

HUD Five-Year Consolidated Plan and FY 2019-20 Budget Development

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Background

- U.S. Department of Housing and Urban Development (HUD) offers numerous federal programs for community development and affordable housing
- City of Dallas receives four grants from HUD on an annual basis as part of Consolidated Plan program
 - Must have population of 50,000 or more
 - Based on census data
 - 10-year census data
 - 5-year American Community Survey data



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Consolidated Plan Grants

- The Consolidated Plan includes four grants:
 - Community Development Block Grant (CDBG)
 - HOME Investment Partnerships Program (HOME)
 - Emergency Solutions Grant (ESG)
 - Housing Opportunities for Persons with AIDS (HOPWA)



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What is the Consolidated Plan?

- Consolidated Plan is a comprehensive analysis and strategic plan that identifies community needs, prioritizes those needs, and details how they will be addressed
- Needs currently identified include:
 - Affordable housing
 - Homelessness
 - Poverty
 - Economic development
 - Public improvements/infrastructure



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Consolidated Plan Requirements

- Covers a planning period of five years
 - Current 5-year Plan expires September 30, 2019
- To receive grant funds, the City must complete a Consolidated Plan and submit the Plan to HUD
- New 5-year Plan Consolidated Plan (Con Plan) will cover FY 2019-20 through FY 2023-24
- First year Action Plan (annual budget) will be due to HUD at the same time as 5-year Con Plan.



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Consolidated Plan Requirements

- Must promote fair housing opportunities to citizens of Dallas regardless:
 - Race
 - Color
 - Religion
 - National Origin
 - Disability
 - Familial Status of Sexual Orientation



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HUD Income Limits



FY 2018 Income Limits Summary

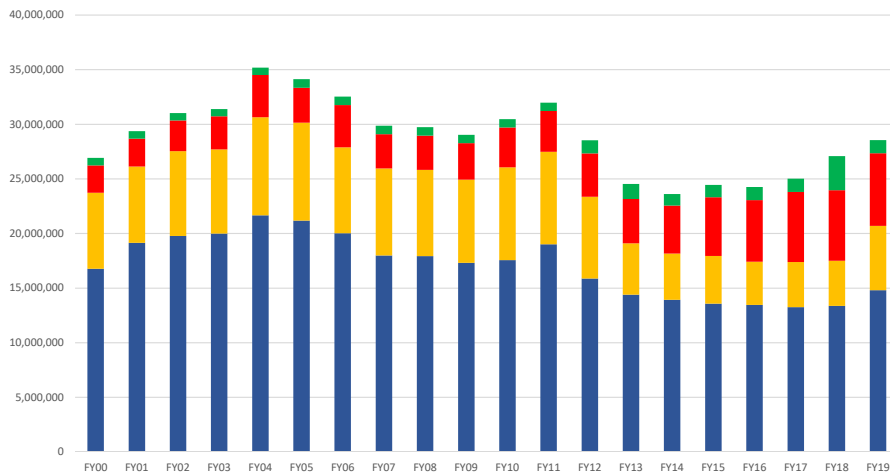
(effective June 1, 2018)

| FY 2018 Income Limit Area | Median Family Income | FY 2018 Income Limit Category | Persons in Family | | | | | | | | |
|-------------------------------|----------------------|-------------------------------|-------------------|---------------|--------|---------------|--------|--------|--------|--------|--|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
| Dallas, TX HUD Metro FMR Area | \$77,200 | Extremely Low (30%) Income | | | | | | | | | |
| | | Limits (\$)* | 16,250 | 18,550 | 20,850 | 25,100 | 29,420 | 33,740 | 38,060 | 42,380 | |
| | | Explanation | | | | | | | | | |
| | | Very Low (50%) Income | | | | | | | | | |
| | | Limits (\$) | 27,050 | 30,900 | 34,750 | 38,600 | 41,700 | 44,800 | 47,900 | 51,000 | |
| | | Explanation | | | | | | | | | |
| Low (80%) Income | | | | | | | | | | | |
| Limits (\$) | 43,250 | 49,400 | 55,600 | 61,750 | 66,700 | 71,650 | 76,600 | 81,550 | | | |
| Explanation | | | | | | | | | | | |



