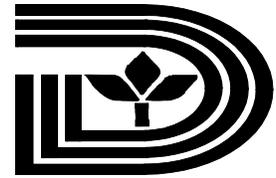


Memorandum



DATE November 8, 2019

CITY OF DALLAS

TO Honorable Mayor and Members of the City Council

SUBJECT **HOME Program Expenditure Deadline**

Summary

On October 22, 2019, the City received a letter from the U.S. Department of Housing and Urban Development (HUD) regarding the HOME Program Expenditure deadline date of October 31, 2019. The letter places the City on notice for deobligation of \$4,794,723.23 in unexpended HOME funds. Staff has conferred on the matter and considers the letter inaccurate. This issue will be discussed with HUD on November 13, 2019, when staff will present the following history of account adjustments and deobligations dating back to 2011.

Background

The letter provided by HUD does not include the following adjustments that restrict the City from accessing the total \$4,794,723.23.

- HUD deobligated \$1,242,443.26 on September 30, 2018 (see attached letter dated August 22, 2018);
- HUD deobligated \$636,031.50 on September 30, 2019 for unexpended 2013 Community Housing Development Organization (CHDO) program funds;
- HUD has to complete an adjustment in the amount of \$453,452.50 for eligible expenses incurred before the September 30, 2018 deadline;

In August 2019, Housing & Neighborhood Revitalization Department (Housing) expended \$1,927,125.43 on the Palladium at Redbird Project; the maximum amount available in Fiscal Year 2014 funds that were not reserved for CHDOs. The remaining \$535,670.54 was deobligated on October 31, 2019 due to a lack of CHDO eligible projects to expend the funds. In 2018-2019, several CHDO projects did not move forward due to a lack of project readiness.

In the [Council memo dated August 23, 2019](#), Housing explained the first-in-first-out (FIFO) method of accounting that HUD used prior to 2015 when it changed to grant-based accounting. Reconciliations of HOME funds in the future will be managed on an annual basis rather than FIFO basis.

DATE November 8, 2019
SUBJECT **HOME Program Expenditure Deadline**

Should you have any questions please contact David Noguera, Director of Housing and Neighborhood Revitalization at (214) 670-3619.



Michael A. Mendoza

Chief of Economic Development and Neighborhood Services

c: T.C. Broadnax, City Manager
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
M. Elizabeth Reich, Chief Financial Officer
Laila Aleqresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors



RECEIVED
AUG 29 2018
OFFICE OF BUDGET

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Fort Worth Regional Office, Region VI
Office of Community Planning and Development
801 Cherry Street, Unit #45, Ste. 2500
Fort Worth, TX 76102
www.hud.gov

~~22~~ AUG 2018

T.C. Broadnax, City Manager
City of Dallas
Dallas City Hall, 4EN
1500 Marilla
Dallas, Texas 75201

Dear Mr. Broadnax:

SUBJECT: HOME Program Expenditure Deadline

HUD's records indicate that the City of Dallas, Texas is in danger of missing its 2018 expenditure requirement deadline, which occurs on September 30, 2018. Funds not expended by the deadline will be deobligated.

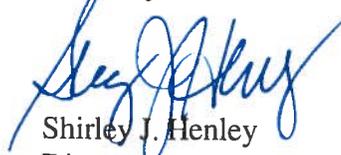
The *Consolidated Appropriations Act of 2017* (P.L. 115-141) suspends the 24-month HOME commitment requirement for deadlines that occurred or will occur in 2016 through 2020. Therefore, HUD will not enforce cumulative and grant-specific commitment requirements for deadlines in 2018. The City must continue to meet its CHDO reservation and expenditure requirements by committing an amount equal to its CHDO reservation requirement to projects owned, developed, or sponsored by CHDOs, and disbursing an amount equal to its expenditure requirement, as shown on both versions of the monthly HOME Deadline Compliance Status Reports, by no later than its deadline dates in 2018.

The HOME Program regulation requires a HOME participating jurisdiction (PJ) to expend its annual allocation of HOME funds within 5 years of receiving its HOME grant. Compliance with this requirement is based on a review of the PJ's allocations and expenditures, as reported in the Integrated Disbursement and Information System (IDIS) at the time of its deadline.

The enclosed *HOME Deadline Compliance Status Report* identifies the expenditure requirement amount for your September 30, 2018 deadlines; the total amount expended as reported in IDIS through the date of the report; and a \$1,242,443.26 expenditure requirement shortfall. This information is updated monthly on the HOME website at: www.hudexchange.info/manage-a-program/home-deadline-compliance-status-reports/ and www.hudexchange.info/programs/home/home-deadline-compliance-status-reports-grant-specific/.

HUD is providing this warning notice to the City of Dallas so that it may expend HOME funds before its upcoming deadline and enter those expenditures in IDIS to meet its deadline requirement. If you have any questions or require assistance, please contact Ms. Kristin Hadawi, Senior Community Planning and Development Representative, at (817) 978-5959 or by email at kristin.d.hadawi@hud.gov.

