

Memorandum



CITY OF DALLAS

DATE December 5, 2025

TO Honorable Members of the Finance Committee: Chad West (Chair), Kathy Stewart (Vice Chair), Zarin Gracey, Maxie Johnson, Jesse Moreno, Jaime Resendez, Gay Donnell Willis

SUBJECT **Community Development Block Grant Funds – FY 2025-26 Spend Plan for the period ending October 31, 2025**

To ensure that CDBG funds are spent in a timely manner, HUD rules require that the City's CDBG line of credit does not exceed 1.5 times our latest CDBG allocation. This requirement is tested annually on August 2. On August 2, 2025, the city did not meet the CDBG timeliness tests. This is the second consecutive year the city did not meet timely expenditure standards for the CDBG program. There are two tests, one is based on CDBG grant funds only and the second test is based on CDBG grant funds plus program income. For both tests, the City's ratio was greater than the minimum balance threshold. On September 4, 2025, HUD officially notified the city that the CDBG program is not being carried out in a timely manner. Since this is the second year, additional corrective actions are required. The city developed a workout plan describing steps to ensure the CDBG line of credit remains at or below 1.5 by August 2, 2026. These steps include monthly progress briefings to the Community Development Commission (CDC) and providing a monthly financial status report to the Finance Committee.

Please find the financial status report for the Community Development Block Grant (CDBG) FY 2025-26 Spend Plan for the period ending October 31, 2025. This monthly report provides an overview of the City's progress toward meeting the CDBG timely expenditure requirements by August 2, 2026.

How to Read the Financial Status Report

The report includes the **FY 2025-26 CDBG Allocation (Column A)** which reflects the FY 2025-26 allocation from HUD, plus one-time revenue and projected program income during the fiscal year; **Balance as of 08/02/2025 (Column B)** which reflects the funding available from prior year unspent funds used in the timeliness test calculation; the **Projected Goal (Drawdown by July 2026) (Column C)** which reflects the amount the City of Dallas forecast to spend by July 31, 2026 in order to meet or exceed the CDBG timeliness tests; and the **YTD Actuals (Column D)** which reflects actual expenses spent and drawn from HUD through the end of the most recent accounting period. The YTD actuals will be updated each month and compared to the **Projected Goal (Drawdown**

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by July 2026). The **Notes (Column E)** will include comments regarding the status of the project and potential impacts to the **Projected Goal (Drawdown by July 2026).**

If you have any questions, please contact me or Chan Williams, Assistant Director of Budget & Management Services.



Jack Ireland
Chief Financial Officer

Attachment

c:	Kimberly Bizer Tolbert, City Manager	M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
	Tammy Palomino, City Attorney	Alina Ciocan, Assistant City Manager
	Mark Swann, City Auditor	Donzell Gipson, Assistant City Manager
	Billieae Johnson, City Secretary	Robin Bentley, Assistant City Manager
	Preston Robinson, Administrative Judge	Jack Ireland, Chief Financial Officer
	Baron Eliason, Inspector General (I)	Ahmad Goree, Chief of Staff to the City Manager
	Dominique Artis, Chief of Public Safety	
	Dev Rastogi, Assistant City Manager	

