



Legislation Text

File #: 22-2753, **Version:** 1

STRATEGIC PRIORITY: Government Performance & Financial Management

AGENDA DATE: December 14, 2022

COUNCIL DISTRICT(S): N/A

DEPARTMENT: Budget and Management Services

EXECUTIVE: Jack Ireland

SUBJECT

A public hearing to receive comments on the Proposed 2022 Community Development Block Grant Disaster Recovery (CDBG-DR) Budget and draft Action Plan to accept Community Development Block Grant Disaster Recovery Funds from the U.S. Department of Housing and Urban Development in the amount of \$24,433,000; and, at the close of the public hearing, authorize final adoption of the 2022 CDBG-DR Budget and Action Plan - Financing: This action has no cost consideration to the City (see Fiscal Information)

BACKGROUND

In late April 2022, the U.S. Department of Housing and Urban Development (HUD) announced that approximately \$24.4 million of Community Development Block Grant Disaster Recovery funding has been allocated to the City of Dallas under the second tranche of funds released from the Disaster Relief and Supplemental Appropriations Act of 2022. This funding was allocated to the City as a result of the winter and ice storm that occurred in February 2021.

The CDBG-DR Funds must only be spent for necessary activities related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the "most impacted and distressed (MID)" areas of qualifying disasters. The entire City of Dallas is included in the MID.

CDBG-DR funding supplements other Federal recovery assistance programs administered by the Federal Emergency Management Agency (FEMA), the Small Business Administration (SBA), and the United States Army Corps of Engineers (USACE). Funds cannot duplicate financial assistance or be used to reimburse for payments made from any other source. Since these recovery assistance programs provide similar assistance, HUD entered into a data sharing agreement with FEMA. HUD will share FEMA's data with grantees to prevent a risk of duplication of benefits. To receive the CDBG-DR Funds, the City must develop an action plan detailing the use of funds that address unmet recovery needs and mitigation activities related to the disaster. The FEMA data must also be used to guide funding recommendations in the action plan.

The CDBG-DR action plan was originally due to HUD by September 28. Regulations require that the proposed plan be posted on the City's website to receive comments for no less than 30 days prior to submission to HUD. The 30-day posting requirement assumes that we have received the FEMA data. However, because the City had not received the required FEMA data to inform development of the action plan, the City requested, and HUD authorized, a 90-day extension. The Action Plan submission due date is now December 28, 2022.

In order to meet statutory deadline requirements, preliminary information was used to develop the City's Proposed 2022 CDBG-DR Budget and draft Action Plan, pending receipt of FEMA's data. Data from FEMA was recently received but not in time to complete analysis and meet HUD's submission deadline. Once the deadline is met, HUD rules allow revisions if needed. Amendments may be considered up to the point of final adoption of this action. All amendments must be consistent with allocation restrictions described within the funding authorization, including but not limited to capped categories and allowable cost restrictions.

In general, CDBG eligible activities that address a disaster-related impact (directly or indirectly) throughout the city are eligible for CDBG-DR funding. Same as with other HUD funds, a focus on addressing housing needs is encouraged. Funds may only be used for unmet disaster recovery needs or mitigation activities not addressed by other resources. Reimbursements are not allowed, and 100 percent of the City's CDBG-DR funding must be spent on eligible activities within 6 years of HUD's execution of the grant agreement.

Staff was scheduled to brief City Council on the Proposed 2022 CDBG-DR Budget and draft Action Plan on October 19, 2022, but the item was held. City Council was then briefed by memorandum and invited to submit amendments to the Proposed 2022 CDBG-DR Budget and draft Action Plan on October 21, 2022. Subsequently, on November 2, 2022, staff briefed City Council on the Proposed 2022 CDBG-DR Budget and draft Action Plan. City Council proposed no amendments.

During their monthly meetings on November 3 and December 1, 2022, the Community Development Commission was provided an update on the City's Proposed 2022 CDBG-DR Budget and draft Action Plan to accept Community Development Block Grant Disaster Recovery (CDBG-DR). Following discussions with staff, no amendments were recommended.

A summary of the City's Proposed 2022 CDBG-DR Budget and Action Plan was made available for public review and comment on or about November 10, 2022, through December 13, 2022, and a notice was published in the Dallas Morning News on or about November 13, 2022,

Federal regulations require that a public hearing be held on the proposed 2022 CDBG-DR Budget and Action Plan. A public hearing on December 14, 2022, will satisfy the requirements set forth in HUD regulations and the City's Citizen Participation Plan.

This item includes a public hearing to receive comments on the City's 2022 CDBG-DR Budget and draft Action Plan; and at the close of the public hearing, authorizes final adoption of the 2022 CDBG-DR Budget and Action Plan.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

[City Council was briefed by memorandum on the 2022 CDBG-DR Budget and draft Action Plan and](#)

[invited to submit amendments, on October 21, 2022.](https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/Community-Development-Block-Grant-Disaster-Recovery-Funding_memo_102122.pdf)

[<https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/Community-Development-Block-Grant-Disaster-Recovery-Funding_memo_102122.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/Community-Development-Block-Grant-Disaster-Recovery-Funding_memo_102122.pdf)

The Community Development Commission was briefed by memorandum on the 2022 CDBG-DR Budget and draft Action Plan on October 24, 2022.

City Council was briefed on the Proposed 2022 CDBG-DR Budget and draft Action Plan with no amendments on November 2, 2022.

The Community Development Commission was briefed on the status of the 2022 CDBG-DR Budget and draft Action Plan on November 3, 2022.

On November 9, 2022, City Council authorized preliminary adoption of the City's Proposed 2022 CDBG-DR Budget and draft Action Plan; and a public hearing to receive comments on the proposed use of funds by Resolution No. 22-1664

The Community Development Commission was briefed on the status of the 2022 CDBG-DR Budget and draft Action Plan on December 1, 2022.

FISCAL INFORMATION

Community Development Block Grant Disaster Recovery (CDBG-DR) - \$24,433,000