Sincerely,



Shirley J. Henley
Director

Enclosure

cc: Chan Williams, Assistant Director, Office of Financial Services

HOME Cumulative Deadline Compliance Status Report
Requirement Years: 2013 Disbursements
As of 07/31/2018
(sorted alphabetically by Field Office)

<u>PJ</u>	<u>+</u>	<u>Deadline Date</u>	<u>Original Allocation</u>	<u>Adjustments⁺⁺</u>	<u>Requirement Amount</u>	<u>Total C,R,orD⁺ through Deadline</u>	<u>%</u>	<u>Shortfall</u>	<u>Current Status</u>
Ft. Worth									
Abilene	D	9/30/2018	\$11,924,388.00	\$273,750.00	\$11,650,638.00	\$12,001,458.11	100.00	\$0.00	
TX									
Amarillo	D	12/31/2018	\$19,334,077.00	\$282,790.95	\$19,051,286.05	\$19,598,632.05	100.00	\$0.00	
TX									
Arlington	D	7/31/2018	\$24,928,784.00	\$0.00	\$24,928,784.00	\$25,759,775.00	100.00	\$0.00	
TX									
Dallas	D	9/30/2018	\$155,787,582.00	\$223,255.78	\$155,564,326.22	\$154,321,882.96	99.20	\$1,242,443.26	OAHP four month notice - 6/7/2018
TX									
Dallas County	D	10/31/2018	\$12,162,436.00	\$0.00	\$12,162,436.00	\$12,476,547.72	100.00	\$0.00	
TX									
Denton	D	8/31/2018	\$10,343,119.00	\$0.00	\$10,343,119.00	\$10,560,500.78	100.00	\$0.00	
TX									
El Paso	D	9/30/2018	\$83,069,979.00	\$717,928.00	\$82,352,051.00	\$82,589,925.24	100.00	\$0.00	OAHP four month notice - 6/7/2018
TX									
Fort Worth	D	9/30/2018	\$60,533,293.00	\$54,846.85	\$60,478,446.15	\$60,492,010.90	100.00	\$0.00	OAHP four month notice - 6/7/2018
TX									
Garland	D	9/30/2018	\$12,993,689.00	\$0.00	\$12,993,689.00	\$13,063,758.82	100.00	\$0.00	
TX									

+ D: Disbursements

++Adjustments could include CHDO reallocations, grant reductions, deobligations, recapture of expired funds, or waivers of deadline requirements due to Presidentially-declared disasters.

Source: Data entered by HOME Participating Jurisdictions into HUD's Integrated Disbursement and Information System (IDIS)

Tuesday, August 14, 2018

Page 27 of 93

HOME Grant-Specific Deadline Compliance Status Report
Requirement Years: 2016 CHDO Reservations, and 2016 Disbursements
As Of 7/31/2018
(sorted alphabetically by Field Office)

<u>PJ</u>	<u>+</u>	<u>Deadline Date</u>	<u>Original Allocation</u>	<u>Adjustments⁺⁺</u>	<u>Requirement Amount</u>	<u>Total C,R,orD⁺ through Deadline</u>	<u>%</u>	<u>Shortfall</u>	<u>Current Status</u>
Ft. Worth									
Abilene	CHDO-C	10/31/2018	\$329,092.00	\$0.00	\$49,363.80	\$0.00	0.00	\$49,363.80	FO four month letter -6/20/2018
TX	D	9/30/2024	\$329,092.00	\$0.00	\$329,092.00	\$263,384.73	80.03	\$65,707.27	
Amarillo	CHDO-C	12/31/2018	\$512,730.00	\$0.00	\$76,909.50	\$97,499.30	19.02	\$0.00	
TX	D	9/30/2024	\$512,730.00	\$0.00	\$512,730.00	\$243,027.54	47.40	\$269,702.46	
Arlington	CHDO-C	8/31/2018	\$883,432.00	\$0.00	\$132,514.80	\$145,897.00	16.51	\$0.00	
TX	D	9/30/2024	\$883,432.00	\$0.00	\$883,432.00	\$702,162.85	79.48	\$181,269.15	
Dallas	CHDO-C	10/31/2018	\$4,135,931.00	\$0.00	\$620,389.65	\$0.00	0.00	\$620,389.65	FO four month letter -6/20/2018
TX	D	9/30/2024	\$4,135,931.00	\$0.00	\$4,135,931.00	\$380,859.31	9.21	\$3,755,071.69	
Dallas County	CHDO-C	1/31/2019	\$501,783.00	\$0.00	\$75,267.45	\$0.00	0.00	\$75,267.45	
TX	D	9/30/2024	\$501,783.00	\$0.00	\$501,783.00	\$0.00	0.00	\$501,783.00	
Denton	CHDO-C	8/31/2018	\$348,383.00	\$0.00	\$52,257.45	\$0.00	0.00	\$52,257.45	FO one month letter -7/17/2018
TX	D	9/30/2024	\$348,383.00	\$0.00	\$348,383.00	\$46,421.85	13.32	\$301,961.15	
El Paso	CHDO-C	9/30/2018	\$2,014,274.00	\$0.00	\$302,141.10	\$1,463,220.10	72.64	\$0.00	
TX	D	9/30/2024	\$2,014,274.00	\$0.00	\$2,014,274.00	\$740,761.34	36.78	\$1,273,512.66	

