



Audit of Lead Hazard Control and Healthy Homes Grant

July 28, 2025

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Executive Summary

Objectives and Scope

The objectives of this audit were to determine:

- (1) What challenges affected program execution and caused delays?
- (2) Did the program's governance ensure stakeholders and participants were informed of challenges or delays in program execution?
- (3) Were the program requirements and execution comparable with peer cities?
- (4) Are other City grant programs lagging in program execution?

The scope for the Lead Hazard Control and Healthy Homes Grant was August 1, 2020, through December 31, 2023. The scope for Objective 4 on grants monitoring was from October 1, 2022, through March 31, 2025.

Recommendations

Management should:

- Implement and strengthen practices and procedures if the City seeks a new Lead Hazard Control and Healthy Homes Grant.
- Improve outreach and ongoing communication to residents, potential applicants, and the City Council.
- Enhance grant reporting to make it easier to identify grants lagging in program execution.

Background

The City of Dallas applied for and received a Lead Hazard Control and Healthy Homes Grant from the U. S. Department of Housing and Urban Development in 2018 to remediate deteriorating lead paint in homes with children under the age of six years old.

The City experienced challenges in executing the program in finding eligible homes for repairs and qualified contractors to perform the work. The City repaired lead hazards in four homes, below its goal of 130 homes. The City spent about \$438,000 of the \$2.3 million grant, and the rest was returned to the Federal government.

Dallas Morning News' coverage of the program in September 2024 led to City Council requests for this audit. The grant challenges raised other concerns about the City's monitoring of all City grant programs. During Fiscal Year 2024, the City of Dallas managed 158 grants totaling \$1.35 billion over multiple years.

Observed Conditions

Specific challenges included leadership and staff turnover, records management, and communications with stakeholders and participants. The challenges made success for the City more difficult than for other peer cities, which mostly had more prior experience with the administration of the Lead Hazard Control and Healthy Homes Grant.

Overall citywide grant monitoring can be improved with additions to the current monthly status reporting.

Objectives and Conclusions

1. What challenges affected program execution and caused delays?

The program encountered many challenges, including some specific to Dallas, that led to not meeting the goals for the grant. Specific challenges included:

- Not being able to find property owners and properties that qualified.
- Homes needing lead-related work also needed other repairs the program could not address.
- Staff and leadership turnover.
- Not maintaining a signed and executed grant agreement as required.
- Difficulty finding certified contractors.
- The timing of the COVID-19 pandemic as the program was beginning.

(See [Observation A](#).)

2. Did the program governance ensure stakeholders and participants were informed of challenges or delays in program execution?

Generally, Yes. The homeowners and the responsible City Council committee were given updates on the program's status; however, the outreach could have been improved. Some surveyed homeowners who applied for the program rated the outreach poorly, while others were satisfied. Internally, after the program began to experience challenges, there were few standalone updates on the program. The program's status was included as part of regular department performance updates on overall initiatives. (See [Observation B](#) and [Appendix C](#).)

3. Were the program requirements and execution comparable with peer cities?

Generally, No. While most requirements were consistent across cities, the grant amounts and periods were not the same. Most peer cities surveyed had prior experience with this grant administration and had more success. These cities reported facing some similar challenges as Dallas. The responding peer cities were Charlotte, Fort Worth, Houston, Phoenix, and Waco. All but Waco had prior experience with the grant. (See [Observation A](#) and [Appendix B](#).)

4. Are other City grant programs lagging in program execution?

Yes. The City uses monthly reporting to monitor grant performance. This reporting can identify when grants are doing well or lagging in program performance. While this grant had 19 percent of funding spent before it was closed, two other grant programs were closed with about 1 percent or less of their funds spent. The current monitoring process can be improved to highlight grants lagging in program execution and to include more information needed for gauging grant performance. (See [Observation C](#) and [Appendix D](#).)

Audit Results

Both *City Council Resolution 88-3428* and *Administrative Directive 4-09, Internal Control* prescribe policy for the City to establish and maintain an internal control system. The audit observations listed are offered to assist management in fulfilling their internal control responsibilities.

Observation A: Lead Hazard Control and Healthy Homes Grant Execution

The City of Dallas experienced several challenges in Lead Hazard Control and Healthy Homes Grant's execution. While some of these challenges were similar to those faced by other cities, others were specific to Dallas. These issues made it more difficult for the City to find eligible homes, complete repairs, and meet the goals of the grant. The City provided lead reduction assistance to four homes, below the goal of 130 homes. As a result, the City did not achieve its goal to remove lead hazards for children in more Dallas homes.

