

Mayor and Council Communication

DATE: 02/25/25

M&C FILE NUMBER: M&C 25-0165

LOG NAME: 19NS TDHCA LIHEAP 2025

SUBJECT

(ALL) Authorize Acceptance of a Grant from the Texas Department of Housing and Community Affairs from the 2025 Low-Income Housing Energy Assistance Program, a Federally Funded Program Sponsored by the United States Department of Health and Human Services Designed to Provide 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 \$811,911.00, Waive Indirect Costs of \$44,574.85, 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 \$811,911.00 for the 2025 Low-Income Housing Energy 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 \$811,911.00, for the purpose of funding the 2025 Low-Income Housing Energy Assistance Program; and
 4. Waive indirect costs of \$44,574.85.
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DISCUSSION:

The purpose of this Mayor and Council Communication is to approve acceptance of 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 January 2025.

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 LIHEAP grant funding to serve low-income residents in Tarrant County with household incomes at or below 150% of Federal Poverty Income Guidelines. WAP will assist these residents by weatherizing their homes and making them more energy-efficient. TDHCA's LIHEAP 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 seven percent of the LIHEAP grant based on the total allowable expenditures for the LIHEAP. All Weatherization Assistance Program funding will allow for up to 200 homes to be weatherized through the 2025 grant cycle.

A waiver by the City of indirect costs will maximize program benefits. The LIHEAP grant provides funding for 3.25 full-time positions within the Neighborhood Services department. The addition of indirect costs would result in the reduction of staff and services. The estimated indirect costs that are being asked to be waived is \$44,574.85, calculated by taking salaries designated for this grant of approximately \$211,757.00 multiplied by the Neighborhood Service Departments' indirect cost rate of 21.05% defined in the City's most recent Cost Allocation Plan.

Positions funded with LIHEAP 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. Alternatives 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: Texas Department of Housing and Community Affairs

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations, and adoption of the attached appropriation ordinances, 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 has the responsibility to validate the availability of funds. This is a reimbursement grant.

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