

# Memorandum



CITY OF DALLAS

DATE February 11, 2010

TO Honorable Mayor and Members of the City Council

SUBJECT Community Development Block Grant Budget Process

On Wednesday, February 17<sup>th</sup> you will be briefed on the Community Development Block Grant (CDBG) Budget process. The briefing is attached for your review.

Please contact me at (214) 670-7804 if you have any questions.

A handwritten signature in black ink, appearing to read 'D. Cook'.

David Cook  
Chief Financial Officer

## Attachments

- C: Mary K. Suhm, City Manager
- Ryan S. Evans, First Assistant City Manager
- A. C. Gonzalez, Assistant City Manager
- Jill A. Jordan, P.E., Assistant City Manager
- Forest Turner, Assistant City Manager
- Deborah Watkins, City Secretary
- Tom Perkins, City Attorney
- Craig Kinton, City Auditor
- Jeanne Chipperfield, Director, Financial Services



# Community Development Block Grant Budget Process

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Presented to the  
City Council  
February 17, 2010



# Purpose

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- The purpose of this briefing is to review:
  - Components of the Community Development Block Grant
  - Citizen participation
  - Budget development process



# Community Development Block Grant

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- The Community Development Block Grant (CDBG) is one of four entitlement formula grants received from HUD annually
  - To be an entitlement city, must have population of 50,000 or more
  - Allocation is based on latest Census data
- Budgeted funds total approximately \$20m annually
  - Includes new grant funds, reprogramming of existing funds, and program income

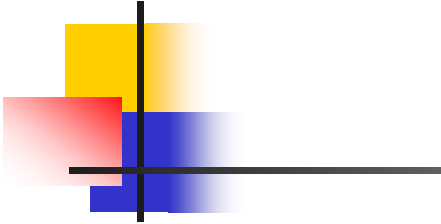


# What is the purpose?

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- To develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities
- Expenditures must meet a CDBG National Objective established by HUD:
  - Principally benefit low to moderate income persons
  - Aid in prevention or elimination of slum and blight
  - Meet needs having a particular urgency

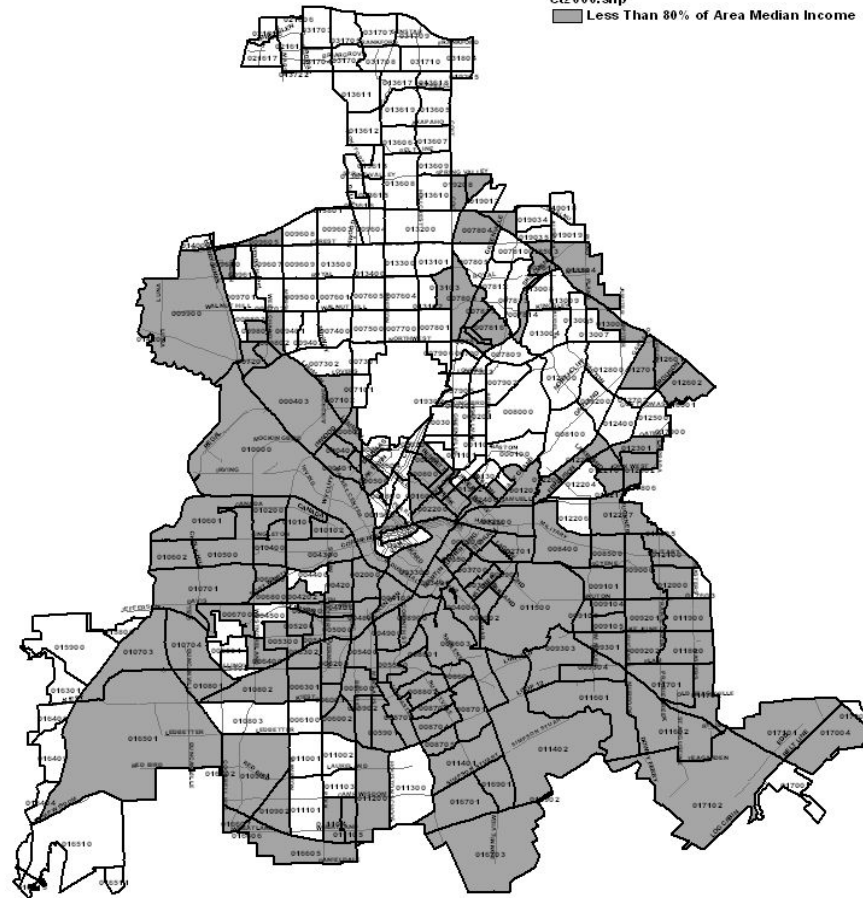
# What areas are eligible?



