City of Dallas

CDBG POLICIES AND PROCEDURES MANUAL

Budget and Management Services
Grant Administration

Document Title:	CDBG Policies and Procedures Manual
City of Dallas	
Latest Revision:	08/25/2023

Table of Contents

1. INTRODUCTION

The City of Dallas, Texas receives annual formula grant assistance from the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG), the HOME Investment Partnership Program (HOME), the Emergency Solutions Grant (ESG), and the Housing Opportunities for Persons with AIDS (HOPWA) program.

Every year, the City contractually agrees with HUD to implement the Housing and Community Development Act of 1974 and related CDBG program regulations in 24 CFR 570, HOME program regulations in 24 CFR ESG program regulations in 24 CFR 91, 576, 582, and HOPWA program regulations in 24 CFR 574. All awards are also subject to the regulations detailed in 2 CFR Part 200.

Each grant serves the residents of Dallas in various ways, including:

- **CDBG:** Develops viable urban communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low- and moderate-income persons
- **HOME:** Funds a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people
- **ESG:** Addresses the needs of homeless people in emergency or transitional shelters and assists people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness
- **HOPWA:** Assists with the housing needs of people living with HIV/AIDS and their families and funds projects that benefit low- income persons living with HIV/AIDS and their families

In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the COVID-19 pandemic. The CARES Act included additional HUD funds (CDBG-CV, ESG-CV, and HOPWA-CV) to prevent, prepare for, and respond to the spread of COVID-19 and to facilitate immediate assistance to eligible communities and households economically impacted by COVID-19. HUD provided various waivers and supplemental regulations for these grants. **These will be mentioned in blue throughout this document.**

HUD Grant Administrator by City Department	
HUD Grant	**City of Dallas Department**
CDBG & CDBG-CV	Budget & Management Services
HOPWA & HOPWA-CV	Budget & Management Services
HOME	Housing & Neighborhood Revitalization
ESG & ESG-CV	Office of Homeless Solutions

1.1 CDBG Policy & Procedures Manual

Basic requirements for a local CDBG program are set forth in CDBG Program Regulations 24 CFR 570. Federal requirements allow extensive leeway for how a local CDBG program shall be managed. Local community needs, resources, priorities regarding the CDBG program are approved by the City Council as part of the

City's five- year Consolidated Plan for Housing and Community Development. In addition, each year City Council approves the current year's Action Plan, which includes objectives and outcomes identified in the plan, an evaluation of past performance, and activities to be undertaken in the next year. Although both the Consolidated Plan and the Action Plan describe the performance standards and procedures, City staff will use to evaluate and monitor activities and ensure compliance with HUD requirements, it is necessary to outline and document all programmatic policies and procedures.

Furthermore, 24 CFR 570.501(b) states that "The recipient of HUD funds is responsible for ensuring that CDBG funds are used in accordance with all program requirements. The use of designated public agencies, subrecipients, or contractors does not relieve the recipient of this responsibility."

Therefore, the primary purpose of this manual is to serve as the City of Dallas' administrative policy and procedures (P&P) manual for its Community Development Block Grant (CDBG) program. It serves to provide guidance for the City's Office of Budget & Management Services (BMS) – Grant Administration Division staff, hereafter collectively referred to as "BMS staff", regarding policy analysis, conducting the annual planning process, monitoring, budget developments, reporting, and overall administrative and oversight processes. It provides an approach for making decisions and ensuring that the City's CDBG funded programs are operated in a fair and consistent manner. This document supports CDBG funding for multiple HUD programs including, but not limited to, the CDBG Entitlement Program, and the CDBG-CV Program initiated by the CARES Act.

This manual is not meant to be a substitute for CDBG regulations, but as a supplement to them. It is not exhaustive regarding all considerations affecting the use of CDBG funds. BMS staff reserves the right to add, remove or change policies, procedures, or forms in this manual. Notwithstanding any information contained herein, where a conflict of language or omission of requirements occurs, the requirements of Federal Notices and U.S. Department of Housing and Urban Development (HUD) Regulations on CDBG, may be amended from time to time, and therefore, shall prevail. The basic program regulations, government management, and financial systems for the CDBG Program are contained in the Code of Federal Regulations Title 24 and various Federal guidelines, particularly 2 CFR Part 200, referenced in this document.

This CDBG Manual and any revisions that may be occasionally issued will be effective until superseded or canceled by appropriate notice from BMS staff. Comments and suggestions for changes, modifications, or improvements are encouraged, and should be submitted in writing to BMS staff.

1.2 Consolidated Plan

In accordance with federal regulations, the City of Dallas is required to prepare and submit a Five-Year Consolidated Plan (ConPlan) to HUD. The ConPlan is a comprehensive document that includes all HUD grants received by the City and describes the city's housing market conditions, identifies the need for affordable housing and community development, and offers strategies to address the needs over a five-year period. The plan coordinates the City's housing and economic development plans with other public, private, and nonprofit service providers.

The Five-Year Consolidated Plan is required to include following elements:

- Information that includes the amount of grant funds and program income it expects to receive
- The range of activities that may be undertaken
- The estimated amount that will benefit persons of low- and moderate- income

- Set forth plans to minimize displacement of persons and to assist any person displaced, specifying the types and levels of assistance that will be made to persons displaced and by whom the assistance will come from publication of the proposed Consolidated Plan in a manner that affords all residents a reasonable opportunity to examine its contents and submit comments

1.3 Annual Action Plan

Every August, the City produces and submits an Annual Action Plan to HUD to provide specific information on how the funds awarded each year will be used to meet the priority needs identified in the Consolidated Plan.

<u>The Annual Plan is required to include the following elements:</u>

- Form Application - Standard Form 424
- Federal and Other Resources Available
- Activities to Be Undertaken
- Geographic Distribution
- Homeless and Other Special Needs Activities
- Other Actions:
  - Address obstacles in meeting underserved needs, such as foster and maintain affordable housing, remove barriers to affordable housing, evaluate and reduce lead-based paint hazards, reduce the number of poverty level families, develop institutional structure, and enhance coordination between public and private housing and social service agencies and foster public housing improvements and resident initiatives
  - Reference to the annual revisions of the action plan prepared for the CDBG funds expected to be available during the program year including any program income that will have been received before the start of the next program year and that has not yet been programmed.
  - Amendments to the Consolidated Plan

1.4 CAPER

The Consolidated Annual Performance and Evaluation Report (CAPER), which is a requirement of HUD pursuant to 24 CFR Part 91, is due for submission at HUD within ninety (90) days of the close of the City's program year. The purpose of the CAPER is to provide the public with a summary of accomplishments and expenditures and to provide HUD with necessary information to assess the City's ability to carry out its programs in compliance with applicable regulations and requirements.

In addition to writing general and program narratives, grantees must use HUD's Integrated Disbursement and Information System (IDIS) to capture the information needed to meet CAPER requirements. As IDIS users set up activities, draw funds, and report accomplishments, they are creating a database that contains information required for the CAPER.

In response to COVID-19, HUD waived the 90-day requirement for FY 2019-20 CAPERs, and instead allowed jurisdictions to submit the FY 2019-20 CAPER within 180 days after the end of the program year.

<u>View Flexibilities/Waivers Granted by the Cares Act.</u>

GENERAL PROCEDURE FOR COLLECTING DATA TO COMPLETE CAPER:

Each Department may modify procedure with permission from BMS

I. DEPARTMENT DUTIES

During the Annual Action Plan Process, each department, will fill out the Consolidated Plan Listing of Annual Projects (Table 3C) that typically includes the following:

- Project title
- Concise description that includes who will be served and how
- Primary purpose
- Locations/target areas
- Expected number to be served

AND

Each Department will IN ADDITION include a Demographic Table for each Project listing that may include:

- Physical location and geographic distribution
- Low-and-moderate income beneficiaries
- Racial/Ethnic (beneficiaries and displaces)
- Fair Housing Action (if applicable)
- Housing Characteristics (if applicable)

BOTH are to be submitted via email to the Grant Strategic Program Analyst assigned to the Department; AND

Each Department will upload Table 3C (See Attachment) into SharePoint or any other designated location as directed

II. Quarterly Reporting

Departments with direct access to the grant reporting system should input information directly into the system on a quarterly basis. (See attached Quarterly Reporting form)

Departments without direct access will submit quarterly reporting data directly to BMS for review and entry into the grant reporting system.

III. CAPER PROCEDURES

The annual CAPER completion process generally includes:

- CAPER Kick-Off
- Annual Presentation to departments
- Informational Document for Departments
- Submission of Table 3A (See Attachment) from Departments
- Submission of all documents and narratives necessary for completion of report

IV. ASSIGNED BMS DUTIES

- Review Quarterly Reports submitted by departments
- Review Table 3Cs and Demographic Tables
- Review submitted narratives and attachments
- Contact Departments regarding missing/incomplete date
- Record Information into IDIS or other method as determined by Community Development Manager

1.5 Citizen Participation

HUD requires each jurisdiction to create and follow a Citizen Participation Plan in order to ensure public participation and input. The purpose of the City of Dallas Citizen Participation Plan is to inform the public of the proposed ways in which persons may participate in determining how specific future grant funds to the City of Dallas from HUD will be used. The funds include the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS Program (HOPWA). The City of Dallas Citizen Participation Plan also establishes the proposed ways in which the community will be engaged in fair housing planning to Affirmatively Further Fair Housing (AFFH) through the Assessment of Fair Housing (AFH) process.

HUD requires that the public be given the opportunity to comment on the Consolidated and Annual Action plans for no less than 30 days (24 CFR Parts 91.200). To fulfill this requirement, the City, following the procedures in its Citizen Participation Plan, publishes notice of the plan in the local newspaper(s) and posts notice at highly visible locations.

The City of Dallas Citizen Participation Plan is published on the City's website and is attached to every Consolidated Plan and Annual Action Plan.

1.55 CDBG DR Website

The City will have a separate webpage dedicated to its disaster recovery activities assisted with CDBG-DR funds and meet all requirements in the applicable Federal Register notices. The site will be updated quarterly.

The website's address is:

https://dallascityhall.com/departments/budget/communitydevelopment/CDBG_DR/Pages/default.aspx

The following items will be on the City's CDBG-DR website: the action plan created using DRGR (including all amendments); each performance report (as created using the DRGR system); citizen participation plan; procurement policies and procedures; all executed contracts that will be paid with CDBG-DR funds as defined in 2 CFR 200.22 (including subrecipients contracts); and a summary including the description and status of services or goods currently being procured by the grantee or the subrecipient (e.g. phase of the procurement, requirements, for proposals, etc.) Contracts and procurement actions that do not exceed the micro-purchase threshold, as defined in 2 CFR 200.67 may not be available on the website. Each item required in Section III.D.1.d. of the Consolidated Notice will be on the website; the City will make these documents available in a form accessible to persons with the disabilities and those with limited English proficiency. The City will take reasonable steps to ensure meaningful access to our program and activities by LEP persons, including members of protected classes, vulnerable populations, and individuals from underserved communities as described in Section III.D.1.d of the Consolidated Notice.

1.6 Public Hearings

The City holds public hearings on the development of the Con Plan and Annual Action Plans. By encouraging open and effective communication, it is anticipated that both citizens and city officials will gain a greater understanding of community and neighborhood concerns and for one another through the citizen participation process.

The City ensures the provision of reasonable notice of hearings and that hearings are held at times and locations convenient to potential or actual project beneficiaries. Notices are available in English and Spanish. Meetings are accessible for persons with disabilities and those with limited English language proficiency. In addition to public hearings, City staff participates in community meetings in order to have information on housing and supportive service needs for special populations.

In response to the COVID-19 pandemic, the CARES Act provided a waiver to allow virtual public meetings and a public review and comment period to be no less than 5 days while the City was under a Presidential Declared Disaster Order. View Flexibilities/Waivers Granted by the CARES Act

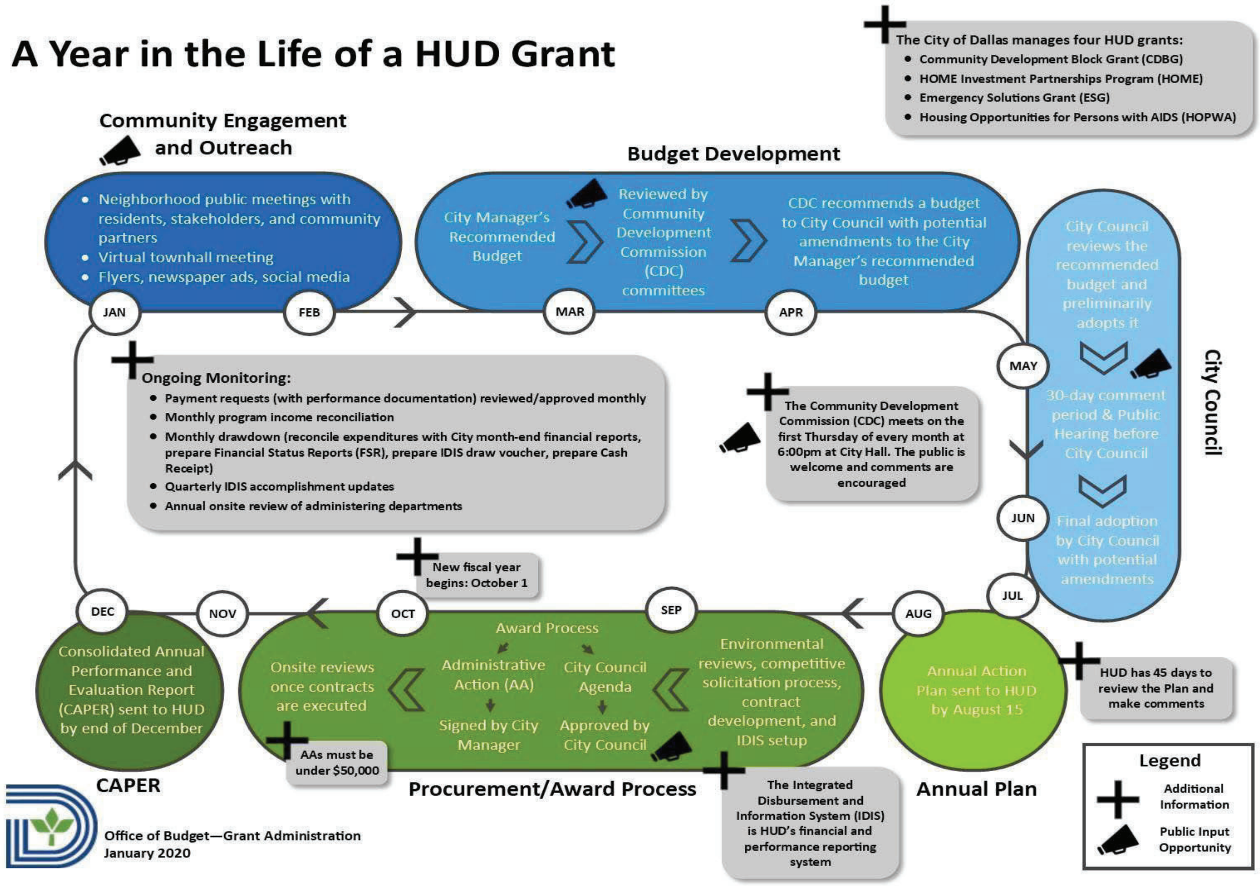
1.7 Community Development Commission (CDC)

The Dallas City Council appoints a 15-member Community Development Commission (CDC) to assist Council and City staff in developing the Consolidated Plan and Annual Action Plan. The CDC works with City staff to develop and recommend project funding associated with each annual entitlement grant. When identifying and prioritizing projects for program funding, the CDC considers public input gathered from public meetings, comments during regular monthly meetings, special public meetings, surveys gathered during the public hearing process, and community meetings held for planning purposes.

