

Holly Good Neighbor Program Guidelines (Holly)

I. Purpose:

The purpose of the Holly Plant/Austin Energy Grant is to provide repairs and rehabilitation to properties closest to the Holly Power Plant. The repairs will be limited to: plumbing repairs, electrical repairs, roof repairs, foundation repairs, exterior painting and solar panel installation.

The City of Austin's Neighborhood Housing & Community Development Department (NHCD) is responsible for the administration of the policy guidelines for the Holly Good Neighbor Program. This activity is under the administrative control of the Community Development Officer (CDO) of NHCD and NHCD Director. The CDO and Director shall have the authority to:

- 1) Establish processes, procedures, and criteria for the development, implementation and operation;
- 2) Establish yearly financial assistance limits based on funding availability;
- 3) Establish organization participation standards; and
- 4) Waive compliance with any provision of the Program Guidelines if he/she determines that to do so does not violate any federal, state, or local law or regulation and is in the best interest of the City of Austin.

The Holly Grant activity is administered by NHCD. The activities are funded by Austin Energy. Should a conflict arise between the rules of the NHCD and the fund source, the fund source interpretation shall govern.

II. Definitions:

- AE – Austin Energy
- Applicant – The Holly area resident requesting assistance
- City – Austin, Travis County, Texas
- Director – Director, Neighborhood Housing and Community Development
- DPL - Deferred Payment Loan - a type of loan, secured by a lien, which allows for no payments over a specified period of time. The loan is paid back at transfer of title.
- Deferred Forgivable Loan - A type of loan, secured by a lien, that allows for deferral of the amount owed under the loan for a specific period of time and for all or a portion of the amount owed under the loan to be forgiven at certain times and under certain circumstances
- Fund Source – the origination point of the funds used to provide assistance to each project

- Grant – Form of assistance not requiring a payback of funds
- NHCD – Neighborhood Housing and Community Development Department
- Program/Activity – refers to Holly Neighborhood Residential Rehabilitation Initiative
- Program Manager – refers to the person responsible for the administration of the program.
- Program Area – refers to the eligible service area for Holly Program participants (North boundary: North side of Willow Street; South boundary: South side of Jesse E. Segovia Street; West boundary: one lot east along the East side of Chicon Street; East boundary: West side of Pleasant Valley Road)
- Project – the property identified for receipt of rebate

III. Eligibility:

Applicants must be homeowners living in the program area identified by the Holly Plant initiative. Eligibility for repairs is based on the assessment of the property and the needs identified by the homeowner.

A. Eligibility of the Applicant.

1. Application: Applicant must submit a complete program application
2. Income: Applicant's gross annual household income may not exceed **100%** of Area Median Family Income (AMFI) for the City. AMFI is based upon HUD's income limits which are developed annually.
3. Applicant must be an Austin Energy customer
4. Applicants served under Holly Program Phases I-IV are eligible for additional assistance as long as their total project assistance from previous and proposed projects does not exceed \$30,000

B. Eligibility of the Property.

1. The property must be a single family residence
2. Ownership of Property: Applicant must be the fee simple owner of the Property for which repairs are requested.
3. Principal Place of Residence/Homestead: Property must be the principal residence of the homeowner applicant
4. Tenure: Applicant must provide proof that s/he or an immediate family member owned the property in 2000
5. Location: The Property must be located within the Holly Area boundaries established by Austin Energy Department in collaboration with the Neighborhood Housing and Community

6. Property Value: The property's total value per the Travis County Appraisal District cannot exceed FHA 203(b) limits.

C. Eligibility of the Project.

1. Funding: The Program must have sufficient funds to pay the anticipated costs of the Project, including Program delivery costs. Under no circumstances shall the NHCD be obligated to provide assistance if Austin Energy has not identified funds for the activity.
2. Economic Infeasibility: The Project must be economically feasible under the Program.
3. Project Activities: repairs are limited to plumbing repairs, electrical repairs, roof repairs, foundation repairs, exterior painting and solar panel installation.
4. No household may receive more than \$30,000 in total project assistance, including any program assistance received under previous phases of the Holly Program
5. Program assistance is for eligible, future repairs only. No reimbursements will be made to applicants for already completed repairs or pre-purchased materials

