



City of Dallas

Community Development Block Grant – Disaster Recovery Funds

**City Council Briefing
April 4, 2023**

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Purpose



- Update on status of Community Development Block Grant – Disaster Recovery Funds (CDBG-DR)
- Overview of requirements and eligible activities
- CDBG Funding - Housing Type
- Tiny and Pallet Homes Overview and Discussion
- Staff Recommendation
- Next Steps
 - CDBG – DR Action Plan and Budget Development Timeline



CDBG - Disaster Recovery Funds



- On March 22, 2022, the Department of Housing and Urban Development (HUD) allocated nearly \$3 billion of the Disaster Recovery Relief Supplemental Appropriations Act, Community Development Block Grant Disaster Recovery (CDBG-DR) funds for major disasters that occurred in 2020 and 2021
- HUD announced that the City of Dallas would receive a direct allocation of CDBG-DR funds in the amount of \$24.4 million
 - Funds are typically awarded to the State
 - City of Dallas has never received CDBG-DR funds from the State or a direct allocation
 - Funds awarded due to the February 2021 winter weather storm



CDBG - Disaster Recovery Funds



- Prioritizes low-and moderate-income (LMI) persons and most impacted and distressed (MID) areas
 - For CDBG-DR funds, the entire City of Dallas is included in the MID
- Each activity must:
 - Address a direct or indirect impact from the disaster in a MID
 - Be a CDBG eligible activity and meet a national objective
 - Principally benefit LMI persons
 - Aid in prevention or elimination of slum and blight
 - Meet needs having a particular urgency
- Funds can only be used for unmet recovery needs or mitigation activities not addressed by other resources
 - Cannot duplicate financial assistance or be used to reimburse for payment made from any other source



CDBG - Disaster Recovery Funds



- To receive CDBG-DR funds, the City must develop an Action Plan that details the use of funds to address unmet recovery needs and mitigation activities related to the Disaster Recovery
 - The CDBG-DR budget is included in the Action Plan
- On December 14, 2022 City Council approved final adoption of CDBG-DR budget in the amount of \$24,433,000
- On January 18, HUD distributed an Allocation Amendment Notice increasing the amount of CDBG-DR funds by \$15,967,000
- Amended CDBG-DR budget covering the full allocation of \$40,400,000 is now due to HUD by May 18
- Funds must be spent within six (6) years of the date HUD signs the grant agreement



