

# Mayor and Council Communication

**DATE:** 05/24/22

**M&C FILE NUMBER:** M&C 22-0383

**LOG NAME:** 19ESG-CV2REVISIONS

**SUBJECT**

(ALL) Authorize Substantial Amendment to the 2019-2020 Action Plan for use of Federal Grant Funds from the United States Department of Housing and Urban Development Received Under the Coronavirus Aid, Recovery and Economic Security Act to Revise the Allocation of Funding and Authorize Execution of Amendment to Contract with The Presbyterian Night Shelter of Tarrant County, Inc. to Increase the Contract Amount by \$125,000.00 for a Total Contract Amount of \$892,000.00

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize a substantial amendment to the 2019-2020 Action Plan for use of Federal Grant Funds from the United States Department of Housing and Urban Development received under the Coronavirus Aid, Recovery and Economic Security Act to revise the allocation of funding among local nonprofit homeless service providers;
2. Authorize execution of contract amendment to agreement CSC No. 54965 with Presbyterian Night Shelter of Tarrant County to increase the contract amount by \$125,000.00 for a total contract amount of \$892,000.00 to ensure the expenditure of funding; and
3. Authorize the City Manager or his designee to further amend the agreement if necessary to achieve program goals and meet Housing and Urban Development expenditure deadlines, provided the amendment is within the scope of the program and in compliance with applicable City policies, laws and regulations.

**DISCUSSION:**

In April 2020, the City of Fort Worth (City) was awarded \$2,202,929.00 in Emergency Solutions Grant (ESG) funds from Housing and Urban Development (HUD) under the Coronavirus Aid, Recovery and Economic Security (CARES) Act to support the City’s response to the coronavirus pandemic among the homeless and at-risk population (ESG-CV). In June 2020, the City was awarded an additional \$6,070,529.00 in ESG funds to expand the City’s ability to assist homeless and at-risk residents (ESG-CV2). The City Council approved allocation of these funds to local nonprofit homeless service providers on May 19, June 23, and September 15, 2020, through M&C Nos. 20-0330, 20-0471, and 20-0657. Funding priorities for the allocations were Rapid Rehousing (65%), Shelter Operations (11%); Outreach to Unsheltered (8%), and Homelessness Prevention (6%), with 10% authorized for program administration by the City and its nonprofit partners. The expenditure deadline for use of all ESG-CV and ESG-CV2 funds is September 30, 2022.

To ensure that the expenditure deadline for the full eight million dollars is met, and to address priorities which have arisen since initial allocations were made, staff is recommending amendment to the Presbyterian Night Shelter (PNS) ESG-CV2 contract CSC No. 54965 to change funding allocations and scopes of service as detailed below.

Due to a strong demand in the rental housing market, lease-up of Rapid Rehousing units has been slow, as landlords have many alternate options rather than acceptance of a federally-funded short-term housing voucher. Therefore, funds are recommended to be reallocated from Tarrant County Homeless Coalition (TCHC) (M&C No. 21-0781) and available City Grant Administration Funds (\$45,000.00). Local shelters, including PNS, have continued to experience costly challenges in providing safe services throughout the pandemic, and additional funds were therefore needed for staff hazard pay, vaccine incentives, client transportation services, and other operational items. The need for homelessness prevention for target populations has also increased.

The table below summarizes allocation changes to be formalized in this contract amendment.

PNS requested or was thoroughly consulted regarding the change, and has fully concurred with the proposed changes. The proposed revisions have been publicized as required by HUD guidelines for use of ESG-CV2 funds, through publication of a five-day public notice in the *Fort Worth Star-Telegram* on April 10, 2022, announcing that TCHC had declined the \$80,000.00.

Action	Agency Name	Current Contract	Proposed Change	Description
From:	Tarrant County Homeless Coalition	NA	(\$80,000.00)	Agency declined award
From:	NSD Grant Administration Account	NA	(\$45,000.00)	Allocated to PNS CSC No. 54965

To:	Presbyterian Night Shelter of Tarrant County, Inc., CSC No. 54965	\$767,000.00	\$125,000.00	Require third amendment to CSC No. 54965
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Section 2-9(11) of the City Code allows for any contract or other legal instruments necessary to provide public assistance from funds available under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as may be amended, or from funds available under the Consolidated Appropriations Act of 2021, as may be amended to be administratively approved by the City Manager. When possible, items will be brought to the City Council prior to execution of any contracts or amendments; however, staff anticipates that in order to meet the approaching expenditure deadlines in 2022, that future amendments may require administrative approval. Staff will provide updates via Informal Reports or M&Cs seeking ratification of any changes made under this administrative mechanism.

Services are available in ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This contract legally does not require City Council approval.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations and reallocation of funds, funds are available in the current operating budget, as appropriated, in the Grants Operating Federal Fund. The Neighborhood Services Department (and Financial Management Services) will be responsible for the collection and deposit of funds due to the City. Prior to an expenditure being incurred, the Neighborhood Services Department has the responsibility to validate the availability of funds. This is a reimbursement grant.

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