IV. Assistance:

Whether project assistance is in the form of a grant versus a deferred, forgivable, 0%-interest loan depends on previous and proposed project costs. If an applicant's new proposed project *plus any previous* Holly Program assistance totals less than \$5,000, the new assistance will be provided as a grant. If an applicant's new proposed projects *plus any previous* Holly Program assistance total \$5,000 or more (and may not exceed the program assistance limit of \$30,000), the new assistance will be provided as a 7-year deferred, forgivable 0%-interest loan *in the amount of the new project cost only*. No household may receive more than \$30,000 in total program assistance, including any program assistance received under previous phases of the Holly Program.

- A. Loan Repayment:** Loans *in the amount of the new project cost only* will be a forgivable, deferred payment loans for a term of 7 years at 0% interest. Loans will be deferred until the maturity date of the note; or until the date of any sale, lease or transfer of the Property; or any refinancing of the note

- B. Lien on Property and Release of Lien:** For projects costing between \$5,000 and \$30,000, NHCD will place a lien on the Property securing the loan *for new project costs only*. The lien shall remain in place until the applicant meets the program conditions and completes the seven-year term of the note. For purposes of this program, NHCD's lien must be in the 1st lien or 2nd lien position. NHCD will not buy out or pay off existing liens.

In the event of the death of the homeowner before the end of the loan term, the estate will be responsible for repayment of the loan amount. If heirs meet the eligibility guidelines of the Holly Program, they may submit a program application in order to assume the loan for the remainder of the original loan term.

Upon total forgiveness of the amount of the assistance or repayment of any amounts to be repaid under the program conditions and upon Applicant's written request, NHCD will prepare a Release of Lien, which Applicant must record in the Official Public Records of Travis County, Texas.

- C. Default/Repayment:** Default will occur upon the sale, lease, or transfer of the Property by Applicant, the refinancing of the Note or any superior lien on the Property, any financing of Applicant's equity under Art. 16 §50(a) (6) of the Texas Constitution, any vacation of the Property as Applicant's principal place of residence and/or the Applicant is not an occupant of the Property before the end of the forgiveness period. Any default on the loan according to the terms of the closing documents will require applicant to make repayment of all amounts due and owing under the closing documents.
- D. Closing:** Closing will occur only after final approval of the application and the formal commitment for Program assistance. All closing documents reflecting the terms and conditions of the program assistance will be executed at closing. NHCD will set a date and time for closing and all parties will be notified.

1. Title Insurance: Applicant must purchase Title Insurance in order for closing to occur. Costs may be paid out of the loan proceeds.
2. Flood Insurance: If applicable, applicant must show proof of Flood Insurance on the Property at Closing.
3. Hazard and Liability Insurance: Applicant must show proof of Hazard and Liability Insurance at Closing.
4. Agreement to Comply: Applicant must agree to comply with all Program Guidelines in effect at time of closing, and with all terms and conditions of the closing documents.
5. Notice of Binding Arbitration: Applicant and Contractor shall execute a notice of Binding Arbitration at Closing.

V. Application Process:

The Program application includes a checklist of all required documentation. Applicants that have failed to provide the requested information will have their applications denied and returned. Any denied applicant must wait ninety (90) days before submitting a new application to the Program.

Requirements: The application must be complete. In order to be considered complete, it must include the following documents:

1. Original application form.
2. Original eligibility questionnaire.
3. Copies of the last two years tax returns of all household members who filed. If a couple filed their taxes separately, each working member of the household must provide a tax return with W-2 Forms.
4. Last four paycheck stubs for each working member of the household
5. Other documentation which indicates a source of income for each member of the household, such as social security benefits letters, child support agreements, etc.
6. Proof of Applicant's ownership of the Property (Deed)
7. Client identification (Driver's license, passport)
8. Copy of applicant(s) social security card
9. Copy of Hazard & Liability property insurance

VI. Staff Functions:

A. NHCD Housing Specialist:

Shall be responsible for the receipt, review, approval and processing of all Program applications; making determinations of eligibility, application

completeness, project tracking, application approvals and denials; including facilitating the request for legal documents and closing of agreements between the Program and the applicant.

