and could be helped by a formal homebuyer education class tailored to their needs and sponsored by an organization like the Hindu Samaj Temple in Wappingers Falls. On the other hand, they are typically well connected with employers and other Asian-Indians who arrived in this country earlier and now own homes, so they are probably as well equipped to navigate the homebuying process as any other first-time buyer in this country.

The Hispanic/Latino market in Dutchess County seems to present a strong opportunity for Hudson River Housing. Growth in Mexican and Puerto Rican populations in Dutchess County is very strong according to the 2000 Census, and there are also immigrants from Central and South America and other Spanish-speaking island countries. We interviewed lenders at HSBC and Ulster Savings, as well as board members of AHORA (Association for Hispanic People to Obtain Resources and Assistance) about this market.

First of all, there seems to be no homebuyer education offered in Spanish in Dutchess County. AHORA identifies this as a real need, as they often get calls requesting information on home buying. Dutchess County lenders seem to find translators when the need arises, which is better than nothing but does not represent a proactive approach to the market. For lenders, both the expense of making every service bilingual and the challenge of hiring bilingual, bicultural staff are daunting, but lenders want to find a better way to reach this market.

Everyone we talked with was enthusiastic about the idea of offering homebuyer education in Spanish. AHORA thinks it would not be difficult to identify a matching set of "experts" who are bilingual to teach the current curriculum. The major challenge for HRH is to build the capacity to offer one-on-one counseling in Spanish, as well as translating documents.

This demographic trend is very strong, and predicted to continue growing steadily. Because growth of the Hispanic/Latino market affects all of the programs of Hudson River Housing, we recommend that when you hire any new staff even partially dedicated to homeownership services, you make sure it is a bilingual, bicultural person. We also recommend working with AHORA to recruit candidates.

Please also note that AHORA identified an interest in Spanish-language classes on tenant-landlord issues.

Table 2 presents the projected income and expense statement for this opportunity, and assumes a half-time staff person or consultant to develop and manage the Spanish-language education and counseling program. A marketing plan to promote homebuyer education to Hispanic/Latino homebuyers is presented in the Appendix. The production numbers in the budget represent only the Spanish-language homebuyer education and assume that the English homebuyer education would be in addition to these numbers.

Table 2: Spanish-Language Homebuyer Education Income and Expense Projection

	Payer	Per Unit	Year 1		Year 2		Year 3	
			# Units	Total	# Units	Total	# Units	Total
Sales								
Homebuyer Orientation sessions		\$0	3	\$0	4	\$0	4	\$0
Budget and Counseling Workshop	Home Buyer	\$25	45	\$1,125	75	\$1,875	75	\$1,875
Home Club	Home Buyer	\$50	40	\$2,000	40	\$2,000	40	\$2,000
	Sponsor	\$2,000	2	\$4,000	2	\$4,000	2	\$4,000
Fastrack Education (New, 2-day training)	Home Buyer	\$100	75	\$7,500	100	\$10,000	100	\$10,000
	Sponsor	\$2,000	3	\$6,000	4	\$8,000	4	\$8,000
Super-Fast Homebuyer Counseling	Lender	\$150	20	\$3,000	25	\$3,750	25	\$3,750
One-on-One Counseling		\$0	50	\$0	50	\$0	50	\$0
Total Sales				\$23,625		\$29,625		\$29,625
Cost of Goods								
Direct Labor:								
Home Ownership/Loan Counselor		\$40,000	0.50	\$20,000	0.50	\$21,000	0.50	\$22,000
Fringe (FICA, Unemp., Health, Pension, etc.)		30%		\$6,000		\$6,300		\$6,600
Workshop Expenses:								
Materials (initial translation and production)				\$5,000		\$500		\$500
Materials (per participant calculations)		\$5	195	\$975	240	\$1,260	240	\$1,260
Total COG				\$31,975		\$29,060		\$30,360
Gross Profit				(\$8,350)		\$565		(\$735)
Selling, General and Administrative Expenses								
Share of Occupancy				\$5,000		\$5,125		\$5,253
Professional Services (legal consultation)				\$1,000		\$1,025		\$1,051
Travel, Conferences, Meetings, Memberships				\$200		\$205		\$210
Training				\$1,200		\$1,230		\$1,261
Marketing				\$5,000		\$5,125		\$5,253
Total SG&A				\$12,400		\$12,710		\$13,028

Net Operating Profit				(\$20,750)		(\$12,145)		(\$13,763)
Non-Operating Income: Partnership Fees								
Roll Over Funds from Operating Surplus						\$6,750		\$16,105
Lending Partners	\$1,000	4	\$4,000	4	\$4,000	5	\$5,000	
Realtor Partners	\$500	2	\$1,000	3	\$1,500	3	\$1,500	
Church Partners	\$500	4	\$2,000	4	\$2,000	4	\$2,000	
Insurance Partners	\$1,000	3	\$3,000	3	\$3,000	3	\$3,000	
Local Government Partners	\$2,500	2	\$5,000	3	\$7,500	3	\$7,500	
Other Partners	\$500	5	\$2,500	7	\$3,500	7	\$3,500	
Neighborhood Reinvestment			\$10,000					
Total Non-Operating Income			\$27,500		\$28,250		\$38,605	
Net Income			\$6,750		\$16,105		\$24,842	

Opportunity 3: Increase Purchasing Power Through Second-Mortgage Lending

Conclusion: A second-mortgage loan product could increase buying power by approximately \$12,000 to \$25,000 per low- to moderate-income buyer, and has support from lenders, but would require significant capital due to high housing costs.