FY 2025-26 CDBG Spend Plan

Row	Dept	Unit	Activity Name	HUD Program Year*	FY 2025-26 CDBG Allocation**	Balance as of 08/02/2025**	Projected Goal (Drawdown by July 31, 2026)	YTD Actuals October 2025	NOTES
					A	B	C	D	E
1	HCE	901L	Dallas Homebuyer Assistance Programs	2025	400,000.00	0.00	75,000.00	0.00	
2	HCE	902L	Home Improvement and Preservation Program (HIPP)	2025	3,094,038.00	0.00	0.00	0.00	Funds awarded 11/12 agenda.
3	HCE	903L	Support for Home and Preservation Program HIPP)	2025	1,208,850.00	0.00	366,721.00	0.00	
4	HCE	904L	Residential Development Acquisition Loan Program	2025	1,936,557.00	0.00	0.00	0.00	
5	HCE	905L	Housing Management Support	2025	691,942.00	0.00	0.00	0.00	
6	HCE	906L	Fair Housing Division	2025	530,112.00	0.00	437,315.46	0.00	
7	CCS	907L	Clearence Activities	2025	300,000.00	0.00	300,000.00	80,000.00	
8	HCE	908L	Drivers of Opportunity	2025	306,808.00	0.00	230,106.00	0.00	
9	HCE	909L	Violence Interrupters	2025	300,000.00	0.00	225,000.00	0.00	
10	HCE	910L	Early Childhood and Out-of-School Time Services	2025	650,000.00	0.00	386,864.62	0.00	
11	HCE	911L	HCE - Public Services Management Support	2025	153,200.00	0.00	127,016.52	0.00	
12	BMS	912L	Public Facilities and Improvement (Family Gateway)	2025	1,421,197.00	0.00	1,421,197.00	0.00	
13	BMS	913L	Citizen Participation /CDC/HUD Oversight	2025	812,480.00	0.00	673,018.00	0.00	
14	BMS	914L	HUD Compliance/Environmental Review	2025	401,204.00	0.00	334,341.28	0.00	
15	PKR	915L	Out-of-School Time-School Sites	2025	606,370.00	0.00	518,073.66	0.00	
16	PKR	916L	Out-of-School Time-Community Sites	2025	131,931.00	0.00	109,637.05	0.00	
17	HCE	802K	Home Improvement and Preservation Program (HIPP)	2024		3,092,192.79	866,540.00	0.00	Funds awarded 11/12 agenda.
18	HCE	801K	Dallas Homebuyer Assistance Programs (DHAP)	2024		74,032.00	64,977.00	64,977.00	
19	HCE	805K	Housing Management Support	2024		208,089.21	208,089.21	92,029.15	
20	HCE	804K	Residential Dev Acq Loan Program	2024		237,162.00	0.00	0.00	
21	HCE	803K	Support for Home and Preservation Program (HIPP)	2024		417,334.86	412,351.55	111,601.55	
22	HCE	809K	Community Care Management Support	2024		70,304.36	47,833.67	14,493.89	YE reconciliation underway. Unspent funds will be reprogrammed.
23	HCE	808K	Early Childhood and Out-of-School Time Services	2024		193,659.92	139,429.72	33,091.74	YE reconciliation underway. Unspent funds will be reprogrammed.
24	HCE	807K	Drivers of Poverty	2024		585,549.79	322,532.19	47,315.21	YE reconciliation underway. Unspent funds will be reprogrammed.
25	HCE	806K	Fair Housing Division	2024		127,383.83	127,383.83	61,452.26	YE reconciliation underway. Unspent funds will be reprogrammed.
26	BMS	811K	Citizen Participation /CDC/HUD Oversight	2024		356,589.71	356,589.71	87,822.73	YE reconciliation underway. Unspent funds will be reprogrammed.
27	BMS	812K	HUD Compliance/Environmental Review	2024		129,095.65	129,095.65	39,488.78	YE reconciliation underway. Unspent funds will be reprogrammed.
28	BMS	810K	Public Facilities and Improvement - TBD	2024		282,262.00	0.00	0.00	Reprogram - SA #2, Feb 2026
29	BMS	858K	Public Facilities and Imp - MLK Jr Community Ctr	2024		125,000.00	79,256.00	50,074.00	Project underway
30	BMS	860K	Public Facilities and Imp - Family Gateway	2024		1,485,540.00	1,485,540.00	114,460.00	Project underway
31	BMS	861K	Public Facilities and Imp - Kidd Spring Roof Project	2024		445,389.98	444,623.87	337,024.76	Project underway
32	BMS	862K	Public Facilities and Imp - Kidd Springs Bleachers	2024		151,500.00	151,500.00	0.00	Project underway
33	BMS	863K	Public Facilities and Imp - 3202 Canton Street BRR	2024		43,000.00	43,000.00	4,753.50	Project underway
34	FRM	672G	FY 22-23 ADA Impv Arcadia Branch Library	2022		274,600.11	274,600.11	0.00	Project underway
35	FRM	671G	FY 22-23 ADA Impv Central Service Center	2022		165,926.23	165,926.23	156,087.63	Project underway
36	FRM	669G	FY 22-23 ADA Impv Skyline Branch Library	2022		95,770.73	95,770.73	74,137.03	Project underway
37	FRM	668G	FY 22-23 ADA Impv South Dallas Cultural Ctr	2022		10,494.92	10,494.92	0.00	Project underway
38	HCE	834K	Residential Dev Acq Loan Program	2024		1,069,286.00	0.00	0.00	
39	HCE	976D	Home Imp and Preservation Program (HIPP)	2019		63,067.00	34,867.00	34,867.00	
40	HCE	404E	Home Imp and Preservation Program (HIPP)	2020		246,789.13	246,789.13	2,974.13	
41	HCE	505F	Home Imp and Preservation Program (HIPP)	2021		949,810.11	946,810.00	66,075.00	
42	HCE	605G	Home Imp and Preservation Program (HIPP)	2022		23,299.00	0.00	0.00	Unspent PY funds. Reprogram
43	HCE	705J	Home Imp and Preservation Program (HIPP)	2023		875,394.00	875,394.00	43,707.46	
44	HCE	608G	Housing Management Support	2022		150,017.94	150,017.94	10,929.29	Unspent PY funds. Reprogram
45	HCE	708J	Housing Management Support	2023		143,451.04	115,840.00	0.00	Unspent PY funds. Reprogram
46	TPW	408E	Public Facilities and Improvement-5 Mile Project	2020		219,970.00	0.00	0.00	Project delayed, pending additional funds to complete.
47	TPW	509F	Public Facilities and Improvement-5 Mile Project	2021		916,608.00	1,365.00	1,365.00	Project delayed, pending additional funds to complete.
48	HCE	754J	Public Facilities and Improvement-Joppa Street Impv	2023		835,229.00	835,229.00	43,495.05	Project underway
49	BMS	865K	Public Facilities and Improvement-Joppa Street Impv	2023		499,000.00	499,000.00	0.00	Project underway. CO - Nov 2025
50	TPW	609G	Public Facilities and Improvement-5 Mile Project	2022		2,196,186.00	10,938.74	10,938.74	Project delayed, pending additional funds to complete.