Exhibit 1: Status for Home Repairs



Source: Dallas Housing and Community Development documents and Office of the City Auditor analysis.

Finding lead hazard homes where children live or frequent

Dallas estimated about eight percent of the city's housing, or almost 39,000 homes, would have lead hazards that could be improved through the program.

However, identifying homes within the 39,000 homes that met all the qualifications of the grant program proved challenging. See [Appendix A](#) for grant eligibility requirements. The City's main way of identifying homes that might qualify for lead reduction was linked to another City's housing program, which focuses on repairing aging homes that might also have lead hazards. This identification process for grant qualifications mostly attracted older

City residents who may not have children living in the home or visiting frequently.

Another key effort was to recruit landlords renting homes to families that may have children under six years old. However, this approach was unsuccessful because rental properties that accepted federal housing vouchers were already required not to have lead hazards upon inspection. This eliminated a portion of housing from the eligibility of the program.

In attempting to identify additional eligible homes, the City encountered recurring challenges that limited participation in the program.

- Homes with eligible owners but no children under the age of six live in or frequently visit the home.
- Homes with eligible owners and children did not have lead hazards because lead issues had already been addressed to make the homes livable.
- Property owners who did not meet the other eligibility requirements of the grant program.

Homes with too many additional repairs

Some homes that met all the requirements were not suitable for the program because they needed too many additional repairs. It was difficult for Dallas to combine the Lead Hazard Control and Healthy Homes Grant with other grant funds to pay for non-lead-related repairs needed in the same homes. Several applicants were declined because they had too many repairs.

For example, the City partnered with a certified lead abatement contractor with prior grant experience from another city. The contractor communicated to Dallas administrators that they could not perform lead abatement work on Dallas homes without addressing other damage to the properties. The contractor did not want to fix the lead in the windowsills and door frames without also restoring holes in the floors that were not related to lead.

According to the Dallas City Manager at the time the grant ended:

The biggest challenge was that this grant could not be administered in conjunction with our existing home repair programs. ... Houses that were built before 1978 require much more extensive repair needs than the program could cover.

Challenges Specific to Dallas

In addition to difficulties identifying eligible homes, the City experienced internal administrative and procedural challenges.

- *Department and program leadership changed during the course of the grant.* The department leadership that originally wrote the application left the City soon after the program began. Later, the staff members overseeing the program for 2020 and much of 2021 were laid off due to a reduction in force because of the COVID-19 pandemic. The

program was then managed by staff also responsible for other programs, resulting in poor execution.

- *The City did not maintain a complete signed copy of the grant agreement.* City procedures require multiple departments to retain these documents. According to *Administrative Directive 2-19*, Grant Identification, Solicitations, Application, Accounting and Administration Procedures, "A copy of all executed grant contracts and amendments shall be maintained in the central files in the originating Department and in the Intergovernmental Services – Fund Development Unit and/or Office of Financial Services, and the City Attorney's Office." Therefore, as leadership changed, a full record of the grant was not available for reference.
- *There was confusion about the grant's spending limit.* Housing and Community Development staff believed that the limit of \$20,000 was a firm cap that could not be exceeded, even if more work was needed. However, U.S. Department of Housing and Urban Development representatives and the City's grant procedures stated the limit could be exceeded if merited, with federal pre-approval.

Challenges Shared by Dallas and Peer Cities

Other cities also cited several challenges in implementing the grant program. These common obstacles occurred during the 2020–2023 period:

- *The COVID-19 pandemic was disruptive to the program.* This grant program required lead inspectors and contractors to enter the participants' homes at a time when residents were reluctant to have others work in their homes. Surveyed cities with prior grant experience reported more difficulty in the 2020-2023 period than in prior grant periods. For example, each city with prior grant experience repaired more homes in its first grant period than it did during this period.
- *This grant requires technical knowledge.* According to U.S. Department of Housing and Urban Development representatives, the program demands technical expertise in both lead hazard control and public health that other grants do not.
- *Strict eligibility criteria limited participation.* Property owners and their homes must meet ten eligibility requirements, including homes that must have been built in or before 1978. See [Appendix A](#) for grant eligibility requirements.

Certified lead abatement contractors were difficult to find. The City had difficulty in finding certified contractors who could complete the lead abatement projects. In Dallas County, there were 11 certified lead abatement workers and five certified lead abatement supervisors. Four of five peer cities surveyed also struggled in finding qualified contractors to complete the repairs.

