

Memorandum



CITY OF DALLAS

DATE April 11, 2008

TO Honorable Mayor and Members of the City Council

SUBJECT Proposed FY 2008-09 Consolidated Plan Budget

Your April 16, 2008 agenda includes an item to discuss the Proposed FY 2008-09 Consolidated Plan budget. The briefing includes the City Manager's recommended budget and the amendments proposed by the Community Development Commission. Council will have the opportunity to discuss potential amendments to the Consolidated Plan budget during the May 7th briefing meeting.

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

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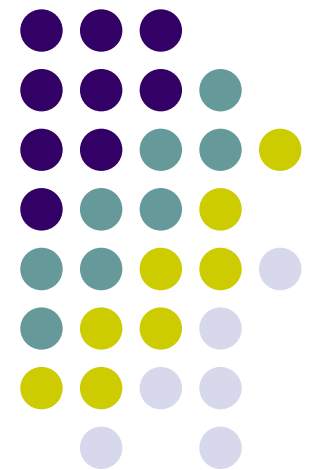
David Cook
Chief Financial Officer

Attachments

C: Mary K. Suhm, City Manager
Ryan S. Evans, First Assistant City Manager
David Brown, Interim Assistant City Manager
A. C. Gonzalez, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Ramon F. Miguez, P.E., Assistant City Manager
Jeanne Chipperfield, Interim Director, Office of Financial Services
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge Jay Robinson, Judiciary
Chandra Marshall-Henson, Assistant to the City Manager

Proposed FY 2008-09 Consolidated Plan Budget

City Council Briefing
April 16, 2008

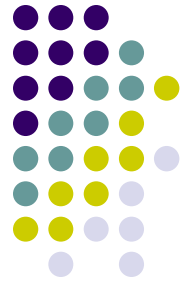


Purpose of Briefing



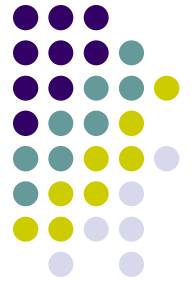
- Present City Manager's Proposed FY 2008-09 Consolidated Plan Budget
- Present amendments proposed by the Community Development Commission
- Review next steps

Consolidated Plan Budget Background



- Consolidated Plan consists of 5 grants received from U.S. Department of Housing and Urban Development (HUD)
 - Community Development Block (CDBG)
 - Home Investment Partnerships (HOME)
 - American Dream Down-payment Assistance Initiative (ADDI)
 - Emergency Shelter Grant (ESG)
 - Housing Opportunities for Persons with AIDS (HOPWA)

Consolidated Plan Budget Background (cont'd)



- \$29.5m to be received from HUD for FY 2008-09 Consolidated Plan Budget
- \$811,052 decrease in FY 2008-09 total grant funding when compared to FY 2007-08

Consolidated Plan Process to Date



- March 13th - City Manager's Proposed Consolidated Plan Budget was presented to the Community Development Commission (CDC)
- CDC Committees met during March to review and discuss their areas of the proposed budget
- April 3rd - CDC discussed amendments and approved the City Manager's Proposed Budget with their amendments

HUD Grant Funds



Community Development Block Grant (CDBG)

- Purpose - to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities
- Annual appropriations include the following funding sources
 - New HUD entitlement
 - HUD Reallocations
 - City's program income
 - Reprogramming of unexpended prior years' funds
- Entitlement - \$17,679,465; allocation reduced by \$625,331

HUD Grant Funds



HOME Investment Partnerships (HOME)

- Purpose - to provide, develop, support, produce, and expand the supply of decent and affordable housing
- Annual appropriations for HOME include the following funding sources:
 - New HUD Entitlement
 - City Program Income
- Entitlement - \$7,625,416; allocation reduced by \$273,555

HUD Grant Funds



American Dream Down-payment Assistance Initiative (ADDI)

- Purpose - to assist low-income families become first-time homebuyers through down-payment assistance
- Annual appropriations for ADDI from HUD entitlement
- Entitlement - \$72,460; allocation reduced by \$106,878

HUD Grant Funds



Emergency Shelter Grant (ESG)

