



## Legislation Text

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**File #:** 21-1322, **Version:** 1

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**STRATEGIC PRIORITY:** Government Performance and Financial Management  
**AGENDA DATE:** August 11, 2021  
**COUNCIL DISTRICT(S):** N/A  
**DEPARTMENT:** Office of Budget and Management Services  
**EXECUTIVE:** Elizabeth Reich

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### **SUBJECT**

Authorize **(1)** preliminary adoption of Substantial Amendment No. 4 to the FY 2020-21 Action Plan to reallocate \$1,421,547 in Community Development Block Grant (CDBG) CARES Act Relief Funds from the Small Business Continuity Loan Program to the Small Business Continuity Grant Program, according to Schedule 1; and **(2)** a public hearing to be conducted on August 25, 2021, to receive comments on Substantial Amendment No. 4 to the FY 2020-21 Action Plan - Financing: No cost consideration to the City

### **BACKGROUND**

In response to the coronavirus pandemic, the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. The CARES Act included additional funds from the U.S. Department of Housing and Urban Development (HUD) 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. The CARES Act included Community Development Block Grant (CDBG) funds.

CDBG CARES Act funds were awarded in three rounds: (1) \$2 billion according to the standard CDBG formula, (2) \$1 billion to states for allocation to entitlement and non-entitlement communities, and (3) \$2 billion according to a new formula based on COVID-19 threat and economic impact.

The City of Dallas received \$8,899,802 in the first round of CDBG CARES Act Relief Funds, approved by City Council on April 22, 2020, and \$11,778,785 in the third round, approved on November 11, 2020. The City has not received an allocation from the State of Texas for second-round CDBG funds.

Under the City's Citizen Participation Plan, a change in funding that exceeds \$500,000 of a budget appropriation in the adopted Action Plan is considered a substantial amendment and requires City Council approval after a citizen participation process.

This action includes City Council's preliminary adoption of Substantial Amendment No. 4 to the FY 2020-21 Action Plan to make budget reallocations for CDBG CARES Act Relief Funds. These amendments are necessary to meet the challenges of the ongoing coronavirus pandemic. Program budgets have been reallocated to provide additional funding for services required in the community as a result of the pandemic.

CDBG CARES Act Relief Funds in the amount of \$1,421,547 are reallocated from the Small Business Continuity Loan Program to the Small Business Continuity Grant Program. Economic Development has identified a greater need to provide grants (as opposed to loans) to small businesses economically impacted by COVID-19 to facilitate their recovery.

To expedite the use of these funds, the CARES Act included a waiver to allow a public review and comment period to be reduced from 30 days to no less than five 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 five days.

The City must conduct a public hearing on Substantial Amendment No. 4 to the City's FY 2020-21 Action Plan under expedited procedures providing for a review and public comment period of no less than five days. A summary of the amendment will be published in the Dallas Morning News on or about August 18, 2021, to provide an opportunity to submit written comments on the proposed use of funds. The public hearing on August 25, 2021 satisfies requirements set forth under expedited procedures in the CARES Act for CDBG CARES Act funds and the City's amended Citizen Participation Plan.

#### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On April 15, 2020, City Council authorized preliminary adoption of the FY 2020-21 HUD Consolidated Plan Budget, the CARES Act Relief Funds No. 1 from HUD, and the FY 2019-20 Substantial Amendment/Reprogramming Budget No. 2; an amendment to the City's Citizen Participation Plan to be consistent with expedited procedures for public review and comment period provided in the CARES Act, from no less than 30 days to no less than five days; and a public hearing by Resolution No. 20-0596.

On April 22, 2020, City Council conducted a public hearing and authorized final adoption of the FY 2020-21 HUD Consolidated Plan Budget, the CARES Act Relief Funds No. 1 from HUD, and the FY 2019-20 Substantial Amendment/Reprogramming Budget No. 2; and an amendment to the City's Citizen Participation Plan to be consistent with expedited procedures for public review and comment period provided in the CARES Act, from no less than 30 days to no less than five days by Resolution No. 20-0655.

On October 28, 2020, City Council authorized preliminary adoption of Substantial Amendment No. 1 to the FY 2020-21 Action Plan to accept CARES Act CDBG Funds No. 3 from HUD; amend Resolution No. 20-0655, previously approved on April 22, 2020, with respect to adding missing HUD CARES Act grant numbers and CFDA numbers; amend and replace Schedules A through E to Resolution No. 20-0655 to reallocate funds across departments and units as necessary in support of COVID-19 relief efforts; amend and replace Schedule A to Resolution No. 20-0994, previously approved on June 24, 2020, to reallocate funds in eligible categories to support COVID-19 relief efforts; and expand eligibility for homelessness prevention assistance by Resolution No. 20-1674.

On November 11, 2020, City Council authorized final adoption of Substantial Amendment No. 1 to the FY 2020-21 Action Plan to accept CARES Act CDBG Funds No. 3 from HUD; amend Resolution No. 20-0655, previously approved on April 22, 2020, with respect to adding missing HUD CARES Act grant numbers and CFDA numbers; amend and replace Schedules A through E to Resolution No. 20-0655 to reallocate funds across departments and units as necessary in support of COVID-19 relief efforts; amend and replace Schedule A to Resolution No. 20-0994, previously approved on June 24, 2020, to reallocate funds in eligible categories to support COVID-19 relief efforts; and expand eligibility for homelessness prevention assistance by Resolution No. 20-1845.

[City Council was briefed by memorandum regarding this matter on July 30, 2021.  
<https://dallascityhall.com/government/citymanager/Documents/FY%2020-21%20Memos/2\\_Budget-and-Management-Service-8-11-21-Agenda-Item\\_Memo\\_073021.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2020-21%20Memos/2_Budget-and-Management-Service-8-11-21-Agenda-Item_Memo_073021.pdf)

### **FISCAL INFORMATION**

No cost consideration to the City.