



**City of Dallas**

# **HUD 5-Year Consolidated Plan for FY 2024-25 through FY 2028-29**

**City Council Briefing  
January 31, 2024**

Janette Weedon, Director  
Chan Williams, Assistant Director  
Budget & Management Services

# Purpose



- Background
- Review City Manager's recommendations for developing the City's approach to the new 5-Year Plan for FY 2024-25 through FY 2028-29
- Review next steps and schedule



# 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 the Consolidated Plan Program
  - To be eligible for these funds a city must have a population of 50,000 or more
  - Allocation determined by statutory dual formula which uses several objective measures of community needs, including extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas
  - Formula allocates funding based on data from latest 10-year census data and 5-year American Community Survey data



# Background



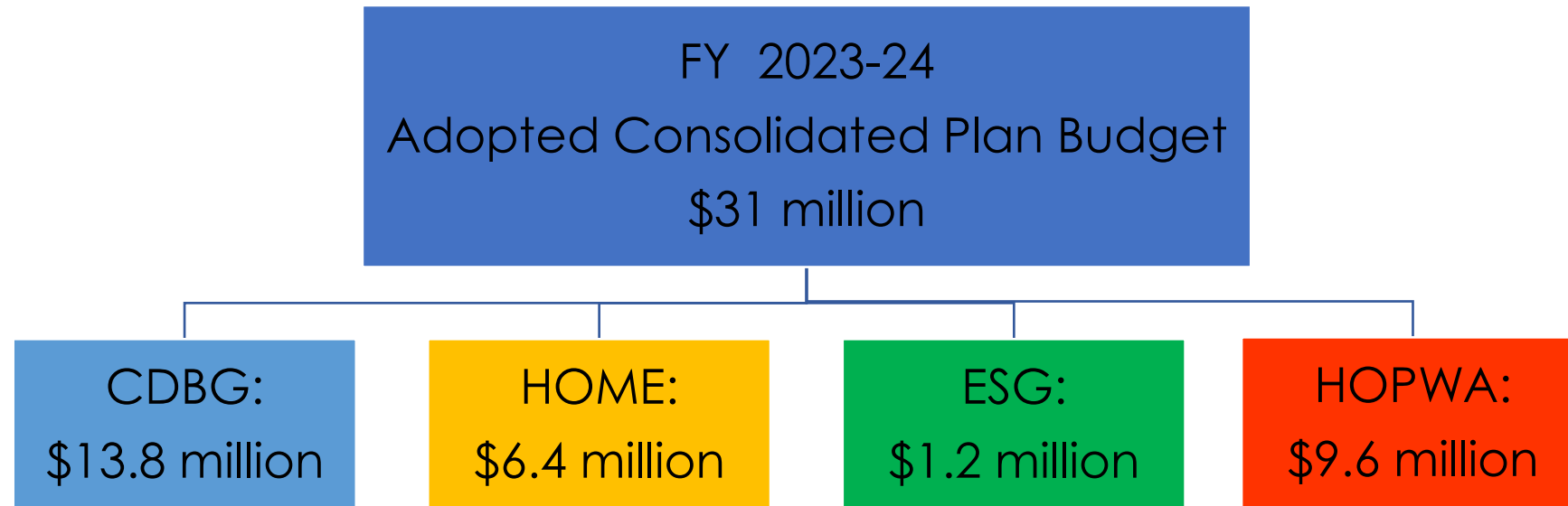
- Four distinct formula grants of the Consolidated Plan include:
  - Community Development Block Grant (CDBG)
  - HOME Investment Partnerships Program (HOME)
  - Emergency Solutions Grant (ESG)
  - Housing Opportunities for Persons with AIDS (HOPWA)



