

Grant Task Force Update, Recommendations, and Next Steps

City Council
August 6, 2025

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City of Dallas

Briefing Overview



- Executive Order Overview
- City Council Resolution
- City Manager Tolbert Memorandum, Grant Compliance Task Force Timeline and Summary
- Update on Current State of Policies and Programs and Future State
 - Business Inclusion & Development Policy
 - Racial Equity Plan
 - Other City Policies, Plans, and Programs
 - 2025-26 HUD Consolidated Plan Budget
- Next Steps & Questions



Summary of Federal Directives



1. Diversity, Equity, and Inclusion (DEI)

EO 14173 – Ending Illegal Discrimination and Restoring Merit-Based Opportunity; Federal Grant Requirements

The City cannot operate programs that promote or advance illegal DEI ideology in violation of federal anti-discrimination laws.

The City cannot allocate contracts or benefits based on suspect classifications, including:

Race, sex, national origin, or religion. (Permissible classifications: veteran, disability, and socioeconomic status)

2. Immigration Compliance

EO 14218 – Taxpayer Subsidization of Open Borders; Federal Grant Requirements

The City cannot operate programs that benefit or incentivize illegal immigration.

HUD funding may not be used in ways that *by design or effect* subsidize or promote undocumented residency. The City must support DHS efforts to locate, investigate, and deport undocumented residents.

3. Minority & Women Business Enterprise (M/WBE) Contracts

2 CFR § 200.321, EO 14173 Guidance and Federal Grant Requirements

While federal law requires consideration (i.e., inclusion and access) of small, minority-, women-, and veteran-owned businesses, the City cannot use race, sex, national origin, or religion as scoring criteria or add points in proposal evaluations.



City Council June 25, 2025 Resolution



Council Resolution No. 25-1081 (June 25, 2025)

Directed the City Manager to:

- review and evaluate City programs and policies to determine whether any adjustments may be necessary.
- take any temporary operational actions necessary to ensure city programs and policies are in compliance with federal directives.
- brief City Council no later than August 20, 2025, and present recommendations on any necessary changes.



City Manager Memorandum – Operational Actions



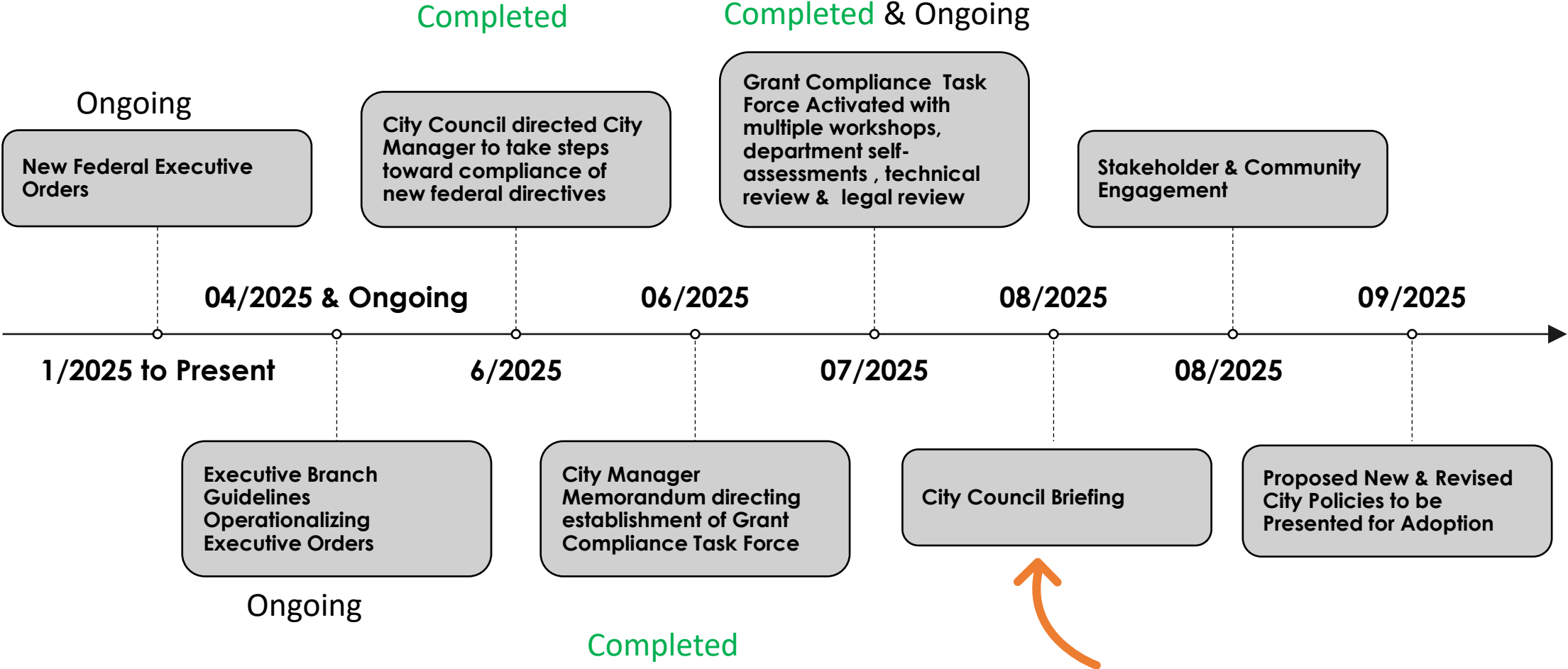
City Manager Memorandum (June 26, 2025) →

