

# Memorandum



CITY OF DALLAS

DATE February 28, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Additional Information for the Presentation for the Update on U.S. Department of Housing and Urban Development Audits, Monitorings and Reviews of Department of Housing & Neighborhood Revitalization**

This memorandum serves as a response to the request for additional information regarding the presentation by Housing and Neighborhood Revitalization (Housing) on the U.S. Department of Housing and Urban Development Audits, Monitorings and Reviews presented to the Housing and Homeless Solutions Committee on February 24, 2020.

(1) Provide the Annual Community Assessment (ACA) report:

The ACA is HUD's annual review of the City's performance on compliance with the statutes and continued capacity to administer programs as required by the provisions of the Housing and Community Development Act and the National Affordable Housing Act. Attached is the most recent ACA report dated June 6, 2019, for the 2017 Program Year. The City will receive the 2018 Program Year ACA report in June 2020 and will forward that report to City Council when available.

(2) Provide the workplan for the 2018 Office of Inspector General (OIG), Community Housing Development Organization (CHDO) Audit:

Attached is Housing's workplan for the 2018 OIG CHDO audit, detailing the findings, responses and the status updates to-date. The work on addressing findings is ongoing. Staff will forward updates when available.

(3) Provide an explanation of TDA, Inc:

TDA, Inc. is a nationally known consulting company that trains HUD staff on federal program regulations and funding requirements. They were retained by the Department of Housing and Neighborhood Revitalization as part of the reorganization of the department. TDA writes policies and procedures for newly designed programs, supports the compliance division to manage deficiencies in the department, and trains newly hired staff in program management and compliance. The attached Housing Committee memorandum and Council Resolution No. 19-0184 approved on January 23, 2019 for TDA, Inc. further explains the relationship and services TDA provides to the City of Dallas.

DATE February 28, 2020  
SUBJECT Additional Information on Update on U.S. Department of Housing and Urban Development Audits, Monitorings and Reviews of Department of Housing & Neighborhood Revitalization

(4) Provide HUD's definition of fraud, waste, and abuse:

According to the Office of Inspector General, the government's definition in the 2018 Government Auditing Standards and thus HUD OIG's definition of fraud, waste, and abuse is:

Fraud: Involves obtaining something of value through willful misrepresentation. Whether an act is, in fact, fraud is determined through the judicial or other adjudicative system and is beyond auditors' professional responsibility. (paragraph 8.73)

Waste: The act of using or expending resources carelessly, extravagantly, or to no purpose. Waste can include activities that do not include abuse and does not necessarily involve a violation of law. (paragraphs 6.21, 7.23, and 8.120)

Abuse: Behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances, but excludes fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements. (paragraphs 6.23, 7.25, and 8.122)

(5) Review CHDO decertification language:

Housing's policy and practice is to certify or recertify. In the event CHDOs are out of compliance, the City will not recertify its CHDO designation that will disallow further CHDO funding and benefits.

Should you have any questions, please contact David Noguera, Director of Housing and Neighborhood Revitalization at (214) 670-5988.



Michael Mendoza  
Chief of Economic Development & Neighborhood Services

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer 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  
Nadia Chandler Hardy, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
Laila Aleqresh, Chief Innovation Officer  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
Fort Worth Regional Office, Region VI  
Office of Community Planning and Development  
801 Cherry Street, Unit #45, Ste. 2500  
Fort Worth, TX 76102  
www.hud.gov

APR 30 2019

T.C. Broadnax, City Manager  
City of Dallas  
Dallas City Hall, 4EN  
1500 Marilla  
Dallas, Texas 75201



Dear Mr. Broadnax:

SUBJECT: Annual Community Assessment for the 2017 Program Year

HUD is required to conduct an annual review of performance by grant recipients according to the provisions of the Housing and Community Development Act and the National Affordable Housing Act. We must determine that each recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received. This is to report the results of our review of the City of Dallas' performance.

## Report

Our review is based on an evaluation of your consolidated planning process and progress in carrying out the programs, the management of funds by the City of Dallas and your subrecipients, information provided in the Consolidated Annual Performance and Evaluation Report (CAPER) and the Integrated Disbursement and Information System (IDIS), the results of on-site monitoring, and your achievement of program objectives.

On December 29, 2018, the city submitted its CAPER for the 2017 program year which covers October 1, 2017 to September 30, 2018. The city reported the following accomplishments in its CAPER.