# FY 2023-24 Consolidated Plan Funds



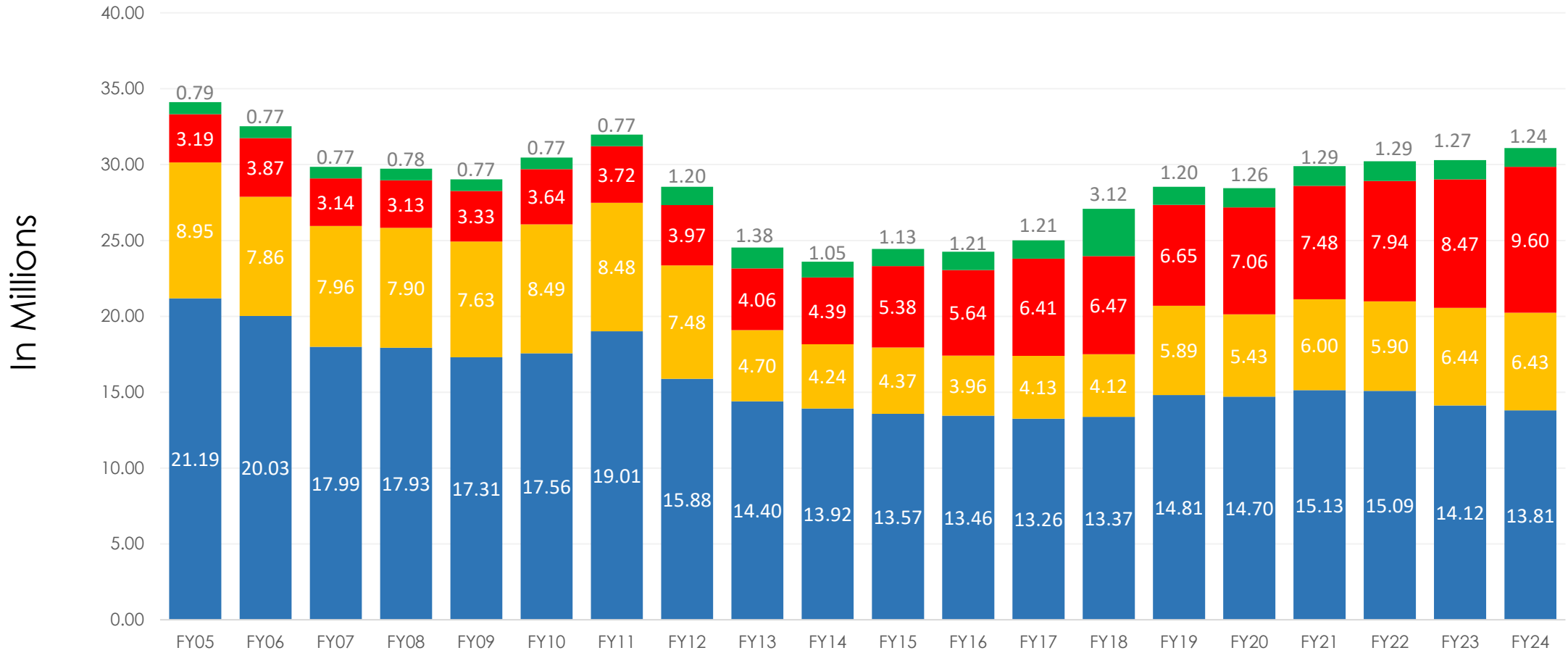
- In the current year, the City will receive \$31 million from HUD as part of Consolidated Plan budget that Council approved on June 14, 2023



