



Legislation Text

File #: 22-2504, Version: 1

STRATEGIC PRIORITY: Housing & Homelessness Solutions
AGENDA DATE: November 9, 2022
COUNCIL DISTRICT(S): All
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize (1) an amendment to the American Rescue Plan Act Neighborhood Revitalization Program ("Program" or "ARPA NRP Program") to (a) expand eligible applicants to households throughout the City of Dallas disproportionately impacted by the COVID-19 pandemic that currently receive certain federal benefits; (b) add sidewalk improvements as eligible infrastructure improvements in Qualified Census Tracts; (c) add eligible area maps; and (d) allow the Program to receive additional ARPA allocations from two sources: Councilmember discretionary ARPA funding and funding from various departments and various units, in a total amount not to exceed \$10,000,000.00, to Fund FC18, through December 2023, to be used for home repair activities and infrastructure improvements in expanded eligible areas; (2) the retention of two positions to assist in the administration of the Program; and (3) execution of all documents and agreements necessary to implement the Program, including but not limited to agreements with homeowners, subrecipients, contractors, and/or administration agreement(s) for the Program - Total not to exceed \$21,250,000.00 - Financing: American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) (see Fiscal Information) (a) ~~\$11,250,000.00 initial allocation for home repair in three neighborhoods Joppee/Joppa, Five Mile, and Tenth Street Historic District; and (b) two additional sources, in a total amount not to exceed \$10,000,000.00 allocated through December 2023 Each funding source corresponds to a specific service area, as can be seen in attached map exhibits~~

BACKGROUND

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The Program was authorized by City Council on December 8, 2021, in the amount of \$11,250,000.00 to provide preservation of affordable housing and water and sewer infrastructure improvements in Qualified Census Tracts (QCTs), including but not limited to Freedman's towns, Tenth Street Historic

District, 5-Mile Neighborhood and Joppa/Joppee. (original mapped boundaries for these neighborhoods can be seen in attached map exhibits 1 through 3). The Program was initially targeted solely to residents in these three neighborhoods, which owned homes built in or before 1959. The amended Program language is modified to expand eligible applicants to households throughout the City of Dallas disproportionately impacted by the COVID-19 pandemic that currently receive certain federal benefits; to expand eligible Program areas; to allow the Program to receive additional ARPA allocations or other funds, in an amount not to exceed \$10,000,000.00, through December 2023, to be used for home repair activities and infrastructure improvements in expanded eligible areas; and to clarify that sidewalks are part of the infrastructure allocation in compliance with American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) guidance.

To date, the Program has successfully processed over fifty applications for home repair activities across the three QCTs. Initial Program goals and budget included a target of 20 home repair applications per neighborhood, totaling \$2,000,000.00 per neighborhood for home repair. Each neighborhood was also budgeted \$1,500,000.00 to be used on sidewalk, water, and sewer infrastructure improvements.

In Tenth Street Historic District, 15 home repair applications have been received to date. While the Program has generated a lot of interest, many potential applicants in and around the Tenth Street Historic District have been turned away due to living outside of the original boundaries. This community had a considerable number of interested applicants throughout 'The Bottom'. After review, and due to the large pool of potentially qualified homes, the eligible Program area has been amended to include 'The Bottom' and the larger QCT as a whole. This change can be reviewed in maps 3 and 4, attached. This will not only expand the Programs reach to impact more households but offer a more comprehensive neighborhood-wide preservation that better coordinates with work that the City has already undertaken throughout the area.

Joppee/Joppa has already exceeded the initial goal of a minimum of 20 home repair applications. In this community 29 home repair applications have been received to date, which may reduce the funding available for infrastructure improvements. In Five Mile, 21 applications have been received and future applications will be waitlisted, with the remaining funding being directed at infrastructure projects currently in the design phase throughout the community. This neighborhood has several street improvements which but for Program funding might become stalled or remain incomplete. In addition to this, Councilmembers and HOU have received significant interest from residents who fall outside of the three original neighborhoods of Joppee/Joppa, Five Mile, and Historic Tenth Street altogether, but within the same Council District or QCTs. Because of this, suggested Program amendments open the eligible areas to district wide QCTs for Councilmembers who wish to allocate their discretionary ARPA funding for additional home repair.

To address the greater need across the City, Councilmembers may use ARPA discretionary funding within their districts to serve homeowners in QCTs. Discretionary ARPA funding from Councilmembers must be identified by December 2023. Additionally, underutilized ARPA CSLFRF located throughout other City departments may be used in QCTs throughout the City of Dallas or for ARPA Eligible Households. The City Manager may make modifications to funding applicability and timelines as funding becomes available. The City Manager is authorized to take all actions necessary to account for and report the use of Coronavirus Local Fiscal Recovery Fund, Fund FC18 for home repair, including but not limited to creating additional funds/units, and transferring appropriations, and/or expenses between units as additional home repair information on eligible uses. That the Chief

Financial Officer is then authorized to disburse funds for home repairs in an amount not to exceed \$10,000,000.00 in the Coronavirus Local Fiscal Recovery Fund, Fund FC18, Department, Various, Unit, Various, Object 3099.