Criteria

- ❖ *Administrative Directive 2-19*, Grant Identification, Solicitation, Application, Accounting and Administrative Procedures

- ❖ *City of Dallas Lead Safe Housing Program Policy and Procedures*
- ❖ *Dallas Housing Resource Catalog*
- ❖ *Standards for Internal Control in the Federal Government*
 - Principle 16 – Perform Monitoring Activities
 - Principle 9 – Identify, Analyze, and Respond to Change

Assessed Risk Rating:

High

We recommend the Director of Housing and Community Development:

A.1: Implement and strengthen practices and procedures to address challenges identified in the current program execution if the City seeks a new Lead Hazard Control and Healthy Homes Grant. These include improving identification of eligible homes, retention of grant documentation, preparing for leadership or staff turnover and expanding contractor capacity to perform lead abatement projects.

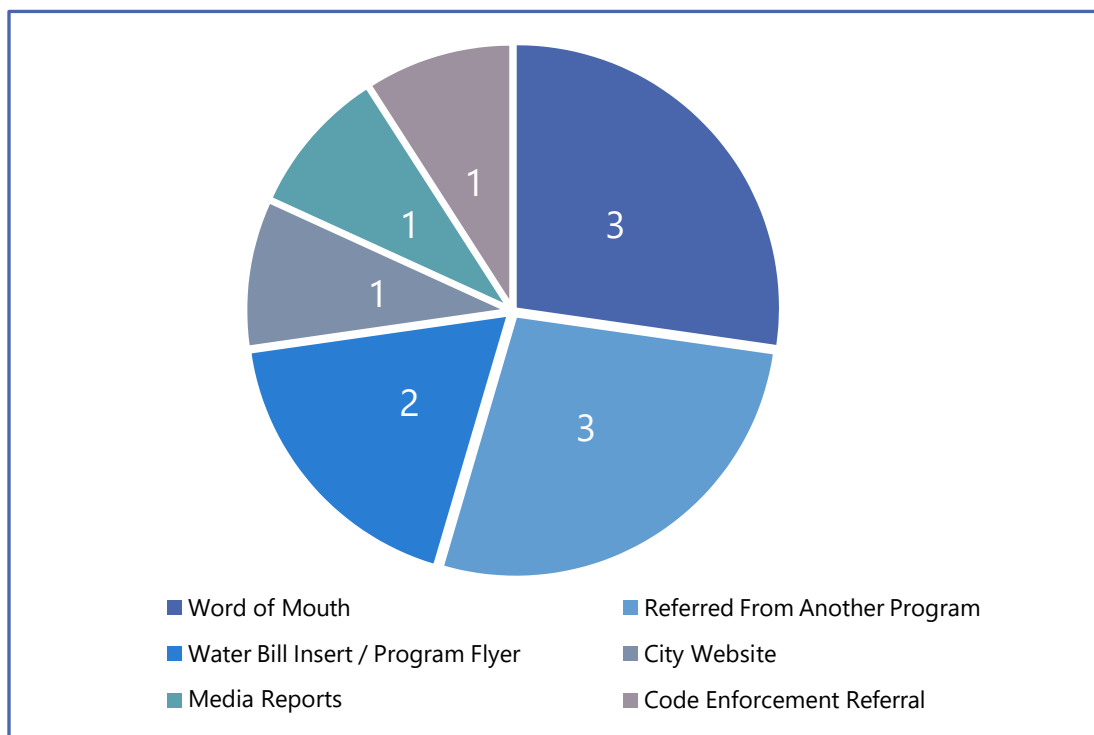
Observation B: Communication with Eligible Residents and Program Applicants

Communication with eligible residents and program applicants occurred throughout the grant period but was not fully effective, limiting the program's overall success.

Outreach efforts did not yield sufficient applications

While Dallas grant administrators attempted many of the same outreach efforts used by peer cities, the City did not generate enough applications to meet its goal. For example, one effort involved placing 20,000 door hangers at potentially eligible properties, which resulted in just three applications. A separate effort to recruit landlords by mailing 500 letters led to only one response. The audit survey results noted most applicants who learned about the program reported hearing of it through word of mouth, referrals from another City program, or inserts in their water bills.

Exhibit 2: Survey Results About City Communication



Source: Office of the City Auditor survey responses received in March and April 2025.

Surveyed applicants had mixed experiences with communication

Applicants who participated in the audit survey were split on the quality of the updates from the City about the grant program. About half of the program applicants surveyed expressed dissatisfaction with the program's communication and outreach. Others reported that they were satisfied, indicating uneven experiences across participants. One respondent, who had received

regular communication throughout the process, reported frustration after being unexpectedly denied participation.