# Funding History



■ CDBG ■ HOME ■ HOPWA ■ ESG



# Funding History (All HUD Funds)

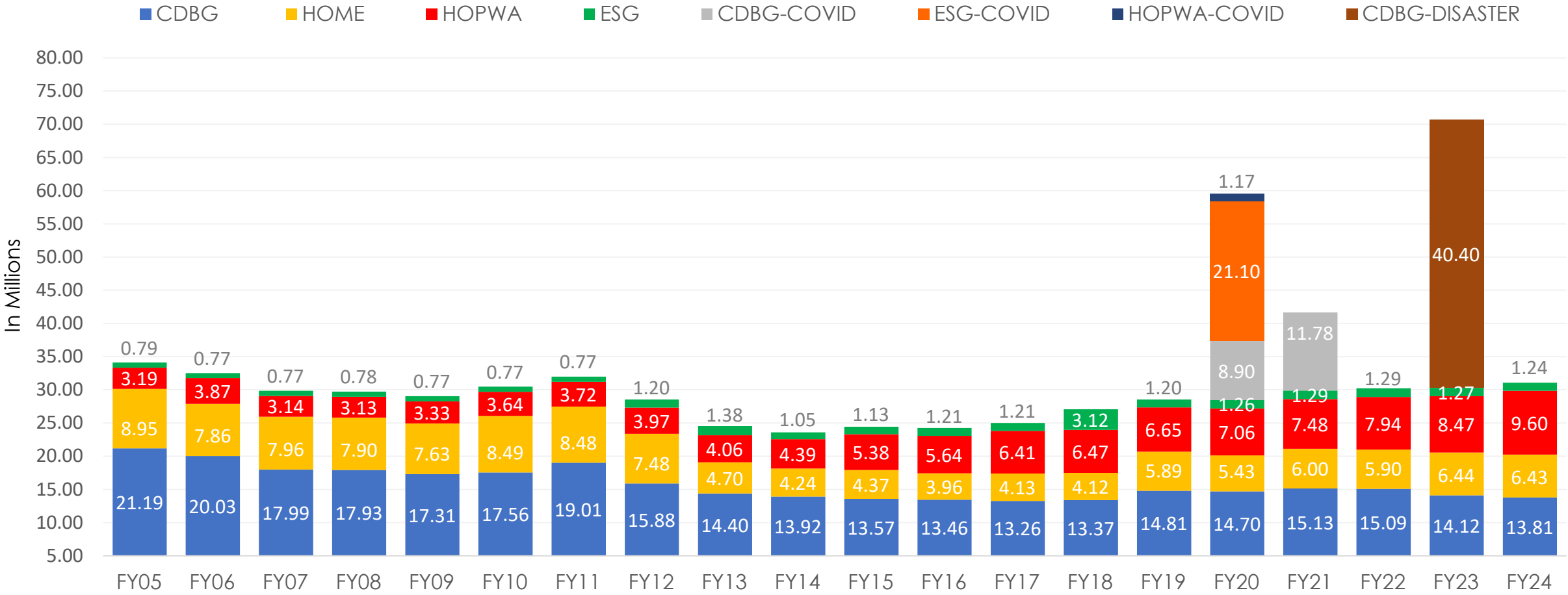


Chart includes COVID and CDBG-Disaster Funds



# Consolidated Plan Requirements



- To continue receiving these funds, a new 5-Year Consolidated Plan must be developed and submitted to HUD by August 16, 2024
  - Current plan expires September 30, 2024
- New 5-Year Consolidated Plan will cover FY 2024-25 through FY 2028-29
- First year Action Plan (FY 2024-25 annual budget) will be due to HUD at same time as 5-Year plan





# Consolidated Plan Requirements



- Requirements for development and submission of the Consolidated Plan are found at 24 CFR, Part 91
- HUD designed a Consolidated Plan template to ensure collection of required information and all elements of the regulations are addressed
- Templates provides a uniform web-based format that sets a baseline for HUD's expectations and includes a quality check
- Includes a combination of data tables and narrative sets



# Consolidated Plan Requirements



- HUD template is divided into six sections:
  1. **Executive Summary** – serves as an introduction and summarizes key points of the plan
  2. **The Process** – identifies lead and responsible agencies involved in development of the plan and administration of the grants; consultations; citizen participation and public hearings
  3. **Needs Assessment** – provides a clear picture of the city's needs related to affordable housing, (non-housing) community development, homelessness and non-homeless special groups
  4. **Housing Market Analysis** – thorough evaluation and description of the city's landscape



# Consolidated Plan Requirements



- HUD template is divided into six sections:

**5. Strategic Plan** – identifies and describes the priorities, including:

- I. Rationale for establishing the identified priorities (consistent with analysis in needs assessments and market analysis)
- II. All funds that can be reasonably expected to be available including HUD and other federal, state, and local resources
- III. Multi-year goals to address priorities

**6. First Year Action Plan** – provides a concise summary of the actions, activities, and programs that will take place during the Program Year to address priorities and goals identified in the Strategic Plan



# Community Engagement



- Development of the new HUD 5-Year Consolidated Plan and annual budget process began with community engagement hosted by CDC and City staff
- To-date 6 community meetings have been conducted this month to inform residents and receive feedback
  - 4 meetings were virtual/remote, 1 hybrid, and 1 meeting was held in-person at the Tommie Allen Recreation Center
  - To increase number of residents engaged in outreach efforts, English flyer and all presentation materials were translated in five languages (Spanish, Korean, Chinese, Vietnamese, and Amharic)
- Flyers published in the Dallas Morning News (as required per HUD rules) and other multi-cultural publications



