



PRESENTATION  
TO LEGISLATIVE  
MFA OVERSIGHT  
COMMITTEE

AUGUST 30, 2023



homewise<sup>®</sup>



THE  
**HOMEWISE MISSION**  
is to help create successful  
homeowners and strengthen  
neighborhoods so that  
individuals and families can  
improve their long-term  
financial wellbeing and  
quality of life.

FIGURE 1

Median Household Wealth

White Black  
Hispanic

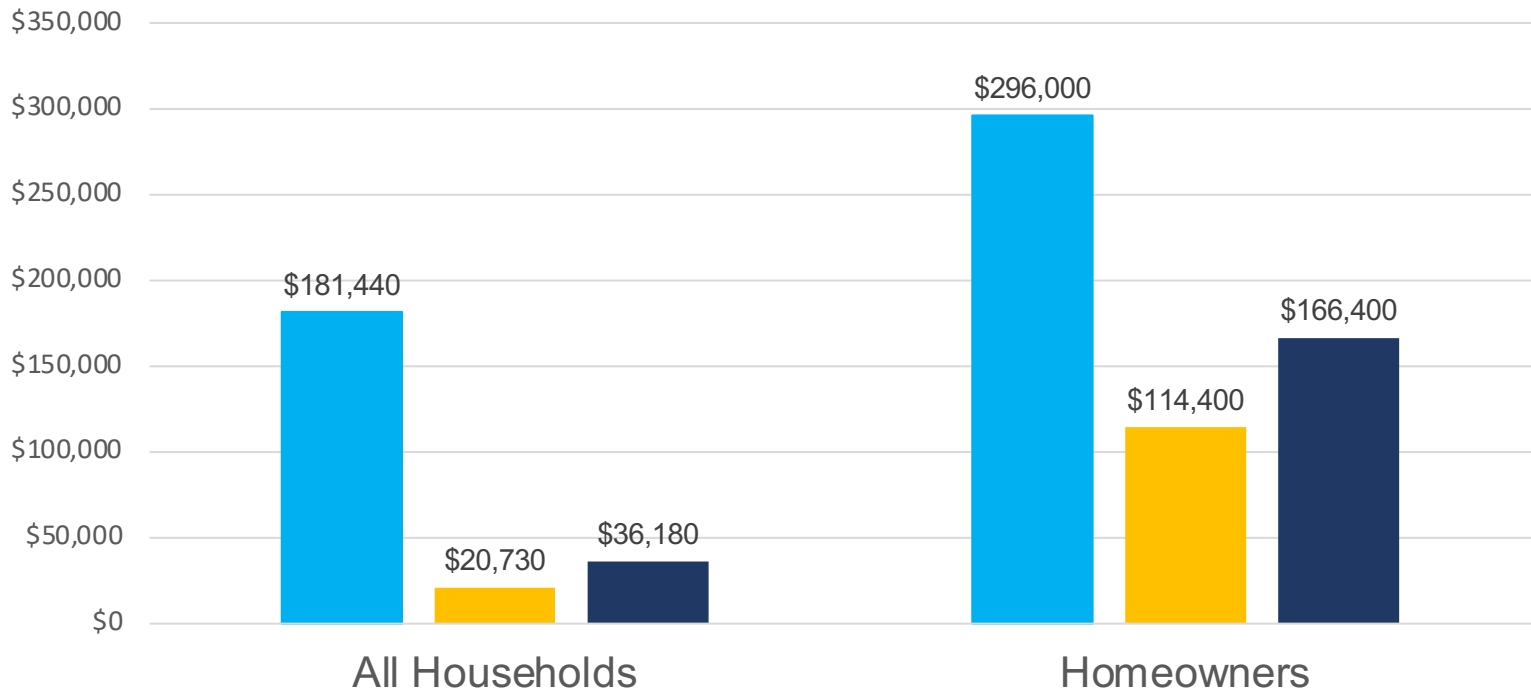
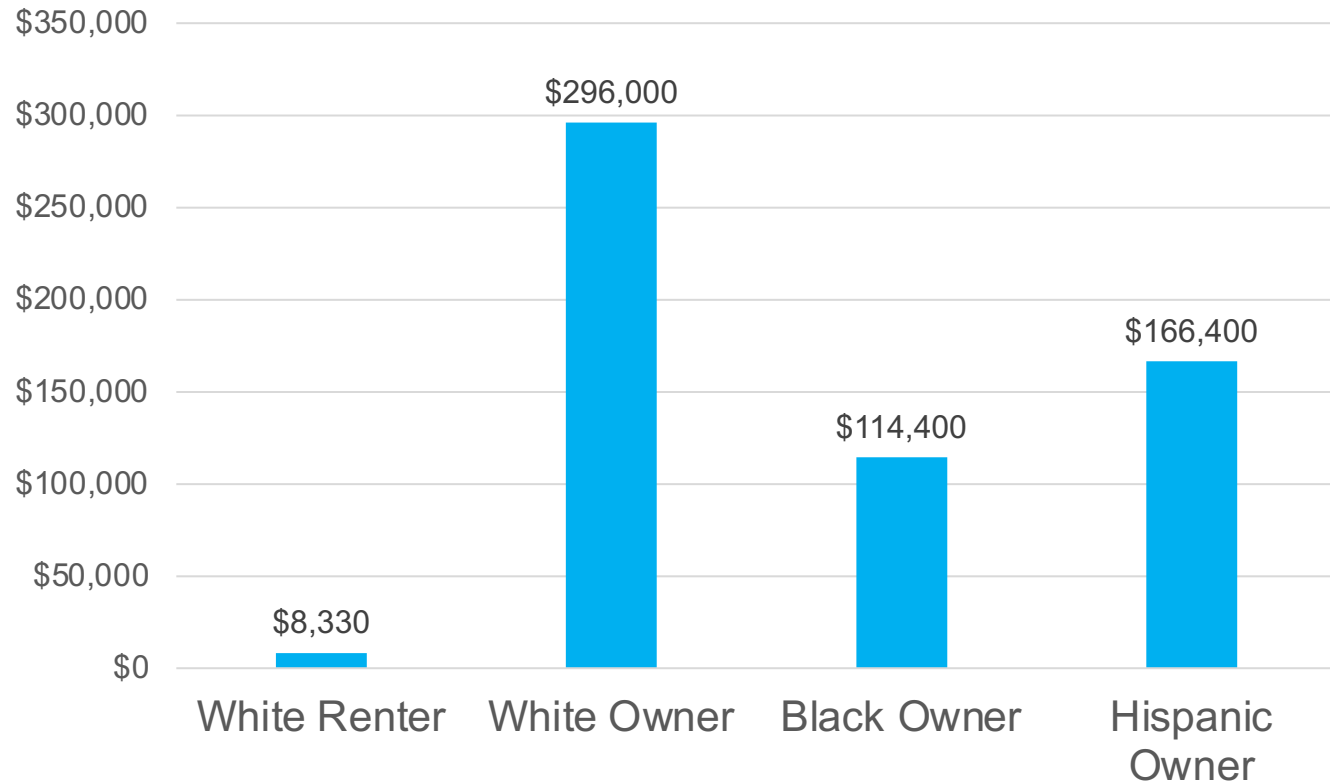


