

The Emergency Repair Program Has Emotional and Economic Impacts

Background

During the 2006 legislative session, the Tennessee General Assembly appropriated \$1 million of state funds for affordable housing, the first such appropriation in six years. In September, 2006 the THDA Board of Directors voted to allocate \$12 million of THDA funds (over a two-year period) to leverage the state appropriation and establish the Tennessee Housing Trust Fund. Beginning in 2007, the THDA Board of Directors voted to allocate an additional \$6 million of agency profits each year since to the fund. Through the recent fiscal year (2011), THDA has contributed \$30 million, and the State of Tennessee has contributed \$4.3 million to the Housing Trust Fund.

The purpose of the Housing Trust Fund is to serve the needs of very low income, elderly and special needs Tennesseans. Grants are made to not-for-profits, local governments and development districts that serve these populations, and these organizations are required to leverage a minimum of 50% matching funds. Successful grantees must also demonstrate a capacity for marketing the program, so as to raise the profile of affordable housing in their community.

The Emergency Repair Program (ERP)

As THDA staff travelled the state in late 2006 and early 2007 to seek input from housing advocates and community leaders about the newly established Housing Trust Fund, one of the needs that continued to be highlighted was the need for emergency repair dollars, especially for elderly homeowners. With this feedback in mind, THDA decided to “set aside” \$2 million annually for a program to address this need. The funds are allocated to the state’s nine development districts to administer.

Homeowner eligibility

Applicants must meet all of the following requirements:

- The applicant must be at least 60 years of age and must occupy the property to be repaired as her/his principal residence.
- The applicant must have an ownership interest in the property to be repaired.
- If the property to be repaired is a manufactured housing unit, it is not necessary for the homeowner to own the manufactured unit and the land on which it sits; the homeowner must, however, have title to the manufactured unit.
- The household income must be at or below 60% of area median income as defined by the Section 8 Rental Assistance Program.

Subsidy Level

The maximum grant from THDA funds to an eligible homeowner is \$10,000. Since the program requires a 50% match of the THDA funds from another source, the maximum contract amount cannot exceed \$15,000 (\$10,000 from THDA and \$5,000 as the 50% match). The assistance provided will be in the form of a grant. ERP does not require a compliance period secured by a lien on the property.

Property Standards

ERP is intended to make immediate repairs to an essential system so that the homeowner can continue to reside in his/her home. The program does not require that the entire structure be brought into compliance with codes. The following list is an example of the types of repairs the program is meant to address:

- Roofs / Electrical systems / Plumbing systems
- Septic systems / Heating and air systems / Structural repairs to floors or walls

It is anticipated that the homeowner will help define the nature of the emergency repair. In many instances, there will be additional work that needs to be done that cannot be addressed with ERP, and there may not be a visible difference in the house once the emergency repairs have been completed. Since the program is not bringing the house into full compliance with codes, the staff of the Districts should be able to complete any necessary inspections. If the nature of the repairs requires additional expertise, THDA will allow, as a project soft cost, an inspection fee of \$500 or 10% of the repair costs, not to exceed \$1,000.

Contractor Qualifications

The emergency repairs must be done by a contractor appropriately licensed for the work being performed. The Development Districts will provide homeowners their existing approved contractor list, and the homeowners will contact the contractors for cost estimates. The Districts will review the cost estimates with the homeowners to select a contractor. In addition to cost, the ability to respond rapidly to the emergency situation and past performance can be determining factors in contractor selection.

Match

There is a 50% match requirement for the ERP. The matching funds can be provided by:

- The homeowner or the homeowner's family;
- Federal sources such as USDA Rural Development or the Weatherization Program;
- Church groups or local agencies; or donated labor and/or materials; or
- A funding pool or grants from local lender(s) to the Development District.