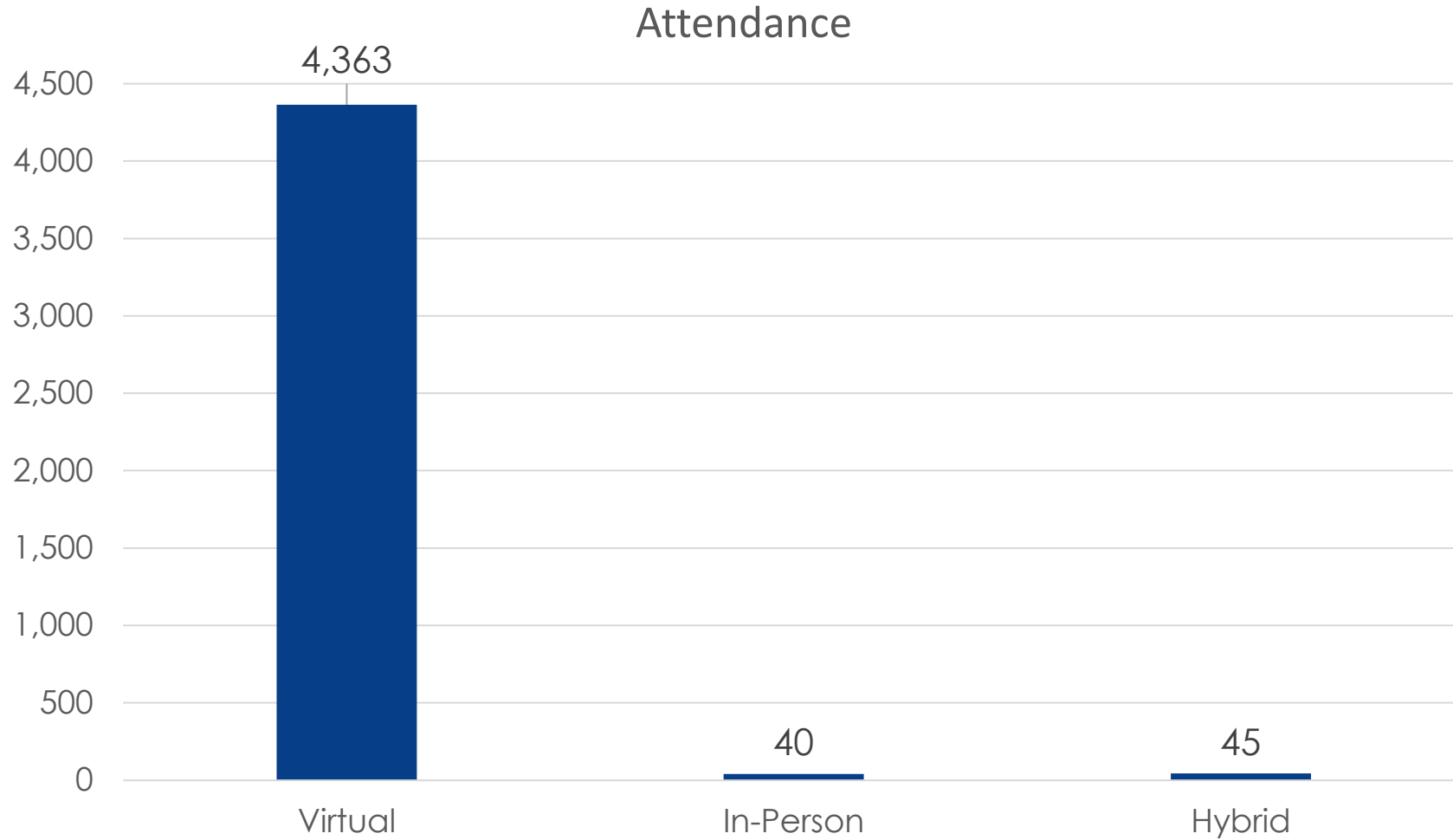
# Community Engagement



- Community Meetings added to City Calendar, social media platforms, and Eventbrite
- Printed or digital flyers posted at Dallas Public Libraries and Park & Recreation locations
- Additional efforts this year include distribution of printed flyers at neighborhood servicing businesses in eligible areas
- Meetings and surveys continue through February