## Cd Eligible Census Tracts 2000



- Ct2000.shp
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- Less Than 80% of Area Median Income



Area Median=\$48,363  
Source:Bureau of the Census; 2000 Census of Population and Housing.

Data compiled by GIS Division; Census Section



# What are eligible uses?

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- Homeownership Assistance
- Housing Rehabilitation
- Acquisition of Real Property
- Public Facilities and Improvements
  - Eligibility based on low and moderate income area
  - Current Council policy restricts these to City facilities and improvements
- Public Services (may not exceed 15% of grant – by Federal regulation)
  - Subject to the competitive bid/proposal process



# What are eligible uses?

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- Relocation Assistance
- Special Economic Development Assistance to Private For-Profit Entities
- Commercial or Industrial Improvements
- Planning and Program Oversight (not to exceed 20% of grant)





# Who benefits from CDBG Funds?

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- Generally, CDBG funded services are available to low/moderate income persons regardless of address (Based on HUD income limits)
  - Examples include: Home repair programs, mortgage assistance, afterschool programs
- Low and moderate income areas are eligible for services provided to a fixed area or capital improvements
  - 51% of the beneficiaries in the areas must be low and moderate income based on census data
  - Area must be primarily residential
  - Examples include: NIP public improvements, NIP Code Enforcement
- Non-profit 501(c)3 organizations and for-profit businesses are eligible to provide services



# Neighborhood Investment Program

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- In February 2003, the City Council approved the Neighborhood Investment Program (NIP) to focus housing and other city resources in targeted Community Development Block Grant (CDBG) areas/neighborhoods
- Primary uses of CDBG funds in NIP areas include:
  - Public improvements and neighborhood beautification
  - Enhance code enforcement
  - Housing rehabilitation and reconstruction