Communication to the City Council Committee was inconsistent and unclear

At the start of the program, in June 2020, Dallas Housing administrators presented an overview to the City Council's Housing and Homelessness Solutions Committee, highlighting the program's potential. However, no similar updates were provided when the program began to struggle—such as staff reductions and unmet performance targets. Instead of highlighting program challenges (See [Observation A](#)), updates were incorporated into general department performance reports, reducing their visibility. The format and depth of the updates changed over time, making it difficult to track progress against expectations.

For example, an update on October 25, 2021, showed that the expected 40 home repairs had not been completed. The November 9, 2021, update showed that 30 home repairs would be completed by September 30, 2022. Ongoing monthly performance reporting and Committee requests later led to discussions about the program challenges and grant requirements when updates showed progress was not meeting the November 2021 projections.

Criteria

- ❖ *2019 U.S. Department of Housing and Urban Development Lead-Based Paint Hazard Control Grant Program Policy & Procedures*
- ❖ *Standards for Internal Control in the Federal Government:*
 - Principle 15 – Communicate Externally
 - Principle 14 – Communicate Internally

Assessed Risk Rating:

High

We recommend the Director of Housing and Community Development:

- B.1:** Review current resident home repair programs with a focus on communication effectiveness, including recipient satisfaction and responsiveness throughout the process.
- B.2:** Periodically review and update outreach and communication procedures for City programs, including application intake, documentation collection, and resident engagement throughout the repair process.

Observation C: Grant Monitoring

The City of Dallas conducts monthly monitoring for a wide range of grant programs using standardized reporting. However, the monthly monitoring reports do not:

- Specifically identify those grants that do not meet expectations
- Consistently provide key information needed for assessing progress, such as the grant end date, and when the unspent grant funds must be returned.

Without more consistent information on grant performance, more grants may not achieve their objectives.

As of March 30, 2025, excluding the City's smallest grants, the audit identified 19 grants totaling more than \$68 million that were lagging in program execution. See [Appendix D](#) for a list of these grants and the performance criteria used.

In addition to the Lead Hazard Control and Healthy Homes Grant, two other grants were closed with most of the funding unspent. A federal 911 grant was terminated because supply chain disruptions during COVID-19 delayed the department's ability to purchase required equipment. A grant from the Federal Communications Commission was closed at the agency's request due to limited funding.

Exhibit 3: Grants Substantially Unspent in Recent Years

Grant Name	Multi-Year Appropriations	Total Spent Since Inception	Percent Spent
Lead Hazard Control and Healthy Homes Grant	\$2,300,000	\$437,844	19%
Federal 911 Grant Program 19-22 Fund	\$3,245,088	\$0	0%
Affordable Connectivity Program Outreach Grant	\$700,000	\$7,208	1%
Total	\$6,245,088	\$445,052	7%

Source: Office of Budget and Management Services reports and Office of the City Auditor analysis.

The Office of Budget and Management Services reviews each grant monthly, focusing on cumulative spending and timeline. However, many of the reviewed grants did not have documented end dates, and reporting often failed to clarify whether grant program was lagging in performance or whether unspent funds were subject to return to federal government. This created uncertainty and increased the risk of missed deadlines or noncompliance.

The City began implementing new financial software that may enhance the accuracy and completeness of grant monitoring. However, as of the audit's conclusion, an updated report reflecting these improvements was not yet available.

Criteria

- ❖ *Administrative Directive 2-19, Grant Identification, Solicitation, Application, Accounting and Administrative Procedures*
- ❖ *Standards of Internal Control in the Federal Government: Principle 14 – Communicate Internally*

Assessed Risk Rating:

High

We recommend the Director of Budget and Management Services:

C.1: Enhance grant report monitoring by including key information needed to assess program execution and identify underperforming grants. At a minimum, grant end dates, and whether unspent grant funds must be returned to the granting agency should be included.

Appendix A: Background and Methodology

Background

Childhood lead poisoning is a significant and preventable public health issue in the United States. An estimated 52 percent of privately-owned homes built before 1978 still contain lead-based paint, which can result in serious developmental, neurological, and behavioral consequences for young children. To address this hazard, the U.S. Department of Housing and Urban Development's Lead Hazard Control and Healthy Homes aimed to safeguard children under six by funding local efforts to identify and remove lead-paint hazards.

The purpose of Lead Hazard Control and Healthy Homes Grant program is to maximize the number of children under the age of six who are protected from lead poisoning. The grant assists states, cities, counties/parishes, Native American Tribes and other units of local government to identify and control lead-based paint hazards in eligible privately-owned rental or owner-occupied housing. The U.S. Department of Housing and Urban Development also

offers Healthy Homes Supplemental funding to enhance funding for other environmental hazards that affect occupants' health.

