

Memorandum



CITY OF DALLAS

DATE May 16, 2025

TO Honorable Mayor and Members of the City Council

SUBJECT **FY 2025-26 HUD Consolidated Plan Budget: Discuss City Council Proposed Amendments**

Your Wednesday, May 21 City Council briefing agenda includes an opportunity for on-going discussion of the U.S. Department of Housing and Urban Development (HUD) Consolidated Plan Budget for FY 2025-26 and consideration of proposed amendments. For budget purposes, the City Council will be sitting as a Committee of the Whole and able to take straw votes on the proposed amendments. This discussion was deferred from May 7.

On April 16, 2025, City Council was briefed on the City Manager's proposed budget and the Community Development Commission (CDC) recommendation. During the briefing, Council members were invited to submit amendments to Budget & Management Services. We have now received one amendment. (Attachment A).

On April 23, 2025, the City Council approved preliminary adoption of the [FY 2025-26 HUD Consolidated Plan Budget](#). The proposed budget was developed assuming 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.

On May 14, HUD 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 (4/23/2025)	Actual Amount (5/16/2025)	Change
Community Development Block Grant (CDBG)	\$13,023,068	\$12,944,689	(\$78,379)
HOME Investment Partnerships Program (HOME)	\$5,078,453	\$5,082,901	\$4,448
Emergency Solutions Grant (ESG)	\$1,213,719	\$1,144,567	(\$69,152)
Housing Opportunities for Persons with AIDS (HOPWA)	\$9,864,583	\$10,014,716	\$150,133
Estimated Program Income	\$700,000	\$700,000	\$0
Total	\$29,879,823	\$29,886,873	\$7,050

Attachment B reflects the City Manager's Recommended Budget with the proposed funding adjustments applied to each grant (by funded project) in the FY 2025-26 HUD Consolidated Plan Budget. Attachment B includes the following:

- FY 2024-25 Amended Budget
- FY 2025-26 Preliminary Adoption Budget (as of 4/23/2025)
- Change between Preliminary Adoption and Proposed Final Adoption
- FY 2025-26 Proposed Final Adoption Budget (as of 5/16/2025)

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

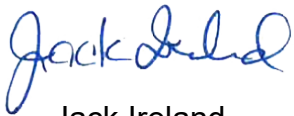
- CDBG: The CDBG appropriation decreased at the federal level, resulting in a decrease in the City's CDBG allocation by \$78,379. This decrease was applied to the new Drivers of Poverty Program (Line CD03) (due to the 15% cap on the public services category) and Planning and Program Oversight activities (Line CD14) (due to the 20% cap on program planning and oversight). The remainder of the decrease was applied to Residential Development Acquisition Loan Program (Line CD07).
- HOME: The HOME appropriation increased at the federal level, resulting in a slight increase in the City's HOME grant by \$4,448. This increase was applied to Housing Development Loan Program (Line HM05).
- ESG: The ESG appropriation decreased at the federal level, resulting in a decrease in the City's ESG grant by \$69,152. This decrease was applied to the Emergency Shelter program (Line ES01) to comply with 60% limit on combined Emergency Shelter and Street Outreach costs and ESG Administration activities (Lines ES05 and ES06) due to the 7.5% cap on administration. 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 \$150,133. This increase was used to enhance Emergency/Rental Assistance activity (Line HW01), Housing Information Services/Resource Identification (Line HW04) for technology upgrades and associated increases in City Administration (Lines HW05 and HW06) to support the service enhancement.

DATE May 16, 2025
SUBJECT **HUD Grant Allocations for FY 2025-26 Consolidated Plan Budget – Discussion and Amendments**
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The required public review and comment period is currently underway. A public hearing is scheduled for May 28 to receive comments on the proposed use of funds. Final adoption of the FY 2025-26 HUD Consolidated Plan Budget is scheduled for June 11, 2025.

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 5, 2025.

Please contact Chan Williams, Assistant Director, Budget and Management Services, if you need additional information.



Jack Ireland
Chief Financial Officer

Attachments

c:	Community Development Commission Kimberly Bizer Tolber, City Manager Tammy Palomino, City Attorney Mark Swann, City Auditor Billerae Johnson, City Secretary Preston Robinson, Administrative Judge Dominique Artis, Chief of Public Safety	Dev Rastogi, Assistant City Manager M. Elizabeth (Liz) Cedillo-Periera, Assistant City Manager Alina Ciocan, Assistant City Manager Donzell Gipson, Assistant City Manager Robin Bentley, Assistant City Manager Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I) Directors and Assistant Directors
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City Council Amendment - FY 2025-26 HUD Consolidated Plan Budget

FY 2025-26 Consolidated Plan Budget Amendment - Council Member Mendelsohn - May 16, 2025*

Council Member Lead: Mendelsohn		Amendment Number		1
Council Member Co-Sponsor(s):				
Source of Funds	Amount	Use of Funds	Amount	
Drivers of Poverty (CDBG) – Transfer proposed CDBG funding from Drivers of Poverty Program to Violence Interruptor Program.	300,000.00	Violence Interruptor Program (CDBG) – Use proposed CDBG funding for new Violence Interruptor Program and maintain balance of remaining funds for Drivers of Poverty Program.	300,000.00	
Total Source of Funds	300,000.00	Total Use of Funds	300,000.00	
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0.00	

