

ETHICS REVIEW COMMISSION
CHAPTER 2-7 CITY CODE
COMPLAINT

Nathan Wiebe

NAME OF PERSON(S) FILING COMPLAINT: Chief of Investigations, Office of the City Auditor

MAILING ADDRESS: PO Box 1088, Austin TX 78767-1088

PHONE NUMBER: 512-974-2805

EMAIL ADDRESS: nathan.wiebe@austintexas.gov

PLEASE FILE A SEPARATE COMPLAINT FORM FOR EACH PERSON COMPLAINED AGAINST.

NAME OF PERSON COMPLAINED AGAINST: Elizabeth Spencer
Neighborhood Housing & Community

CITY OFFICE, DEPARTMENT, COMMISSION: Development (formerly)

MAILING ADDRESS: 8410 Poquito Circle, Universal City, TX 78148

PHONE NUMBER [IF KNOWN]: _____

EMAIL ADDRESS [IF KNOWN]: _____

The Ethics Review Commission has jurisdiction to hear complaints alleging violation(s) of the following provisions:

- City Code, Chapter 2-1, Section 2-1-24 (City Boards, Conflict of Interest and Recusal)
- City Code, Chapter 2-2 (Campaign Finance)
- City Code, Chapter 2-7 (Ethics and Financial Disclosure), except for Article 6 (Anti-lobbying and Procurement)
- City Code, Chapter 4-8 (Regulation of Lobbyists)
- City Charter, Article III, Section 8 (Limits on Campaign Contributions and Expenditures)

PLEASE LIST EACH ALLEGED VIOLATION OF THE ABOVE CITY CODE AND CHARTER PROVISIONS SEPARATELY ON THE FOLLOWING PAGES.

I.

SECTION OF CHARTER OR ORDINANCE VIOLATED: City Code 2-7-64(C)

DATE OF ALLEGED VIOLATION: date range spanning August 27, 2012 - October 1, 2015

ACTIONS ALLEGED TO BE A VIOLATION:

Spencer, in her capacity as supervisor to Regina Copic, failed to reassign a matter as required by City Code 2-7-64(C) after Copic notified her in writing of a potential conflict of interest. Specifically, Copic continued to supervise an employee who considered applications for funding from the employer of Copic's husband. Spencer was aware of advice from the City Law Department's Ethics & Compliance team that Copic had a conflict of interest and still did not reassign matters. See attached Exhibits for additional information.

WITNESSES OR EVIDENCE THAT WOULD BE PRESENTED: _____

see table of contents (attached)

II.

SECTION OF CHARTER OR ORDINANCE VIOLATED: _____

DATE OF ALLEGED VIOLATION: _____

ACTIONS ALLEGED TO BE A VIOLATION:

WITNESSES OR EVIDENCE THAT WOULD BE PRESENTED: _____

[IF MORE ROOM IS NECESSARY, PLEASE CONTINUE ON A BLANK PAGE USING THE SAME FORMAT]

ALL THE STATEMENTS AND INFORMATION IN THIS COMPLAINT ARE TRUE AND FACTUAL TO THE BEST OF MY KNOWLEDGE.

DATE: 9/20/14



COMPLAINANT'S SIGNATURE

Nathan Wiebe

PRINT NAME

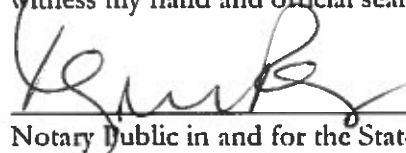
STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged, sworn to and subscribed before me by

Nathan Wiebe

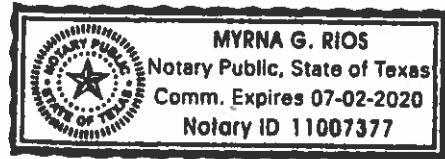
On the 20 day of September, 2014, to certify which witness my hand and official seal.



Notary Public in and for the State of Texas

Myrna Rios

Typed or Printed Name of Notary



THIS FORM MUST BE SUBMITTED TO THE OFFICE OF THE CITY CLERK.

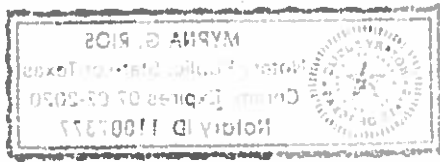


TABLE OF CONTENTS

- EXHIBIT A: OFFICE OF THE CITY AUDITOR, INTEGRITY UNIT COMPLAINT**
Neighborhood Housing & Community Development:
Failure to Reassign Matters after Substantial Interest Disclosure
- EXHIBIT B: EMAIL CHAIN FROM SPENCER TO MEMBERS OF DEPARTMENT MANAGEMENT**
August 2012
Indicates Spencer was aware of the potential of Copic having a conflict of interest
- EXHIBIT C: EMAIL FROM ETHICS AND COMPLIANCE TEAM**
TO NHCD MANAGEMENT, FORWARDED TO SPENCER
August 2012
Contains instructions for mitigating Copic's potential conflict of interest
- EXHIBIT D: WRITTEN NOTIFICATION VIA E-MAIL FROM COPIC TO SPENCER**
August 27, 2012
- EXHIBIT E: NHCD ORGANIZATIONAL CHARTS**
FY2010-October 2015
Indicates departmental reporting structure was not reorganized until October 2015
- EXHIBIT F: CITY CONTRACT WITH HOMEBASE, A SUPPORTING ORGANIZATION OF AUSTIN**
HABITAT FOR HUMANITY
September/October 2013
Copic is originator of two memos to staff relating to the contract
Copic signed to recommend certification of the project as exempt from State law
purchasing rules
Spencer signed under Copic to approve the certification of exemption
- EXHIBIT G: BACKUP DOCUMENT FOR A PARTIAL RELEASE OF LIEN FOR AUSTIN NEIGHBORHOOD**
ALLIANCE FOR HABITAT, A SUPPORTING ORGANIZATION OF AUSTIN HABITAT FOR
HUMANITY
February 2014
- EXHIBIT H: BACKUP DOCUMENT FOR A LOAN AGREEMENT WITH AUSTIN HABITAT FOR**
HUMANITY
August 2013

EXHIBIT A

INVESTIGATIVE COMPLAINT

ALLEGATION

In October 2015, the Office of the City Auditor received an allegation that a Real Estate Division Manager in the Neighborhood Housing and Community Development department (NHCD) had a conflict of interest. During the investigation, we noted that the employee's supervisor did not appear to reassign matters as required by City Code after the employee notified her supervisor of the potential conflict.

BACKGROUND

The mission of the City of Austin's Neighborhood Housing & Community Development Department (NHCD) is "to provide housing, community development, and small business development services to benefit eligible residents, so they can have access to livable neighborhoods and increase their opportunities for self-sufficiency."

Elizabeth "Betsy" Spencer served as the Director of NHCD from January 2011 until September 2016, having previously served as NHCD's Assistant Director since 2009. The NHCD Director's duties include planning, directing, managing, and evaluating the activities of staff.

From at least 2010 until October 2015, Spencer directly supervised a manager over Housing Developer Assistance activities. These activities provide financial assistance and information to non-profit organizations so they can provide public facilities and/or public services to eligible low-income residents.

Austin Habitat for Humanity is a 501(c)3 non-profit organization which has received funding from NHCD to develop affordable housing. Habitat's operating structure includes two supporting organizations: Austin Neighborhood Alliance for Habitat (ANAH), and HomeBase. According to IRS filings, these supporting organizations "are organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of" Austin Habitat for Humanity. This complaint refers to the Habitat/ANAH/HomeBase operation collectively as "Habitat."

