

Mayor and Council Communication

DATE: 03/02/21

M&C FILE NUMBER: M&C 21-0167

LOG NAME: 19WATERLINE ASSISTANCE THROUGH EMERGENCY REPAIRS PROGRAM

SUBJECT

(ALL) Authorize Increase in Contract Authority by \$2,015,308.26 for a Total Fiscal Year 2020-2021 Amount of \$8,038,641.59 for the City's Home Repair Programs with a Portion Dedicated to the Waterline Assistance Through Emergency Repairs Program in Response to the 2021 Texas Severe Winter Storm to Provide Emergency Repairs, Authorize a Temporary Amendment to the Priority Repair Program Eligibility Requirements for Waterline Assistance through Emergency Repairs Program Repairs Only, Authorize Substantial Amendments to the 2019-2020 and 2020-2021 Housing and Urban Development Action Plans to Allocate \$2,015,308.26 in Additional Community Development Block Grant Funding for the Priority Repair Program, Authorize Plumbing Permit Fee Waivers and Find that Funding the Waterline Assistance through Emergency Repairs Program and Waiving Plumbing Permit Fees Serve a Public Purpose

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize an increase in the City's contract authority by \$2,015,308.26 for a total Fiscal Year 2020-2021 amount of \$8,038,641.59 for the City's Home Repair Programs with the increased portions initially dedicated only to the newly created Waterline Assistance Through Emergency Repair Program in response to the 2021 Texas severe winter storm to provide certain emergency repairs up to \$5,000.00 per household for low to moderate-income homeowners to be operated under the City's existing Priority Repair Program as amended through this Mayor and Council Communication;
 2. Authorize a temporary increase of income threshold for the Priority Repair Program to 80 percent of area median income from the current 60 percent income and a temporary increase of the home value threshold from \$175,000.00 to \$300,000.00 for Waterline Assistance through Emergency Repairs Program repairs only;
 3. Authorize substantial amendments to the 2019-2020 and 2020-2021 Housing and Urban Development Action Plans to allocate \$2,015,308.26 in additional Community Development Block Grant Funding for the Priority Repair Program;
 4. Authorize the City to waive plumbing permitting fees related to Waterline Assistance through Emergency Repairs Program repairs and find that waiving these fees serves the public purpose of preserving funds to be used to make critical repairs for residents in the City and that adequate controls are in place through contracts with the vendors performing the repairs to ensure the public purpose is carried out; and
 5. Find that funding the Waterline Assistance through Emergency Repairs program serves the public purpose of ensuring the health, safety, and welfare of City residents who have suffered critical system failures in their homes that places their safety and welfare in jeopardy and that adequate controls are in place.
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DISCUSSION:

During the week of February 10-18, 2021, the City of Fort Worth and the State of Texas experienced historic severe winter weather. As a result, demand for electricity soared and the state's electrical grid was severely challenged. Many residents lost power for varying time periods, some experiencing multiple days without power. The City's water system was also affected, leaving many without water during the severe weather. Due to the record low temperatures and the inability to heat or otherwise prevent their pipes from freezing, many residential and public water lines experienced leakages or breaks. On February 12, 2021, Governor Greg Abbott declared a disaster and requested that the federal government make a similar disaster declaration. On February 14, 2021, President Joe Biden declared a federal disaster for Texas for the purpose of Public Assistance and later extended it to include Individual Assistance for 77 Texas counties, including Tarrant County. In addition, Mayor Price declared a local disaster on February 17, 2021.

Lack of running water due to burst or leaking pipes is a serious health hazard and creates severe hardships for local residents. Low and moderate income homeowners are particularly vulnerable as they may lack the resources to perform needed repairs in a timely manner. Though Federal Emergency Management Agency (FEMA) is anticipated to make some resources available for this purpose, it is anticipated that many residents will be unable to utilize FEMA assistance either due to timing, eligibility, or financial considerations. The City has an existing program to assist many of these homeowners with priority home repairs that affect health and safety, the Priority Repair Program, administered by the Neighborhood Services Department (NSD). To respond to the emergency, it is proposed that a new program be created that operates in conjunction with the Priority Repair Program (PRP) but will focus only on making emergency repairs to residential waterlines and plumbing systems on behalf of low and moderate income homeowners in order to restore water service. To ensure that as many individuals affected by the severe weather are assisted as possible, staff recommends a temporary increase in income eligibility for the PRP from 60% to 80% of the area median income and a temporary increase of the home value threshold for the PRP from its current \$175,000.00 maximum to \$300,000.00 for repairs made through the Waterline Assistance through Emergency Repairs (WATER) program only.