Operational Actions Effective immediately, City Manager directed all City departments to:

- (1) immediately cease using all policies and programs, in part or in whole, that (a) advance or promote diversity, equity, and inclusion, (b) use race, gender, ethnicity, religion or national origin as part of the decision-making process for allocating funds or benefits;
- (2) coordinate with the Grant Compliance Task Force to ensure compliance with the New Federal Directives and Grant Requirements;
- (3) identify programs and policies for compliance with federal directives; and
- (4) prepare briefing materials to present to the City Council on or before August 20, 2025, including recommendations to the City Council regarding affected policies and programs.



Grant Compliance Taskforce Timeline



Grant Compliance Task Force Key Departments



City Manager's Office Providing Executive Liaison and Program Management Expertise All City Departments Engaged



City Attorney's Office

Legal summary of Executive Orders and federal directives/requirements, proposed template updates, review of policy/programs/contract language and provide legal guidance.



CCX/311

Internal messaging support, external communications one-front-door consistent messaging



Procurement

Updated solicitation templates, sample reviewed/revised documents, evaluation/update scoring guidance to stay in compliance, and training support.



Budget & Management Services

Grant compliance expertise support,
grant certification, renewal and on-going applications



July Organization-Wide Review Process



Immediate Action Taken

Collaborative Workshops

Departmental Review

July 7, 2025 General Grant Compliance Workshop (required, all departments' contract/grant/compliance managers)

July 8, 2025 Deep Dive into Construction, Engineering, Architecture (CEA) contracts

July 9-20, 2025 Policy/Program/Plan Review Cultural Programming Federal Grants & Subrecipients

July 9, 2025 Message added to City websites about ongoing review, evaluation and temporary cease

- Mandatory Participation
- Establish Accountability
- Shared Responsibilities
- General Compliance Overview
- Developed Self-Assessment Framework
- Ensuring compliance while not abandoning community impact
- Deeper Dive into Specific Policies, Plan and Programs

- Inventory of All Policies, Plans and Programs
- Identify Potential Risks for CAO Review
- Proposed Recommendations for Compliance
- Identification of Future Policy Recommendations
- Review with Senior Leadership

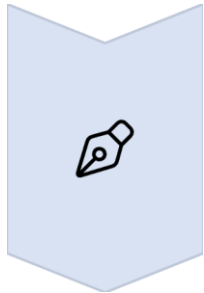


Operational Impact



To comply with federal directives and City Council June 25, 2025 Resolution, City Manager directed temporary immediate cessation of relevant policies, plans and programs to review the operational impact of the new federal directives.