INVESTIGATION RESULTS

We found evidence indicating that Elizabeth Spencer, former Director of Neighborhood Housing & Community Development, failed to "reassign the matter" as required by City Code after a direct report notified her of a potential conflict in writing. As a result, the direct report continued to work on transactions involving her husband's employer, Habitat for Humanity ("Habitat"). The direct report also continued to supervise an employee who received, evaluated, and made recommendations on applications from Habitat. We did not evaluate the appropriateness of the transactions involving Habitat. The actions of the direct report are addressed in a separate public report issued by our office in September 2016.

City Code 2-7-64(C)

- **Requires a City employee to notify in writing her supervisor of any substantial interest she may have in an entity which would be affected by an exercise of discretionary authority by the City employee**

In March 2012, Regina "Gina" Copic, an NHCD employee who reported directly to Spencer, married a Real Estate Director at Habitat. When interviewed by our office, Copic stated that around the same time, she communicated to Spencer that her husband was considering taking a job at Habitat. We found that Copic's husband began working at Habitat on February 21, 2012.

We found evidence that in August 2012, Spencer sent an e-mail to two members of department management, instructing them to assess the potential for a conflict of interest resulting from the marriage [see Exhibit B]:

"We need to vet Gina's potential conflict of interest [...] Her husband works for Habitat and we provide funds to Habitat and Gina potentially has input in the application process."

In response, NHCD management appears to have consulted with the Ethics & Compliance Team in the City's Law Department. Following the consultation, Spencer was forwarded an e-mail with advice and guidance for mitigating Copic's potential conflict of interest [see Exhibit C]:

"Your employee has a conflict of interest if her husband is a manager at Habitat for Humanity and one of [her] duties is to be involved in the consideration of City funds for Habitat for Humanity.

Your employee needs to send an email to [Spencer] stating she has a conflict of interest, and what it is. She needs to say that she will recuse herself from any considerations of Habitat for Humanity funding, or anything else that could impact Habitat. [...] [Spencer] (and others in NHCD management) need to make sure that the employee does recuse herself and that she isn't assigned any inappropriate roles in regards to Habitat projects as long as her husband works there."

On August 27, 2012, Copic provided Spencer with a written notification as required by City Code [see Exhibit D].

City Code 2-7-64(C)

- **Requires a supervisor to reassign the matter**

City Code 2-7-64(C) states that a supervisor “shall reassign the matter” when an employee notifies of a substantial interest in writing. In this case, we found several “matters” which Spencer did not reassign that appear problematic:

General supervisory duties (prior to August 2012 – October 2015)

- After her notification, Copic continued to directly supervise an employee who received, evaluated, and made recommendations for approval regarding applications from Habitat for funding.
- We found that this reporting structure was not changed until October 2015, more than three years after Copic notified of her potential conflict [see Exhibit E]. NHCD management indicated that the change in the reporting structure was not related to Copic’s notification.
- When interviewed by our office, Spencer stated that she did not feel it was necessary to make changes in the reporting structure after Copic’s notification, citing the “small amount of work” related to Habitat.

Loan agreements (2013 – 2014)

- In her role as supervisor, Copic performed quality checks and signed backup documents related to loan agreements with Habitat [see Exhibit H].
- Spencer stated that she used these backup documents to inform her decision whether or not to approve transactions.
- We found evidence that between August 2013 and August 2014, Copic signed four backup documents for loan agreements or amendments to loan agreements awarding Habitat over \$800,000.

Releases of lien (2012 – 2014)

- In her role as supervisor, Copic performed quality checks and signed backup documents related to lien releases [see Exhibit G]. The liens were on properties that Habitat could not sell without the release.
- Spencer stated that she used these backup documents to inform her decision whether or not to approve transactions.
- We found evidence that between September 2012 and April 2014, Copic signed 30 backup documents to release liens on properties so that Habitat could sell them.

Contract agreement (2013)

- In September 2013, NHCD hired Habitat to provide consulting services through a sole-source contract for over \$25,000 [see Exhibit F].
- We found that Copic signed a document forming part of the contract, a Certificate of Exemption, in the space for “Originator/Recommending Certification.” Spencer signed directly underneath Copic in the space for “Approved Certification.” The Certificate of Exemption served as a justification for why NHCD did not need to consider multiple bids.
- Copic was listed as originator of two memos relating to the contract: one instructed staff to prepare a financial document in anticipation of the contract; the other declared

that the contract was exempted by State law from the normal purchasing process, which would have required the department to consider bids from multiple sources.

Spencer stated that if she were Copic, she would not have signed the backup documents for Habitat transactions. Spencer stated that she did not recall having a follow-up conversation with Copic after the August 2012 written notification. Spencer stated that if Copic had specifically asked her if she should sign the backup documents for Habitat transactions, she would have told her not to sign them. However, Spencer said that "if someone has a conflict, it is incumbent on them to recuse themselves. It is not my responsibility to ensure that someone has recused themselves of their responsibility."

In October 2015, the department reporting structure was reorganized. NHCD management indicated that the change in the reporting structure was not related to Copic's notification. Afterwards, Copic no longer reported to Spencer and no longer directly supervised the employee who received, evaluated, and made recommendations for approval regarding applications from Habitat for funding.

Spencer's failure to reassign matters, as described above, appear to constitute a violation of the following criteria, as detailed in Appendix A:

- City Code §2-7-64(C) – Conflict of Interest

METHODOLOGY

To accomplish our objective, we performed the following steps:

- reviewed applicable City Code and policy;
- conducted background research;
- conducted interviews with four NHCD employees, in addition to Spencer;
- conducted forensic analysis of computer data;
- obtained documents regarding Spencer's employment with the City of Austin; and
- interviewed Elizabeth Spencer.

INVESTIGATIVE STANDARDS

Investigations by the Office of the City Auditor are considered non-audit projects under the Government Auditing Standards and are conducted in accordance with the ethics and general standards (Chapters 1-3), procedures recommended by the Association of Certified Fraud Examiners (ACFE), and the ACFE Fraud Examiner's Manual. Investigations conducted also adhere to quality standards established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), Quality Standards for Investigations, and City Code.

The Office of the City Auditor, per City Code, may conduct investigations into fraud, abuse, or illegality that may be occurring. If the City Auditor, through the Integrity Unit, finds that there is sufficient evidence to indicate that a material violation of a matter within the office's jurisdiction may have occurred, the City Auditor will issue an investigative report and provide a copy to the appropriate authority.

WHY WE DID THIS INVESTIGATION

We conducted this investigation consistent with our responsibility under the Austin City Charter and the City Code. The objective of this investigation was to obtain sufficient evidence to indicate whether the subject may have committed a material violation of the City Code's standards of conduct or other criteria.