The CDC designates five sub-committees to evaluate, formalize, and make recommendations to the entire CDC on matters relating to the purpose and reason for the creation of the committee. The committees are Citizen Participation, Policy, and Procedures; Economic Development, Housing and HOME Programs; Financial Monitoring and Performance Standards; Public Improvements; and Public Service, HOPWA, and ESG. Each committee schedules and conducts additional meetings, as necessary, to discuss allocation of funds, by grant and project, prior to presenting its recommendations to the full CDC and then the City Council for approval.

1.8 Standard Timeline for Program Year

NOTE: The timeline is subject to change.



1.9 CDBG Program Overview

The primary objective of the CDBG as set forth in Section 101(c) of the CDBG authorizing statute is the development of viable communities by the provision of decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low- and moderate- income. The City of Dallas uses CDBG funds to improve community facilities and services, revitalize neighborhoods, fund public services, expand affordable housing, and expand economic opportunities that benefit low- to moderate-income persons. The City must use at least 70% of the entitlement for activities that either directly benefit low- to moderate- income persons or serves an area where the majority of the residents are low- and moderate- income.

The CDBG program was developed to give local jurisdictions the flexibility to develop their own funding priorities. However, the authorizing statute of the CDBG program requires that each activity funded must meet one of three national objectives.

The three national CDBG objectives and subcategories include:

1. **Benefit to low- and moderate- income (LMI) persons:** * The LMI objective is often referred to as the primary objective because the statute requires that recipients expend 70 percent of their CDBG funds to meet the LMI objective, using one of the following four subcategories:
    a. Area Benefit Activities: Project benefits all residents in a particular area, where at least 51 percent are low/moderate- income residents.
    b. Limited Clientele Activities: Project beneficiaries include at least 51 percent low/moderate income residents
    c. Housing Activities: Project provides housing for at least 51 percent low/moderate income residents
    d. Job Creation or Retention Activities: Project creates or retains jobs for at least 51 percent low/moderate income residents
2. **Aid in the prevention or elimination of slums or blight**
3. **Meet a need having a particular urgency (referred to as urgent need)**

**Low-Income Persons are defined as households under 80% of Area Median Income.*

Income Limits are updated annually by HUD. The most recent limits are provided with the Annual Action Plan for that program year. The HUD- issued Income Limits are available on HUD's website, but the BMS program staff also notifies all CDBG-funded City departments when the income limits are updated by HUD. City departments are responsible for informing their subrecipients and for ensuring compliance.

The City is responsible to report on activities through the outcome and performance measurement system established by HUD. The system is designed to provide the opportunity for the federal government to collect information on outcomes funded with grant assistance, and thereby demonstrate program results.

HUD identifies three overarching objectives and three measurable outcomes. When a proposal is reviewed, BMS staff will determine how the specific activities including intended results, benefits or objectives fall within the outcome parameters outlined by HUD. The intent when funding an activity determines which of the three objectives best describes the purpose of the activity.

The three objectives include:

- ***Suitable Living Environment:*** In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- ***Decent Housing:*** The activities that typically would be found under this objective are designed to cover the wide range of housing possible under CDBG. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.
- ***Economic Opportunities:*** This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

The three outcome categories are described:

- ***Availability/Accessibility:*** This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low- and moderate- income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low and very low-income people where they live.

- ***Affordability:*** This outcome category applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
- ***Sustainability:*** Promoting Livable or Viable Communities: This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Each outcome category can be connected to one of the overarching objectives, producing nine result statements. Each proposed activity must intend to have one of the following results.

Sometimes an adjective such as new, improved, or corrective may be added to refine the outcome results statement.

National Objective and Outcome Exhibit

	Outcome 1: Availability or Accessibility	**Outcome 2**: Affordability	**Outcome 3**: Sustainability
Objective 1: Suitable Living Environment	Enhance Suitable Living Environment through Improved or New Accessibility	Enhance Suitable Living Environment through Improved or New Affordability	Enhance Suitable Living Environment through Improved or New Sustainability
Objective 2: Decent Housing	Create Decent Housing with Improved or New Availability	Create Decent Housing with Improved or New Affordability	Create Decent Housing with Improved or New Sustainability
Objective 3: Economic Opportunities	Provide Economic Opportunity through Improved or New Accessibility	Provide Economic Opportunity through Improved or New Affordability	Provide Economic Opportunity through Improved or New Sustainability

1.10 CDBG Funding Allocation Restrictions

By federal regulation, the following funding restrictions apply to CDBG funds:

- A maximum of 15 percent of the annual CDBG appropriation can be allotted to public services.

Generally, the City will allocate 15 percent of the grant to be awarded to eligible organizations for the purpose of providing public service programs that will address the low- and very low- income persons of Dallas. BMS staff will calculate the anticipated amount that can be committed to public service projects.

The Public Service cap is calculated by:

Public Service Cap Calculation	
Current year entitlement amount:	☐
+	+
Previous year program income received:	☐
=	=
Amount to calculate public service cap:	☐
x 0.15	**x 0.15**
= maximum funds that can be expended for public services	**= maximum funds that can be expended for public services**

- A maximum of 20 percent of the annual CDBG appropriation can be allotted to program administration. Generally, the City will allocate 20 percent of the grant to program administration, which includes fair housing activities.

The planning and administration cap is calculated by:

Planning and Administration Cap Calculation	
Current year entitlement amount:	☐
+	+
Previous year program income expected:	☐
=	=
Amount to calculate administration cap:	☐
x 0.20	x 0.20
= maximum funds that can be expended for administration	= maximum funds that can be expended for administration

In response to the COVID-19 pandemic, HUD waived the 15 percent maximum that could be allocated to public services for CDBG-CV funds and CDBG funds used in FY 2019-20.
View Flexibilities/Waivers Granted by the CARES Act.

1.11 Low- and Moderate-Income Benefit Requirement

In addition to HUD's spending restrictions for Public Services and Planning and Administration, HUD requires that at least 70 percent of the City's non- administration CDBG spending is expended to benefit low- and moderate-income people. The 70 percent threshold should be exceeded each year to maintain compliance, however HUD rules allow grantees to calculate expenditure compliance on a one, two, or three- year period.

1.12 CDBG Spending Timeliness

HUD requires all grantees including the City of Dallas to use the CDBG funds it receives in a timely manner. HUD defines timely expenditure as having no more than 1.5 times the Annual Entitlement Amount unexpended. While HUD conducts a timeliness of expenditure test 60 days prior to the end of the program year, monitoring of expenditures to ensure timely benefits to low- and moderate-income communities is an ongoing process.

BMS Staff conducts the expenditure analysis including a projection of likely expenditures in the 6th month of the program year and thereafter on a monthly basis. HUD assesses Dallas' annual expenditure in early August of each year. HUD utilizes Report 56 within its Integrated Disbursement and Information System (IDIS) to complete its Timeliness Test.

BMS staff will track and document expenditures of the City and subrecipients (both actual and projected reported in the performance report). Program income will be recorded for each respective activity, program income from one activity will not be used for any other activities. When there is program income available, it will be used prior to additional draws on grant funds. When activities are stalled, BMS staff will reprogram funds as necessary to ensure the funds will be obligated prior to the end of the period of performance. In accordance with Section V.A. of the Consolidated notice, the City shall expend 100% of its allocation within

6 years. BMS staff will conduct expenditure analysis in the 6 month of the program year and thereafter on a monthly basis.

1.13 Additional Resources

Additional sources of information about the City's CDBG program include:

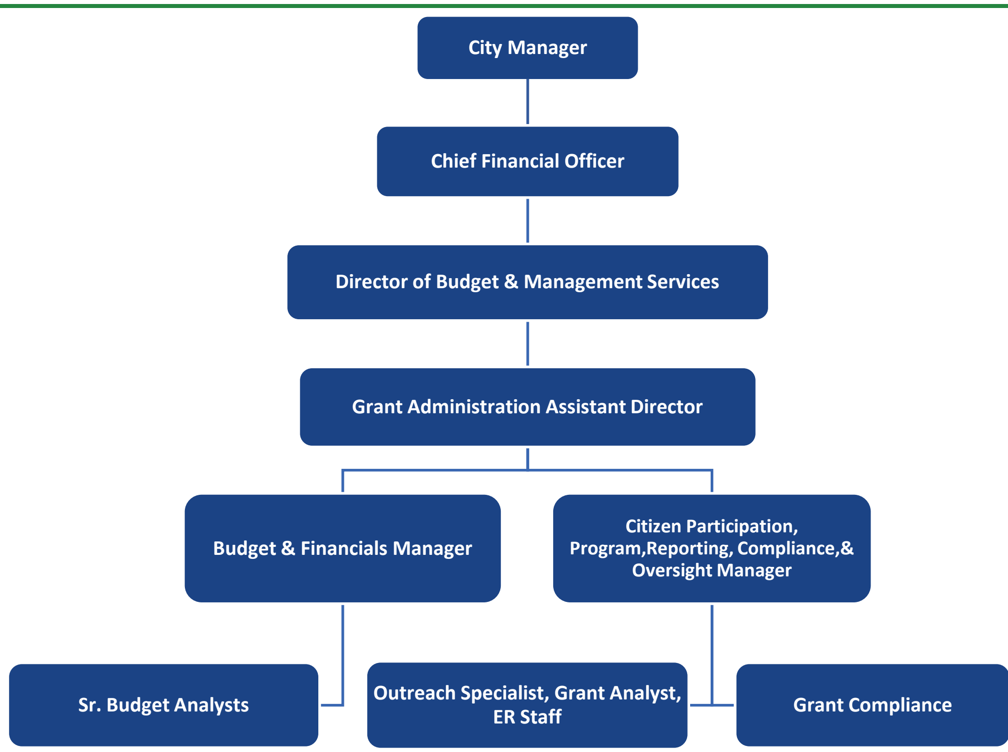
Budget & Management Services – Grant Administration Division website:
https://dallascityhall.com/departments/budget/communitydevelopment/Pages/default.aspx

U.S. Department of Housing and Urban Development's HUD Exchange website at:
https://www.hudexchange.info/

2. DALLAS CDBG STAFF ROLES

The City of Dallas Budget & Management Services (BMS) – Grant Administration Division provides many grants administrative services for the City of Dallas. For the CDBG grant, there are three main teams: Budget & Financials, Compliance & Oversight, and Citizen Participation, Program, & Reporting. BMS staff provides general administration and oversight of CDBG grants for the City while other departments monitor subrecipients for specific programs. For example, the Childcare Program funded under CDBG is run by the Office of Community Care (OCC), so OCC staff monitors subrecipients of this program and BMS staff monitors that OCC staff for compliance.

2.1 CDBG Staff Organizational Chart



2.2 CDBG Budget & Financials

BMS CDBG Budget and Financial Staff responsibilities include:

- Develop Consolidated Plan budget, AMS set-up, and day-to-day management of HUD grant funds administered by the City
- Create and distribute monthly Financial Status Reports (FSR) for each HUD grant, including CDBG and CDBG-CV, to City staff
- Create and distribute quarterly SF-425 Report for CDBG
- Perform monthly reconciliation and drawdown of CDBG and CDBG-CV funds
- Monitor program income and perform monthly reconciliation, receipt, and drawdowns of program income
- Lead the annual process for extensions and reprogramming funds
- Create annual CDBG expenses by Council District Report
- Approval of purchase orders and contracts to be reimbursed through HUD grant funds
- Review and approval of requests for payments involving HUD grant funds are coded properly
- Ensure compliance with all HUD regulations, the awarded Subrecipient Agreement, and this document, the City's CDBG Grantee Policy
- Implement/maintain an internal control system (including written accounting procedures for approving and recording transactions and regular reconciliation of records to check for completeness and accuracy)
- Execute and oversee of all financial procedures designed to avoid or eliminate waste, fraud, or abuse of grant funds
- Consolidated Plan Completion

Budget Request Guide

Departments will submit their Consolidated Plan Budget Request to BMS using the forms and procedures outlined in the attached ConPlan Budget Request Guide.

2.3 CDBG Compliance & Oversight

BMS CDBG Compliance and Oversight Staff responsibilities include:

- Perform annual risk assessment
- Perform onsite compliance monitoring for contracts and City programs
- Resolves noncompliance issues and closing findings
- Provides compliance training to City staff
- Provides Section 3 compliance for CDBG programs
- Leads the annual Technical Assistance Workshop for City Staff
- Performs onsite Technical Assistance reviews/visits with City Departments
- Creates semi-annual labor reports and annual contractor/subcontractor reports
- Provides eligibility research and decisions on CDBG programs

2.4 CDBG Citizen Participation, Program, & Reporting

BMS CDBG Citizen Participation, Program, and Reporting Staff responsibilities include:

- Develop 5-year Consolidated Plan, Annual Action Plan, and CAPER
- Provide Citizen Participation Plan, coordinate the Community Development Commission, public notices, social media, and advertisements
- Perform Environmental Reviews (ER), maintain ER project files, and provide ER trainings to City departments
- Collect and maintain Certificates of Consistency, Certifications, SF-424 Forms, Grant Agreements, and any other forms required by HUD
- Administer HUD's Integrated Disbursement and Information System (IDIS) and collect and report IDIS accomplishments for CDBG on a quarterly basis
- Update BMS – Grant Administration website and social media postings
- Communicate with HUD on program monitoring, single audits, and other general communications
- Review City department's advertisements and provide comments as needed
- Create and present community presentations for public hearings

3. FISCAL POLICIES & PROCEDURES

3.1 Synopsis

This section addresses the financial and accounting aspects of the CDBG Program. The following procedures are guidelines that should be adhered to in financial transactions in order to meet federal requirements.

