

October 27, 2022

Item No. 8.2.

Community Development Minor Repair Guideline Revision

Sponsor: Debbie Eller, Director of Community Services

Reviewed By CBC: City Council

Agenda Caption: Presentation, discussion, and possible action regarding a revision to the Community Development Minor Repair Program guidelines to increase the grant amount available to \$10,000.

Relationship to Strategic Goals:

Neighborhood Integrity, Core Services and infrastructure

Recommendation(s): Staff recommends approval of the proposed revisions to the Community Development Minor Repair Guidelines

Summary: The current Minor Repair Program provides a grant of up to \$7,500 in Community Development Block Grant funds for repairs to owner-occupied homes. The repairs are emergency and/or necessary to address specific health and safety concerns of the homeowners. The grant is intended to preserve and enhance the supply of affordable, decent, safe, and sanitary housing available to qualified low-to-moderate income households. The applicants receiving assistance will also be provided with information on proactively managing the maintenance of their home following repairs. Due to the increase in cost of construction materials and labor expenses, staff recommends revising the guidelines to increase the amount of the grant to \$10,000 per house, to achieve the objectives of the program.

Additionally, there is a current applicant asset cap of \$20,000. This revision will increase the cap to \$40,000. Good financial planning encourages households to maintain an emergency savings account that would provide funds for up to six months in case of a significant life change. This adjustment would not penalize an individual or family for maintaining an emergency fund.

Finally, there are administrative corrections. Basic program requirements will not change, including income-eligibility, project eligibility, types of repairs included, or forms of assistance and allowable expenses. Each applicant will be required to sign a Minor Home Repair Agreement.

Budget & Financial Summary: Community Development Block Grant funds for the Minor Repair Program are included in the FY2023 Community Development Budget.

Attachments:

1. Proposed Minor Repair Program Guidelines

CITY OF COLLEGE STATION
MINOR HOME REPAIR PROGRAM
PROGRAM GUIDELINES

Unless herein stated otherwise, the requirements contained in 24 CFR Part 570 (Community Development Block Grant Program) and/or 24 CFR Part 92 (Home Investment Partnership Program) will be followed.

A. STATEMENT OF PURPOSE & PROGRAM OVERVIEW

The City of College Station has established a Minor Home Repair Program (MHRP) funded through the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Program (CDBG). Additionally, the City may utilize other appropriate local, state, or federal resources that may become available.

The MHRP is designed to provide the financial assistance necessary to accomplish minor repair of eligible, qualified, owner-occupied dwellings. The City's Community Development staff will assist homeowners in planning, implementing, and managing the process to repair substandard features of their dwellings. In addition, the City seeks to impede the acceleration of slum and blighting influences through this activity, as well as preserve and enhance neighborhood quality and integrity. Depending upon applicant eligibility and costs of the ~~particular project~~ project, assistance may be available to applicants under the provisions of 24 CFR § 570.202, Eligible Rehabilitation and Preservation Activities. Eligible project activities will comply with program requirements published in the U.S. Code of Federal Regulations (CFR), as it may be modified over time. The basic goals of this program are:

- To provide emergency and/or necessary repairs to address specific health and safety concerns of homeowners.
- To preserve and enhance the supply of affordable, decent, safe, and sanitary housing available to qualified low-income households.
- To provide applicants information on proactively managing the maintenance of their homes following repair.

Technical and financial assistance is available to low-income, owner-occupant homeowners requiring minor repair to alleviate health/safety issues or address other necessary repairs as determined by program staff and/or other qualified City staff. This program is available on a city-wide basis and is limited to only those properties located within the municipal boundaries of the city. Properties that lie partially within the city limits may be considered on a case-by-case basis.

The MHRP financial assistance shall be managed as follows:

Program staff will assist qualified and approved applicants to make essential repairs to their homes by requiring the applicant to enter into a minor repair assistance agreement with the City. The agreement will allow the use of program funds for the cost of repairs and associated program delivery costs of the project. The agreement must be approved and executed prior to the commencement of any rehabilitation activities.