* Amendment submitted May 7, 2025

**FY 2025-26 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT B
5/17/2025

A	B	C	E	F
Project Name	FY 2024-25 Amended Budget	FY 2025-26 Preliminary Adoption 4/23/2025	HUD Allocation Variance 5/14/2025	FY 2025-26 Revised Proposed Budget
<u>SOURCE OF FUNDS</u>				
Community Development Block Grant				
Entitlement (grant)	\$13,023,068	\$13,023,068	(78,379)	\$12,944,689
Program Income - Housing Activities	200,000	200,000	0	200,000
One-Time Revenue	-	0	0	0
FY 2023-24 CDBG Reprogrammed Funds	1,069,286.00	0	0	0
	<u>\$14,292,354</u>	<u>\$13,223,068</u>	<u>(78,379)</u>	<u>\$13,144,689</u>
Home Investment Partnership				
Entitlement (grant)	\$5,078,453	\$5,078,453	4,448	\$5,082,901
Program Income - Housing Activities	500,000	500,000	0	500,000
	<u>\$5,578,453</u>	<u>\$5,578,453</u>	<u>4,448</u>	<u>\$5,582,901</u>
Emergency Solutions Grant				
Entitlement (grant)	\$1,213,719	\$1,213,719	(69,152)	\$1,144,567
Housing Opportunities for Persons with AIDS				
Entitlement (grant)	\$9,864,583	\$9,864,583	150,133	\$10,014,716
TOTAL SOURCE OF FUNDS	<u>\$30,949,109</u>	<u>\$29,879,823</u>	<u>7,050</u>	<u>\$29,886,873</u>

USE OF FUNDS

Community Development Block Grant				
Public Services (15% of CDBG maximum amount allowed)	\$2,006,866	\$2,006,866	(11,757)	\$1,995,109
Housing Activities	7,341,112	6,890,391	(50,946)	6,839,445
Public Improvements	2,339,762	1,421,197	0	1,421,197
Fair Housing and Program Oversight (20% of CDBG max amount allowed)	2,604,614	2,604,614	(15,676)	2,588,938
	<u>\$14,292,354</u>	<u>\$13,223,068</u>	<u>(78,379)</u>	<u>\$13,144,689</u>
HOME Investment Partnerships Program				
HOME Programs	<u>5,578,453</u>	<u>5,578,453</u>	<u>4,448</u>	<u>5,582,901</u>
Emergency Solutions Grant				
ESG Programs	<u>1,213,719</u>	<u>1,213,719</u>	<u>(69,152)</u>	<u>1,144,567</u>
Housing Opportunities for Persons with AIDS				
HOPWA Programs	<u>9,864,583</u>	<u>9,864,583</u>	<u>150,133</u>	<u>10,014,716</u>
TOTAL USE OF FUNDS	<u>30,949,109</u>	<u>29,879,823</u>	<u>7,050</u>	<u>29,886,873</u>

**FY 2025-26 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT B
5/17/2025

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Project Name	FY 2024-25 Amended Budget	FY 2025-26 Preliminary Adoption 4/23/2025	HUD Allocation Variance 5/14/2025	FY 2025-26 Revised Proposed Budget
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 2025-26: 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 2025-26: estimated 200 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
CD03 Drivers of Poverty - This program aims to tackle poverty by addressing contributing factors, with a primary focus on reducing/eliminating barriers to work and childcare, through programming such as, financial empowerment/coaching and client assistance. FY 2025-26: estimated households to be served TBD.	618,565	618,565	(11,757)	606,808
Other Public Services (Non-Youth) Sub-Total	618,565	0	(11,757)	11,757
Total CDBG - Public Services	2,006,866	2,006,866	(11,757)	1,995,109
CDBG - Public Services 15% Cap	2,006,866	2,006,866		1,995,109
Under/(Over) Cap	(0)	(0)		0
CDBG - Public Services Cap Percentage	15.0%	15.0%		15.00%
CDBG - Housing Activities				
CD04 Dallas Homebuyer Assistance Program - Provide no interest, deferred payment loans for down-payment, principle 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 2025-26: estimated 20 loans to be administered.	400,000	400,000	0	400,000
Homeownership Opportunities Sub-Total	400,000	400,000	0	400,000
CD05 Home Improvement and Preservation Program (HIPP) - Provide an all-inclusive repair and rehabilitation program for single-family owner-occupied housing units, with the purpose of making needed improvements and preserving affordable housing. FY 2025-26: estimated 125 households to be served.	3,094,038	3,094,038	0	3,094,038
CD06 Support for Home Improvement and Preservation Program (HIPP) - Provide direct service, delivery staff, to implement the Home Improvement Preservation Program.	1,208,850	1,208,850	0	1,208,850
CD07 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	2,187,503	(50,946)	2,136,557
Homeowner Repair Sub-Total	6,941,112	6,490,391	(50,946)	6,439,445
Total CDBG - Housing Activities	7,341,112	6,890,391	(50,946)	6,839,445