3.2 BMS Staff Responsibilities

BMS staff provides fiscal administration and oversight. Some of the responsibilities of BMS staff include:

- Developing the Consolidated Plan budget, AMS set-up, and day-to-day management of HUD grant funds administered by the City
- Creating monthly Financial Status Reports (FSR) for each HUD grant, including CDBG and CDBG-CV, to City staff
- Performing monthly reconciliation and drawdowns of CDBG and CDBG-CV funds

3.3 Budgeting

Sources and Uses of Funds

For the CDBG program, accounting records must contain reliable and up-to-date information about the sources and uses of funds, including:

- Federal grant awards received
- Current authorizations and obligations of CDBG funds
- Unobligated balances i.e. funds remaining available for distribution
- Assets and liabilities
- Program income
- Actual outlays or expenditures

All activities are required to include a proposed program budget during the procurement process. Once the procurement process has been completed, an up to date and accurate program budget must be created and submitted to BMS staff.

Activities must have procedures in place to monitor obligations and expenditures against their approved budget(s) for CDBG-funded activities. The City of Dallas is under no obligation to reimburse for expenditures which exceed approved budget line items or the overall budget for CDBG assisted activities. Therefore, activity administrators need to have an ongoing system to compare actual receipts, encumbrances, and expenditures with the CDBG budget in order to ascertain in a timely fashion whether it will be necessary to initiate a formal budget revision.

**Refer to attached Budget Request Guide

3.4 Allowable Costs

The standards for determining the reasonableness, allow ability, and allocability of costs incurred as part of CDBG-financed activities are found in 2 CFR Part 200 (in part, formerly OMB Circular A-122). According to basic guidelines, a cost is allowable under the CDBG program if it meets all other regulations and the expenditure is necessary, reasonable, and directly related to the grant.

The expenditure should be authorized by the City, generally through approval of the budget for the activity, and must not be prohibited under Federal, state or local laws or regulations. CDBG is a reimbursement grant, meaning that departments/agencies spend the funds and then request to be reimbursed by the City. It is very important that if there are any questions as to eligibility of an expense then departments/agencies must contact BMS Staff. If the expense is not allowed, the department/agency will have to pay for it from another funding source.

3.5 Audits

The Office of Management and Budget requires that grant recipients who expend $750,000 or more in federal funds in one fiscal year conduct a Single Audit per 2 CFR Part 200. Subrecipients are responsible for ensuring that their auditors conduct the proper type of audit.

All subrecipients must meet the audit requirements as specified in 2 CFR §200.501. Additionally, all financial transactions with CDBG monies are subject to federal audit. Subrecipients must be prepared to explain how transactions were made, why, and be able to account for any funds expended.

During an audit, the auditor will examine records to ascertain if:

- Funds are properly budgeted and approved.
- Budget revisions have been documented and approved.
- Personnel charges are properly allocated to the block grant and based on payroll documents such as time and attendance records.
- All expenditures can be traced to source documents (i.e., purchase orders, invoices, canceled checks).
- Drawdowns have been timely.
- Only allowable activities have been claimed as costs toward the project.
- The subrecipient's accounting system reflects all assets, liabilities, etc.
- Property has been managed and inventoried properly.
- In kind costs and costs billed to other funds are clearly documented.
- If there are billings for indirect costs, an indirect cost allocation plan has been approved by the U.S. Department of Health and Human Services.

In addition, the auditor will ascertain if the subrecipient's program has been accomplished in the manner set out in the application and/or the contract with the City.

3.6 Program Income

Program income is defined as any funds accruing to a subrecipient as a result of using CDBG resources. Examples include rental fees from the use of a community facility, sale proceeds from purchased equipment or property, and fees charged for services funded by program resources.

Subrecipients and departments are required to keep records of the sources of program income in addition to reporting unanticipated program income as soon as possible. The use of all program income must be documented. Program income may be used to support the operation of a CDBG- assisted activity. Program income not used to continue or benefit the original CDBG activity shall be returned to the program.

4. PROCUREMENT

4.1 Synopsis

The City will adhere to HUD's federal procurement regulations, Title 2 Part 200 for procurement practices. The procurement of goods and services by government entities and CDBG subrecipients must follow the standards and procedures outlined in the following: 2 CFR 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (effective for grant funds awarded after December 26, 2014). The City will adhere to the principles of full and open competition.

These standards are to ensure that purchases of materials and services are obtained efficiently, economically, and in compliance with the provisions of applicable federal law. In addition, all local procurement procedures must be followed. The City's Procurement Policy, AD 4-05 Contracting Standards issued by the Office of Procurement Services/City Attorney's Office, Section 10.3 holds that "Departments spending grant funds, particularly federal money shall carefully review the cooperative's process to ensure that all of the grant's procurement requirements are satisfied including without limitation compliance with the uniform guidance.

4.2 BMS Staff Procurement Responsibilities

BMS staff works with the City of Dallas Procurement Services when creating, reviewing, and advertising procurement opportunities through CDBG and CDBG-CV funds. In an effort to increase transparency and equity, the City of Dallas has created a quarterly report of upcoming solicitations.

The City provides all Procurement opportunities online at:
https://dallascityhall.bonfirehub.com/portal/?tab=openOpportunities.

Vendors can register to receive updates and apply for opportunities online.

5. ENVIRONMENTAL REVIEWS

An Environmental Review Record must be completed on each activity that is identified in the Annual Plan. CDBG funds cannot be spent prior to approval from HUD on a Release of Funds.

5.1 Synopsis

As a unit of general local government and HUD grant recipient, the City of Dallas is a Responsible Entity and has therefore assumed the federal agency decision-making responsibility of the US Department of Housing and Urban Development (HUD) under the National Environmental Policy Act (NEPA) of 1969 and related environmental laws and authorities. According to NEPA (40 CFR 1500-1508) and 24 CFR Part 58, the responsible entity is required to ensure that environmental information is available before decisions are made and before choice limiting actions are taken. In order to achieve this objective, Part 58 prohibits the commitment or expenditure of HUD funds until the environmental review process has been completed and, if required, the grantee receives a release of funds.

Federal regulations require that BMS determines if project activities will cause adverse impacts to the human environment. The human environment is defined as the natural and physical environment and the relationship of people with that environment. In addition, BMS must also determine whether the project meets other applicable statutory and regulatory requirements such as those of the Advisory Council on Historic Preservation and the Environmental Protection Agency. No HUD funded project or activity will be initiated until BMS completes an environmental review and all necessary approvals have been secured.

5.2 BMS Staff Environmental Review Responsibilities

To implement the environmental review requirements and ensure compliance with established regulations, the City of Dallas, Budget & Management Services - Grants Administration Division (BMS) conducts necessary reviews, makes decisions, and takes appropriate actions as outlined in the established Environmental Review (ER) Policy and Procedure Manual. Based on the guidance outlined in the ER Policy and Procedure Manual, BMS staff prepares required project Environmental Review Records (ERR) and applicable environmental clearance before funds are expended or costs incurred using a HUD Environmental Review Online System (HEROS), a HUD approved online system for developing, documenting, and managing environmental reviews. It covers all levels of environmental reviews.

The ERR contains all the environmental review documents, public notices and written determinations or environment findings required by 24 CFR Part 58. The environmental review process covers all phases of a project, whether the project is funded in whole or in part with HUD grant funds.

6. ACCOMPLISHMENT REPORTING

6.1 Synopsis

Subrecipients are required to submit monthly reports to their respective awarding City departments as described in each contract. Subrecipients must report monthly the number of clients served, including their incomes, race/ethnicity, and status of head of household. City departments with access to HUD's Integrated Disbursement and Information System (IDIS) report activity accomplishment directly into the system no less than quarterly. However, departments without IDIS access report quarterly updates to BMS staff on CDBG activity accomplishments.

6.2 BMS Staff Reporting Responsibilities

Activity accomplishments compiled and entered into IDIS on a quarterly basis by BMS staff for City departments without direct access to IDIS.

Data must be unduplicated i.e. a client receiving a particular service from a Subrecipient three times during the program year must appear only once on a monthly report, and that client should not appear again on any following monthly reports during the program year.

<u>Program Client Demographics: Race, Ethnicity and Annual Household Income</u>

- Data must be recorded for all unduplicated clients i.e. beneficiaries obtaining services in the program.
- HUD has implemented a reporting system that requests client information for one ethnicity option and 11 options for race. It is very important to note that HUD does not consider Hispanic to be a separate race category. Therefore, a client may identify as Hispanic and White, Hispanic and Asian, Hispanic and Asian and Black/African American, etcetera.
- The Annual Household Income for unduplicated clients served is reported in one of three categories: Extremely Low (EL), Very Low (VL), and Low (L). Income Guidelines are updated by HUD annually. BMS staff monitors HUD communications so that they may provide the most current information to City departments; subrecipients/entities are responsible for ensuring that the most current information is utilized.

Total client count for each of the Ethnicity, Race, and Annual Household Income categories must be the same as each other as per the following example:

Exhibit 2
City of Dallas
Activities Report

Subrecipient's Name ______________________ Report Period ____________

Month Unduplicated Unduplicated | Current Monthly Unduplicated Total | Cumulative YTD

	Current Monthly Unduplicated Total	Cumulative YTD
Section I. Total number of households/persons assisted	____	____
Section II. Total number of households/persons assisted (from Section I) who are:		
Part A. Financial Status *		
1. Extremely Low Income (Up to 30% AMI)	____	____
2. Very Low Income (More than 30 and less than 50% AMI)	____	____
3. Low Income (More than 50 and less than 80% AMI)	____	____
Total	____	____
* See Federal Income Eligibility Guidelines		
Part B. Family Status		
1. Total Female Headed Households	____	____

Part C. Race and Ethnicity Data

Single Race	Current Month Undupl Total	Current Month Undupl Total (Hispanic or Latino)	Undupl. Cumulative YTD	Undupl. Cumulative YTD (Hispanic or Latino)
1. White	____	____	____	____
2. Black/African American	____	____	____	____
3. Asian				
4. American Indian/Alaskan Native	____	____	____	____
5. Native Hawaiian or Other Pacific Islander	____	____	____	____
Multi-Race				
1. American Indian/Alaskan Native & White	____	____	____	____
2. Asian & White	____	____	____	____
3. Black/African American & White	____	____	____	____
4. American Indian or Alaskan Native & Black & African American	____	____	____	____
5. Other Multi-Racial	____	____	____	____
Total	____	____	____	____

7. MONITORING

7.1 Synopsis

Monitoring is critical to ensure that HUD funds are spent in ways that adhere to local and federal regulations. The Office of Budget & Management Services – Grants Administration Division (BMS) serves as the City's overall grant administrator ensuring implementation, reporting, and compliance with all pertinent regulations.

7.2 BMS Staff Monitoring Responsibilities

BMS staff is responsible for monitoring City departments to ensure they comply with all regulations and requirements governing their administrative, financial, and programmatic operations. This includes assuring that performance goals are achieved within the scheduled time frame, budget, and when necessary, taking appropriate actions when performance problems arise. Monitoring is not a "one- time-event", but rather will occur through visits, review of monthly reports, and ongoing contract supervision.

The Grants Compliance Group (GCG), a division within BMS staff, is responsible for compliance monitoring of departments with programs, functions, and activities funded through entitlement grant funds awarded to the City through the HUD Consolidated Plan. Department directors are required to ensure adequate oversight and compliance with programmatic requirements of the programs administered in their specific departments including monitoring of sub-recipients.

<u>Compliance monitoring consists of:</u>

- Conducting a risk-based assessment of each sub-recipient, contractor, and in-house activity to determine greatest risk and susceptibility to fraud, waste, abuse, and mismanagement
- Reviewing reports and supporting documents submitted by sub-recipients, contractors, and in-house activities for cost reimbursement
- Performing on-site and/or desk monitoring reviews at sub-recipient, contractor, and in-house locations
- Observing the delivery of services that benefit eligible beneficiaries

7.2.1 Procedures to Detect Waste, Fraud, and Abuse

The City's policy to detect, waste, and abuse included having BMS staff regularly verify the accuracy of information provided by applicants by conduction on-site and/or desk compliance monitoring reports are provided by BMS staff and City departments to sub-recipients, contractors, and City-sponsored activities indicating findings of noncompliance or violations of Federal, state, local or other applicable regulations. The criteria to be used to evaluate the capacity of potential subrecipients will be: organizational capacity including subject matter expertise, fiscal readiness, and past performance on similarly conducted activities. This will be compared to proposed scope of work. The frequency in which the City will monitor other agencies that will administer CDBG-DR funds, how it will monitor subrecipients, contractors, and other program participants will vary due to complexity and resources however there will be "no-knock" site and desk audits conducted randomly and upon gaining information of probable cause that violations have or will occur.

All grants awarded to the City of Dallas must undergo a Grant Risk Analysis (at or near City Council approval or as soon as administratively possible thereafter.) The Grant Risk Analysis is used by staff in the Office of Budget and Management Services (BMS) to determine: (1) who will be responsible for grant monitoring and to what extent (BMS or the department), (2) When the grant will be monitored (i.e., monitoring schedule), and (3) how the grant will be monitored by identifying key areas for monitoring (i.e. monitoring plan). The Grant Risk Analysis is completed each grant term (for single year grants) or annually (for multiple year grants.). While the Grant Risks Analysis is completed annually, it is deemed to cover prior year open grants with unexpended balances carried forward (e.g. entitlement grants). The Grant Risks Analysis form is maintained on file in BMS. A Grants Management Plan is completed after the Grant Risks Analysis is performed, and as soon as possible after the grant agreement is executed (ideally before the grant term starts). The Responsible Department and BMS/OGA meet (in person or virtually) to review and sign off on the plan. As with the Grants Risk Analysis, the Grant Management Plan is completed each term for single year grants, annually for multiple year grants, even if nothing changes.

It is deemed to cover prior year open grants with unexpended balances carried forward (e.g. entitlement grants). The purpose of the Grant Management Plan is to outline the requirements for the grant; set forth the results of the Grant Risk Analysis; Specify the Grant Monitoring Plan for the Grant and Serve as a tool to provide technical assistance for the Responsible Department.