Because this program is designed to address conditions of immediate need, assistance is provided in the form of a grant of up to ~~\$7,500~~10,000.

B. DESIGNATED AUTHORITY

Administrative authority for implementation of this program will rest with the City Manager's Office or its designee. The Community Development office will serve as the designated office for approval of contractual agreements and budget changes as needed to accomplish project completion, in accordance with Council-approved procedures.

The Director of Community Services (Director) will be responsible for authorizing the amount of assistance to be made available to the project, up to ~~\$7,500~~10,000, in accordance with the implementing procedures. This determination will be based upon the evaluations of the cost to be incurred by providing the housing assistance and upon the demonstrated needs of eligible applicants.

The Director will also be responsible for approval of applicant eligibility for this program and final approval of selection of applicants to be assisted. This will be based upon relative need of applicants for the specific housing assistance sought.

C. PROGRAM IMPLEMENTATION PROCESS

Steps in implementing the program will be as follows:

The Community Development office (CD office) will create and maintain applications for all housing assistance programs. All applicants shall submit a completed application to the CD office and await an evaluation of eligibility by the appropriate staff member(s). For this ~~particular Program~~Program, applicants are required to hold majority title interest to an improved property within the corporate limits of College Station, which is their permanent place of residence, prior to submitting an application.

Program staff will evaluate all applications for eligibility and prioritize the processing of applications based upon completeness and accuracy of information/documentation and demonstrated housing need. Program staff will process applications as expeditiously as possible, considering funding limitations and other staff responsibilities as assigned.

Applicants will be notified by phone if they are eligible for participation in the program. If the applicants are not eligible, they will be notified in writing with an explanation of why they do not qualify. Non-qualification issues may include (but are not limited to) income, assets, deed restrictions, title concerns, and/or environmental concerns.

Program staff will meet with the applicant(s) to explain the basic goals and objectives of the program and further assess the needs of the applicant's household that will occupy the dwelling once completed. After the household needs are fully assessed, staff will review the project site to determine any additional repair needs of the home ~~in order to~~ fully realize a decent, safe and sanitary unit.

Applicant(s) will be involved in several meetings with program staff to ensure proper steps are followed in the repair process of their homes.

Repair work shall be done in accordance with the City's prepared scope of work and in accordance with City purchasing policies.

Program staff will obtain all required close-out documents at project completion.

D. APPLICANT ELIGIBILITY CRITERIA

Eligible applicants of this Program must meet the following qualifications:

1. Income: An applicant must have a gross income of 80 percent or less than the College Station/Bryan area median income as reported by HUD. Income will be determined by the provisions of 24 CFR § 92.203 (Income determinations) and 24 CFR § 5.609 (Annual income).
2. Assets: Applicants will not be eligible for this program if, upon application, they have assets exceeding \$~~2040~~,000 on hand. ~~Retirement funds in~~ IRS-recognized ~~savings~~~~retirement~~ accounts are excluded.
3. Principal Residence and Homestead: Applicants will be required to certify that they intend to occupy the repaired dwelling as their principal residence upon project completion.
4. Employment History: Applicants must have an employment history in the same job, or in the case of professional, salaried employees (as defined in 29 CFR § 541 meeting any of the requirements in Subparts B, C, D, E, or F), in the same field of employment, for a minimum of two (2) months.
5. Citizenship: In order to receive program assistance, applicants must be United States Citizens, U.S. Non-Citizen Nationals, or Qualified Aliens as defined by Title IV of the

Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Qualified alien status will be verified by the Citizenship and Immigration Services division of the U.S. Department of Homeland Security.