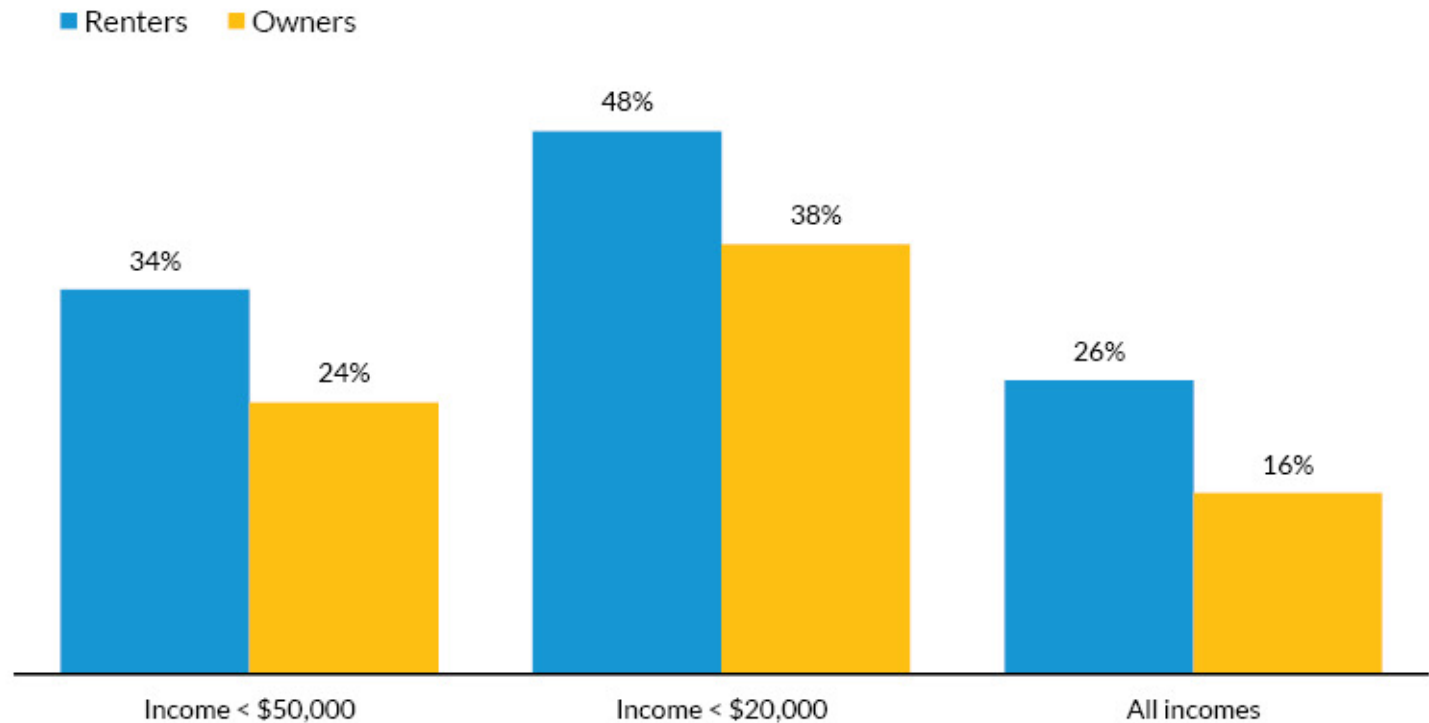
FIGURE 2

Household Wealth: Homeowners to White Renters



**FIGURE 3**

**Share of Income Spent on Housing, by Income**



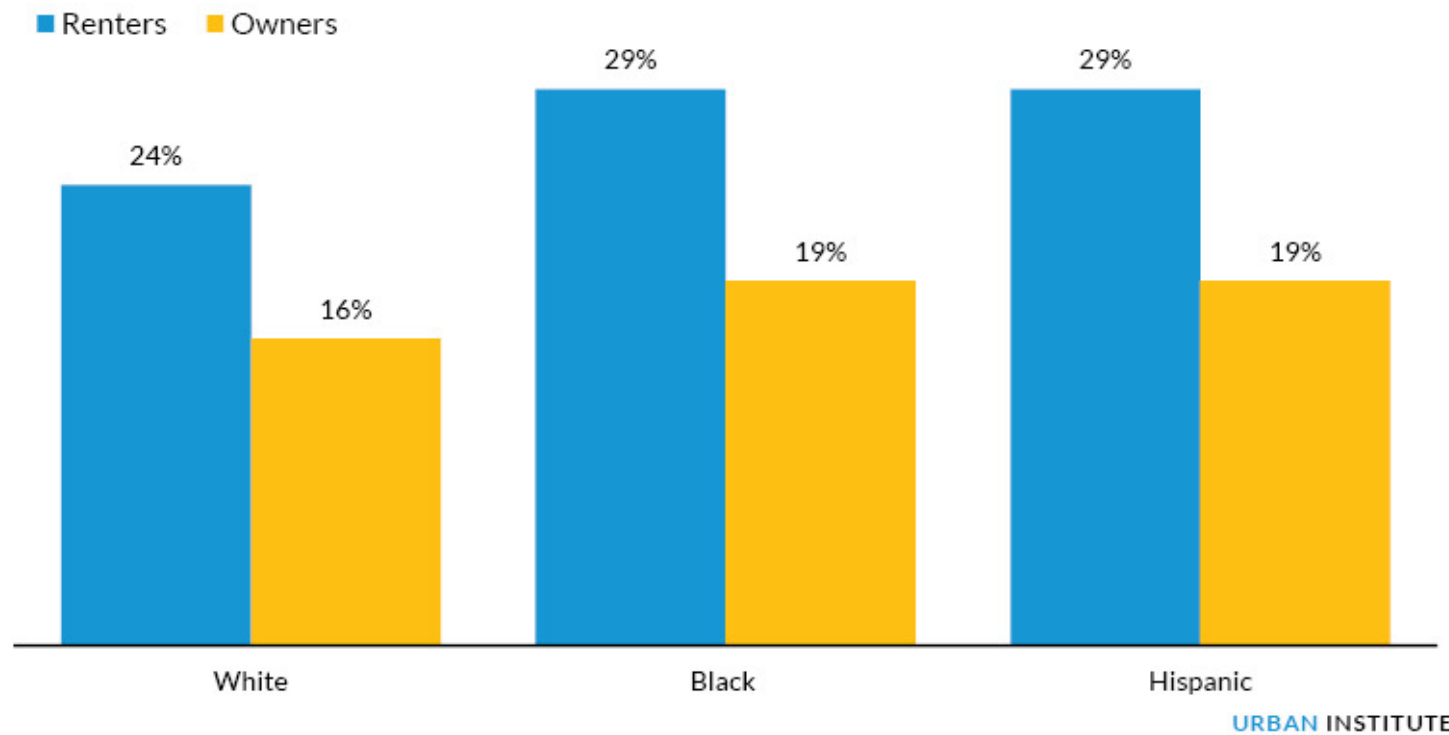
URBAN INSTITUTE

Source: 2019 American Community Survey.

Note: The data are limited to households with annual