



City of Austin


MEMO

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Neighborhood Housing and Community Development

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Date: November 12, 2009
To: Mayor and Council Members
From: Margaret R. Shaw 
Subject: Update on Home Repair Program

The purpose of this memorandum is to update you on the new Home Repair Program that allocates \$2 million in General Obligation (GO) Bonds to address home repairs that pose health and safety concerns for low to moderate-income residents. As you may recall, this program is a result of community feedback from the planning process for the 2009-14 Consolidated Plan. In addition to serving more clients, stakeholders also wanted to improve customer service of existing repair programs and to build capacity of local nonprofits.

The Home Repair Program is expected to launch in early 2010. Staff originally intended to start program operations in October, the start of the new fiscal year. The start date has been delayed several months with the support of other nonprofit partners due to staff discussions to try to accommodate all potential partners. Members of the Community Development Commission (CDC) who are participating in the process also voiced their support for accommodating all partners' needs at their September meeting. Throughout the process, meetings and direct communications about the program status has been shared with key partners, such as Housing Works, Austin Area Urban League, Hands on Housing (AAIM), Habitat for Humanity, and CDC. In October, we reached consensus with all potential partners and have begun efforts to launch the program.

A Notice of Funding Availability (NOFA) will be issued by the Austin Housing Finance Corporation (AHFC) to award \$1.5 million to nonprofits with experience in home repair. A second solicitation for \$500,000 will be issued by AHFC for private contractors to do roof replacements and emergency repairs. This combination of services will tap the efficiency of private contractors while providing additional financial resources to area nonprofits to expand their services to clients. Nonprofits will provide to AHFC lists of clients who need major roof work and/or emergency repairs that pose immediate safety or health concerns. The private contractors will be dispatched to meet those needs.

Stakeholder Process

Neighborhood Housing and Community Development (NHCD) hosted two stakeholder meetings this summer with representatives from housing nonprofits, the construction/homebuilder community, HousingWorks, and representatives of the Austin Home Repair Coalition. These meetings were to help design the program with expertise from other City departments, including Purchasing, Budget and Law. Participants developed consensus on the framework for the new program.

Program Design

- **Client Eligibility** Criteria was placed on both the homeowner and homestead, which include:
 - Qualified applicants must have an income at or below 80 percent of Median Family Income (MFI) with an emphasis on those earning at or below 50 percent MFI. Stakeholders agreed that clients will likely be at even lower income levels; however, did not want income limits to be too restrictive.
 - The home must be within the city limits, and an applicant must occupy and claim a homestead for the home.
 - Applicants will be eligible for up to \$5,000 of repairs from nonprofits each fiscal year in addition to roof and emergency repairs made through AHFC. (Thus, a homeowner may receive a total of \$10,000 in repairs: \$5,000 from a nonprofit, \$5,000 from AHFC-sponsored contractor).
 - Applicants are required to have a current homeowner's insurance policy in effect at the time the service is provided. This requirement may be waived for applicants earning at or below 30 percent of MFI.

- **Program Delivery**. In discussing alternatives for service delivery, the group agreed that tapping the expertise of private, nonprofit, and public partners was in the end most beneficial for the clients in spite of the lengthier start-up time. Thus, AHFC will oversee delivery of two services through private contractors: (1) substantial roof repair and replacement and (2) critical emergency services. Area nonprofit partners may apply individually for a portion of the \$1.5 million to offer their clients a pre-set list of repair services.

- **Services Provided** While details are still being refined, eligible repairs will be limited to those that pose health and safety risks, such as those listed below:
 - accessibility modifications,
 - electrical, plumbing, mechanical repairs,
 - exterior siding repair
 - window and door repairs/replacements
 - minimal drywall and flooring repair
 - ceiling fans in bedrooms and living room
 - painting as related to repairs, and
 - roof repairs.

Next Steps

NHCD staff has begun the procurement process. Both solicitations are expected to be released the last week in November so that evaluations of applications can be completed before the holidays. The list of private contractors is to be completed and available by mid-January. Awards to nonprofit partners would be made in mid-January at the latest as well. If funding awards to nonprofit partners are in amounts up to \$300,000 (AHFC's administrative cap), as Treasurer, I can execute these contracts before the holidays. Awards above \$300,000 will need AHFC Board approval at the January 14 meeting; we will coordinate with City Law and the successful applicants to ensure contracts are ready for execution within a week of Board action.

In order to ensure the broadest awareness of these opportunities to bid, NHCD staff will distribute this memorandum not only to those who participated in the stakeholder sessions but all our partners through a list serve and post it to the NHCD website. Invitations for bids will be released through NHCD/AHFC's purchasing division following AHFC procurement procedures. We will also issue a press release to reach an even broader spectrum of partners, stakeholders, and the media. There will be a mandatory pre-bid conference(s) once the solicitations are released in order to answer any specific questions potential applicants may have.

Early this year, HousingWorks hosted a series of meetings where providers of home repair services explored various ways to improve service delivery. This work became the basis for expanding City repair services. In addition to increasing the number of clients served, this new program will help improve customer service by offering standardized services among nonprofits, thus removing many of the logistical barriers created by different programs operated by various organizations using different eligibility criteria. This new program also provides an opportunity for nonprofits to build their capacity since 20 percent of the funds requested may be used for program costs they incur. Private contractors will be instrumental in addressing the most immediate needs – such as, roof replacement, exposed wiring, and substandard plumbing – in an expedited fashion. NHCD staff is also working with Austin Energy to coordinate our home repair and weatherization programs.

I look forward to continuing to work with our stakeholders to ensure the new program is successful. Please contact me if you have any questions or need further information.

cc: Marc A. Ott, City Manager
Anthony J. Snipes, Chief of Staff