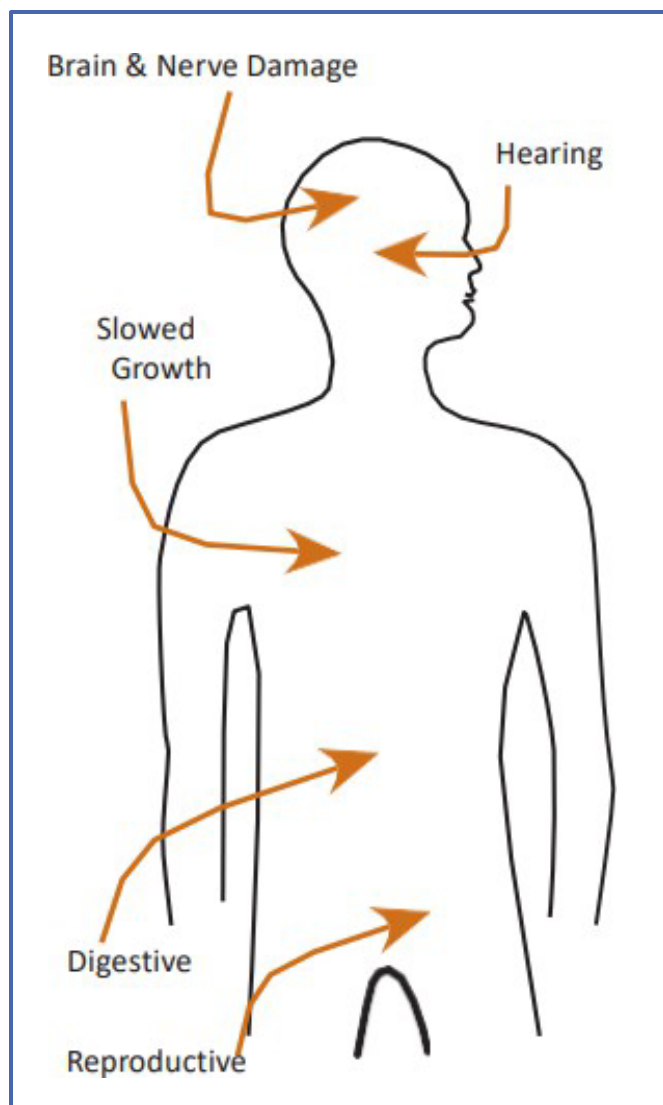
Grant Responsibility

Grant programs are a source of funding for services, operations, and capital projects in the City of Dallas. In Fiscal Year 2024, the City of Dallas received 59 new grants totaling \$167.8 million.

Managing these grants effectively is an important City responsibility and is addressed in *Administrative Directive 2-19*, Grant Identification, Solicitation, Application, Accounting, and Administration Procedures.

Each City department is responsible for managing its grants and ensuring successful outcomes. The Department of Housing and Neighborhood Revitalization, now known as Housing and Community Development, administered the Lead Hazard Control and Healthy Homes grant program.

Source: Dallas presentation on the grant, June 2020.



The Office of Budget and Management Services oversees Citywide grants. It provides monthly reports on grant status and meets regularly with departments on grant execution status. During the audit period, the Office of Budget and Management Services provided four separate monthly reports for: COVID-19 grants, Community Development Block Grants, U.S. Department of Housing and Urban Development grants, and other grants.

Grant Program Requirements

To qualify for assistance under the Lead Hazard Control and Healthy Homes grant program, projects were required to meet the following ten eligibility criteria:

1. The project must be located within the City of Dallas.
2. The project must be built in or prior to 1978.
3. Occupants of project unit(s) must meet the current U.S. Housing and Urban Development income standards for the City of Dallas, based on the occupants' family size and/or the number of units within the building.
4. Current on property taxes.
5. The project must have a fully completed application.
6. Priority is given to residences occupied or frequented by a child under the age of six.
7. Lead-based paint hazards must be identified upon inspection and assessment.
8. For housing owned by owner-occupants, all units assisted with grants must be the principal residence of families of six months with income at or below 80 percent of the area median income level, and not less than 90 percent of the units assisted with grants must be occupied by a child under the age of six years or must be units where a child under the age of six years spends a significant amount of time visiting. Fifty percent of the rental housing units will be occupied by or made available to families with a child under the age of six with incomes at or below 50 percent of area median income for three years after receiving the grant assistance.
9. For rental housing buildings with five or more units may have 20 percent occupied of the units by families with a child under the age of six with incomes above 80 percent of area median income for three years after receiving the grant assistance.
10. Vacant units/homes that are for rent will be eligible under this program; however, those that are for sale will not qualify under this program.