APPENDIX A

INVESTIGATION CRITERIA

Conflict of Interest:

City Code §2-7-64 – DISCLOSURE OF CONFLICT OF INTEREST

- (C) *To comply with this section, a City employee shall notify in writing his supervisor of any substantial interest he may have in a natural person, entity or property which would be affected by an exercise of discretionary authority by the City employee and a supervisor shall reassign the matter.*

City Code §2-7-2 – DEFINITIONS

- (1) *AFFECTED means in the case of a[n] entity [...], means reasonably likely to be subject to a direct economic effect or consequence, either positive or negative, as a result of the vote or decision in question. [...] The vote or decision need not be the only producing cause of the economic effect or consequence reasonably likely to result. In determining whether a person, entity or property is or was "affected by" a vote or decision, it shall not be necessary to prove the actual existence or occurrence of an economic effect or consequence if such effect or consequence would be reasonably expected to exist or occur. [...]*
- (4) *DECISION [...] A decision of a City employee means any action in which the employee exercises discretionary authority, including but not limited to the issuance of permits, imposition or collection of fines or fees, authorizations for expenditures, and other non-ministerial acts.*
- (5) *DISCRETIONARY AUTHORITY means the power to exercise any judgment in a decision or action.*
- (6) *ENTITY means a sole proprietorship, partnership, limited partnership, firm, corporation, professional corporation, holding company, joint stock company, receivership, trust or any other entity recognized by law through which business may be conducted, but does not include a governmental body.*
- (10) *SUBSTANTIAL INTEREST means an interest in another person or an entity if: [...] funds received by the person from the [...] entity either during the previous 12 months or the previous calendar year equaled or exceeded \$5,000 in salary [...]*

Exhibit B

From: Spencer, Betsy
To: Jones, Christine [NHCD]; Giello, Rebecca
Subject: RE: Conflict of Interest
Date: Wednesday, August 15, 2012 10:03:06 AM

Her husband works for habitat and we provide funds to habitat and Gina potentially has input in the application process

Sent from my Windows Phone

From: Jones, Christine [NHCD]
Sent: 8/15/2012 9:09 AM
To: Spencer, Betsy; Giello, Rebecca
Subject: RE: Conflict of interest

What is she doing for them? This is the first I've heard of it.

From: Spencer, Betsy
Sent: Wednesday, August 15, 2012 9:08 AM
To: Jones, Christine [NHCD]; Giello, Rebecca
Subject: Conflict of interest

Rebecca/Christine,

We need to vet Gina's potential conflict of interest with Habitat. Thanks...betsy

Sent from my Windows Phone

Exhibit C

From: Spencer, Betsy
To: Jones, Christine [NHCD]; Giello, Rebecca
Subject: RE: Another Conflict of Interest question
Date: Thursday, August 16, 2012 10:18:46 AM

Very well, thanks. Christine, would you please discuss with Gina.

Sent from my Windows Phone

From: Jones, Christine [NHCD]
Sent: 8/16/2012 9:43 AM
To: Spencer, Betsy; Giello, Rebecca
Subject: FW: Another Conflict of interest question

FYI

-----Original Message-----

From: Olmstead, Alicia
Sent: Thursday, August 16, 2012 9:42 AM
To: Jones, Christine [NHCD]
Cc: Romero, Sabine
Subject: RE: Conflict of interest question

Per our phone conversation, your employee has a conflict of interest if her husband is a manager at Habitat for Humanity and one of your employee's duties is to be involved in the consideration of City funds for Habitat for Humanity.

Your employee needs to send an email to Betsy stating she has a conflict of interest, and what it is. She needs to say that she will recuse herself from any considerations of Habitat for Humanity funding, or anything else that could impact Habitat. This letter needs to be kept on file in case anyone in the community questions the employee's involvement.

Betsy (and others in NHCD management) need to make sure that the employee does recuse herself and that she isn't assigned any inappropriate roles in regards to Habitat projects as long as her husband works there.

Let me know if you have any other questions.

-Alicia

-----Original Message-----

From: Jones, Christine [NHCD]
Sent: Thursday, August 16, 2012 6:42 AM
To: Olmstead, Alicia
Subject: Conflict of interest question

Alicia,

Please call me when you have some time to discuss another possible conflict of interest issue.

Sent from my iPhone

Exhibit D

From: Copic, Regina
To: Spencer, Betsy
Cc: Giello, Rebecca; Jones, Christine [NHCD]
Subject: Conflict of Interest
Date: Monday, August 27, 2012 11:05:00 PM

Betsy:

As I advised all in March 2012, my husband, Ricardo Andres "Andy" Alarcon was hired as the Director of Real Estate Development for Habitat of Humanity Austin.

As discussed, to stay clear of any perceptions of having a Conflict of Interest, it is in the best interest of the department that I will recuse myself in matters concerning Habitat for Humanity funding or other benefits that they may receive from our department. As I have discussed with my staff, I will recuse myself from any funding or S.M.A.R.T. Housing considerations for Habitat for Humanity. David Potter will continue to receive funding applications and negotiation and execution of any funding requests concerning Habitat for Humanity Austin. Javier Delgado, supervised by Mr. Potter, will be lead on S.M.A.R.T. Housing.

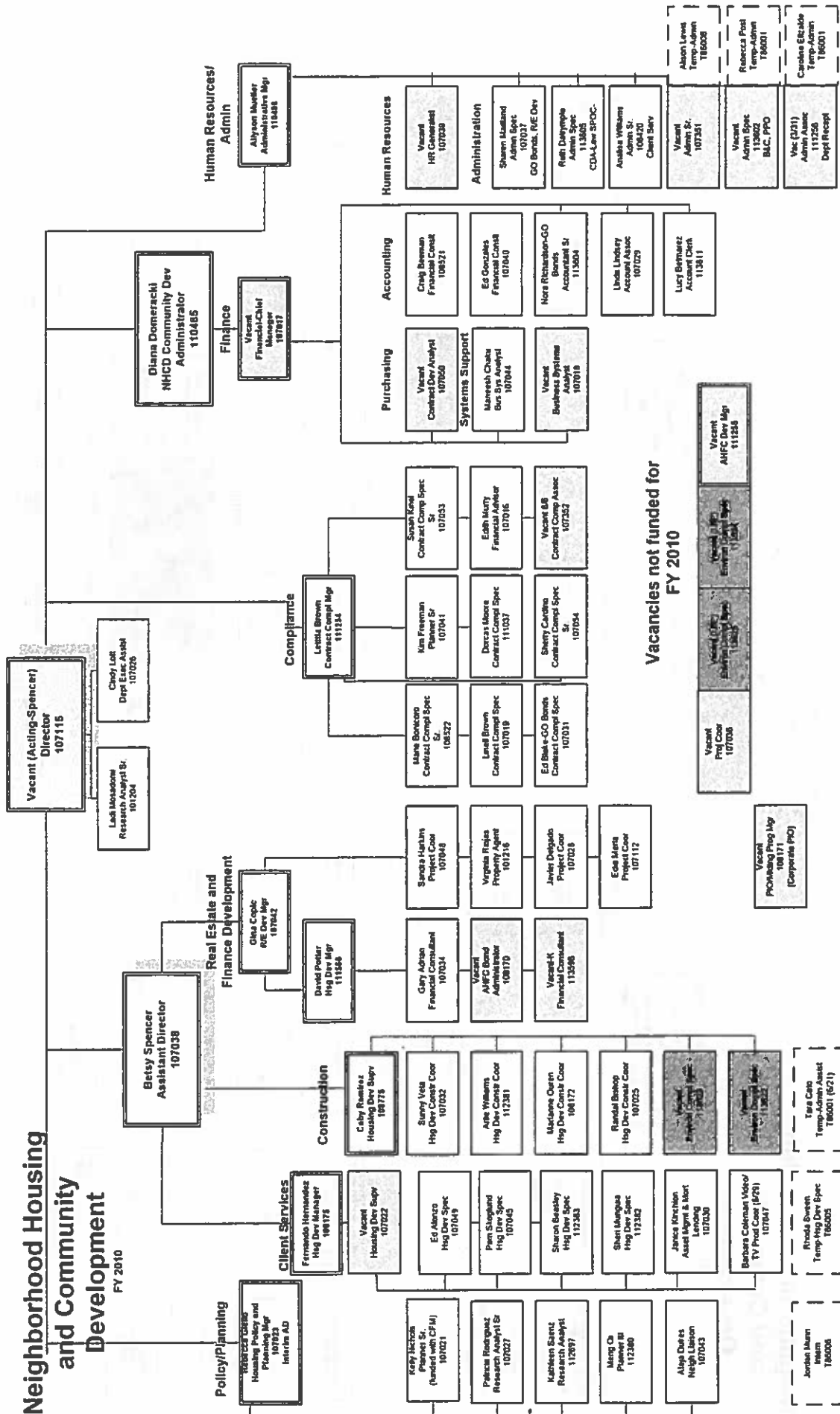
I will continue to be observant of this situation and any questions will be addressed with the integrity unit of the City of Austin. My goal is to ensure that even the perception of a conflict of interest is always addressed.