Internal Auditor:

The City has an internal auditor in the Office of the City Auditor that provides investigative services to evaluate and investigate allegations of fraud, waste and abuse. The City internal auditor provides both programmatic and financial oversight of grantee activities in addition to investigating fraud, waste, and abuse. A hotline is maintained as a tool for the confidential reporting of allegations. Investigations are conducted in accordance with Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency. When City staff believes there may be fraud, waste, and/or abuse it will be referred to HUD OIG Fraud Hotline *(phone: 1-800-347-3735 or email: hotline@hudoig.gov).* In situations in which City staff may be unsure of if a particular behavior violates an ethical rule, the City's Inspector General has provided Pursuant to Section 12A-47(d), a centralized location for all City of Dallas officials and employees to send written requests for confidential or general advisory opinions. In addition, the fraud, waste, and/or abuse will be referred to the City's OIG hotline at 877-860-1061 which is available in English and Spanish. The City will provide CDBG-DR beneficiaries with information that raises awareness of possible fraudulent activity, how the fraud can be avoided, and what local or state agencies to contact to take-action and protect the grantee and beneficiary investment. If a beneficiary experiences contractor fraud the City staff may assist the beneficiary materially and/or may offer guidance or technical support when feasible to mitigate the damages. If the beneficiary is eligible for additional assistance as a result of the fraudulent activity and the creation of remaining unmet need, the City will work with the beneficiary to address their unique situation. In such situation, City staff will offer technical assistance when feasible with the beneficiary. The City will assist HUD OIG with any investigation of fraud, waste, and abuse.

On December 8, 2021, the Dallas City Council made significant changes to its ethics ordinance, which included the creation of an Inspector General. The Inspector General's Office includes a Chief Integrity Officer, attorneys, investigators, and support staff. The Inspector General and his staff will investigate ethics complaints against city employees, elected officials, and members of city boards and commissions. If there is evidence of a violation, the Inspector General will either prosecute the case before the Ethics Advisory Commission or recommend a settlement.

7.3 Technical Assistance

City Departments provide technical assistance to sub-recipients and contractors receiving HUD funds to ensure an understanding of contractual requirements, regulations, guidelines, and grant administrative procedures. Contract requirement forms are completed during scheduled delivery of the fully executed contract to sub- recipients and contractors. BMS staff coordinates an annual technical assistance workshop for City staff. At a minimum, the workshop covered the following topics: consolidated plan oversight; federal statutory requirements for: Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships Program (HOME) and Housing Opportunities for Persons with AIDS (HOPWA); Reporting Requirements; Eligible Activities; 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Davis-Bacon and Related Acts Requirements.

8. CDBG NATIONAL OBJECTIVES

The primary emphasis of the CDBG grant program is to ensure that each activity meets and complies with one of HUD's three broad objectives, which are:

1. **Benefit to low- and moderate-income households and/or persons**
2. **Prevention and/or elimination of slum and blight**
3. **Addressing other community development needs having a particular urgency**

Note: Low- and moderate-income households are defined as households under 80% of Area Median Income (AMI). Income limits are updated annually by HUD and are available on HUD's website. BMS staff notifies each year's income limits to City Departments that administer HUD grants on an annual basis. Subrecipients are responsible for ensuring they are using the most current income limit.

These objectives are broken down into smaller categories. Each activity funded under CDBG must meet one of the below categories for the CDBG National Objective.

8.1 Area Benefit

The area benefit category is the most commonly used national objective for activities that benefit a residential neighborhood that is primarily low- and moderate-income (LMI). An area benefit activity is one that benefits all residents in a particular residential area where, typically, at least 51% of the residents are LMI households.

Examples of area benefit activities may include the following when they are located within a predominately LMI neighborhood:

- Improvements to neighborhood park
- Improvements to public infrastructure like the installation of gutters and sidewalks
- Development or improvements of a community center

8.2 Limited Clientele Benefit

Activities in the limited clientele category provide benefits to a specific group of persons rather than everyone in an area. It may benefit particular persons without regard to their residence, or it may be an activity that provides a benefit to only particular persons within a specific area. Under this category, 51% of the beneficiaries of an activity have to be low-and moderate- income persons.

In contrast to the area benefit category, it is not the LMI concentration of the service area of the activity that determines whether the activity will qualify or not, but rather the actual number of LMI persons that benefit from the activity.

Examples include:

- Children and Youth Programs
- Community Courts
- Rental Assistance

8.3 Housing Benefit

The housing category of LMI benefit national objective qualifies activities that are undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by LMI households. In order to meet the housing LMI national objective, structures with one unit must be occupied by an LMI household. If the structure contains two units, at least one unit must be LMI occupied. Structures with three or more units must have at least 51% occupied by LMI households.

Examples include:

- Owner-Occupied Housing Rehabilitation
- Owner-Occupied Home Repair
- Homeownership Assistance

8.4 Jobs Benefit

The job creation and retention LMI benefit national objective addresses activities designed to create or retain permanent jobs, at least 51 percent of which, computed on a full-time equivalent basis, will be made available to or held by LMI persons. The following requirements must be met for jobs to be considered created or retained.

- If grantees fund activities that create jobs, then there must be documentation indicating that at least 51 percent of the jobs will be held by, or made available to, LMI persons.

- For funded activities that retain jobs, then there must be sufficient information documenting that the jobs would have been lost without the CDBG assistance and that one or both of the following applies to at least 51 percent of the jobs:
    - The job is held by an LMI person; or
    - The job can reasonably be expected to turn over within the following two years and steps will be taken to ensure that the job will be filled by, or made available to, an LMI person.

For the purpose of determining if the preceding requirements are met, a person may be presumed to be LMI if:

- The person resides in a Census tract/block numbering area that has a 20 percent poverty rate or a 30 percent poverty rate if the area includes the central business district; and the area evidences pervasive poverty and general distress; or
- The person lives in an area that is part of a Federally designated Empowerment Zone (EZ) or Enterprise Community (EC); or
- The person resides in a Census tract/block numbering area where at least 70 percent of the residents are LMI

Typically, each assisted business will be considered a separate activity for purposes of determining whether the activity qualifies under the job creation and retention category for meeting a national objective.

However, in certain cases, such as where CDBG funds are used to acquire, develop or improve a real property e.g. a business incubator or an industrial park, the requirement may be met by measuring jobs in the aggregate for all the businesses that locate on the property, provided such businesses are not otherwise assisted by CDBG funds.

Additionally, where CDBG funds are used to pay for the staff and overhead costs of an entity making loans to businesses from non-CDBG funds, this requirement may be met by aggregating the jobs created by all of the businesses receiving loans during any program year.

HUD requires that an activity carried out under the category of job creation/retention must meet the standards of Public Benefit set forth in 24 CFR 570.482(f). In order to pass the Public Benefit Standard:

- For an activity that creates or retains jobs, the use of CDBG funds cannot exceed $50,000 per full-time equivalent job; or
- For an activity that provides goods or services to residents of an area, the amount of CDBG funds provided for the activity cannot exceed $1,000 per L/M person served.

In response to the COVID-19 pandemic, HUD waived the Public Benefit Standard for CDBG-CV funds.
View Flexibilities/Waivers Granted by the CARES Act.

8.5 Slum Blight Area Basis

The Slum Blight Area Basis (SBA) category is for activities that aid in the prevention or elimination of slums or blight in a designated area. To qualify under this category, the area in which the activity occurs must be designated as slum or blighted. The following tests apply:

- The designated area in which the activity occurs must meet the definition of a slum, blighted, deteriorated or deteriorating area under state or local law;

- Additionally, the area must meet either one of the two conditions specified below:
    - Public improvements throughout the area are in a general state of deterioration; or
    - At least 25 percent of the properties throughout the area exhibit one or more of the following:
        - Physical deterioration of buildings/improvements.
        - Abandonment of properties
        - Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings;
        - Significant declines in property values or abnormally low property values relative to other areas in the community; or
        - Known or suspected environmental contamination
- Documentation must be maintained by the grantee on the boundaries of the area and the conditions that qualified the area at the time of its designation. The designation of an area as slum or blighted must be re-determined every 10 years for continued qualifications.

As stated above, qualified activities must address the identified conditions that contributed to the slum and blight.

8.6 Slum Blight Spot Basis

The Slum Blight Spot Basis (SBS) category is for activities that eliminate specific conditions of blight or physical decay on a spot basis and are not located in a slum or blighted area. The designated spot must meet the definition of a slum, blighted, deteriorated or deteriorating area under state or local law. Activities under this category are limited to acquisition, clearance, relocation, historic preservation, remediation of environmentally contaminated properties, and building rehabilitation activities.

Furthermore, rehabilitation is limited to the extent necessary to eliminate a specific condition detrimental to public health and safety.

8.7 Urgent Need

Use of the Urgent Need (URG) national objective category is rare. It is designed only for activities that alleviate emergency conditions. Urgent need qualified activities must meet the following criteria:

- The existing conditions must pose a serious and immediate threat to the health or welfare of the community;
- The existing conditions are of recent origin or recently became urgent, generally, within the past 18 months;
- The grantee is unable to finance the activity on its own; and other sources of funding are not available

Examples include:

- Acquisition of property located in a flood plain that was severely damaged by a recent flood;

- Public facility improvements like the reconstruction of a publicly owned hospital that was severely damaged by a tornado;
- Demolition structures that are severely damaged by a major earthquake;
- Public services like additional police protection to prevent looting in an area damaged by a recent hurricane;
- Interim assistance such as emergency treatment of health problems cause by a flood; and
- Special economic development assistance to a grocery store that was damaged by an earthquake

9. CDBG ELIGIBLE ACTIVITIES

The CDBG Entitlement Program provides annual grants from the Department of Housing and Urban Development (HUD) to certain cities and counties on a formula basis. The standard practice of City of Dallas is to use this funding to provide grants to eligible entities via a competitive grant process. Federal and City policies provide guidance on spending restrictions, priorities, and process for funding CDBG activities. The following activities are eligible in CDBG under CFR 570.200-570.210:

- Disposition
- Public Facilities/Improvements
- Clearance Public Services
- Interim Assistance
- Relocation
- Loss of Rental Income
- Privately-Owned Utilities
- Rehabilitation
- Construction of Housing
- Code Enforcement
- Special Economic Development Activities
- Microenterprise Assistance
- Special Activities by CBDO
- Homeownership Assistance
- Planning and Capacity Building
- Program Administration Costs
- Miscellaneous Other Activities
- Technical Assistance
- Assistance to Institutions of Higher Education
- Housing Service

9.1 Public Services

Under this category, CDBG funds may be used to provide public services, including labor, supplies, materials and other costs, provided that the following criteria is met. The public service must be either:

- A new service or
- A quantifiable increase in the level of service above that which has been provided by or on behalf of the local government or received from the State during the 12 months prior to submission of the grantee's applicable Action Plan. This requirement is intended to prevent the substitution of CDBG funds for recent support of public services using local or State government funds.

It is very important to note that there is a 15% cap on the amount on CDBG funds that a city may obligate within a program year to support public service activities as per HUD guidelines. In response to the COVID-19 pandemic, HUD waived the 15 percent maximum that could be allocated to public services for CDBG-CV funds and CDBG funds used in FY 2019-20. View Flexibilities/Waivers Granted by the CARES Act.

Paying the cost of operating and maintaining that portion of a facility in which the service is located is also considered to fall under the basic eligibility category of Public Services, even if such costs are the only contributions made by CDBG for those services.

The following Public Services are not eligible under this category:

- Political activities
- Inherently religious activities, such as worship, religious instruction, or proselytizing as part of the services funded
- Ongoing grants or non-emergency payments which are defined as more than 3 consecutive months to individuals for food, clothing, rent, utilities, or other income payments
- Administrative costs: CDBG funds in this category may only cover the delivery and supervision of services
- Payment of interest on mortgages: CDBG funds should not contribute to debt

In response to the COVID-19 pandemic, HUD allowed 6 consecutive months of emergency payments to individuals for food, clothing, rent, utilities, or other income payments for CDBG-CV funds and CDBG funds used in FY 2019-20. View Flexibilities/Waivers Granted by the CARES Act.

9.2 Public Facilities and Infrastructure Improvements

CDBG funds may be used by the grantee or other public or private nonprofit entities for the:

- Acquisition, including long term leases for periods of 15 years or more
- Construction
- Reconstruction
- Rehabilitation, including removal of architectural barriers to accessibility
- Installation of public improvements or facilities except for buildings for the general conduct of government

"Public facilities" and "public improvements" are broadly interpreted to include all improvements and facilities that are either publicly owned or that are traditionally provided by government, or owned by a non-profit, and operated so as to be open to the general public.

In order to be eligible for public improvement funds, HUD rules require that nonprofits:

- Either own the facility or have a lease in place with a term of no less than 15 years
- Be open for use by the general public
- Provide an eligible public service for at least 5 years after the facility improvement has been completed

The regulations specify that facilities that are designed for use in providing shelter for persons having special needs are considered to be public facilities, and not permanent housing, and thus are covered under this category of basic eligibility.

This category does not authorize expenditures for buildings for the general conduct of government, unless CDBG funds are being used to remove barriers from such buildings that restrict the mobility and accessibility of elderly or severely disabled persons.

Public facilities and improvements authorized under this category also do not include:

- Costs of operating or maintaining public facilities/improvements
- Costs of purchasing construction equipment
- Costs of furnishings and other personal items such as uniforms
- New construction of public housing

City Council policy (adopted in 2010, amended in 2020) added additional criteria to HUD requirements:

- Spending Cap
    - Total amount of CDBG funds allocated for nonprofit public improvement projects each year cannot exceed 5% of the total CDBG fiscal year budget
- Match Requirement
    - Funds awarded must be matched with 25% of the nonprofit's available cash or cash equivalents, in-kind contributions, donations, and/or volunteer services.
- Back-to-Back Funding
    - Nonprofits cannot be awarded funds for public improvements two fiscal years in a row
- Liens
    - Liens are placed on real property by the City to secure performance of any CDBG funded public improvement (must be in first lien position)

9.3 Privately-Owned Utilities

The grantee, other public agencies, private nonprofit entities, and for-profit entities may use CDBG funds to:

- Acquire
- Construct
- Reconstruct
- Rehabilitate
- Install the distribution lines and related facilities for privately-owned utilities

Definition: A privately-owned utility may be defined as a publicly regulated service which is provided through the use of physical distribution lines to private properties and that is owned and operated by a non-public entity. Utilities include, but are not necessarily limited to, natural gas, electricity, telephone, water, sewer, and television cable services.

