



**City of Dallas**

# **City Manager's Proposed FY 2025-26 HUD Consolidated Plan Budget**

**City Council Briefing  
April 16, 2025**

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# Presentation Overview



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- Consolidated Plan
- HUD Grant Allocations
- Budget Considerations
- FY 2025-26 Proposed Budget
- Grant Highlights (CDBG, HOME, ESG, HOPWA)
- CDC Deliberations
- Council Consideration
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# Background



- U.S. Department of Housing and Urban Development (HUD) offers numerous federal programs for community development and affordable housing
- City of Dallas receives four formula grants from HUD on an annual basis as part of the Consolidated Plan program
  - To be eligible for these funds, a city must have population 50,000 or more
  - Allocation of funding is formula based, including latest 10-year census data and 5-Year American Community Survey data



# Background



- Four distinct formula grants of the Consolidated Plan include:
  - Community Development Block Grant (CDBG)
  - HOME Investment Partnerships Program (HOME)
  - Emergency Solutions Grant (ESG)
  - Housing Opportunities for Persons with AIDS (HOPWA)
- Key feature of these grants is ability to choose how funds will be used



# Consolidated Plan



- Consolidated Plan is a comprehensive analysis and strategic plan:
  - Identifies community needs
  - Prioritizes needs
  - Details how needs will be addressed



# Consolidated Plan



- To receive grant funds, City of Dallas must complete a Consolidated Plan and submit the Plan to HUD
  - Provides a baseline of how the City proposed to use grant funds to address identified community needs
- Plan covers a period of five years
  - Current 5-Year Plan (FY 2024-25 through FY 2028-29) became effective Oct 1, 2024
- FY 2025-26 Action Plan (annual budget) will be due to HUD no later than August 16, 2025
  - This will be the second year of the current 5-Year Plan





# Consolidated Plan



## 5-Year Consolidated Plan

(Submitted to HUD August 2024)



## Annual Action Plans

(Application/budget submitted to HUD to receive annual grant funds)

Year 1

FY 2024-25

(Submitted  
August  
2024)

Year 2

FY 2025-26

(Will submit  
August  
2025)

Year 3

FY 2026-27

(Will submit  
August  
2026)

Year 4

FY 2027-28

(Will submit  
August  
2027)

Year 5

FY 2028-29

(Will submit  
August  
2028)



# HUD Grant Allocations



- Federal government approved a year-long Continuing Resolution that includes HUD funding for FY 2025-26 on March 14
  - HUD has 60 days to publish grant allocations
    - HUD grant allocations are not expected until mid-May
  - For budget development purposes, level funding has been assumed for all four grants





# HUD Grant Allocations



- In order to meet statutory deadline requirements, development of the City's FY 2025-26 Consolidated Plan Budget had to begin using preliminary estimates and cannot wait for notification of actual grant amounts
- **Once final allocation amounts are received, the City Manager will propose either increases or decreases as necessary to balance budget with available resources**



# HUD Grant Allocations



Grant	FY 2024-25 Actual	FY 2025-26 Estimate
CDBG	\$13,023,068	\$13,023,068
HOME	5,078,453	5,078,453
ESG	1,213,719	1,213,719
HOPWA	9,864,583	9,864,583
<b>Total</b>	<b>\$29,179,823</b>	<b>\$29,179,823</b>



# Budget Considerations



- Consistent with new 5-Year Consolidated Plan strategies that cover FY 2024-25 through FY 2028-29
- Comply with HUD guidelines in CDBG capped categories
  - CDBG Public Services 15%
  - CDBG Program Oversight 20%
- Adhere to HUD and City's timely expenditure policy
- Continue to meet HUD monitoring and reporting requirements
- Ensure housing programs affirmatively further fair housing



# FY 2025-26 Sources of Funds



Source of Funds	FY 2024-25 Actual	FY 2025-26 Estimated	Variance
CDBG (grant)	\$13,023,068	\$13,023,068	0
HOME (grant)	5,078,453	5,078,453	0
ESG (grant)	1,213,719	1,213,719	0
HOPWA (grant)	9,864,583	9,864,583	0
<b>Sub-Total - HUD Grant Funds</b>	<b>\$29,179,823</b>	<b>\$29,179,823</b>	<b>\$0</b>
CDBG Program Income (Housing)	\$200,000	\$200,000	0
HOME Program Income (Housing)	500,000	500,000	0
FY 2023-24 CDBG Reprogrammed Funds*	1,069,286	0	(1,069,286)
<b>Sub-Total - Other Funds</b>	<b>\$1,769,286</b>	<b>\$700,000</b>	<b>(\$1,069,286)</b>
<b>Grand Total - All Sources</b>	<b>\$30,949,109</b>	<b>\$29,879,823</b>	<b>(\$1,069,286)</b>

\* In February 2025, City Council approve FY 2024-25 Reprogramming in the amount of \$1,335,555.