Initial market analysis revealed that Dutchess County, like many other communities throughout the U.S., is experiencing a growing gap between real incomes and housing costs, putting home ownership out of reach to more families every year. Fortunately, Dutchess County lenders offer a particularly compelling set of affordable loan products to first-time buyers of modest means. Because of the high loan-to-value features (important to minimize the initial equity investment by buyers), however, these loan products do require private mortgage insurance, which can add \$75 or more to monthly housing costs. If this amount were applied instead to principal and interest payments, it could translate to increased purchasing power for the buyer.

Table 3A calculates buying power of different income strata with and without PMI.

TABLE 3A: Purchasing Power With and Without PMI

	70% AMI	80% AMI	90% AMI	100% AMI	110% AMI	120% AMI		
Buyer Income	\$47,670	\$54,480	\$61,290	\$68,100	\$74,910	\$81,720		
Monthly PITI @ 30% of Gross Income	\$1,192	\$1,362	\$1,532	\$1,703	\$1,873	\$2,043		
Estimated Monthly Taxes and Insurance	\$408	\$408	\$408	\$408	\$408	\$408		
Estimated Monthly PMI payment	\$77	\$91	\$112	\$126	\$140	\$161		
Monthly Principal and Interest Payment	\$707	\$864	\$1,013	\$1,169	\$1,325	\$1,475		
Maximum Affordable Mortgage	APR 6.5% Term (in months): 360		\$111,895	\$136,615	\$160,228	\$184,948	\$209,669	\$233,282
Customer Calculations								
	70% AMI	80% AMI	90% AMI	100% AMI	110% AMI	120% AMI		
Buyer Income	\$47,670	\$54,480	\$61,290	\$68,100	\$74,910	\$81,720		
Monthly PITI @ 30% of Gross Income	\$1,192	\$1,362	\$1,532	\$1,703	\$1,873	\$2,043		
Estimated Monthly Taxes and Insurance	\$408	\$408	\$408	\$408	\$408	\$408		
Monthly Principal and Interest Payment	\$784	\$955	\$1,125	\$1,295	\$1,465	\$1,636		
Maximum Mortgage	APR 6.5% Term (in months): 360		\$124,077	\$151,012	\$177,948	\$204,883	\$231,818	\$258,754
Additional Affordable Mortgage without PMI	\$12,182	\$14,397	\$17,720	\$19,935	\$22,150	\$25,472		

The basic idea used by other nonprofit/financial institution partnerships throughout the country is that the first mortgage is made at 75% or less of LTV, thereby eliminating the need for PMI. The rest of the financing is accomplished through a second mortgage, (and in some circumstances dictated by funding source, a third mortgage), typically originated by a nonprofit organization. The second mortgage is a portfolio loan for the nonprofit, except where a special secondary market is available. In the case of Hudson River Housing, secondary market access for such loans is available through Neighborhood Housing Services of America (NHTSA) because of HRH's affiliation with the national NeighborWorks® network.

Second mortgages range from 23 percent LTV up to 35 percent LTV and include principle, down payment, closing costs and sometimes rehab. Depending on the cost of housing in the particular market, second mortgage interest rates range from 3 percent to 6 percent and terms vary from a few years to 15 or sometimes 30 years. In existing examples around the nation, the amounts of lender investments and volume of lending done by each pool varies greatly. There are no "standard" or "typical" structures.

The source of capital for the revolving loan fund from which second mortgages are made varies with local circumstances. Possibilities include any combination of:

1. Government grant funds, usually CDBG (Community Development Block Grant) and/or HOME funds, both of which are typically limited to household incomes of less than 80% of area median income.
2. Neighborhood Reinvestment Corporation capital grant funds. Again, because of its membership in the NeighborWorks® network, Hudson River Housing is eligible to apply for these grants. One distinct advantage of these funds is that they are not income-restricted.
3. Investments by participating lenders in the loan fund. Lenders may invest capital in the loan fund, with a rate of return at or below market.
4. Participation in loans by participating lenders. In this scenario, lenders agree to purchase shares in loans made, thereby spreading the risk of loss amongst a group. Lenders have also been known to participate by buying the second mortgages after the nonprofit makes the loan. There is a relationship between risk and reward for the bank that is key to negotiating favorable terms. This relates to the interest rate on investments, the interest rate at which mortgages might be purchased and the discussion of recourse on delinquent loans.
5. Investments or grants by foundations or others. Foundations and other funders may make a "program-related investment" (PRI) in a loan fund, usually at a less-than-market rate.
6. Community Development Financial Institutions (CDFI) Fund grants and/or investments. The CDFI Fund is a program administered by the US Treasury that, on a competitive basis, makes grants and investments into various types of community development loan funds. CDFI awards need to be matched on a 1:1 basis with non-federal dollars.

If HRH managed a second mortgage loan pool, the organization would probably need a loan originator who would interact with participating banks, staff a loan approval committee, and prepare, close and service loans. Servicing responsibilities will grow as the portfolio grows; servicing capacity is important both for servicing borrowers and servicing fund investors.

The loan approval committee is typically made up of representatives of member banks, as well as any other investing partner (city, county, foundation, etc.), and sometimes members who represent the "community".

Several methods of recovering costs have been employed by nonprofits administering loan funds, including:

1. Fees from participating banks or other investors. These have included a per-loan packaging fee (percent or flat) on first mortgages where applicable, a per-loan origination fee on seconds (percent or flat), as well as an annual membership fee (\$5,000 to \$10,000) to participate in the program.
2. Fees from borrowers. These have included origination fees, construction management fees where rehab is involved, and homebuyer education fees.
3. Fundraising. Usually some part of program costs is covered through general fundraising efforts.