Grant Program Timeline and Costs

The timeline summarizes the City's administration of the grant, highlighting key events that shaped the program's progress.

- **2018:** The Dallas Housing and Neighborhood Revitalization department applied for and received a Lead Hazard Control and Healthy Homes grant as a first-time recipient. The federal grant total was \$139 million fund aimed at reducing lead exposure in children nationwide.
- **May 2019:** Grant funds became available. The total award for the city was \$2.3 million.
- **Early 2020:** Program activities began to scale up but were soon disrupted by the COVID-19 pandemic.
- **2023:** Grant period closed after completing lead-hazard work in four homes (original goal: 130 homes).
- **September 2024:** *The Dallas Morning News* published an investigation highlighting program shortfalls.

Exhibit 4: Grant Program Timeline



Source: Office of the City Auditor using information gathered for the audit.

Of the \$2.3 million grant, \$437,844 (19 percent) was spent, primarily on grant administration. Grant administration involved staff costs related to efforts in identifying homeowners and applicants for the program. Other program costs included repairs, blood testing for children in the applicants' homes, and lead hazard testing at the applicants' homes.

Exhibit 5: Actual Spent on Grant

Spending category	Costs	Percent of funds spent	Percent of total grant award spent (\$2.3 million)
Administration costs	\$320,455	73.2%	13.9%
Lead hazard testing	\$68,134	15.6%	3.0%
Repairs	\$42,455	9.7%	1.8%
Blood testing	\$6,800	1.6%	0.3%
Total	\$437,844	100%	19%

Source: Dallas Housing and Community Development documents and Office of the City Auditor analysis

Methodology

The audit methodology included: (1) interviewing personnel from Housing and Community Development, Budget Management Services, the U. S. Department of Housing and Urban Development, and other city departments; (2) reviewing policies and procedures, the *Texas Local Government Code*, applicable Administrative Directives, grant documentation, and best practices; and, (3) performing various analyses, including reviewing performance updates to the City Council Committee on Housing and Homelessness, surveying other cities about their program management, and surveying residents who expressed interest in the program about their experience. In addition, all five components of *Standards for Internal Control in the Federal Government* were considered.

Note: The U.S. Department of Housing and Urban Development assisted with two interviews. The Department referred all requests for documents and performance information to its U.S. Freedom of Information Act process. Requests submitted in December 2024 and January 2025 were not completed in time for this audit's release, and no estimate of their completion time is available.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Major Contributors to the Report

Dan Genz, CIA, CISA, CFE – Engagement Manager

Matthew Cheadle, CIA, CFE, CGAP – In-Charge Auditor

Natalie Martinez, CTCM - Auditor

Appendix B: Peer City Survey

The Office of the City Auditor conducted a survey of Dallas and five other cities about their experience managing the Lead Hazard Control and Healthy Homes grant program during the same period as Dallas. All responding cities had more success with the program. Four cities leveraged years of experience to achieve that success.

Exhibit 6: Peer City Lead Hazard Control and Healthy Homes Grant Survey Responses

City	2020 Population	Number of Homes Repaired 2020-2023 with this Grant	Total Number of Homes Repaired with this Grant	Average Amount Spent on Repairs
Dallas	1,303,212	4	4	\$15,403
Fort Worth	923,602	217	728	\$24,517
Houston	2,299,269	306	3,800	\$18,500
Waco	140,541	36	36	\$18,994
Charlotte	875,752	80	2,000	\$28,051
Phoenix	1,612,459	35	1,577	\$5,812
Dallas Rank	3	6	6	5

Source: Survey responses received July and August 2023 and Census.Gov data.

Common themes in survey responses

Responding cities identified several common themes in their experiences administering the Lead-Based Paint Hazard Reduction Grant.

- Cities with prior grant experience reported greater difficulty during the 2020–2023 period compared to earlier grant cycles, citing the impacts of the COVID-19 pandemic as a key factor. For example, each city with prior experience completed fewer home repairs in this period than in its first grant cycle. Houston noted a 48 percent increase in the average cost per home repair compared to the previous period.
- All cities used multiple marketing strategies similar to Dallas to promote the program, including door hangers, water bill inserts, social media, and partnerships with nonprofit organizations to promote the program.
- All cities, except Fort Worth, reported challenges finding certified contractors to complete the required repairs. Cities described strategies such as training new contractors, collaborating with partner organizations, and recruiting certified professionals from nearby jurisdictions.
- Each city assigned dedicated staff to the program, with staffing levels ranging from two in Dallas to eight in Charlotte. Some staff also supported other departmental

responsibilities in addition to their grant-related duties.