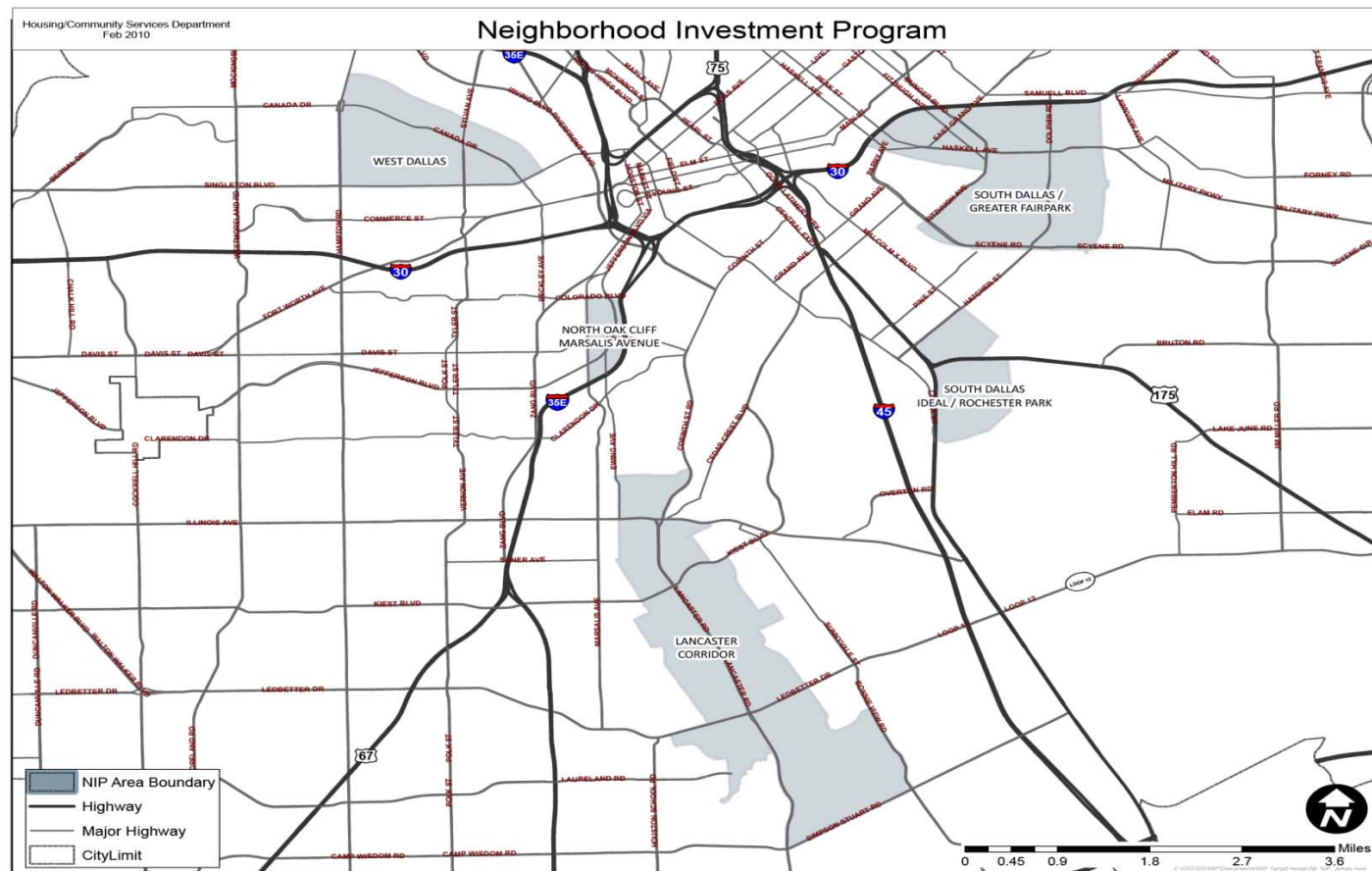
# Neighborhood Investment Program

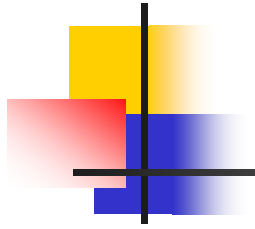
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## Five designated NIP target areas:

- **West Dallas Area:** East of Hampton Rd, North of Singleton Blvd and South of Canada Drive (CT 101.01/101.02)
- **South Dallas:** Ideal and Rochester Park Neighborhoods (CT 39.02/115.00 (part of))
- **South Dallas:** Jubilee, Owenwood, Dolphin Heights and Frazier Courts Neighborhoods (CT 25.00/27.01/27.02)
- **North Oak Cliff – Marsalis:** West of Marsalis, North of Colorado and East and South of I-35 (CT Block Groups 20.002, 20.005, 20.006 and 48.001)
- **Lancaster Corridor:** Lancaster Road, generally between Illinois and Simpson Stuart, including the Cigarette Hill neighborhood (CT Block Groups 55.003, 55.004, 57.001, 57.002, 57.003, 57.004, 57.005, 87.033, 87.042, 87.052, 88.013, 88.023, 88.024, 113.00, 114.012, 114.013)

# Neighborhood Investment Program – Target Areas





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# Citizen Participation



# Citizen Participation Requirements

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- For the budget development process, HUD regulations require
  - Citizen Participation Plan (CPP)
  - One public input meeting
  - One newspaper ad
  - 30-day review and comment period



# Citizen Participation

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- City's CPP includes:
  - Community Development Commission
    - 15-members made up of representatives appointed by the 14 City Council Districts and the Mayor at Large. The Commission meets the 1<sup>st</sup> Thursday of each month (except the month of July) at Dallas City Hall in Room 6ES at 6:00 p.m.
  - Six public input meetings as part of the budget development process (held in January each year and locations set by CDC)
  - Newspapers ads –as recommended by CDC
  - Postings
    - Cable Channel
    - Website
    - Libraries