### ▪ Providing Decent Housing.

- HOME Investment Partnership Program (HOME) and Community Development Block Grant (CDBG) funds were used to:
  - reconstruct three and rehabilitate 124 single-family homes owned by low and moderate income (LMI) households.
  - provide homeownership assistance to 42 LMI homebuyers.
  - Increase the affordable rental inventory through construction of 35 new single-family homes and rehabilitation of 100 multifamily units.
- Emergency Solutions Grants (ESG) funds were used to provide street outreach to a total of 562 homeless persons, emergency shelter to 8,272 homeless persons,

- rapid rehousing to 64 individuals, essential services to 857, and homeless prevention assistance to 309 persons at risk of becoming homeless.
  - Housing Opportunities for Persons with AIDS (HOPWA) funds were used to provide housing assistance to 925 households.
  - The city administered 328 units of tenant-based rental assistance for homeless individuals and families using HOME funds and Continuum of Care Program funds.
- **Suitable Living Environment.** CDBG-funded public services activities provided assistance to 8,537 persons during the program year. Services provided included child care, job training and employment assistance, youth programs, and various programs designed to meet the needs of senior citizens. CDBG funds were also used for code enforcement, and to make improvements to 18 city parks and three recreation centers. Sidewalks improvements were completed on six streets in LMI areas.
- **Expand Economic Opportunity.** To promote local economic opportunities, CDBG funds were used to make two small business loans which are expected to create nine jobs. During the program year, one of those businesses created one job which was filled by a LMI person. Ten jobs were created by two businesses loaned funds during the previous program year. According to information reported in IDIS, all ten jobs were filled by LMI persons.

We note the city's compliance with the following requirements.

- **Overall CDBG Program Benefit.** In program year 2017, 100 percent of CDBG funds (excluding funds expended for planning and administration) were expended on activities which principally benefit LMI persons; therefore, the city far exceeded the 70 percent minimum standard for overall program benefit.
- **CDBG Planning and Administration and Public Service Caps.** We used the CDBG financial summary report to perform the required compliance checks for the CDBG program, including the 20 percent cap on planning and administration and the 15 percent cap on public services. Planning and administration obligations were 15.78 percent of the grant plus program income. Public service obligations were 13.68 percent.
- **HOME Match Requirements.** The City of Dallas met its annual match requirement for the 2017 program year by using match credit from previous years.
- **ESG Program Expenditure Deadline.** Based on drawdown information in IDIS, the city met the 24-month grant expenditure deadline for its FY 2016 ESG grant allocation.
- **HOPWA Program Expenditure Deadline.** The city met the 36-month expenditure deadline requirement for its FY 2015 grant and is on track to meet the deadline for its FY 2016 grant.

## Areas Needing Improvement and Recommendations

We provide the following recommendations for your consideration as you continue to improve performance, develop and refine your Consolidated Planning process, and carry out your program.

- **HUD OIG Audit.** HUD's Office of Inspector General (OIG) audited the City of Dallas' HOME Program in 2017. The audit report issued on May 8, 2018 contained one finding and nine recommendations. The management decisions were communicated to the city in our letter of September 22, 2018. As of the date of this letter, four of the nine recommendations have been cleared and the city's response to one is currently under review. Responses to the remaining four recommendations are due on May 17, 2019 and July 31, 2019.
- **Onsite Monitoring.** This office conducted an onsite monitoring review of the HOME Program in 2017. Our December 21, 2018 letter communicated actions the city must take to clear the three findings that remain open. The city's response was due to this office on February 19, 2019 but has not been received.
- **Timely Expenditure of CDBG Funds.** On August 22, 2018, HUD cited a finding of noncompliance for the city's failure to meet the requirements for carrying out its CDBG program in a timely manner. To address the finding, the city submitted the required workout plan on December 12, 2018, which demonstrates how the city return the program to compliance with the CDBG regulations at 24 CFR 570.902. To meet the 2019 timeliness test, the city must have no more than \$22,215,245, in its CDBG line of credit on August 2, 2019. Our records indicate that on April 24, 2019, the city had a grant balance of \$29,218,995, and a program income balance of \$1,101,839, for a total of \$30,320,835, which is equivalent to 2.05 times its annual grant. To bring its CDBG program into compliance with the timeliness standard, the city must draw **\$8,101,839 by August 2, 2019.**
- **Timely Expenditure of HOME Funds.** The HOME Program regulation requires a HOME participating jurisdiction to expend its annual allocation of HOME funds within five years of receiving its HOME grant. Compliance with this requirement is based on a review of the PJ's allocations and expenditures, as reported in the Integrated Disbursement and Information System (IDIS) at the time of its deadline. As communicated in our letter of November 9, 2018, the **city fell short of its September 30, 2018 deadline by \$1,178,446.** The city provided documentation of expenditures in the amount of \$387,459, which were incurred but drawn before the deadline. Additional documentation of those expenditures was requested by this office on April 16, 2019. To be considered, the city must submit that documentation **by May 10, 2019.**
- **ESG Program Expenditure Deadline.** Based on drawdown information in IDIS, the city has drawn only 24 percent of its FY 2017 ESG grant of \$3,117,540. To meet the 24-month expenditure deadline, **\$2,369,861 must be expended by October 19, 2019.**