# FY 2025-26 Uses of Funds



Use of Funds	FY 2024-25 Actual	FY 2025-26 Estimated	Variance
CDBG Public Services	\$2,006,866	\$2,006,866	\$0
CDBG Housing Activities	7,341,112	6,890,391	(450,721)
CDBG Clearance Activities	0	300,000	300,000
CDBG Public Improvements	2,339,762	1,421,197	(918,565)
CDBG Fair Housing	530,112	530,112	0
CDBG Program Oversight	2,074,502	2,074,502	0
HOME Activities	5,578,453	5,578,453	0
ESG Activities	1,213,719	1,213,719	0
HOPWA Activities	9,864,583	9,864,583	0
<b>Total</b>	<b>\$30,949,109</b>	<b>\$29,879,823</b>	<b>(\$1,069,286)</b>



# CDBG – Public Services - Highlights



- HUD regulations limit funding for Public Services to 15% of grant amount and program income
  - Level funding for PKR Out of School Time Program, Early Childhood and Out of School Time Program, and Drivers of Poverty Program
    - Budget allocations in this category are subject to change pending notice of final grant amount from HUD.



# CDBG – Housing - Highlights



- Maintain level funding for programs pending notice of final grant amount from HUD
  - Dallas Homebuyer Assistance Program
  - Home Improvement and Preservation Program
- Decrease funding for Residential Development Acquisition Loan Program (RDALP)
  - Due to FY 2024-25 Reprogrammed funds approved for one time use for repair and renovation projects in February 2025





# CDBG – Clearance - Highlights



- Neighborhood Clearance and Enhancement Program
  - New pilot program
  - Administered by Code Compliance Services
  - Funds will focus on clearance, demolition, and removal of buildings and other structures in target neighborhoods to eliminate hazards and reduce crime
  - Allowed by HUD rules to enhance neighborhood conditions to attract new development such as affordable housing or other economic initiatives



# CDBG – Public Improvement - Highlights



- Decrease in funding for Public Facilities and Improvements due to FY 2024-25 Reprogramming Funds approved for one time use for repair and renovation projects in February 2025
  - Funds will focus on eligible projects in high need/priority areas
  - Eligible projects may also include:
    - Projects that support housing development
    - Comply with ADA requirements
    - City facilities
    - Funding for eligible projects at nonprofit organizations



# CDBG – Fair Housing & Program Oversight



- HUD regulations limit funding for Fair Housing, Planning, and Program Oversight activities to 20% of entitlement
  - Level funding for Fair Housing Division, Program oversight, community engagement, HUD Compliance and Environmental Review, Housing & Community Development Department, and Office of Community Care and Empowerment
    - Budget allocations in this category are subject to change pending notice of final grant amount from HUD



# HOME – Highlights



- CHDO Development Assistance funding requirements no less than 15% minimum and CHDO Operating Assistance no more than 5% maximum of entitlement (HOME regulations)
  - Maintain level funding for all programs
    - Funding for CHDO Development Loan Program to meet minimum requirements
    - Budget allocations are subject to change pending notice of final grant amount from HUD



# ESG – Highlights



- Funding allocations made in consultation with local Homeless Continuum of Care (CoC)
  - Recommendations made on January 28, 2025, during Monthly CoC Assembly meeting
- Combined total budget for Emergency Shelter and Street Outreach cannot exceed 60% of grant amount
  - Increase funding for Emergency Shelter
  - Eliminate ESG funding for Street Outreach
    - Street Outreach program restructured, and services provided through other funding source



# ESG – Highlights



- Maintain funding for Homelessness Prevention and Rapid Re-Housing
- ESG Administration is limited to 7.5% of grant amount
  - Maintain level funding for ESG Administration
- Budget allocations are subject to change pending notice of final grant amount from HUD



# HOPWA – Highlights



- Funding allocations made consistent with:
  - Priorities established by Ryan White Planning Council of the Dallas Area (RWPC)
  - Needs identified in RWPC 2022 Comprehensive HIV Needs Assessment
- Maintain level funding across all activities pending notice of final grant amount from HUD





# CDC Deliberations



- On March 6, 2025, staff presented City Manager's proposed budget for FY 2025-26 to the Community Development Commission (CDC)
- During March, meetings were held with CDC committees, and staff from various departments to review each budget line item and address program questions
- On April 3, 2025, CDC concurred with City Manager's recommended budget and made no amendments



## Next Steps



- April 16 – Brief FY 2025-26 Consolidated Plan Budget with CDC recommendation to the City Council
- April 23 – Preliminary adoption FY 2025-26 Consolidated Plan Budget, and call a public hearing
- April 24 – Begin 30-day public review
- April 30 - City Council submits proposed amendments
- May 7 – Discuss proposed Council amendments and conduct straw votes
  - Amendments from the straw vote will be incorporated into the budget to be approved on June 11



## Next Steps



- May 28 – Hold public hearing before the City Council
- June 11 – Final adoption of FY 2025-26 Consolidated Plan Budget
- August 15 – Submit FY 2025-26 Action Plan to HUD
- October 1 – Implement Plan





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