

Mayor and Council Communication

DATE: 10/19/21

M&C FILE NUMBER: M&C 21-0814

LOG NAME: 19ARPA ALLOCATIONS TO HOUSING AND HUMAN SERVICES PROJECTS

SUBJECT

(CD 5, CD 8, and CD 9) Authorize Allocation of Funds from the American Rescue Plan Act in the Aggregate Amount of \$10,100,000.00 to Child Care Associates for the Expansion of Early Childhood Learning Centers in the Stop Six Choice Neighborhood Initiative Hub and Gwendolyn C. Gragg Child Development Center, to the Housing Authority for the City of Fort Worth, Texas Doing Business as Fort Worth Housing Solutions for the Design and Construction of Underground Power Lines and the Removal of Power Poles in Connection with Four Phases of the Cavile Place/Historic Stop Six Choice Neighborhood Initiative Redevelopment, and to Fort Worth Area Habitat for Humanity, Inc., Doing Business as Trinity Habitat for Humanity for the Purchase, Replat, Design, and Development of Fourteen Single-Family Lots in the Vicinity of John Peter Smith Hospital, Authorize Execution of Related Contract Documents, and Find that the Expenditures Serve Public Purposes and that Adequate Controls are in Place

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize allocation of \$10,100,000.00 of American Rescue Plan Act Funds, Subtitle M (Coronavirus State and Local Fiscal Recovery Funds) to the agencies listed in Tables 1 and 2 below;
2. Authorize the City Manager, or his designee, to execute contracts with the agencies listed in Tables 1 and 2 below;
3. Authorize the City Manager, or his designee, to amend contract as necessary for completion of the project provided any amendment is within the scope of the project and complies with City policies and all applicable laws and regulations governing the use of federal grant funds; and
4. Find that the expenditures serve the listed public purposes and that the contracts provide adequate controls to ensure the public purposes are fulfilled.

DISCUSSION:

In March 2021, President Biden signed the American Rescue Plan Act (ARPA), providing aid and relief to various sectors of the national economy. The City of Fort Worth will receive a total allocation of ARPA funds in an amount exceeding \$173.7 million, to be disbursed in two batches or "tranches." The first tranche was received May 19, 2021, and the second tranche is expected to be received on or after May 19, 2022. Subsequently, on June 22, 2021, the City Council approved Mayor and Council Communication (M&C) 21-0445, establishing a general framework for the use of ARPA funds. Funding must be obligated by December 31, 2024 and fully expended by December 31, 2026.

Allocation of ARPA Subtitle M Funding

Responding to the negative economic impact of the coronavirus pandemic is a specifically identified use of ARPA dollars under Section 603(c)(1)(A) of Title VI of the Social Security Act (added by ARPA). Treasury Department guidance specifically notes that these Fiscal Recovery Funds can be deployed for a broad range of uses to

address "the disproportionate....economic impacts of the crisis on the hardest-hit communities, populations, and households" and to provide services and additional investments in Qualified Census Tracts, such as the ones in which the identified projects are located. Therefore, it has been determined that paying for the listed activities in order to improve access to quality, affordable housing and child care services are eligible uses of funds as a response to negative economic impact and an investment in housing and neighborhoods in a Qualified Census Tract.

Several local agencies submitted proposals for affordable housing and human services projects totaling \$31.4 million. City staff has reviewed these proposals with respect to financial feasibility, community need, and eligibility under ARPA Section 9901, Subsections 603(c)(1)(A) and 603(c)(1)(C), providing funding to aid disproportionately impacted communities and to support governmental services adversely impacted by the pandemic. As a result, City staff recommends that we allocate funding to seven projects as follows.

TABLE 1: First Tranche of ARPA Funding

Agency	Funding Amount	ARPA Funding Category	Address	Council District	Funding Use
Child Care Associates	\$2,000,000.00	Non-Revenue Recovery	2400 E. 1st St., 76111	8	Renovation for Early Learning Center in Riverside: Gwendolyn C. Gragg Child Development Center; renovation project to include three additional classrooms (total of 8 classrooms) and expanded services for infants and toddlers
Fort Worth Housing Solutions	\$400,000.00	Revenue Recovery	Cowan Place: 5400/5420 E. Rosedale St., 76105	5	Infrastructure expenses related to neighborhood redevelopment for the Stop Six Choice Neighborhood Implementation Program; design and construction work associated with underground power lines and the elimination of power poles
Fort Worth Area Habitat for Humanity	\$1,500,000.00	Non-Revenue Recovery	Neighborhood surrounding JPS Hospital	9	Purchase of fourteen (14) detached platted lots for the development of 26 or more affordable townhomes south of John Peter Smith Hospital and within NEZ Six (properties are 1701 St. Louis, 1720 Galveston, 1719 Galveston, 1716 Galveston, 1715 Galveston, 1709 Galveston, 1703 Galveston, 1724 S. Main, 1720 S. Main)
TOTAL	\$3,900,000.00				

