City of Fort Worth, Texas Mayor and Council Communication

DATE: 06/10/25

M&C FILE NUMBER: M&C 25-0555

LOG NAME: 19PRP POLICY AMENDMENTS - 2025

SUBJECT

(ALL) Adopt Revisions to the City's Priority Repair Program Policy and Procedure, Including Permanent Removal of Lien Requirement, Add PayGo Funding and Other Changes

RECOMMENDATION:

It is recommended that the City Council adopt the policy and procedure revisions to City's Priority Repair Program Policies and Procedures manual, including permanent removal of lien requirement, add PayGo Funding and other changes.

DISCUSSION:

The City of Fort Worth's Priority Repair Program (PRP) was established in 2010 to assist low-income homeowners with urgent health and safetyrelated home repairs. The PRP is funded by the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) program, and the PayGo transfers from the General Fund, allocated through the annual budget process. The PRP is managed by the City's Neighborhood Services Department who operates under established policies and procedures that define eligibility requirements and allowable repairs. Since 2012, the program has provided essential home repairs to over 3,600 households in Fort Worth.

In January 2023, through Mayor and Council Communication (M&C) 23-0017, the PRP Policy was amended, and City Council authorized an indefinite waiver to the lien requirement and authorized the Director of Neighborhood Services to reinstate the lien requirement if staff found evidence that homes repaired under the PRP were being "flipped" after receiving benefits. Staff has reviewed annual data from the Tarrant Appraisal District (TAD) website and found that the homes were not being "flipped" based on the following:

- Out of the 356 completed units in 2023-2024, 7 properties have a different owner, 2 of which are in an estate. All 7 properties with now a different owner, would not have triggered a lien, if liens were required. None of the repairs are over \$20,000.00.
- Out of the 125 completed units in 2024-2025, 2 properties have a different owner. Neither property with a different owner would have triggered a lien, if liens were required. None of the repairs are over \$20,000.00.

The PRP Policy was also amended in September 2022 through M&C 22-0760. This amendment focused on increasing the allowable expenditure threshold from \$5,000.00 to \$25,000.00, broadening the definition of allowable repairs, and prioritizing inoperable systems to address health and safety concerns. This update authorized the use of forgivable loans, secured by liens, for repair costs between \$20,000.00 and \$25,000.00.

Through the current M&C, staff is requesting approval to update the PRP Policy based on a review and evaluation of the existing program. The revisions aim to incorporate previously approved changes, clarify program requirements, refine language for better understanding, and specify the exclusion of federal fund requirements specific to the non-federal funding source. These updates will ensure consistency, improve clarity, and enhance program administration.

The following recommendations will be made to revise the PRP Policy:

- Permanently removed the lien requirements.
- Added PayGo funding as a source to pay for repairs for homes of participants in the PRP.
- Clarified that, in an effort to expedite repair time, homes funded through PayGo will not be subject to the same federal requirements associated with CDBG funds. For example, 24 CFR Part 58 (Environmental Review Procedures).
- Clarified the Repair Eligibility section in the policy to include specific conditions and types of repairs eligible under the program, focusing on health and safety concerns.
- Established a lifetime cap of \$100,000.00 per property.
- Added requirements for properties built prior to 1978 to comply with the Lead Safe Housing Rule.
- Allowed for homes with inactive utility accounts to qualify if there is a documented plan for reinstating utilities.
- Established that regardless of funding source, homes located in floodplain areas are not eligible for the program.
- Adjusted prioritization criteria for emergency repairs to receive 10 additional priority points.
- Added that the policy in effect at the time repair work begins will be the prevailing policy for the repair work being performed.

Approval of this M&C also authorizes the Neighborhood Services Director to make minor adjustments to the policy's administrative procedures as needed. Updates to the policy will be limited to aligning the program with industry standards and best practices, improving administrative efficiency, and to better serve eligible households while ensuring the PRP's goals are met.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of these recommendations will have no material effect on City funds.

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Expedited