

# Memorandum



CITY OF DALLAS

DATE August 9, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Office of Homeless Solutions City Council Agenda Item for Substantial Amendment to ESG Program**

The following Office of Homeless Solutions item will be considered by City Council on the August 14, 2019 Agenda:

A public hearing to receive comments on Substantial Amendment No. 3 to the FY 2018-19 Action Plan for the Emergency Solutions Grant ("ESG") Program, to reallocate FY17 ESG funds in the amount of \$333,895.00 from Emergency Shelter, Rapid Re-Housing, and Homeless Management Information System eligible activities to Street Outreach and Homelessness Prevention eligible activities; and at the close of the public hearing, authorize final adoption of Substantial Amendment No. 3 to the FY 2018-19 Action Plan - Financing: No cost consideration to the City

On June 26, 2019, City Council authorized a public hearing and preliminary adoption of Substantial Amendment No. 3 to the FY 2018-19 Action Plan for the Emergency Solutions Grant ("ESG") Program, by Council Resolution No. 19-1063. The purpose of this action is to hold the public hearing and, at the close of the public hearing, authorize final adoption of Substantial Amendment No. 3 to the FY 2018-19 Action Plan for the ESG Program.

### **Background:**

Emergency Solutions Grant ("ESG") funds are awarded to the City of Dallas by the U.S. Department of Housing and Urban Development ("HUD") as part of the Consolidated Plan Budget. These grant funds may be used to support emergency shelters serving the homeless; street outreach for unsheltered homeless; rapid re-housing assistance for homeless persons; and homelessness prevention assistance for persons at risk of homelessness.

On May 24, 2017, City Council authorized the preliminary adoption of the Proposed FY 2017-18 Consolidated Plan Budget with an estimated FY17 ESG grant allocation of about \$1.2 million. HUD published the final grant allocations on June 14, 2017 and, subsequently notified the City by letter dated June 30, 2017, that it would receive a one-time supplemental ESG allocation based on additional ESG funds appropriated by Congress.

On August 9, 2017, City Council authorized the final adoption of the FY 2017-18 Consolidated Plan Budget, with an FY17 ESG grant allocation as follows:

FY17 ESG Grant Allocation	\$1,193,613
FY17 ESG Supplemental Allocation	<u>\$1,923,927</u>
Total ESG Allocation	\$3,117,540

ESG funds must be expended within 24 months after the date HUD signs the grant agreement with the City of Dallas. For the FY17 ESG grant allocation, this expenditure deadline is October 19, 2019. ESG grant funds must be matched dollar-for-dollar. The Office of Homeless

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Solutions (“OHS”) has issued four procurement solicitations for FY17 ESG funds. Proposers applying for ESG grant funds are required to provide a dollar-for dollar match.

Over the five-year period prior to FY2017-18, the City’s annual ESG grant allocation averaged approximately \$1.2 million. Spending the additional \$1.9 million FY17 ESG one-time supplemental allocation (over and above the normal annual allocation of \$1.2 million) has proved challenging. The Dallas housing market conditions, along with specific program requirements like the dollar-for-dollar match requirement, have been exacerbating factors. OHS has been working with ESG partners to mitigate challenges. However, it is necessary to reallocate FY17 ESG funds among eligible activities to expend the funds.

Federal regulations and the City’s Citizen Participation Plan require a public hearing to authorize a substantial amendment (including a budget amendment in excess of 25% or \$100,000).

**Summary:**

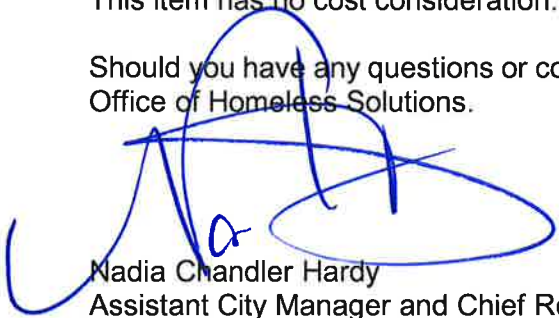
Substantial Amendment No. 3 to the FY 2018-19 Action Plan will reallocate FY17 ESG funds in the amount of \$333,895 from Emergency Shelter, Rapid Re-Housing, and Homeless Management Information System eligible activities to Street Outreach and Homelessness Prevention eligible activities, as follows:

Eligible Activity	Original Budget	Change	Revised Budget
Emergency Shelter	\$1,587,807	(\$18,370)	\$1,569,437
Street Outreach	\$69,072	\$232,015	\$301,087
Homelessness Prevention	\$170,000	\$101,880	\$271,880
Rapid Re-Housing	\$1,065,784	(\$302,778)	\$763,006
HMIS Data Collection	\$69,000	(\$12,747)	\$56,253
ESG Administration	\$155,877	\$0	\$155,877
<b>Total</b>	<b>\$3,117,540</b>	<b>\$0</b>	<b>\$3,117,540</b>

**Fiscal Impact:**

This item has no cost consideration.

Should you have any questions or concerns, please contact myself or Monica Hardman, Director, Office of Homeless Solutions.



Nadia Chandler Hardy  
 Assistant City Manager and Chief Resilience Officer

- c: Chris Caso, City Attorney (Interim)
- Mark Swann, City Auditor
- Biliera Johnson, City Secretary
- Preston Robinson, Administrative Judge
- Kimberly Bizer Tolbert, Chief of Staff to the City Manager
- Majed A. Al-Ghafry, Assistant City Manager
- Jon Fortune, Assistant City Manager
- Joey Zapata, Assistant City Manager
- Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
- Michael Mendoza, Chief of Economic Development and Neighborhood Services
- M. Elizabeth Reich, Chief Financial Officer
- Laila Alequresh, Chief Innovation Officer
- M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
- Directors and Assistant Directors