

Mayor and Council Communication

DATE: 06/10/25

M&C FILE NUMBER: M&C 25-0525

LOG NAME: 19PRESBYTERIAN NIGHT SHELTER JOURNEY HOME HOUSING AT CROWLEY

SUBJECT

(CD 3) Authorize Change in Use and Adjust Existing Appropriations in the Amount of \$500,000.00 of HOME Investment Partnerships – American Rescue Plan Administration Funds for the Presbyterian Night Shelter Project Known as Journey Home Housing at Crowley Development Located at 7600 Crowley Road, Fort Worth, TX 76134, Authorize a Substantial Amendment to the City's 2021-2022 Action Plan, Authorize Revised Documentation to Increase the Loan Amount from \$4,928,000.00 to \$5,428,000.00 to Journey Home Housing, LLC, and Find that the Loan Serves a Public Purpose with Adequate Controls in Place

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 unused HOME Investment Partnerships – American Rescue Plan Administration funds to be reallocated in support of the Journey Home Housing at Crowley Development located at 7600 Crowley Road for a total loaned amount of \$5,428,000.00;
 2. Authorize a substantial amendment to the City of Fort Worth's 2021-2022 Action Plan regarding the change in use of \$500,000.00 in HOME Investment Partnerships – American Rescue Plan Administration funds; in the form of a forgivable loan under specified conditions;
 3. Authorize the City Manager, or their designee, to execute, amend, and extend all related contracts, including loan documents, as long as the contract provisions align with the scope of the project and comply with City of Fort Worth's policies, applicable laws, and regulations governing the use of federal funds, with Journey Home Housing, LLC, an affiliate of Presbyterian Night Shelter, in the amount of \$500,000.00 in HOME Investment Partnerships – American Rescue Plan Administration funds, for the construction costs associated with the development;
 4. Award \$500,000.00 of HOME Investment Partnerships – American Rescue Plan Administration funds in the form of a forgivable to Journey Home Housing, LLC, an affiliate of Presbyterian Night Shelter for the ongoing development of 96 units of permanent supportive housing; and
 5. Find that a forgivable loan of \$500,000.00 in HOME Investment Partnerships – American Rescue Plan Administration funds to Journey Home Housing, LLC, an affiliate of Presbyterian Night Shelter serves the public purpose of providing decent, safe, and sanitary housing for low-income residents, and affirm that sufficient controls are established through the relevant loan documents and agreements to ensure the intended public purpose is achieved.
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DISCUSSION:

On December 12, 2021, City Council approved Mayor and Council Communication (M&C) 21-0968 allocating \$10,537,030.00 in HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) for the development of at least 125 permanent supportive housing (PSH) units with a total of \$8,956,476.00 set aside for hard construction costs and \$1,580,554.00 set aside for staff administration costs. On June 14, 2022, following a competitive procurement process, City Council approved M&C 22-0456 awarding \$7,962,800.00 to Presbyterian Night Shelter (PNS) or an affiliate for the development of the Journey Home Housing at Crowley Development (Project), a multifamily complex consisting of 72 permanent supportive housing units. The awarded amount included \$4,928,000.00 of HOME-ARP funds, \$1,350,000.00 from the Fort Worth Housing Finance Corporation (FWHFC), \$421,999.00 in American Rescue Plan Act State and Local Fiscal Recovery Funds, \$1,262,801.00 in Directions Home Capital Funds. Additionally, on December 13, 2022 Presbyterian Night Shelter was awarded Fiscal Recovery Funds (FRF) from Tarrant County for the purpose of constructing 24 additional PSH units for the Project, bringing the total of Permanent Supportive Housing units to 96.

The development has since notified the City of Fort Worth (City) that the Project is facing a funding shortfall of \$500,000.00 due to unanticipated costs and rising construction costs. The purpose of this M&C is to request City Council approval to increase the HOME-ARP budget from available unspent HOME-ARP Administration funds to cover the shortfall. The additional funds will be subject to the same conditions and loan terms as previously approved. Per HOME-ARP guidelines, funds may only be used for PSH unit construction and staff administration costs. This initiative aligns with the City's Action Plan by expanding the access to high-quality, affordable housing for extremely low-income residents, while also contributing to the economic development and the revitalization of the City.

In compliance with HUD regulations, reallocating these funds requires a change in use and substantial amendment to the City's 2021-2022 Action Plan. The public notice is holding a comment period from April 30, 2025, to May 30, 2025, comments received during this timeframe are kept by the Neighborhood Services Department. Approval of this M&C will amend the Action Plan.

City staff recommends amending the loan documentation with Journey Home Housing, LLC, to add an additional \$500,000.00 in HOME-ARP funds for the development of the Project. The additional funds will be subject to the same requirements and terms of the original funds which include being paid on a reimbursement basis, to reimburse for construction costs so long as the Project is complete and developer complies with all the HOME-ARP requirements. Through this M&C, the City Council recognizes that the Project supports quality, accessible, and affordable housing for extremely low-income residents. The HOME-ARP loan, which may become forgivable upon meeting specified conditions, is essential to the financial feasibility of the Project. The Council further acknowledges that safeguards are in place through the loan documents

The Director of Finance certifies that funds are available in the operating budget of the Grants Federal Fund HOME-ARP FY(21/30) project, and upon approval of the above recommendations, funds will be available as appropriated in the Grants Operating Federal Fund HOME-ARP FY(21/30) to support the amendment of the loan contract. The Neighborhood Services Department (and Financial Management Services) will be responsible for the collection and deposit of funds due to the City. Prior to an expenditure being incurred, the Neighborhood Services Department has the responsibility to validate the availability of funds. This is a reimbursement grant.

Additional Information Contact:

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