Thank you and please let me know if you have any questions.

Gina

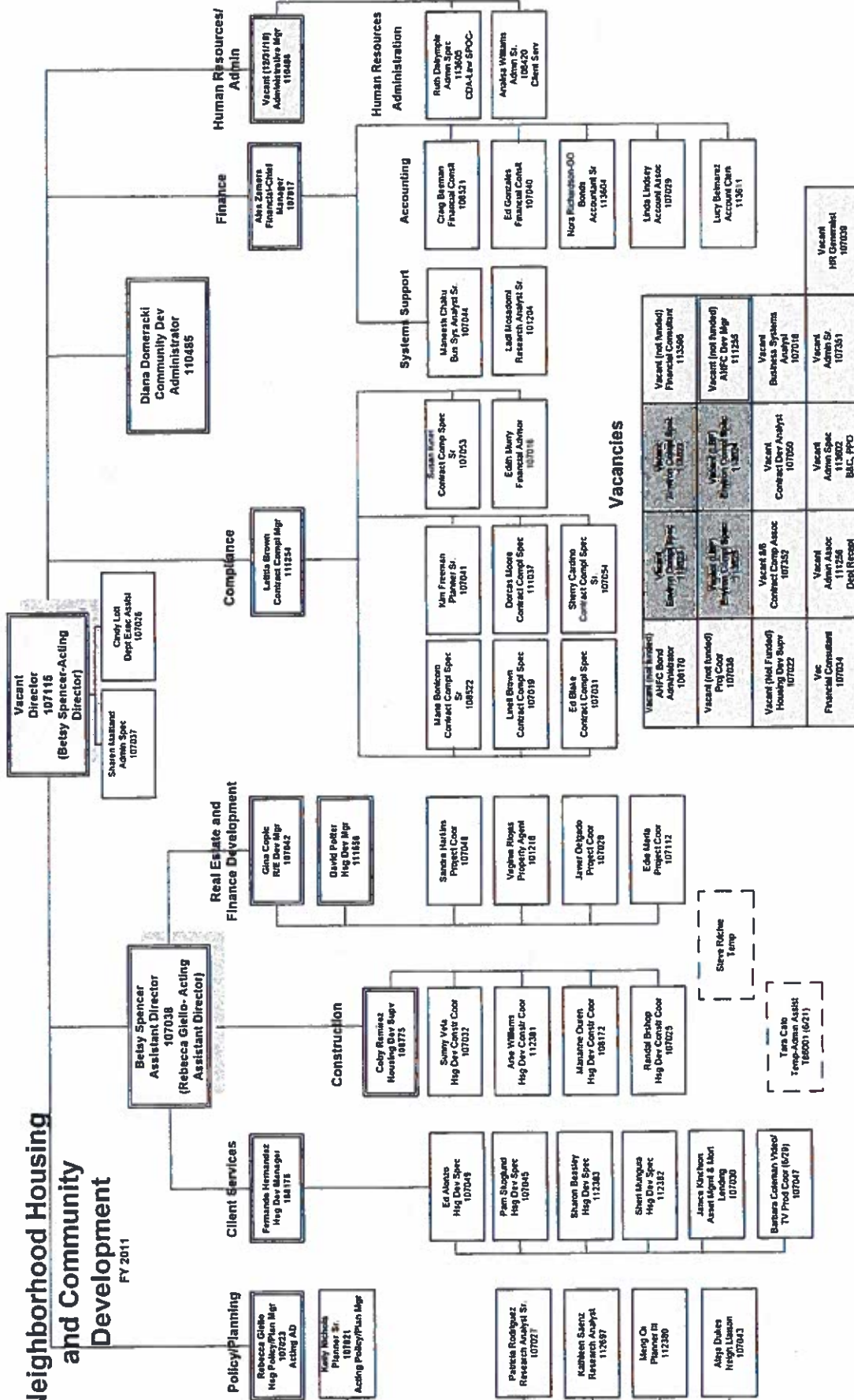
Gina Copic
Real Estate & Development Manager
Neighborhood Housing and Community Development
Austin Housing Finance Corporation
PO Box 1088, Austin, Texas 78767
Phone: [REDACTED]
email: [REDACTED]

Exhibit E



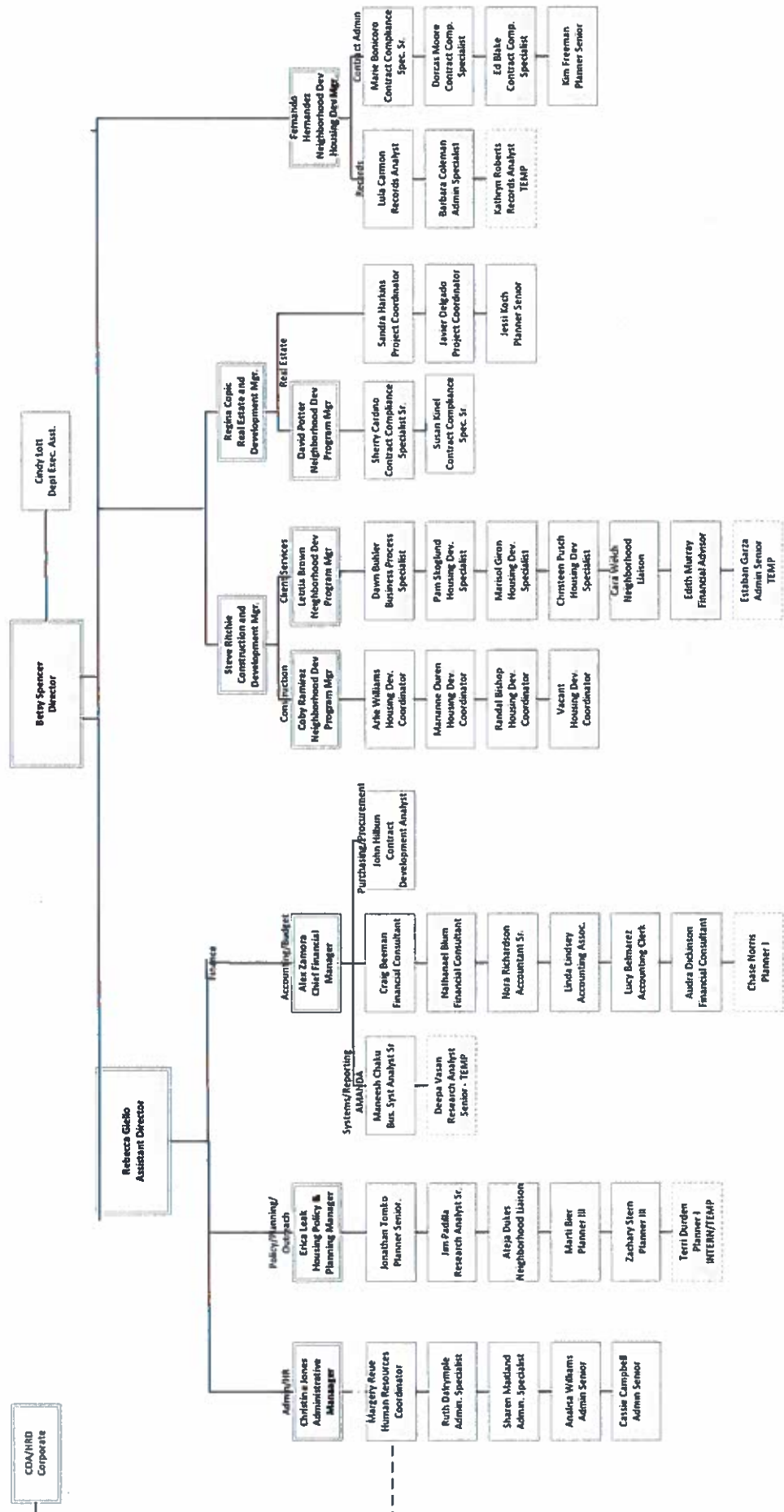
Neighborhood Housing and Community Development