We discussed this loan product with HSBC and Ulster Savings, though were unable to get feedback from the City of Poughkeepsie and Dutchess County by the time this document was written. The financial institution partners expressed interest and support for the idea. Since that time, we ran several different scenarios of production numbers and capitalization methods. The biggest challenge to implementing this product seems to be the amount of capital needed. As housing prices are so high in Dutchess County, the typical loan amount would be at least \$34,000 (17% of a \$200,000 home, with 3% from the buyer.) Even with sales to the secondary market, the loan fund would need annual infusions of capital to continue lending at a modest production level of 35 loans per year.

If and when HRH decides to pursue development of this product, we recommend the following:

1. Meet with Neighborhood Reinvestment, the City of Poughkeepsie, and Dutchess County. Review with them this section of the feasibility report, and determine whether they are interested enough to move forward.
2. Set up a task force/committee to develop the loan program. Initial members of this committee could include representatives from HSBC, Ulster Savings, the City of Poughkeepsie and Dutchess County – M&T and Key Bank should either be included in the development or added when there is a product to propose.
3. Loan participations are seen as excessively complex by some of those we spoke with, so you may want to try government and Neighborhood Reinvestment capital, supplemented by foundation investments if possible, and lender investments finally.
4. It may make sense to package the first mortgage loans that participating lenders will make in tandem with the second. The income and expense projection assumes this, with a fee from the lender.
5. It probably makes most sense to contract with one of the participating lenders to service the loans.

Following are a preliminary income and expense projection, and a sources and uses projection for loan capital for this product, which should be refined by the committee.

In terms of marketing, we believe production goals could be met simply by promoting the loan product with lenders and in homebuyer classes offered by HRH.

TABLE 3B : Second Mortgage Product Income and Expense Projection

	Payer	Per Unit	Year 1		Year 2		Year 3	
			# Units	Total	# Units	Total	# Units	Total
Sales								
Loan Packaging	Lender	\$1,000	30	\$30,000	30	\$30,000	35	\$35,000
Loan Originations	Borrower	\$500	30	\$15,000	30	\$15,000	35	\$17,500
Total Sales				\$45,000		\$45,000		\$52,500
Cost of Goods								
Direct Labor:								
Loan Officer		\$35,000	0.5	\$17,500	0.5	\$18,375	1.0	\$36,750
Fringe (FICA, Unemp., Health, Pension, etc.)		30%		\$5,250		\$5,513		\$11,025
Loan Packaging Expenses		\$100	30	\$3,000	30	\$3,150	35	\$3,675
Loan Originating Expenses		\$400	30	\$12,000	30	\$12,600	35	\$14,700
Total COG				\$37,750		\$39,638		\$66,150
Gross Profit				\$7,250		\$5,363		(\$13,650)
Selling, General and Administrative Expenses								
Share of Occupancy Costs				\$5,000		\$5,125		\$10,500
Professional Services (legal, audit)				\$1,000		\$1,025		\$1,051
Liability Insurance				\$500		\$513		\$525
Travel, Conferences, Meetings, Memberships				\$500		\$513		\$525
Training				\$1,200		\$1,230		\$1,261
Marketing				\$1,000		\$1,025		\$1,051
Total SG&A				\$9,200		\$9,430		\$14,913
Net Operating Profit				(\$1,950)		(\$4,068)		(\$28,563)
Non-Operating Income: Partnership Fees								
Roll Over Funds from Operating Surplus						\$13,050		\$25,983
Local Government Partners		\$5,000	2	\$10,000	2	\$10,000	2	\$10,000
Local Government Partners		\$2,000	0	\$0	1	\$2,000	2	\$4,000
Employer Partners		\$5,000	0	\$0	1	\$5,000	1	\$5,000

Neighborhood Reinvestment			\$5,000		
Total Non-Operating Income			\$15,000	\$30,050	\$44,983
Net Income			\$13,050	\$25,983	\$16,420

TABLE 3C: Second Mortgage Loan Fund Sources and Uses Projection

Sources	Average # Amount	# Loans	Year 1	# Loans	Year 2	# Loans	Year 3
Roll Over Funds from Previous Year Surplus					\$77,850		\$68,330
Neighborhood Reinvestment			\$250,000		\$150,000		\$100,000
Local Government					\$0		\$0
Local Government					\$0		\$0
Local Foundation					\$0		\$0
Employer Partners					\$100,000		\$150,000
CDFI					\$275,000		\$275,000
Loan Sales to NHSA					\$510,000		\$510,000
Principle Repayments					\$7,368		\$30,390
Interest Payments	6%				\$35,800		\$142,290
Interest on Cash	1%		\$5,500		\$5,780		\$6,380
Total:					\$1,161,798		\$1,282,390
Uses:							
Second Mortgage Loans	\$34,000	30	\$1,020,000	30	\$1,020,000	35	\$1,190,000
Loans Payable to NHSA					\$43,168		
Loans Payable to Foundations	1%		\$7,650		\$6,882		\$6,106
Loans Payable to CDFI	1%				\$7,650		\$6,882
Loans Payable to Employers	1%				\$15,768		\$31,536
Total:					\$1,093,468		\$1,234,524
Balance					\$68,330		\$47,866

Opportunity 4: Reach More Homebuyers Through Partnerships with Employers

Conclusion: The types of major employers in Dutchess County, combined with high housing costs, typically represents a positive climate for employer-assisted housing efforts. However, no one has gone beyond defining the problem, and the state of the economy may slow success. Nonetheless, Hudson River Housing could begin the process by partnering with the Chamber of Commerce.