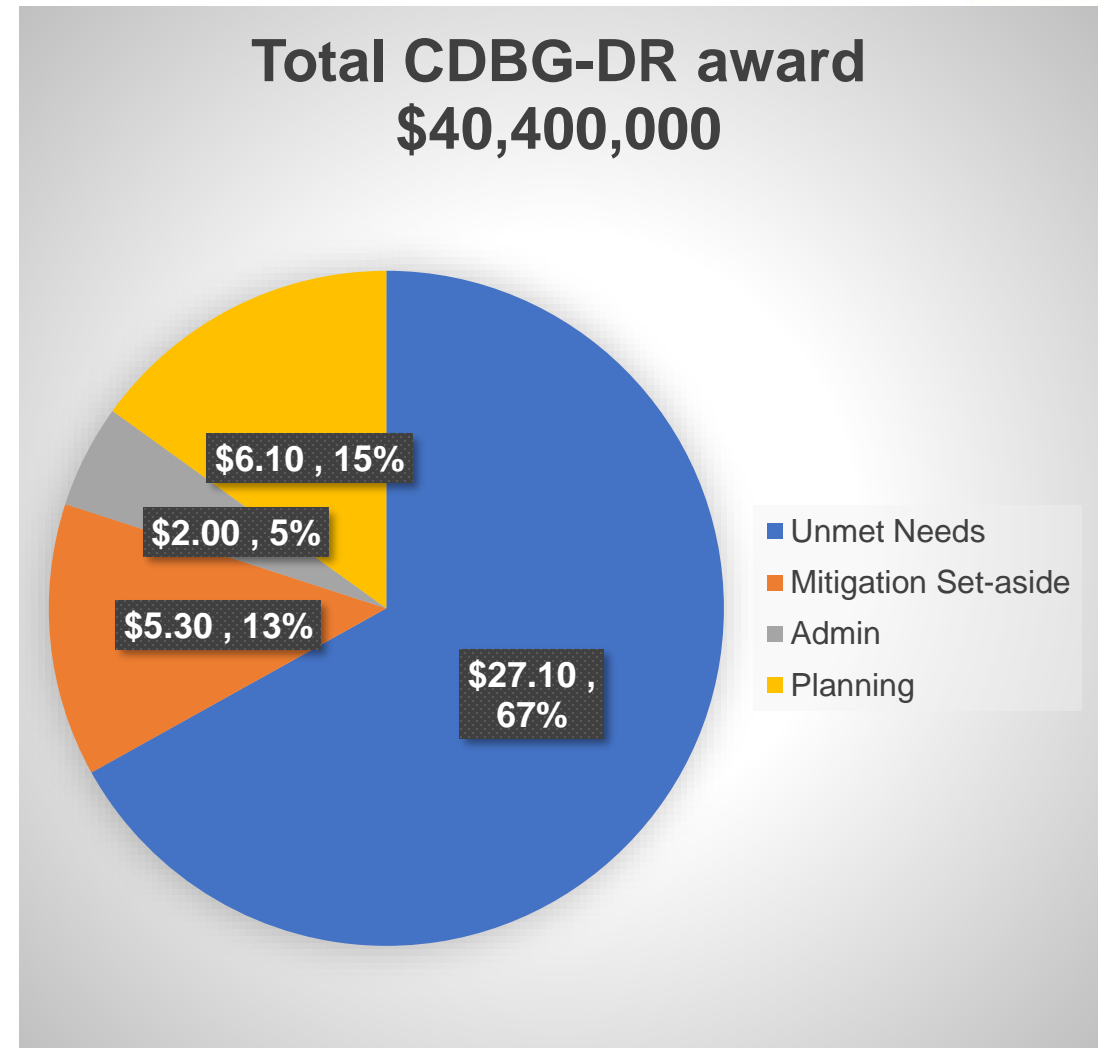
CDBG - Disaster Recovery Funds



Eligible use of Funds by Category

- Unmet Need - \$27,050,000
 - Disaster recovery
 - Restoration of infrastructure
 - Housing
 - Economic revitalization
- Mitigation Set-aside - \$5,270,000
 - Amount determined by regulations
 - Mitigation of future hazard risks does not require a direct connection to the qualifying major Disaster Recovery
- Planning - \$6,060,000
 - Up to maximum 15% allowed
 - Data acquisition, analysis, and creation of action plan
 - Other activities necessary to enable spending of funds, including software or technology
- Administration - \$2,020,000
 - Up to maximum 5% allowed
 - Budget development, citizen participation, reporting, and general administration

NOTE: Direct payments to individuals is not allowed with these funds



CDBG - Disaster Recovery Funds



Amended FY 2022 CDBG-DR Budget

Proposed Use of Funds by Category	Adopted Budget 12-14-22	Additional Funds	Proposed Amended Budget
Housing Activities	\$15,324,350	\$12,585,650	\$27,910,000
Infrastructure	2,700,000	-	2,700,000
Planning	2,000,000	500,000	2,500,000
Mitigation	3,187,000	2,083,000	5,270,000
Administration	1,221,650	798,350	2,020,000
Total	\$24,433,000	\$15,967,000	\$40,400,000



Other Cross-Cutting Requirements



- CDBG-DR funding must comply with all other applicable cross-cutting federal requirement
- The cross-cutting regulations must be addressed in the action plan and implemented throughout the grant process

- *Environmental Review*
- *Flood Insurance*
- *Labor Standards*
- *Section 3 Economic Opportunities*
- *Federal Funding Accountability and Transparency Act*
- *Financial Management & Procurement*
- *Lead Based Paint*
- *Fair Housing, Handicapped Accessibility & Equal Opportunity*
- *Relocation and Acquisition (URA)*





Tiny and Pallet Homes Overview and Discussion



What are Tiny Homes and Pallet Homes?