# January - Public Input Meetings

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The City's budget development process for these funds begins with public input meetings held each year in January

- Discuss grant funds received from the U.S. Department of Housing and Urban Development (HUD) and process for budgeting funds
- Inform citizens of current and potential uses of HUD grant funds
- Give citizens an opportunity to provide input





# Citizen Participation

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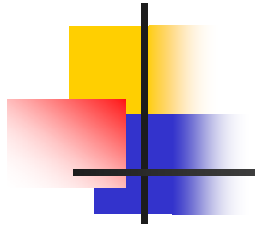
- Verbal comments by appearing in person to speak before Community Development Commission at monthly meeting or before City Council at public hearings
- Written comments by submission of comment form
- Citizens may complete a comment form
  - To identify potential uses not currently in the Consolidated Plan
  - To prioritize uses of funds currently included in the Consolidated Plan budget



# Citizen Participation

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- Comment forms received by January 31st are considered in the development of the Annual Action Plan Budget by Staff and CDC members
- Submission of a comment form does not guarantee for inclusion of funding in the budget
- Non-profits, in particular, frequently make presentations to the CDC to promote services provided by their organizations and request funding in Public Services category of the budget



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# Budget Development Process



# Budget Development Process

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## January

- Public input meetings held in community
  - Scheduled by Community Development Commission (CDC)
  - 6 meetings are held
- Extensions/Reprogramming of existing funds
- January 31<sup>st</sup> deadline for submission of comment forms



# Budget Development Process

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- February
  - After completion of the public meeting process, City Manager prepares a recommended budget
    - Incorporates public input and a review of existing programs to determine effectiveness
    - May recommend new services
      - Recommendation does not include the selection of contractors
      - Contractors must bid on services



# Budget Development Process

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- March – City Manager’s Recommended budget presented to CDC
- April – CDC recommends budget and amendments (if any) to City Council
- April & May – City Council review of budget



# Budget Development Process

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



# Questions?

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# Appendix



## FY 2009-10 CDBG Budget

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# FY2009-10 CDBG Funds

Sources of Funds	FY 2009-10 Adopted
Entitlement	\$17,563,609
HUD Reallocation	356,265
CDBG Program Income – Housing Activities	350,000
Program Income Section 108	35,000
One-Time Income	1,300,000
Program Income – Sub-recipient Retained (SDDC)	600,000
CDBG Reprogramming	1,494,154
<b>Total All CDBG Sources</b>	<b>\$21,699,028</b>



# FY2009-10 CDBG Funds

<b>Uses of Funds</b>	<b>FY 2009-10 Adopted</b>
Public Services (15% of max. amount allowed by HUD)	\$2,777,411
Housing Activities	12,126,272
Economic Development Activities	1,240,000
Public Improvements (City Facilities)	1,894,371
Fair Housing Enforcement	551,293
Program Oversight, Reporting & Monitoring (20% of max. amount allowed by HUD)	3,109,681
<b>Total All CDBG Uses</b>	<b>\$21,699,028</b>

## APPENDIX

**FY 2009-10 CONSOLIDATED PLAN BUDGET**  
**U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT GRANT FUNDS**  
**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ONLY**

<b>Project Name</b>		<b>FY 2009-10 Adopted Budget</b>
<b><u>CDBG - Public Services</u></b>		
1	African-American Museum Youth Enrichment Program	46,000
2	After-School/Summer Outreach Program	542,792
3	Child Care Services Program	228,000
4	City Child Care Services	325,000
5	Arts Education Program	16,000
6	Summer Youth Program	56,131
<b>Youth Programs Sub-Total</b>		<b>1,213,923</b>
7	Adolescent Substance Abuse - Inpatient	65,000
8	Clinical Dental Care Program	200,000
<b>Clinical Health Services (Youth ) Sub-Total</b>		<b>265,000</b>
9	City Geriatric Health	129,677
10	City Crisis Intervention	138,203
11	City Office of Senior Affairs	157,920
12	Senior Services Program	85,000
<b>Senior Services Sub-Total</b>		<b>510,800</b>
13	Temporary Emergency Housing	25,000
<b>Homeless/Temporary Housing Sub-Total</b>		<b>25,000</b>
14	Teen Violence -Victim Outreach	31,000
<b>Other Public Services (Youth) Sub-Total</b>		<b>31,000</b>
15	Homeless Outreach	132,194
16	Offender Re-entry Program (ATT)	92,209
17	Offender Re-entry Program (EHS)	115,054
18	Parenting and Early Childhood Development	25,000
19	South Dallas / Fair Park Community Court	327,231
20	Small Business Development Training & Mentoring	40,000
<b>Other Public Services (Non-Youth) Sub-Total</b>		<b>731,688</b>
<b>Total CDBG - Public Services</b>		<b>2,777,411</b>