The Market Opportunities Report identified the major employers in Dutchess County, many of whom it is reasonable to assume employ people at wages around and below median income. (At last calculation, a buyer in Dutchess County would need to earn 113% of area median income to afford the median-priced home.) Given the rapidly increasing housing costs in Dutchess County, one would expect that employers would be increasingly concerned about the impact on workforce retention. If employees can't find affordable housing in Dutchess County, the labor pool will diminish, and employers will experience increased costs associated with employee recruitment and turnover. This does seem to be the case in Dutchess County, according to the Chamber of Commerce.

This problem has been illuminated through the Smart Growth Housing Task Force Report that was completed for the Dutchess County Executive in December 2001. We were unable to find any direct response to the housing problem by employers, however. Pioneering responses to the affordable *home-ownership problem* (rental housing is also a problem) by employers in other communities include:

- **Savings plan withdrawals and loans:** Employers can add a withdrawal provision to the company's savings plans for a down payment. A loan feature can also be added to the company's savings plan, though generally only half the employee's vested savings-plan balance can be loaned.
- **Matched employee savings:** An employer can match employee savings to help workers more-quickly accumulate sufficient funds for closing costs and down payments. This might be structured like an Individual Development Account (IDA) program.
- **Second mortgages:** Employers can offer no- or below market- interest rate loans to assist employees in covering closing costs and down payments. These programs are often offered through non-profit housing providers that do the homebuyer preparation and second mortgage lending from the employer capitalized fund.
- **Mortgage guarantees:** Employers can offer mortgage guarantees to a lender should an employee default. The reduction in lender risk can be used to leverage down payment reductions and mortgage insurance requirements. Costs are only incurred if an employee defaults.

- **Mortgage buy-downs:** Employers can pay mortgage-origination points to buy down the interest rate of employee mortgages. Buy-downs can last over the full term of the mortgage or be structured to reduce housing costs temporarily.
- **Group mortgage originations:** Employers can use the combined purchasing power of their employees to broker lender concessions, such as lower points and interest rates. Concessions can also include underwriting flexibilities and reduced up-front costs.
- **Group mortgage insurance:** Employers can provide this by funding a loan-loss reserve to cover potential mortgage defaults.
- **Securities purchase:** Employers can purchase securities, such as mortgage bonds, at below-market rates. Proceeds from the sale of these securities can then be used to offer employees a below-market interest rate. Employers can also leverage underwriting flexibilities through purchasing securities.

We tried to get meetings with a few key employers to discuss some of these ideas, but were unsuccessful. We also tried unsuccessfully to talk with the Dutchess County Economic Development Corporation's Labor Supply and Development Department and the Workforce Investment Board of the Chamber. In fact, the only conversation we were able to have on this topic was with Audra Barton of the Chamber.

Ms. Barton was enthusiastic about the idea of co-sponsoring a discussion group of employers with HRH to talk about options for employer-assisted home ownership. We recommend HRH pursue this option as a next step. We also know, however, that in other communities hard economic times can stop such programs in their tracks, so be prepared to wait out the current economy before achieving success.

Our best ideas for possible partnerships are summarized below.

1. **CSEA (Civil Service Employees Association)**

Union for several major employers: NYS Department of Corrections, NYS Department of Transportation, Dutchess County Government, NYS Hudson River Psychiatric Hospital, and Dutchess Community College.

Liz Pirano, 845-471-8885, given by Anne Saylor. Did not return call to consultant. May be worth following up with someone who knows her.

2. **NYS Department of Corrections**

Don't have a contact name here yet, but this is a major employer – may make sense to try through human resources department. Dutchess County includes Taconic Developmental Disabilities Services Offices (1800 employees), NYS Fishkill Correctional Institute (1050), NYS Green Haven Correctional Institute (850), and NYS Downstate Correctional Institute (750).

3. **IBM (6400 Poughkeepsie, 5400 East Fishkill)**

Sheila Appel, community relations, 845-433-6326. Did not return call to consultant. May be worth following up with someone who knows her.

4. Vassar College

Andrew Meade, Assistant to Dean, 845-437-5831. Andy knows and has begun a conversation. Did not return call to consultant. May be worth following up with someone who knows him.

5. Hospitals

These have been good candidates in other cities. Andy has begun talking with Health Quest (2400 employees). The other major hospital is St. Francis Hospital (1950). Perhaps a "health workers' homeownership program" could be developed and include Hudson River Psychiatric Center (800), Astor Home for Children (460), and Ferncliff Nursing Home (460).

6. School Districts

Another good candidate in other areas, particularly where housing costs are so high that recruitment of teachers is difficult. In Dutchess County, major employers include Wappinger Central School District (1700), Poughkeepsie City School District (700), Hyde Park Central School District (800), and Beacon City School District (580).

Opportunity 5: Expand Affordability by Providing Access to Purchase with Rehab

Conclusion: Of the limited supply of affordable for-sale housing, much is in need of rehab. If HRH enters the lending arena, providing access to purchase with rehab will expand the available supply plus create a visible impact in neglected neighborhoods. This opportunity is costly to pursue, yet the addition of rehab capacity would also allow HRH to pursue owner-occupied rehab options.

Purchase with rehab may be a necessity in this market for moderate-income households simply due to the fact that there is such limited supply of housing available for under \$190,000. Those houses that are available need rehab.