FY 2025-26 CDBG Spend Plan

Row	Dept	Unit	Activity Name	HUD Program Year*	FY 2025-26 CDBG Allocation**	Balance as of 08/02/2025**	Projected Goal (Drawdown by July 31, 2026)	YTD Actuals October 2025	NOTES
					A	B	C	D	E
51	TPW	755J	Public Facilities and Improvement-5 Mile Project	2023		1,802,604.00	0.00	0.00	Project delayed, pending additional funds to complete.
52	HCE	612G	Fair Housing Division	2022		200.00	0.00	0.00	Unspent PY funds. Reprogram
53	BMS	TBD	Reprogramming Funds TBD	MY		1,838,357.59	1,838,357.59	0.00	Reprogram - SA #2, Feb 2026
54	PBW	610G	Sidewalk Improvements TBD	2022		823.00	0.00	0.00	Project savings. Reprogram
55	PBW	666G	Sidewalk Improvements-Kendale	2022		40,568.00	40,568.00	0.00	Project underway
56	PBW	661G	Sidewalk Improvements-Biglow	2022		74,681.00	74,681.00	0.00	Project underway
57	PBW	659G	Sidewalk Improvements-Clydale Drive	2022		215,014.20	215,014.20	96,975.50	Project underway
58	PBW	660G	Sidewalk Improvements-Kendale Rd and Lanoue Dr	2022		135,205.00	135,205.00	0.00	Project underway
59	PBW	667G	Sidewalk Improvements-Overlake Dr	2022		37,009.00	37,009.00	0.00	Project underway
60	TBD	TBD	Unappropriated CASH in CDBG Line of Credit 8/2/25			3,363,374.83	0.00	0.00	\$2M included in SA #1, Dec 2025
61	Various	Various	Projects completed after 08/02/25, no longer active as of 10/1/25				313,190.58	0.00	
			Subtotal**		\$12,944,689.00	\$24,266,821.93	\$17,000,101.16	\$1,680,136.40	
62	BMS	953L	Public Facilities and Improvement TBD	2025	2,000,000.00	0.00	0.00	0.00	SA #1 - Dec 2025
63	HCE	904L	Residential Development Acquisition Loan Program	2025	200,000.00	0.00	0.00	0.00	
			Total		\$15,144,689.00	\$24,266,821.93	\$17,000,101.16	\$1,680,136.40	

**HUD Program Year = City Fiscal Year, FY 2025-26 (2025) funds effective October 1, 2025.*

***The City must spend \$16.98 million by July 31, 2026 to exceed the HUD timeliness test. HUD evaluates the balance in a grantees line of credit (\$24.3 million) compared to its most recent annual CDBG grant amount (\$12.9 million). These amounts are used to calculate the 1.5 threshold.*

How to Read the Financial Status Report

A = FY 2025-26 HUD Budget adopted by City Council on August 6, 2025 - includes one-time revenue and projected program income during the fiscal year.

B = Balance as of 08/02/2025 reflects the City Line of Credit funding available and used in the timeliness test calculation. This amount reflects prior year unspent CDBG funds.

C = The Projected Goal (Drawdown by July 31, 2026) reflects the amount the City forecast to spend by July 1, 2026 to meet or exceed the CDBG timeliness test.

D = YTD (fiscal year) expenditures spent and drawn from HUD. Encumbered funds do not count toward timely expenditure threshold. This number will be updated each month.

E = Comments regarding the status of the project.