Results (So Far)

THDA has allocated \$10 million to the Emergency Repair Program through June, 2011. The total amount spent to date is \$6,802,664, and the number of projects completed is 1,204! That means over twelve hundred elderly individuals or couples have been able to remain in their homes due to this program. We have included pictures with our entry to show examples of the dramatic impact this program has had on the homes of our elderly neighbors. Here are just a few examples of the impact we are having:

Johnnie Scribner has only one regret after the amazing rehabilitation of his home: that his wife Sally can't see it. Mrs. Scribner is being cared for in a center for Alzheimer's patients. She was still at home when their home in Maury County had 10 buckets in the attic to keep the rain water collected and off their belongings. The home received a new roof, in a green color as requested by Mr. Scribner, new windows, doors, siding and an air conditioner. The home, purchased by them in 1966, will provide him shelter for a long time to come. The trust fund match was raised by People Helping People Together, a ministry of the Maury Hills Church. (ERP: \$8,816, local match \$4,408)

THDA and the local administrators spread information about the ERP through many venues. **Nellie Bass** of Henry County heard about ERP from some friends at church. She contacted the Northwest Tennessee Development District to see if she qualified for the assistance. Her home needed a lot of work on the floors and ceilings. She had fallen through the flooring in the bathroom and it was unstable in the dining room, living room and bedroom. Ms. Bass's match was provided by the City of Paris. The school teacher with 40 years' experience, who now takes care of her granddaughter, is very appreciative: "This program has allowed me to stay in my home. The ceiling was falling in in many of the rooms and the floor was warped. Being retired, I am on a fixed income and this assistance was a blessing," Bass said. (ERP \$5,000, local match \$2,500)

Most families don't have to worry about falling through the floor of their home, but **Lydia** and **Delfino Medina** of Jefferson County had reached that situation. The loss of Mr. Medina's sight made it even more hazardous for him to move around his home. The ERP funds covered repairs to the roof with new gutters, rust removal, the wooden front porch was replaced, the joints and underpinning were inspected and stabilized, the subfloor and flooring were repaired, the kitchen cabinets were repaired, and the caulking around windows and the tub was replaced. Safety is increased, and utility cost savings are a bonus. (ERP \$4,838.16, local match of volunteer labor \$9,300)

Declining abilities can become a barrier to many beloved activities. A home can turn into a prison if there's no easy way access. **Elminia Massey** of Scott County lives alone and had needed a ramp for a long time, but could not afford it. Her daughter saw an article about Morgan Scott Project's ERP funding and called. The volunteers built a ramp and provided freedom.

Elminia loves her flowers, filling her porch and yard with blooming plants. It was a joyous occasion for her to get out in the yard without waiting for someone's help. She is still singing Morgan Scott's praises. Elminia's daughter saw the program director and said, "I just want to thank you again for giving Mom back her freedom. Since Daddy died, it's meant so much to Mom to get out and work in her flowers." (ERP \$890.82; local match \$1,120 in volunteer labor)

Economic Impact

Not only does the program positively impact the individual homeowners, but it also boosts the economy. ERP injected a total of \$10,178,341 into the economy. This spending generated an additional economic impact of \$8,778,640 (indirect and induced) through business revenue multipliers. Total contribution of ERP to Tennessee's economy is estimated at \$18,956,981. Every \$100 of spending in ERP generated an additional \$86 in business revenues.

From 2007 to 2010, individuals received \$4,098,988 in wages and salaries through ERP. Additional personal income generated through the ripple effect was \$3,082,858. The total personal income generated was \$7,181,847.

ERP provided employment opportunities for many individuals. The direct total employment impact was 99 jobs, primarily in the construction sector. In addition, 72 jobs were created through the ripple effect. Total employment impact was estimated at 171 jobs. Every 100 jobs created by ERP, primarily in the construction sector, generated 73 additional jobs throughout the local economy. Estimated tax revenue for the state and the local governments through ERP was \$649,245.



Johnny Scribner's Columbia home, before and after Emergency Repair Program assistance through People Helping People Together.



Minnie Anderson's Columbia home, before and after Emergency Repair Program assistance through People Helping People Together.