

Memorandum



CITY OF DALLAS

DATE October 27, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Follow up from October 18, 2023, City Council Briefing
HUD Consolidated Plan for FY 2024-25 through FY 2028-29**

On October 18, 2023, the City Council was briefed on the requirements for submitting a 5-Year Consolidated Plan to the U.S. Department of Housing and Urban Development (HUD). The briefing referenced existing resources that are available to inform the development of the new HUD 5-Year Consolidated Plan. The following links to the references are provided below:

- [Ryan White Planning Council](#)
- [Racial Equity Plan](#)
- [Housing Policy 2033](#)
- [Analysis of Impediments](#)
- [Community Development Commission/Citizen Participation Plan](#)
- [Dallas Forward](#)
- [Broadband & Digital Equity Strategic Plan](#)
- [Poverty Study](#)
- [CECAP](#)
- [Public Infrastructure Needs Inventory \(Infrastructure Management Program \(IMP\) FY 2023-27\)](#)
- [OHS Four Track Strategy \(link to City Council approval 10/26/2022\)](#)
- [Continuum of Care](#)
- [Homeless Point in Time Count](#)

Additionally, the following information is provided in response to questions posed by the City Council during the briefing:

1. How is the CDBG formula allocated?

The HUD CDBG formula allocation is determined by a statutory dual formula which uses several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas. Allocations are calculated by HUD.

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2. What is the total amount of funds received from HUD over the last 5 years (since COVID) – all HUD programs.

<i>Annual HUD Grants</i>	<i>FY20</i>	<i>FY21</i>	<i>FY22</i>	<i>FY23</i>	<i>FY24</i>
<i>CDBG</i>	14,697,642	15,126,538	15,086,728	14,120,128	13,809,603
<i>ESG</i>	1,256,675	1,291,448	1,290,230	1,268,197	1,241,010
<i>HOME</i>	5,427,679	6,000,883	5,897,968	6,440,498	6,433,179
<i>HOPWA</i>	7,058,692	7,477,149	7,943,508	8,469,139	9,604,613
<i>Total Annual Grants</i>	28,440,688	29,896,018	30,218,434	30,297,962	31,088,405
<i>CDBG-COVID</i>	8,899,802	11,778,785			
<i>ESG-COVID</i>	21,104,468				
<i>HOPWA-COVID</i>	1,171,420				
<i>CDBG-DISASTER</i>				40,400,000	
<i>Total HUD Programs</i>	59,616,378	41,674,803	30,218,434	70,697,962	31,088,405

3. What are the total expenditures of administrative oversight (the amount charged to the grant and the amount funded by the General fund)?

HUD regulations cap the amount of grant funds that may be used for administrative oversight. The administrative cap for CDBG is 20%, HOME is 10%, HOPWA is 3% and ESG is 7.5% of each year’s grant amount. Total administrative expenditures for FY 2022-23 were \$7,658,212 which includes \$4,185,782 charged to HUD grants and \$3,472,430 charged to the General Fund for the following departments: Budget and Management Services, Fair Housing, Housing and Neighborhood Revitalization, Office of Community Care, Office of Homeless Solutions and Park and Recreation.

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4. Please provide a list of eligible uses of CDBG (% capped and not subject to cap).

CDBG

- Public Services category (limited to 15% of the annual grant amount) – eligible uses include childcare, out of school time care and youth services, education, employment health and social services, and recreational needs.
- Housing category (not subject/limited) – eligible uses include repair, rehabilitation, renovations, and development of single and multi-family units and homebuyer assistance. New construction is generally not allowed.
- Special economic development category (not subject/limited) – eligible use includes assistance to small for-profit businesses.
- Public facilities and improvements category (not subject/limited) – eligible uses include acquisition, construction, reconstruction, rehabilitation and installation of public facilities and improvements, ADA compliance and improvements which promote energy efficiency. Operating and/or maintenance expenses are not an eligible use of funds.
- Program administration category (limited to 20% of the annual grant amount) – eligible uses include salary and operating costs for staff responsible for budget, compliance, program oversight and monitoring and fair housing activities. Staff costs associated with delivery of program services may be charged directly to public services, housing, and economic development categories.

FY 2023-24 CDBG Programs	
Public Service – Out of School Time Program (collaboration with Dallas ISD)	\$738,301
Public Service – Early Childhood and Out of School Time Services Program (contract services)	650,000
Public Service – Community Court Program	736,545
Housing – Dallas Homebuyer Assistance Program	400,000
Housing – Home Improvement and Preservation Program	4,281,465
Housing - Residential Development Acquisition Loan Program	2,638,224
Public Facilities and Improvements	1,603,147
Program Administration and Oversight	2,761,921
FY 2023-24 CDBG Funds from HUD	13,809,603
Public Facilities and Improvements (<i>one-time revenue/CDBG program income</i>)	1,200,000
Total FY 2023-24 CDBG Budget	\$15,009,603

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The remaining three grants of the Consolidated Plan are limited to specific uses or populations as listed below:

ESG

- All funds must be used to prevent homelessness or to assist those who are already homeless.

HOME

- All funds must be used for housing activities.

HOPWA

- All funds must be used to assist individuals with HIV/AIDS and their family members.

5. How are HUD funds coordinated with the City's bond program?

HUD funds are very limited and primarily used for housing and public services. Less than \$3M is typically allocated for public improvements each year. These funds only supplement other money such as bonds for capital improvements. The City Council could choose to use all CDBG funds on public improvements. However, that would take money away from other priorities such as housing and public services.

Please contact me or Janette Weedon, Director of Budget and Management Services, if you need additional information.



Jack Ireland
Chief Financial Officer

c: T.C. Broadnax, City Manager
Tammy Palamino, City Attorney
Mark Swann, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

Majed A. Al-Ghafry, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors