

Home Repair Programs Audit



Objective

Are the City's home repair and weatherization programs meeting goals and effectively coordinated?

Background

The City has multiple programs aimed at assisting low- to moderate-income residents with home repairs.

Neighborhood Housing and Community Development (NHCD) managed eight programs and Austin Energy managed three. NHCDs programs were focused on general repairs, while Austin Energy's programs were focused on repairs related to weatherization.

In most home repair programs, repairs were done through grants or forgivable loans. In total, the City spent about \$13 million on home repair programs in fiscal year 2017.

What We Found

A significant amount of home repair funds were unspent each year and NHCD frequently missed home repair performance goals.

- Between fiscal years 2015 and 2017, NHCD's home repair programs ended each year with about \$6 million in unspent funds.
- Over the same three years, NHCD frequently missed performance goals related to number of homes repaired.
- This represents missed opportunities to assist Austin residents.

Oversight of the Homeowner Rehabilitation Loan Program (HRLP) does not ensure all repairs are authorized, completed in a timely manner, or high quality.

Ensuring repairs and costs are authorized

- Changes to the initial scope of work were often not pre-approved.
- Costs associated with changes were frequently very close to the pre-approved "contingency" intended for unforeseen costs.

Complete in a timely manner

- Most participants waited over a year before their homes were repaired.
- Most of the time was spent ensuring applicants were eligible for the program.

Ensuring high quality repairs

- It is unclear if NHCD staff performed periodic inspections during construction.
- At least eight participants were asked to sign accepting their home before all repairs were sufficiently completed.
- Many participants were not satisfied with the quality of repairs made to their home.

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What We Found, Continued

NHCD has designed processes to ensure compliance with program eligibility requirements, but oversight could be improved.

- Several issues were noted in a review of 50 files from one externally managed program, as shown in the exhibit to the right.
- For the other externally managed program, staff could not locate one of the 30 files selected for testing. Documentation issues were noted in many of the remaining files.

Requirement

homeowner must have insurance

Documentation missing

39%

There was some coordination between involved departments and external groups. However this process could be improved.

- NHCD had clear processes and procedures to match applicants to the most appropriate program.
- Outcomes of referrals to other City departments and external groups for home repair services were not tracked.

applicant must be the owner of the property

26%

Program funding requirements may prevent complete repairs.

- Federal funding sources limit the amount of money a particular property may receive, and this may not be enough to address all the issues for that property. Local funding sources could be used to fund the additional work.

applicants must be current on all property taxes

22%

What We Recommend

The Director of NHCD should:

- review and restructure the home repair program contracting practices to minimize home repair funds remaining at the end of the year and ensure contractors meet established target performance goals;
- update policies and procedures for the Homeowner Rehabilitation Loan Program to ensure the program operates effectively;
- ensure staff follow all policies and procedures for managing construction activities in the Homeowner Rehabilitation Loan Program;
- ensure staff collect and review sufficient documentation related to home repair program applicant eligibility; and
- work with stakeholders to identify and implement ways to improve coordination of the City's home repair programs.