

# Memorandum



CITY OF DALLAS

DATE March 20, 2026

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 **Upcoming Agenda Item PH5 – 26-837A: Public Hearing and Adoption of Reprogramming Budget No. 2 – Community Development Block Grant (CDBG)**

At your upcoming City Council meeting on Wednesday, March 25, you will consider a public hearing to receive comments on the adoption of Community Development Block Grant reallocation and then at the close of the public hearing consider approval of the Reprogramming Budget.

*Upcoming Agenda Item: (1) A public hearing to receive comments on the adoption of Reprogramming Budget No. 2 (Substantial Amendment No. 2) to the FY 2025-26 Action Plan to: (a) use unspent prior year Community Development Block Grant (CDBG) Funds in the amount of \$2,566,661 for public improvement projects and (b) use unspent prior year Coronavirus Aid, Relief, and Economic Security (CARES) Act Funds, Community Development Block Grant (CDBG-COVID) in the amount of \$450,000 for the emergency rental and mortgage assistance program; and, (2) at the close of the public hearing, authorize final adoption of Reprogramming Budget No. 2 (Substantial Amendment No. 2) to the FY 2025-26 Action Plan*

This item was briefed to the Finance Committee on February 3, 2026, and recommends unspent funds be reprogrammed for public improvement projects, which include repairs and renovations at public facilities and infrastructure projects. The City has recently been advised that the Section 108 Hotel Project Loan Agreement with the U.S. Department of Housing and Urban Development (HUD) approved January 14, 2015 may be in default as communicated to the [Economic Development Committee on March 2, 2026](#). The upcoming agenda item will include an amendment on March 25 to expand the use of the reprogrammed funds from “public improvement projects” to “public improvement projects and other eligible uses”. The expanded use will authorize up to \$935,101.50 as Interim Loan Financing for the Section 108 Hotel Project Loan Agreement. The funds, if needed, would be used to service a \$773,216.25 principal and interest payment due to HUD on August 1, 2026 and a \$161,885.25 principal and interest payment due to HUD on

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February 1, 2027 while the City considers or pursues any necessary enforcement action(s) against the borrower.

For questions, please contact me or Chan Williams, Assistant Director of Budget & Management Services.



**Jack Ireland**  
**Chief Financial Officer**

c: Kimberly Bizer Tolbert, City Manager  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Baron Eliason, Inspector General (I)  
Dominique Artis, Chief of Public Safety  
Dev Rastogi, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Alina Ciocan, Assistant City Manager  
Donzell Gipson, Assistant City Manager  
Robin Bentley, Assistant City Manager  
Ahmad Goree, Chief of Staff to the City Manager