

Memorandum



CITY OF DALLAS

DATE May 17, 2024

TO Honorable Mayor and Members of the City Council

SUBJECT **HUD Grant Allocations for FY 2024-25 Consolidated Plan Budget**

On May 8, 2024, City Council authorized preliminary adoption of the FY 2024-25 HUD Consolidated Plan Budget. For budget development purposes, the proposed budget assumed level funding for all four grants, pending notification from HUD of the City's actual formula grant allocations. To meet statutory deadline requirements, development of the budget had to begin using preliminary estimates of level funding and could not wait for notification of actual grant amounts.

HUD has now published the actual formula grant allocations, and the City Manager has proposed increases and decreases as necessary to balance the budget with available resources, including capped categories. The HUD actual formula grant allocations are as follows:

Grant	Preliminary Estimate (5/8/2024)	Actual Amount (5/17/2024)	Change
Community Development Block Grant (CDBG)	\$13,809,603	\$13,023,068	(\$786,535)
HOME Investment Partnerships Program (HOME)	\$6,433,179	\$5,078,453	(\$1,354,726)
Emergency Solutions Grant (ESG)	\$1,241,010	\$1,213,719	(\$27,291)
Housing Opportunities for Persons with AIDS (HOPWA)	\$9,604,613	\$9,864,583	\$259,970
Estimated Program Income and FY 2023-24 CDBG Reprogrammed Funds	\$1,769,286	\$1,769,286	\$0
Total	\$32,857,691	\$30,949,109	(\$1,908,582)

The Attachment included with this memo shows the following information for each grant (by funded project) in the proposed FY 2024-25 HUD Consolidated Plan Budget:

- FY 2023-24 Amended Budget
- FY 2024-25 Preliminary Adoption Budget (as of 5/8/2024)
- Change between Preliminary Adoption and Proposed Final Adoption
- FY 2024-25 Proposed Final Adoption Budget (as of 5/17/2024)

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Below is a summary of the proposed changes shown in the Attachment.

- **CDBG:** The CDBG appropriation decreased at the federal level, resulting in a decrease in the City's CDBG allocation by \$786,535. This decrease was applied to the new Drivers of Poverty Program (Line CD03) (due to the 15% cap on the public services category) and Planning and Program Oversight activities (Lines CD11-CD14) (due to the 20% cap on program planning and oversight). The remainder of the decrease was applied to Public Facilities and Improvements (Line CD09).
- **HOME:** The HOME appropriation decreased at the federal level, resulting in a decrease in the City's HOME grant by \$1,354,726. This decrease was applied to CHDO Development Loan Program (Line HM01) (to comply with 15% minimum requirement) and HOME Program Administration (Line HM03) due to 10% cap on this activity. The remainder of the decrease was applied to Housing Development Loan Program (Line HM05).
- **ESG:** The ESG appropriation decreased at the federal level, resulting in a slight decrease in the City's ESG grant by \$27,291. This decrease was applied to the Emergency Shelter program (Line ES01) to comply with 60% limit on combined Emergency Shelter and Street Outreach costs. The remainder of the decrease was applied to the rapid re-housing activity (Line ES04). Please note, there are other resources dedicated to rapid re-housing in the community for the upcoming year.
- **HOPWA:** The HOPWA appropriation increased at the federal level, resulting in an increase in the City's HOPWA grant of \$259,970. This increase was used to enhance Emergency/Rental Assistance activity (Line HW01), with associated increases in City Administration (Lines HW05 and HW06) to support the service enhancement.

On May 22, 2024, a public hearing will be held before City Council to receive resident comments on the FY 2024-25 HUD Consolidated Plan Budget. Final adoption is scheduled for June 12, 2024.

A copy of this memorandum is also being distributed to the Community Development Commission (CDC). The next meeting of the CDC is scheduled for June 6, 2024, unless a special called meeting occurs prior to that date.

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Please contact me or Janette Weedon, Director of Budget and Management Services, if you need additional information.



Jack Ireland
Chief Financial Officer

[Attachment]

- c: Community Development Commission
Kimberly Bizer Tolbert, City Manager (I)
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Jon Fortune, Deputy City Manager
- Majed A. Al-Ghafry, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Dr. Robert Perez, Assistant City Manager
Donzell Gipson, Assistant City Manager (I)
Robin Bentley, Assistant City Manager (I)
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

