

MINUTES OF THE CITY COUNCIL
CITY OF AUSTIN, TEXAS
Special Called Council Meeting

May 21, 1980
6:00 P.M.

Council Chambers
301 West Second Street

The meeting was called to order with Mayor McClellan presiding.

Roll Call:

Present: Mayor McClellan, Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor Pro Tem Goodman

Absent: Councilmember Cooke

Mayor McClellan stated that this was a Special Called Meeting for the purpose of conducting public hearings on the following:

1. Policy Guidelines - City of Austin Housing Programs administered by the Austin Redevelopment Authority.
2. Appointing the Board of Commissioners of the Austin Redevelopment Authority as responsible for comprehensive development and coordination as assisted housing programs in Austin.

David Davenport, Chairman of the Board, Austin Redevelopment Authority, stated that there had been raised a question of conflict of interest regarding ARA's appointment to handle assisted housing programs in Austin. He stated that whatever the Council wanted to do would be fine.

Tom Knickerbocker, Executive Director, Austin Redevelopment Authority, through the use of charts reviewed the performance of ARA from 1976-1980. He pointed out that compared with other indices, the program was cost efficient. Also, since last summer the Board had adopted certain specifications which exceeded City minimum code in the use of certain types of materials. An independent architect was used for inspections and only bonded roofers would be used in the future, which would cause some escalations. All houses would have double-wall construction and be insulated. Warranties would be provided on all manufacturer's items, such as water heaters. Owners would inspect and sign off on all work. A formal contractor review was used to see how many complaints resulted from a person's work.

Mr. Knickerbocker concluded by stating that the system of complaints was now working and that if the owner was not satisfied, there was still a legal remedy through the courts.

Regarding the property located at 802 Harvard, Mr. Knickerbocker said that the repairs were under warranty and that the problems would be taken care of at no cost to the owner.

Mayor McClellan asked what was being done to protect the rights of the people whose homes were being repaired.

Mr. Knickerbocker responded that there were conferences at the job site with the contractor, architect, owner and a representative from ARA. Those individuals would also be present at final sign-off on the job.

Councilman Trevino pointed out instances he knew of where Spanish-speaking individuals had signed off on jobs and who could not speak English. The person representing the Agency or the contractor did not know Spanish.

Mr. Knickerbocker replied that over 60 old cases were currently being reviewed to see if the write-up was right. The contractor might have done what was called for in the contract, but it could have been a badly written job. Over 50 per cent of the ARA staff now was bilingual. Whenever there was a Spanish-speaking family involved someone from the ARA staff who spoke Spanish accompanied the architect to a job site. The Austin Area Urban League also assisted city-wide.

MR. BRUCE BELVIN, Housing Director for ARA, reviewed the following proposed changes in ARA policy guidelines:

1. Replacement of the standard grant program with a 10-year deferred loan program, which appeared to be the federal trend in housing rehabilitation. The intent was that the applicant or an heir of the family was the direct beneficiary of the money expended for the rehabilitation.

2. Expansion of the feasibility value, whereby feasibility value was defined as after-rehabilitation value less present market value. Currently the amount to be expended on any unit was feasibility value plus 25%. It was proposed to increase the percentage to 35% which allowed a maximum of \$5440 for repair and would open up more homes for the program.
3. Limitation on assistance in terms of time. Eligibility to apply again for assistance would be expanded from two years to five years.
4. Income criteria. Eligibility would be raised from \$8,100 to \$13,000 for a family of four.

Mr. Belvin concluded by saying that the Board was recommending that the limit on expenditures of \$7,500 be raised 26% to \$9,500.

Councilman Trevino asked Mr. Belvin how many additional families would be eligible if income guidelines were adjusted and the maximum grant increased to \$9,500.

Mr. Belvin responded that he did not have a definite figure, but in terms of goals, they were falling short in the large family area because very low large families were not home owners. More large families could be served under the proposed guidelines.

Councilman Trevino felt that the City would have to invest more money in housing just to stay even.

Councilman Snell asked if negative credit checks kept anyone from qualifying for a loan.

Mr. Belvin answered that ARA did run credit checks but was probably the most lenient lending institution in the City. In the 8 months he had been with ARA, no family had been turned down because of their credit.

At that point, Mayor McClellan opened the meeting to discussion from the audience.

MR. GABRIEL GUTIERREZ, Chairman, Austin Minority Economic Development Corporation, expressed concern over having to deal with ARA regarding some housing improvements in the corridors and preferred to deal with the Council.

MR. ELLIOTT NAISHTAT, Chairman, Community Development Commission, stated that CDC and neighborhood groups had serious concerns about designating ARA's Board to be responsible for the comprehensive development and coordination of assisted housing programs in Austin. He felt that the composition of the ARA Board should reflect the community being served and pointed out that only one board member resided in a low or moderate income area.

Mr. Naishtat suggested that a conference on housing be called to deal with housing problems in Austin and that all housing-related groups be invited to participate. In the event the Council did not choose to call such a conference, the CDC had the following suggestions:

1. That the ARA Board of Commissioners no longer be designated as the agency to review and make recommendations to the Council on the housing aspects of the Community Development Block Grant Program.
2. Reinstitute the joint subcommittee on housing of the CDC, Planning Commission, ARA Board of Commissioners, Housing Authority and Building Standards Commission.