If Hudson River Housing is going to facilitate purchase with rehab it will require some basic infrastructure to support homeowners. This infrastructure includes:

Education

As part of the education curriculum, HRH should consider increasing the skill base around home maintenance and managing home improvements. For the two-family program, a landlord focused class is necessary.

Construction Expertise

This will be the area that may be most expensive for HRH. In order to smoothly lend for and facilitate owner-occupied rehab, HRH needs some construction expertise and infrastructure to support the homeowners and protect HRH assets. The expertise can be a contracted consultant or an employee. The individual needs to be able to perform the following tasks:

- Assess residential rehab projects' feasibility
- Estimate rehab costs
- Write job specifications
- Bid rehab jobs
- Manage rehab jobs and escrow payments
- Maintain accurate and thorough files that document the process, payouts and releases
- Educate homeowners, advocate for homeowners and contractors, and mediate disputes

As a start-up program, it might seem logical to consider hiring a consultant to perform the necessary construction related tasks. We believe if HRH is planning to build viable

owner-occupied rehab capacity, then hiring an employee is a better 'long-term' growth option, for the following reasons:¹

1. A consultant doesn't give you a mission-committed employee. Your rehab specialist will be a 'front-line' employee. They will be in the kitchens and crawlspaces and attics of your customers so customer relations skills need to be well tuned so they are problem-solvers, not problem-creators. It is usually hard to hire a consultant who is fully committed to your mission and will represent the organization in that fashion daily.
2. Hiring a consultant doesn't really limit your liability. Unless HRH hires a large, well established firm as the consultant, HRH's organizational liability policy is still going to be the one the lawyers go after if there's a problem. Naming HRH in the lawsuit costs them nothing but means HRH is on the hook, not just for legal fees, but also for damages. They'll ask all about HRH's oversight function, and before long, the corporate veil is pretty well pierced.
3. Since dollars are typically scarce, one option is to hire smart, committed young people and train them, rather than going for the old-but-perhaps-jaded pro. Neighborhood Reinvestment offers so much high-quality training, and there is so much training material out there for construction people, that hiring for values rather than for short-term experience makes sense.

A rough rule of thumb predicts that one rehab specialist can manage 25 jobs annually with a rehab value of about \$300,000.

Internal Systems, Procedures And Policies

HRH will need to develop good policies and procedures related to construction services. These will include construction policies that outline your approach to rehab and rehab services as well as procedures that dictate how staff handle customers, contractors, estimating jobs, bidding jobs to contractors, managing construction escrows, payouts, and punch lists. Fortunately Neighborhood Reinvestment training can assist the staff and board in developing the necessary policies and procedures, plus many NWOs have structures that can be shared with HRH. Also, a Neighborhood Reinvestment Management Consultant that specializes in construction management can be requested to assist. Enterprise Foundation also has many useful resources that can assist HRH in developing tight internal systems that will allow for smooth job-flow and limiting liability.

The budget on the following pages outlines the costs associated with adding construction capacity.

¹ Jensen, Jack with Magnalli, Armond. "On The Level: A Quarterly Forum for Construction and Development Questions" Bright Ideas. Summer 2003.

TABLE 5: Construction Services Income and Expense Projection

	Payer	Per Unit	Year 1		Year 2		Year 3	
			# Units	Total	# Units	Total	# Units	Total
Sales								
Construction Management (aver. Job \$25,000)	Home Buyer	15%	\$100,000	\$15,000	\$200,000	\$30,000	\$300,000	\$45,000
Total Sales				\$15,000		\$30,000		\$45,000
Cost of Goods								
Direct Labor:								
Rehab Specialist		\$35,000	0.5	\$17,500	1.0	\$36,750	1.0	\$36,750
Fringe (FICA, Unemp., Health, Pension, etc.)		30%		\$5,250		\$11,025.00		\$11,025
Total COG				\$22,750		\$47,775		\$47,775
Gross Profit				(\$7,750)		(\$17,775)		(\$2,775)
Selling, General and Administrative Expenses								
Share of occupancy cost				\$5,000		\$5,125		\$5,253
Professional Services (legal, audit)				\$2,000		\$2,050		\$2,101
Liability Insurance				\$500		\$513		\$525
Travel, Conferences, Meetings, Memberships				\$200		\$205		\$210
Training				\$1,200		\$1,230		\$1,261
Marketing				\$500		\$513		\$525
Total SG&A				\$9,400		\$9,635		\$9,876
Net Operating Profit				(\$17,150)		(\$27,410)		(\$12,651)
Non-Operating Income: Partnership Fees								
Roll Over Funds from Operating Surplus						\$11,350		\$2,940
Lending Partners		\$1,000	3	\$3,000	3	\$3,000	3	\$3,000
Realtor Partners		\$250	1	\$250	2	\$500	2	\$500
Inspector Partners		\$250	1	\$250	2	\$500	2	\$500
Insurance Partners		\$5,000	1	\$5,000	1	\$5,000	1	\$5,000
Neighborhood Reinvestment		\$10,000	1	\$10,000				

Local Government	\$5,000	2	\$10,000	2	\$10,000	2	\$10,000
Total Non-Operating Income			\$28,500		\$30,350		\$21,940
Net Income			\$11,350		\$2,940		\$9,289

Opportunity 6: Expand Affordability By Providing Greater Access To Two- To Four-Family Housing Stock

Conclusion: This market isn't large enough to warrant a targeted effort, yet it would be useful to allow access to the two- to four-family housing stock if HRH develops loan products and rehab services.

