

Memorandum



CITY OF DALLAS

DATE June 21, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Office of Homeless Solutions City Council Addendum Item**

The following item will be considered by City Council on the June 26, 2019 Addendum:

Authorize (1) preliminary adoption of Substantial Amendment No. 3 to the FY 2018-19 Action Plan for the Emergency Solutions Grant (“ESG”) Program, to reallocate FY17 ESG funds in the amount of \$333,895.00 from Emergency Shelter, Rapid Re-Housing, and Homeless Management Information System eligible activities to Street Outreach and Homelessness Prevention eligible activities; and (2) a public hearing to be held on August 14, 2019, to receive comments on Substantial Amendment No. 3 to the FY 2018-19 Action Plan for the ESG Program to reallocate FY17 ESG funds - Financing: No cost consideration to the City

This item is scheduled for City Council consideration prior to the next meeting of the Human and Social Needs Committee.

Background

Emergency Solutions Grant (“ESG”) funds are awarded to the City of Dallas by the U.S. Department of Housing and Urban Development (“HUD”) as part of the Consolidated Plan Budget. These grant funds may be used to support operations, essential services, or renovations at emergency shelters serving the homeless; street outreach for unsheltered homeless; rapid re-housing assistance for homeless persons; and homelessness prevention assistance for persons at risk of homelessness. Use of ESG funds for emergency shelter and street outreach combined is limited to 60% of the annual award.

On May 24, 2017, City Council authorized the preliminary adoption of the Proposed FY 2017-18 Consolidated Plan Budget with an estimated FY17 ESG grant allocation of \$1,211,466. HUD published the final grant allocations for the FY 2017-18 Consolidated Plan Budget on June 14, 2017 and, subsequently notified the City by letter dated June 30, 2017, that it would receive a one-time supplemental ESG allocation based on additional ESG funds appropriated to Congress being made available to assist communities in serving the homeless.

On August 9, 2017, City Council authorized the final adoption of the FY 2017-18 Consolidated Plan Budget, with an FY17 ESG grant allocation as follows:

FY17 ESG Grant Allocation	\$1,193,613
FY17 ESG Supplemental Allocation	<u>\$1,923,927</u>
Total ESG Allocation	\$3,117,540

ESG funds must be expended within 24 months after the date HUD signs the grant agreement with the City of Dallas. For the FY17 ESG grant allocation, this expenditure deadline is October 19, 2019. The Office of Homeless Solutions (“OHS”) has issued four procurement solicitations for FY17 ESG funds. ESG grant funds must be matched dollar-for-dollar. Proposers applying for ESG grant funds must provide total match that equals or exceeds the amount of ESG funds awarded.

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Over the five-year period prior to FY2017-18, the City’s annual ESG grant allocation averaged approximately \$1.2 million. Spending the additional \$1.9 million FY17 ESG one-time supplemental allocation (over and above our normal annual allocation of \$1.2 million) has proved challenging. The Dallas housing market conditions, along with specific program requirements like the dollar-for-dollar match requirement, have been exacerbating factors. OHS has been working with ESG partners to mitigate challenges. However, it is necessary to reallocate FY17 ESG funds among eligible activities to meet the expenditure deadline.

Federal regulations and the City’s Citizen Participation Plan require a public hearing to authorize a substantial amendment (including a budget amendment in excess of 25% or \$100,000 of the budget appropriation). The public hearing must provide not less than a 30-day public review and comment period to allow for public comments and input with respect to any substantial amendment.

Summary

This action authorizes preliminary adoption of, and a public hearing to receive comments on, Substantial Amendment No. 3 to the FY 2018-19 Action Plan for the ESG Program. This budget amendment will reallocate FY17 ESG funds in the amount of \$333,895 from Emergency Shelter, Rapid Re-Housing, and Homeless Management Information System eligible activities to Street Outreach and Homelessness Prevention eligible activities, as follows:

Eligible Activity	Original Budget	Change	Revised Budget
Emergency Shelter	\$1,587,807	(\$18,370)	\$1,569,437
Street Outreach	\$69,072	\$232,015	\$301,087
Homelessness Prevention	\$170,000	\$101,880	\$271,880
Rapid Re-Housing	\$1,065,784	(\$302,778)	\$763,006
HMIS Data Collection	\$69,000	(\$12,747)	\$56,253
ESG Administration	\$155,877	\$0	\$155,877
Total	\$3,117,540	\$0	\$3,117,540

Should you have any questions or concerns, please contact myself or Monica Hardman, Managing Director, Office of Homeless Solutions.

Nadia Chandler Hardy
Assistant City Manager and Chief Resilience Officer

- c: T.C. Broadnax, City Manager
- Chris Caso, City Attorney (Interim)
- Mark Swann, City Auditor
- Biliera Johnson, City Secretary
- Preston Robinson, Administrative Judge
- Kimberly Bizar Tolbert, Chief of Staff to the City Manager
- Majed A. Al-Ghafry, Assistant City Manager
- Jon Fortune, Assistant City Manager
- Joey Zapata, Assistant City Manager
- Michael Mendoza, Chief of Economic Development and Neighborhood Services
- M. Elizabeth Reich, Chief Financial Officer
- Laila Alequresh, Chief Innovation Officer
- Liz Cedillo-Pereira, Chief of Equity and Inclusion Directors and Assistant Directors