



Neighborhood and Community Engagement Commission

Agenda Item: 6A

Advisory Information

Title: **Update on Neighborhood Housing Programs**

Action Discussion Informational

Date: September 17, 2014

Prepared By: Robert Thompson, Neighborhood Support Manager

Attachments: CEE Contract Status as of 9/2/2014

Requested Action

No action is requested. This item is for informational purposes only.

Background

Over most of the last 20 years, neighborhood organizations have relied largely on three nonprofit housing vendors to manage their NRP housing programs: Center for Energy and the Environment (CEE), Greater Metropolitan Housing Corporation (GMHC), and Neighborhood Housing Services (NHS). Neighborhood housing programs managed by these vendors typically include home fix-up revolving and deferred loan programs, homebuyer assistance programs, and emergency loan programs. The vendors may also provide other services, including homeownership counseling, home energy audits and assisting homeowners with contractors. As of June, 2014, CEE administered the NRP home loan and grant programs for 42 neighborhoods. Over the last 20 years, more than 2,500 households had taken advantage of NRP programs through CEE alone.

On March 12, 2014, Citizens for Energy and Environment (CEE) informed the City that, due to increasing costs of administering programs, they were considering changes to the fee schedule for neighborhood NRP housing programs. In meetings with CEE in early April, City staff discussed options to relieve some of the administrative burden, including simpler processes for tracking and reporting program income and generating and distributing reports to neighborhood organizations. NCR staff worked with CEE to begin implementation of some of these changes.

On June 19, 2014, CEE sent a letter to neighborhood organizations notifying them of fee changes, and asked neighborhood organizations to notify CEE by August 31, 2014 of their intent to accept the new fees or cancel their contract. In response, NCR staff organized a meeting on July 29, 2014 to provide neighborhood organizations an opportunity to talk with CEE staff about the new fee structure, and how it would be implemented. The meeting was attended by approximately 20 neighborhood representatives, and NCR provided notes to participants after the meeting.

In response to a request from participants at the July 29, 2014 meeting, NCR invited GMHC to meet with interested neighborhood organizations on August 21, 2014. At this meeting, GMHC provided an overview of its fee structure and services. This meeting was attended by 15 neighborhood representatives, and NCR staff provided notes to participants after the meeting.

As of September 2, 2014, ten neighborhood organizations had opted to stay with CEE, 20 had decided to cancel contracts with CEE, and 12 had requested an extension to the deadline provided by CEE to respond (see attached document for breakdown). Many of the neighborhood organizations that have chosen to cancel contracts with CEE have indicated that they will likely move their programs to GMHC. Other neighborhoods have indicated they will take this opportunity to assess their housing programs and develop new strategies to better address neighborhood housing needs.

A major consideration with this transition is the capacity of the City's Development Finance Division staff and GMHC. Because of limited staff time available at the Development Finance Division, and the need for GMHC to increase capacity over time to meet the increased need, we are anticipating a gradual transition over the next year, prioritizing neighborhoods with more immediate needs (such as emergency loan programs and current level of demand for home loan programs).