Mr. Naishtat next referred to the proposed policy guidelines of ARA. The following items were concerns of the CDC:

1. Deferred loan payment program - Felt that a lot of people might be deterred from applying for a loan because they might think that the loan would have to be repaid instead of being a grant. The name of the program could be changed.
2. Expansion of feasibility - Felt that it was an excellent idea.
3. Limitation on assistance in terms of time - Felt that 5 years was an extremely long period of time to tell a family that it could not reapply for a certain type of housing program.
4. Income criteria - Felt that it was a good idea to raise the ceiling.
5. Work write-ups - Felt that it was important in preparing work write-ups that the owner's repair requests be considered carefully.
6. Interpreters - Felt that it was necessary to provide interpreters where there were clients who spoke only Spanish.
7. Schedule of inspections - Should be specified in the contract work write-up. A copy of each inspection should be given to each owner, either in English or Spanish as applicable. Authorities should ensure that problems found in inspections should be corrected as quickly as possible.
8. Utility expenses during repairs - Felt that if utilities increased during repairs on a house that ARA should pay the increased costs or pay the total amount if the family had to be relocated during repairs.
9. Title and eligibility - Felt that any one of the three ways that a family should be deemed eligible under Section 307 should be satisfactory. Length of occupancy should be decreased from 3 years to a lesser period of time.

COUNCILMAN MULLEN LEAVES

At that point, Councilman Mullen left the Council Chambers.

MR. JOHN YEAMAN, Member, Community Development Commission, made the following comments:

1. Under Section 2.09 (c) of the guidelines, he felt that ARA should arrange for a modular telephone for a family which was displaced temporarily during repairs.
2. Felt that 12 months was a long enough time to wait to reapply for additional assistance.
3. Under Section 3.05, felt that the deferred grant program should be reduced from 10 years to five years.

Mr. LEE MORRISON, representing ACORN, stated that he restored and rehabilitated houses for a living and did research for ACORN on the side. He presented the following recommendations:

1. That the ARA institute and enforce strict quality control guidelines and inspection procedures that would guarantee that work performed by ARA contractors met the standards set forth in the ARA booklet, "Rehabilitation General Specifications."
2. That the ARA continue with modification its old grant program. ACORN wanted to see a combination grant program along with the deferred payment low interest loan program whereby the amortization period could be reduced from 10 years to 5 years.
3. Rename the deferred payment loan program to the "No-Payback Loan Program" and the standard loan the "Payback Loan Program."
4. That ARA, since it warrants much repair work except for roofing and siding for only 90 days should allow people to come back for aid under the deferred payment low interest loan program. The 5-year waiting period should be reduced to at least 2 to 3 years.
5. That ARA raise the maximum allowable expenditure under the standard rehabilitation program.
6. That ARA be required to publicize its programs more fully and adequately in the target neighborhoods.
7. That ARA institute a more effective grievance appeal procedure which would guarantee quick hearing and resolution of complaints.

8. That ARA be required to pay for the telephone hookup and disconnect charges for people who had a telephone at their residence. Currently, ARA would pay the utilities at a relocation house during rehabilitation.
9. During the time that the house was being worked on, the owner would have to pay only the average of a year before in utilities (electricity, gas and water).
10. That the Council examine the ARA Board of Commissioners and find a way to get adequate representation from the target neighborhood on the Board.

MR. ROBERT REQUEJO, an ACORN member, stated that ARA had misplaced his application. He then read a list of other complaints from several individuals. Mayor McClellan asked for a copy of the complaints.

MR. JOSE MOSQUEDA, an ACORN member, read a list of suggested changes to the ARA guidelines.

MR. IGNACIO TREVINO, an ACORN member, reviewed the results of a survey conducted by ACORN to evaluate ARA's performance under the rehabilitation program. Conclusions of the survey were;

1. Widespread dissatisfaction with work done by ARA.
2. Complaint procedure not adequate. Communications problem with Spanish-speaking clients.
3. ARA clients inadequately informed of program procedures and policies.
4. Programs to identify to the community availability of ARA services were not working properly.

He asked that some other body besides ARA redraft the guidelines.

MS. WILLA HARDIN, through the use of slides, reviewed some of the repairs done on a house under the ARA rehabilitation program.

MR. TOM KNICKERBOCKER stated that items done under the emergency repair program would all be redone.

An unidentified man, representing his grandmother, Mrs. Duran, who lived at 802 Harvard stated that she was the owner of the house shown in the slides. He asked that others besides his grandmother also receive the needed repairs and hoped that improper work would be stopped.

An unidentified woman, speaking for Mrs. Duran, disputed Mr. Knickerbocker's statement that no one had complained on the Duran property.

An unidentified woman, who lived in Montopolis, complained about rehabilitation work done through ARA.

MR. JAMES POTTS, Chairman, Board of Directors, Austin Tenants Council, stated that the Board had doubts about placing assisted housing programs under ARA. He asked the Council to delay any decision on the proposition and convene a conference on housing.