incomes greater than or equal to annual housing expenses.

FIGURE 4

Share of Income Spent on Housing, by Race or Ethnicity

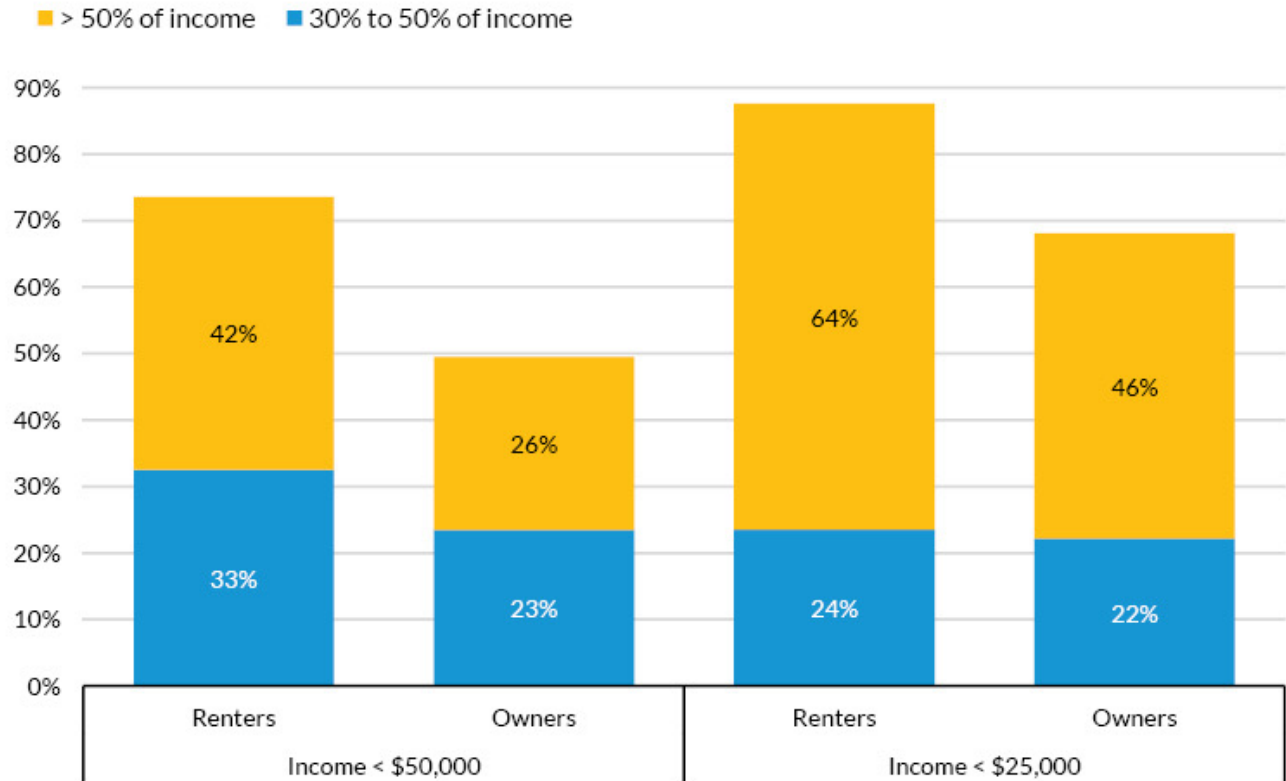


Source: 2019 American Community Survey.

Note: The data are limited to households with annual incomes greater than or equal to annual housing expenses.