Funding History

■ CDBG ■ HOME ■ HOPWA ■ ESG



CDBG

- CDBG is the most flexible of the four Consolidated Plan grants with more eligible categories for programs and services such as childcare, job training, housing and public infrastructure
- Eligibility is based on specific program requirements
- May include:
 - Low/moderate income persons who may apply directly for services
 - Low/moderate income areas
 - Non-profit 501(c)(3) organizations
 - For profit businesses



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HOME

- 100% of the funds must be used for housing activities
- Eligibility is based on specific program requirements
- May include:
 - Non-profit 501(c)(3) organizations
 - Developers
 - Low-income individuals seeking financial assistance to purchase a home
- Minimum 15% of funds must be set-aside for CHDO's



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ESG

- 100% of funds must be used to prevent homelessness and to assist those already homeless
- Individuals cannot receive funds directly, must apply through a contracted organization
- Nonprofit agencies, 501(c)(3) required



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ESG – Eligibility

| Eligible Activities | Eligible Clients | |
|--|------------------------|---------------------------------------|
| | Those who are Homeless | Those who are at-risk of Homelessness |
| 1. Street Outreach* | X | |
| 2. Emergency Shelter* | X | |
| 3. Homelessness Prevention | | X |
| 4. Rapid Re-Housing | X | |
| 5. Homeless Management Information System (HMIS) | X | X |
| 6. Administration (7.5% of grant) | N/A | N/A |

* Note: Combined total of Activities 1 and 2 can not exceed 60% of total grant allocation.



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HOPWA

- 100% of funds must be used to provide housing and/or supportive services to individuals (and/or family members) who have a medical diagnosis and are low-income
- Individuals cannot receive funds directly, must apply through a contracted organization
- Nonprofit agencies, 501(c)(3) required



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City's Approach for developing the new 5-year Consolidated Plan

- Use existing systems and build off of work that has already been accomplished
 - Existing systems include the Continuum of Care, Ryan White Planning Council, etc.
 - Existing strategies and policies have already been accomplished and include Housing Policy, Poverty Study, etc.
- 5-year plan will consolidate all of these into one document according to HUD's prescribed requirements



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City's Approach for developing the new 5-year Consolidated Plan



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Recommended approach for CDBG

- Under the CDBG, Public Services category –
 - Mayor's Poverty Task Force Study identified nine drivers of poverty in Dallas:
 1. Sharp decline in median income and the declining share of middle income households
 2. Lack of affordable transportation
 3. Lack of home ownership/high rental percentage/single family rentals
 4. Neighborhoods of concentrated poverty
 5. High number of housing with children living in poverty
 6. Lack of educational attainment
 7. High percentage of limited English-proficiency residents
 8. High teen birth rates
 9. High poverty rates for single women heads of households with children



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Recommended approach for CDBG

- Recommend using funds to address the drivers of poverty, with focus on reducing and/or eliminating barriers to work
 - 50% of funds awarded to nonprofit agencies through a competitive proposal process that addresses the drivers of poverty with focus on reducing and/or eliminating barriers to work
 - 50% of funds budgeted to City administered programs including After-School Program and Childcare Program which help eliminate barriers to work for parents
- Regulations limit the amount of funds allowed for programs and services to no more than 15%



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Recommended approach for CDBG

- Under the CDBG, Housing category –
 - Comprehensive Housing Policy provides for the creation and preservation of housing throughout Dallas
 - Housing shortage of 20,000 units in Dallas
 - Recommend using funds to create new homeowners through the homebuyer assistance program; and preservation of existing housing through rehabilitation and/or reconstruction of single-family and multi-family units



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Recommended approach for CDBG

- Under the CDBG, Public Improvements category -
 - Fair housing study conducted by the University of Texas at Arlington found that from 1990 to 2016, the number of racially and ethnically concentrated areas of poverty (R/ECAPs) census tracts in the city increased from 18 to 36
 - HUD defines a census tract as R/ECAP as having a non-white population of 50% or more; and a poverty rate of 40% or more
 - Poverty rate is based on the number of individuals living at or below the poverty line within a given census tract



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Recommended approach for CDBG