B. NHCD Construction Coordinator:

Shall be responsible for initial inspections; development of detailed specifications for repairs; facilitation of property and environmental reviews; bidding out projects; oversight of all on-site construction activities; maintenance of the registered contractor process; and generally for acting as the applicant's agent for construction-related activities once the project is approved and funded.

C. Austin Energy Staff

Shall be responsible for initial inspection related to any energy features; development of detailed specifications and cost estimates associated with any energy-related assistance; oversight of all on-site construction activities; maintenance of the registered contractor process; and generally for acting as the applicant's secondary agent for construction-related activities once the project is approved and funded.

VII. Procurement

The NHCD will select the repair contractor. NHCD may select individual project contractor or assign the project to a contractor under rotation basis. A contract will be developed between the applicant and contractor. NHCD will provide funding for the applicant to pay the contractor and helps the applicant review the work to ensure the work is satisfactory. In addition, the contractor will provide the applicant with the warranties required by the applicable law.

In the event applicant is unsatisfied with the work on the home, the applicant and contractor must attend arbitration to arrive at a mutual agreement. Arbitration will be necessary only if the applicant and contractor cannot agree to the resolution or opinion of the Contractor or his/her designee.

VIII. Non-Discrimination

As a matter of policy, neither the City of Austin nor the Neighborhood Housing and Community Development Department, nor Austin Energy discriminate based on sex, creed, color, national origin, sexual orientation or disability. The Program will operate in accordance with these policies and with all applicable federal, state and local Fair Housing and Equal Opportunity laws and regulations.

The Program is committed to compliance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, as amended. Reasonable modifications and equal access to communications will be provided upon request. Please call 974-3100 (voice) or Relay Texas at 1-800-735-2989 (TDD) for assistance.

The City of Austin, NHCD and AE do not discriminate on the basis of disability in the admission to, access to, treatment by or employment in their programs and activities. Dolores Gonzalez is designated as the City's Section 504/ADA Coordinator. Her office is located at 505 Barton Springs Road, Suite 600, Austin TX 78704. If you have any questions or complaints regarding your Section 504/ADA rights, please call the Section 504/ADA Coordinator at 974-3256 (voice) or 974-2445 (TTY).

IX. Reporting and Record Keeping

By accepting assistance, it is understood, agreed and authorized by the client that information will be maintained in accordance with the City's and NHCD record keeping policy.

X. Applicable Laws and Regulations

The NHCD shall oversee that contractor repair activities are in accordance with applicable federal, state, and local rules and regulations. Repairs need not bring the entire housing unit in compliance with the City of Austin Housing Code, but the replacement of major systems shall be completed in accordance with the rehabilitation provisions of the City of Austin Land Development Code.

XI. Compliance and Monitoring

Until the loan is repaid in full to the Program by the applicant, and upon loan closing, the Program will retain the right to monitor the Applicant's compliance with the terms and conditions of the note. During the loan term, the Program may request on an annual basis documentation from the Applicant that may include, but is not limited to, confirmation that: the property is being used as their principle place of residence; homeowner's insurance is maintained; and flood plain insurance is maintained (if applicable).

XII. Grievance

Persons aggrieved by any action or inaction of the activity which occurs in the implementation of these policies, and who wish to appeal said action or inaction, must do so by submitting an appeal in writing to the Holly Program Manager, c/o NHCD, PO Box 1088, Austin TX 78767, within 30 days of the action or inaction deemed aggrieving by said applicant applying for the assistance.

The Program Manager is charged with the administrative responsibility for reviewing an appeal or grievance. He/She shall submit to the Community Development Officer (CDO) a written summary of each grievance received and an explanation of the administrative action taken or recommended within 15 days of his/her receipt of a written grievance from the applicant. The CDO shall constitute the highest administrative appeal.

Approved by:

Margaret R. Shaw
Director, NHCD

Date