Community Development Block Grant Reprogrammed Funds

Presented to the Economic Development and Housing Committee
February 21, 2006
Purpose of Briefing

• Discuss CDBG funds available to be included in the FY2006-07 Consolidated Plan budget
• Discuss Consolidated Plan budgeting process
• Review next steps
CDBG Reprogrammed Funds

- Community Development Commission and City Manager recommended reprogramming $2.3m in conjunction with the FY 2006-07 CDBG budget
- On February 8, 2006 City Council approved the reprogramming and extension of CDBG funds with 2 amendments
CDBG Reprogrammed Funds

- Amendment #1 – Removed 2 projects from the reprogramming list to the extension list ($105,121)
- Amendment #2 – Directed that 6 projects are to be included in the Fair Park Commercial Corridor Demonstration Program as part of the FY 2006-07 CDBG budget ($69,856)

- These amendments reduced the amount of reprogrammed funds available for FY 2006-07 budget from $2.3m to $2.1m
## CDBG Source of Funds

<table>
<thead>
<tr>
<th></th>
<th>Adopted FY 2005-06</th>
<th>Estimated FY 2006-07</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG Entitlement</td>
<td>$20,026,196</td>
<td>$18,409,809</td>
<td>($1,616,387)</td>
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<td>CDBG Reallocation</td>
<td>449,469</td>
<td>422,522</td>
<td>(26,947)</td>
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<td>Total CDBG</td>
<td>20,475,665</td>
<td>18,832,331</td>
<td>(1,643,334)</td>
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<td>Program Income – CDBG Activities</td>
<td>500,000</td>
<td>225,000</td>
<td>(275,000)</td>
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<td>Program Income – Section 108</td>
<td>6,885,956</td>
<td>139,345*</td>
<td>(6,746,611)</td>
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<tr>
<td>Program Income – Sub-recipient Retained (SDDC)</td>
<td>600,000</td>
<td>600,000</td>
<td>0</td>
</tr>
<tr>
<td>CDBG Reprogramming Funds</td>
<td>1,040,880</td>
<td>2,128,501</td>
<td>1,087,621</td>
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<tr>
<td><strong>Total Available CDBG</strong></td>
<td>$29,502,501</td>
<td>$21,925,177</td>
<td>($7,577,324)</td>
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</tbody>
</table>

FY 2005-06 Budget is Attached

*May realize additional income if Santa Fe units sell.*
Budget Considerations

- Overall FY 2006-07 grant funding reduced by >25%
- The President’s recent budget proposal includes a 19.8% decrease in CDBG funding. This will further reduce Dallas’ allocation for FY 2007-08.
FY 2006-07 CDBG Budget Process

- January – Citizen input meetings and comment forms to prioritize needs
- February – CMO develops budget proposal
- March – CMO recommended budget presented to Community Development Commission (CDC). CDC conducts committee meetings
- April – CDC makes recommendations to CMO budget
- April & May – City Council review of CMO budget and CDC recommendations
FY 2006-07 CDBG Budget Process

- May – Preliminary adoption by City Council
- May & June – Public review
  - 30 day comment period
  - Public hearing before Council
- June – Final adoption by City Council
- August – Submit Plan to HUD
- October – Implement plan
Recommendation

- Because there will be a substantial shortfall, the City Manager recommends reprogramming funds should not be “directed” at this time
  - Reprogramming funds should be allocated as part of the FY 2006-07 budget process