FY 2011



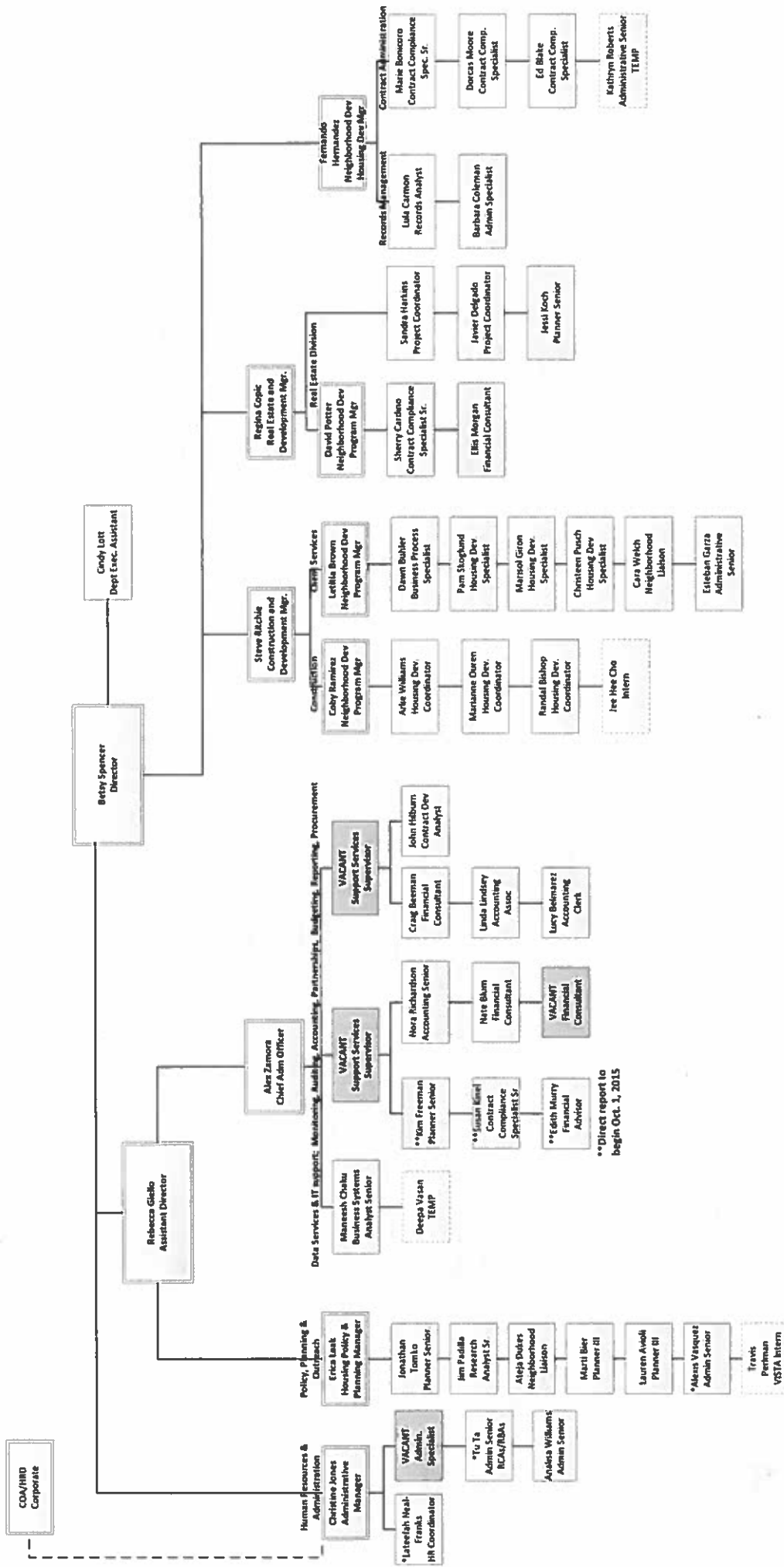
Neighborhood Housing and Community Development