## Conclusion

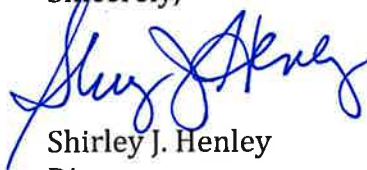
As a result of our evaluation, we have determined that the City of Dallas has carried out its program substantially as described in its Consolidated Plan; and the city has the continuing capacity to carry out its approved program in a timely manner. However, there are instances where the Consolidated Plan as implemented has not complied with the requirements of the Housing and Community Development Act and other applicable laws and regulations, as discussed in this letter.

We are providing the city with 30 days from the date of this letter to comment on this report. Should the city wish to comment or request changes to it we will take them into consideration and provide a written response. If no comments are received within the period allowed, this report will be considered to be in final form. Once it is in final form, it will be made available to the public upon request.

This report is intended to be shared with the public. You may provide copies to interested persons such as the news media, members of local advisory committees, and citizens attending public hearings. We request that you provide a copy of this letter to the Independent Public Accountant who performs the single audit of the city in accordance with OMB Circular A-133.

If you have any questions, please contact Kristin Hadawi, Senior Community Planning and Development Representative, at (817) 978-5959.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shirley J. Henley".

Shirley J. Henley  
Director

cc: Chan Williams, Assistant Director, Office of Financial Services

January 23, 2019

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

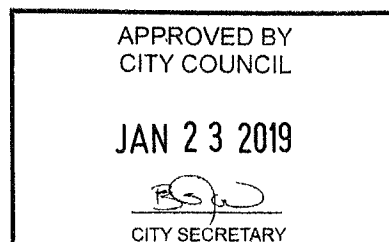
**SECTION 1.** That the City Manager is hereby authorized to execute a professional consulting contract with TDA Consulting, Inc. (VC17187), approved as to form by the City Attorney, for program compliance consulting services and training for Housing and Neighborhood Revitalization Department for a term of three years, in an amount not to exceed \$1,481,484.21. If the service was bid or proposed on an as needed, unit price basis for performance of specified tasks, payment to TDA Consulting, Inc. shall be based only on the amount of the services directed to be performed by the City and properly performed by TDA Consulting, Inc. under the contract.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to disburse funds in accordance with this resolution in an amount not to exceed \$1,481,484.21 (subject to annual appropriations) to TDA Consulting, Inc. from Professional Consulting Contract No. HOU-2019-00009040.

<u>Fund</u>	<u>Department</u>	<u>Unit</u>	<u>Code</u>	<u>Encumbrance</u>	<u>Amount</u>
CD18	HOU	808C	3070	HOU-2019-00009040	\$470,000.00
CD19	HOU	TBD	3070	HOU-2019-00009040	\$433,493.00
CD20	HOU	TBD	3070	HOU-2019-00009040	\$433,493.00
CD21	HOU	TBD	3070	HOU-2019-00009040	\$144,498.21

**SECTION 3.** That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to the contract, until such time as the contract documents are duly approved by all parties and executed.

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.





