



**Habitat for Humanity International**

Habitat for Humanity International

U.S. Research and Measurement

Wealth Building among Habitat Partner Families in Ohio

**REQUEST FOR PROPOSAL**

May 2021

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## 1 Company Information

### 1.1 Corporate Overview

Founded in 1976, Habitat for Humanity International (HFHI or Habitat) is a non-profit ecumenical Christian organization with the mission of eliminating poverty housing from the world and making decent shelter a matter of conscience and action.

Habitat for Humanity largely does its work in the US through Habitat affiliates. Affiliates are independent, locally-run, community-level nonprofit organizations that partner with Habitat for Humanity to provide services to families in a specific geographic area. Currently, more than 1,100 affiliates coordinate Habitat housebuilding and repair projects in the US. Each Habitat affiliate coordinates all aspects of Habitat home building in its local area: fundraising, build site selection, partner family selection and support, construction, and mortgage servicing.

Habitat houses are built primarily by community volunteers and families partnering with Habitat for homeownership and through volunteer labor and donations of money and materials. For some affiliates, the homeowners' monthly mortgage payments replenish a revolving fund that is used to build more Habitat houses. In addition to a down payment and the monthly mortgage payments, homeowners invest hundreds of hours of their own labor, sweat equity, into building their home and those of others. Families are selected on the basis of their need, willingness to partner, and ability to repay the mortgage.

### 1.2 RFP Overview

By partnering with potential homebuyers, Habitat offers the opportunity for homebuyers to build wealth through homeownership. Homeownership promotes wealth building by acting as a forced savings mechanism and through home value appreciation. Habitat is currently conducting a pilot program in Ohio and through this evaluation, seeks to understand wealth building among homebuyers who have purchased a home from an Ohio affiliate within the last 10 years, approximately 1,500 homebuyers.

### 1.3 Homeowner Selection and Financing

Habitat serves low-income families who meet three selection criteria:

- Need for housing: Physical (e.g., quality of home) and financial (e.g., overcrowding, cost-burdened) circumstances of prospective homebuyers
- Willingness to partner: Commitment to fulfill all partnership requirements
- Ability to pay: Debt-to-income ratio not to exceed 30% at the front end—composed of total housing costs (principal, taxes and insurance)—and 43% at the back-end—including all recurring debt.

The selection criteria are driven and informed by the combination of the Habitat mission, HFHI policies, and federal, state, and local laws regarding mortgage lending. Affiliates, however, can operationalize the selection criteria according to their local markets.

Traditional Habitat financing offered by affiliates typically include a zero-interest first priority mortgage with a typical term of 15 to 30 years, origination by the affiliate to the homebuyer, and full amortization and repayment to the affiliate over the loan term. This traditional financing is governed by Habitat policies that mandate, for example, that affiliates cannot offer interest-bearing loans if originated by the affiliate and homebuyers must make no periodic payments on subordinate mortgages until the end of the period for the first mortgage. As with homeowner selection, affiliates tailor their financing models to reflect their local needs.

Habitat is committed to ensuring mortgage payments consume no more than 30% of a homeowner's gross income. To close the 'affordability gap' between what housing costs and what low-income homebuyers can afford, this translates to some affiliates offering financial packages composed of affordable loans at different interest rates through third party entities, repayable and forgivable loans, silent second/third mortgages, down payment assistance, etc. In some markets, affiliates also impose deed restrictions that restrict the resale price of the home and require shared equity or appreciation between the homeowner and the affiliate. These are some examples of the differences in homeownership financing strategies experienced across the network.

## 2 Statement of Work

### 2.1 Purpose

Habitat is seeking to contract with an evaluator or a firm to conduct an outcome evaluation of homebuyers who purchased a home within the past 10 years from a

Habitat affiliate located in Ohio. The evaluation will focus on the main evaluation questions:

1. How and to what extent does Habitat contribute to wealth building for their homeowners?
2. What factors contribute to wealth building?
3. How and to what extent does wealth building and the related factors vary by race, ethnicity, and gender?

The evaluation findings will ground Habitat's advocacy and fundraising work and the evidence will be used to reflect and adjust Habitat's approach to improving wealth building among Habitat homeowners.

## 2.2 Scope

It is anticipated the selected evaluator will undertake the following tasks, which submitted proposals should address.

- **Task 1: Screen and clean data (4 weeks after contract signing)**

Habitat will provide evaluator with up to seven datasets and data dictionaries/survey instrument describing data. The datasets will contain affiliate characteristics regarding family selection and mortgage origination and property-level data on transaction history, mortgage terms, foreclosure, current or forecasted sales price, and deed restrictions. Evaluator will also need to supplement these data with secondary data sources that describe affiliate market characteristics. Evaluator will screen, clean, and compile data for analysis. This includes combining the multiple datasets into one analytic dataset and clearly identifying and documenting any data issues and solutions.

From initial review of the datasets, contractor will identify up to 5 affiliates that have more complex loan structures – multiple loans, loan value exceeding purchase price of house, etc. – to conduct sense-making of the data. Final approval of the subset of affiliates will be made by Habitat, and Habitat will initiate outreach and assist in coordinating communication. Evaluator will provide a brief summary report – up to 5 pages – of sense-making.

