

Memorandum



CITY OF DALLAS

DATE February 23, 2024

TO Honorable Members of the Government Performance and Financial Management Committee: Chad West (Chair), Paula Blackmon (Vice Chair), Cara Mendelsohn, Jesse Moreno, and Jaime Resendez

SUBJECT **February 28, 2024, Upcoming Agenda Item #24-112 – Resolution to Authorize Rescinding the CDBG Public Improvement Contract with City Square Arts Opportunity Center, LLC**

The February 28, 2024, City Council agenda includes an item to rescind the Community Development Block Grant contract (Public Facility Improvements Project contract) awarded to City Square Arts Opportunity Center, LLC, on January 27, 2021, by Resolution No. 21-0246, to complete public facility improvements at the Forest Theater, located at 1918 Martin Luther King Jr. Blvd, in an amount not to exceed \$500,000.

The Forest Theater Project is a historic restoration and renovation project designed to spark community and economic development in South Dallas/Fair Park. The total amount was projected to be \$31,571,865. CDBG funds were awarded to the project for completion of a community classroom to implement programs and partner with organizations to provide community and arts programming for youth and adults. To ensure compliance with HUD rules, CDBG funds (\$500,000) were to be used at the end of the project for finish-out and/or punch-list items. The contract award anticipated the project would be complete by August 30, 2024. Following the award of the CDBG funds, the agency received an award of funds for the project from another source. The revised timeline to complete the project with the new funds were not compatible with the timeline to expend CDBG funds. Requirements of the additional funds awarded to complete the project would significantly delay expenditure of CDBG funds, potentially putting the City at risk of exceeding HUD's timely expenditure regulations for the CDBG funds. The agency requested to return the CDBG funds with consideration to reapply in the future. The unspent CDBG funds will be reprogrammed for other eligible uses during development of the FY 2024-25 CDBG budget.

This amount was included with reprogramming funds in your January 22 briefing by memorandum regarding the Community Development Block Grant: Timely Expenditure of Funds. Also, the reprogramming was approved on January 24, 2024, by Resolution No. 24-0164. The attachment from the January 22 briefing is provided in this memorandum as a reference. This agenda item is presented separately due to the contractual obligation.

DATE February 23, 2024
SUBJECT **February 28, 2024, Upcoming Agenda Item #24-112 – Resolution to Authorize Rescinding
the CDBG Public Improvement Contract with City Square Arts Opportunity Center, LLC**
PAGE **2 of 2**

If you have any questions, please contact Janette Weedon, Director of Budget and Management Services.



Jack Ireland
Chief Financial Officer

[Attachment]

c: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Biliera 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
Dr. Robert Perez, Assistant City Manager
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

**FY 2023-24 COMMUNITY DEVELOPMENT BLOCK GRANT
EXTENSION REQUEST AND REPROGRAMMING FUNDS
as of September 30, 2023**

#	Fund	Unit	Dept	Project Name	A Appropriations	B ITD Expended	C Encumbrance	D Unobligated	E Extension Request	F Reprogramming Funds	G Explanation
City Attorney's Office											
1	CD22	601G	ATT	South Dallas/Fair Park Community Court	\$296,772.00	\$169,577.76	\$47,934.11	\$79,260.13	0	\$79,206.13	Reprogram - unspent funds due to vacant positions during the year.
Total City Attorney's Office					\$296,772.00	\$169,577.76	\$47,934.11	\$79,260.13	\$0.00	\$79,206.13	
Budget & Management Services											
2	CD22	615G	BMS	Citizen Participation/CDC Support/HUD Oversight	\$1,029,062.00	\$653,712.84	\$206,171.45	\$169,177.71		\$169,177.71	Reprogram - unspent funds due to increased time distribution and vacant positions during the year.
3	CD20	471E	BMS	Public Facilities and Improvements - City Square	\$500,000.00	\$0.00	\$0.00	\$500,000.00		\$500,000.00	Reprogram - Agency received additional funds for project that were not compatible with CDBG expenditure timeline. Agency requested to return funds with consideration to reapply in the future.
4	CD21	500F	BMS	FY21-22 Funds Reprogrammed	\$186.43	\$0.00	\$0.00	\$186.43		\$186.43	Reprogram - savings and unspent funds from closesd/completed projects during FY.
5	CD18	875C	BMS	FY18-19 Funds Reprogrammed	\$71,604.23	\$0.00	\$0.00	\$71,604.23		\$71,604.23	Reprogram - savings and unspent funds from closesd/completed projects during FY.
6	CD20	473E	BMS	FY 20-21 Funds Reprogrammed	\$10,006.68	\$0.00	\$0.00	\$10,006.68		\$10,006.68	Reprogram - savings and unspent funds from closesd/completed projects during FY.
7	CD19	978D	BMS	FY19-20 Funds Reprogrammed	\$36,185.08	\$0.00	\$0.00	\$36,185.08		\$36,185.08	Reprogram - savings and unspent funds from closesd/completed projects during FY.
Total Budget & Mangement Services					\$1,647,044.42	\$653,712.84	\$206,171.45	\$787,160.13	\$0.00	\$787,160.13	
Housing & Neighborhood Revitalization											
8	CD19	976D	HOU	Home Improvement and Preservation Program (HIPP)	\$3,545,572.59	\$3,446,201.92	\$86,005.67	\$13,365.00	\$13,365.00		Funds are under contract and/or committed to identified homeowners.
9	CD20	404E	HOU	Home Improvement and Preservation Program (HIPP)	\$2,924,819.00	\$2,510,606.26	\$322,963.77	\$91,248.97	\$91,248.97		Funds are under contract and/or committed to identified homeowners.
10	CD21	505F	HOU	Home Improvement and Preservation Program (HIPP)	\$3,094,038.00	\$1,872,983.97	\$822,188.41	\$398,865.62	\$398,865.62		Funds are under contract and/or committed to identified homeowners.
Total Housing & Neighborhood Revitalization					\$9,564,429.59	\$7,829,792.15	\$1,231,157.85	\$503,479.59	\$503,479.59	\$0.00	
Park and Recreation											
11	CD22	617G	PKR	Out-of-School Time Services	\$640,860.00	\$455,231.70	\$227.94	\$185,400.36		\$185,400.36	Payment of final year-end expenses underway. Remaining unspent funds from prior year to be reprogrammed. Program
12	CD22	658G	PKR	Out-of-School Time Program - School Sites-Community Sit	\$97,441.00	\$79,920.64	\$0.00	\$17,520.36		\$17,520.36	Payment of final year-end expenses underway. Remaining unspent funds from prior year to be reprogrammed. Program
Total Park & Recreation					\$738,301.00	\$535,152.34	\$227.94	\$202,920.72	\$0.00	\$202,920.72	
								TOTAL	\$503,479.59	\$1,069,286.98	