**FIGURE 5**

**Share of Low- and Very Low-Income Households Who Are Cost Burdened**



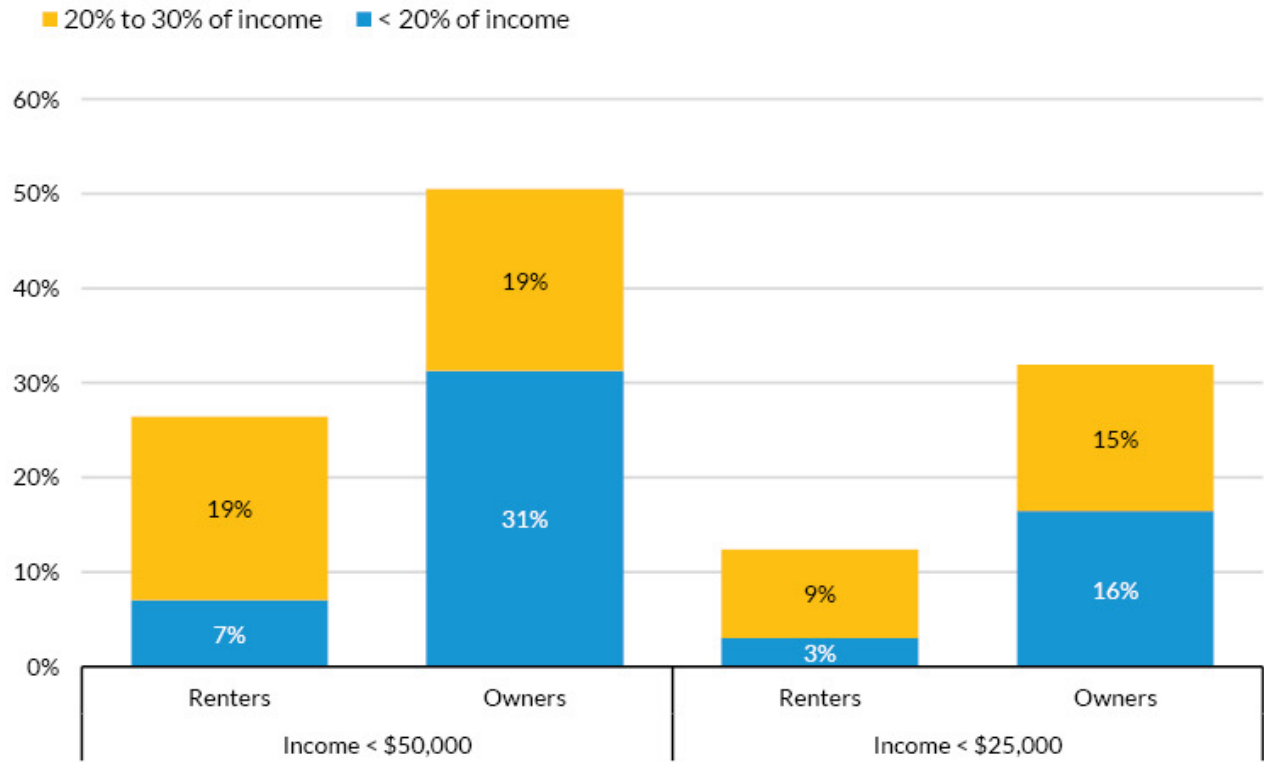
URBAN INSTITUTE

Source: 2019 American Community Survey.

Note: The data are limited to households with annual incomes greater than or equal to annual housing expenses.

**FIGURE 6**

**Share of Low- and Very Low-Income Households with a Low Housing Cost Burden**



URBAN INSTITUTE

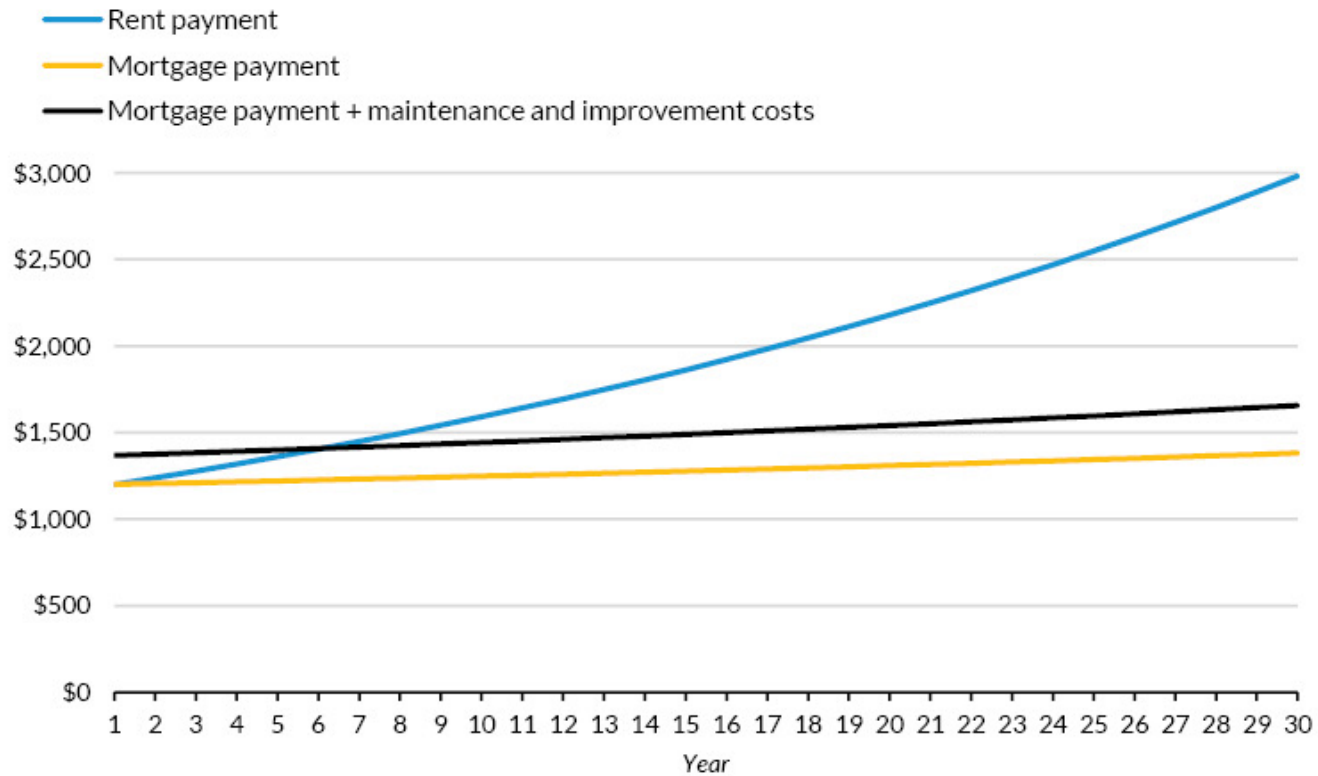
Source: 2019 American Community Survey.

Note: The data are limited to households with annual incomes greater than or equal to annual housing expenses.