Dwelling Units are defined by the 2021 International Residential Code (IRC) as "a single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation"

Tiny homes are defined by the 2021 International Residential Code (IRC) as a dwelling/dwelling unit "that is 400 square feet or less in an area excluding lofts and must meet the following:

- Minimum ceiling heights (6'8")
- Lofts must have a minimum height, dimension, and floor area
- Must meet egress and emergency rescue opening requirements
- Must meet minimum Energy Conservation regulations

Pallet homes are shelters built from wood pallets, but may also be built from aluminum siding

- These types of shelters do not qualify as a "tiny home" as defined by our adopted building codes and may not require a building permit

Tuff Sheds are shelters that resemble tool sheds

- 120 Sq Ft
- 15 feet long by 8 feet wide



Definition of Tiny Homes (City of Dallas)



The City of Dallas Requires Tiny Homes be consistent with the International Building Code as:

1. Be connected to sewage, water, and electricity
2. Be installed on an engineered foundation
3. Permitted, reviewed, and inspected
4. Permitted in conjunction with all other construction trades, zoning, fire, energy, and engineering requirements
5. Undergo all other Development Services processes



Tiny and Pallet Homes Best Practices



Pallet homes are used to:

1. Provide temporary housing for disaster relief and emergency shelter
2. Provide bridge housing for up to 90 days of residence while identifying permanent housing solutions
3. These are often mislabeled as "Tiny Homes," which are miniature-sized dwelling units

General Locations:

1. Most prevalent on the West Coast
2. Often established in rural or industrial areas as a work around to:
 - Not be subject to City requirements for water, sewage, and electricity hook ups
 - Community feedback and potential hurdles



Tiny and Pallet Home Examples



Location	Birmingham, AL	Madison, WI	Oakland, CA	Dallas, TX
Use	Short-term bridge housing	Long-term	Short-term	Long-Term
Unit Type	Pallet Home	Pallet Home "identifies as tiny homes"	Tuff Shed	Tiny Home
# Units	100	30	20	50
Budget	\$2,000,000	\$1,000,000	\$175,000	\$12,500,000 – land + units
Estimated Unit Cost	\$20,000/unit	\$33,000/unit	\$8,750/unit	\$68,000/unit
Square Feet	64 sq. ft. – 8'x 8'	64 sq.ft. - 8'x8'	120sq.ft. – 15'x8'	430 sq. Ft. - & 4,000 sq. Ft. Service bldg
Estimated Operational /Service Cost	Not Given	\$800k: annual operation	\$675k: \$550,000 for onsite staffing services, \$125,000 fund for helping residents acquire permanent housing	\$221k in yr 1 and \$500k year 30 – does not include resident services
Start Date	January 2023	November 2021	May 2018	2016



Industry Perspectives; Pros and Cons



Pros	Cons
<ul style="list-style-type: none">• Tiny and/or Pallet homes can be a tool in the housing toolbox• Both are often viewed as a creative housing solution• Both fit into the various types of housing solutions that may meet the needs of some individuals experiencing homelessness• Pallet homes are cheaper in cost than a single family unit• Pallet homes can be assembled quickly using low skilled labor or volunteers• Pallet homes for temporary housing can be more flexible in size	<ul style="list-style-type: none">• Tiny homes for permanent habitation are more expensive and take longer to build and are subject to more traditional building codes and standards.• Pallet homes often do not contain individual bathrooms or kitchens, which are attributed to higher cost Tiny homes<ul style="list-style-type: none">• Pallet homes do not meet national HUD habitability standards for permanent housing• Larger unit counts take up more land <p>Public Criticism of tiny homes for the unsheltered as Inhuman</p> <ul style="list-style-type: none">• “The sheds have ... been criticized for justifying calls for even more heavy-handed crackdowns on unhoused people living in unsanctioned encampments.” – Vice Media• “By taking homeless folks off the street and putting them in remote areas while never giving them housing and in some cases “offering” them sheds without running water instead of actual homes, you are doing what, exactly? Until there is more affordable housing, this “solution” leads nowhere.” – The Philadelphia Citizen• Tiny homes have met with ridicule, “comparing the shelters to jail cells, concentration camps, and Hoovervilles.” – Vice Media



Permanent Supportive Housing standards

Core Principles underpinning the *Design Standards* support the vision that PSH projects create housing that:

Offers a permanent home, with the same amenities one would want in their own home

Promotes community integration and access to a supportive infrastructure (including comprehensive healthcare, food, household goods, etc.)

Centers trauma-informed, human centered design principles

Includes spaces that are inviting and promote interaction

Offers a place to belong, connect, heal, stabilize, and succeed with dignity

Fosters tenant choice in housing options

Aligns with national housing quality standards for permanent housing and evidence based practices

Considers unit size and characteristics that meet the unique needs of the tenants who will live there



Policy Considerations using the National Alliance to End Homelessness Framework



National Alliance to End Homelessness offers questions to think about:

What kind of tiny home is being proposed?

Are the structures safe, dignified, & livable [permanent]?

Is the design informed by people with lived experience?

Where is the tiny home village sited?

How will the tiny home village operate?

Who is being prioritized for tiny homes & will the appropriate services be offered?

What's the real cost?

Where is the community engagement in the process?



Staff Recommendation



- City Council to move forward with the proposed CBDG – DR timeline as presented by the Office of Budget and Management Services
- In collaboration with the local Continuum of Care, the All Neighbors Coalition, continue with housing projects that are in alignment with established best practices concerning the creation of more affordable, permanent supportive housing to support our homeless response system



Next Steps: CDBG – DR Action Plan and Budget Development Timeline



DATE	ACTIVITY
May 13, 2022	Memo to City Council regarding HUD announcement of CDBG-DR allocation
August 26, 2022	Update on CDBG-DR funds
October 19, 2022	City Council briefing scheduled on status and proposed budget
October 21, 2022	Memo to City Council on status and proposed budget
November 3, 2022	Update on CDBG-DR presented to Community Development Commission (CDC)
November 9, 2022	City Council preliminary adoption of recommended budget, and called public hearing
November 10, 2022	Public review began for 30 days
December 14, 2022	Held public hearing before City Council and final adoption of CDBG-DR budget
February 10, 2023	Memo to City Council regarding additional allocation of CDBG-DR funds
March 2, 2023	Amended CDBG-DR budget presented to CDC
March 8, 2023	City Council preliminary adoption of amended budget, and called public hearing
April 4, 2023	City Council briefing on amended CDBG-DR budget
April 12, 2023	Hold public hearing before City Council and final adoption of CDBG-DR budget
May 18, 2023	Amended 2022 CDBG-DR Budget and Action Plan due to HUD



Next Steps Continued



- Receive City Council feedback on funding use for the CBDG – DR funding
- Ongoing updates on current and new housing projects to support the homelessness response system via the City Council Housing and Homelessness Solutions Committee
- Questions and answers





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APPENDIX



- <https://www.curbed.com/2021/04/tiny-home-village-homeless-los-angeles.html>
- <https://shelterforce.org/2020/01/10/tiny-houses-not-a-big-enough-solution/>
- <https://thephiladelphiacitizen.org/tiny-houses-big-problem/>
- <https://www.vice.com/en/article/bvmeb3/are-tiny-homes-for-houseless-people-solving-a-problem-or-creating-one>
- <https://www.insider.com/new-york-central-park-hooverville-great-depression-photos-2020-9>
- <https://www.homewardva.org/tiny-houses-as-an-approach-to-addressing-homelessness>
- <https://www.npr.org/sections/health-shots/2022/02/06/1077791467/tiny-homes-big-dreams-how-some-activists-are-reimagining-shelter-for-the-homeles>
- <https://mlf.org/community-first/>
- <https://www.theguardian.com/society/2019/jan/14/oakland-homelessness-crisis-cabin-tiny-tuff-sheds-does-it-work>
- <https://www.mercurynews.com/2018/05/08/homeless-greet-new-tuff-sheds-with-hesitation-hope/>
- <https://www.dallasnews.com/news/curious-texas/2019/12/09/what-happened-to-all-of-the-tiny-houses-for-the-homeless-in-dallas-curious-texas-investigates/>
- <https://www.keranews.org/texas-news/2016-09-09/dallas-is-placing-50-homeless-residents-in-tiny-homes>