- Purpose - to prevent homelessness and to assist those already homeless
- Annual appropriations for ESG from HUD entitlement
- Entitlement - \$772,437; allocation reduced by \$3,288

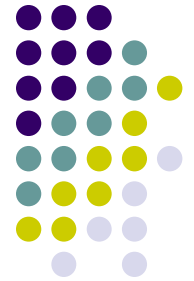
HUD Grant Funds



Housing Opportunities for Persons with AIDS (HOPWA)

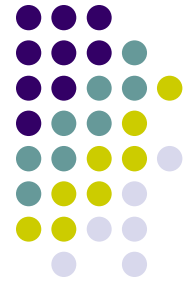
- Purpose - to provide housing and/or supportive services to individuals with AIDS, persons who are HIV positive, and their families
- Annual appropriations for HOPWA from HUD entitlement
- Entitlement - \$3,332,000; allocation increased by \$198,800

Sources of Funds – from HUD

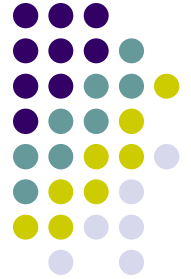


Source of Funds	FY 2007- 08 Adopted	FY 2008 - 09 Proposed
CDBG (grant)	\$17,927,867	\$17,305,776
CDBG (HUD reallocation)	376,929	373,689
HOME (grant)	7,898,971	7,625,416
ADDI (grant)	179,338	72,460
ESG (grant)	775,725	772,437
HOPWA (grant)	3,134,000	3,332,000
Sub-Total HUD Grant Funds	\$30,292,830	\$29,481,778

Source of Funds – Other Sources



Source of Funds	FY 2007- 08 Adopted	FY 2008 - 09 Proposed
CDBG Program Income – Housing Activities	\$776,929	\$350,000
CDBG Program Income – One Time	0	656,672
CDBG Program Income – Intown Housing Developer Repayments	139,345	35,000
CDBG Program Income – Sub-recipient Retained (SDDC)	600,000	600,000
CDBG Reprogramming (unspecified)	1,102,661	1,314,346
CDBG Reprogramming (specified)	0	119,253
HOME Program Income (Housing)	400,000	300,000
Grand Total All Sources	\$33,311,765	\$32,857,049



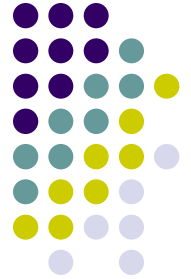
Proposed Uses of Funds

City Manager's Recommendation

and

CDC Recommended Amendments

Uses of Funds

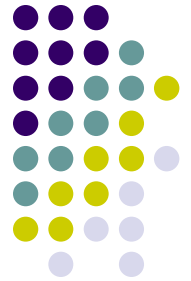


Use of Funds	FY 2007-08 Adopted	FY 2008-09 CM Proposed	FY 2008-09 As Amended By CDC
Public Services (CDBG)	\$3,789,697	\$2,706,572	\$2,706,572
Housing Activities (CDBG)	12,142,906	12,451,612	12,451,612
Economic Development (CDBG)	1,222,300	1,135,435	1,135,435
Public Improvements (CDBG)	0	848,224	848,224
Fair Housing (CDBG)	577,192	571,936	571,936
Program Oversight (CDBG)	3,191,636	3,040,957	3,040,957
HOME Activities	8,298,971	7,925,416	7,925,416
ADDI Activities	179,338	72,460	72,460
ESG Activities	775,725	772,437	772,437
HOPWA Activities	3,134,000	3,332,000	3,332,000
Total	\$33,311,765	\$32,857,049	\$32,857,049

Budget Considerations



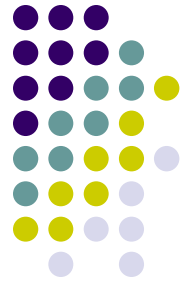
- Grant allocations reduced
- Comply with HUD regulations
- Consistent with 5-Year Consolidated Plan
- Increased service level needs
- Continue to allocate CDBG funds for Public Services at or near the 15% maximum allowed



Budget Considerations (cont'd)

