

Memorandum



CITY OF DALLAS

DATE March 2, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Five-Year Consolidated Plan**

On February 20, 2018, during both the Economic Development and Housing Committee meeting and the Government Performance and Financial Management Committee meeting, several Council Members asked questions about the timing of the next Five-Year Consolidated Plan since our current five-year plan ends September 30, 2018. I am providing this memo to address those questions, as well as to provide new information on a closely related issue.

When is Dallas' Five-Year Consolidated Plan Due?

On November 9, 2017, we requested a one-year extension from the U.S. Department of Housing and Urban Development (HUD). HUD approved the extension request on December 6, 2017. Therefore, our next five-year plan is due in August 2019 rather than August 2018.

Why did we Request an Extension?

At the time we requested the extension, HUD required the Five-Year Consolidated Plan to be based on an Assessment of Fair Housing (AFH). Last summer, the City of Dallas and its contractor, the University of Texas at Arlington (UTA), were well on the way to completing the AFH utilizing housing and demographic data from HUD. In July 2017, HUD released significantly revised housing and demographic data. Unfortunately, the revised data came too late for UTA to complete the AFH by the original deadline.

When did Staff Inform Council of the Issue?

Staff discussed the delays on October 2, 2017 with the Economic Development and Housing Committee. The Office of Fair Housing briefed the Committee on HUD's requirement, as well as HUD's revised data, and requested an extension of the contract with UTA to complete the AFH with the new information released from HUD. The Committee asked questions about and was made aware of how the AFH delay would impact the timeline for development of the next Five-Year Consolidated Plan.

Subsequently, Council approved the contract extension with UTA on October 25, 2017. Please find attached the background of the agenda item, which indicated the delay in the AFH would delay the Five-Year Consolidated Plan.

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Recent Development regarding Assessment of Fair Housing

I want to also make you aware of another new development with HUD. In late January, we learned that HUD had decided to delay acceptance of the AFH to October 31, 2020 throughout the country. HUD has communicated that even though it will not accept the AFH until 2020, each jurisdiction continues to have the responsibility to affirmatively further fair housing. Further, HUD has changed its requirement for development of the Five-Year Consolidated Plan to no longer require it be based on the AFH, but instead that it be based on an Analysis of Impediments, which is HUD's former requirement related to fair housing. The information being compiled through our AFH efforts will be used to complete the Analysis of Impediments. HUD's changed requirement will not result in any additional delay or expense.

What is the Revised Schedule for Preparation of the Five-Year Consolidated Plan?

The revised Five-Year Consolidated Plan schedule is:

- Fall 2018 – Complete Regional AFH and Analysis of Impediments, discuss new Five-Year Consolidated Plan with Economic Development and Housing Committee, brief City Council on new Plan, seek City Council approval of new Plan
- January 2019 – Begin FY 2019-20 Consolidated Plan budget based on new Plan
- August 2019 – Submit new Plan and one-year budget to HUD

The City of Dallas has acted in good faith throughout the process. We have done everything we were required to do under HUD regulations. When HUD issued new data in July, we aggressively acted to ensure we could incorporate the new data. We are disappointed that HUD's late changes resulted in delays and additional expense for the City. We appreciate your patience and support as we work through this process, and look forward to working with you as we develop the next Five-Year Consolidated Plan. If you need additional information, please let me know.



M. Elizabeth Reich
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billerae Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

STRATEGIC PRIORITY: Human and Social Needs

AGENDA DATE: October 25, 2017

COUNCIL DISTRICT(S): All

DEPARTMENT: Fair Housing & Human Rights

CMO: Raquel Favela, 670-3309

MAPSCO: N/A

SUBJECT

Authorize the second amendment to the Interlocal Agreement with the University of Texas at Arlington to **(1)** extend the contract term from January 15, 2018 to July 31, 2018; **(2)** increase the contract amount by \$179,801; **(3)** establish that all entities that participate in the Regional Assessment of Fair Housing will pay their pro-rata share of the increased cost; **(4)** receive and deposit revenue funds in an amount not to exceed \$119,563 from participating jurisdictions (list attached); **(5)** increase appropriations in an amount not to exceed \$119,563, from \$26,611,693 to \$26,731,256 in the Management Services budget; and **(6)** increase appropriations in an amount not to exceed \$60,238, from \$652,085 to \$712,323 in the 2016-17 Community Development Block Grant Fund - Not to exceed \$179,801, from \$734,430 to \$914,231 - Financing: Current Funds (\$119,563) (offset by revenue from participating jurisdictions) and 2016-17 Community Development Block Grant Funds (\$60,238)

BACKGROUND

On December 14, 2016, City Council authorized an Interlocal Agreement with the University of Texas at Arlington (UTA) to conduct the Regional Assessment of Fair Housing (RAFH). The original contract required that UTA complete the study utilizing U.S. Department of Housing and Urban Development (HUD) required data by December 2017. UTA and participating entities initiated the study in January 2017. The initial phase of the study included an in-depth analysis of HUD provided data on racial segregation, poverty, housing problems and other demographics. Starting in the month of June and continuing through August, UTA conducted a series of public meetings to gain public feedback.

In July of 2017, HUD issued updated housing and demographic data. HUD regulations require that jurisdictions whose due date for the Assessment of Fair Housing occurs after October 17, 2017 must use the most recent HUD data.

BACKGROUND (continued)

The new data requirements require additional time and expense to complete the RAFH. After discussions with HUD it was determined that time schedules would need to be adjusted to incorporate the new data.

The RAFH was due to be completed in December 2017. The revised completion date is June 2018. Since recommendations from the RAFH are required to be incorporated into the Five-Year Consolidated Plan, the City will be requesting HUD to extend the current Five-Year Consolidated Plan by one year, resulting in the new Five-Year Consolidated Plan due date being August 2019.

This action, if approved, will extend the contract term with the University of Texas at Arlington from January 15, 2018 through July 31, 2018. Revenue for the pro-rata share of the increased costs is anticipated to be received by January 31, 2018.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 14, 2016, City Council authorized the City of Dallas to serve as lead agency with responsibility to coordinate regional efforts with the U.S. Department of Housing and Urban Development (HUD) and all necessary entities to successfully complete a Regional Assessment of Fair Housing (RAFH); a Memorandum of Understanding between the City of Dallas and other HUD entitlement jurisdictions participating in the regional effort; an Interlocal Agreement with the University of Texas at Arlington to provide consulting work associated with development of the RAFH for the base scope of work for the period December 15, 2016 through January 15, 2018, by Resolution No. 16-1987.

On June 14, 2017, City Council authorized an amendment to the Interlocal Agreement with University of Texas at Arlington (UTA) to establish a subrecipient agreement between the City of Dallas and UTA; and the Memorandum of Understanding between the City of Dallas and other U.S. Department of Housing and Urban Development entitlement jurisdictions participating in the regional effort to establish Subrecipient Agreements with those entities that will pay their pro-rata share of the cost of the RAFH Community Development Block Grant funds; and Interlocal Agreements with those entities that will pay their pro-rata share of the RAFH with Public Housing federal funds previously approved on December 14, 2016, by Resolution No. 16-1987; by Resolution No. 17-0926.

The Economic Development & Housing Committee was briefed regarding this item on October 2, 2017.

FISCAL INFORMATION

Current Funds (offset by revenue from participating jurisdictions) - \$119,563
2016-17 Community Development Block Grant Funds - \$60,238