# Community Engagement



Preliminary Survey Results Provided in Appendix



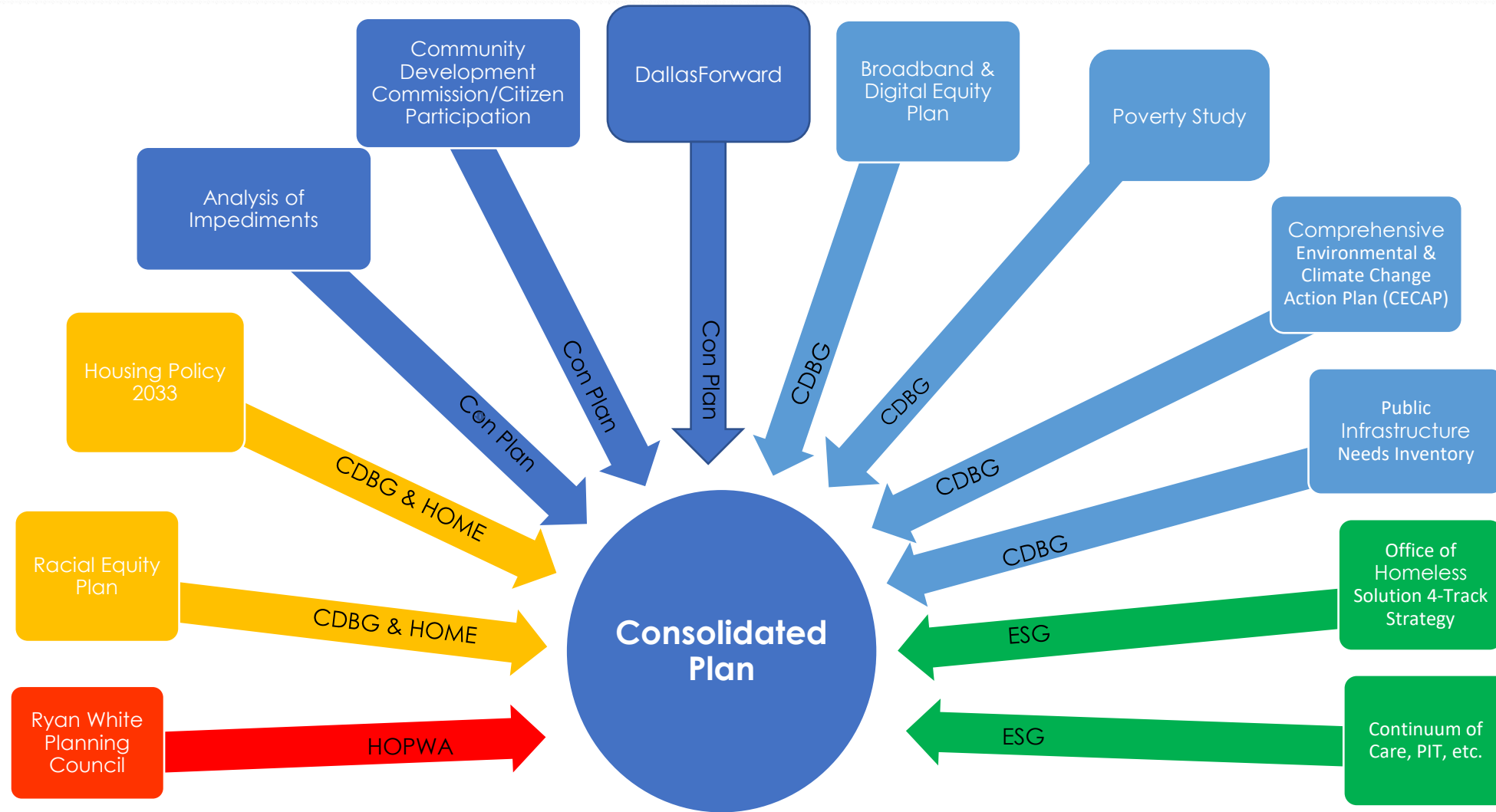
# City's Approach



- The approach for developing 5-Year Consolidated Plan is primarily to use existing systems and build from 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 Mayor's Task Force on Poverty, Dallas Housing Policy 2033, Broadband & Digital Equity Plan, CECAP, Racial Equity Plan, Public Infrastructure Needs Inventory, ForwardDallas, etc.
- 5-Year Plan will consolidate all of these into one document according to HUD's prescribed requirements



# City's Approach





# City's Approach for CDBG



- CDBG is the most flexible of the four Consolidated Plan grants, with more eligible categories for programs and services to multiple target populations
- Past 5-year average
  1. Public Services – 15%
    - Out of School Time Program (Collaboration with DISD)
    - Childcare and Out of School Time Program (Contracts)
    - Community Courts
  2. Housing – 50% to 55%
    - Homebuyer Down Payment Assistance
    - Home Improvement and Preservation Program
    - Residential Development Acquisition Loan Program
  3. Public Facilities and Improvements (includes up to 5% for eligible nonprofits) – 10% to 15%
  4. Fair Housing, Planning and Program Oversight – 20%
- New construction of housing is generally not allowed



# City's Approach for CDBG



- On September 7, 2016, the Mayor's Task Force on Poverty presented its findings and recommendations to the City Council
- Study identified nine drivers of poverty in Dallas:
  - Sharp decline in median income and the declining share of middle-income households
  - Lack of Affordable Transportation
  - Lack of Home Ownership/High Rental Percentage/Single Family Rentals
  - Neighborhoods of Concentrated Poverty
  - High number of Housing with Children Living in Poverty
  - Lack of educational attainment
  - High percentage of limited English-proficiency residents
  - High teen birth rates
  - High Poverty Rates for Single Women Heads of Households with Children



# City's Approach for CDBG



- On August 24, 2022, the Dallas City Council adopted the Racial Equity Plan (REP)
  - REP focuses on closing disparity gaps for residents with the greatest need
  - Established Big Audacious Goals that direct citywide goals
- Under the CDBG, Public Services Category – **recommend** using funds to address the drivers of poverty, with focus on reducing and/or eliminating barriers to work and closing disparity gaps for residents with greatest need
  - Regulations limit the amount of funds allowed for programs and services no more than 15%



# City's Approach for CDBG



- Recommend transferring Community Courts from CDBG to the General Fund in FY 2024-25
  - Opportunity to expand services in communities otherwise limited by grant funds
  - To be eligible for the CDBG program, defendants must:
    - Be cited for Class C misdemeanor crime; appear in a Community Court; and plead guilty or no contest
    - Instead of paying fines and court costs, defendants have timely and efficient adjudication, give back to the community through supervised community service, and are provided short-term case management on an as-needed basis
    - Defendants that do not meet all criteria are not eligible to receive services through CDBG-funded courts
    - Grant rules limit access to services to other low-and-moderate income residents



# City's Approach for CDBG



- Current public service programs are primarily administered by City staff
- New 5-year Consolidated Plan to consider:
  - All funding for public service programs to be awarded to nonprofit agencies through a competitive proposal process
    - Awarding funds to nonprofit agencies will increase costs due to additional administration and monitoring requirements
      - Increased costs must be charged to the 20% capped Program Administration category