Survey approach

Auditors reached out to 11 local governments, including Dallas and nine other cities and one county. Auditors selected eight local governments with similar population sizes as Dallas using the 2020 U.S. census, including five cities in Texas. When it became apparent that three of the five cities would not respond, auditors expanded the survey to include two other Texas Cities—Longview and Waco.

Dallas and five other cities listed in [Exhibit 6](#) participated for a 55 percent response rate. All responses were received by email. Survey responses were not received from the cities of Austin, Longview, Philadelphia, San Antonio, and Harris County. City of Austin responded that it could not complete the survey because it did not receive grant funds in the same period as Dallas. City of Austin cited several of the same challenges Dallas faced, including difficulty locating eligible homeowners and properties, recruiting certified contractors, and navigating the complex regulatory requirements associated with the grant.

Appendix C: Property Owner Survey

The Office of the City Auditor surveyed 20 of the 101 grant applicants. The Office of the City Auditor received responses from 11 property owners (55 percent response rate) either by phone or via email. The sample was judgmental to include:

- Property owners who received support.
- Property owners who did not receive support.
- Applicants who were approved, declined, approved, and then canceled due to grant closure.

The survey focused on their overall experience, particularly regarding communication and outreach during the program. The overall average satisfaction rating for the program was 2.9 out of 5, with 5 representing the highest satisfaction and 1 the lowest. Four respondents rated the program a 5, one rated it a 3, one rated it a 2, and four gave a rating of 1. One respondent did not provide a rating.

The most common reasons cited for high satisfaction were that the program existed and there was the potential that they could receive repairs. The most common reasons cited for low satisfaction were the time and effort put into the process without the owner receiving the benefit of the program or dissatisfaction with repairs performed. Despite this, seven said they would be interested in applying again for City of Dallas assistance.

Appendix D: Grant Information

This audit was initiated to identify grants across the City's portfolio that were lagging in program execution. Auditors developed three primary criteria to determine whether a grant was considered delayed or underperforming:

- The grant had a value of approximately \$1 million or more.
- Less than 60 percent of the grant funds had been spent or obligated.
- The grant either had no documented end date or had an end date in 2025 or earlier.

Based on these criteria, 19 grants were identified as lagging in execution. All 19 are collaborative construction projects jointly funded with other governmental agencies. Initial data for the grant evaluation was from August 2024. Grants that had obligated or spent more than 60 percent of funds by March 30, 2025, were excluded from the final list. As such, progress and timelines for these projects are partially or fully dependent on external partners and may be outside of the City's direct control.

Exhibit 7: Citywide Grants Execution

Grant or Fund Name	End Date	Multiyear Appropriations	Spent to Date	Obligated or Under Contract	Percent Spent and Obligated to Date
SOPAC Trail		\$4,000,000	\$145,293	\$214,708	9%
Park Lane – Vickery Meadows Project		\$8,139,705	\$331,226	\$244,575	7%
Linfield Project		\$3,430,000	\$518,404	\$444,562	28%
Mockingbird/US 75 Project		\$3,453,238	\$264,278	\$103,346	11%
Linfield Project Construction		\$3,960,000			0%
Fiscal Year 2021 Regional Catastrophic Preparedness	8/31/2024	\$945,859	\$459,071	\$74	49%
Ross Avenue and Greenville Improvements		\$3,836,092			0%
Carbondale Project		\$1,212,500	\$122,261	\$92,742	18%
Dallas Zoo Dart Station at Southern Gateway Public Green		\$3,836,092	\$131,111	\$229,085	9%

Grant or Fund Name	End Date	Multiyear Appropriations	Spent to Date	Obligated or Under Contract	Percent Spent and Obligated to Date
S Lancaster Kiest Blvd to E Ledbetter – STB	07/31/2025	\$1,960,000		\$260,000	13%
Cadiz Street from West of Hotel Street to Botham Jean Boulevard		\$4,950,000			0%
FY23 COPS Technology and Equipment Program	12/31/2025	\$935,000			0%
FY24 TxDOT Surface Transportation Block Program		\$2,940,000			0%
TxDOT IH-635 LBJ East Corridor Project Cost Reimbursement		\$2,564,027	\$348,480		14%
Lemmon Ave from NW Hwy to US75 CMAQ AFA	03/31/2025	\$2,000,000			0%
Circuit Trail Conservancy		\$10,000,000	\$3,179,034	\$15,592	32%
NCTCOG Grant ILA-Project Paseo	07/31/2024	\$2,156,842	\$600,000		28%
Hutchins - Eads/Colorado to Hutchins/8th - RTR		\$5,600,000			0%
10th Street from IH35E to Clarendon - RTR		\$2,400,000			0%

Source: Financials as of March 30, 2025, as analyzed by the Office of the City Auditor.