Our initial market analysis revealed that housing prices in Dutchess County have been escalating quickly and moderate-income households are having difficulty entering the home buying market. One market opportunity suggested exploring the two- to four-family market to determine if leveraging rental income could boost a household's income enough to ease their entry into the market.

Upon further exploration, we have learned that the market for two- to four-family housing is also very tight. Low rental vacancies and escalating rents have encouraged the investor market in and around Poughkeepsie. Currently there are only 27 listings for multifamily dwellings in the city and prices range from \$127,000 to \$400,000. Based on real estate agent interviews, it is likely that any multifamily less than \$150,000 is in need of substantial rehab. As an example, one two-family with a 'reduced' listing price of \$135,000 was described as "falling down" with a ballpark estimate of \$60-75,000 in needed rehab. On average, a two family home in need a moderate repair will cost about \$160,000.

While there aren't a large volume of two-family opportunities on the market, there still may be a niche market for these types of homes for first time buyers. HSBC has a loan product that will consider 75% of annualized rental income as additional buyer income when qualifying for a loan. This could possibly increase a family affordability into the range of the market.

It is helpful to remember that during the period October 2001 to October 2002, about 35 percent of all the MLS home sales were from less than \$190,000 or only 750 homes. Many of those also were in need of moderate to substantial rehab. In October, there were 110 listings for less than \$190,000. It is a tight market for singles or doubles.

We are suggesting that HRH not develop a specific program or product to target these units. Yet, if HRH pursues the creation of a second mortgage loan product and development of rehab lending capacity, the option of including two- to four-unit purchases with rehab would be logical. The tables on the following pages illustrate how multifamily units would increase a buyer's affordability.

TABLE 6: Impact of Multifamily Purchase on Affordability

Single Family Homes

	70% AMI	80% AMI	90% AMI	100% AMI	110% AMI	120% AMI
Buyer Income	\$47,670	\$54,480	\$61,290	\$68,100	\$74,910	\$81,720
Monthly PITI @ 30% of Gross Income	\$1,192	\$1,362	\$1,532	\$1,703	\$1,873	\$2,043
Estimated Monthly Taxes and Insurance	\$408	\$408	\$408	\$408	\$408	\$408
Estimated Monthly PMI payment	\$77	\$91	\$112	\$126	\$140	\$161
Monthly Principal and Interest Payment	\$707	\$864	\$1,013	\$1,169	\$1,325	\$1,475

Maximum Mortgage	APR 6.5% Term (in months): 360	\$111,895	\$136,615	\$160,228	\$184,948	\$209,669	\$233,282
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Two Family Homes

Additional Revenue for a Double
75% of annualized rent \$900mo \$8,100

	70% AMI	80% AMI	90% AMI	100% AMI	110% AMI	120% AMI
Buyer Income	\$47,670	\$54,480	\$61,290	\$68,100	\$74,910	\$81,720
With additional Rental Income	\$55,770	\$62,580	\$69,390	\$76,200	\$83,010	\$89,820
Monthly PITI @ 30% of Gross Income	\$1,394	\$1,565	\$1,735	\$1,905	\$2,075	\$2,246
Estimated Monthly Taxes and Insurance	\$408	\$408	\$408	\$408	\$408	\$408
Estimated Monthly PMI payment	\$98	\$112	\$130	\$148	\$165	\$182
Monthly Principal and Interest Payment	\$889	\$1,045	\$1,198	\$1,349	\$1,503	\$1,656

Maximum Mortgage	APR 6.5% Term (in months): 360	\$140,610	\$165,330	\$189,497	\$213,442	\$237,830	\$261,997
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Three Family Homes

Additional Revenue for a Double
75% of annualized rent \$1,800mo \$16,200

	70% AMI	80% AMI	90% AMI	100% AMI	110% AMI	120% AMI
Buyer Income	\$47,670	\$54,480	\$61,290	\$68,100	\$74,910	\$81,720
With additional Rental Income	\$63,870	\$70,680	\$77,490	\$84,300	\$91,110	\$97,920
Monthly PITI @ 30% of Gross Income	\$1,597	\$1,767	\$1,937	\$2,108	\$2,278	\$2,448
Estimated Monthly Taxes and Insurance	\$408	\$408	\$408	\$408	\$408	\$408
Estimated Monthly PMI payment	\$119	\$135	\$148	\$169	\$186	\$203
Monthly Principal and Interest Payment	\$1,070	\$1,224	\$1,381	\$1,531	\$1,684	\$1,838

Maximum Mortgage	APR 6.5% Term (in months): 360	\$169,325	\$193,713	\$218,567	\$242,157	\$266,435	\$290,712
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Appendix

Marketing Plan to Recruit Participants to FasTrack Homebuyer Education at Hudson River Housing

Prepared for Hudson River Housing by Marcia Nedland, Fall Creek Consultants, January 2003