## Audit Status Chart

Finding	2019-FW-1004: OIG Audit of the Community Housing Development Organizations (CHDOs)	City Response	Results
1A	The City must repay \$1,603,576.96 from non-Federal funds to the HOME program account for the projects that had a statutory violation of the environmental requirements under 24 CFR 58.22. These include: (1) Builders of Hope – Prairie Creek Phase 3 (\$629,940); (2) ICDC Scattered Sites (\$286,775.47); ICDC Pittman Final Phase (\$353,968.70); and, EDCO Scattered Sites – Gurley Avenue Properties (\$332,892.79).	Submitted Response Prepared by CAO to HUD General Counsel on January 7, 2020.	Still Under Review
1B	The City must provide the Fort Worth Field Office the complete environmental review records for the EDCO seven scattered-site properties within 30 days of the date of this letter (AUGF signed 3/2/2017). The city must also provide our office assurance that these are the original records.	Submitted Documents to HUD on January 6, 2020.	HUD requested a written assurance due by February 28, 2020.
1C	The City must provide the Fort Worth Field Office documentation to support that no funds were expended prior to the date of the executed AUGF (3/2/2017) for each of the seven properties referenced in 1B above. Please provide the documentation within 30 days from the date of this letter.	Submitted Documents to HUD on January 6, 2020.	No further action is required.
1D	The City must deobligate and reprogram the unexpended HOME fund balances for the EDCO scattered-site and ICDC scattered-site projects. The City must provide the Fort Worth Field Office documentation that it followed the citizen participation requirements within 60 days from the date of this letter.	Submitted Documents to HUD on January 6, 2020.	HUD will notify the City when the block has been lifted.
1E	The City must provide the Fort Worth CPD Office an assurance that it will not provide additional Federal funds to any of the projects identified in this finding.	Written assurance provided on January 6, 2020.	HUD will notify the City when the block has been lifted.
1F	The City must submit to the Fort Worth Field Office a final approved comprehensive environmental review policy and procedure for all HUD/CPD funded projects within 60 days. At a minimum, the policy must identify the city department/staff responsible for conducting reviews' coordination efforts with other city departments to identify projects; coordination efforts with project sponsors, CHDOs, CBDO, subrecipients; and other entities that receive HUD/CPD funds to ensure reviews are completed prior to committing funds; documentation requirements; location of documents; on-going staff training; and management review/approval of reviews. The submission must include an organizational chart and an environmental review process flow chart.	Submitted Documents to HUD on January 6, 2020.	No further action is required.



<b>1G</b>	The city must provide the Fort Worth Field Office an assurance that it will utilize the HUD Environmental Review Online System (HEROS) to submit and manage all HUD/CPD environmental review records within 30 days.	Submitted Documents to HUD on January 6, 2020.	No further action is required.
<b>1H</b>	The city must submit to the Fort Worth Field Office contract language that complies with 58.22 (d) and (f) for review and approval within 30 days and an assurance that it incorporates this language in HUD/CPD contracts, when it is applicable.	Submitted Response to HUD as part of CAO Letter to HUD General Counsel on January 7, 2020.	No further action is required.
<b>1I</b>	The city must submit the complete environmental review record and AUGF to the Regional Environmental Officer for the next three CHDO projects.	Submitted written assurance to HUD on January 6, 2020.	No further action is required.
<b>2A</b>	The city must provide the Fort Worth Field Office documentation to support each of the drawdowns listed in Attachment A, Serenity Place CDBG Drawdowns by Voucher Number and identified in Table 2 in the amount of \$1,744,142.	Submitted Documents to HUD during on-site visits on December 5 and 12, 2019 and January 9, 2020.	Still Under Review
<b>2B</b>	The city must provide the Fort Worth Field Office documentation to support that the Serenity Place project meets the eligibility requirements under 24 CFR 570.204.	Submitted Documents to HUD during on-site visits on December 5 and 12, 2019 and January 9, 2020.	Still Under Review
<b>2C</b>	The city must provide the Fort Worth Field Office the complete environmental review records for the City-Wide Serenity Place project within 30 days. The city must also provide our office an assurance that these are the original records.	Submitted Documents to HUD during on-site visits on December 5 and 12, 2019 and January 9, 2020.	Still Under Review
<b>2D</b>	The city must provide the Fort Worth Field Office documentation to support that no Federal Funds were expended prior to the date of the executed AUGF for the City-Wide Serenity Place Project.	Submitted Documents to HUD on January 6, 2020.	Still Under Review
<b>2E</b>	The city must provide the Fort Worth Field Office documentation to support each of the drawdowns listed in Exhibit B, CHDO Drawdowns by Voucher Number and identified in Table 3.	Submitted Documents to HUD during on-site visits on December 5 and 12, 2019 and January 9, 2020.	Still Under Review
<b>2F</b>	The city must provide the Fort Worth Field Office documentation to account for the program income of \$120,204 generated by Builders of Hope and \$59,847 generated by City Wide identified in Appendix D of the OIG report.	The City requested an extension to provide these documents.	HUD granted an extension until February 28, 2020.
<b>2G</b>	The city must provide the Fort Worth Field Office documentation that it reimbursed the HOME program account for \$105 from non-Federal funds for the Runyon Springs CHDO activity.	The City requested an extension to provide these documents.	HUD granted an extension until February 28, 2020.