MRS. EDDIE CARRETHEERS, who lived on French Place, complained of drainage and traffic problems. Mayor McClellan felt that her problems should be addressed by the Urban Transportation Commission, which was meeting elsewhere in the building and asked staff either to take Mrs. Carrethers' complaints or direct her to the Urban Transportation Commission meeting.

Kathryn Overton, an ACORN member residing at 4607 Redd, listed several complaints about repairs done on her house and asked that they be corrected. She also requested that the Council consider the proposed ACORN guidelines. Mayor McClellan asked Mr. Knickerbocker to get a report on the matter.

An unidentified woman, who spoke in Spanish and was interpreted by Councilman Trevino, stated that she had had work done by ARA on her house and that she was well pleased.

Mr. David Schwartz, Assistant Director, Caritas of Austin, described a situation whereby ARA was trying to correct a bad repair job and asked everyone to look at the matter under discussion in the best light possible.

MR. ANTONIO HERNANDEZ, an ACORN member, stated that he was representing St. Julia Parish Board. He asked that Mr. Robert Requejo and Mr. Jose Mosqueda be added to the ARA Board of Directors.

An unidentified woman stated that ARA had done good work on her home as well as on the home of another woman who did not speak English.

Mr. William G. Farr, an ACORN member, felt that overall ARA was doing a nice job.

MRS. AGNES GONZALES, 1116 Spur, stated that she was pleased with the work done by ARA.

MS. SANDY MCARTHUR, 1022 Spence, was generally pleased with work done on her house, but also felt that some things were not done right. She had signed off on the job before all repairs were made. Councilman Trevino stated that Mr. Knickerbocker would see that the repairs were made properly.

MS. SUZANNE CANNON, former member, Urban Renewal Board, asked the Council to consider ARA Board's proposal seriously.

MR. FRANK T. HERRERA, speaking on behalf of his parents and himself, first discussed problems with repairs to his parents' house and the high amount of their escrow account. He listed the following recommendations:

1. The emergency and standard rehabilitation program should be increased on the expenditures allowed.
2. At least one or two people from the target area should be on the ARA Board.
3. More low and middle class owners should be solicited for work on their homes through better advertising.
4. More attention should be paid to the handicapped.
5. All contractors should be bonded and screened.
6. Houses used for temporary relocation should be better equipped and maintained.
7. Provisions should be made to replace a contractor who does not complete a job on time.
8. All families involved with ARA should receive pieces of correspondence related to renovation on their houses, including inspection reports.
9. Families should have more input as to work writeups.
10. Until all problems are alleviated, warranties should be extended for one year, and should coincide with the amount of time allowed to reapply for a grant--to have a one year grace period in between.
11. Grievance procedures should be more advertised.
12. A review should be expedited of special emergency problems.
13. All renovated housing should be equipped with safety equipment.

MR. HERRERA concluded by saying that ARA had the potential to do a good job if they would take his recommendations and those of others present. If they felt that they could not take the recommendations and do the job properly, then they should be replaced.

MR. LYNN FRED, representing Austin Woodcrafters and Universal Contractors, reviewed the results of a recent ARA bid opening. He concluded that the bid submitted by the average contractor was both reasonable and understandable and was the amount of money needed to do the job; also, the \$7,500 figure set in 1976 was no longer valid.

MARIE BUTLER stated that her house was remodeled in 1978 by Urban Renewal and that they did a great job.

MS. BIRDIE BOATRIGHT, 709 Redd, expressed her thanks for the ARA program and felt that it would be what was expected.

MR. GEORGE BLACKBURN, an architect who prepared writeups for the standard rehabilitation program for ARA, stated that significant changes had occurred at ARA since he was awarded the contract about 2 years ago. He felt that many of the problems presented tonight would be eliminated in the future.

MS. CARMEN MENDOZA, an ARA employee, felt that the Spanish-speaking employees of ARA should be given credit for trying to communicate with and help Spanish-speaking clients of ARA.

MRS. RUTH PARSHALL, with the architectural firm of Nutt, Wolters and Associates, one of the architectural consultant firms hired by ARA, felt that the \$7,500 level was too low and that a sliding scale budget based on the size of the house be used.

MR. STEVEN PAUL TAYLOR BARBER stated that an impartial inspection liaison was needed to ensure quality workmanship on ARA projects.

MR. DAVID GREY spoke with regard to financing of the Housing rehabilitation loans and the quality of materials used in the rehabilitation work.

MS. REVINA JACKSON, Executive Director, Austin Urban League, urged the Council to maintain control of housing programs within the City and ensure that an impartial body was designated as the entity to administer, manage and review such proposals.

Councilwoman Himmelblau asked Mr. Davenport if ARA Board members ever went out on their own to spot check any of the rehabilitation work.

Mr. Davenport replied that they did not go out as a Board. He had checked the Duran house and several others today. As Chairman of the Board of Commissioners he suggested that it be done more often.

Mr. Davenport questioned the charge that the ARA Board was not representative. The Board dealt with some heavy financial situations and he felt that it took people who understood to deal with such situations. He also wondered why the people who were voicing complaints tonight had not attended ARA Board meetings.