



City of Dallas

Allocation of CARES Act HUD CDBG Grant Funds

**AD HOC Committee on
COVID-19 Recovery
and Assistance**

October 15, 2020

Presentation Overview



- Discuss City Manager's proposed use of U.S. Department of Housing and Urban Development (HUD) Consolidated Plan allocation of third round of Community Development Block Grant (CDBG) funds granted through the Coronavirus Aid, Relief, and Economic Security (CARES) Act
- Discuss additional considerations that are necessary to efficiently and effectively implement previously budgeted HUD funds
- Review next steps
- Respond to comments and questions



CARES Act Relief Funds - CDBG



- In response to the coronavirus pandemic, CARES Act (third federal bill) was signed on March 27, 2020
- CARES Act includes additional HUD CDBG funds to prevent the spread of COVID-19 and to facilitate assistance to eligible communities and households economically impacted by COVID-19

CARES Act Relief Funds - CDBG			
#	Date Allocated by HUD	Allocation	Federal Amount
Round 1	April 2020	Allocated to communities according to standard formula	\$2 billion
Round 2	May 2020	Allocated to states for allocation to entitlement and non-entitlement communities	\$1 billion
Round 3	September 2020	Allocated to communities according to new formula based on COVID-19 threat	\$2 billion
Total CARES Act CDBG Funds			\$5 billion



CARES Act Relief Funds – City Allocations



- Round 1 - City allocation based on standard allocation formula (Adopted by City Council on April 22, 2020):
 - CDBG – \$8,899,802
 - ESG – \$4,453,269
 - HOPWA – \$1,088,138
- Round 2
 - CDBG – \$0 allocation to cities, all funds allocated to the State
 - ESG - \$16,651,199 (additional allocation, adopted by City Council on June 24, 2020)
- **Round 3 - CDBG - \$11,778,785** (New allocation to City, new formula based on COVID-19 threat)



CARES Act Relief Funds - Methodology



- HUD allocated the third round of CDBG CARES Act funds according to new formula based on COVID-19 threat. Specifically, it targets:
 - Communities with a high proportion of individuals in industries with high job loss in states with high unemployment
 - Communities with a high proportion of businesses in industries with high job loss in states with high unemployment
 - Communities with households most at risk for transmission and risk of eviction, with higher amounts for states with high rates of coronavirus



CARES Act Relief Funds - Waivers



- HUD has waived various program requirements to help expedite the use of the CARES Act funds
- It is recommended that the funds:
 - Address the immediate challenges faced by the community
 - Focus on stabilization in the area of housing assistance for eligible individuals and families
 - Include support for those experiencing homelessness
 - Address needs of small businesses in need of support
- Funds available for 6 years
 - 80% must be spent within 3 years
 - 100% must be spent within 6 years



CARES Act Relief Funds – CDBG Round 3



City Manager's Proposed Uses of CARES Act Relief Funds	
Workforce Development	3,000,000
Emergency Assistance Program - rent, mortgage and utility assistance, food security, eviction prevention, mental health counseling, etc.	3,000,000
Drivers of Poverty/Childcare – early childhood development, out-of-school time, virtual learning, technology, etc.	2,500,000
Section 108 debt payments	1,800,000
Administration – funding for nonprofits awarded contracts	1,478,785
Total CDBG Round 3	11,778,785



Additional Considerations related to HUD CARES Act Relief Funds



- On April 22, 2020, the City Council adopted the FY 2020-21 HUD Consolidated Plan Budget (Resolution No. 20-0655). Funds available on October 1, 2020
- The City Council also approved budgets for HUD CARES Act funds including the first round CDBG funds in the amount of \$8,899,802; (round 1) ESG funds in the amount of \$4,453,269; and a single allocation of HOPWA CARES Acts funds for \$1,088,138 on April 22, 2020
- On June 24, 2020, the City Council approved the budget for round 2 of HUD CARES Act, ESG funds in the amount of \$11,778,785 (Resolution No. 20-0994)



Additional Considerations related to HUD CARES Act Relief Funds



- City staff worked quickly to implement and/or expand services
- Following budget adoption, HUD modified various rules, granted waivers and alternative requirements for the programs to prevent, prepare for and respond to coronavirus
- These changes also provided flexibility across HUD grants such that funding could be used to pay costs that are not covered by other sources of assistance, particularly to benefit persons of low and moderate income
- HUD changes were after City Council adoption of budgets



Additional Considerations related to HUD CARES Act Relief Funds



- Amendments and budget adjustments are necessary to previously approved resolutions, including
 - Amend Resolution No. 20-0655 (approved April 22, 2020)
 - Add missing HUD CARES Act grant numbers and CFDA numbers
 - Amend Schedules A – E to reallocate funds in approved eligible categories to support COVID-19 relief efforts;
 - Amend Resolution No. 20-0994 (approved June 22, 2020)
 - Reallocate funds in approved eligible categories to support COVID-19 relief efforts; and
 - Expand eligibility for ESG homeless prevention assistance



Next Steps



- October 15 – Today's briefing
- October 28 – Preliminary adoption of third round of CDBG CARES Act Relief Funds; amendments to previously approved HUD funds; and call a public hearing to be held on November 11
- November 5 – Brief Community Development Commission
- November 11 – Hold public hearing
- November 11 – Final adoption of the third round of CDBG CARES Act Relief Funds





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