**HUD CARES ACT RELIEF
COMMUNITY DEVELOPMENT BLOCK GRANT
EXTENSION REQUEST AND REPROGRAMMING FUNDS**

#	Fund	Unit	Dept	Project Name	A Appropriations	B ITD Expended	C Encumbrance	D Unobligated	E Extension Request	F Reprogramming Funds	G Explanation
Budget & Management Services											
1	CCV1	959G	BMS	Reprogramming Funds CCV1	\$5,175.83	\$0.00	\$0.00	\$5,175.83		\$5,175.83	Reprogram - Unspent funds to be used to provide additional Emergency Rental Assistance.
2	CCV3	960G	BMS	Reprogram CDBG-CCV3	\$740,511.35	\$0.00	\$0.00	\$740,511.35		\$740,511.35	Reprogram - Unspent funds to be used to provide additional Emergency Rental Assistance.
Total Budget & Mangement Services					\$745,687.18	\$0.00	\$0.00	\$745,687.18	\$0.00	\$745,687.18	
Park & Recreation											
3	CCV3	997F	PKR	Virtual Learning Technology	\$133,460.87	\$113,965.80	\$0.00	\$19,495.07		\$19,495.07	Reprogram - Unspent funds to be used to provide additional Emergency Rental Assistance.
Total Park & Recreation					\$133,460.87	\$113,965.80	\$0.00	\$19,495.07	\$0.00	\$19,495.07	
Office of Equity & Inclusion											
4	CCV3	916G	MGT	OEI Evictions Assistance Initiative The Concilio	\$25,000.00	\$22,737.31	\$0.00	\$2,262.69		\$2,262.69	Reprogram - Contract completed. Unspent remaining funds to be used to provide additional Emergency Rental Assistance.
Total Office of Equity & Inclusion					\$25,000.00	\$22,737.31	\$0.00	\$2,262.69	\$0.00	\$2,262.69	
Small Business Center											
5	CCV3	988G	MGT	SBC Oakcliff Empowering	\$749,943.00	\$689,800.74	\$0.00	\$60,142.26		\$60,142.26	Reprogram - Contract completed. Unspent remaining funds to be used to provide additional Emergency Rental Assistance.
Total Small Business Center					\$749,943.00	\$689,800.74	\$0.00	\$60,142.26	\$0.00	\$60,142.26	
Office of Community Care											
6	CCV3	939G	MGT	Emergency Rental Assistance Program	\$1,764,791.63	\$1,121,651.50	\$643,140.13	\$0.00	\$0.00	\$0.00	
7	CCV3	984G	MGT	Drivers of Poverty Friendship West	\$448,250.00	\$353,333.55	\$94,916.45	\$0.00		\$94,916.45	Reprogram - Contract completed. Unspent remaining funds to be used to provide additional Emergency Rental Assistance.
8	CCV3	985G	MGT	Drivers of Poverty Non Profit Food Pantry	\$56,620.00	\$23,340.76	\$33,279.24	\$0.00		\$33,279.24	Reprogram - Contract completed. Unspent remaining funds to be used to provide additional Emergency Rental Assistance.
9	CCV3	994F	MGT	Drivers of Poverty Child Care	\$415,909.00	\$415,575.00	\$0.00	\$334.00		\$334.00	Reprogram - Funds not spent to provide additional Emergency Rental Assistance.
10	CCV3	995F	MGT	OCC Administration Non Profit	\$1,381,871.04	\$314,765.74	\$0.00	\$1,067,105.30	\$0.00	\$1,067,105.30	Reprogram - Contracts completed, funds no longer needed in this category - propose to reallocate to provide additional Emergency Rental Assistance.
Total Office of Community Care					\$4,067,441.67	\$2,228,666.55	\$771,335.82	\$1,067,439.30	\$0.00	\$1,195,634.99	
TOTAL									\$0.00	\$2,023,222.19	