



Legislation Text

File #: 21-59, **Version:** 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: February 24, 2021
COUNCIL DISTRICT(S): All
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

Authorize **(1)** a preliminary adoption of Substantial Amendment No. 3 to the FY 2020-21 Action Plan for the HOME Investment Partnerships Program (HOME) to **(a)** reduce the HOME grant amount by \$4,302,343.26 from the CHDO Development and Operating Assistance, Development Loan Program, Dallas Homebuyer Assistance Program and Home Program Administration; **(b)** reduce the unit production anticipated from 139 units to 32; and **(2)** a public hearing to be held on March 24, 2021 to receive comments on Substantial Amendment No. 3 to the FY 2020-21 Action Plan for the HOME Program - Financing: No cost consideration to the City

BACKGROUND

In accordance with Resolution No. 20-1845, the City Manager is authorized to reimburse funds to the U.S. Department of Housing and Urban Development (HUD) for expenditures identified by HUD as ineligible. After three years of negotiation with HUD and after all options were exhausted, Department of Housing and Neighborhood Revitalization (Housing) agreed to a reduction in FY 2020-21 HOME funds in the amount of approximately \$4.3M to address the findings. The reduction in HOME funds will impact production of approximately 139 new housing units anticipated for development in FY 2020-21. Notice was provided to the Housing and Homelessness Solutions Committee of the expenditures determined to be ineligible.

Annually, the City submits an Action Plan to HUD that includes the Community Development Block Grant (CDBG), HOME, Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS Grant (HOPWA). The Action Plan provides a detailed description of programs and services to be undertaken with the grant funds over the twelve-month period of October 1, 2020 through September 30, 2021 to address priority needs in the community designed to improve Dallas residents' quality of life for low- and moderate-income persons.

On November 11, 2020, City Council authorized Substantial Amendment No. 1 to: (a) accept Coronavirus Aid, Relief, and Economic Security (CARES) Act Community Development Block Grant (CDBG-CV3) Funds, No. 3 from HUD in the amount of \$11,778,785.00, according to Schedule 1; (b) amend Resolution No. 20-0655, previously approved on April 22, 2020, with respect to adding missing HUD CARES Act grant numbers and CFDA numbers; (c) amend and replace Schedules A, D, and E to Resolution No. 20-0655, previously approved on April 22, 2020, to reallocate funds across departments and units as necessary in support of COVID-19 relief efforts; (d) amend and replace Schedule Two to Resolution No. 20-0994, previously approved on June 24, 2020, to reallocate funds in eligible categories to support COVID-19 relief efforts; and (e) expand eligibility for Emergency Solutions Grants (ESG) homeless prevention assistance funded by ESG entitlement funds for households at risk of homelessness who live in housing with characteristics associated with instability and an increased risk of homelessness, to include cost burdened and severely cost burdened households; elderly, frail, or other households living on fixed income; households experiencing unemployment resulting in a loss of income available for housing; and households with lack of assets for emergencies by Resolution No. 20-1845; and (2) a virtual public hearing to be held on November 11, 2020 to receive comments on Substantial Amendment No. 1 to the FY 2020-21 Action Plan.

Housing requests to revise the FY 2020-21 Action Plan, Housing Development Loan Program and Program Administration, one activity that provides housing development opportunities to low- and moderate-income persons, and program administration for the HOME Program to address the reduction in HOME funds.

This action authorizes **(1)** a preliminary adoption of Substantial Amendment No. 3 to the FY 2020-21 Action Plan for the HOME Investment Partnerships Program (HOME) to **(a)** reduce the HOME grant amount by \$4,302,343.26 from the CHDO Development and Operating Assistance, Development Loan Program, Dallas Homebuyer Assistance Program and Home Program Administration; **(b)** reduce the unit production anticipated from 139 units to 32; and **(2)** a public hearing to be held on March 24, 2021 to receive comments on Substantial Amendment No. 3 to the FY 2020-21 Action Plan for the HOME Program.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On April 20, 2020, City Council authorized the adoption of the FY 2020-21 Consolidated Plan Budget by Resolution No. 20-0655.

On November 11, 2020, City Council authorized Substantial Amendment No. 1 to the FY 2020-21 Action Plan Budget by Resolution No. 20-1845.

The Housing and Homelessness Solutions Committee was briefed on “Update on Outstanding Audits by the U.S. Department of Housing and Urban Development” on December 3, 2020.

FISCAL INFORMATION

No cost consideration to the City.