# City's Approach for CDBG



- On April 12, 2023, the Dallas City Council adopted the Dallas Housing Policy 2033 (DHP33)
- The policy focuses on increasing the supply of quality, affordable mixed-income housing while emphasizing racial and economic inclusion by investing geographically in areas that align with the seven pillars of housing equity
  1. **Equity Strategy Target Areas** – Identify specific disparities in housing opportunities and reduce them utilizing a targeted approach
  2. **Citywide Production** – Increase production to improve housing affordability for a broad mix of income in all areas of the city
  3. **Citywide Preservation** - Increase preservation to improve housing affordability for a broad mix of income in all areas of the city
  4. **Infrastructure** – Prioritize infrastructure investments in equity strategy target areas
  5. **Collaboration and Coordination** – Align strategies and resources to maximize the impact of partnerships with internal and external stakeholders
  6. **Engagement** – Cultivate diverse and multi-lingual avenues of communication with residents across all neighborhoods to guide City's housing investment decisions
  7. **Education** – Develop a city-wide, collaborative campaign to increase YIMBYism (Yes in My Back Yard) for housing affordability and the people who need it



# City's Approach for CDBG



- Under the CDBG, Housing Category – **recommend** using funds for:
  - Homebuyer assistance program to assist with down payment and closing costs
  - Preservation of existing housing through rehabilitation and/or reconstruction of single-family homeowner occupied housing
    - Assistance will be in the form of an interest-free, forgivable, self-amortizing loan over 5 years not to exceed \$24,000
  - Acquisition and redevelopment projects for new multifamily housing consistent with priorities identified in the newly adopted DHP33



# City's Approach for CDBG



- The Sidewalk Master Plan, Final Report developed in June 2021, estimated total need for the City of Dallas to repair approximately 50% of defective sidewalks and fill missing gaps is approximately \$2B
  - The size and scale of the city means that projects and areas must be prioritized according to highest need and impact
- City Council policy, adopted in October 2010, allows up to 5% of the total CDBG budget for a fiscal year to be allocated to nonprofits organizations
- Eligible projects include improvements at public facilities, infrastructure and facade improvements on public rights-of-way
- For CDBG, Public Improvements – **recommend** using funds for public facilities, infrastructure and façade improvement needs in eligible target areas





# City's Approach for CDBG



- The 2018 North Texas Regional Assessment of Fair Housing found that from 1990 to 2016, the number of racially or ethnically-concentrated areas of poverty (R/ECAPs) census tracts in the city of Dallas 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 40% or more
  - Poverty rate is based on the number of individuals living at or below the poverty line within a given census tract
- Racial Equity Plan (REP) adopted in 2022, addresses R/ECAP areas and identified Equity Priority Areas
  - Areas that demonstrate the greatest investment needs
  - Consistent with the Equity Impact Assessment Tool, HUD R/CAPs, Market Value Analysis, Social Vulnerability, and HUD Qualified Census Tracts
  - Established Big Audacious Goals that direct citywide goals



# City's Approach for CDBG



- As a recipient of HUD funds, the City is required to administer programs and activities relating to housing and urban development in a manner that affirmatively furthers the Fair Housing Act
  - Certification is required annually
- Fair Housing Act prohibits discrimination based on:
  - Race
  - Color
  - Religion
  - Sex
  - Familial Status
  - National Origin
  - Disability



# City's Approach for CDBG



- 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
- For CDBG, Planning and Program Oversight category - **recommend** using funds for fair housing, planning and program administration up to the maximum 20% allowed



# City's Approach for HOME



- HOME funds must be used for housing activities, such as
  - Rehabilitation or reconstruction
  - New construction
  - Financial assistance for homebuyer assistance and tenant based rental assistance
- Minimum 15% of funds must be set-aside for community housing development organizations (CHDOs)
- Up to 10% of funds may be used for Program Administration and Oversight
- **Recommend** using HOME funds consistent with the City's Dallas Housing Policy 2033
  - Recommend using up to the maximum 10% allowed for program administration



# City's Approach for ESG



- ESG funds must be used to prevent homelessness and to assist those already homeless
  - Regulations require consultation with the Continuum of Care
  - Up to 7.5% of funds may be used for Program Administration and Oversight
- On October 26, 2022, the City Council approved the amended Four-Track, Office of Homeless Solutions (OHS) Strategy plan
- **Recommend** using ESG funds consistent with the OHS Strategy plan
  - Recommend using up to the maximum 7.50% allowed for program administration



# City's Approach for HOPWA



- HOPWA funds must be used to provide housing and supportive services to individuals (and/or family members) who have a medical diagnosis and are low-income
  - Up to 3.0% of funds may be used for Program Administration and Oversight
- Funding allocations have historically been made consistent with priorities established by Ryan White Planning Council of the Dallas Area (RWPC) and with needs identified in the RWPC Comprehensive HIV Needs Assessment



# City's Approach for HOPWA



- Recommend using HOPWA funds consistent with priorities established by Ryan White Planning Council of the Dallas Area (RWPC) and with needs identified in the RWPC Comprehensive HIV Needs Assessment
  - **Recommend** using up to the maximum 3.0% allowed for program administration