Marketing Plan: FasTrack Homebuyer Education at Hudson River Housing

Marketing Goal	<p>Recruit participants (paying \$100 per family) to FasTrack homebuyer education at Hudson River Housing:</p> <ul style="list-style-type: none"> ▪ 100 families (4 classes) in year 1. ▪ 150 families (6 classes) in year 2. ▪ 200 families (8 classes) in year 3.
Target Market	<p>Potential homebuyers in Dutchess County who have savings and can buy in less than 10 months. Primarily renters, and primarily 80-120% area median income. May be single or married, with or without children, both genders and a variety of ethnicities. Wide range of ages, though most in 20s and 30s.</p>
Key Messages	<p>Lead (rotate lead line as different segments of the market prioritize differently):</p> <ul style="list-style-type: none"> ▪ Buying a home is the best investment you can make right now! ▪ Don't get ripped off when you buy a home! ▪ Don't get turned down for a loan when you want to buy a home! ▪ Buy a home in Dutchess County before you are priced out of the market! <p>Copy:</p> <ul style="list-style-type: none"> ▪ New homebuyer classes at Hudson River Housing are designed to make sure you know how to get the best deal, find all the special grants and resources available for homebuyers, and get approved for a loan from a bank. ▪ Hudson River Housing is dedicated to helping people find affordable homes, and to prepare for buying and owning a home. ▪ Buying a house is complicated, and homebuyer education classes help you make sure you get the best deal on a house and on a loan, and that you won't get turned down by banks for a loan. ▪ All you have to do is call [name] at Hudson River Housing 845-454-5176 to sign up for the next free Homebuyer Orientation session – where you can find out more about our classes and choose the one that's right for you. We offer a variety of classes to meet your individual needs. Prices are very reasonable, and range from \$25 to \$100 per family.

<p>Program Development Steps</p>	<ul style="list-style-type: none"> ▪ Secure funding partners. ▪ Hire part-time staff as appropriate. ▪ Get FasTrack curriculum and materials from NRC. ▪ Tailor curriculum for Hudson River Housing. ▪ Meet with bank partners to review curriculum and to secure endorsement of training for homebuyer education requirements on loan products. ▪ Plan on offering a one-Saturday version and a two-evening version, assuming that is what works best for customers. ▪ Get Homebuyer Orientation sample agendas from NRC; tailor for your use. ▪ Identify potential sites for orientations and FasTrack classes – preferably easy-to-find, public venues with plenty of parking (malls, downtown brown-bag-lunch areas, big-box hardware stores, etc.). ▪ Secure sponsors.
<p>Marketing Strategies</p>	<ol style="list-style-type: none"> 1. Postcard mailer. Produce postcard mailer with messages for this market. (See www.modernpostcard.com). Distribute these through meetings described below, for referrers to pass on to possible customers. 2. Board of Realtors. <ol style="list-style-type: none"> a) Meet with Board of Realtors to talk about new class and to identify key real estate agents who work with the 70-120% AMI market. Try to get a notice in Board email or paper newsletters. Find out about upcoming homebuyer fairs, and try to get a booth or other method for marketing classes. You may want to run orientation sessions there. b) Assemble list of key real estate agents who work with the 70-120% AMI market. Meet with them one-on-one, talk about new classes, leave postcards for referrals. Offer them a place on your “sponsoring real estate agents” list for a contribution. 3. Banks. Meet with bank partners one-on-one with details of homebuyer classes and counseling, and postcards for referrals. They should be marketing these classes to pre-qual customers as opposed to customers who already have a sales contract.

	<p>4. Venue Co-Sponsorships. Seek co-sponsorships with malls, big-box hardware stores, etc., to hold an orientation session (and possibly classes) at their site, with advance promotion by them.</p> <p>5. Advertising.</p> <ul style="list-style-type: none"> a) Place ads in the Poughkeepsie daily and weekly newspapers, rotating placement in apartment rentals, homes for-sale, movies, and personals, as well as near any stories that are related (talk with ad sales to alert you to these possibilities). Time ad runs to coincide with peak homebuying periods in your area (usually spring and fall), b) Seek coverage of first FasTrack class, first graduate homebuyer, etc. by local print and television media. c) Review radio stations for best match with target market. Consider a co-sponsorship with radio station of an orientation and class, with them doing advance promotion. <p>6. Employers. Identify key major employers (see feasibility report for ideas and/or through recommended joint forum with Chamber) who employ people that fit the target market profile. Meet one-on-one and offer on-site orientation and/or classes for employees.</p>
<p>Summary of Marketing Tools</p>	<ul style="list-style-type: none"> ▪ Postcards ▪ Orientation sessions ▪ Meetings ▪ Co-sponsorships ▪ Print and radio advertising ▪ Bank referrals ▪ Realtor referrals

Marketing Plan to Recruit Participants to Spanish-Language Homebuyer Education at Hudson River Housing

Prepared for Hudson River Housing by Marcia Nedland, Fall Creek Consultants, January 2003

Marketing Plan: Spanish-Language Homebuyer Education at Hudson River Housing

Marketing Goal	<p>Recruit participants to Spanish-language homebuyer education at Hudson River Housing:</p> <ul style="list-style-type: none"> ▪ 40 families in year 1 to the Home Club. ▪ 45 families year 1 to Credit and Budgeting Workshops. ▪ 75 families in year 1 to FasTrack homebuyer education. ▪ 20 families in year 1 to super-fast homebuyer counseling sessions.
Target Market	<p>Spanish-only and bilingual renters, typically earning 60-120% area median income. May be many different nationalities, especially Mexican and Puerto Rican, though also many Central and South American countries, and other Spanish-speaking island countries.</p>
Key Messages	<p>In Spanish:</p> <ul style="list-style-type: none"> ▪ Learn everything you need to know about owning your own home in the US, en Español! ▪ New Spanish-language classes are being offered now by Hudson River Housing – cosponsored by AHORA. ▪ Hudson River Housing is dedicated to helping people find affordable homes, and to prepare for buying and owning a home. ▪ Buying a house is complicated, and homebuyer education classes help you make sure you get the best deal on a house and on a loan, and that you won't get turned down by banks for a loan. ▪ All you have to do is call [name] at Hudson River Housing 845-454-5176 to set an appointment to determine which class is right for you. We offer a variety of classes to meet your individual needs. Prices are very reasonable, and range from \$25 to \$100 per family.
Program Development Steps	<ol style="list-style-type: none"> 1. Meet with AHORA and establish key contact person for HRH to work with on homebuyer education program. 2. Get AHORA's endorsement of program. 3. Hire part-time staff or consultant to develop and manage program; work with AHORA to recruit candidates for the position. 4. Develop fundraising plan with fundraising staff and AHORA rep. Secure sponsors and contributors.

