

Mayor and Council Communication

DATE: 08/08/23

M&C FILE NUMBER: M&C 23-0633

LOG NAME: 19PRIORITY REPAIR PROGRAM FUNDING REALLOCATION

SUBJECT

(ALL) Authorize a Substantial Amendment to the City of Fort Worth's 2021-2022 Action Plan, Authorize Change in Use and Expenditure of an Additional Amount of \$426,571.59 in Community Development Block Grant Funds for the Priority Repair Program, and Authorize an Increase in the City's Home Repair Program Contract Authority in the Amount of \$426,571.59 for a Total Annual Amount of \$7,349,904.93 for the Priority Repair Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize a Substantial Amendment to the City's 2021-2022 Action Plan regarding the change in use in the amount of \$426,571.59 of Community Development Block Grant funds;
2. Authorize a change in use and expenditure in the amount of \$426,571.59 of Community Development Block Grant funds for the Priority Repair Program; and
3. Authorize an increase in the City's Home Repair Program contract authority by \$426,571.59 for a total annual amount of \$7,349,904.93 for one year resulting in a total five-year (Fiscal Years 2019-2024) contract authority of \$34,358,546.53 to facilitate the increase of the Priority Repair Program available funding, as amended through this Mayor and Council Communication.

DISCUSSION:

On August 3, 2021, the City Council approved the Fiscal Year 2021-2022 Action Plan for use of federal grant funds from the United States Department of Housing and Urban Development (HUD), which included a budget of \$1,100,000.00 in Community Development Block Grant (CDBG) funds for the 2021-2022 Priority Repair Program (PRP) (Mayor and Council Communication (M&C) 21-0522). This program addresses health and safety home repairs to qualified low-income homeowners experiencing failed household mechanical systems. Eligible repairs include gas leaks, water leaks, major plumbing problems, inoperable and/or hazardous water heaters, lack of primary heating sources, electrical problems, roof repairs, heating/air conditioning system and unstable, sagging or rotten bathroom subflooring or ceilings.

On August 9, 2022, the City Council approved the Fiscal Year 2022-2023 Action Plan for use of federal grant funds from HUD, which included a budget of \$2,000,000.00 in CDBG funds for the 2022-2023 PRP (M&C 22-0569). This estimated annual program budget was increased in anticipation of the pending request to increase the per house expenditure limit under the program from \$5,000.00 to \$25,000.00.

On September 27, 2022, the City Council approved (M&C 22-0760) to increase the per house expenditure limit from \$5,000.00 to \$25,000.00 to enhance effectiveness and efficiency in the PRP. The increased limit allowed the City to make a more significant investment in the single-family homes which were deteriorating.

With the beginning of the 2022-2023 fiscal year, October 1, 2022, all PRP homeowners served became eligible for home repairs up to a maximum of \$25,000.00. As this was the pilot year for the new program, it was not known the number of persons that would be able to be served during the program year. As of June 30, 2023, all funds allocated to the PRP, \$2,000,000.00, had been fully encumbered, with the expectation that all funds would be fully expended by August 1, 2023.

To maintain uninterrupted service to eligible homeowners, an increase in available unprogrammed funding of approximately \$426,571.59 is needed. This additional funding also requires amending the authorized contract authority by the increase of CDBG unprogrammed funds to the PRP, as last authorized on M&C 22-0760 dated September 27, 2022. The expenditure authority for the PRP and the contracting authority for PRP agreements require an increase of \$426,571.59 for a new total annual amount of \$7,349,904.93, to account for the additional funding. This results in a total five year (Fiscal Years 2019-2024) contract authority of \$34,358,546.53 for PRP.

A 30-day public comment period was held from July 7, 2023 to August 7, 2023. Notice of this public comment period was published Public Notice was published in the *Fort Worth Star-Telegram* on Thursday, July 6, 2023. Any comments received are maintained by the Neighborhood Services Department in accordance with federal regulations.

This program is available in ALL COUNCIL DISTRICTS.

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 funds are available in the current operating budget, as previously appropriated, in the Grants Operating Federal Fund for the CDBG (PY21/FY22) project to support the approval of the above recommendations and authorization for the change of

use. Prior to any expenditure being incurred, the Neighborhood Services Department has the responsibility to validate the availability of funds.

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