

Memorandum



CITY OF DALLAS

DATE August 26, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **Update on Community Development Block Grant Disaster Recovery (CDBG-DR) Funding**

The Disaster Relief Supplemental Appropriations Act of 2022 included \$5 billion in Community Development Block Grant Disaster Recovery (CDBG-DR) funding. This program funds necessary activities related to disaster recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the “most impacted and distressed (MID)” areas of qualifying disasters in 2020 and 2021. In late April 2022, the Department of Housing and Urban Development (HUD) announced that approximately \$24.4 million has been allocated to the City of Dallas under the second tranche of funds released from the Disaster Relief and Supplemental Appropriations Act of 2022. This funding was allocated to the City as a result of the winter storm that occurred in February 2021.

CDBG-DR funding supplements other Federal recovery assistance programs administered by the Federal Emergency Management Agency (FEMA), the Small Business Administration (SBA), and the United States Army Corps of Engineers (USACE). Funds cannot duplicate financial assistance or be used to reimburse for payments made from any other source. Since these recovery assistance programs provide similar assistance, HUD entered into a data sharing agreement with FEMA. HUD will share FEMA’s data with grantees to prevent a risk of duplication of benefits. To receive the CDBG-DR funds, the City must develop an action plan detailing the use of funds that address unmet recovery needs and mitigation activities related to the disaster. The FEMA data must also be used to guide funding recommendations in the action plan.

The CDBG-DR action plan is due to HUD by September 28. Regulations require that the proposed plan be posted on the City’s website to receive comments 30 days prior to submission to HUD by August 29. The 30-day posting requirement assumes that we have received the FEMA data. To date, the City has not received the FEMA data to inform development of the action plan and an extension request has been submitted to HUD. Staff expects that HUD will grant the extension but recommends moving forward with requirements until the extension is confirmed. In general, CDBG eligible activities that address a disaster-related impact (directly or indirectly) throughout the city are eligible for CDBG-DR funding. Same as with other HUD funds, a focus on addressing housing needs is encouraged. Funds may only be used for unmet disaster recovery needs or mitigation activities not addressed by other resources. Reimbursements are not allowed.

DATE August 26, 2022
 SUBJECT **Update on Community Development Block Grant Disaster Recovery (CDBG-DR) Funding**

Departments were asked to submit projects that could potentially fit these criteria. All submissions were reviewed, and specific allocations to potentially eligible projects are pending. Until the FEMA data has been received, the action plan cannot be finalized. The proposed use of funds by eligible categories will be posted to meet the 30-day posting requirement until we receive the FEMA data and are listed below.

Community Development Block Grant – Disaster Recovery (CDBG-DR)	Proposed Budget
CDBG-DR - Housing Activities: Activities that lead to restoring and improving the housing stock, including new construction, rehabilitation, and down payment assistance.	\$11,360,000
CDBG-DR - Infrastructure: An activity or group of activities that assists the development and/or repair of physical assets, (including city owned buildings, site or other improvements and park lands) due to damages caused by the winter storm.	\$5,000,000
CDBG-DR - Mitigation: Activities that will address goals and objectives outlined in the City of Dallas Local Mitigation Action Plan. (Maximum amount allowed = \$3,187,000)	\$3,187,000
CDBG-DR - Planning: - data acquisition, analysis, and creation of action plan(s), implementation plan(s), amendments, and other activities necessary to enable spending funds pursuant to the law. (15% maximum allowed = \$3,664,350)	\$3,664,350
CDBG-DR Administration: Provide coordination of budget development, citizen participation, reporting, management, and general administration (5% maximum allowed = \$1,221,650)	\$1,221,650
Total	\$24,433,000

On September 21, staff will provide a briefing to the City Council on the proposed CDBG-DR action plan.

We will continue to provide updates on the process to receive and use the CDBG-DR funds. If you have any questions, please contact Janette Weedon, Director of Budget and Management Services.


 Jack Ireland
 Chief Financial Officer

- c: T.C. Broadnax, City Manager
- Chris Caso, City Attorney
- Mark Swann, City Auditor
- Biliera Johnson, City Secretary
- Preston Robinson, Administrative Judge
- Kimberly Bizer Tolbert, Deputy City Manager
- Jon Fortune, Deputy City Manager
- Majed A. Al-Ghafry, Assistant City Manager
- M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
- Robert Perez, Assistant City Manager
- Carl Simpson, Assistant City Manager
- Genesis D. Gavino, Chief of Staff to the City Manager
- Directors and Assistant Directors