September, 2014
Revised



Neighborhood Housing and Community Development Office

APRIL 2015



*Employment with NHCD to begin late April

Effective October 2015

Neighborhood Housing and Community Development Office Organizational Chart

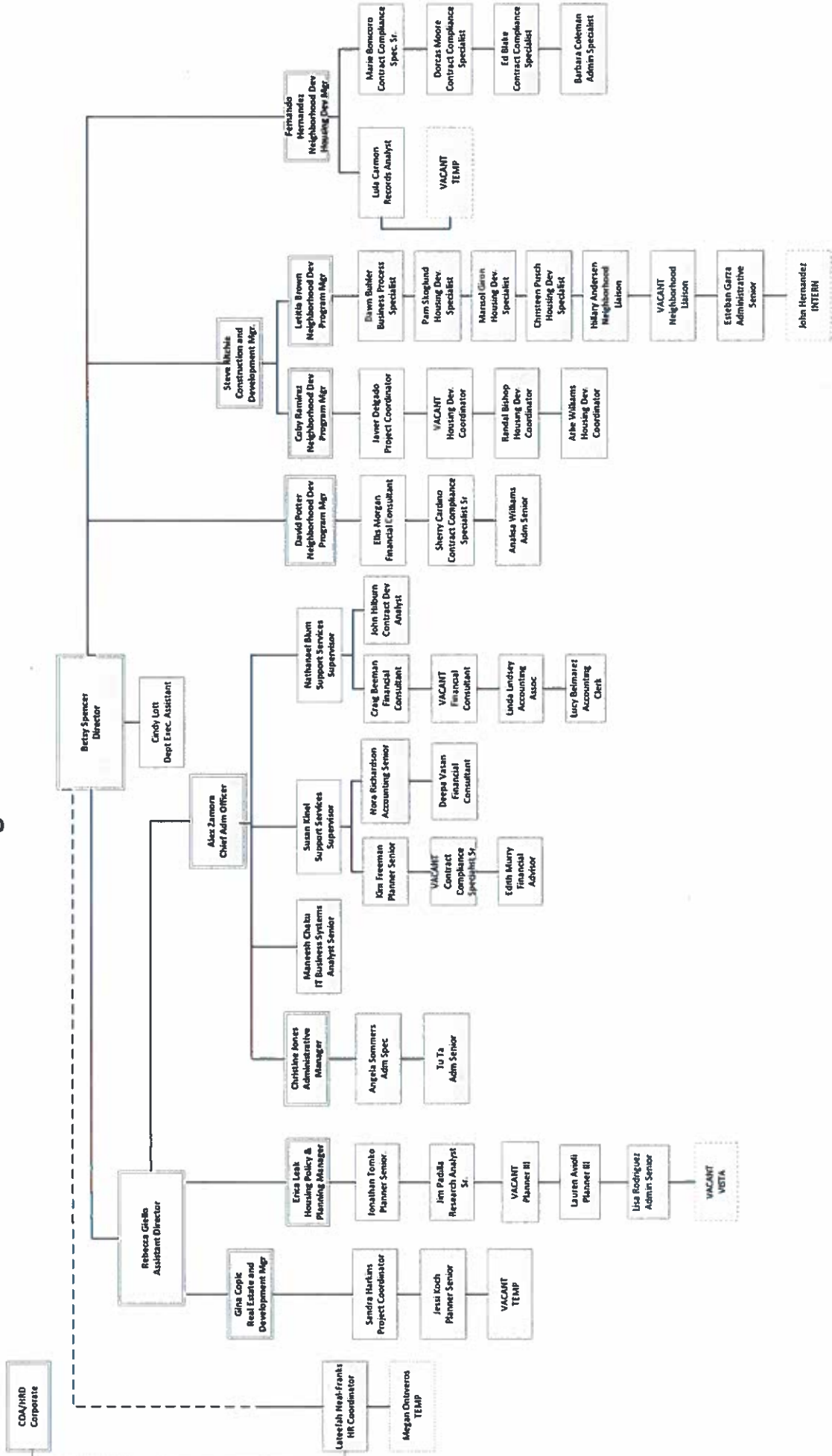


Exhibit F

PURCHASE ORDER

PO CITY MULTI

PAGE NO: 1

REFERENCE NUMBER: CT 7200 13101800036

P.O DATE: 10/18/13

PRICE AGREEMENT #:

V RAMON VALERIANO
 E VS000027048
 N HOMEBASE TEXAS
 D 310 Comal, Ste. 100
 O Austin TX 78702

S H SEE COMMODITY LINE FOR
 I SHIP TO INFORMATION
 P
 T
 O

B I SEE COMMODITY LINE FOR
 L L BILL TO INFORMATION
 T
 O

Requestor: Linda Lindsey,
 Buyer: See Solicitation,

The City's standard purchase terms and conditions are hereby incorporated into this order by reference, with the same force and effect as if they were incorporated in full text. The full versions are available at https://www.austintexas.gov/financeonline/vendor_connection/index.cfm#STANDARDBIDDOCUMENTS or call the Purchasing Office at (512) 974-2500. Please include above reference number on all packages, deliveries, and invoices.

Line	Quantity	Unit	Commodity Information / Description (s)	Unit Price	Extended Amount
1			Commodity: 91827 Community Development Consulting This contact is for Consulting Services for Community Land Trust Programming and Implementation. Ship To: Nhhcd Housing & Comm Development, 1000 E. 11TH ST, STE 200 Austin, TX, 78702-1945 Bill To: Nhhcd Housing & Comm Development, PO BOX 1088 Austin, TX, 78767	\$.00	\$ 25,000.00
2			Commodity: 91838 Education and Training Consulting Line Fund Dept Unit Objt Actv Func Rept Task Ord Prog Prog Period Line Amount 1 7009 7200 A913 5240 \$ 25,000.00 1 7009 7200 A913 5240 \$ 5,000.00 Ship To: Nhhcd Housing & Comm Development, 1000 E. 11TH ST, STE 200 Austin, TX, 78702-1945 Bill To: Nhhcd Housing & Comm Development, PO BOX 1088 Austin, TX, 78767	\$.00	\$ 5,000.00
Order Total: \$					30,000.00

VENDOR INSTRUCTIONS:

- 1 SEND ORIGINAL INVOICE WITH DUPLICATE COPY TO THE CITY DEPARTMENT TO WHICH THE GOOD(S) WERE DELIVERED
- 2 SHIPPING INSTRUCTIONS F O B DESTINATION UNLESS OTHERWISE SPECIFIED
- 3 NO FEDERAL OR STATE SALES TAX SHALL BE INCLUDED IN PRICES BILLED LIMITED SALES TAX #74-5000085

[Signature]
 Authorized Agent for City Manager
 Date: 10/18/13

By acceptance of this purchase order, you agree to comply with the terms and conditions incorporated herein by reference and made a part of this order.



**CITY OF AUSTIN
CLT PROGRAM DEVELOPMENT & IMPLEMENTATION
SEPTEMBER 25, 2013**

HOME BASE MISSION

HomeBase provides lower-income families with affordable homeownership and asset building opportunities through our shared equity homeownership programs. Our organization is committed to balancing the goals of preserving housing affordability for future generations and offering today's homeowners a dependable opportunity to build wealth and remain in good neighborhoods located near services.

CITY OF AUSTIN PROPOSAL

HomeBase Executive Director, Kelly Weiss, and staff will provide consulting services for the City of Austin's Austin Housing Finance Corporation to develop and implement an AHFC Community Land Trust program.

The scope of the consulting engagement is as follows:

- **Week 1:**
 - Plan engagement with AHFC staff, including weekly status and info meetings

DELIVERABLES: Outline of work plan for the project

- **Weeks 1-4:**
 - Conduct standard program operations assessment for CLT implementation to outline program decision points and suggest policies and best practices.
 - Review City of Austin CLT Legal Documents, Policies, Procedures, and Program Guidelines
 - Provide information on IT systems to automate CLT program administration, for future consideration of City of Austin

DELIVERABLES: Program assessment and recommendations

- **Weeks 4-8:**
 - Identify program recommendations and program decision points for City of Austin
 - Review & revise existing legal documents, program guidelines, policies and procedures; resale formula analysis and recommendations, based on input from City of Austin
 - Assist City of Austin in identifying participating lenders, title companies, appraisers

DELIVERABLES: Revised/Final CLT Legal Documents; CLT Program Guidelines, Policies & Procedures

The cost of such service is as follows:

- \$25,000
- Reimbursable expenses (approved in advance)
- Payment to be paid monthly, upon completion of work, in two installments of \$12,500.
- This proposal is valid for 30 days.

- Training costs are not included. If training is desired, HomeBase will provide up to 2 days of staff training for an additional \$5,000.

This scope of work does not include on-going administrative services for the program. HomeBase does offer on-going program administrative services, as indicated below, under a separate service contract.

