

Mayor and Council Communication

DATE: 09/26/23

M&C FILE NUMBER: M&C 23-0801

LOG NAME: 19AMERICAN RESCUE PLAN ACT FUNDING AWARD TO JUSTINS PLACE

SUBJECT

(CD 8) Award American Rescue Plan Act Funds Totaling \$1,500,000.00 to Justin's Place for New Construction of Affordable Housing Project Referred to as The Nest to be Developed at 901 Sycamore School Road (Addressing the Continued Portion of M&C 23-0742)

RECOMMENDATION:

It is recommended that the City Council:

1. Reallocate American Rescue Plan Act, Subtitle M (State and Local Fiscal Recovery Funds) in the amount of \$1,500,000.00 for the purpose of funding a new construction affordable housing development project referred to as The Nest

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to reallocate American Rescue Plan Act (ARPA) funds totaling \$1,500,000.00 to Justin's Place for the development of a new construction affordable housing project referred to as The Nest. This project will add 24 units of deeply affordable housing to the 76134 zip code and will provide services focused on self-sustainability and long-term stability in an effort to break the cycle of generational poverty.

M&C 22-0927, dated November 8, 2022, was approved by City Council awarding ARPA funds totaling \$3,078,001.00 to Tarrant County Samaritan Housing, Inc. in the form of a forgivable loan for the development of 37 units of permanent supportive housing to be located at 5120 McCart Avenue. As stated in the M&C Discussion section, in the event that the McCart site does not meet the requirements included herein, a future M&C with loan terms could be brought for City Council approval for another project site, if such a site is identified by Samaritan House and meets all required City criteria. At this time, neither the McCart site nor any other location has met the required City criteria. With M&C 23-0742, dated September 12, 2023, City staff recommended that the ARPA funds be reallocated to Columbia Renaissance - Phase III in the amount of \$1,500,000.00 and Justin's Place in the amount of \$1,500,000.00 for new construction housing development projects, including the development of 25 units of permanent supportive housing. Funding for Columbia Renaissance was approved; however, the recommendation for Justin's Place was postponed by City Council to September 26, 2023.

In May 2023, Tarrant County released a Request for Proposals (RFP) for ARPA funds. The goal of the RFP was to receive proposals aimed at increasing the number of affordable housing units for homelessness, permanent supportive housing, supportive housing, and deeply affordable housing. Per a request from Tarrant County, the City of Fort Worth is proposing to co-fund Justin's Place's project, The Nest, with a direct allocation of Tarrant County ARPA funds and ARPA funds from City of Fort Worth as shown in the chart below. Tarrant County Commissioners took action approving an allocation of Tarrant County ARPA funds in the amount of \$1.5 million for the development of the Nest on Tuesday, September 5, 2023. Funding totaling \$3,000,000.00 will be used to develop 24 deeply affordable, supportive housing units for extremely low and very low-income individuals.

Proposed Affordable Housing Project

Project	Council District	Total Project Cost	Total Requested through County's ARPA RFP	Proposed County ARPA Funding <i>(direct allocation from Tarrant County)</i>	Proposed City ARPA	Proposed Total Public Funding	# Units Created (<60% AMI)
The Nest; Justin's Place (New Construction)	8	\$9,000,000.00	\$4,000,000.00	\$1,500,000.00	\$1,500,000.00	\$3,000,000.00	24 deeply affordable, supportive units (12 duplexes)

Neighborhood Services Department staff views the request from the County as an opportunity to spread extremely limited resources further. When bundling City and County funding together, we create more housing units than if each unit of government funds projects separately.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this recommendation will have no material effect on City Funds.

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Expedited