FY 2009-10 CONSOLIDATED PLAN BUDGET  
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT GRANT FUNDS  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ONLY

Project Name		FY 2009-10 Adopted Budget
<b><u>CDBG - Housing Activities</u></b>		
21	Relocation Assistance	523,293
	<b>Legal Commitment/Mandates- Sub-Total</b>	<b>523,293</b>
22	Housing Development Support	1,315,645
23	Mortgage Assistance Program	1,870,000
24	Mortgage Assistance Program (Minor Repair)	300,000
25	Housing Services Program	100,000
26	Residential Development Acquisition Loan Program	960,000
27	Community Based Development Organization (CBDO)	700,000
	<b>Homeownership Opportunities Sub-Total</b>	<b>5,245,645</b>
28	Housing Assistance Support	2,065,570
29	Major Systems Repair Program	1,498,372
30	South Dallas/Fair Park Major Systems Repair Program	100,000
31	Minor Plumbing Repair/Replacement Program	30,000
32	People Helping People - Volunteer Home Repair	1,153,444
	<b>Homeowner Repair Sub-Total</b>	<b>4,847,386</b>
33	Dedicated SAFE II Expansion Code Inspection - Code	104,000
34	Dedicated SAFE II Expansion Code Inspection - Fire	149,082
35	Dedicated SAFE II Expansion Code Inspection - Police	105,112
36	Neighborhood Investment Program - Code Compliance	594,697
37	Community Prosecution Program (CCS)	277,057
38	Neighborhood Enhancement Program (NEP)	280,000
	<b>Other Housing/Neighborhood Revitalization Sub-Total</b>	<b>1,509,948</b>
	<b>Total CDBG - Housing Activities</b>	<b>12,126,272</b>

**FY 2009-10 CONSOLIDATED PLAN BUDGET  
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT GRANT FUNDS  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ONLY**

<b>Project Name</b>	<b>FY 2009-10 Adopted Budget</b>
<b><u>CDBG - Economic Development</u></b>	
39 Business Loan Program (Program Income)	600,000
<b>Business Loan Sub-Total</b>	<b>600,000</b>
40 Business Assistance Center Program	640,000
<b>Technical/Professional Assistance Sub-Total</b>	<b>640,000</b>
<b>Total CDBG - Economic Development</b>	<b>1,240,000</b>
<b><u>CDBG - Public Improvements</u></b>	
41 Neighborhood Street Improvement Petition Grant	65,000
42 Neighborhood Investment Program Infrastructure	1,704,371
43 Ferguson Park Trail Improvements	125,000
<b>City Infrastructure Sub-Total</b>	<b>1,894,371</b>
<b>Total CDBG - Public Improvements</b>	<b>1,894,371</b>
<b><u>CDBG - Fair Housing</u></b>	
44 Fair Housing Enforcement	551,293
<b>Total CDBG - Fair Housing</b>	<b>551,293</b>
<b><u>CDBG - Planning &amp; Program Oversight</u></b>	
45 Consolidated Plan Oversight, Citizen Participation, & CDC Support	751,141
46 Grant Compliance	707,242
47 Health Contract Monitoring	433,278
48 Housing Management Support	903,277
49 Relocation Management	57,362
50 Economic Development	192,860
51 Parks and Recreation	64,521
<b>Total CDBG - Planning &amp; Program Oversight</b>	<b>3,109,681</b>
<b>Total CDBG - Fair Housing and Planning &amp; Prog. Oversight</b>	<b>3,660,974</b>
<b>TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT</b>	<b>21,699,028</b>