2H	The city must provide the Fort Worth Field Office a written assurance that it has reviewed its underwriting and project evaluation policies and procedures to ensure that they comply with the HOME program requirements at 24 CFR 92.250 and 92.254 and CPD Notice 15-11, Requirements for the Development and Implementation of HOME Underwriting and Subsidy Layering Guidelines. In addition, the city must provide a written assurance that it will follow its underwriting policies and procedures within 60 days from the date of this letter.	Submitted Documents to HUD on January 6, 2020.	HUD requested a written assurance due by February 28, 2020.
2I	The city must develop and implement policies and procedures for obtaining, submitting, reviewing and approving documentation to support HOME program draws. The city must also develop and implement a policy and procedure for making cash advances. The city must submit its approved policies and procedures within 60 days to this office.	The City requested an extension to provide these documents.	HUD granted an extension until February 28, 2020.
2J	The city must provide the Fort Worth Field Office a written assurance that it has reviewed its policies and procedures for obtaining, reviewing and documenting income for compliance with 24 CFR 92.203 and 92.508. In addition, the city must provide a written assurance that it will train its employees and CHDO staff on the policies and procedures within 60 days of submission of the policy and procedure identified in I above.	Submitted Documents to HUD on January 6, 2020.	HUD requested a written assurance due by February 28, 2020.
2K	The city must develop and implement policies and procedures for documenting the results of the CHDO recertification procedures, including but not limited to documenting the results of unpaid taxes, the resolution of audit findings, and SAM searches. The city must submit its approved policy and procedure within 60 days to this office.	Submitted documents to HUD on January 6, 2020.	HUD requested additional documentation due by February 28, 2020.
2L	The city must provide the Fort Worth Field Office a written assurance that it has conducted a SAM search for all current CHDOs, including principal staff and board members and that there are no active exclusions listed. Please provide the assurance and a summary report for each CHDO within 30 days.	Submitted documents to HUD on January 6, 2020.	HUD requested additional documentation due by February 28, 2020.

# Memorandum



DATE January 4, 2019

CITY OF DALLAS

TO Members of the Economic Development & Housing Committee: Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman, Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT **A Proposed Agreement with TDA Consulting, Inc. in an amount not to exceed \$1,481,484 to provide Compliance and Monitoring Services to the Housing and Neighborhood Revitalization Department**

On Monday, January 7, 2019, the Economic Development and Housing Committee will be briefed on a proposal to authorize the City to enter into a 3-year agreement with a firm that specializes in assisting recipients and subrecipients of federal grants in developing policies and procedures related to compliance with grant regulations. The firm would provide such services to the Department of Housing and Neighborhood Revitalization.

## Summary

On May 9, 2018, via Resolution 180704, the Dallas City Council adopted a comprehensive housing policy. Leading up to the adoption of the comprehensive housing policy, and continuing after its adoption, Housing has been evaluating its capacity to: implement the comprehensive housing policy; develop processes to administer the programs, tools and strategies authorized by the comprehensive housing policy; and draft policies and procedures that will guide staff in administering the programs.

One fundamental role where Housing has a documented history of deficiencies is in its compliance function. And, during Housing's ongoing evaluation of its capacity to implement the comprehensive housing policy, it became apparent that Housing does not have the existing staff capacity to be able to effectively engage in its compliance function and is unlikely to be able to quickly recruit and hire staff with specialized expertise in housing program compliance.

Therefore, Housing is proposing that, over the next three years, Housing will engage a third party consultant to provide hands-on support in identifying and eliminating compliance gaps, creating and implementing internal controls, and offering ongoing support to sustain changes made to Housing programs.

The Office of Procurement Services conducted a Request for Proposals process to solicit proposals from federal grant compliance firms with expertise in Community Development Block Grants (CDBG) and the HOME Investment Partnerships Program (HOME). Through the evaluation process, TDA Consulting was selected to receive the contract.