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<u>CDBG - Clearance Activity</u>				
CD08 Neighborhood Clearance and Enhancement Program - Provide clearance, demolition, and removal of buildings and other structures to eliminate hazards, reduce crime, enhance neighborhood conditions to attract new development such as affordable housing or other economic initiatives. (CCS)	0	300,000	0	300,000
Total CDBG - Clearance Activity	0	300,000	0	300,000
<u>CDBG - Public Improvements</u>				
CD09 Public Facilities and Improvements - Provide improvements to public facilities and infrastructure within eligible areas.	2,339,762	1,421,197	0	1,421,197
Public Improvement Sub-Total	2,339,762	1,421,197	0	1,421,197
Total CDBG - Public Improvement	2,339,762	1,421,197	0	1,421,197
<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
CD11 Citizen Participation/CDC Support/HUD Oversight - Budget & Management Services/HUD Program Division. Provide coordination of ConPlan budget development, citizen participation, and reporting to HUD as primary City liaison.	812,480	812,480	0	812,480
CD12 HUD Compliance/Environmental Review - Budget & Management Services. Provides compliance and administers 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.	401,204	401,204	0	401,204
CD13 Community Care and Empowerment Management Support - Provide salaries and operational support to manage and administer CDBG-funded public service programs in the Office of Community Care and Empowerment.	153,200	153,200	0	153,200
CD14 Housing and Community Development Management Support - Provide operational support for the management and administration for serving housing related CDBG programs.	707,618	707,618	(15,676)	691,942
Total CDBG - Fair Housing and Planning & Program Oversight	2,604,614	2,604,614	(15,676)	2,588,938
CDBG - FH/PLN/Program Oversight 20% Cap	2,604,614	2,604,614		2,588,938
Under/(Over) Cap	(0)	(0)		(0)
CDBG - FH/PLN/Program Oversight Cap Percentage	20%	20%		20%
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT	14,292,354	13,223,068	(78,379)	13,144,689
<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)	765,000	765,000	0	765,000
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)	507,000	507,000	0	507,000

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Project Name	FY 2024-25 Amended Budget	FY 2025-26 Preliminary Adoption 4/23/2025	HUD Allocation Variance 5/14/2025	FY 2025-26 Revised Proposed Budget
HM04 Dallas Homebuyer Assistance Program - Provide no interest, deferred payment loans for down-payment, principle reduction and closing cost assistance. DHAP is offered to homebuyers up to eighty percent (80%) 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 2025-26: 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 2025-26 estimated 77 homes funded.				
	3,456,453	3,456,453	4,448	3,460,901
Home Ownership Opportunities Sub-Total	5,578,453	5,578,453	4,448	5,582,901
TOTAL HOME INVESTMENT PARTNERSHIP PROGRAM	5,578,453	5,578,453	4,448	5,582,901
EMERGENCY SOLUTIONS GRANT (ESG)				
ES01 Emergency Shelter - Provide (i) payment of operational costs and renovations 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 2025-26 estimated 3,500 persons to be served (OHS)				
	563,318	728,231	(41,491)	686,740
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.				
	164,913	0	0	0
Essential Services/Operations Sub-Total	728,231	728,231	(41,491)	686,740
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 - 6 months) rental assistance; payment of rental arrears up to 6 months. FY 2025-26 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
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. FY 2025-26 estimated 10 persons to be served (OHS)				
	148,373	148,373	(22,474)	125,899
Rapid Re-Housing Sub-Total	148,373	148,373	(22,474)	125,899
ES05 ESG Administration - Provide monitoring, reporting, and evaluation of contracts and related activities. Administrative costs are limited to 7.5% of the grant. (OHS)				
	68,029	68,029	(3,876)	64,153
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	(1,311)	21,689
Program Administration Sub-Total	91,029	91,029	(5,187)	85,842
TOTAL EMERGENCY SOLUTIONS GRANT	1,213,719	1,213,719	(69,152)	1,144,567

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT B
5/17/2025

A Project Name	B FY 2024-25 Amended Budget	C FY 2025-26 Preliminary Adoption 4/23/2025	E HUD Allocation Variance 5/14/2025	F FY 2025-26 Revised Proposed Budget
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)				
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 2025-26 estimated 693 households to be served. (OCC)	6,170,681	6,170,681	105,133	6,275,814
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 2025-26 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 2025-26 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 2025-26 estimated 175 households to be served. (OCC)	160,500	160,500	45,000	205,500
Housing and Services Sub-Total	9,177,026	9,177,026	150,133	9,327,159
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)	156,774	156,774	0	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)	139,163	139,163		139,163
HW07 Program Administration/ Project Sponsors - Provide administrative oversight, evaluation, and technical assistance for grant funds and program activities. (OCC)	391,620	391,620	0	391,620
Program Administration Sub-Total	687,557	687,557	0	687,557
TOTAL HOUSING OPPORTUNITIES FOR PERSONS W/ AIDS	9,864,583	9,864,583	150,133	10,014,716
GRAND TOTAL CONSOLIDATED PLAN BUDGET	\$30,949,109	\$29,879,823	7,050	\$29,886,873