9.4 Housing

CDBG funds may be used to finance the costs of rehabilitation of residential property, whether privately or publicly owned and homebuyer assistance. This includes manufactured housing when such housing constitutes part of the community's housing stock. In order to be eligible for CDBG funds, a residential property must be:

- A single- or multi-family residence
- The principal residence of the property owner or lessee

- A low- to moderate- income household

Eligible types of assistance

- **Costs**
  - Costs of labor, materials, supplies and other expenses required for the rehabilitation of property, including repair or replacement of principal fixtures and components of existing structures e.g., the heating system.
- **Property acquisition**
  - Assistance to private individuals and entities, whether profit or not-for- profit, to acquire for the purpose of rehabilitation and to rehabilitate properties for use or resale for residential purposes.
- **Homeownership Assistance**
  - Assistance to low- to moderate-income homebuyers; up to 50% of down payment; closing costs; principal write- down; subsidize interest rates; mortgage insurance
- **Security devices**
  - Installation costs of sprinkler systems, smoke detectors and dead bolt locks, and other devices for security purposes.
- **Insurance**
  - The costs of initial homeowner warranty premiums and, where needed to protect the grantee's interest in properties securing a rehabilitation loan, hazard insurance premiums as well as flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973.
- **Conservation**
  - Costs required to increase the efficient use of water e.g., water-saving faucets and shower heads, and improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, insulation, and modification or replacement of heating and cooling equipment.
- **Water and Sewer**
  - Costs of connecting existing residential structures to water distribution lines or local sewer collection lines.
- **Tools**
  - Costs of acquiring tools to be lent to owners, tenants and others who will use the tools to carry out rehabilitation.
- **Barrier removal**
  - Costs to remove material and architectural barriers that restrict the mobility and accessibility of elderly and severely disabled persons to buildings and improvements that are eligible for rehabilitation under this category.
- **Landscaping, sidewalks, and driveways**
  - The costs of installation or replacement of landscape materials, sidewalks, and driveways when incidental to other rehabilitation of the property.
- **Renovation of closed buildings**
  - The conversion of a closed building from one use to another e.g., the renovation of a closed school building to residential use.
- **Historic preservation**
  - This category also authorizes the costs of preserving or restoring residential properties of historic significance, whether privately or publicly owned.

- **Lead-based paint hazard evaluation and reduction**
    - The costs of evaluating and treating lead-based paint may be undertaken under this category whether alone or in conjunction with other rehabilitation.
- **Rehabilitation services**
    - Staff costs and related expenses required for outreach efforts for marketing the program, rehabilitation counseling, screening potential applicant households and structures, energy auditing, preparing work specifications, loan underwriting and processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities who are participating or seeking to participate in rehabilitation activities under this categories.

Rehabilitation does not include:

- Creation of a secondary housing unit attached to a primary unit;
- Installation of luxury items, such as a swimming pool;
- Labor costs for homeowners to rehabilitate their own property; or
- Costs of equipment, furnishings, or other personal property not an integral structural fixture, such as:
    - a window air conditioner; or
    - a washer or dryer
    - Exception: a stove or refrigerator is allowed

9.5 Economic Development – Rehabilitation

CDBG funds may be used to finance the costs of rehabilitation of commercial or industrial property. Where such property is owned by a for-profit, rehabilitation under this category is limited to exterior improvements of the building and the correction of code violations.

Eligible types of assistance

- **Costs**
    - Costs of labor, materials, supplies and other expenses required for the rehabilitation of property, including repair or replacement of principal fixtures and components of existing structures e.g., the heating system.
- **Security devices:**
    - Installation costs of sprinkler systems, smoke detectors and dead bolt locks, and other devices for security purposes.
- **Conservation**
    - Costs required to increase the efficient use of water e.g. water-saving faucets, and improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, insulation, and modification or replacement of heating and cooling equipment.
- **Tools**
    - Costs of acquiring tools to be lent to owners, tenants and others who will use the tools to carry out rehabilitation.
- **Barrier removal**

- Costs to remove material and architectural barriers that restrict the mobility and accessibility of elderly and severely disabled persons to buildings and improvements that are eligible for rehabilitation under this category.
- **Landscaping, sidewalks, and driveways**
    - The costs of installation or replacement of landscape materials, sidewalks, and driveways when incidental to other rehabilitation of the property.
- **Renovation of closed buildings**
    - The conversion of a closed building from one use to another e.g. the renovation of a closed school building to residential use.
- **Historic preservation**
    - This category also authorizes the costs of preserving or restoring properties of historic significance, whether privately- or publicly owned, except that buildings for the general conduct of government may not be restored or preserved with CDBG assistance.
- **Lead-based paint hazard evaluation and reduction**
    - The costs of evaluating and treating lead-based paint may be undertaken under this category whether alone or in conjunction with other rehabilitation.
- **Rehabilitation services**
    - Staff costs and related expenses required for outreach efforts for marketing the program, rehabilitation counseling, screening potential applicant households and structures, energy auditing, preparing work specifications, loan underwriting and processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities who are participating or seeking to participate in rehabilitation activities under these categories.

Rehabilitation does not include:

- Installation of luxury items
- Costs of equipment, furnishings, or other personal property not an integral structural fixture, such as a window air conditioner
- Labor costs for business owners to rehabilitate their own property

9.6 Special Economic Development Activities

CDBG funds may be used for the following special economic development activities, given that there is sufficient public benefit to warrant assistance:

- Commercial or industrial improvements carried out by the grantee or a nonprofit recipient, including:
    - Acquisition
    - Construction
    - Rehabilitation
    - Reconstruction
    - Installation of commercial or industrial buildings or structures and other related real property equipment and improvements
- Assistance to private for-profit entities for an activity determined by the City to be appropriate to carry out an economic development project. This assistance may include, but is not limited to:

- Grants
- Loans
- Loan guarantees
- Interest supplements
- Technical assistance
- Any other form except for those described as ineligible in 570.207(a), such as political activities

Under this type of assistance, the grantee will minimize, to the extent practical, displacement of existing businesses and jobs in neighborhoods.

Economic development services in connection with the above subcategories, including outreach efforts to market available forms of assistance, screening of applicants, reviewing and underwriting applications for assistance, preparation of agreements, management of assisted activities, and the screening, referral and placement of applicants for employment opportunities generated by CDBG- eligible economic development activities. The costs of providing necessary job training for persons filling those positions may also be provided.

Special economic development activities may include:

- Construction of a business incubator designed to provide inexpensive space and assistance to new firms to help them become viable businesses,
- Loans to pay for the expansion of a factory or commercial business, Technical assistance to a business facing bankruptcy Special economic development activities do not include:
- Assistance to a for-profit business in the form of lobbying or other political activities.
- New Housing Construction. When a project to be assisted includes new construction of housing as part of a commercial structure e.g., a "mixed use" project, those costs clearly attributable to the commercial portion of the project may be eligible as a special economic development activity.
- Planning for economic development projects, including conducting market surveys to determine an appropriate type of business to attempt to attract to a particular area, developing individual commercial or industrial project plans, and identifying actions to implement those plans.
- Job training, unless part of a CDBG-eligible economic development activity that will create or retain permanent jobs. Such other training may be eligible under the categories of Public Services.

9.7 Microenterprise Assistance

Under this category, grantees and other public or private organization may use CDBG funds to facilitate economic development through the establishment, stabilization and expansion of microenterprises. "Microenterprise" means a business having five or fewer employees, one or more of whom owns the business.

This category authorizes the use of CDBG funds to provide financial assistance of virtually any kind to an existing microenterprise or to assist in the establishment of a microenterprise. It also authorizes the provision of:

- Technical assistance to a new or existing microenterprise or to persons developing a microenterprise, and

- General support to owners of microenterprises or to persons developing a microenterprise

Note that under the subcategory of “general support,” CDBG funds may be used to provide services of any kind that may be needed by the owner of or person developing a microenterprise to enable the establishment, stabilization, or expansion of the business. This could include, for example, childcare, transportation, counseling, and peer support programs. Any such services provided under this authority are not subject to the cap on public services regardless of the entity providing the service.

9.8 Acquisition, Disposition, Clearance, and Relocation

Acquisition

The statute and regulation authorize the use of CDBG funds by a grantee or a public or private nonprofit entity to acquire real property in whole or in part by purchase, long-term lease, donation or otherwise. In order to be considered acquisition, a permanent interest in the property must be obtained. Long-term leases constitute a permanent interest for this purpose if the lease is for a period of 15 years or more. More specifically, CDBG funds may be used under this category by:

- The grantee
- Any other public agency
- A public nonprofit entity
- A private nonprofit entity to acquire real property for any public purpose. This authority is subject to the limitations which would preclude the acquisition cost attributable to a building to be used for the general conduct of government and which would preclude the acquisition of property to be used for political activities.

Real property to be acquired may be:

- Land
- Air rights
- Easements
- Water rights
- Rights-of-way
- Buildings and other real property improvements
- Other interests in the real property

Costs that may be paid for with CDBG funds under this category include the cost of surveys to identify the property to be acquired, appraisals, the preparation of legal documents, recordation fees, and other costs that are necessary to effect the acquisition.

Disposition

Under this category, CDBG funds may be used to pay costs incidental to disposing of real property acquired with CDBG funds, including its disposition at less than fair market value, provided the property will be used to meet a national objective of the CDBG program.

The property may be disposed via the following methods:

- Sale
- Lease
- Donation
- Otherwise

CDBG funds may also be used under this category to pay reasonable costs of temporarily managing such property, or property acquired with Urban Renewal funds, until final disposition of the property is made.

Disposition costs include preparation for legal documents, as well as fees paid for:

- Appraisals
- Surveys
- Marketing
- Financial services
- Transfer taxes and other costs involved in the transfer of ownership of property

Care should be taken to avoid spending CDBG funds to manage properties for which there are no plans for disposition in the near future or where the market is such that it is not likely to be sold in the near future.

Clearance

Under this category, CDBG funds may be used for:

- Demolition of buildings and improvements
- Removal of demolition products i.e. rubble and other debris
- Physical removal of environmental contaminants or treatment of such contaminants to render them harmless
- Movement of structures to other sites

Relocation

CDBG funds may be used for relocation payments and assistance to persons who will be displaced, including:

- Individuals
- Families
- Businesses
- Non-profit organizations
- Farms

CDBG activities that involve displacement or relocation, temporary or permanent, or which involve the demolition or conversion of residential units occupied by low- income households must comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).

Under URA guidelines, grantees must minimize the displacement/relocation of persons, as a result, the City of Dallas seeks to minimize, to the greatest extent feasible, the displacement, whether permanently or temporarily, of persons from their homes / or business as a result of HUD funded activities involving single or multi-family rehabilitation, acquisition, commercial rehabilitation, demolition, economic development, or capital improvement. However, if displacement occurs, the City will provide for temporary or permanent relocation of persons resulting public and private acquisition intended for public use and voluntary rehabilitation of private property with CDBG funds, or any other HUD funded assistance program.

A Residential Anti-displacement and Relocation Assistance Plan has been prepared by the City in accordance with the Housing and Community Development Act of 1974, as amended; and HUD regulations at 24 CFR 42.325. Therefore, a City department considering such action must contact the City's Real Estate Division in the Public Works Department for guidance prior to any choice-limiting actions. Choice- limiting actions include but are not limited to the expenditure or commitment of either federal or non-federal funds, or execution of any contract. City staff will work closely with any applicant pursuing such a project.

9.9 Limitations Of CDBG Funding

The following activities may not be assisted with CDBG funds:

- Buildings for the general conduct of government. This includes operating and maintenance expenses. Exceptions are operation and maintenance associated with public service activities, interim assistance, and BMS staff.
- General government expenses except to carry out the CDBG program
- Political or religious activities
- Construction equipment
- Fire protection equipment unless part of a public facility
- Personal furnishing or property
- Food not related to direct service delivery to clients
- Furnishings that are not integral structural fixtures
- New housing construction except for land acquisition and other specific circumstances
- Income payments and other subsistence payments made to individuals or a family

10. POLICIES

10.1 Conflict of Interest

In accordance with 2 CFR 200.318(c)(1) states "No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest." In the event a conflict of interest is suspected and or/discovered an ethics complaint will be made to the Inspector General who is then charged with investigating ethics complaints against city employees, elected officials, and members of city boards and commissions. If there is evidence of a violation, the Inspector General will either prosecute the case before the Ethics Advisory Commission or recommend a settlement.

In the procurement of supplies, equipment, construction, and services by the City and subrecipients, the conflict of interest provisions in 2 CFR 200.318 will apply. In all cases not governed by 2 CFR 200.318, this policy will be followed. Such cases include the acquisition and disposition of real property and the provision of assistance by the City or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance e.g. rehabilitation, preservation, and other improvements of private properties or facilities pursuant to §570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to §570.203, 570.204, 570.455, or 570.703(i).

10.2 Anti-Lobbying

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits subrecipients/entities from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan. Further, the law requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of subrecipients/entities to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

10.3 Anti-Discrimination Policies

CDBG activities are prohibited from discriminating on the basis of:

- Race
- Color
- Religion
- National Origin
- Disability Status
- Familial Status
- Ethnicity
- Gender
- Gender Identity
- Language(s) Spoken
- Literacy
- Sexual Orientation
- Veteran Status

Discrimination is prohibited in delivery of services, program administration, and any enforcement mechanisms. No person in the United States will on the ground of race, color, national origin, or any of the other items listed above, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal funding and/or assistance.

10.4 Access for Persons with Disabilities

City departments and subrecipients will comply fully with any and all provisions of the Americans with Disabilities Act (ADA) of 1990. This law prohibits discrimination on the basis of disability in employment by state and local governments and in places of public accommodation and commercial facilities.

The ADA also requires that facilities that are newly constructed or altered, by, on behalf of, or for use of a public entity, be designed and constructed in a manner that makes the facility readily accessible to and usable by persons with disabilities. The Act defines the range of conditions that qualify as disabilities and the reasonable accommodations that must be made to assure equality of opportunity, full participation, independent living, and economic self- sufficiency for persons with disabilities.

Section 504 Non-Discrimination based on Handicap in Programs Funded by HUD Subrecipients/entities must comply with Section 504 of the Rehabilitation Act of 1974, which prohibits discrimination based on handicap in:

- Information
- Participation
- Services
- Housing
- Employment
- Building accessibility
- Any other aspects of a program funded by HUD Individuals with disabilities include:
    - Mobility impaired
    - Hearing impaired
    - Visually impaired
    - Developmentally disabled
    - Persons who remain in-home or institutionalized care settings

No qualified individual with disabilities will, solely on the basis of disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program funded by HUD, including CDBG.

Communications

Appropriate auxiliary aids must be provided where necessary or reasonably requested e.g. telecommunication devices for deaf persons, for applicants, clients, and employees of the agency. This does not include wheelchairs, hearing aids, or other devices of a personal nature.

