



Legislation Text

File #: 20-1990, **Version:** 1

STRATEGIC PRIORITY: Government Performance and Financial Management
AGENDA DATE: October 28, 2020
COUNCIL DISTRICT(S): N/A
DEPARTMENT: Budget and Management Services
EXECUTIVE: Elizabeth Reich

SUBJECT

Authorize **(1)** preliminary adoption of Substantial Amendment No. 1 to the FY 2020-21 Annual Action Plan to: **(a)** accept Coronavirus Aid, Relief, and Economic Security (CARES) Act Community Development Block Grant (CDBG) Funds, No. 3 from the U.S. Department of Housing and Urban Development (HUD) in the amount of \$11,778,785, according to Schedule 1 attached hereto; **(b)** amend Resolution No. 20-0655, previously approved on April 22, 2020, with respect to adding missing HUD CARES Act grant numbers and CFDA numbers; **(c)** amend and replace Schedules A through E to Resolution No. 20-0655, previously approved on April 22, 2020, to reallocate funds across departments and units as necessary in support of COVID-19 relief efforts; **(d)** amend and replace Schedule A to Resolution No. 20-0994, previously approved on June 24, 2020, according to Schedule 2 attached hereto, to reallocate funds in eligible categories to support COVID-19 relief efforts; and **(e)** expand eligibility for Emergency Solutions Grants (ESG) homeless prevention assistance funded by ESG entitlement funds for households at risk of homelessness who live in housing with characteristics associated with instability and an increased risk of homelessness, to include cost burdened and severely cost burdened households; elderly, frail, or other households living on fixed income; households experiencing unemployment resulting in a loss of income available for housing; and households with lack of assets for emergencies; and **(2)** a public hearing to be held on November 11, 2020 to receive comments on Substantial Amendment No. 1 to the FY 2020-21 Action Plan - Financing: No cost consideration to the City

BACKGROUND

In response to the coronavirus pandemic, the federal CARES Act was signed into law on March 27, 2020. The CARES Act included additional HUD funds to prevent, prepare for, and respond to the spread of COVID-19 and to facilitate assistance to eligible communities and households economically impacted by COVID-19.

CDBG CARES Act funds were awarded in three allocations: (1) \$2 billion according the standard formula, allocated immediately; (2) \$1 billion to States for allocation to entitlement and non-entitlement communities, allocated at a future; and (3) \$2 billion to be allocated according to new

formula based on COVID-19 threat, also at an undetermined date in the near future.

The City's allocation of first round CDBG funds was \$8,899,802 and was approved by City Council on April 22, 2020. The City has not received an allocation from the State of Texas for second round CDBG funds. The City's allocation of CDBG Round 3 funds is \$11,778,785 and is included in this Substantial Amendment No. 1 to the City's FY 2020-21 Annual Action Plan.

The City of Dallas also received allocations of ESG CARES Act funds in the amount of \$4,453,269 (Round 1), approved by City Council on April 22, 2020, and \$16,651,199 (Round 2), approved by City Council on June 24, 2020. The City also received a single allocation of Housing Opportunities for Persons with AIDS (HOPWA) CARES Acts funds for \$1,088,138, approved by City Council on April 22, 2020.

To expedite the use of funds to assist communities, individuals and families infected with the virus or economically impacted by the virus, the CARES Act included a waiver to allow a public review and comment period to be reduced from 30 days to no less than 5 days. On April 22, 2020, City Council authorized an amendment to the City's Citizen Participation Plan to provide for expedited procedures with a review and public comment period of no less than 5 days. Following final adoption of the budgets, adjustments are required in order to leverage additional resources, maximize partnerships and address urgent needs. This item will be made available for public review and comment from October 29 through November 10, 2020. A public hearing will be held on November 11, 2020 and a final adoption is scheduled on the same day.

This action includes City Council's preliminary adoption of Substantial Amendment No. 1 to the FY 2020-21 Annual Action Plan to accept the CARES Act Relief CDBG Funds, No. 3; to make certain amendments to the FY 2020-21 HUD Consolidated Plan Budget, CARES Act Relief Funds Budget, No. 1, the FY 2019-20 Substantial Amendment/Reprogramming Budget No. 2, and ESG CARES Act Relief Funds No. 2; and to expand eligibility for ESG homeless prevention assistance funded by ESG entitlement funds; and authorize a public hearing on November 11, 2020 before the City Council.