	<ol style="list-style-type: none"> 5. Develop Spanish-language curriculum for Budget & Counseling Workshop, Home Club, Homebuyer Orientation, FasTrack, and “super-fast” counseling. 6. Get a bilingual phone answering system set up so that Spanish-speaking callers can go directly to your bilingual staff/consultant. 7. Review marketing plan with AHORA, revise as appropriate.
<p>Marketing Strategies</p>	<ol style="list-style-type: none"> 1. Direct mail. <ol style="list-style-type: none"> a) Produce postcard mailer with messages for this target market, in Spanish. Great, professional design-your-own postcards are available at www.modernpostcard.com. b) Get AHORA mailing list and direct mail postcards. c) Follow up with other direct mail opportunities as other strategies reveal them. 2. Churches. <p>Meet one-on-one with churches in Poughkeepsie, Beacon, Fishkill and Wappinger that offer services in Spanish. Seek a notice in the newsletter, an announcement at church service, and/or a one-hour orientation session at the church to market HRH homebuyer classes. (In Poughkeepsie, these churches include St. Mary’s, Christ Episcopal, 1st Presbyterian and 7th Day Adventist.)</p> 3. Agencies. <p>Meet one-on-one with agencies serving Latinos (such as Literacy Volunteers), seek referrals, placement of flyers, etc.</p> 4. Businesses. <ol style="list-style-type: none"> a) Produce a flyer with messages for this target market, with tear-off numbers. b) Make a presentation to the AHORA Hispanic Business Roundtable; circulate a sign-up sheet for businesses willing to help publicize homebuyer classes. c) Meet one-on-one with businesses that sign up. Seek placement of flyers, referrals, and where appropriate, space and time for a one-hour orientation with staff and customers of that business. Also seek placement of a stack of postcards at the cash register.

5. Discussion Groups.

- a) Make a presentation to AHORA's Latino Roundtable.
- b) Meet with Eddie Ramirez of R&M Promotions to identify and set up other discussion groups of Latinos around Dutchess County. Give attendees a few postcards for referrals.

6. Events.

- a) Again, meet with Eddie Ramirez from R&M Promotions. Get calendar of appropriate events (such as the Latin-American Festival) and information on having a booth or other method for marketing homebuyer classes there. Distribute postcards, door prizes, etc.
- b) Plan to offer an orientation session through AHORA at one of their events.
- c) Sponsor a free refreshment break for Latino soccer leagues at Lincoln Park. Distribute postcards and answer questions about homebuyer classes.

7. Advertising.

- a) Place ads in AHORA newsletter.
- b) Place ad on R&M Promotions website.
- c) Place ads in any Spanish-language church newsletters.
- d) Place ads on El Ritmo radio show (WEOK 1390/1340 AM). Consider producing a 30-minute radio show with your bilingual staff person talking with radio personality about homebuyer classes.
- e) Produce half-hour show for local cable access channel with your bilingual staff person talking with various key people about homebuyer classes.

8. Banks.

Meet with banks one-on-one with details of homebuyer classes and counseling, and postcards for referrals. (They should know about this already because they should be funding it.)

9. Realtors.

	Meet one-on-one with bilingual real estate agents in Dutchess County. Give them postcards for referrals and seek cards for your own referrals.
Summary of Marketing Tools	<ul style="list-style-type: none"> ▪ Mailing lists ▪ Postcards ▪ Flyers ▪ Orientation sessions ▪ Meetings ▪ Event sponsorships ▪ Discussion groups ▪ Print and radio advertising ▪ Bank referrals ▪ Realtor referrals
Key Contacts	<p>1. AHORA – Association for Hispanics to Obtain Resources and Assistance Susie Balutis, president 845-486-2631 Robert Mallory, AHORA board member and HRH staff</p> <p>2. R&M Promotions Edwin (Eddie) Ramirez, owner 845-463-0409 (organizes Dutchess County Latin-American Festival and many other Latino community events) 2003 festival scheduled July 12-13, location TBA.</p> <p>3. El Ritmo WEOK 1390/1340 AM radio Angelo Perez morning show between 6-10:00 a.m. and Gonzalo Quintana from 3:00 to 7:00 PM Monday-Friday. Latin music played 24 hours a day. Live Call-in @ 845-485-1390.</p> <p>4. Christ Episcopal Church, Mid-Hudson Latino Ministry</p> <p>Mark Como, program coordinator 845-452-8220 This program offers ESL courses, assistance with legal and immigration services and the like. Operation is in 3 sites: Beacon, Kingston, and Poughkeepsie and serves about 300 Hispanic and Latino immigrants.</p>

Academy & Barclay Streets
Poughkeepsie, New York

Mailing Address:

20 Carroll Street
Poughkeepsie, NY 12601

5. St. Mary's

Sundays at 1:00 pm Spanish service. 231 Church Street, 845-471-8728, Father Hunt.

6. El Bracero Restaurant

Honorio Rodriguez, owner **845-485-9679**
581 Main St
Poughkeepsie, NY