Procedures must be in place to ensure that individuals with disabilities can obtain information on services and their location. This may include the provision of printed materials in Braille, large type, cassette, or disk.

Subrecipients must provide proper notification e.g. in brochures and general printed information to applicants, clients, and employees of the agency, including those with impaired vision or hearing, that the agency does not discriminate based on disability.

The above notifications should include a telecommunications device number for deaf persons(TDD).

Employment

Subrecipients must not discriminate in their hiring practices against qualified individuals with disabilities. Discrimination in employment also applies to promotions, tenure, transfers, terminations, rates of pay, job assignments, leaves of absences, sick leave, fringe benefits, and any other terms of employment.

Subrecipients must make reasonable accommodations to the known physical or mental limitations of an otherwise qualified applicant or employee with disabilities. This may include the provision of equipment or devices, job relocation, job restructuring, or facilities modifications.

Subrecipients must comply with Executive Order 11246, which provides for Equal Employment Opportunity. The Executive Order prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over $10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin. It also requires Government contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment.

10.5 Use of Debarred, Suspended, or Ineligible Contractors/Vendors

No Contract will be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs List, found online at www.sam.gov. Subrecipients/entities must procure goods and services in accordance with Executive Orders 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24.

10.6 Limited English Proficiency Access

BMS staff will ensure meaningful access to public meetings, information, and activities for persons who do not speak English as their primary language and who have limited ability to speak, read, write, or understand English, pursuant to Executive Order 13166. This Executive Order mandates that the federal government reduce language barriers to Limited English Proficiency (LEP) persons with regard to accessing federal benefits.

10.7 Section 3

Section 3 of the Housing and Urban Development Act of 1968 applies to employment and contracting opportunities. Section 3 requires that CDBG funds, to the greatest extent feasible, provide job training, employment, and contracting opportunities for low- and very low-income residents in connection with projects and activities in their neighborhoods.

HUD updated the Section 3 Final Rule in the Federal Register on September 29, 2020 and the Final Rule went into effect on November 30, 2020. Commitments prior to November 30, 2020 continue to follow former rule (24 CFR part 135). Commitments after July 1, 2021 must comply with the new rule (24 CFR part 75).

Under the new rule (24 CFR part 75) Section 3 applies to housing rehabilitation, housing construction, and other public construction projects when total HUD funding is above $200,000 for CDBG and CDBG-CV.

Meeting or exceeding these two benchmarks is considered compliance by HUD for a qualifying activity:

- 25% of total labor hours on the project must be worked by Section 3 workers
- 5% of total labor hours on the project must be worked by Targeted Section 3 workers

If benchmarks are not met on a project, the grantee must describe efforts taken to meet the goals. Reporting is done in IDIS on activity level.

A guide for the new Section 3 rule (24 CFR part 75) is found online here:
https://www.hud.gov/sites/dfiles/FPM/documents/Section-3-FAQs.pdf

10.8 Davis Bacon

Section 110(a) of the Housing and Community Development Act requires the applicability of the Davis Bacon Act in CDBG-funded construction projects in excess of $2,000 or in residential projects if the building has 8 or more units (CDBG) and 12 or more (HOME).

The Davis-Bacon Act, as amended (40 U.S.C. 276a--276a-5), states that all laborers and mechanics employed by contractors or subcontractors in the performance of federally funded construction work must be paid wages at rates not less than those prevailing on similar construction in the locality.

Prevailing wage rates are found at the Wage Determinations portion of the beta System for Award Management (SAM): https://beta.sam.gov/search?index=wd

A guide for contractors on Davis Bacon can be found online at:
https://www.hudexchange.info/resource/2541/making-davis- bacon-work-contractors-guide- prevailing-wage-requirements/

Even if the largest part of funding for the project is not CDBG, Davis-Bacon still applies if the total cost of the construction project exceeds $2000.

10.9 Recordkeeping

General Record-Keeping Requirements

The general CDBG standard for record keeping is that records must be accurate, complete and orderly. Every subrecipient is required to establish and maintain at least three major categories of records:

- Administrative records: These are files and records that apply to the overall administration of the subrecipient's CDBG activities. They include the following:
  - Personnel files
  - Property management files
  - General program files: files relating to the subrecipient's application to the grantee, the Subrecipient
  - Agreement, program policies and guidelines, correspondence with grantee and reports, etc.
  - Legal files: articles of incorporation, bylaws of the organization, tax status, board minutes, contracts and other agreements.
- Financial records: These include the chart of accounts, a manual on accounting procedures, accounting journals and ledgers, source documentation (purchase orders, invoices, canceled checks, etc.), procurement files, bank account records, financial reports, audit files, etc.
- Project/case files: These files document the activities undertaken with respect to specific individual beneficiaries, property owners, and/or properties.

Record Retention Policy

In general, records are to be retained for 4 years from the date of submission of the grantee's CAPER in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer.

Access to Records

The City, HUD, and the Comptroller General of the United States, or their authorized representatives, have the right to access subrecipient agency program records. All CDBG grantees are required to provide residents with reasonable access to records regarding the currently funded programs and past, consistent with applicable State and local laws regarding privacy and confidentially.

Information may be provided utilizing aggregate statistics. All clients may be lumped into categories, but no personal information may be released. For example, a report may state: 150 clients served this month, 60 Caucasian, 60 African American, 15 Native Americans, 15 Asian. Of those clients, 25 were female head of household, 30 were veterans, 100 were very low-income, and 50 were moderate-income.

Accounting Records

Financial record keeping is one of the primary areas subject to HUD reviews and one which, if inadequate, can lead to serious problems and the possible recapture of funds. Accounting systems must provide reliable, complete, and up to date information about sources and uses of funds.

These are the financial information and records that must be maintained by BMS staff:

- A computer accounting system that records the source of income and categorizes expenses for grant activities
- Written accounting procedures, chart of accounts, written internal controls, administrative controls, accounting journals and ledgers
- Payment requests and source documentation e.g. bills, receipts, copies or cancelled checks, etcetera
- Comparison of actual checks written with budgeted amounts for each grant
- Written procedures for determining what's reasonable and allowable under 2 CFR Part 200 for costs and activities
- Procurement files e.g. bids, contracts, etcetera, and real property inventory
- Bank account and payroll records
- Financial statements, correspondence and audit files

Records pertaining to CDBG activities must be kept separately, keeping control over all grant funds, property/equipment, and other assets purchased with CDBG funds. A separate fund should be kept for all grant income and expenses.

11. CDBG-CV and CDBG-DR

In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the COVID-19 pandemic. The CARES Act included additional HUD funds (CDBG-CV, ESG-CV, and HOPWA-CV) to prevent the spread of COVID-19 and to facilitate immediate assistance to eligible communities and households economically impacted by COVID-19. HUD provided various waivers and supplemental regulations for these grants. View Flexibilities/Waivers Granted by the CARES Act.

The US Department of Housing and Urban Development (HUD) under the authority granted by Congress in the Disaster Relief Supplemental Appropriations Act, 2022 (Public Law 117-42) authorized $24,433,000 in CDBG-DR funding for the City of Dallas. The appropriation was made in response to Presidential Disaster Declaration 4586-DR-TX, Winter Storm.

11.1 Tie to COVID-19

City departments implementing CDBG-CV must demonstrate the direct tie-back to the COVID-19 pandemic. The need and/or direct impact from the pandemic must be clearly and concisely described and documented. CDBG-CV funding is only available for eligible activities that prevent, prepare for, or respond to COVID-19.

11.2 CDBG-DR Tie to DR 4586-DR-TX

CDBG-DR recovery activities must demonstrate that their activities "tie-back" to the 4586-DR-TX Winter Storm Disaster and address a specific unmet need for which the CDBG-DR funds were appropriated. Mitigation activities are exempt from the tie-back requirement, instead they must show that they meet the definition of mitigation activity, address the current and future risks as identified in the mitigation needs assessment, and be CDBG-eligible activities under title I of the HCDA or otherwise eligible pursuant to a waiver or alternative requirement; and meet a national objective.

11.3 Duplication of CDBG-DR / CDBG-CV Benefits

A duplication of benefits occurs when 1) an applicant receives assistance from multiple sources intended for the same purpose, or (2) the amount of assistance provided to an applicant exceeds the total identified need.

CARES ACT BMS staff will actively review proposed program activities to ensure that any which would result in a duplication of benefits are not authorized. As part of the CARES Act and described in FR-6218-N-01 (CDBG-CV Federal Register Notice), HUD must ensure that there are adequate procedures in place to prevent any duplication of benefits (DOB) as required by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), as amended by section 1210 of the Disaster Recovery Reform Act (DRRA) of 2018.

CDBG-DR avoidance of duplication of benefits. On June 20, 2019, HUD published 84 FR 28836 which revised the duplication of benefits requirements that apply to CDBG-DR grants for disasters declared between January 1, 2015, and December 31, 2021. For CDBG-DR, grantees are prohibited from using funds for activities while are reimbursable from or funds are made available through FEMA or USACE. All proposed CDBG-DR activities will be cross checked against the best, most recent available data from FEMA, the Small Business Association (SBA), insurers, and any other sources of local, state, and Federal sources of funding to prevent the duplication of benefits. All beneficiaries will enter into a signed agreement to repay any duplicative assistance if they later receive additional assistance for the same purpose for which the CDBG-DR award was provided. Any agreement made will include the following language "Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. 2, 287, 1001 and 31 U.S.C. 3729."

The Robert T. Stafford Act (Stafford Act) prohibits the use of federal disaster assistance to pay a person, household, or entity twice for the same disaster loss. The Stafford Act also requires CDBG-CV and CDBG- DR grantees to limit their assistance to unmet needs for eligible activities. An unmet need exists when the total need for eligible activities is more than the total assistance received for the same purpose.

To ensure that policies and procedures accurately reflect the specific components of each program, a City Department implementing a CDBG- CV or CDBG-DR funded project grantee will design and implement DOB policies and procedures that are specific to each respective CDBG- CV or CDBG-DR program and activity and commensurate with risk of duplication of benefits. To prevent the duplication of benefits, all grantees must establish policies and procedures that include the following components:

1. Requirement that any person or entity receiving CDBG-CV and/CDBG-DR assistance (including subrecipients and direct beneficiaries) must agree to repay assistance that is determined to be duplicative. This may be documented through a subrogation agreement or similar clause included in the agreement with the person or entity. The grantee should establish a protocol to monitor compliance based on risk of duplication of benefits for each activity.
2. Method of assessing whether the use of these funds will duplicate financial assistance that is already received or is likely to be received (such as insurance proceeds) by acting reasonably to evaluate the need and the resources available to meet that need. HUD encourages grantees to evaluate current programs available at the local, county, state, and federal level as well as current and anticipated non- governmental assistance from nonprofits or faith-based groups and establish lines of communication for preventing duplication of benefits. For CDBG-CV HUD has prepared a list of active Federal CARES Act and coronavirus response programs and funding sources to help grantees evaluate potential risk for duplication for each activity and applicant. HUD encourages grantees to target CDBG-CV activities to address unmet needs and gaps to reduce the risk of duplication of benefits.

The following steps are taken by the City of Dallas to prevent a Duplication of Benefits for applicants requesting CDBG- CV and/or CDBG- DR funds prior to the award of any CDBG-CV and/or CDBG-DR funds:

- Applicant self-reports all potentially duplicative assistance received and may submit documentation accounting for how previously received funds were expended.
- Verify the amount, intended purpose and time period assistance received to validate the applicant's self-reported information via most recent third-party data sources or direct verification with insurers or private/nonprofit entities.
- Review permissible expenditure documentation to determine if the amount of duplicative assistance received can be reduced for permitted expenses.
- Determine if funding adjustments are required to an applicant's award, specifically when assistance received exceeds permissible expenditures.
- Establish an unmet need exists by confirming the applicant's total remaining need for eligible activities is more than the applicant's total assistance received for the same purpose.

12. PROCEDURES FOR VERIFYING MATCHED FEMA DATA AND CONTESTING BENEFIT DETERMINATIONS

12.1 Introduction

The provided procedures detail the process that the City of Dallas (referred to as the grantee) will follow to avoid duplicate benefits when applicants apply for Community Development Block Grant Disaster Recovery (CDBG-DR) funds. This is achieved by cross-referencing matched data from the Federal Emergency Management Agency (FEMA) to determine the appropriate amount of assistance for approved activities outlined in the City's CDBG-DR Action Plan. Additionally, the procedures include a mechanism for individuals to contest benefit determinations made using FEMA data if they disagree.

These procedures serve to ensure the accuracy, integrity, and fairness of benefit determinations based on matched FEMA data. By adhering to these guidelines, grantee entities contribute to the transparent and accountable distribution of resources to eligible beneficiaries, fostering trust in the disaster assistance process.

Section 312 of the Stafford Act prohibits any person, business concern, or other entity from receiving financial assistance for any part of a loss resulting from a major disaster for which he has received financial assistance under any other program or from insurance or any other source. The duplication of benefits (DOB) requirement in the Stafford Act applies to all Federal agencies administering a disaster recovery program providing financial assistance, including HUD and CDBG-DR. To comply with this law, the City of Dallas through its partner Departments must ensure that each activity provides assistance to a person or entity only to the extent that the person or entity has a disaster recovery need that has not been fully met.

In addition to this section of the Stafford Act, the duplication of benefits inquiries is also required under the ‘‘necessary and reasonable” requirements in 24 CFR part 570 and in the cost principles at 2 CFR Part 200. It would not be necessary nor reasonable to use CDBG-DR funds to pay for repairs that an applicant had already received payment for from another source.

In general, an applicant must have spent all (or have available to expend) funds received from government sources, private insurance, the National Flood Insurance Program, and any other sources for the intended purpose(s) and must still have an unmet need before he or she qualifies for CDBG-DR funds. Because assistance to each person varies widely based on individual insurance coverage and eligibility for Federal funding, grantees cannot comply with the Stafford Act without completing a duplication of benefit analysis specific to each applicant even if to report that no other benefits were received or are pending. A grantee may not make a blanket determination that a duplication of benefits does not exist for all beneficiaries or recipients under a disaster recovery program.

To meet DOB requirements, CDBG-DR grantees must consider all funds an applicant receives from FEMA or United States Army Core of Engineers (USACE). FEMA is the federal agency that is responsible for coordinating the federal government’s response to disasters. USACE assists FEMA by coordinating federal public works and engineering-related support, as well as providing technical assistance, engineering expertise, and construction management to prevent, prepare for, respond to, and/or recover from domestic incidents.