PROGRAM IMPLEMENTATION, MANAGEMENT, AND ADMINISTRATION SERVICES

HomeBase provides the following on-going program implementation, management, and administrative services, including loan servicing functions, for shared equity housing programs, on a fee-for-service basis. Note: These on-going administrative costs are generally paid by the Seller/Buyer of the CLT Home:

HOMEBASE SHARED EQUITY HOMEOWNERSHIP PROGRAM IMPLEMENTATION, MANAGEMENT & ADMINISTRATION	
FUNCTION	DESCRIPTION
HOMEOWNERSHIP DEVELOPMENT & PRESERVATION	<ol style="list-style-type: none"> 1. Consult with public entities to create shared equity housing programs 2. Coordinate with non-profit and private housing builders and developers to create long-term, affordable homeownership opportunities 3. Coordinate with homeowners to preserve their ownership
PRICING & RESALE FORMULA	<ol style="list-style-type: none"> 1. Determine initial pricing of units to ensure initial housing affordability and coordinate market value appraisals 2. Analyze resale formula models and calculate resale pricing of units to ensure a fair return to seller and to preserve housing affordability
MARKETING & OUTREACH	<ol style="list-style-type: none"> 1. Develop marketing and outreach materials 2. Perform general outreach to potential participants, on an on-going basis 3. Managing a "wait list" or interest list of eligible applicants 4. Marketing new units both to existing wait/interest list and general public 5. Marketing individual units at time of resale 6. Educating developers, lenders, and the community about the nature of the program and available units
HOMEBUYER & POST-OWNER EDUCATION	<ol style="list-style-type: none"> 1. Provide general homebuyer education and credit counseling to prepare potential buyers for homeownership 2. Conduct Orientation Sessions for small groups to ensure the homebuyer/owner fully understands the program requirements and

	<p>restrictions</p> <ol style="list-style-type: none"> 3. Conduct individual (1-1) meetings, as needed, to fully disclose program requirements and to answer any questions 4. Facilitate legal services to ensure participant has access to legal representation 5. Develop post-ownership education and training, including foreclosure prevention programs
SCREENING & SELECTION	<ol style="list-style-type: none"> 1. Screen homebuyers/homeowners for income/asset limits and ability to qualify for a mortgage. 2. Coordinate a fair and transparent process to select qualified participants
FINANCING & REFINANCING	<ol style="list-style-type: none"> 1. Secure mortgage lender approval for the program to develop a mortgage lender pool 2. Review and approve initial mortgage products to ensure homeowner success and housing affordability 3. Review and approve refinancing, home equity loans, etc., to ensure that the owner does not borrow more than the maximum resale price
COMPLIANCE & MONITORING	<ol style="list-style-type: none"> 1. Ensure compliance with applicable residential mortgage lending laws such as RESPA and Fair Housing Laws 2. Coordinate and track primary resident status of homeowners on an annual basis 3. Regularly review land records to monitor ownership and lien status of property 4. Regularly review capital improvements by homeowners, as required 5. Regular reporting as required
RESALE MANAGEMENT	<ol style="list-style-type: none"> 1. Respond to homeowner's notices 2. Coordinate with title companies 3. Coordinate and review home inspections and appraisals 4. Work with out-going homeowners on sales transaction 5. Coordinate subsequent purchase with eligible homebuyer
ENFORCEMENT	<ol style="list-style-type: none"> 1. Ensure properly executed, strong legal documents 2. Coordinate foreclosure prevention measures, in event of homeowner default 3. Enforce requirements, in case of non-compliance 4. Provide workout solutions, in case of foreclosure

Scope of Work

**Vendor Contact: HomeBase
Kelly Weiss, Executive Director
55 N IH-35, Suite 240
Austin, Texas 78702
512.472.8788
Email [REDACTED]**

Project: AHFC Land Trust Program

Contractor's Obligations. The Contractor shall fully and timely provide all services described herein in strict accordance with the terms, covenants, and conditions of the Contract and applicable Federal, State, and local laws, rules and regulations.

Tasks: In order to accomplish the work described herein, the Contractor shall perform the following tasks, developing products when necessary as dictated by requested services. See attached scope of work and timelines.



Austin Housing Finance Corporation MEMO

P.O. Box 1088, Austin, TX 78767-1088
www.austintexas.gov/ahfc

OK ~~AM~~
10/31/13
RQS FOR CT

Date: September 30, 2013
To: Linda Lindsey, Finance Division
From: Gina Copic, Real Estate & Development Manager
Subject: Request for RQS for HomeBase

Please generate a RQS to allow for consultation services for HomeBase. HomeBase will provide consulting services to the Austin Housing Finance Corporation to develop and implement an AHFC Land Trust Program.

Consulting services will require expertise specific to program development and implementation of a community land trust (CLT).

The contract commodity code is 91827 for Community Development Consultant. The contract amount not to exceed \$25,000 is made available through the following funding: FDU: 7009-7200-A913-5240. The contract commodity code for education and training is 91838. The contract amount not to exceed \$5,000 is made available through the following funding: FDU: 7009-7200-A913-5240.

Attached is HomeBase's proposal, contract signed by purchasing and the consultant and insurance. The CARR form has been waived by the Finance Manager.

Please contact me if additional information is required.



Austin Housing Finance Corporation **MEMO**

P.O. Box 1088, Austin, TX 78767-1088
www.austintexas.gov/ahfc

Date: September 30, 2013

To: Art Acuna, Contract Development Analyst

From: Regina Copic, Real Estate & Development Manager
Austin Housing Finance Corporation

Subject: Professional Services Declaration Memo for Consulting Services with HomeBase, a non-profit corporation, for Community Land Trust Programming and Implementation

The Austin Housing Finance Corporation declares this project to be a professional services contract exempt from Texas Local Government Code, Chapter 252.022(a)(4) since the service to be provided are of an intellectual nature and subject matter expertise that requires special training, experience, skills and knowledge.

The consultant, HomeBase, will draw on their unique skills, professional experience and previous work product to provide consulting services necessary to assist with the program development and implementation of the AHFC Land Trust Program. Consulting services require expertise specific to affordable housing and community land trusts. HomeBase's expertise is specific to securing long term affordability, affordable housing and community land trust programming and implementation.

Please feel free to contact me should you have any questions at [REDACTED]



City of Austin FSD Purchasing Office Certificate of Exemption

DATE: 09/30/2013

DEPT: Austin Housing Finance Corporation

TO: Purchasing Officer or Designee

FROM:

BUYER:

PHONE:

Chapter 252 of the Local Government Code requires that municipalities comply with the procedures established for competitive sealed bids or proposals before entering into a contract requiring an expenditure of \$50,000 or more, unless the expenditure falls within an exemption listed in Section 252.022.

Senate Bill 7 amended Chapter 252 of the Local Government Code to exempt from the requirements of such Chapter expenditures made by a municipally owned electric utility for any purchases made by the municipally owned electric utility in accordance with procurement procedures adopted by a resolution of its governing body that sets out the public purpose to be achieved by those procedures. The Austin City Council has adopted Resolution No. 040610-02 to establish circumstances which could give rise to a finding of critical business need for Austin Energy.

This Certification of Exemption is executed and filed with the Purchasing Office as follows:

1. The undersigned is authorized to submit this certification.
2. The undersigned certifies that the following exemption is applicable to this purchase. (Please check which exemption you are certifying)

a procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality

a procurement necessary to preserve or protect the public health or safety of municipality's residents

a procurement necessary because of unforeseen damage to public machinery, equipment, or other property

a procurement for personal, professional, or planning services

a procurement for work that is performed and paid for by the day as the work progresses

a purchase of land or right-of-way

a procurement of items available from only one source, including: items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies; films, manuscripts, or books; gas, water, and other utility services; captive replacement parts or components for

equipment; books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits

a purchase of rare books, papers, and other library materials for a public library

paving, drainage, street widening and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements

a public improvement project, already in progress, authorized by voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes as authorized by the voters

- a payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212
- personal property sold: at an auction by a state licensed auctioneer; at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; by a political subdivision of this state, a state agency of this state, or an entity of the federal government; or under an interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391
- services performed by blind or severely disabled persons
- goods purchased by a municipality for subsequent retail sale by the municipality
- electricity
- advertising, other than legal notices
- Critical Business Need (Austin Energy Only)

3. The following facts as detailed below support an exemption according to Section 252.022 of the Local Government Code for this purchase. Please verify the steps taken to confirm these facts. If you are citing the following exemptions, please provide the additional information requested below. A more detailed explanation of these exemptions is attached.