+ CHDO-C: CHDO Reservations, D: Disbursements

Source: Data entered by HOME Participating Jurisdictions into HUD's Integrated Disbursement and Information System (IDIS)

Tuesday, August 14, 2018

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OCT 11 2019

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Fort Worth Regional Office, Region VI
Office of Community Planning and Development
801 Cherry Street, Unit #45, Ste. 2500
Fort Worth, TX 76102
www.hud.gov

T.C. Broadnax, City Manager
City of Dallas
Dallas City Hall, 4EN
1500 Marilla
Dallas, Texas 75201

Dear Mr. Broadnax:

SUBJECT: HOME Program Expenditure Deadline

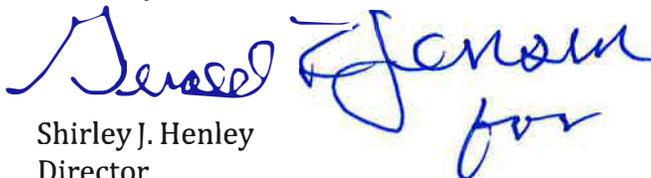
HUD's records indicate that the City of Dallas, Texas is in danger of missing its 2019 expenditure requirement deadline, which occurs on October 31, 2019. Funds not expended by the deadline will be deobligated.

The HOME Program regulation requires a HOME participating jurisdiction (PJ) to expend its annual allocation of HOME funds within 5 years of receiving its HOME grant. Compliance with this requirement is based on a review of the PJ's allocations and expenditures, as reported in the Integrated Disbursement and Information System (IDIS) at the time of its deadline.

The enclosed *HOME Deadline Compliance Status Report* identifies the expenditure requirement amount for your October 31, 2019 deadline; the total amount expended as reported in IDIS through the date of the report; and a \$4,794,723.23 expenditure requirement shortfall. This information is updated monthly on the HOME website at: www.hudexchange.info/manage-a-program/home-deadline-compliance-status-reports/ and www.hudexchange.info/programs/home/home-deadline-compliance-status-reports-grant-specific/.

HUD is providing this warning notice to the city so that it may expend HOME funds before its upcoming deadline and enter those expenditures in IDIS to meet its deadline requirement. If you have any questions or require assistance, please contact Jerry Jensen, Program Manager, at (817) 978-5940, or by email at Gerald.r.jensen@hud.gov.

Sincerely,


Shirley J. Henley
Director

Enclosure

cc: Chan Williams, Assistant Director, Office of Budget/Grant Administration

HOME Cumulative Deadline Compliance Status Report
Requirement Years: 2014 Disbursements
As of 9/30/2019
(sorted alphabetically by Field Office)

<u>PJ</u>	<u>±</u>	<u>Deadline Date</u>	<u>Original Allocation</u>	<u>Adjustments⁺⁺</u>	<u>Requirement Amount</u>	<u>Total C.R.orD⁺ through Deadline</u>	<u>%</u>	<u>Shortfall</u>	<u>Current Status</u>
Ft. Worth									
Abilene	D	10/31/2019	\$12,294,256.00	\$273,750.00	\$12,020,506.00	\$12,051,708.11	100.00	\$0.00	
TX									
Amarillo	D	10/31/2019	\$19,881,423.00	\$282,790.95	\$19,598,632.05	\$19,598,632.05	100.00	\$0.00	
TX									
Arlington	D	7/31/2019	\$25,860,069.00	\$0.00	\$25,860,069.00	\$25,860,069.00	100.00	\$0.00	
TX									
Dallas	D	10/31/2019	\$160,153,400.00	\$223,255.78	\$159,930,144.22	\$155,135,420.99	97.00	\$4,794,723.23	OAHP four month notice - 6/27/2019
TX									
Dallas County	D	10/31/2019	\$12,761,170.00	\$0.00	\$12,761,170.00	\$12,760,670.00	100.00	\$500.00	OAHP four month notice - 6/27/2019
TX									
Denton	D	7/31/2019	\$10,714,214.00	\$0.00	\$10,714,214.00	\$10,714,198.84	100.00	\$15.16	<\$1,000 (no deobligation necessary)
TX									
El Paso	D	8/31/2019	\$85,333,683.00	\$717,928.00	\$84,615,755.00	\$84,615,755.00	100.00	\$0.00	FO one month letter -7/19/2019
TX									
Fort Worth	D	10/31/2019	\$62,676,676.00	\$54,846.85	\$62,621,829.15	\$62,559,412.32	99.90	\$62,416.83	OAHP four month notice - 6/27/2019
TX									
Garland	D	10/31/2019	\$13,495,081.00	\$0.00	\$13,495,081.00	\$13,495,075.72	100.00	\$5.28	OAHP four month notice - 6/27/2019
TX									

+ D: Disbursements

++Adjustments could include CHDO reallocations, grant reductions, deobligations, recapture of expired funds, or waivers of deadline requirements due to Presidentially-declared disasters.

Source: Data entered by HOME Participating Jurisdictions into HUD's Integrated Disbursement and Information System (IDIS)

Thursday, October 03, 2019