Post-June 25th Period



- Business Inclusion & Development Policy (BID Policy)
- Racial Equity Plan (REP) & Equity Impact Assessment (EIA) Tool
- Relevant portions of City policies, plans and programs aligned with BID, REP and EIA

Proposed Modifications



- Solicitations Forms
- Grant Agreements
- Contracts
- Upcoming Agenda Items
- Federal grant and benefits programs
- City Website

Business Inclusion & Development Policy



Policy	Current Criteria	Tasks Completed During Cessation Period	Future State	Immediate Next steps
<ul style="list-style-type: none"> - Business Inclusion & Development policy 	<ul style="list-style-type: none"> - Adopted in 2008, the BID Policy promotes the inclusion of certified M/WBEs in City contracts. The policy establishes M/WBE subcontractor participation goals, evaluation processes, and requires documentation of good faith efforts. 	<ul style="list-style-type: none"> - Open solicitations extended to temporarily remove BID criteria - Closed/pending contracts amended to cease enforcement of BID policy - M/WBE goals compliance suspended for active contracts - Form Documents updated and reviewed by CAO - Contractor notifications issued - Civic Initiatives, national leader in public sector procurement transformation, engaged for transition support 	<ul style="list-style-type: none"> - Develop new Dallas Capacity Building Collaborative - Establish criteria & phased implementation - Provide technical assistance and capacity-building support - Engage stakeholders for input and collaboration - Track participation and measure progress 	<ul style="list-style-type: none"> - Conduct stakeholder engagement to inform program design - Inventory current contracts with M/WBE subcontractor goals identify interim strategies - Present recommendations to Council for adoption - Implement ongoing quality assurance to track progress and impact



New Dallas Capacity Building Collaborative



- In collaboration with community partners, the City is developing a new small business capacity building plan and program called the **Dallas Capacity Building Collaborative (DCBC)**
- DCBC will focus on "good faith efforts (GFE)" to engage small businesses and increase local participation, workforce development, and Veteran Disabled businesses
- GFE documentation becomes the primary standard, with additional ongoing monitoring of small and local business utilization
- Systems are reconfigured to track small businesses, local vendors
- Replace M/WBE goals with participation/access goals-tied to geography, size.
- Leverage partnerships, such as Dallas College, U.S. SBA, Civic Marketplace and others to enhance technical assistance and public outreach offerings



Racial Equity Plan & Equity Impact Assessment Tool



Policy	Current Criteria	Post 6/26/25 period	Future State	Next steps
<ul style="list-style-type: none">- Racial Equity Plan & Equity Impact Assessment Tool	<ul style="list-style-type: none">- Adopted by City Council in August 2022;- City-wide plan to address racial and ethnic disparities in outcomes across Dallas vis-a-vis Big, Audacious Goals (BAGs) and Department Progress Measures (DPMs)	<ul style="list-style-type: none">- REP & EIA Tool temporarily ceased operationally- Multi-departmental review of BAGs, & DPMs to ensure compliance with federal directives	<ul style="list-style-type: none">- Transition to Drivers of Opportunity & Community Opportunity Assessment Framework intended to guide City plans & programs by measuring, reporting, and advancing economic Opportunity.	<ul style="list-style-type: none">- Collaborate with partners to develop Drivers of Opportunity & Community Opportunity Assessment Framework, a framework focused on driving opportunity & census-tract-based scoring tool- Blends multiple economic mobility and quality of life metrics to identify where opportunity gaps are widest.- Work with CAO to ensure compliance- Leverage thought leadership & partnerships with national organizations



Building on Drivers of Poverty Foundation



- 2017 Mayor's Task Force on Poverty
- Developed Drivers of Poverty in 2017 and in partnership with community leaders across Dallas to address the growing population of people living in poverty in Dallas.
- Foundational work in addressing root causes of poverty and addressing disparities in outcomes.
- 9 Drivers: Income, Transportation, Homeownership, Concentrated Poverty, Children in Poverty, Educational Attainment, English Language Proficiency, Teen Birthrate, Single Women Heads of Household.