**FY 2024-25 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT

A	B	C	E	F
Project Name	FY 2023-24 Amended Budget	FY 2024-25 HUD Consolidated Plan Budget Prel. Adoption 5/8/24	HUD Final Allocation Variance +/-	FY 2024-25 Revised Proposed Budget
<u>SOURCE OF FUNDS</u>				
Community Development Block Grant				
Entitlement (grant)	\$13,809,603	\$13,809,603	(786,535)	\$13,023,068
Program Income - Housing Activities	200,000	200,000	0	200,000
One-Time Revenue	1,000,000	0	0	0
FY 2023-24 CDBG Reprogrammed Funds		1,069,286	0	1,069,286
	\$15,009,603	\$15,078,889	(786,535)	\$14,292,354
Home Investment Partnership				
Entitlement (grant)	\$6,433,179	\$6,433,179	(1,354,726)	\$5,078,453
Program Income - Housing Activities	500,000	500,000	0	500,000
	\$6,933,179	\$6,933,179	(1,354,726)	\$5,578,453
Emergency Solutions Grant				
Entitlement (grant)	\$1,241,010	\$1,241,010	(27,291)	\$1,213,719
Housing Opportunities for Persons with AIDS				
Entitlement (grant)	\$9,604,613	\$9,604,613	259,970	\$9,864,583
TOTAL SOURCE OF FUNDS	\$32,788,405	\$32,857,691	(1,908,582)	\$30,949,109

USE OF FUNDS

Community Development Block Grant				
Public Services (15% of CDBG maximum amount allowed)	\$2,124,846	\$2,124,846	(117,980)	\$2,006,866
Housing Activities	7,319,689	7,341,112	0	7,341,112
Public Improvements	2,803,147	2,851,010	(511,248)	2,339,762
Fair Housing and Program Oversight (20% of CDBG max amount allowed)	2,761,921	2,761,921	(157,307)	2,604,614
	\$15,009,603	\$15,078,889	(786,535)	\$14,292,354

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Project Name	FY 2023-24 Amended Budget	FY 2024-25 HUD Consolidated Plan Budget Prel. Adoption 5/8/24	HUD Final Allocation Variance +/-	FY 2024-25 Revised Proposed Budget
HOME Investment Partnerships Program HOME Programs	6,933,179	6,933,179	(1,354,726)	5,578,453
Emergency Solutions Grant ESG Programs	1,241,010	1,241,010	(27,291)	1,213,719
Housing Opportunities for Persons with AIDS HOPWA Programs	9,604,613	9,604,613	259,970	9,864,583
TOTAL USE OF FUNDS	32,788,405	32,857,691	(1,908,582)	30,949,109
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)				
CDBG - Public Services				
CD01 Out-of-School Time Program - Provide after school and summer programs for low/mod income youth ages 5-12 Monday - Friday through structured recreational, cultural, social and life skills activities. 16 CDBG funded sites. FY 2024-25: estimated 1,750 children to be served. (PKR)	738,301	738,301	0	738,301
CD02 Early Childhood and Out of School Time Services Program - The program enables low/moderate-income parents to work and adolescent parents to attend school by providing child care referral, support and services. Contracts with providers ensures access to quality child care services. Support levels based on cost and need, for infant or toddler care, underserved communities, quality programs, and parent workshops. Funds will also pay for intake, assessments and provide direct client services. FY 2024-25: estimated 190 children to be served. (OCC)	650,000	650,000	0	650,000
Youth Programs Sub-Total	1,388,301	1,388,301	0	1,388,301

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CD03 Drivers of Poverty Program - The program will address the drivers of poverty, with focus on reducing and/or eliminating barriers to work and childcare and closing disparity gaps for residents with greatest need. FY 2024-25: Estimated households to be served - TBD (OCC)	0	736,545	(117,980)	618,565
CD04 Community Court Program - The Community Court, a unique program, provides restoration to the community where the crime is committed, seeks to rehabilitate individuals, deters further criminal action, and encourage defendants to become productive members of the community. FY 2024-25: estimated 475 clients to be served.	736,545	0	0	0
• South Dallas / Fair Park Community Court	215,839	0	0	0
• South Oak Cliff Community Court	181,946	0	0	0
• West Dallas Community Court	338,760	0	0	0
Other Public Services (Non-Youth) Sub-Total	736,545	0	(117,980)	117,980
Total CDBG - Public Services	2,124,846	2,124,846	(117,980)	2,006,866
CDBG - Public Services 15% Cap	2,124,846	2,124,846		2,006,866
Under/(Over) Cap	0	0		0
CDBG - Public Services Cap Percentage	15.0%	15.0%		15.00%
<u>CDBG - Housing Activities</u>				
CD05 Dallas Homebuyer Assistance Program - Provide no interest, deferred payment loans for down-payment, principal reduction and assistance with closing costs. Eligible homebuyers must get a principal mortgage through participating lenders and complete a homebuyer counseling course by a HUD approved trainer. FY 2024-25: estimated 20 loans to be administered.	400,000	400,000	0	400,000
Homeownership Opportunities Sub-Total	400,000	400,000	0	400,000