The need for affordable home preservation, particularly on our older housing stock, extends far beyond the original communities of focus. Expanding the Program to cover more homes and owners which meet the original Program guidelines across the City is a sure way to address some of our deepest housing needs. Eligible QCTs city-wide can be seen in map 5.

The U.S. Department of The Treasury (Treasury) presumes that certain types of services are eligible uses when provided in QCTs, to families living in QCTs, or to households that may have been disproportionately impacted by the COVID-19 pandemic that currently receive federal benefits.

The term “[qualified census tract](https://www.law.cornell.edu/definitions/uscode.php?width=840&height=800&iframe=true&def_id=26-USC-919786749-1531713623&term_occur=999&term_src=title:26:subtitle:A:chapter:1:subchapter:A:part:IV:subpart:D:section:42) <

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[1531713623&term_occur=999&term_src=title:26:subtitle:A:chapter:1:subchapter:A:part:IV:subpart:D:section:42](https://www.law.cornell.edu/definitions/uscode.php?width=840&height=800&iframe=true&def_id=26-USC-919786749-1531713623&term_occur=999&term_src=title:26:subtitle:A:chapter:1:subchapter:A:part:IV:subpart:D:section:42)” means any census tract which is designated by the U.S. Department of Housing and Urban Development “(HUD)” and, for the most recent year for which census data are available on household income in such tract, either in which 50 percent or more of the households have an income which is less than 60 percent of the area median gross income for such year or which has a poverty rate of at least 25 percent.

The pandemic is forcing families to make difficult choices as they respond to COVID-19, such as cover mortgage and health related expenses vs ongoing housing maintenance; maintenance is often lowest on the list of priorities. Further, households have been confined to residences and have engaged in more activities not previously or traditionally conducted in the home due to COVID-19 such as schooling and work, which has caused greater wear and tear on aging housing stock already in need of repairs, thus making the living situation more difficult. This reality though, places a homeowner at greater risk of homelessness and their home may become condemned if they continue to live in substandard conditions. Our neighborhoods, including the ones in QCTs, are feeling the effects of deferred maintenance on properties, and many buyers have had to set aside their dream of ownership. The QCTs often have infrastructure related issues as well that make home repair or new development costly. Program relief can give city residents the help they badly need to invest in their properties, invest in infrastructure improvements and help create more owner-occupied homes in city neighborhoods.

A healthier home is also more likely to keep the applicant healthy as they protect themselves from COVID-19 and or recover from this deadly disease.

This action will authorize an amendment to the Program as described in **Exhibit A** to (a) provide for grants of up to \$100,000.00 per household for targeted home repair in qualified census tracts (QCTs) or households disproportionately impacted by the COVID-19 pandemic that currently receive federal benefits; and (b) to support necessary sidewalk, water, and sewer infrastructure improvements in QCTs; and (c) expand to serve approved eligible areas displayed in updated maps that correspond to their funding sources; and (d) allow the Program to receive additional ARPA allocations from two sources; (1) Councilmember discretionary ARPA funding and (2) funding from various departments and various units, in a total amount not to exceed \$10,000,000, to fund FC18, through December

2023, to be used for home repair activities and infrastructure improvements in expanded eligible areas.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Housing and Homelessness Solutions Committee was briefed regarding this matter on October 25, 2021, and November 9, 2021.

On June 23, 2021, City Council authorized the acceptance of grant funds from the U.S. Department of Treasury for the Coronavirus Local Fiscal Recovery Fund to provide relief during the ongoing COVID-19 pandemic by Resolution No. 21-1149.

On September 22, 2021, City Council authorized the final reading and adoption of the appropriation ordinance for the FY 2021-22 City of Dallas Operating, Capital, and Grant & Trust Budgets, which included the ARPA funds from the U.S. Department of Treasury for the Coronavirus Local Fiscal Recovery Funds by Resolution No. 21-1590.

On December 8, 2021, City Council approved the American Rescue Plan Act Home Repair and Infrastructure Program by Resolution No. 21-2022.

The Housing and Homelessness Solutions Committee was briefed on the Program's progress to date along with the proposed amendments to the Program on October 24, 2022.

FISCAL INFORMATION

Fund	FY 2021-22	FY 2022-23	Future Years
Coronavirus Local Fiscal Recovery Funds	\$11,250,000.00	\$0.00 Up to <u>\$10,000,000.00</u> * -	\$0.00
AD() American Rescue Plan Act (ARPA)	\$0.00	TBD	\$0.00
AD() American Rescue Plan Act (ARPA) Councilmember Discretionary Funds	\$0.00	TBD	\$0.00
Total	\$11,250,000.00	Up to \$10,000,000.00	\$0.00

*The \$11,250,000.00 initial allocation for home repair in three neighborhoods Joppee/Joppa, Five Mile, and Tenth Street Historic District; and two additional sources: Councilmember Discretionary Funds and various department and units, in a total amount not to exceed \$10,000,000.00.

MAPS

Attached