

REGARDING:

I. General and Collective Complaint:

Mismanagement of City of Austin Neighborhood Housing & Community Development (NHCD), formally known as Neighborhood Housing and Conservation (NHC).

Specifically, Federally funded HUD:

- Single Family Home Loan program (SFLP);
- Welcome HOME & Dollar HOME
- SKIP programs

II. Combined group complaints &

III. Individual Complaint:

Allissa Chambers

Project address: 1702 E. 17th St., Austin, TX 78702
(512)732-7399

Loan # 79090125

H.U.D. complaint # HL-02-00075-C

To Whom it May Concern:

This letter is an addendum to my previous correspondence, that were typically addressed to H.U.D. San Antonio, as well as to Washington.

Once again, I am writing in reference to **The City of Austin's NHC** (Neighborhood Housing and Conservation), which has been renamed **NHCD** (Neighborhood Housing and Community Development). Hereafter, I will refer to NHC & NHCD as one in the same, by using its current common name of NHCD.

I. General Collective Complaint:

My complaint is in response to a **Federally-funded, Municipally-managed H.U.D. housing program** (the Single Family Home Loan Program), where I was a participant in 1995-96. Individually, my complaint relates to the overall **mismanagement of my project by The City of Austin's NHCD**, & its **failure to maintain its obligatory stance of neutrality** as acting manager; **suspected Fraud, Waste and Mismanagement, including misuse of Fiduciary Duties; & Conflicts of Interest.**

However, my greatest concern questions the practices of management from the City of Austin's NHCD in general, and the multiple repercussions thereof.

Furthermore, I would like to emphasize, that while my experience is specific to the program that I participated in, the **management tactics and patterns of NHCD in its entirety is the real issue.** Because I am addressing a management issue, where other HUD-affiliated programs are also **managed by the same individuals of The City of Austin's NHCD**, NHCD's treatment toward me and my project is merely endemic of the departments' patterns & practices in general, toward any of its other programs & its participants.

Furthermore, I strongly question whether H.U.D. San Antonio's C.P.D. and O.I.G. Departments will ensure compliance, at the root cause, from Cities (such as Austin) that are under its jurisdiction. The reason being, is that I have attempted numerous times over several years to inform the San Antonio branches of Austin's NHCD's serious misdoings; yet have received little, and oftentimes no response. I have spoken directly with S.A. investigator **Mr. Alex Ramirez**; and with S.A. C.P.D. director, **Mr. John Maldonado**; whom, I do not know if he is of any relation to **Mr. George Maldonado** of Austin's NHCD.

II. **Combined Group Complaints:**

There are some common grievances voiced by other program participants regarding their projects and the manner in which they were treated. Their experiences, in addition to my own, raise questions relating to NHCD/NHC practices; its management toward these projects; its treatment toward the participants; and its apparent favoritism toward certain contractors. I will forward the participants' particular stories, as soon as they are completed by the individuals.

In light of these patterns, the question is posed whether certain employees of **The City of Austin's NHCD** acted with malice and deliberate neglect? Could these particular tactics enacted against participants, who are in vulnerable situations, be construed as **coercion**? Various families, including my own, have been adversely affected by this apparent **Misuse of Power**.

Some common issues &/or questions include:

- a) discrepancies with the finance department;
- b) failure to follow through with what NHCD promised the client it would do;
- c) failure to address recurring complaints; and to follow through with the prescribed protocols; including complaints related to code-item work;
- d) pressure on the client to take actions against his/her best interest and will, including the signing of documents prematurely; without merit; or which **contradict common contractual procedure**.
- e) questionable practices regarding the subject of lead based paint;
- f) delayed and/or abandoned projects
- g) poor workmanship, including unchecked code-violations
- h) Denying the clients (participants) the opportunity to fill out the project/contractor evaluation forms; although this step is defined as part of the concluding process to the project within the **AHFC Homebuilder/Contractor Registration Requirements Section 3, part B; & Section 6**.

Some of these practices raise questions about:

- ❖ **Preferential treatment toward contractors; &**
- ❖ **Misuse of Federal and Municipal funds by Austin NHCD employees & contractors.**
- NHCD continues to use contractors that have a history of poor workmanship; abandoned 1 or more projects; and/or have failed to complete the work in a timely manner; and/or consistent with the specs. **This is in violation of the AHFC (Austin Housing Finance Corporation) Homebuilder/Contractor Registration Requirements.**
- Clients complained of being pressured into signing for substandard work against their wishes
- Some projects have persisted for years;
- Some clients have been displaced from their homes more than once, in order to remedy **faulty construction** stemming from the original rehabilitation loan;
- It appears that perhaps some projects with a history of difficulty, may have had more than one rehabilitation loan applied to the same address spanning over a period of years.

QUESTIONS:

- Q: Did NHCD inspectors pass code-item work that was actually in violation of code?**
- Q: Why does The City of Austin NHCD appear to be unconcerned by the apparent misrepresentation of some of its widely used contractors?**
- Q: Are the costs of these "Repeat" jobs being passed on to the Federal Government as simply another rehab loan; and without penalty to anyone because of NHCD's approach to record keeping?**
- Q: Have any failed projects been recorded as completed successes?**
- Q: Have the contracts associated with failed projects typically been dissolved?**
- if so, would that nullify the need to report these projects as failures?
- Would it also preserve a contractor's eligibility status with NHC?
- ❖ **Furthermore, project participants have still been held liable for their loans regardless of whether or not their rehab projects were completed per the agreement of the contract.**

III. **Individual Complaint:** (Issues specific to my particular project include but are not limited to the following):

Project address: 1702 East 17th St., Austin, TX 78702

Loan #: 79090125

HUD Complaint #: HL-02-00075-C

Travis County Court Cause #: 97-08030 (no longer active)

A) **Summary:**

NHCD/NHC's **neglect & misuse of its Fiduciary duties**, including its forfeiture of neutrality as acting manager, and its failure to acknowledge Federally mandated guidelines, enabled the persistent misbehaviors by the contractor. This common disregard for prescribed protocol, amongst both the contractor and NHCD agents, ultimately manifested the **delay & subsequent abandonment of the construction project** itself at 1702 East 17th St., Austin, TX 78702.

