

Mayor and Council Communication

DATE: 02/14/23

M&C FILE NUMBER: M&C 23-0073

LOG NAME: 19COWANPLACEADDTLCDBGFUNDS

SUBJECT

(CD 5 / Future CD 5) Authorize a Change in Use and Adjust Existing Appropriations in the Amount of \$500,000.00 of Community Development Block Grant Funds to Increase Funding for the Cowan Place Affordable Housing Development Located at 5400 East Rosedale Street, Authorize a Substantial Amendment to the City's 2018-2019, 2019-2020, and 2020-2021 Action Plans, Authorize Amendment to Subrecipient Agreement with the Housing Authority for the City of Fort Worth Doing Business as Fort Worth Housing Solutions to Increase Contracted Amount from \$750,000.00 to \$1,250,000.00, and Authorize Substitution of Funding Years

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize a change in use and adjust existing appropriations in the amount of \$500,000.00 of Community Development Block Grant funds for the Infrastructure Improvements in support of the Cowan Place Affordable Housing Development for a total construction cost of \$1,250,000.00;
2. Authorize a Substantial Amendment to the City's 2018-2019, 2019-2020, and 2020-2021 Action Plans regarding the change in use of \$500,000.00 in Community Development Block Grant Funds;
3. Authorize the City Manager to execute an amendment to the subrecipient contract with the Housing Authority for the City of Fort Worth, Texas doing business as Fort Worth Housing Solutions in the amount of \$500,000.00 in Community Development Block Grant Funds for the construction costs associated with infrastructure improvements in support of the Cowan Place Affordable Housing Development located at 5400 East Rosedale Street; and
4. Authorize the City Manager, or his designee, to substitute funding years in order to meet the United States Department of Housing and Urban Development commitment, disbursement and expenditure deadlines.

DISCUSSION:

On October 22, 2019, the City Council authorized the City to act as a co-applicant with Fort Worth Housing Solutions (FWHS) for a Choice Neighborhoods Implementation (CNI) grant from the U.S. Department of Housing and Urban Development (HUD), adopted a revised Cavile Place/Historic Stop Six Neighborhood Transformation Plan (Transformation Plan), and committed \$39,375,654.00 over a six-year period for various improvements and activities in the Cavile Place and Historic Stop Six neighborhood, subject to receipt of the grant. In Spring 2020, the City was notified that the City and FWHS had been awarded the CNI grant. (Mayor and Council Communication (M&C) 19-0268). As co-applicant, the City agreed to support FWHS in implementing the Transformation Plan by providing resources to eligible activities, including a commitment of \$3,250,000.00 in Community Development Block Grant (CDBG) funds to be awarded over the next six years. The purpose of this M&C is to move forward with awarding CDBG funds for the first year in the amount of \$750,000.00 for eligible activities.

The Cowan Place project (Project) is Phase 1 of the Cavile Place/Historic Stop Six Neighborhood Transformation Plan (Transformation Plan) and consists of a new multifamily, affordable apartment complex for seniors. The Project will have up to 174 units for seniors 55 and older, with 156 units set aside for households earning sixty percent or less of area median income (AMI) and at least five percent of the total units set aside as permanent supportive housing (PSH) units. Phase 1 will also include infrastructure improvements in support of the Project. These improvements include, but are not limited to, improvements within the public right of way such as street reconstruction, water and/or sewer improvements, curb and gutter, public sidewalks, and streetlights.

On June 22, 2021, the City Council awarded funding for the Cowan Place project, which included a subrecipient agreement with FWHS in the amount of \$750,000.00 in CDBG funds, to be paid on a reimbursement basis, to fund a portion of the construction costs related to the infrastructure improvements necessary for the completion of the Project. (M&C 21-0498). Construction of this project started in September of 2021. During construction, FWHS was informed that there was unforeseen right of way work that needed to be complete that was not contemplated in the original scope of work. Consequently, FWHS requested an additional \$500,000.00 in CDBG funds from the City to pay for a portion of the right of way construction increase in order to complete the project by the August 2023 contract deadline.

Staff recommends amending the subrecipient agreement with FWHS to add an additional \$500,000.00 in CDBG funds for the additional right of way infrastructure improvements which is necessary for the completion of the Project. The additional funds shall be subject to the same requirements and terms as the original funds which included being paid on a reimbursement basis, to fund a portion of the construction costs related to the infrastructure improvements, and so long as FWHS completes or causes to be completed all obligations and complies with all City and CDBG requirements, there will be no repayment of the CDBG funds.

The Project will assist the City in fulfilling its goals under the City's Comprehensive Plan, Choice Neighborhoods Implementation Grant, Transformation Plan and Consolidated Plan by providing quality, accessible, affordable housing for low- to moderate- income residents and supporting economic development and revitalization.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations, funds are 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 an expenditure being incurred, Neighborhood Services has the responsibility to validate the availability of funds. This is a reimbursement grant.

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

Originating Business Unit Head: Victor Turner 8187

Additional Information Contact: Chad LaRoque 2661
Leticia Rodriguez 7319