Housing & Community Development Department

City of Houston

Housing Program Status Update

Housing & Community
Development Department

Friday, May 20, 2005

9:00 AM – 10:30 AM

Single Family
Home Repair Program

- Formerly Emergency Repair Program
- Contractors hired by four (4) sub recipients
  - –Houston Area Urban League (HAUL)
  - –National Association of Minority Contractors (NAMC)
  - –Sheltering Arms
  - –Housing Housing Finance Corp./PSI
- HUD suspended program in November 2003

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- HUD cited City for:
  - Poor quality workmanship
  - Incomplete work
  - Differences in cost estimates/actual work performed
  - Inadequate initial assessments
  - Poor on-site supervision

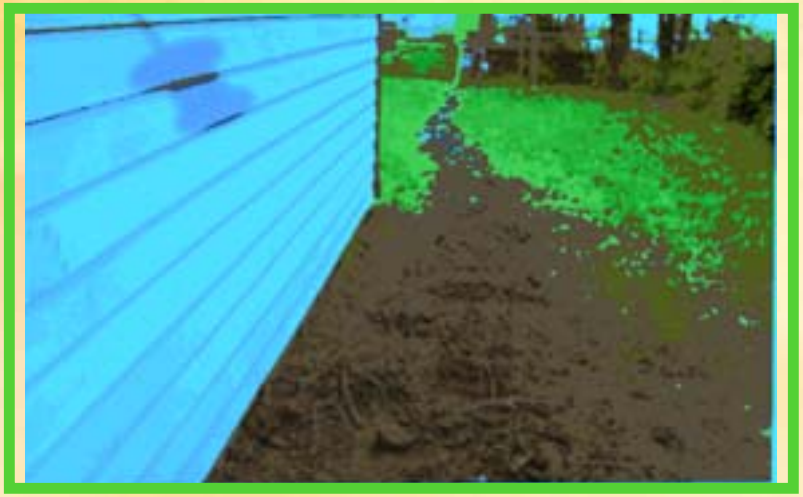
- HUD is requiring the City to hire third party inspectors to re-inspect approximately 2,200 homes
- 350 inspections complete to date

Work write ups and cost estimates being prepared by in-house inspection staff

- City must
  - Reimburse CDBG grant fund for over payments made to contractors
  - Use CDBG funds for additional work (not on original work write-up)
  - Use nonfederal funds to correct unacceptable work

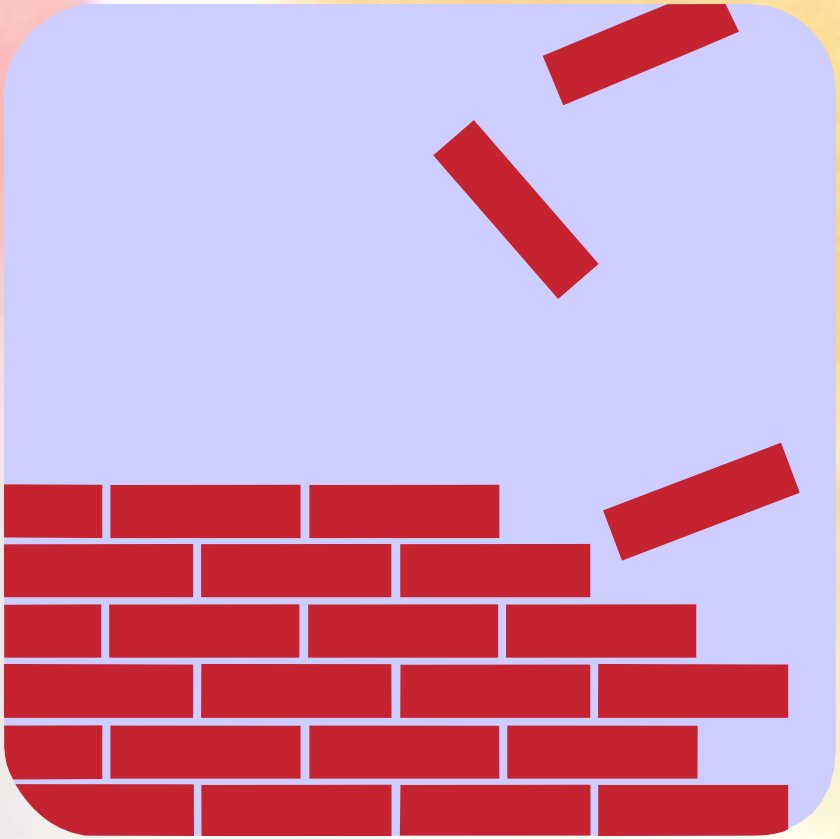
- Tier 1- Emergency/critical cases On-going intake – CDBG funds used for true emergency cases