These amendments are necessary to meet the challenges of the coronavirus pandemic. Program budgets have been reallocated to provide additional funding for services required in the community as a result of the pandemic.

With respect to the FY 2020-21 HUD Consolidated Plan Budget, this item will make the following changes to Schedules A and B.

- FY 2020-21 HOME Funds: Reallocate \$85,328 in HOME funds from Dallas Homebuyer Assistance Program to Community Housing Development Organization (CHDO) Development Loan Program
- FY 2020-21 ESG Funds: Projected unused funds in Street Outreach and Homeless Management Information System (HMIS) Data Collection are being reallocated to fund housing relocation and stabilization services to be provided through a filled staff position in the Office of Community Care for residents receiving ESG homeless prevention assistance.

- FY 2020-21 HOPWA Funds: Projected unused funds in Facility Based Housing will be reallocated to Housing Facilities Rehab/Repair/Acquisition to provide funds for substantial rehabilitation of facilities providing permanent housing for persons living with HIV/AIDS with no impact on other services. Due to increased costs due to project delays and the COVID-19 pandemic, a substantial rehabilitation project currently in progress requires additional funds for completion.

With respect to FY 2019-20 Reprogramming Budget No. 2, this item will add the reprogram fund numbers and unit numbers assigned to the Housing Assistance Program in Schedule D.

With respect to CARES Act Relief Funds No. 1, this item will make the following changes to Schedule E:

- CDBG CARES Act Relief Funds No. 1: CDBG funds are being distributed across departments that support CDBG grant activities, including the Housing and Neighborhood Revitalization, Office of Community Care, and Office of Budget and Management Services and make necessary adjustments to department codes and units, including the Small Business Continuity Grant Program from Housing and Neighborhood Revitalization to Office of Economic Development.
- ESG CARES Act Relief Funds No. 1: ESG Administration funds are being distributed across departments that support ESG grant activities, including the Office of Homeless Solutions, Office of Community Care, and Office of Budget and Management Services and make necessary adjustments to department codes and units.

With respect to ESG CARES Act Relief Funds No. 2 in Schedule 1, ESG Administration funds are being distributed across departments that support the ESG grant activities including the Office of Homeless Solutions, Office of Community Care, and Office of Budget and Management Services.

Finally, this item will expand eligibility for ESG homeless prevention assistance for ESG entitlement funds to specify the additional characteristics associated with instability and an increased risk of homelessness for ESG homeless prevention eligibility (beyond an eviction notice), for assistance funded by ESG entitlement funds. These include: (i) cost burdened households (paying more than 30 percent of income toward housing) and severely cost burdened households (paying more than 50 percent of income toward housing); (ii) elderly (age 60 and above), frail (with impairment of at least three activities of daily living), or other households living on fixed income; (iii) households experiencing unemployment resulting in a loss of income available for housing; and (iv) households with a lack of assets for emergencies. City Council authorized this expansion for ESG CARES Act funds on June 24, 2020, but this expansion could not be applied to ESG entitlement funds at that time due to the citizen participation requirements for ESG entitlement funds.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On April 15, 2020, City Council approved preliminary adoption of the Proposed FY 2020-21 HUD Consolidated Plan Budget; the Proposed CARES Act Relief Funds Budget, No. 1 from HUD; the Proposed FY 2019-20 Reprogramming Budget; an amendment to the City's Citizen Participation Plan; and authorize a public hearing by Resolution No. 20-0596.

On April 22, 2020, City Council held a public hearing and approved final adoption of the Proposed FY 2020-21 HUD Consolidated Plan Budget; the Proposed CARES Act Relief Funds Budget, No. 1 from HUD; the Proposed FY 2019-20 Reprogramming Budget by Resolution No. 20-0655.

On June 24, 2020, City Council authorized Substantial Amendment No. 5 to the FY 2019-20 Action Plan for the Emergency Solutions Grant (ESG) Program to accept the Coronavirus Aid, Relief, and Economic Security Act Relief Funds No. 2 for the ESG Program by Resolution No. 20-0994.

The Ad Hoc Committee on COVID-19 Recovery and Assistance was briefed regarding this matter on October 15, 2020.

FISCAL INFORMATION

No cost consideration to the City.