Building on the Existing Drivers of Poverty

Income	Sharp decline in median income and the declining share of middle-income households
Transportation	Lack of affordable transportation
Homeownership	Lack of home ownership/high rental percentage/single family rentals
Concentrated Poverty	Increasing number of neighborhoods of concentrated poverty
Children in Poverty	High number of households with children living in poverty
Educational Attainment	Lack of educational attainment
English Proficiency	High percentage of limited English-proficiency (LEP) residents
Teen Birth	High teen birth rates
Single Women HOH	High poverty rates for single women heads of households with children



New Drivers of Opportunity



Gainful Employment	High-Quality Education	Opportunity-Rich Neighborhoods	Healthy Environment/Access to Quality Health Care	Public Safety & Well-Being
<ul style="list-style-type: none"> ➤ Employment Opportunities ➤ Jobs Paying Living Wages ➤ Opportunities for Income ➤ Financial Security ➤ Wealth Building Opportunities 	<ul style="list-style-type: none"> ➤ Access to preschool ➤ Effective Public-Education ➤ School socio-economic representation ➤ Preparation for College ➤ Digital Access 	<ul style="list-style-type: none"> ➤ Housing Affordability ➤ Housing Stability ➤ Economic Opportunity ➤ Community Assets ➤ Transportation Access 	<ul style="list-style-type: none"> ➤ Environmental Quality ➤ Access to health services ➤ Neonatal health ➤ Safety from trauma 	<ul style="list-style-type: none"> ➤ Civic Participation & Engagement ➤ Safety from crime ➤ Community Policing



Data Driven &
Research Based

New Drivers of Opportunity & Community Opportunity Assessment Framework



- Leveraging key partnerships with The Dallas Foundation & Communities Foundation of Texas; ***Building a Case of Economic Strength and Stability for All: The Business Case for Closing Economic Gaps in Dallas***
- Informed by the Urban Institute's central ***pillars of support*** for ***upward economic mobility*** as solutions to previously identified Drivers of Poverty
- Drivers of Opportunity include; Gainful Employment, High-Quality Education, Opportunity-Rich Neighborhoods, Healthy Environment and Access to Good Health Care, Public Safety and Well-Being.
- **External Tool/Public Tool:** Borrowing from national models, hybrid approach by utilizing national data, local data where relevant, and evidence-based research using methodology from Results for America.
- **Internal Tool:** Themes built from Dallas data inventory, matched to department mission and programs

INTERNAL TOOL

Themes built from Dallas data inventory, matched to department missions and programs

-  **Public Safety**
-  **Infrastructure & Mobility**
-  **Parks & Recreation**
-  **Economic Opportunity**
-  **Housing**
-  **Neighborhood Assets**
-  **Education & Workforce**
-  **Health & Human Services**



