

# Mayor and Council Communication

**DATE:** 10/22/19

**M&C FILE NUMBER:** M&C 19-0268

**LOG NAME:** 19CAVILE PLACE/HISTORIC STOP SIX NEIGHBORHOOD TRANSFORMATION P

## **SUBJECT**

Adopt the Revised Cavile Place/Historic Stop Six Neighborhood Transformation Plan, Incorporate the Revised Transformation Plan into the City's Comprehensive Plan, Authorize the City to Act as the Co-Applicant and Lead Neighborhood Implementation Entity for the Choice Neighborhoods Implementation Grant, Authorize the Execution of Related Contracts and Other Necessary Documents, and Authorize the Commitment of \$39,375,654 for Activities Necessary to Implement the Revised Transformation Plan (Council District 5)

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt the attached revised Cavile Place/Historic Stop Six Neighborhood Transformation Plan;
  2. Authorize Incorporation of the revised Cavile Place/Historic Stop Six Neighborhood Transformation Plan into the City's Comprehensive Plan;
  3. Authorize the City to act as co-applicant along with The Housing Authority of the City of Fort Worth, d/b/a Fort Housing Solutions, and as Lead Neighborhood Implementation Entity for the application for the Choice Neighborhoods Implementation Grant from the U.S. Department of Housing and Urban Development;
  4. Authorize the City Manager or his designee to execute related contracts and other necessary documents to implement the grant and the revised Transformation Plan; and
  5. Authorize commitment of \$39,375,654 over the six-year grant period for specified activities and improvements for the implementation of the grant and the revised Transformation Plan, conditioned on receipt of the grant and with up to \$30,815,654 in anticipated future bond funds subject to required voter approval.
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## **DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to take actions associated with an application for a federal grant that, if awarded, would transform the Cavile Place/Historic Stop Six Neighborhood.

In 2012, the Fort Worth Housing Finance Corporation (FWHFC) agreed to partner with Fort Worth Housing Solutions (FWHS) to develop a plan for the revitalization of FWHS's Cavile Place Apartments and the surrounding neighborhood. The plan was needed for FWHS to apply for grants to assist in the revitalization of the area. On July 22, 2014, the City Council adopted a resolution approving the Cavile Place/Historic Stop Six Neighborhood Transformation Plan (Transformation Plan) and incorporating it into the City's Comprehensive Plan (M&C G-18264).

In May 2019, FWHS initiated and funded a neighborhood planning process to update the Transformation Plan, which includes the surrounding Historic Stop Six neighborhood. The revised Transformation Plan is needed in order to apply for the Choice Neighborhoods Implementation (CNI) Grant from the U.S. Department of Housing and Urban Development (HUD), which is specifically aimed at the redevelopment of public housing and surrounding neighborhoods. In June 2019, FWHS engaged consultants to further update and revise the Transformation Plan.

As part of the planning process, FWHS hosted a series of community updates and listening sessions with the residents and neighbors of Cavile Place and various community stakeholders, such as Fort Worth Independent School District and supportive service agencies. The purpose of the meetings was to seek input regarding community strengths and challenges, to solicit feedback on design options, and to update the shared community vision for Cavile Place and the surrounding neighborhoods. The Transformation Plan's study area is generally bounded by East Rosedale Street to the north, Miller Avenue to the west, Littlejohn Avenue and Fitzhugh Avenue to the south and Carverly Drive to the east.

The Transformation Plan addresses and includes specific plans in the three areas which HUD deems critical to affecting lasting change: The Neighborhood Plan, The Housing Plan, and The People Plan. :

1. The Neighborhood Plan is designed to discover options for connecting existing community assets to proposed improvements to the neighborhood. The Neighborhood Plan includes a state-of-the-art neighborhood "hub" to co-locate services for neighborhood and city residents; increased public safety with improvements to streets, sidewalks and street lighting; improvements to Rosedale Park; and better access to transit by providing bike lanes, bike share stations and locating bus stops to better serve the neighborhood.
2. The Housing Plan includes the demolition of Cavile Place which was approved by HUD in April 2019, replacement of those 300 assisted units, and the construction of approximately 600 additional rental units in six phases of housing developments spread throughout the neighborhood. The new developments will complement the historic nature of the neighborhood, offering different building types such as townhouses, walk-up garden buildings, and mixed-use buildings at key neighborhood nodes, with a mix of unit sizes, and market-quality interior and site amenities. Each development will offer housing opportunities to households with varying levels of income and include replacement units supported with Project Based Vouchers (PBVs), Permanent Supportive Housing units supported with PBVs, workforce housing units and market rate units. All residents, regardless of income, will be offered the same quality of unit and community amenities. FWHS remains committed to working with other partners to create future homeownership opportunities within the neighborhood, as well.