12.2 Authorized Use of Data

The City Dallas authorized staff will conduct computer matching of applicant self-report data with the data provided by HUD to ensure that CDBG-DR assistance provided to grantee program applicants is not duplicative of FEMA assistance received by the grantee program applicant.

A duplication of benefits occurs when 1) an applicant receives assistance from multiple sources intended for the same purpose, or (2) the amount of assistance provided to an applicant exceeds the total identified need. For each grantee program applicant, the grantee will use the amount of FEMA assistance received by the grantee program applicant to calculate the grantee program applicant's unmet need and calculate a maximum award amount.

12.3 Process of Requesting FEMA Data

The City of Dallas will request FEMA data from HUD on an "as needed" basis. The request will be based on specific program requirements specified in the grantee's approved Action Plan using process outlined below:

- An authorized City of Dallas staff will email the HUD grant manager to make the request for the data and submit a data request template.
- The HUD grant manager will ensure all information is correct on the data request template
- The template will then be sent to HUD's Office of Policy Development and Research (PD&R) to request the data from FEMA
- Once FEMA provides the data, the data will be made available to the City of Dallas via a password protected email.

12.4 Authorized Users

Authorized Users are City of Dallas employees, agents (including contractors or subcontractors), or subrecipients (including an agent or employee of its subrecipients) who have entered an agreement with the grantee to comply with all requirements on the use of data contained in the Computer Matching Agreement (CMA) for CDB-DR and acknowledged that under the Privacy Act, unlawful disclosure of PII data is a misdemeanor and subject to a fine of up to $5,000.

Authorized Users will have signed an enforceable agreement with the grantee that when given access to the subject HUD database or file, the Authorized User will not:

- Use or reveal any individually identifiable information furnished, acquired, retrieved, or assembled by the Authorized User or others for any purpose other those in the CMA.
- Make any disclosure or publication whereby an individual or household could be identified, or the data furnished by or related to any particular person could be identified; or
- Permit anyone other than the Grantee's Authorized Users to access the data

12.5 Independent Verification and Validation of Matched FEMA Data

Upon receiving matched data from FEMA, the City of Dallas and its authorized users will perform an independent verification of information obtained to validate the accuracy of the matched data by cross-referencing it with the applicant's self-reported data, and available documentation, to ensure accurate matching with the grantee's records before taking an adverse action.

The following steps are taken by the City of Dallas to prevent a Duplication of Benefits for applicants requesting CDBG- DR funds prior to the award of any CDBG-DR funds:

- Applicant self-reports all potentially duplicative assistance received and may submit documentation accounting for how previously received funds were expended.
- Verify the amount, intended purpose and time period of assistance received to validate the applicant's self-reported information via most recent third-party data sources or direct verification with insurers or private/nonprofit entities.
- Review permissible expenditure documentation to determine if the amount of duplicative assistance received can be reduced for permitted expenses.
- Determine if funding adjustments are required to an applicant's award, specifically when assistance received exceeds permissible expenditures.
- Establish an unmet need exists by confirming the applicant's total remaining need for eligible activities is more than the applicant's total assistance received for the same purpose.

Any discrepancies, inconsistencies, or anomalies identified during the data validation process shall be thoroughly investigated to determine the source of the discrepancy and rectified, as necessary.

The City of Dallas will comply with its policies and procedures for verifying the matched FEMA data and for allowing individuals to contest benefit determinations.

If the grantee discovers an individual is receiving benefits through both HUD's CDBG-DR and FEMA assistance programs, the grantee will be responsible for addressing the duplication of benefits non-compliance, if there is any.

12.6 Contesting Benefit Determinations

12.6.1 Beneficiary Notification

In the event that a benefit determination is made based on the matched FEMA data, the grantee entity shall promptly notify the affected beneficiary of the determination and provide relevant details.

The notification shall include information on the right to contest the determination, the deadline for contesting, and the required documentation for contestation.

12.6.2 Contestation Process

Beneficiaries wishing to contest a benefit determination must submit a written request to the grantee entity within the specified timeframe, accompanied by supporting documentation and a detailed explanation of the dispute.

The grantee entity shall acknowledge the receipt of the contestation request and initiate an internal review process.

12.6.3 Internal Review and Decision

- The grantee entity shall establish an internal review committee consisting of qualified personnel not involved in the original determination.
- The committee shall thoroughly examine the contestation request, the beneficiary's documentation, and any additional relevant information.
- The committee shall render a decision based on the merits of the contestation, within a reasonable timeframe, and notify the beneficiary of the outcome.

12.6.4 Appeal Process

- If the beneficiary disagrees with the outcome of the internal review, an appeals process shall be provided. The beneficiary must submit a written appeal outlining the reasons for disagreement and any new evidence.
- The grantee entity shall conduct a secondary review, considering the appeal and any new information provided.
- The final decision of the appeals process shall be communicated to the beneficiary.

12.7 Documentation and Reporting

- The grantee entity shall maintain comprehensive records of all matched data reviews, discrepancies, contestation requests, and related communications.
- Regular reports summarizing the number of contestation requests, outcomes, and any systemic issues identified shall be submitted to appropriate oversight bodies.

12.7.1 Record Retention Requirements and Data Security Safeguards

- The City will retain FEMA data received from HUD under the CMA only for the processing time required to verify the data, which is typically until grant closeout
- FEMA data obtained by the grantee but not used, must be deleted after application processing is complete.

12.7.2 DATA SECURITY SAFEGUARDS

To ensure compliance with existing and future requirements set forth by the Privacy Act, the City of Dallas will implement following:

- Restrict access to the data to only authorized users
- Confirm that their authorized users receive training to ensure proper information security and privacy protections are adhered to in a manner consistent with the Agreement
- Advise anyone with access to the data of the confidential nature of the data and the safeguards required to protect the data
- Notify authorized users of the civil and criminal sanctions for noncompliance contained in the applicable federal laws

The City Dallas will employ appropriate technical, physical, and administrative safeguards to secure all FEMA applicant PII shared under the Computer Matching Agreement, whether in physical or electronic form, only in places and in a manner that is safe from access by unauthorized persons or for unauthorized use.

12.7.3 Incident Reporting And Notification Responsibilities

The City will track and report all potential Personally Identifiable Information (PII) security incidents and by taking following steps:

- Promptly notify the HUD National Help Desk by calling 1-888-297-8689 or the HUD Help Desk at (202) 708-3700 if unable to reach HUD's Security System Contacts within one hour of the incident or if the incident occurs outside of normal business hours.
- Conduct a breach and risk analysis and determine the need for notice and/or remediation to individuals affected by the loss.
- Provide notice and credit monitoring to the affected individuals at no cost to HUD

ATTACHMENTS

Budget Request Guide

EXAMPLE

FY XXXX-XX Consolidated Plan
Budget Request Guide

A FY XXXX-XX Consolidated Plan Budget Request includes the following budget forms:

- Form A – Summary & Priorities
  PLUS
- For each Project:
  - Form B – Project Detail
  - Form C – Budget Details/Object Codes
  - Form D – Positions (if applicable)

Before you begin, you will need the following information:
- FY XX-XX Consolidated Plan Budget Council Resolution
- Your FY XX-XX Con Plan Budget Form submission from last year
- Access to Advantage – You will use ESUM to find your department's FY XX-XX Budget Appropriation by Object Code, and enter that data into Form C.

Instructions for completing each form are included below.

NEW - Each Department should submit a **separate** FY XXXX-XX ConPlan Budget Forms workbook ***for each grant*** (CDBG, HOME, ESG, and HOME).

NEW – The forms include **picklists** for some items. Please use the picklists to select the applicable value.

NEW – Please read the **explanation on page 6** of what data to include in which column on Form C.

Budget Development Assumptions:
- **Level Funding** – Assume level funding for each grant.
  - This means that your overall request for any particular grant cannot exceed your current XXXX-XX total budget amount for that grant.
  - Your proposed budget request may propose to move funding among Projects, as long as the overall total of all Projects does not exceed your current budget. This is subject to applicable grant caps or limitations.
- **Salaries & Benefits** - Use the Budget Assumptions included in the budget instruction memo. Those are listed below:

Benefit	Budget Assumption
Merit Pay	3% effective Jan xxxx (9 of 12 months)
Pension	14.12%
Life Insurance	$66 rate per benefit eligible employee
Health Insurance	$7,920 rate per benefit eligible employee
FICA	1.45%
Mandatory Deferred Comp Adm	.0101%
Pension Bond Debt Service	8.56%

Tips:
- To start, create a Form B, Form C, and Form D for each Project. You may want to name each tab with the current Project number, e.g. B-615G, C-615G, D-615G
- *Caution:* When you create a new Form B and C for each Project, you may need to re-link the totals for Object Codes categories (1000s, 2000s, etc.) in Form C for each Project to the associated new

Form B for that Project. *But if you select Form B and C and D together (using Ctrl key) before you copy to create new worksheet, the links should be preserved.*

- Compile Form A last. You can then link the data to the respective Form B.

Form A – Summary & Priorities

Form A reflects a summary of your budget request for that grant. The Project Title, Budget (amount), and Positions (number) should match the data that included in Form B.

Prepare Form A (and associated Forms B, C, and D) for each grant separately (i.e., separate workbooks for CDBG, HOME, ESG, and HOME).

Instructions:

1. Select your department name at the top.
2. List all projects (in rank order), funding, and positions requested by your department.
3. Insert the Project Title.
    - Project Titles should match those shown at the top of each Form B.
    - CDBG Projects should be listed (by priority) within the following categories, using these headings.
        - CDBG Public Services
        - CDBG Housing
        - CDBG Economic Development
        - CDBG Public Improvements
        - CDBG Fair Housing
        - CDBG Planning/Program Oversight
4. Insert the amount of the Budget request for that project.
    - This should match the TOTAL FY XXXX-XX BUDGET (C39) shown on Form B for each Project
5. Insert the number of positions requested for that project.
    - This should match the Positions (C41shown on Form B for each Project.

Double-Check:

- Does Form A list all of your projects (in ranked order)?
- Does the data on Form A match Forms B, C, and D for each project?
- Is the total amount of Budget column adding correctly at the bottom of the page?
- Is the total number of Positions column adding correctly at the bottom of the page?

Form B – Project Detail

Form B reflects the details of your budget request for each Project.

You will create a separate Form B for each Project. Each Form B will be associated with an accompanying Form C and Form D (if applicable).

Form B is arranged in five sections:

1. Project Information
2. Funding Information
3. Description
4. Performance Measures
5. Program Income

Section 1: Project Information

CONSOLIDATED PLAN BUDGET PROJECT DETAIL

PROJECT TITLE: F -23 FUND/UNIT:	
STREET ADDRESS:	COUNCIL DISTRICT: [select} Indicate Citywide or specify district served)
TYPE OF PROGRAM: (Select the appropriate category) [select]	DEPARTMENT: [select]
CENSUS TRACTS: (of service area)	
OTHER FUNDING SOURCES AND AMOUNTS: (such as Bond funds, General Funds, other grants, etc.)	

Instructions:

1. Insert the Project Title and current year Fund/Unit numbers at the top. If the project does not have a current year fund/unit, insert TBD/TBD.
2. Insert the Street Address.
3. Select the Council District – as either Citywide or See List Below. If you select See List Below, insert the Council district numbers on the next line.
4. Select the Type of Program
5. Select your Department name
6. Insert the Census Tracts for the service area, if applicable. Indicate N/A if not applicable.
7. Insert Other Funding Sources and Amounts, if applicable. Indicate N/A if not applicable.

Section 2: Funding Information

Note - Summary from FORM C	FUNDING SOURCE (CDBG/HOME/ESG/HOPWA)	
APPROPRIATIONS:		NAT. OBJECTIVE: (Select one) Low/Mod Area Limited Clientele Low/Mod Housing Low/Mod Jobs Slum and Blight Urgent Need
Salaries and Benefits (1000)	$ -	
Supplies and Materials (2000)	$ -	PRIOR YEAR FUNDS REMAINING ON PROJECT? [select]
Services and Charges (3000)	$ -	CONTRACT(S): [select] IF YES, AGENCY NAME & TERM
Equip/Capital Outlay (4000)	$ -	
Reimbursement (5000)	$ -	
TOTAL FY 2023-24 BUDGET	$ -	
Positions	0	SCHEDULE OF FY 23-24 FUNDS: Bid Project Award Project Start Project Complete Project

Instructions:

1. Funding Source - This data should be linked to the associated Form C for the Project.
2. In National Objective, select the appropriate national objective for this Project. If National Object is not applicable, indicated N/A
3. Select Yes or No to indicate if there are Prior Year Funds Remaining on the Project.

EXAMPLE

4. Select Yes or No to indicate whether Contracts will be awarded for this Project. If Yes, list the agency name and contract term (or indicate if subject to competitive bid).
5. Insert the Schedule for these funds, including the projected Bid and Award dates (if project is being competitively bid or N/A) and the Start and Complete dates for the project.

Section 3: Description

DESCRIPTION:

Instructions:

1. Insert a brief description of the Project, including a description of the services to be provided and whether those services will be provided by City staff or contracted to outside agencies.

Section 4: Performance Measures

PERFORMANCE MEASURES (CAPER Table 3A)				
ANNUAL PERFORMANCE ACTIVITY	BUDGET	ESTIMATE	PROPOSED	COMMENTS
1 FUNDING SOURCE	$0	$0	$0	[select]
2 ANNUAL UNITS	0	0	0	[select]
3 EXPLANATION OF VARIANCE (in Funding or Units):				

Instructions:

1. Funding Source (Line1) - Input the total amount of the current XXXX-XX budget for the Project, the amount you estimate will be spent this year, and the amount of your proposed XXXX-XX budget request. The proposed budget request should match the amount above in Funding Source. Under Comments, select the funding source.
2. Annual Units (Line 2) – Based on the accomplishment type for the Project, input the goal for the XXXX-XX year (Table 3C), the number of units you estimate will be accomplished this year, and the proposed goal for the FY XXXX-XX year. Under Comments, select the applicable accomplishment type. The proposed goal would be included in the XXXX-XX Annual Action Plan Table 3C.
3. Explanation of Variance (in Funding or Units) (Line 3) - Insert a brief explanation of the variance (increase or decrease) in funding or units for XXXX-XX compared to XXXX-XX. This information may be used to answer questions during budget discussions with management, the Community Development Commission, and/or City Council.

Section 5: Program Income

PROGRAM INCOME			
Will program generate program income?	[select]	Estimated Amount	$
Will income be retained by subrecipient or returned to City?	[select]		

Instructions:

1. Select Yes or No to indicate whether the Project will generate program income. If yes, include the estimated amount of program income. This amount may be included in the budget appropriation amount for the Project.
2. Select indicate whether program income will be retained by a subrecipient or returned to the City or both.