- Staff Accountability – continue performance evaluation pay increases and employee health benefits cost increases
- Comply with City's timely expenditure policy for CDBG funds
- Continue to comply with HUD monitoring and reporting requirements
- Cap reductions in CDBG due to reduction in grant allocation and program income
 - Public Services category
 - Planning and Program Oversight category

Budget Considerations (cont'd)



CDBG – Public Services Cap Calculation Comparison

FY 2007-08 Public Services Budget	\$3,789,697
FY 07-08 CDBG Entitlement	\$18,304,796
FY 06-07 Program Income (includes S108 Loan Sales)	6,964,345
Total Current Year Entitlement + Prior Year Program Income	25,269,171
15% of Total = Maximum PS Budget Allowed	\$3,790,371
FY 2008-09 Proposed Public Services Budget	\$2,706,572
FY 08-09 CDBG Entitlement	\$17,679,465
FY 07-08 Program Income	364,345
Total Current Year Entitlement + Prior Year Program Income	18,043,810
15% of Total = Maximum PS Budget Allowed	\$2,706,572
Amount to be Reduced from Public Services FY09 Budget	(1,083,126)

CDBG - Public Services Highlights & Changes



City Manager's Recommendation

- No new programs proposed
- Maintain funding level for existing programs that address most urgent needs
- Funding recommendations are consistent with target populations identified in 2007 United Way Community Needs Assessment – Key Themes and Trends Indicators and Council Priorities

CDBG - Public Services Highlights & Changes (cont'd)



City Manager's Recommendation (cont'd)

- Programs recommended for funding are consistent with the most urgent needs identified (\$2.7M)
 - Children (\$1.3M)
 - Child Care
 - After-School/Summer
 - Youths (\$265k)
 - Substance Abuse
 - Dental Health
 - Seniors(\$487k)
 - Homeless population(\$177k)
 - Re-entry Programs (\$206k)
 - Community Court (\$301k)

CDBG - Public Services Highlights & Changes (cont'd)



City Manager's Recommendation (cont'd)

- Program reductions:
 - Eliminated funding for prior years programs (\$835k)
 - Adolescent Health Services (\$60k)
 - African-American Museum Youth Enrichment (\$50k)
 - Youth Development (\$347k)
 - Adult Substance Abuse(\$50k)
 - City Minority Diabetes (\$82k)
 - AIDs Early Intervention and Education (\$75k)
 - Teen Violence – Victim Outreach (\$35k)
 - Youth Related Social Services (\$30k)
 - Dedicated SAFE II Expansion Inspection Support-DPD (\$60k)
 - Domestic Violence (\$46k)

CDBG - Public Services Highlights & Changes (cont'd)



City Manager's Recommendation (cont'd)

- Reduced funding for FY2007-08 one-time funded programs (\$171k)
 - Fine Arts Education & Summer Camp (\$20k)
 - Arts Education Program (\$21k)
 - Low Birth Weight (\$25k)
 - Social Services and Outreach Program (\$34k)
 - Child Care Development Training System (\$30k)
 - Recruitment and Job Training Program (\$25k)
 - Community Youth & Senior Program (West Oak Cliff) (\$16k)
- No CDC amendments to the Public Services budget.

CDBG - Housing Highlights & Changes



City Manager's Recommendation

- Continue funding for Major Systems Repair Program (formerly known as Basic and Minor Home Repair Programs)
- Increase funding for Minor Plumbing Repair/Replacement
- Continue funding for Reconstruction/SHARE Program (formerly known as Replacement Housing/SHARE Program)

CDBG - Housing Highlights & Changes (cont'd)



City Manager's Recommendation (cont'd)

- Continue funding new programs added during FY2007-08 by mid-year reprogramming
 - Housing Services Program – funding for CHDOs to assist homebuyers (\$100k)
 - Neighborhood Enhancement Program – “Toolbox” of neighborhood improvements to compliment NIP in target areas (\$180k)
- No CDC amendments to the Housing activities budget



CDBG- Economic Development Highlights & Changes

City Manager's Recommendation:

- Continue funding for Business Assistance Centers at multiple sites
 - RFP to be issued for FY2008-09 BAC contract awards
- Continue use of revolving loan funds (program income of \$600,000) for SDDC's Business Loan Program
- No CDC amendments to the Economic Development budget