**FIGURE 7**

**Rent versus Mortgage Payments, with and without Maintenance and Improvement Costs**

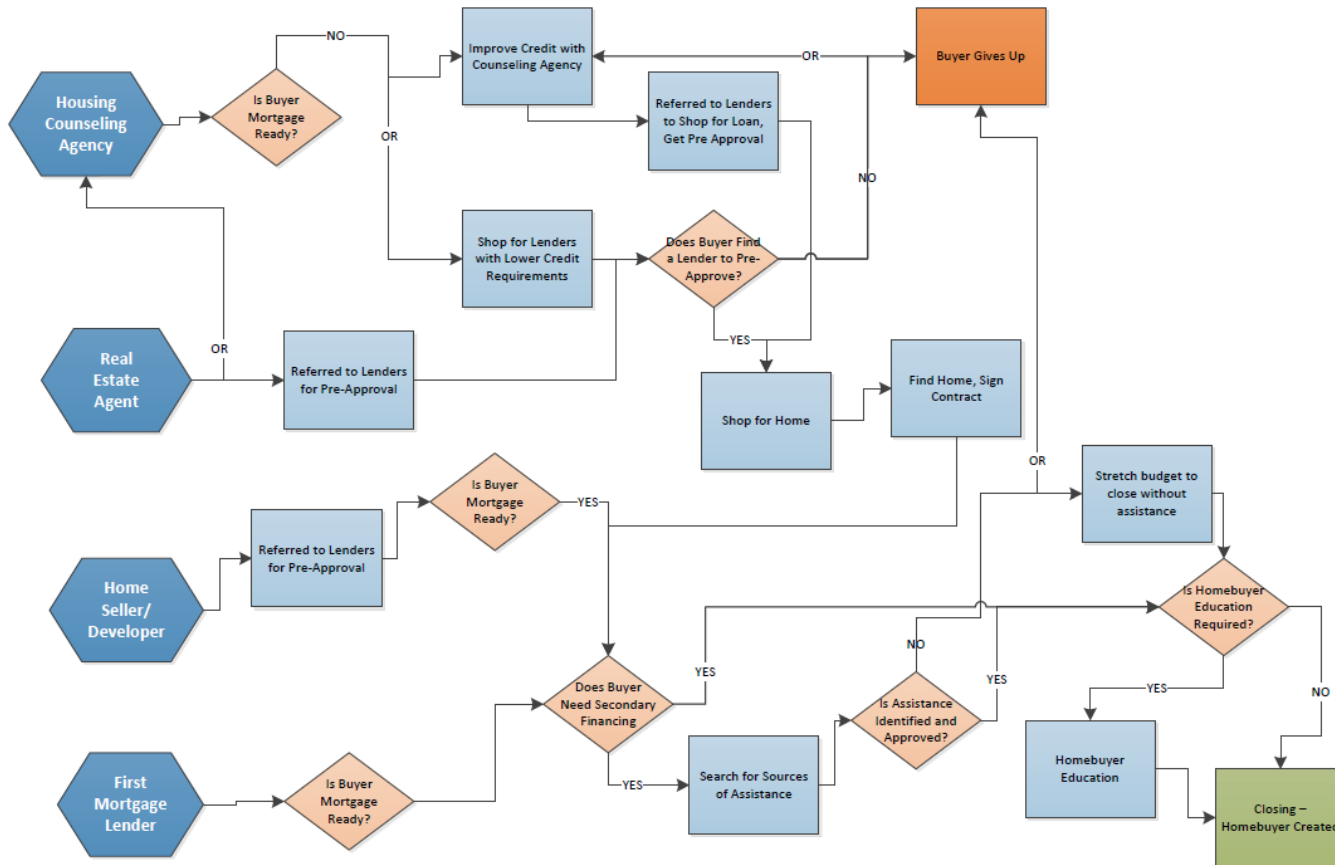


URBAN INSTITUTE

Sources: 2019 American Housing Survey and Urban Institute calculations.

Note: The mortgage payment includes principal, interest, taxes, and insurance.





# Financial Security!

Close

Right Mortgage

Right Home

Buyer Preparation

Assessment

Trusted

Adviser





# the Homewise business model



## Successful Homeownership

Each function is aligned with the next, building the foundation for customers' long term financial security and the organization's self-sufficiency



## Homewise Impact: Financial Wellbeing

Homewise Homeownership Coaches help clients overcome 3 main financial obstacles: 1) credit 2) debt 3) savings.

FY21 results:

94

Credit Score

Average increase of clients who started with score under 640 and became Buyer Ready.

-\$211

Monthly Debt Payment

Median decrease of clients who started with 10% or more debt ratio and became Buyer Ready

\$7,000

Savings

Median increase of clients who started with less than \$5,000 savings and became Buyer Ready



# FY23 key results



## Financial and Homebuyer Coaching:

**3,241**

clients who received free 1-on-1 coaching in English and Spanish



## Home Purchase:

**333**

homeowners created who are building wealth and improving their financial wellbeing