E. ELIGIBLE PROPERTY CRITERIA

Property eligible for Program assistance is subject to the requirements of 24 CFR § 570.202 and as follows:

1. Location: The Program will be implemented on a city-wide basis within the corporate limits of the City of College Station. Properties that lie partially within the corporate limits will be considered on a case-by-case basis. However, program preference will rest with properties wholly in the City.
2. Property Type: Eligible properties must be improved, single-family residential lots, which are:
 - a. The principal residence of the applicant, and
 - b. Needing minor repairs but structurally sound, and
 - c. Have all utility service connections available to the property.
3. Title: The applicant household must hold majority title to the property. An existing mortgage will not prohibit participation in the program.
4. All eligible properties, following rehabilitation, shall not exceed 95% of the maximum amount insurable under Section 203(b) of the National Housing Act (FHA lending limit) for the College Station/Bryan area.
5. Manufactured Housing: Manufactured housing units are not eligible for program assistance unless:
 - a. The property on which the manufactured home sits is owned by the applicant; and
 - b. The property is properly zoned; and
 - c. The applicant has resided in the home and on that site for not less than two years prior to the application date.
6. Property Taxes: all property taxes must be current. With approval from the Community Services Department Director, properties with tax deferral for tax payers 65 years of age or older under the Texas Tax Code, Section 33.06 will be acceptable.

F. FEASIBILITY OF MINOR REPAIR

Minor home repair projects eligible for this program include:

1. Addressing health/safety issues
 - a. Replacement of an air conditioning/heating systems
 - b. Replacement of a water heater system
 - c. Water/sewer/gas line breaks
 - d. Electrical system failures
 - e. Ordinance Compliance
 - f. Other minor repairs necessary to ensure safe living conditions

2. Exterior home repairs/structural integrity issues
 - a. Minor weatherization
 - b. Roofing repair or replacement
 - c. Minor gutter installation
 - d. Walkway repair or replacement
 - e. Siding or exterior trim repair
 - e.f. Other minor repairs necessary to ensure exterior home repairs and structural integrity

G. SELECTION OF RECIPIENTS FOR ASSISTANCE

1. Recipients for assistance of this program will be taken from the applications of eligible homeowners residing in structures in need of minor repair determined to be structurally sound by program staff.
2. The number of recipients to receive assistance will be subject to general availability of funds.
3. Community Development staff will evaluate all applications all applications of eligible homeowners whose structures are determined to be feasible to rehabilitate. Based upon this evaluation, a recommendation will be made to the Director as to the order of applicants to be assisted. Generally, those in the most imminent danger to personal health or safety will be extended priority under the program.
4. Criteria to be used to make this evaluation will include the following items listed in priority order:
 - a. Degree of threat to health and safety of occupants presented by continuance of residing in the structure. This will include evaluations factors such as availability of basic services including water, sewer, electricity, and structural deficiencies of the home.

- b. Health and handicapping disabilities of occupants which necessitates the home to undergo handicapped accessible construction because of the owner's existing situation.
- c. Time and date that all application requirements are met.
- d. Time and date of application.

H. FORMS OF ASSISTANCE AND ALLOWABLE EXPENSES

Minor home repair assistance shall be in the form of a grant, through federal CDBG funds. The allowable budget authority for minor repair assistance shall not exceed ~~Seven-Ten~~ Thousand ~~Five-Hundred~~ and No/100 Dollars (\$~~10,000~~~~7,500~~) per applicant for eligible project costs. Homeowners are limited to one (1) minor repair project every ~~twenty~~ ~~four~~~~twenty-four~~ (24) months. At his/her sole discretion, the Community Services Department Director may allow subsequent minor repair projects to occur sooner to accomplish other City or program objectives, or upon significant demonstration of extraordinary circumstances.

I. MINOR REPAIR AGREEMENT

Each applicant assisted through this program will sign a Minor Home Repair Agreement with the City which defines the overall terms and conditions of the City providing the MHRP assistance. Other construction documents will be required to be executed by the applicant during the repair assistance process.

J. FINAL INSPECTION

The City of College Station will be responsible for final inspection of all housing units made available through the program to determine that the unit meets all City of College Station and HUD requirements.