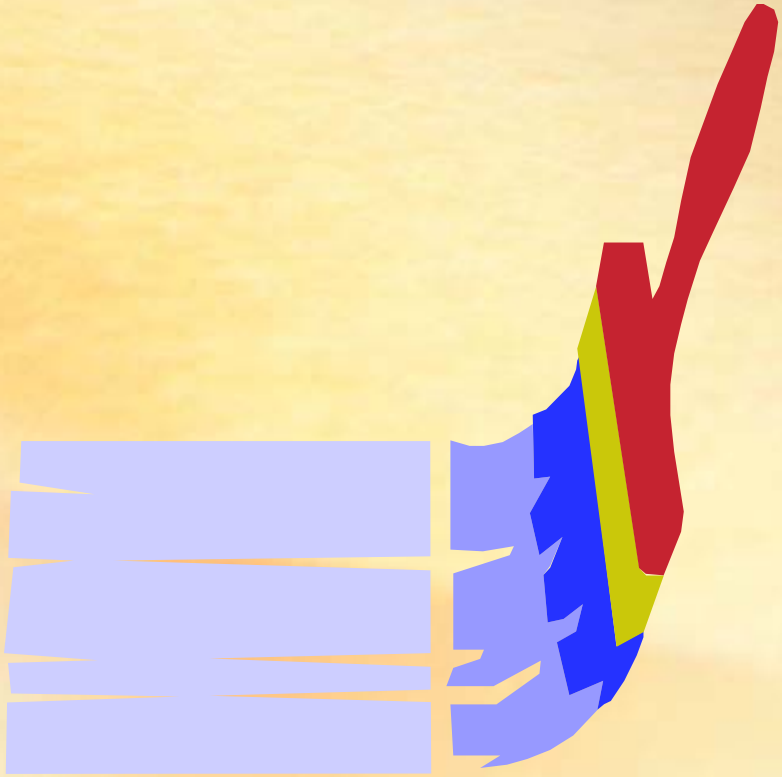
Before



After

- Tier 2 - Rehabilitation up to $30,000





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- Tier 3 – Reconstruction

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- Tier 3 - Reconstruction

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- HUD approved administrative guidelines in February 2005
- Tier 2 & 3 – Currently using TIRZ funding will seek reimbursement from HUD
- Working through waiting lists from four (4) Sub recipients for Tier 2 & Tier 3

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Home Program

- Historically, HCDD has provided HOME Program Funds for:
  - Gap financing for multifamily rental housing projects
  - Homebuyer assistance

Homebuyer Assistance

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- HUD suspended program in November 2004
  - Twenty-five (25) findings
    - Overall Program Management
    - Homebuyer Assistance
    - Multifamily Rental Housing Projects

Key findings to clear

- Management Plan
  - ✓Draft to HUD
- Monitoring Procedures
  - ✓Draft to HUD
- Environmental Procedures
  - ✓Draft to HUD
- Inspection Procedures
  - ✓Draft to HUD

- 2,700 Inspection – homebuyer properties
  - Currently contacting households to set up inspections
  - In-house inspectors trained and starting inspections
  - Third party inspectors selected through RFP process

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- Written agreements with homebuyers
  - ✓Draft to HUD
- Income Determination Procedures
  - ✓Finding cleared by HUD
- Sub recipient Management of Homebuyer Assistance Program
  - ✓ Information to HUD
    - Independent audit
- Cost allocations on multifamily projects
  - ✓Draft to HUD

Other Findings

- Policies and procedures to ensure program compliance
- Multifamily project monitoring and inspections

Project Review Process

Project Review Team

Project Review Team Leader

Project Review Process

"Proposed Project" (funding request) submitted to Director's Office and logged in

Director's Office submits "Proposed Project" to Planning & Administration Division (PAD) for Initial Review

Phase I
Initial Assessment

Application Review
Delinquent Taxes/Debarment

Eligibility/Feasibility (national objective, compliance, source of funds)

Environmental Review

Project Review Team (PRT) Assembled
(Team Leader Appointed)

If ineligible, letter drafted for Director's signature to applicant denying request. If additional information needed, PAD contacts applicant to resolve issues.

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Phase II
Feasibility Assessment

- Site Visit/ Inspection Monitoring *
- Grants Management *
- Environmental Review Completed *
- Contract Compliance/ Labor Standard & MWDBE Requirements *
- Under-writing Review *
- Financial Services *
- Loan Servicing *

PRT deliberates re: project & makes decision

PRT submits recommendation to Director

Director approves recommendation

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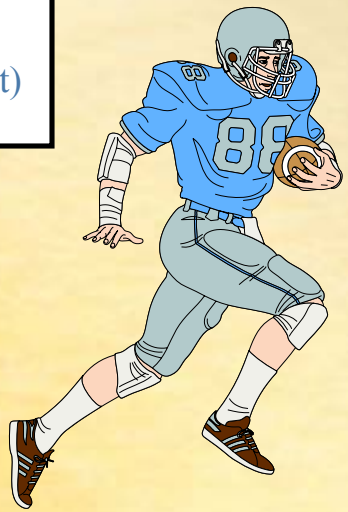
Phase III
Execution of project
Project Manager Assigned (based on Project)



Project File Assembled
(original in central file)

Contract & RCA Developed

NHRC Council Committee

Contract Executed-Contract/Project on Council Agenda
Contract/Project Approved by City Council

Construction

Monitoring

New In-House Homebuyer Assistance Program (HAP)

- **HCDD responsibilities:**
  - Reviewing documents submitted by lending partners
  - Environmental Review Process
  - Property Inspection
  - Income Determination
  - Location
  - Funding Source and Closing

Homebuyers Hot Line 713-522-HOME

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City of Houston's HCDD Homebuyers Assistance Program Participating Partners:

- Lending Partners
- HUD's Approved Counseling Agencies
- Realtors
- Inspection Companies
- Title Companies

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