

Mayor and Council Communication

DATE: 03/21/23

M&C FILE NUMBER: M&C 23-0224

LOG NAME: 19CHDO POLY INFILL SPENDING AUTHORITY INCREASE

SUBJECT

(CD 8 / Future CD 8) Authorize \$133,077.00 Increase in Contract Authority with the Development Corporation of Tarrant County, a Certified Community Housing Development Organization, for the Development of Four Single-Family Homes in the Polytechnic Neighborhood, Resulting in a New Aggregate Total of \$707,430.00 in Federal Funds

RECOMMENDATION:

It is recommended that the City Council authorize an increase of \$133,077.00 in contract authority with the Development Corporation of Tarrant County, a Certified Community Housing Development Organization, for the development of four single-family homes in the Polytechnic neighborhood for a new, aggregate total of \$707,430.00 of HOME Investment Partnerships Program grant funds.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to increase the contract authorization for a Community Development Housing Organization (CHDO) building affordable single family housing in the Poly Neighborhood.

On August 4, 2020, the City Council approved the City's 2020-2021 Action Plan for submission to the United States Housing and Urban Development Department (HUD), which included \$574,353.00 in HOME Investment Partnerships Program (HOME) grant funds to Development Corporation of Tarrant County (DCTC) for the Polytechnic Neighborhood Single Family Infill Development project (M&C 20-0497). HUD requires the City of Fort Worth (City) to set aside 15 percent of its allocation of HOME funds for CHDO activities. DCTC is an experienced single family affordable housing developer and certified by the City as a CHDO.

On November 30, 2021, the City Council authorized the expenditure of \$574,353.00 in HOME grant funds to DCTC and execution of contracts totalling that amount, in the form of four, subordinate forgivable loans for the development of four single family houses in the Polytechnic Neighborhood (M&C 21-0522). On August 9, 2022, the City Council approved the annual action plan, which included additional funding for this project (M&C 22-0569); approval of this M&C will increase the corresponding contract authority, as required by the City Code.

DCTC will develop four, three-bedroom, two-bath, two-car garage single family houses in the Polytechnic neighborhood with each house consisting of approximately 1,700 square foot. The houses will be sold to individuals or families that earn 80 percent or less of the Area Median Income as determined by the U.S. Department of Housing and Urban Development (HUD). Buyers must meet all HOME requirements, including applying for and receiving at least \$1,000.00 in down payment and/or closing cost assistance from the City's Homebuyer Assistance Program (HAP).

DCTC requested an additional \$133,077.00 to account for increased costs for supplies and labor. City staff has identified additional HOME funds to fund the requested amount and recommends that the City Council increases the City's contract authority with DCTC by the requested amount for a new total of \$707,430.00 of HOME grant funds to ensure the project can be completed.

The Polytechnic Neighborhood is located in COUNCIL DISTRICT 8 / Future COUNCIL DISTRICT 8.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and adoption of the attached appropriation ordinance, funds will be available in the current operating budget, as appropriated, in the Grants Operating 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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