# Summary of Recommendations



<b>CDBG Grant, Public Services Category</b>	<p>Use funds to address the drivers of poverty, with focus on reducing and/or eliminating barriers to work and closing disparity gaps for resident with greatest need.</p> <ul style="list-style-type: none"> <li>• Transfer current expenses for Community Courts from CDBG to the General Fund in FY 2024-25</li> <li>• Increase funding for Child-Care and Out-of-School Time Services</li> </ul>
<b>CDBG Grant, Housing Category</b>	<p>Use funds for homebuyer assistance program, including down payment and closing costs; preservation of existing housing through rehabilitation and/or reconstruction of single-family homeowner occupied housing (assistance not to exceed \$24,000); and acquisition and redevelopment projects for new multifamily housing consistent with priorities identified in DHP33.</p>
<b>CDBG Grant, Public Improvements Category</b>	<p>Use funds for public facilities, facade and infrastructure needs in eligible target areas.</p>
<b>CDBG Grant, Planning and Program Oversight Category</b>	<p>Use up to the maximum 20% allowed for fair housing, planning and program administration.</p>
<b>HOME Grant</b>	<p>Use funds consistent with the City's Dallas Housing Policy 2033, including using up to the maximum 10% allowed for program administration.</p>
<b>ESG Grant</b>	<p>Use funds in consultation with the Continuum of Care and consistent with the OHS amended Four-Track Strategy Plan, including using up to the maximum 7.50% allowed for program administration.</p>
<b>HOPWA Grant</b>	<p>Use funds consistent with priorities established by Ryan White Planning Council (RWPC) of the Dallas Area and with needs identified in the RWPC Comprehensive HIV Needs Assessment, including using up to the maximum 3.0% allowed for program administration.</p>





# Next Steps and Schedule



Date	Next Steps
<b>Underway (and Ongoing)</b>	Collaboration with Community Development Commission (CDC)
<b>October 18, 2023</b>	Briefing to City Council to inform development of the new 5-Year Consolidated Plan
<b>November 9, 2023</b>	The CDC recommended Communication Plan was submitted to City Council for feedback
<b>December 7, 2023</b>	Update to CDC during monthly meeting
<b>December 8, 2023</b>	Update Memo to City Council regarding City Manager's recommended approach for development of the new 5-Year Plan
<b>January 31, 2024</b>	Briefing to City Council regarding City Manager's recommended approach for development of the new 5-Year Plan
<b>January/February 2024</b>	Resident and stakeholder feedback at community meetings and outreach activities
<b>February 28, 2024</b>	City Council initial approval of development of the 5-Year Plan
<b>February through June 2024</b>	Annual budget development process
<b>May 2024</b>	City Council preliminary approval of 5-Year Consolidated Plan and Year-One Action Plan (Annual Budget)
<b>May through June 2024</b>	30-day review/comment period and public hearing
<b>June 2024</b>	Final approval of 5-Year Consolidated Plan and Year-One Action Plan (annual budget)
<b>August 2024</b>	Submit plans to HUD
<b>October 1, 2024</b>	Effective date of new 5-Year Consolidated Plan and Annual Action Plan





**City of Dallas**

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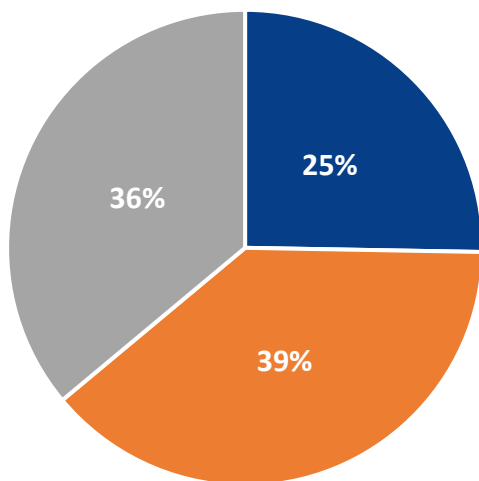
# APPENDIX



# Survey Results



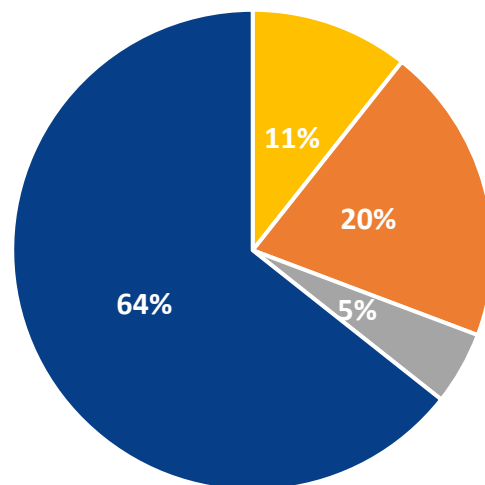
**1.** The City allocates grant funds to address human and social service needs, including affordable childcare, after school care, and community-based services for adults. In your opinion, which of the following needs is most important?