Finally, this continuous Misuse of Power by both parties (City of Austin & The contractor), resulted in extensive damage to my home, that greatly exceeded the initial scope of repairs. In fact, **the original \$17,7_ _ repair project, transformed into a repair nightmare, that was last bid for over \$80,000.**

B) **Affects:** (circumstances resulting from both The City's & the Contractor's actions/inaction:)

Generalized Summary of Affects:

1. Construction Project abandoned indefinitely;
2. Extensive damage done to the home;
3. **Extensive lead and cadmium dust contamination;**
4. Prolonged and Chronic inactivity on project exacerbated the initial damage and hazardous risks;
5. **Innate rights as a homeowner were denied to me, subsequent to the contractor's and NHCD's negligence and its apparent retaliatory actions against me:**
 - Efforts to repair damage myself were compromised;
 - **It was illegal for me to inhabit my own home;**
 - **YET, per the contract and CoA's lien against my property, it was also illegal for me to live anywhere else BUT IN my home – CoA reserved the right to foreclose, if I moved out.**
 - Options to rent or sell my property were also denied.
 - **I was held liable for a loan that I actually never benefited from or accessed;**
 - **I essentially repaid a loan that I never received (no money, to my knowledge, was ever disbursed for the project);**
 - **YET CoA knowingly compelled me to live in a structurally damaged and contaminated environment (that their contractor caused) for several years, as if the project were completed and funds were disbursed – otherwise CoA could've foreclosed per the lien which CoA refused to remove.**
6. Home Owner's insurance policy was canceled; Replacement policy resulted in a greater cost for significantly less coverage
7. **Prolonged, Indefinite, & Repeated displacement from our home for me and my family, beginning when my son was 2.5 till his present age of 11yrs. (1995-2004)**

❖ **Not only did the City of Austin NHCD do nothing to rectify matters, but it actually took intentional measures that prolonged the devastation & compromised my ability to rectify matters myself.**

❖ **Furthermore, the City of Austin NHCD received a grant from the Federal government to remediate lead hazards within residential homes, specifically in targeted neighborhoods.**

- NHCD was fully aware of the hazardous conditions that my son, my husband and myself were forced to live under for several years,
- These conditions were resultant of NHCD's active endorsement of the contractor's behaviors; & NHCD's deliberate attempts to prolong the suspension of the construction project indefinitely, as an apparent form of coercion against me.
- My home qualified within the targeted area;

- o Yet NHCD never offered to clean this toxic mess up, independent of any other pending matters. In fact, per our multiple requests, CoA refused to take responsibility for the contamination. Essentially, CoA & NHCD encouraged the chronic and potential poisoning of my family and me, thus consciously exposing us to risking permanent and irreversible damage to our health and our lives, including our desire to bring another child into our family.

C) Generalized Summary of NHCD involvement:

1. Issues with the finance department

- a. specifically the manner in which the repayment of my loan was recorded:
- b. 2 separate Finance Companies (**U.S.C. & AHFC**); **reflect contrary information** pertaining to the same account history.

2. Conflict of Interest:

- a) Eric Mitchell with Wormley, Mitchell & Associates Insurance Agency was the insurance agent for a number of the projects during the period that I participated in the loan program; **AND during which time he was also the City Council Member for the precinct in which these projects were targeted.**
- b) Unaware that he was the insurance agent for the contractor who abandoned my project and damaged my home, **I requested assistance from then Council Member Mitchell.**
- c) I was advised to send ALL correspondence that I'd ever had w/ the contractor to his office.
- d) **I was also advised to dissolve the contract (in other words, release the contractor of any and all liability).**
- e) I was not informed of this; and HUD explicitly states such actions as a conflict of interest. **H.U.D. Subpart K, 570.611 Conflict of Interest sections b & c**

3. Forfeiture of Neutrality:

a. Biased treatment in favor of the contractor and at great expense to myself:

- Failure to document contractor's violations of contract;
- Failure to enforce the consequences **pursuant to the AHFC (Austin Housing Finance Corporation) Homebuilder/Contractor Registration Requirements;** the contracts themselves; and the Municipal and Federal Requirements
- Endorsing behaviors of the contractor that clearly breached the contract
- Supporting the contractor's position to **disregard precautions pertaining to working with lead based paint. -- This contractor has performed over 70 HUD funded rehabilitation jobs.**
- **Continuing to use this contractor, whose history contradicts the eligibility requirements pursuant to the AHFC Homebuilder/Contractor Registration Requirements; particularly Section 3, Part B and F; & Section 4, part F; Section 7, numbers 2, 4, 7, 8, and 9.**

b. Collusion

4. Misuse of Power:

a. Coercion & Retaliatory Action:

- Unsubstantiated lien against property;
- Withholding of utility reimbursement;
- Refusal to place the alternate contractor on the project;
- Arbitrarily halting project;
- Insistence that I dissolve contract completely; and release contractor of any and all liability;
- Threat of eviction

b. Forgery & Fabrication of Documents

c. Misrepresentation of:

- Their intentions
- the terms of the contract;
- my rights, and options; &
- what was required of me

Sincerely,
Allissa Chambers