DATE January 4, 2019

SUBJECT A Proposed Agreement with TDA Consulting, Inc. in an amount not to exceed \$1,481,484 to provide Compliance and Monitoring Services to the Housing and Neighborhood Revitalization Department

### **Background**

In the past two years, Housing has been the subject of 12 audits, monitorings and reviews that generated more than 30 findings of non-compliance related to recordkeeping, underwriting, program compliance and HUD reporting. Some findings resulted in financial repayments from the City's General funds and the forfeiture of federal grant dollars. Staff have spent countless hours working to resolve these findings, but many of the factors that led to the findings are still prevalent today. From weak or non-existent internal controls to knowledge gaps, Housing continues to operate in an environment that generates compliance concerns.

TDA Consulting specializes in fixing compliance issues that the City is experiencing with its management of federal grants.

In Year 1 of the contract, TDA would provide the following:

- Embed two staff to manage HUD reporting and compliance oversight,
- Train current and new Housing staff in federal grant rules,
- Develop Housing policies and procedures to align with the Comprehensive Housing Policy,
- Develop internal controls to support coordination across Housing divisions,
- Assess Community Housing Development Organization (CHDO) performance and develop technical assistance plans to address any deficiencies observed.

In Years 2 and 3, TDA would focus its services on providing:

- On-call and remote technical assistance to support problem-solving activities with federal grant management, and
- On-site quarterly trainings to further develop City staff's and CHDO's knowledge of federal grant compliance as it relates to Housing programs.

### **Issues**

The City of Dallas receives approximately \$19.6M in CDBG funds and \$6M in HOME funds each year. Ensuring that these funds are effectively serving Dallas residents requires a commitment to compliance oversight. Based on the audit findings described above, there is significant room for improvement. The City needs to make a greater commitment to compliance to preserve these valuable grant dollars.

### **Alternatives**

Given the volume of audit findings related to Housing's past practices and the number of audits still outstanding or underway, it is expected that this trend of non-compliance with federal grant regulations will continue until Housing can make meaningful changes to its processes and practices. The alternative to hiring a federal grant compliance firm is to attempt to recruit and hire individuals who have specialized experience with grant

DATE January 4, 2019

SUBJECT A Proposed Agreement with TDA Consulting, Inc. in an amount not to exceed \$1,481,484 to provide Compliance and Monitoring Services to the Housing and Neighborhood Revitalization Department

compliance and to train existing staff. This alternative could only be implemented in a piecemeal fashion and would likely take over a year for Housing to complete, while still trying to engage in compliance activities and overcome significant training and internal control deficits simultaneously. This alternative approach will continue to put the City's HUD grants at risk. Loss of CDBG and HOME dollars would impact the City's ability to serve affordable housing development needs and provide homebuyer assistance, home repair, and community services such as senior programs, tenant based rental assistance, and community centers.

### **Fiscal**

The TDA Consulting proposal is valued at \$1,481,484.21 over a three-year period. This cost would be paid with the City's CDBG allocation of funding for administrative expenses.

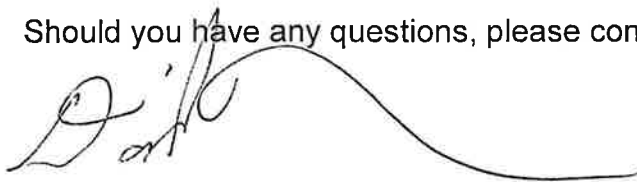
### **Departments/Committee Coordination**

Housing administers the City's CDBG and HOME grants in collaboration with the Office of Financial Services. Housing also consults regularly with the City Attorney's Office regarding compliance issues. If the City is authorized to obtain the compliance consulting services, Housing will invite both the Office of Financial Services and City Attorney's Office to participate in the training and technical assistance that TDA Consulting would bring to the City of Dallas.

### **Staff Recommendation**

The Housing and Neighborhood Revitalization Department recommends that the City Council accept TDA Consulting's proposal and allow the City to contract with them to provide federal grant compliance services for the City's CDBG and HOME grants.

Should you have any questions, please contact me at (214) 670-3619.



David Noguera  
Director  
Housing and Neighborhood Revitalization

c: Christopher Caso, City Attorney (Interim)  
Craig D. Kinton, City Auditor  
Billerae Johnson, City Secretary  
Daniel F. Solis, Administrative Judge  
Kimberly Bizer 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  
M. Elizabeth Reich, Chief Financial Officer  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
Directors and Assistant Directors