- In addition to being economically distressed, other identifying characteristics of R/ECAPs include need for infrastructure improvements and relatively weak real estate market
- Resilient Dallas Strategy also includes goal of investing in neighborhood infrastructure to revitalize historically underserved neighborhoods
- Recommend using funds for public facilities and infrastructure needs in eligible areas, specifically R/ECAPs



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Recommended approach for CDBG

- Under the CDBG, Planning and Program Oversight category -
 - Per HUD, Fair Housing activities are included as part of the CDBG capped category for planning, program administration, oversight and monitoring
 - Regulations limit the amount of funds allowed for this category to no more than 20%
 - Grant funds are highly regulated and require extensive monitoring
 - Recommend using funds for fair housing, planning and program administration to the maximum 20% allowed



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Recommended approach for HOME

- The Comprehensive Housing Policy provides for the creation and preservation of housing throughout Dallas
- Recommend using HOME funds consistent with the City's Comprehensive Housing Policy, and include using maximum 10% allowed for program administration and oversight, and minimum for fair housing, planning and program administration to the maximum 20% allowed



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Recommended approach for ESG

- The Office of Homeless Solutions has proposed a four-track strategy plan to address the issues of homelessness throughout Dallas
- Recommend using ESG funds consistent with the Homeless Solutions Strategy Plan as approved by the City Council, and include using the maximum 7.5% allowed for program administration



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Recommended approach for HOPWA

- Funding allocations for the HOPWA grant have historically been made consistent with priorities established by the Ryan White Planning Council of the Dallas Area (RWPC) and with needs identified in the RWPC Comprehensive HIV Needs Assessment
- Recommend using HOME funds consistent with the priorities established by Ryan White Planning Council of the Dallas Area (RWPC) and with needs identified in the RWPC Comprehensive HIV Needs Assessment, and using the maximum 3% allowed for program administration

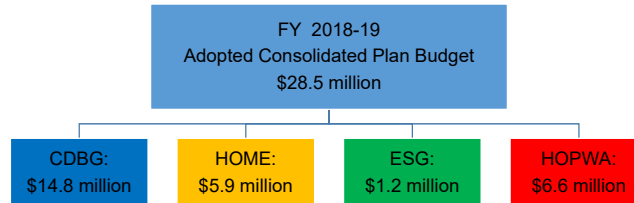


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FY 2018-19 Consolidated Plan Funds

- In the current year, City received \$28.5 million from HUD as part of Consolidated Plan budget



- Grant amounts for FY 2019-20 are not yet available
- “Level Funding” will be assumed to begin the FY 2019-20 budget development process while awaiting HUD’s notification of grant amounts



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Consolidated Plan Timeline

- January 3 to 17– Public Input Meetings
- February 28 – Deadline for comment forms
- March – Community Development Commission (CDC) reviews City Manager’s recommended budget
- April – CDC recommends budget and amendments to City Council
- April & May – City Council review of budget



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Consolidated Plan Timeline

- May – Preliminary adoption by City Council
- May & June – Public review
 - 30 day comment period
 - Public hearing before City Council
- June – Final adoption by City Council
- August – Submit plan to HUD
- October – Implement plan



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How to participate in the development process:

- Submit written comment(s)
 - Neighborhood Public Hearings
 - U.S. Mail
 - Online
 - In-Person directly to our office
- Verbal comments by appearing in-person to speak before Community Development Commission at monthly meeting or before City Council at public hearings



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Input Opportunities

- Written comment forms to identify potential uses not currently in the Consolidated Plan may be mailed to the address below
- Online
 - <http://dallascityhall.com/departments/budget/communitydevelopment>
- In-Person at: **City of Dallas
Office of Budget/Grant
Administration Division
1500 Marilla Street, Room 4FS
Dallas, TX 75201**
- Comment forms received by February 28 will be considered in the development of the Consolidated Plan and FY 2019-20 Annual Action Plan Budget
- Submission of a Comment Form does not guarantee funding



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Doing Business with the City

- Register as a vendor on-line at:
 - www.bids.dallascityhall.com
 - Contact the Office of Procurement Services at (214) 670-5246
- Notification of all Request for Bids (RFB) and Request for Proposals (RFP) are published in the **Dallas Morning News** Classified Section every Thursday and on the Procurement Services web site:
www.bids.dallascityhall.com



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QUESTIONS?



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