- **Preserve and Protect the Public Health and Safety** – Describe how this purchase will preserve and protect the public safety of residents.
- **Sole Source** – Describe what patents, copyrights, secret processes, or natural monopolies exist. Attach a letter from vendor supporting the sole source. The letter must be on company letterhead and be signed by an authorized person in company management.
- **Personal Services** – Describe those services to be performed personally by the individual contracted to perform them.
- **Professional Services** – Describe what mainly mental or intellectual rather than physical or manual and/or disciplines requiring special knowledge or attainment and a high order of learning, skill, and intelligence are required to perform this service.
- **Planning Services** – Describe the services primarily intended to guide governmental policy to ensure the orderly and coordinated development of the state or of municipal, county, metropolitan, or regional land areas.
- **Critical Business Need** – Describe the procurement necessary to protect the competitive interests or position of Austin Energy.

4. Please attach any documentation that supports this exemption.
5. Please provide any evaluation conducted to support the recommendation. Include the efforts taken to ensure the selected vendor is responsible and will provide the best value to the City (Ex: evaluation of other firms, knowledge of market, etc).

HomeBase is a non-profit 501(c)(3), affordable housing organization dedicated to creating and maintaining affordable home ownership opportunities for low and moderate income households. HomeBase Executive Director, Kelly Weiss, has served on the board of the National Community Land Trust Network and serves as an expert in developing land trust programs. HomeBase services include affordable housing consulting, program management and program administration. The consulting services necessary for land trust program development require unique skills and professional experience not available by any other local provider.

- AHFC*
6. Because the above facts and documentation support the requested exemption, the City of ~~Austin~~ AHFC intends to contract with HomeBase which will cost approximately \$ 25,000.00 (Provide estimate and/or breakdown of cost).

Recommended Certification	<i>[Signature]</i> Originator	9/30/2013 Date	
Approved Certification	<i>[Signature]</i> Department Director or designee	9/30/13 Date	
	_____ Assistant City Manager / General Manager or designee (if applicable)	_____ Date	
Purchasing Review (if applicable)	<i>[Signature]</i> Buyer	9/30/13 Date	_____ Manager Initials
Exemption Authorized (if applicable)	_____ Purchasing Officer or designee	_____ Date	

02/26/2013

Exhibit G

NHCD EXECUTIVE ACTION (FOR ITEMS REQUIRING MANAGEMENT SIGNATURE)

Date: 2-19-14

Deadline for Signature: 2-26-14

(please highlight if applicable)

RUSH

Originating Staff: Sherry Cardino

Staff Phone #: [REDACTED]

ITEM:	Partial Release of Lien for: [REDACTED]				
SUMMARY OF ITEM:	Partial Release of Lien from the \$914,470 (as amended) Loan Agreement between AHFC and ANAH for the completion of the address noted above within the Devonshire Village Subdivision.				
ACTION REQUESTED:	Signature needed for the attached Partial Release of Lien				
COMMENTS FROM ORIGINATOR:	The following buyer has been certified income eligible, house has passed inspection & Certificate of Occupancy has been obtained.				
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Buyer: [REDACTED]</td> <td style="width: 20%;">Demographics: 1H</td> <td style="width: 10%;">MFI: 42.29</td> <td style="width: 10%;">%</td> </tr> </table>	Buyer: [REDACTED]	Demographics: 1H	MFI: 42.29	%
Buyer: [REDACTED]	Demographics: 1H	MFI: 42.29	%		
ATTACHMENTS: (List all attachments.)	1). Partial Release of Lien, 2). Restrictive Covenant (provided as an FYI only)				

APPROVED BY:	SIGNATURE	DATE IN:	DATE OUT:	COMMENTS:
Originator	<i>S. Cardino</i>		2/19/14	David, please mark those that are N/A
CARDINO Housing Development Manager	<i>[Signature]</i>		2/19/14	
POTTER Manager (Real Estate & Dev)	<i>[Signature]</i>		2/19/14	
COPIC Construction Dev Manager	<i>[Signature]</i>		2/19/14	
RITCHIE Housing Development Manager	NA			} BUC
HERNANDEZ Compliance Manager	NA			
BROWN	NA			
OTHER - Compliance/Loan Serv	<i>[Signature]</i>	2/19/14	2/19/14	
MURRY				
OTHER - Finance Loan Serv	<i>[Signature]</i>	2/21/14	2/24/14	
BEEAMAN Chief Financial Manager	<i>[Signature]</i>		2/24/14	
ZAMORA Community Dev Administrator	<i>[Signature]</i>		2/24/14	
DOMERACKI Assistant Director	<i>[Signature]</i>		2/26/14	
GIELLO Director	<i>[Signature]</i>		2/26/14	
SPENCER	<i>[Signature]</i>		2/26/14	
SIGNATORY COMMENTS/NOTES:				

Exhibit H




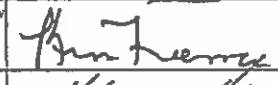



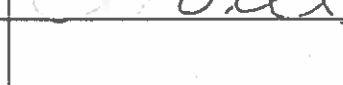
NHCD EXECUTIVE ACTION (FOR ITEMS REQUIRING MANAGEMENT SIGNATURE)

Date: 8-23-13 Deadline for Signature: 8-30-13
 Originating Staff: Shery Cardino Staff Phone #: 974-3153

(please highlight if applicable)

RUSH

ITEM:	AHFC Subrecipient Agreement with Austin Habitat for Humanity (AHFH) for (indirect) homebuyer assistance.
SUMMARY OF ITEM:	Execution of this Subrecipient Agreement with AHFH will allow Habitat to provide homebuyer assistance loans to eight (8) income-eligible homebuyers for newly constructed AHFH single-family homes within Devonshire & Sendero Hills Subdivisions.
ACTION REQUESTED:	Signature needed by the AHFC Treasurer for the attached Subrecipient Agreement
COMMENTS FROM ORIGINATOR:	These homebuyer assistance loans shall be made to the Buyers at zero percent (0%) interest, with payments deferred, and will be forgiven at the end of a ten-year affordability period. Each loan will be evidenced by a Note, payable to the Subrecipient, secured by a Deed of Trust. See attached spreadsheet for addresses and amounts and disbursement each homebuyer.
ATTACHMENTS: (List all attachments.)	1). Austin Habitat for Humanity Subrecipient Agreement (plus attachments) for \$295,000 of HOME 2). CARR Form and its attachments

APPROVED BY:	SIGNATURE	DATE IN:	DATE OUT:	COMMENTS:
Originator CARDINO			8/23/13	David, please mark those that are N/A
Housing Development Manager POTTER		8-23-13	8-23-13	
Manager (Real Estate & Dev) COPIC			8/26/13	
Construction Dev Manager RITCHIE	N/A			} 8
Compliance Manager HERNANDEZ	N/A			
OTHER - Compliance/Loan Serv FREEMAN			8-26-13	
OTHER - Finance Loan Serv BEEMAN			8/24/13	
Chief Financial Manager ZAMORA			8/26/13	
Community Dev Administrator DOMERACKI			8/28/13	
Assistant Director GIELLO			8/26/13	
Director SPENCER				

SIGNATORY COMMENTS / NOTES:

CARR FORM ATTACHED, PLEASE SIGN →