269 Responses

- Affordable Childcare
- After-School/ Out-of-School Care
- Community Based Services for adults

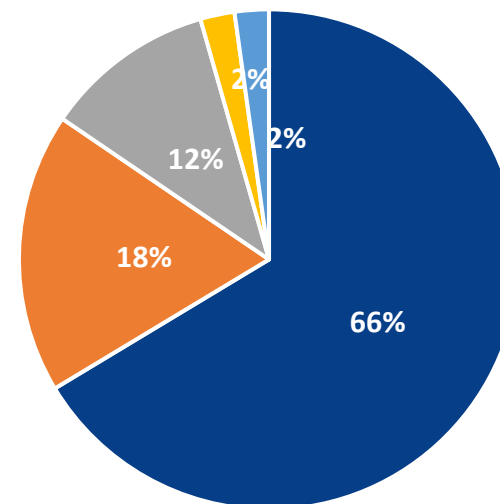
**2.** Which housing programs do you believe the City should support the most to increase accessibility and supply of affordable, high-quality housing for residents of Dallas?



244 Responses

- Create new homeowners through the homebuyer assistance program
- Rehabilitate and/or reconstruct existing single-family and multi-family housing
- Develop new housing units
- All of the above

**3.** The City should continue allocating grant funds for projects aimed at enhancing public infrastructure in eligible areas specifically racially and ethnically concentrated of poverty (R/ECAPs)? (Projects may include repairing sidewalks & streets, enhancing accessibility for individuals with disabilities and the revitalization of non-profit facilities).



226 Responses

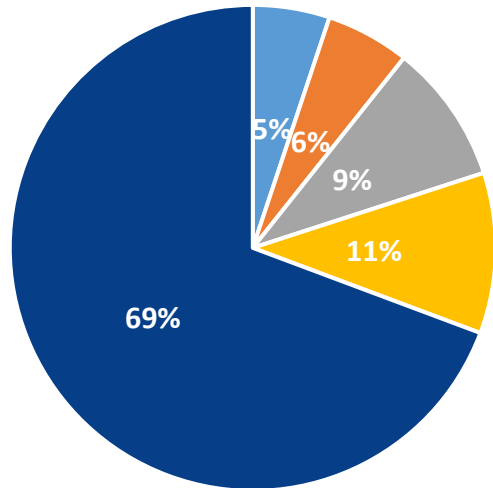
- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Agree



# Survey Results



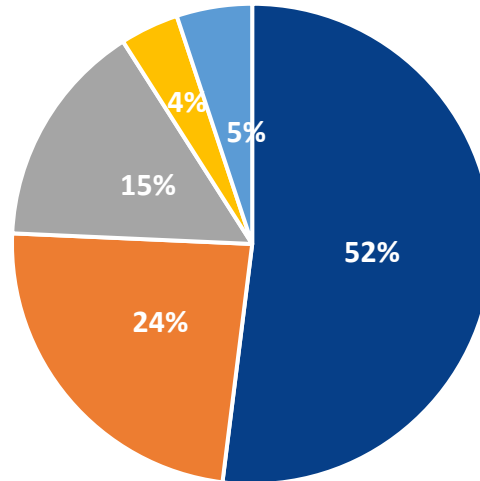
**4. Which services should the city concentrate on to tackle homelessness and cater to the needs of those without shelter in Dallas?**



215 Responses

- Shelter operations support
- Street Outreach
- Homeless prevention programs
- Housing placement programs
- All of the above

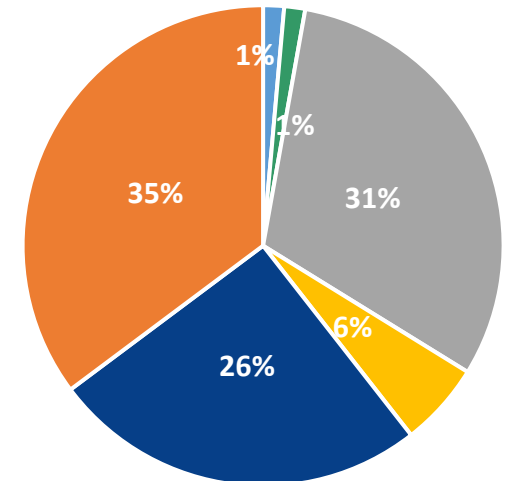
**5. Do you agree with the following?**  
The City should continue funding the following services that help and provide supportive services to improve the housing stability, health outcomes, and overall well-being of those affected by HIV/AIDS? Services include: (1) Rental Assistance, (2) Housing Placement & Supportive Services, (3) Facility Based Housing, (4) Housing Information Services)



177 Responses

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

**6. How did you learn about the Neighborhood Public Meeting?**



71 Responses

- Newspaper
- Social Media
- Word -of-Mouth
- City of Dallas Website
- Email
- Other