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CD06 Home Improvement and Preservation Program (HIPP) - Provide an all-inclusive repair and rehabilitation program for single-family owner-occupied housing units and landlord/rental multi-family units, with the purpose of making needed improvements and preserving affordable housing. FY 2024-25: estimated 128 households to be served.	3,094,038	3,094,038	0	3,094,038
CD07 Support for Home Improvement and Preservation Program (HIPP) - Provide direct service, delivery staff, to implement the Home Improvement Preservation Program.	1,187,427	1,208,850	0	1,208,850
CD08 Residential Development Acquisition Loan Program - Provide loans and grants to affordable housing developers for acquisition, relocation, and demolition to support affordable housing development for low income households at 80% or below AMFI. 40 Housing Units	2,638,224	2,638,224	0	2,638,224
Homeowner Repair Sub-Total	6,919,689	6,941,112	0	6,941,112
Total CDBG - Housing Activities	7,319,689	7,341,112	0	7,341,112
<u>CDBG - Public Improvements</u>				
CD09 Public Facilities and Improvements - Provide improvements to public facilities and infrastructure within eligible areas.	2,803,147	2,851,010	(511,248)	2,339,762
Public Improvement Sub-Total	2,803,147	2,851,010	(511,248)	2,339,762
Total CDBG - Public Improvement	2,803,147	2,851,010	(511,248)	2,339,762
<u>CDBG - Fair Housing and Planning & Program Oversight</u>				
CD10 Fair Housing Division - Provide housing discrimination investigations, fair housing education and outreach, and citizen referrals.	530,112	530,112	0	530,112

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CD11 Citizen Participation/CDC Support/HUD Oversight - Budget & Management Services/Community Development Division. Provide coordination of ConPlan budget development, citizen participation, and reporting to HUD as primary City liaison.	838,787	838,787	(26,307)	812,480
CD12 HUD Environmental Review and Compliance - Budget & Management Services. Provides compliance and lead for City's "responsible entity" designation with HUD, Part 58 environmental review requirements for all HUD funded projects, including Continuum of Care, Dallas Housing Authority, and nonprofits within the city limits of Dallas.	411,204	411,204	(10,000)	401,204
CD13 Community Care Management Support - Provide salaries and operational support to manage and administer CDBG-funded public service programs in the Office of Community Care.	178,890	178,890	(25,690)	153,200
CD14 Housing Management Support - Provide operational support for the management and administration for serving housing related CDBG programs.	802,928	802,928	(95,310)	707,618
Total CDBG - Fair Housing and Planning & Program Oversight	2,761,921	2,761,921	(157,307)	2,604,614
CDBG - FH/PLN/Program Oversight 20% Cap	2,761,921	2,761,921		2,604,614
Under/(Over) Cap	(0)	(0)		(0)
CDBG - FH/PLN/Program Oversight Cap Percentage	20%	20%		20%
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT	15,009,603	15,078,889	(786,535)	14,292,354
<u>HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)</u>				
HM01 CHDO Development Loan Program - Provide loans to City-certified Community Housing Development Organizations (CHDOs) to develop affordable housing for low to moderate income households earning up to 80% Area Median Family Income. (15% minimum)	1,216,076	966,076	(201,076)	765,000

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HM02 HOME Project Cost - Provides development assistance to for-profit and non-profit developers and down payment and closing cost assistance to homebuyers. These funds pay for staff costs associated with both development and homebuyer assistance programs.	450,000	450,000	0	450,000
HM03 HOME Program Administration - Provide operational support for the administration and servicing of the HOME programs which are housing based. (10% maximum)	589,796	589,796	(82,796)	507,000
HM04 Dallas Homebuyer Assistance Program - Provide no interest, deferred payment loans for down-payment, principal reduction and assistance with closing costs. DHAP is offered to homebuyers earning up to eighty percent (80%) of Area Median Family Income. Eligible homebuyers must get a principal mortgage through participating lenders and complete a homebuyer counseling course by a HUD approved trainer. FY 2024-25: estimated 20 households to be served.	400,000	400,000	0	400,000
HM05 Housing Development Loan Program - Provide profit and nonprofit organizations with loans for the development of single family housing (1-4 units) and multifamily housing (5 or more units); FY 2024-25 estimated 77 homes funded.	4,277,307	4,527,307	(1,070,854)	3,456,453
Home Ownership Opportunities Sub-Total	6,933,179	6,933,179	(1,354,726)	5,578,453
TOTAL HOME INVESTMENT PARTNERSHIP PROGRAM	6,933,179	6,933,179	(1,354,726)	5,578,453