3. The People Plan addresses the needs of the residents of both Cavile Place and the surrounding neighborhood. Case managers will tailor supportive services to Cavile residents, both adults and children, in areas such as education, physical and mental health, housing stability, economic mobility, and resident engagement.

The Transformation Plan, as currently drafted, is attached.

Implementation of the Transformation Plan includes approximately five to seven years of phased development. The first phase includes planned improvements to East Rosedale Street, construction of a new senior housing development at the corner of East Rosedale Street and Stalcup Road, and the demolition of Cavile Place. In addition, the Transformation Plan provides potential sources of funding for the approximately \$339,100,000 of improvements planned throughout the neighborhood.

Below is a chart which outlines the funding plan:

Sources	Use	Amount
<b>Choice Neighborhoods Implementation</b>	Housing, case management, community center, workforce, education, healthcare	\$35,000,000
<b>Private Lenders</b>	Mortgage/equity held by Fort Worth Housing Solutions	\$168,589,000
<b>City of Fort Worth/FWHFC</b>		<b>\$41,875,654</b>
2022 Bond Program*	Community Center (\$14,000,000)	
2022 Bond Program* or PAYGO Funds	Infrastructure for Housing and Non-matching City Infrastructure (\$16,815,654)	
CDBG, UDAG, HOME, NEZ	Housing finance (\$8,560,000)	
FWHFC	Housing Finance Construction/Permanent Loans (\$2,500,000)	
<b>Local Philanthropy</b>		
Foundations, businesses, organizations	Community center, case management, services	26,925,000
Foundations	Permanent Supportive Housing match	1,250,000
<b>Fort Worth Housing Solutions</b>	Land, predevelopment costs, legal, planning	6,595,000
<b>TBD</b>	Subordinate debt, grants	50,681,000
<b>TOTAL</b>		<b>\$339,100,000</b>

\*Any funds that are identified as coming from a future bond program are subject to the necessary bond propositions being submitted to and approved by voters at the future bond election(s).

Approval of this M&C authorizes the City to commit to the following funds to support the housing finance portion of the Transformation Plan. All loans will be evidenced by mortgage liens, promissory notes and loan agreements, and subject to applicable federal regulations and acceptable underwriting:

Source	Use	Amount
HOME Investment Partnerships Program (HOME)	Low interest loans (\$500,000/year over 6 years)	\$3,000,000
Community Development Block Grant (CDBG) Major Projects	Low interest loans (\$750,000 in year 1, \$500,000/years 2-6)	\$3,250,000
City General Fund	NEZ fee and permit waivers (estimated \$200,000/project, 6 projects)	\$1,200,000
Urban Development Action Grant (UDAG)	Grants (over 6 years)	\$1,110,000

**TOTAL \$8,560,000**

Approval of this M&C also authorizes the City to commit the following funds towards the neighborhood improvement portions of the Transformation Plan as detailed below, with any pay-as-you-go (PAYGO) capital funds being subject to appropriation and any bond funds being subject to the necessary bond propositions being submitted to and approved by voters at the future bond election(s):

Sources	Use	Amount
2022 Bond Program (contingent upon voter approval)	Community Center	\$14,000,000
2022 Bond Program (contingent upon voter approval) or PAYGO funding	Infrastructure for Housing	\$1,500,000
2022 Bond Program (contingent upon voter approval) or PAYGO funding	Non-matching City Infrastructure Improvements (street and transportation, water and sanitary sewer, drainage, and parks and recreation improvements)	\$15,315,654

TOTAL \$30,815,654

On October 15, 2019, FWHS presented the revised Transformation Plan and information about the grant application to the City in a joint meeting with the FWHFC. The FWHS Board approved the Transformation Plan at its meeting on October 17, 2019. The City's Planning and Development Department has also reviewed and commented on it. Staff recommends adopting the revised Cavile Place/Historic Stop Six Neighborhood Transformation Plan and incorporating it in the City's Comprehensive Plan, and authorizing the City of Fort Worth to participate as the Co-applicant and Lead Neighborhood Implementation Entity in the submission of a Choice Neighborhoods Implementation Grant with Fort Worth Housing Solutions, with a City commitment of no less than \$39,375,654 over the six-year grant period, if the CNI grant is awarded, with such amount subject to all required approvals as noted above.

Individual contracts, appropriations, or use of funds that would otherwise require City Council approval will be brought back separately for consideration.

The improvements contemplated in the Plan would be located in COUNCIL DISTRICT 5, Mapsco 79J, 79K, 79L, 79N, 79P and 79Q.

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

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of this recommendation, receipt of the grant, future bond program impacts, and the adoption of future operating and capital budgets, that an investment for the implementation of the Cavile Place/Historic Stop Six Neighborhood Transformation Plan of \$39,375,654 over a six-year grant period, will be available.

**Submitted for City Manager's Office by:** Fernando Costa 6122

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