

Mayor and Council Communication

DATE: 10/15/24

M&C FILE NUMBER: M&C 24-0893

LOG NAME: 19NSTDHCA-DOE2024

SUBJECT

(ALL) Authorize Acceptance of a Grant from the Texas Department of Housing and Community Affairs from the 2024 Department of Energy Weatherization Assistance Program a Federally Funded Program Providing Assistance for Low to Moderate Income Residents to Lower Home Energy Costs through the City of Fort Worth Weatherization Assistance Program, in an Amount Up to \$600,000.00, Waive Indirect Costs of \$17,366.25, Authorize Execution of Related Contracts and Adopt Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the acceptance of grant funds from the Texas Department of Housing and Community Affairs in an amount up to \$600,000.00 from the 2024 Department of Energy Weatherization Assistance Program grant for the City of Fort Worth Weatherization Assistance Program;
 2. Authorize the execution of related contracts, including any renewals, amendments and extensions, with the Texas Department of Housing and Community Affairs for the grant funds;
 3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund, subject to receipt of the grant, in the amount up to \$600,000.00, for the purpose of funding the 2024 Department of Energy Weatherization Assistance Program; and
 4. Waive indirect costs of \$17,366.25.
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DISCUSSION:

The purpose of this Mayor and Council Communication is to approve acceptance of Department of Energy (DOE) grant funds that will be used to assist with weatherization and energy efficiency efforts in the homes of low-income individuals in the City of Fort Worth (City) and Tarrant County. A contract for services between the City and the Texas Department of Housing and Community Affairs (TDHCA) will be executed upon receipt of the contract from TDHCA in July, 2024.

The Weatherization Assistance Program (WAP) has been operated by the City since 1982. The bulk of the funding for the program comes from the TDHCA through the Low-Income Housing Energy Assistance Program (LIHEAP), which also administers grant funds from the United States Department of Energy and the United States Department of Health and Human Services. Additional funds are supplied by the Texas Association of Community Action Agencies (TACAA), which administers monies allocated by Oncor Electric Delivery (Oncor) to provide a Low-Income Weatherization Program that complements the federally funded WAP and provides assistance to Oncor's low-income customers for energy efficiency measures.

The WAP will utilize DOE grant funding to serve low-income residents in Tarrant County with household incomes at or below 200% of Federal Poverty Income Guidelines. WAP will assist these residents by weatherizing their homes and making them more energy-efficient. TDHCA's DOE funds will be administered within existing WAP standards and guidelines, and through various contracts with subcontractors. Weatherization measures include attic insulation, weather-stripping, caulking, repair and/or replacement of windows and doors, and other minor repairs. All subcontractors performing any eligible services for the City will not be paid until work is inspected and approved by Neighborhood Services Department staff. Administrative costs are restricted to 7.5 percent of the DOE grant based on the total allowable expenditures for the DOE. All Weatherization Assistance Program funding will allow for up to 200 homes to be weatherized through the 2024-2025 grant cycle. The City has weatherized approximately 40 houses with funding from DOE grant between July 1, 2023 to June 30, 2024 and will target the completion of 45 houses in 2024-2025. DOE Contract terms stipulates that average costs per Unit (materials, labor, and program support), excluding health and safety expenses, shall not exceed \$8,250.00 per Unit.

This grant is an entitlement grant received from the Texas Department of Housing and Community Affairs. The grant has been consistently awarded to the City since 1982. Grant funds support administrative and program delivery allocations for 1.25 Full Time Equivalent positions in the Neighborhood Services Department. Indirect costs totaling an estimated \$17,366.25, calculated by taking wages and salaries designated for this grant of approximately \$82,500.00 multiplied by the Neighborhood Service Department's indirect cost rate of 21.05% 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.

Positions funded with Low-Income Housing Energy Assistance Program grant funds are subject to grant availability. In the event of a grant award being decreased or eliminated, Neighborhood Services Department would review programs and services funded by the grants and determine a level of service and staffing that aligns with the available funding. Alternative to consider may include staff and program reductions or eliminations.

This program services 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: Department of Energy

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. Neighborhood Services (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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