Double-Check each Form B:

- Under Funding Sources:
  - Are the amounts shown for the Object Code categories linked to the correct Form C?
  - Are those amounts and positions correct?
- Under Performance Measures:
  - Does the XXXX-XX amount match the XXXX-XX budget for the Project? Does the goal match the goal in the XXXX-XX Table 3C?
  - Does the XXXX-XX amount match your budget request for the Project?
  - Did you include an explanation for any variance in funding or units?

Form C – Budget Details/Object Codes

Form C reflects the budget details your request for each Project.

This data will be used for loading the budget (fund/dept/unit/object code and amount) into Advantage at the beginning of the program year. So, it is important that this

You will create a separate Form C for each Project. Each Form C will be associated with an accompanying Form B and Form D (if applicable).

Instructions:

1. Select your department name at the top
2. Insert the Project Title. Use the same title as on the associated Form B.
3. Insert the FY XXXX-XX Fund/Unit. Use the same fund/unit as on the associated Form B. If the project does not have a current year fund/unit, insert TBD/TBD.
4. Input the requested amounts and information in the budget columns using the guidelines below.

IMPORTANT – Please Read:

Column C	Column D	Column E	Column F	Column G	Column H
FY XXXX-XX Budget	**FY XXXX-XX Estimate**	**FY XXXX-XX Basic Proposal**	**FY XXXX-XX Enhancement**	**FY XXXX-XX Total Proposed**	**Justification &/or Explanations**
This represents the current budget (by object code) currently in AMS for this Unit.	This represents the amount of your current budget that you estimate will be spent during FY 2022-23.	This represents your basic budget request for FY2023-24. This represents the amount that would be needed to maintain the project the same as it is operating today. **Important Note: The GRAND TOTAL of this column may exceed level funding.**	This represents changes to your basic proposal. Changes by object code may be increases (+) or decreases (-). Use Column I to explain these changes. The GRAND TOTAL of this column must be the total amount needed to bring the GRAND TOTAL of Column G to level funding (matching Column C)	This column is a formula. The GRAND TOTAL in this column must match the GRAND TOTAL of your current budget in Column C. **Important Note: The GRAND TOTAL of this column can NOT exceed level funding.**	This column includes an explanation for any changes in Column F. Note on Object Code 5011: If you indicate that the Project will receive a reimbursement, please include information regarding the source of the reimbursement.
Instructions: Input this data for your current budget by Object Code directly out of AMS. Data in this column must match AMS.	*Instructions:* Input the amount that you estimate will be spent from each object code of your current budget.	*Instructions:* Use the data from your current budget (in Column C) to build your basic budget proposal for the near year. *See Additional Instructions below.*	*Instructions:* Use this column to input: (a) Changes that you need to make to the budget for any Object Code to reflect the needs of the project. These may reflect shifts between Object Codes. AND (b) Changes that you must make to get to level funding. These may require decreases in some Object Codes.	*Instructions:* **DO NOT INPUT DATA IN THIS COLUMN.**	*Instructions:* Input a brief explanation for any change in Column F.

Additional Instructions for FY XXXX-XX Basic Proposal (Column E)

Step #1 – For Object Codes (except for Object Code 1106, 1301, 1303, 1304, 1308, 1309, and 3851), input the current budget amount from AMS by object code. These amounts should be shown in Column C. Do not change these amounts at this time. Changes will be reflected in Column F. **[Could we link these amounts to what in inputted into Column C?]** Step #2 - Object Codes 1106, 1301, 1306, 1308, and 3851 - Will auto-calculate based on formula when Salaries amounts are inputted. Step #3 - Object Codes 1303, 1304, and 1309 - Manually enter amount for each eligible employee.

Double-Check each Form C:

- Does Column C match your current project budget in AMS?
- Does the GRAND TOTAL in Column C match the total of your current budget?
- Does the GRAND TOTAL in Column G match the GRAND TOTAL in Column C (for level funding)?
- Have you included an explanation in Column H for any enhancements/changes shown in Column F?

EXAMPLE

Form D – Positions

Form D includes a list of positions that are funded (in whole or in part) by the grant for the Project, as well as positions that work on the grant but are funded (in whole or in part) through other sources???

If positions are funded by the grant for the Project, you will create a separate Form D for that Project. Each Form D will be associated with an accompanying Form B and Form C. Where Form D is included, Form C should show budget in the 1000 Object Codes.

If there are no positions funded by the grant for the Project, Form D should be omitted.

Instructions:

1. Insert the current year XXXX-XX Fund and Unit for the Project.
2. Insert all current year XXXX-XX Positions funded by the grant for the Project. Include the PM Number, Positions Class, Title, Grade.
3. At the bottom of the list, insert any New Positions provided for XXXX-XX for the Project. Include the PM Number, Positions Class, Title, Grade.
4. Select to indicate if position is Filled or Vacant
5. For vacant positions, indicate the projected hire date. Be sure that Salaries and Benefits included in Form C reflect the projected hire date.
6. Select to indicate if the position in Full-Time or Part-Time
7. Select Yes or No to indicate if the position is new.
8. Select Yes or No to indicate if the position is being transferred. Include a note at the bottom of the page to explain the transfer.
9. Select Yes or No to indicate if the position should be deleted.
10. Select the source of funds.
11. Indicate the % of time spent on grant activities.
12. Select Yes or No to indicate if the position is funded by the grant.
13. At the bottom, indicate the total number of current positions and positions for 2023-24, the number of positions being transferred from and to the Project, and the resulting number.

Double-Check each Form D:

- Have you included all positions?
- Have you reflected all position changes?
- Have you provided an explanation for position changes?

Table 3C

Consolidated Listing of Annual Projects

EXAMPLE

Consolidated Plan Listing of Annual Projects (Table 3C)

Priority Need:	
Project Title:	
Description:	
Primary Purpose:	
Objective Category:	
Outcome Category:	
Location/Target Area(s):	

Objective Number	Project ID	Funding Sources		
HUD Matrix Code	CDBG Citation	CDBG	$	
		ESG		
Type of Recipient	National Objective	HOME		
		HOPWA		
Start Date	Completion Date	Total Formula	$	
		Prior Year Funds		
Accomplishment Type	Annual Units	Assisted Housing		
		PHA		
Local ID	Units Upon Completion	Other Funding		
		Total	$	

EXAMPLE

Consolidated Plan Listing of Annual Projects (Table 3C): Completed Example

Priority Need:	Affordable Housing – Homeownership Opportunities
Project Title:	Dallas Home Buyers Assistance Program (DHAP)

Description:

Provide homeownership opportunities to low- and moderate-income homebuyers through the provision of financial assistance when purchasing a home within the City limits of Dallas, in accordance with federal, state, and local laws and regulations. Financial assistance may include down payment, interest rate and principal reduction and closing costs. DHAP is offered to homebuyers with an annual household income up to eighty percent (80%) of the Area Median Family Income. Eligible homebuyers must get a principal mortgage through participating lenders and complete a homebuyer counseling course by a HUD approved trainer. DHAP financial assistance is a deferred forgivable loan (annually), made for down payment, principal reduction, and closing costs based on the borrowers need and debt capacity. The maximum amount of assistance provided under this program is $50,000.
City staff will administer this program. Project is implemented in conjunction with DHAP HOME (Project No. 17).

Primary Purpose:	Direct assistance provided to eligible homebuyers for down payment, principal reduction, and closing costs based on borrowers' need and debt capacity.
Objective Category:	Decent Housing
Outcome Category:	Availability/Accessibility

Location/Target Area(s):

Citywide	Projects that align with the Dallas Housing Policy 2033, and the outlined Seven Pillars of Housing Equity, which establish priority areas, will be given preferential consideration.		
City of Dallas	1500 Marilla St., Room 6CN	75201	(214) 670-4447

Objective Number	**Project ID**	**Funding Sources**		
DH-2.1	4			
HUD Matrix Code	**CDBG Citation**	**CDBG**	$	400,000
13	570.201(n)	**ESG**		
Type of Recipient	**National Objective**	**HOME**		
Private	570.208(a)(3) LMH	**HOPWA**		
Start Date	**Completion Date**	**Total Formula**	$	400,000
October 1, 2023	September 30, 2024	**Prior Year Funds**		
Accomplishment Type	**Annual Units**	**Assisted Housing**		
Households	16	**PHA**		
Local ID	**Units Upon Completion**	**Other Funding**		
N/A		**Total**	$	400,000

Table 3A

Summary of Specific Annual Objectives and Outcomes

EXAMPLE

Summary of Specific Annual Objectives and Outcomes (Table 3A)

CITY OF DALLAS - PROGRAM YEARS XXXX-XXXX CONSOLIDATED PLAN TABLE 3A - SUMMARY OF SPECIFIC ANNUAL OBJECTIVES AND OUTCOMES										
	Dept	Project Name/Specific Objective	Funds Source	Outcome	Accomplishment Type	Program Year	Numbers		Percent Complete	Program Year XXXX-XX Comments (add comments if accomplishment is +/- 15% different from goal)
							Proposed	Actual		
1										
2										
3										
4										
5										
6										

Completed Table 3A (Example)

CITY OF DALLAS - PROGRAM YEARS 2019-2024 CONSOLIDATED PLAN TABLE 3A - SUMMARY OF SPECIFIC ANNUAL OBJECTIVES AND OUTCOMES										
	Dept	Project Name/Specific Objective	Funds Source	Outcome	Accomplishment Type	Program Year	Numbers		Percent Complete	Program Year 2020-21 Comments (add comments if accomplishment is +/- 15% different from goal)
							Proposed	Actual		
	HOUSING NEEDS - Homeownership Opportunities									
1	HOU	Dallas Home Buyers Assistance Program (DHAP)	CDBG/ HOME	Provide homeownership opportunities to low and moderate-income homebuyers through the provision of financial assistance when purchasing a home, including down payment assistance, closing costs, and principle reduction.	Housing Units	2019	90	8	9%	The Dallas Homebuyer Assistance Program (DHAP) has seen a reduction in program participation largely due to the steady increase in home values and low inventory available resulting in a competitive market. The process from application submission to closing has been decreased from 60 to 45 days and program changes to allow more individals to apply was approved by City Council on October 13, 2021.
		DH-1: Availability/Accessibility of Decent Housing				2020	90	4	4%	
						2021	90	15	17%	
						2022	90		0%	
						2023	90		0%	
						5-Year Goal	450	27	6%	
	HOUSING NEEDS - Homeowner Repairs									
2	HOU	Home Improvement and Preservation (HIPP)	CDBG/ HOME	Provide an all-inclusive repair and rehabilitation program for single-family owner-occupied housing units, and landlord/rental multi-family units.	Households	2019	60	11	18%	The goal for HIPP was to serve 60 people this year and HOU has completed 36 homes in this fiscal year. The program went through significant process improvement adjustments. 53 homes are currently being repaired and are expected to be completed within the next fiscal year.
		DH-3: Sustainability of Decent Housing				2020	60	23	38%	
						2021	60	36	60%	
						2022	60		0%	
						2023	60		0%	
						5-Year Goal	300	70	23%	
	HOUSING NEEDS - Affordable Housing									
3	HOU	Residential Development Acquisition Loan Program	CDBG/ HOME	Provide developers with loans/grants for acquisition of vacant and improved properties, predevelopment and development costs, operating assistance and development, etc.	Housing Units	2019	20	1	5%	In FY 2021-22 three multifamily projects were completed that created a total of 99 affordable units in Dallas. Due to the pandemic, need has increased drastically. Multifamily projects include the following: Green Haus Shared Housing Center- 12 affordable housing units. Palladium Redbird - 58 affordable housing units. Estates at Shiloh - 29 affordable housing units.
		DH-2: Affordability of Decent Housing				2020	20	273	1365%	
						2021	20	99	495%	
						2022	20		0%	
						2023	20		0%	
						5-Year Goal	100	373	373%	
4	HOU	CHDO Development Loans	HOME	Provide developers with loans/grants for acquisition of vacant and improved properties, predevelopment and development costs, operating assistance and development, etc.	Housing Units	2019	14	4	29%	Housing spent significant time with CHDO applicants through certification of one (1) new CHDO, Brompton Community Housing Development Corp., and recertification for two (2) existing CHDOs, Builder of Hope CDC and Notre Dame Place. The City is currently under contract with all three CHDO's in the amount of $6,224,131.00 for the construction of 106 single family and multifamily units in phase I of their projects.
		DH-2: Affordability of Decent Housing				2020	14	0	0%	
						2021	14	0	0%	
						2022	14		0%	
						2023	14		0%	
						5-Year Goal	70	4	6%	

Quarterly Reporting Form

Direct Benefits Activity Form

EXAMPLE

Quarterly Reporting Form (Direct Benefits Activity Form)

City of Dallas
Direct Benefit Activities Report
FY XXXX-XX

Program Name: ________ Report Period: ________

	Current Qtr. Unduplicated Total	YTD Cumulative Unduplicated Total	Current Qtr. Duplicated Total	YTD Cumulative Duplicated Total
Section I : Total number of households/persons assisted				
Section II: Total number of households/persons assisted (from Section I) who are:				
Part A. Financial Status*				
1. Extremely Low Income (30% of AMI)				
2. Very Low Income (50% of AMI)				
3. Low Income (80 % of AMI)				
4. Above Income (Greater than 80% of AMI)				
Total				
* See Federal Income Eligibility Guidelines				
Percent Low /Mod	%	%	%	%
Part B. Family Status				
1. Total Female Headed Households				

Part C. Race and Ethnicity Data

Single Race	Current Month Unduplicated Total		Current Month Undupl Total (Hispanic/Latino)		YTD Cumulative Undupl Total		YTD Cumulative Undupl Total (Hispanic/Latino)
1. White							
2. Black/African American							
3. Asian							
4. American Indian/Alaskan Native							
5. Native Hawaiian or Other Pacific Islander							
Multi-Race							
1. American Indian/Alaskan Native & White							
2. Asian & White							
3. Black/African American & White							
4. American Indian or Alaskan Native & Black/African American							
5. Other Multi-Racial							
Total							

% Performance Indicator YTD %
Year Target Goal (100%)

Section III

I certify that at least 51% of the clients receiving services are eligible in accordance with the appropriate income limits as specified by the U.S. Department of Housing and Urban Development (HUD), Eligible Persons Income Guidelines.

Program Manager ________________ Date ________________

City of Dallas

Budget and Management Services

Grant Administration Division

1500 Marilla Street, 4FS

Dallas, TX 75201