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<u>EMERGENCY SOLUTIONS GRANT (ESG)</u>				
ES01 Emergency Shelter - Provides (i) payment of operational costs for shelters or transitional housing facilities for homeless persons, and (ii) essential services to homeless persons residing in shelters or transitional housing facilities. Emergency Shelter and Street Outreach costs combined are limited to 60.0% of the grant. FY 2024-25 estimated 3,500 persons to be served (OHS)	568,435	568,435	(5,117)	563,318
ES02 Street Outreach - Provide direct services designed to meet the immediate needs of unsheltered homeless persons by connecting them with emergency shelter, housing, and/or critical health services. Emergency Shelter and Street Outreach costs combined are limited to 60.0% of the grant. FY 2024-25 estimated 340 persons to be served (OHS)	153,673	164,913	0	164,913
Essential Services/Operations Sub-Total	722,108	733,348	(5,117)	728,231
ES03 Homeless Prevention - Provide financial assistance and housing relocation/stabilization services to persons at-risk of homelessness and meet income limit below 30% of the area median income, including short-term (3 months) and medium-term (4 - 24 months) rental assistance; payment of rental arrears up to 6 months; and utility payments. FY 2024-25 estimated 102 persons to be served. (OCC)	246,086	246,086	0	246,086
Homeless Prevention Sub-Total	246,086	246,086	0	246,086

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ES04 Rapid Re-Housing - Provide the rapid re-housing assistance to persons who are homeless, to include: (i) housing relocation and stabilization services (HRSS) service costs (ii) HRSS financial assistance and (iii) rental assistance (including short-term (3 months) and medium-term (4-24 months) rental assistance and one-time payment of up to 6 months of rental arrears, and utility payments. FY 2024-25 estimated 11 persons to be served (OHS)	180,813	169,573	(21,200)	148,373
Rapid Re-Housing Sub-Total	180,813	169,573	(21,200)	148,373
ES05 ESG Administration - Provide monitoring, reporting, and evaluation of contracts and related activities. Administrative costs are limited to 7.5% of the grant. (OHS)	69,003	69,003	(974)	68,029
ES06 ESG Administration - Provide monitoring, reporting, evaluation and environmental review for program activities. Administrative costs are limited to 7.5% of the grant. (BMS)	23,000	23,000	0	23,000
Program Administration Sub-Total	92,003	92,003	(974)	91,029
TOTAL EMERGENCY SOLUTIONS GRANT	1,241,010	1,241,010	(27,291)	1,213,719
<u>HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)</u>				
HW01 Emergency/Housing Placement/ Tenant Based Rental Assistance - Provide financial assistance and staff costs for emergency short-term rent/mortgage/utility assistance, long-term tenant-based rental assistance, and permanent housing placement, as well as supportive services, to persons with HIV/AIDS and their families who live in the Dallas eligible metropolitan area. FY 2024-25 estimated 693 households to be served. (OCC)	5,918,510	5,918,510	252,171	6,170,681

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HW02 Facility Based Housing - Provide housing operation costs, including lease, maintenance, utilities, insurance and furnishings) and supportive services, as well as rehabilitation/repair/acquisition, at facilities and master leasing and emergency vouchers that provide assistance to persons with HIV/AIDS and their families who live in the Dallas eligible metropolitan area. FY 2024-25 estimated 270 households to be served. (OCC)	2,682,450	2,682,450	0	2,682,450
HW03 Housing Placement & Other Support Services - Provide supportive services to persons with HIV/AIDS and their families who live in the Dallas eligible metropolitan area, including hospice and respite care for affected children. FY 2024-25 estimated 19 households to be served. (OCC)	163,395	163,395	0	163,395
HW04 Housing Information Services/ Resource Identification - Provide housing information services and resource identification, including a housing resource center with direct one-on-one housing referral assistance and online searchable housing database and web resources, for persons with HIV/AIDS and their families who live in the Dallas eligible metropolitan area. FY 2024-25 estimated 175 households to be served. (OCC)	160,500	160,500	0	160,500
Housing and Services Sub-Total	8,924,855	8,924,855	252,171	9,177,026
HW05 Program Administration/ City of Dallas - Provide administrative oversight, evaluation, technical assistance, and HMIS client-level data collection for grant funds and program activities. Administrative costs are limited to 3.0% of the grant. (OCC)	152,640	152,640	4,134	156,774
HW06 Program Administration/ City of Dallas - Provide administrative oversight, evaluation, technical assistance and environmental review for grant funds and program activities. Administrative costs are limited to 3.0% of the grant.(BMS)	135,498	135,498	3,665	139,163

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HW07 Program Administration/Project Sponsors - Provide administrative oversight, evaluation, and technical assistance for grant funds and program activities.	391,620	391,620	0	391,620
Program Administration Sub-Total	679,758	679,758	7,799	687,557
TOTAL HOUSING OPPORTUNITIES FOR PERSONS W/ AIDS	9,604,613	9,604,613	259,970	9,864,583
GRAND TOTAL CONSOLIDATED PLAN BUDGET	32,788,405	32,857,691	(1,908,582)	30,949,109