TABLE 2: Second Tranche of ARPA Funding

Agency	Funding Amount	ARPA Funding Category	Address	Council District	Funding Use
Child Care Associates	\$5,000,000.00	Non-Revenue Recovery	5100 Block of Avenue G, 76105	5	Building a new Early Learning Center at the future/proposed Stop Six Hub to expand access to infant, toddler and three-year old services in Stop Six; the ARPA investment would draw \$9.2M in quality early learning services from Child Care Associates at no charge to low-income families in Stop Six over ten (10) years
			Hughes		Infrastructure expenses related to neighborhood

Fort Worth Housing Solutions	\$400,000.00	Revenue Recovery	House 4830/4908 E. Rosedale St., 76105	5	redevelopment for the Stop Six Choice Neighborhood Implementation Program Hughes House ; design and construction work associated with underground power lines and the elimination of power poles
	\$400,000.00	Revenue Recovery	Phase 3: Not Yet Named	5	Infrastructure expenses related to neighborhood redevelopment for the Stop Six Choice Neighborhood Implementation Program Phae 3 ; design and construction work associated with underground power lines and the elimination of power poles
	\$400,000.00	Revenue Recovery	Phase 4: Not Yet Named	5	Infrastructure expenses related to neighborhood redevelopment for the Stop Six Choice Neighborhood Implementation Program Phase 4 ; design and construction work associated with underground power lines and the elimination of power poles
TOTAL	\$6,200,000.00				

By approval of this M&C, the City Council finds that the expenditure of the funds on the listed projects serve vital public purposes for residents of Fort Worth and that the contracts executed between the parties will provide adequate controls to ensure the public purposes are fulfilled. Specifically, funds provided to Fort Worth Housing Solutions and Trinity Habitat for Humanity serve the public purpose of supporting the provision of quality, affordable housing in the City that meets all required zoning, codes, and infrastructure requirements. Additionally, the funds provided to Child Care Associates will provide needed child care services and programming to residents in need of such critical services.

Approval of this M&C will allocate \$10,100,000.00 in the American Rescue Plan Act project in the Grants Operating Federal Fund budget. Necessary reporting and documentation requirements will be followed to ensure the City can comply with all reporting requirements of the ARPA legislation.

The following chart reflects the current status for allocation of the City's ARPA funding under Subtitle M and incorporates each ARPA M&C on the October 19, 2021 Council Agenda:

ALLOCATION OF ARPA SUBTITLE M FUNDING

Description	Amount	M&Cs
Total CFW ARPA Subtitle M Funding	\$173,745,090.00	21-0445
Allocations Approved To-Date	\$6,000,000.00	25ARPA-VFW-TDG
Pending Allocation	\$300,000.00	25ARPA-WRMC MURAL PLAQUES
Pending Allocation	\$1,000,000.00	13ARPA-ADMINISTRATION
Pending Allocation	\$3,000,000.00	17ARPA ALLOCATION CDFI FRIENDLY AMERICA
Pending Allocation	\$4,245,533.42	17ARPA ALLOCATIONS EVANS & ROSEDALE REDEVELOPMENT

Pending Allocation	\$2,400,000.00	17ARPA ALLOCATIONS UNTHSC TECHSTARS
Pending Allocation	\$10,100,000.00	19ARPA ALLOCATIONS TO HOUSING AND HUMAN SERVICES PROJECTS (This M&C)
Remaining Unallocated Balance	\$146,699,556.58	

Fort Worth Housing Solutions does not require a Form 1295 because it is a governmental entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations, funds will be available in the current operating budget, as appropriated, of the Grants Operating Federal Fund. This is an advance grant. The Neighborhood Services Department shall be responsible for ensuring that only expenditures allowable under the American Recovery Act, with appropriate documentation, are charged to this funding source.

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Expedited