Note: One other grant was also identified and is not included because it is the subject of a separate audit by the Office of the City Auditor. That grant is the Texas Parks and Wildlife Department COVID-19 - Coronavirus State and Local Fiscal Recovery Funds Grant.

Appendix E: Management's Response

Management Response and Audit Acknowledgment Letter follow.

Assessed Risk Rating	Recommendations	Concurrence and Action Plans		Implementation Date	Follow-Up/ Maturity Date
High	We recommend the Director of Housing and Community Development:				
	A.1: Implement and strengthen practices and procedures to address challenges identified in the current program execution, if the City seeks a new Lead Hazard Control and Healthy Homes Grant. These include improving identification of eligible homes, retention of grant documentation, preparing for leadership or staff turnover and expanding contractor capacity to perform lead abatement projects.	Agree	If the City seeks a new Lead Hazard Control and Healthy Homes Grant, the Department of Housing & Community Development (Housing) will develop procedures to address issues identified in the current program.	6/30/2026	9/30/2026
	B.1: Review current resident home repair programs with a focus on communication effectiveness, including recipient satisfaction and responsiveness throughout the process.	Agree	Housing will review its current resident home repair programs' communication strategy to see if there are opportunities to improve communication effectiveness and satisfaction.	6/30/2026	9/30/2026

Assessed Risk Rating	Recommendations	Concurrence and Action Plans		Implementation Date	Follow-Up/ Maturity Date
	B.2: Periodically review and update outreach and communication procedures for City programs, including application intake, documentation collection, and resident engagement throughout the repair process.	Agree	Housing will develop a process to periodically review its outreach and communication procedures for City programs, including application intake, documentation collection, and resident engagement.	6/30/2026	9/30/2026
High	We recommend the Director of Budget and Management Services:				
	C.1: Enhance grant report monitoring by including key information needed to assess program execution and identify underperforming grants. At a minimum, grant end dates, and whether unspent grant funds must be returned to the granting agency should be included.	Agree	<p>Since the launch of the new financial system, the Office of Budget and Management Services (BMS) staff have been actively engaged in developing reports designed to enhance consistent monitoring across a diverse volume of grants and granting agencies in a common manner.</p> <p>BMS reports will capture the grant's end date, note whether unspent grant funds must be returned by including the grant type, and capture the current percentage of unspent funds.</p>	12/31/2025	6/30/2026

Memorandum



DATE: July 28, 2025

TO: Mark S. Swann – City Auditor

SUBJECT: Response to Audit of Lead Hazard Control and Healthy Homes Grant Program

This letter acknowledges that the City Manager's Office received the *Audit of Lead Hazard Control and Healthy Homes Grant Program* and submitted responses to the recommendations in consultation with the Department of Housing and Community Development and the Office of Budget and Management Services.

City management recognizes that the Department of Housing and Community Development plays a crucial role in administering and providing various programs and services to help residents obtain and maintain safe and affordable housing.

We acknowledge that this program was affected by numerous challenges, most of which were outside of management's control. These challenges ultimately led to the program not being as successful as intended.

City management does not believe the auditor's observations are high-risk; however, we recognize opportunities to improve and agree to implement the auditor's recommendations.

Specifically, the Department of Housing and Community Development will:

- Develop procedures to address issues identified in the current program, if the City seeks a new Lead Hazard Control and Healthy Homes Grant;
- Review its current resident home repair programs' communication strategy to see if there are opportunities to improve communication effectiveness and satisfaction; and
- Develop a process to periodically review its outreach and communication procedures for City programs.

Additionally, as the City has launched a new financial system, we welcome the auditor's recommendation to enhance monitoring reports.

Response to Audit of Lead Hazard Control and Healthy Homes Grant Program

July 28, 2025

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Specifically, the Office of Budget and Management Services' reports will capture the grant's end date, note whether unspent grant funds must be returned by including the grant type, and capture the current percentage of unspent funds.

Please let me know if you need additional information.

Service First, Now!

A handwritten signature in black ink, appearing to read "Kimberly Bizer Tolbert". The signature is fluid and cursive, with the first name "Kimberly" being the most prominent.

Kimberly Bizer Tolbert
City Manager

C: Jack Ireland, Chief Financial Officer

Robin Bentley, Assistant City Manager

Cynthia Rogers-Ellickson, Director, Department of Housing and Community Development

Janette Weedon, Director, Office of Budget and Management Services