## Homewise Homes:

**67** energy-efficient homes built

**12** homes renovated



## Home Improvement:

**77** clients who were able to invest in their homes with energy-efficient upgrades



## Home Refinance:

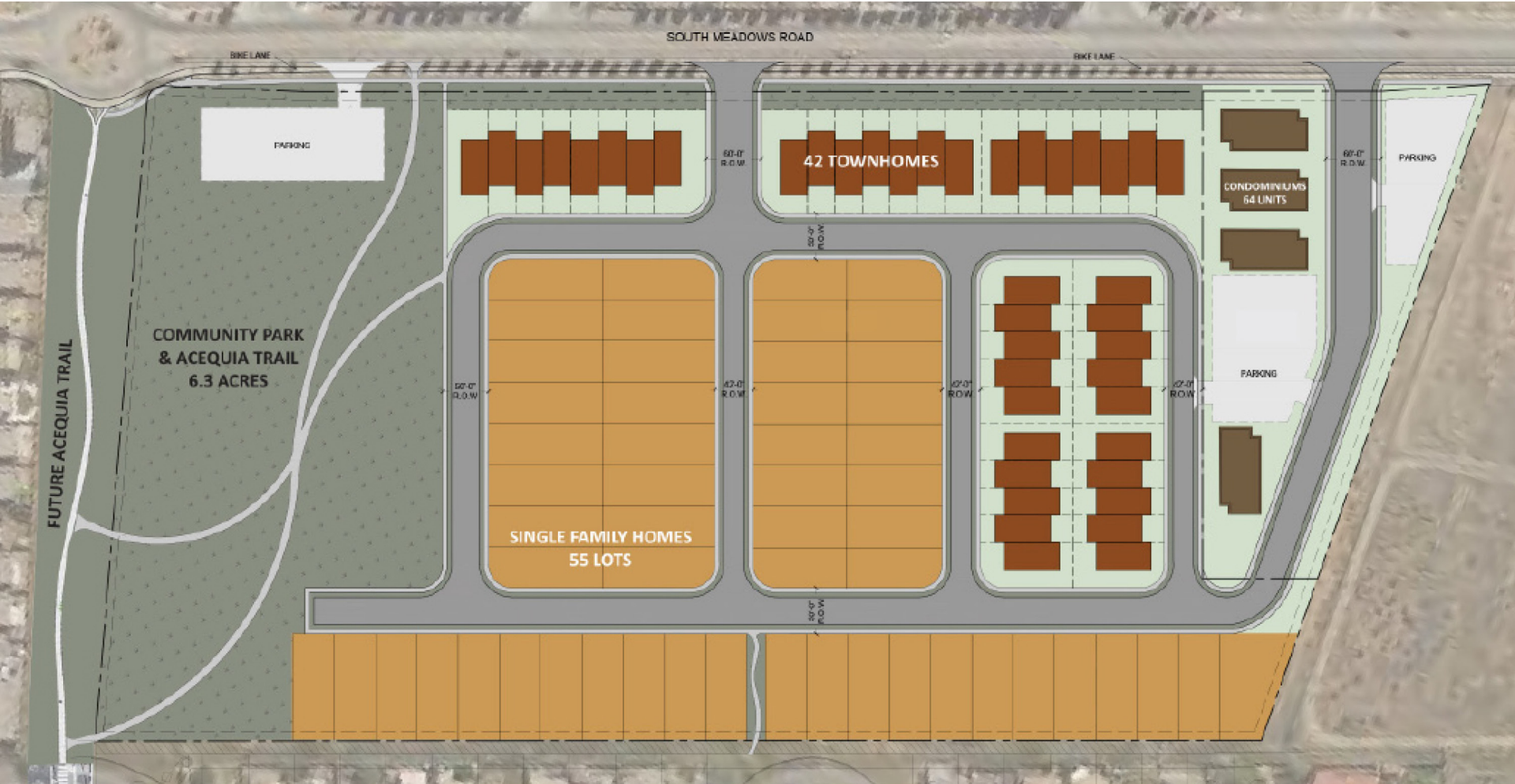
**41** clients who saved money with a lower interest rate



# Miraflores

- Location:** South Side of Santa Fe
- # of units:** 56 new single family detached homes
- Affordability:** All homes priced below market median, with 22 homes for low-to-moderate income buyers.





# Los Prados

- Location:** South Side of Santa Fe
- # of units:** 161 new single family detached homes, townhomes and condos
- Affordability:** All units priced below market median, with 81 homes for low-to-moderate income buyers.



# Casa Pacifica

- Location:** Near Downtown Santa Fe
- # of units:** 5
- Affordability:** 4 out of 5 units are affordable to low-to-moderate income buyers.



# Palladium

<b>Location:</b>	Downtown Albuquerque
<b># of units:</b>	16 units
<b>Affordability:</b>	25% of units affordable to low- and moderate-income buyers.

# How Affordability Works

City of Santa Fe Example			
Affordability Tier	Income Range for Household of 4 by Affordability Tier	Maximum 3 Bedroom Home Price Affordable to Household of 4 by Affordability Tier*	Who can afford this?
50-65% AMI	\$42,650-\$55,450	\$181,500	Wait Staff
65-80% AMI	\$55,450-\$68,250	\$236,000	Entry Level Teacher
80-100% AMI	\$68,250-\$85,300	\$290,250	Police Officer
100-120% AMI	\$85,300-\$102,350	\$363,000	Nurse

# How affordability works

	Miraflores Example Santa Fe	Palladium Example Albuquerque
# of bedrooms	3	2
# of bathrooms	2	1
Targeted household size	4	3
80% of Area Median Income (AMI) for targeted household	\$68,250	\$57,550
Market value	\$440,000	\$325,000
Affordable Price for household at 80% AMI	\$236,000	\$285,000
Amount of homeownership assistance needed	<b>\$204,000</b>	<b>\$40,000</b>

# Scaling Up