CDBG - Public Improvements Highlights & Changes



City Manager's Recommendation

- Restore funding for citywide neighborhood street improvement petition program and Neighborhood Investment Program target areas (\$679k)
 - Reduced in FY2007-08 budget due to available funding from prior fiscal years
- No CDC Amendments to the Public Improvements budget



CDBG - Fair Housing & Planning/Program Oversight Highlights & Changes

City Manager's Recommendation

- Fair Housing, Planning, and Program Oversight activities are proposed at 20%
 - HUD regulations allow 20% of grant
- Reductions to various programs recommended in order to comply with HUD's spending cap regulations (\$156k)
- No CDC Amendments to the Fair Housing & Planning/Program Oversight budget



HOME Grant

Highlights & Changes

City Manager's Recommendation

- Funding for CHDO Development Assistance at 15% minimum (HOME funding requirements)
- Funding for CHDO Operating Assistance at 5% maximum of entitlement
 - Reduction due to HOME regulations (\$17k)
- Increase funding for Reconstruction/SHARE Program (formerly known as Replacement/SHARE Program) (\$70k)



HOME Grant Highlights & Changes (cont'd)

City Manager's Recommendation (cont'd)

- Continue funding for client assistance in Tenant Based Rental Assistance (TBRA) Program
- Continue funding for City administered TBRA for Ex-Offenders Program
- No CDC Amendments to HOME budget

ADDI Highlights & Changes



City Manager's Recommendation

- Decreased funding for first-time homebuyers down payment assistance due to projected decrease funding grants
 - Reduction of \$106,878 in grant
- No CDC Amendments to ADDI budget

ESG

Highlights & Changes



City Manager's Recommendation

- Decrease funding in operations and program administration due to projected decrease in funding grant
 - Reduction of \$3,288 in grant
- Prior year funds will offset this year's reduction
- Homeless Assistance Center scheduled to open May 2008
 - Funds originally allocated for Day Resource Center to be used to offset operation costs
- No CDC Amendments to ESG budget

HOPWA Highlights & Changes

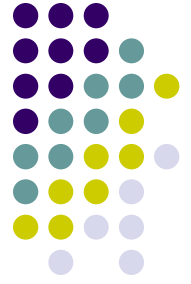


City Manager's Recommendation

- Funding allocations made in reference to priorities established by the Ryan White Planning Council (RWPC) and with needs identified in RWPC 2007 Comprehensive Needs Assessment
- Decreased funding in Tenant Based Rental Assistance to maintain current service level. Program using unspent prior year funds to supplement FY 2008-09 funding

HOPWA

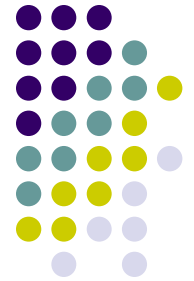
Highlights & Changes (cont'd)



City Manager's Recommendation (cont'd)

- Increased funding in Emergency Assistance
 - Reduced in FY 2007-08 due to funding from prior fiscal years
- Increased funding in Housing Facilities Operations (\$160k and Supporting Services (\$207k)
- No projects recommended in Housing Rehab/Repair category

HOPWA Highlights & Changes (cont'd)



CDC Amendments

Decrease:	
Housing Facilities Operation	(\$61,140)
Increase:	
Housing Facilities Rehab/Repair	\$61,140
Total	\$61,140

CDC Rationale:

In response to community request, CDC supports available housing for eligible citizens and desires additional funding (\$61,140) for needed repairs. CDC anticipates minimal impact to the Housing Facilities operation.

CMO Response: City Manager does not object

Next Steps



- April 30 – Council amendments due
- May 7 – City Council amendments discussion and straw votes
- May 14 – Preliminary adoption by Council and call public hearing
- May 15 – Begin 30 day public review and comment period
- June 11 – Public hearing before City Council
- June 25 – Final adoption by Council
- August 15 – Submit FY 2008-09 Action Plan to HUD
- October 1 – Implement plan



Attachment A

Detailed Project Listing



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