Federal Grant Programs

HUD Consolidated Plan Budget



Program	Current Criteria	Cessation Period	Future State	Next steps
<ul style="list-style-type: none"> - U.S. Housing & Urban Development Funds are intended to improve quality of life, enhance economic resilience, community development & support affordable housing 	<ul style="list-style-type: none"> - HUD Funds allocated to the City vis-a-vis the HUD Consolidated Plan Budget 	<ul style="list-style-type: none"> - Council scheduled to adopt the City's HUD Consolidated Plan Budget in June 2025 but deferred to August to review for new federal directive compliance 	<ul style="list-style-type: none"> - HUD Consolidated Plan Budget due to HUD on August 16, 2025 - Untimely submission results in loss of program funds for year - Subrecipient and third-party compliance expectations 	<ul style="list-style-type: none"> - Final Adoption of HUD Consolidated Plan Budget by City Council on August 6, 2025 - August 27, 2025 – City Council Consideration of Preliminary Adoption of Substantial Amendment #1 to amend HUD 5-Year Consolidated Plan Budget & call a public hearing to ensure alignment & compliance with Federal directives - October 8, 2025- Public Hearing & Final Adoptions of Amendment #1



Current and Future State Summary Overview



Policies, Plans, Programs Examples	Current State (prior to 6/25/25)	Post 6/26/25 period	Future State (following Adoption)	Next Steps
<ul style="list-style-type: none"> - Business Inclusion & Development Policy 	<ul style="list-style-type: none"> - Goals based on 2020 Availability & Disparity Study 	<ul style="list-style-type: none"> - Department review - Temporarily cease M/WBE criteria - Informed Contractors - Revised templates - Issued FAQs 	<ul style="list-style-type: none"> - Develop the new Dallas Capacity Building Collaborative, a plan to invest in small businesses and grow their capacity 	<ul style="list-style-type: none"> - Stakeholder Engagement - Engage Civic Initiatives, a nationally recognized procurement policy consultancy - Work with CAO to ensure legal compliance
<ul style="list-style-type: none"> - Racial Equity Plan (REP) & Equity Impact Assessment (EIA) Tool 	<ul style="list-style-type: none"> - Department Progress Measures across all department 	<ul style="list-style-type: none"> - Department review - Temporarily cease equity-based criteria & use of EIA tool - Confirm federal public benefit program eligibility requirements 	<ul style="list-style-type: none"> - Realign work with the Drivers of Opportunity & Community Opportunity Assessment Framework 	<ul style="list-style-type: none"> - Stakeholder Engagement - Develop Drivers of Opportunity & Community Opportunity Assessment Framework - Work with CAO to ensure legal compliance
<ul style="list-style-type: none"> - Other City Policies, Plans & Programs 	<ul style="list-style-type: none"> - M/WBE and equity goals 	<ul style="list-style-type: none"> - Department review - Temporarily cease equity-based criteria & use of EIA tool - Confirm federal public benefit program eligibility requirements 	<ul style="list-style-type: none"> - Realign work with the Drivers of Opportunity & Community Opportunity Assessment Framework 	<ul style="list-style-type: none"> - Stakeholder Engagement - Develop Drivers of Opportunity & Community Opportunity Assessment Framework - Work with CAO to ensure compliance

Communication & Stakeholder Engagement



Departments	Cessation Period	Next steps
<ul style="list-style-type: none">- All City Departments- Supported by CCX/311	<ul style="list-style-type: none">- In July 2025, message added to City Websites informing the public about ongoing review, evaluation and temporary cease- Completed Review of City Department webpages to validate content for compliance	<ul style="list-style-type: none">- Implement content changes to City webpages following Council consideration and adoption of permanent policy and plan modifications- Amplify and support Community Outreach & Stakeholder Engagement efforts



High-level Summary of Changes



BID & REP Policy Temporary Cessation

1

Temporary suspension of Business Inclusion Development, Racial Equity Plan, Equity Impact Assessment Tool and relevant portions of City policies, plans and programs.

New Policy and Framework

2

Transition BID to Dallas Capacity Building Collaborative and develop Drivers of Opportunity & Community Opportunity Assessment Framework to advance economic mobility.

3

Enhanced Community Engagement & Impact

Continued accountability and transparency to address community priorities and investments using evidence-based and rigorous data-driven analytics.

4

Compliance Controls

Multiple policies, plans and program reviewed and assessed by City Departments with legal compliance review by CAO with commitment to ongoing review.



Next Steps & Questions



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