

# Mayor and Council Communication

DATE: 01/11/22

M&C FILE NUMBER: M&C 22-0016

LOG NAME: 19NS LIHWAP FUNDS

## **SUBJECT**

(ALL) Authorize Acceptance of Low Income Household Water Assistance Program Funds, a Federally Funded Program Sponsored by the United States Department of Health and Human Services Designed to Provide Funds to Assist Low-Income Households with Water and Wastewater Bills Under The Consolidated Appropriations Act, 2021 and The American Rescue Plan Act of 2021 in an Amount Up to \$7,000,000.00 from the Texas Department of Housing and Community Affairs, Authorize Execution of Related Contracts, Authorize a Waiver of Indirect Costs and Adopt Attached Appropriation Ordinance

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## **RECOMMENDATION:**

It is recommended that City Council:

1. Authorize acceptance of Low Income Household Water Assistance Program Funds in an amount up to \$7,000,000.00 from the Texas Department of Housing and Community Affairs under the The Consolidated Appropriations Act, 2021 and The American Rescue Plan Act of 2021;
  2. Authorize the City Manager or his designee to execute related contracts, including any renewals, amendments and extensions with the Texas Department of Housing and Community Affairs;
  3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund, subject to receipt of the grant, in an amount up to \$7,000,000.00, for the purpose of funding the Low Income Household Water Assistance Program (LIHWAP); and
  4. Authorize a waiver of the Neighborhood Services Department indirect cost rate of 26.09%, estimated total of \$181,083.00.
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## **DISCUSSION:**

The Consolidated Appropriations Act, 2021 (Public Law No.:116-260) signed on December 27, 2020 included funding to assist low-income households with water and wastewater bills. Additionally, The American Rescue Plan Act (ARPA) of 2021 (Public Law 117-2), enacted on March 11, 2021, includes a provision under Subtitle K (Ratepayer Protection) to assist low-income households that pay a high proportion of household income for drinking water and wastewater services by providing funds to reduce arrearages of and rates charged to such households. This provision is being implemented as formula grant funds under the Low-Income Household Water Assistance Program (LIHWAP) Funds. The Texas Department of Housing and Community Affairs (TDHCA) awarded LIHWAP funds to agencies that implement the Low-Income Home Energy Assistance Program (LIHEAP).

The Comprehensive Energy Assistance Program (a component of LIHEAP) allows for low-income Fort Worth and Tarrant County residents to receive bill payment assistance for heating and cooling their homes. Guidelines for the LIHWAP will be similar to those of LIHEAP. Households must meet 150% of the Federal Poverty Income Guidelines, be a United States citizen or registered to legally work in the United States and have a water vendor signed up to do business with the City of Fort Worth with a Vendor Agreement on file.

On June 10, 2021, Neighborhood Services Department (NSD) staff met with the Fort Worth Water Department and their Wholesale Customers at their annual meeting to introduce the LIHWAP and guidelines. NSD will administer the program through its Community Action Partners program to assist individuals and families with paying their home drinking water and wastewater bills. Applicants will need to provide documentation of their income and utility bills. Currently, only current and past due bills are eligible for payment. The grant funds are tentatively scheduled to expire on September 30, 2023.

Indirect costs totaling an estimated \$181,083.00, calculated by taking wages & salaries designated for this grant of approximately \$694,070.53 multiplied by the Neighborhood Service Departments' indirect cost rate of 26.09% defined in the City's most recent Cost Allocation Plan, could be charged to this grant. A waiver of these indirect costs is requested to allow allocation of these funds to further support the programs and services to assist low-to-moderate income citizens.

This program is available in ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: Texas Department of Housing and Community Affairs

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be 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 expenditures being incurred, Neighborhood Services Department has the responsibility to validate the availability of funds. This is a reimbursement grant.

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