### **Task 1 Deliverables:**

- **Deliverable 1.1.:** Data log describing data issues and implemented solutions
- **Deliverable 1.2:** Sense-making summary report

- **Task 2: Conduct data analysis (8 weeks after contract signing)**

Evaluator will use the analytical dataset to calculate the amount of wealth, which includes any down payment paid, forced savings, and property value appreciation, accumulated by Habitat families. Evaluator will incorporate into wealth calculations any restrictions, such as shared equity, shared appreciation, and other deed restrictions, that impact the wealth accumulation by homeowners. Results will be disaggregated by key market, affiliate, and homeowner characteristics to understand variation in wealth building and its potential drivers. Evaluator will conduct descriptive and multivariate analyses in order to understand the amount of wealth accumulated by homeowners through homeownership and characteristics of markets, affiliates, and homeowners associated with differences in wealth building across homeowners.

**Task 2 Deliverables:**

- **Deliverable 2.1.:** Programming code and analytical dataset at completion of analysis with data dictionary describing any created variables

- **Task 3: Create knowledge products to share findings (12 weeks after contract signing)**

Evaluator will develop an evaluation report – up to 10 pages – that describes the purpose, primary evaluation questions, methods employed, analyses conducted, and findings of the analyses. Evaluator will also develop a PowerPoint presentation of the evaluation report to share with key stakeholders: HFHI staff, affiliates, and donors.

**Task 3 Deliverables:**

- **Deliverable 3.1.:** Evaluation report
- **Deliverable 3.2.:** PowerPoint presentation

### 2.3 Project Schedule

This schedule is based on our current timelines but is subject to change.

<b>Project Milestones</b>	<b>Deadline</b>
RFP Delivered to Contractors	Tuesday, May 11, 2021
RFP Question Period Ends	Tuesday, May 25, 2021
RFP Close Date	Tuesday, June 8, 2021, 5pm EST
Conduct Contractor Evaluations	Tuesday, June 9 – Friday, June 25, 2021
Award Contract to Contractor	Monday, June 28, 2021

## 3 Proposal Submission Procedure

### 3.1 Contractor RFP Reception

By responding to this RFP, the contractor agrees to be responsible for fully understanding the requirements or other details of the RFP, and will ask any questions to ensure such understanding is gained. HFHI retains the right to disqualify contractor who do not demonstrate a clear understanding of our needs. Furthermore, the right to disqualify a contractor extends past the contract award period and HFHI will be at no fault, cost, or liability.

### 3.2 Good Faith Statement

All information provided by HFHI is offered in good faith. Specific items are subject to change at anytime based on business circumstances. HFHI does not guarantee that any particular item is without error. HFHI will not be held responsible or liable for use of this information or for any claims asserted therefrom.

### 3.3 Communication & Application Submission Guidelines

Communications shall not be effective, unless a specified employee who is responsible for managing the RFP process formally confirms these communications

in writing. In no case shall verbal communication govern over written communications.

The proposal shall be limited to no more than five (5) pages in length. Cover pages, table of contents, appendices, resumes, or budget spreadsheets are not counted in the number of page limitations. Text should be in 12-point font Times Roman.

Please submit your proposal by June 8, 2021 5pm EST.

Please send questions related to this RFP, and contractor proposals to:

Simone Peart Boyce  
Associate Director, Research and Learning  
Habitat for Humanity International  
[sboyce@habitat.org](mailto:sboyce@habitat.org)

Subject Line: Proposal for Wealth Building

### 3.4 Evaluation Criteria

All proposals will be evaluated systematically, based on the following key criterion. The purpose of this section is to identify a consultant with the interest, capabilities, and financial stability to supply Consulting Services, as defined in the Scope of Work.

Following is a prioritized list of our key evaluation criteria:

1. Strength of overall approach to addressing the purpose, focus and scope of work mentioned above.
2. Demonstrated experience in working with similar programs and/or similar projects in the past, especially in the housing sector.

All proposals must also include three (3) references from clients

### 3.5 Short-list Selection

Contractors who have demonstrated their capacity to meet our needs will be contacted via phone and/or email to be notified of their selection to move forward in the RFP process. Contractors, who have not been selected, will not be contacted.

## 4 Estimated Budget & Resources Required

All contractors must provide a breakdown of costs related to their Consulting Services. Costs include, but are not limited to, fixed pricing and deliverables, billable hours, travel expenses, etc. Contractor must agree to keep the quoted pricing in their proposals for a minimum of 90 days after proposal submission.

Finally, all proposals must include a project schedule and work breakdown structure, which identifies timelines, key milestones, project phases, or other project plan information.

## 5 Other Provisions

### 5.1 Waiver Authority

- HFHI reserves the right, as its sole discretion, to waive minor irregularities in submittal requirements, to request modification of the response, to accept or reject any or all responses received, and/or to cancel all or part of this RFP at any time prior to awards.

### 5.2 Disclaimer

- This RFP does not commit HFHI to award any funds, pay any costs incurred in preparing a response, or procure or contract for services or supplies. HFHI reserves the right to accept or reject any or all responses received, negotiate with all qualified Respondents, cancel or modify the RFP in part or in its entirety, or change the response guidelines, when it is in its best interest.

### 5.3 Changes/Amendments to RFP

- This RFP has been distributed electronically using HFHI's email system. Any update and/or changes will be communicated by this process.