The WATER program will address plumbing repairs, water heater repairs, and gas line repairs; additional WATER Program details are provided as an attachment to this Mayor and Council Communication (M&C) (WATER Program Overview). The WATER program will utilize existing job order contractors procured to perform work for various home repair programs, including the PRP and will also utilize the PRP's online application through Neighborly software. It is anticipated that additional contractors will be needed to address the demand for the program. Because of the immediate need for these services, a portion of the funds authorized through this M&C will be allocated to contractors procured through emergency-procurement procedures.

Because it is anticipated that further resources will be needed over the annual PRP budget, a total of \$2,015,308.26 in additional Community Development Block Grant (CDBG) funding has been identified that can be allocated to the WATER program through a substantial amendment to the City's 2019-2020 and 2020-2021 Action Plans. As required by the U.S. Department of Housing and Urban Development, a public notice was published in the *Fort Worth Star-Telegram* on February 26 to advise citizens of the proposed change in use of these funds. A portion of these funds (\$1,686,328.64) can be available after a five day comment period (as of March 4, 2020) due to a provision in the CARES Act which shortened the required public comment period for 2019 and 2020 Program Year funds in order to assist local governments to respond to the Coronavirus emergency. The balance of the funds (\$328,979.62) will be available for use on March 30, 2021, following the standard 30-day comment period. The majority of the additional funds, \$1,505,833.33, are being added to the City's home repair programs as an increase in accordance with state procurement laws. Additionally, because of the unprecedented amount of residents who have been impacted by this emergency and the critical nature of the repairs, an additional \$509,474.93 is also to be allocated for the purpose of funding WATER Program repairs as an emergency increase in funding (Emergency Funds). An emergency memo is also being routed in accordance with City

policy to authorize the allocation of the Emergency Funds, but so that the public is aware of the total assistance available under the program, the Emergency Funds have been reflected in the amounts included in this M&C. All \$2,015,308.26 in funding will be immediately dedicated towards WATER Program repairs. When demand for the program has decreased to a level that can be managed through the existing home repair programs, NSD will update City Council and end the program. At that time, all remaining funds, excluding any remaining Emergency Funds, will be available for use through all home repair programs by all contractors except Camelot Roofing and Post L Group, who did not submit a Form 1295 for this M&C. Those two contractors will still be able to perform repairs using the programs' original allocation of funds.

In addition to the above, the City has requested that Habitat for Humanity, a longtime nonprofit partner for delivery of home repair services in target neighborhoods, prioritize water line repairs with their CDBG-funded contracts. Habitat was awarded \$2,000,000.00 through M&C 20-0940 to deliver a "Healthy Homes for Seniors" program to elderly homeowners. Habitat will be emphasizing waterline and plumbing repairs to the greatest extent feasible. Additionally, the City's existing Healthy Homes for Heroes program will also prioritize similar repairs to the extent allowable under existing grant requirements. This brings the total amount of resources being directed towards these critical repairs to \$5,200,000.00.

The repairs covered by the WATER Program require permits from the City of Fort Worth and are billed to the City as a pass-through cost under the existing contracts. To help achieve the goal of providing as many repairs as possible using the allocated funds, City staff requests a waiver of permit fees. Under the contracts, if the permit fee is not paid, the Contractor does not bill that amount to the City or otherwise recover it through other costs, so the City will see an actual savings of grant funds that will be available to assist other residents in need of WATER Program repairs. Waiving permit fees for the WATER Program serves the public purpose of preserving funds to be used to make critical repairs for residents in the City and adequate controls are in place through contracts with the vendors performing the repairs to ensure the public purpose is carried out.

The WATER Program serves a vital public purpose of ensuring that low-to moderate-income homeowners who need repairs to water lines, gas lines, or water heaters due to damage from the severe winter weather event are able to receive the assistance to make their home livable again. Without these repairs, these households will be without critical resources that are necessary for their health and safety. Adequate controls are in place to ensure this public purpose is carried out through the screening process contracts overseen by the Neighborhood Services Department.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the Grants Operating Federal Fund to support the approval of the above recommendations and execution of the amendments to the contracts. Prior to any expenditure being incurred, the Neighborhood Services Department has the responsibility to validate the availability of funds.

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Expedited