

# Mayor and Council Communication

DATE: 12/15/20

M&C FILE NUMBER: M&C 20-0940

LOG NAME: 19NS CARES ACT HUD FUNDS CDBG-CV3 AWARDS

## **SUBJECT**

(ALL) Authorize Acceptance of Coronavirus Aid, Relief, and Economic Security Act Community Development Block Grant to be Awarded by the United States Department of Housing and Urban Development in an Amount Up to \$5,468,206.00, Approve a Substantial Amendment to the City's 2019-2020 Annual Action Plan for the use of the Grant Funds, Authorize Execution of Related Contracts, Adopt Appropriation Ordinance, and Authorize Waiver of Indirect Costs

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## **RECOMMENDATION:**

It is recommended that City Council:

1. Authorize acceptance of Coronavirus Aid, Relief, and Economic Security (CARES) Act Community Development Block Grant (CDBG-CV3) to be awarded by the United States Department of Housing and Urban Development in an amount up to \$5,468,206.00 (CDBG-CV3 funds);
2. Approve a substantial amendment to the City's 2019-2020 Annual Action Plan for submission to the United States Department of Housing and Urban Development for the use of CDBG-CV3 funds in the amount of \$5,468,206.00 and acceptance of this award of the City's second allocation of CARES Act Community Development Block Grant funds, including allocations of grant funds to particular programs and activities as detailed below;
3. Authorize City Manager or his designee to execute contracts for up to eighteen-month terms with the agencies listed in Table 1 below for CARES Act CDBG-CV3 funds, contingent upon receipt of funding and satisfactory completion of all regulatory requirements;
4. Authorize the City Manager or his designee to extend contracts if an agency requests an extension and such extension is necessary for completion of the program, or to amend contracts if necessary to achieve program goals, provided any amendment is within the scope of the program and complies with City policies and all applicable laws and regulations governing the use of federal grant funds;
5. Adopt the attached appropriation ordinance increasing the receipts and appropriations in the Grants Operating Federal Fund in the amount of \$5,468,206.00 subject to receipt of the grant, for the purpose of funding Community Development Block Grant (CDBG-CV3) programs, services, and activities; and
6. Authorize a waiver of the Neighborhood Services Department indirect cost rate of 18.73%, estimated total of \$204,839.00.

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## **DISCUSSION:**

The CARES Act was signed into law on March 27, 2020, to respond to the many impacts of the COVID-19 public health emergency. The CARES Act includes provisions to help local governments prevent, prepare for and respond to the Coronavirus, including providing for additional allocations of formula grant funds under the Community Development Block Grant (CDBG) program. The City was notified by United States Department of Housing and Urban Development (HUD) on April 9, 2020, of its initial award of \$4,360,291.00 in CDBG-CV funds. These funds were subsequently awarded to eligible activities and programs through M&C 20-0330 and M&C 20-0471 in May and June of this year. The City was notified on September 11, 2020, of the award of its second allocation of CDBG funds, known as CDBG-CV3, in the amount of \$5,468,206.00. All funds must be used to prevent, prepare for, and respond to the Coronavirus.

On October 14, 2020, the Community Development Council (CDC) as the City's advisory body for the use of CDBG-CV3 funds approved a funding recommendation for the award of these funds. Four key activities were approved by the CDC for CARES Act funds; emergency rental assistance, employment-related services, childcare related to employment, and youth education/tutoring services. In addition, a Healthy Homes for Seniors program, providing home repairs for seniors ages 62 and older, was recommended for funding. Emergency rental assistance activities address the Consolidated Plan goal for affordable housing. Services for the elderly address the Consolidated Plan goal for aging in place. Employment-related services address the Consolidated Plan goal for poverty reduction and household stabilization.

The CDC also approved a two-tier process for allocation of the CARES Act funds. Tier one funds totaling \$4,093,641.20 are recommended to be awarded directly to agencies for the activities listed in the table below. Tier two funds totaling \$1,374,564.80 will be awarded for the four above-listed priority activities through a competitive Request for Proposal process that identifies additional service-delivery partners by the end of December, for CDC review and approval in early January, and subsequent City Council approval.

A 5-day public comment period was held from November 22, 2020 to November 28, 2020. Notice of this public comment period was published in the *Fort Worth Star-Telegram*, posted on the City's website, and distributed through the City News and other ongoing communications activities of the City Community Engagement Office. Any comments received are maintained by the Neighborhood Services Department in accordance with federal regulations.

A summary of funding recommendations approved by the CDC is provided below. A spreadsheet of funding recommendations is also attached. This Substantial Amendment Action Plan for use of CARES Act funds under the CDBG-CV3 program will be submitted to HUD following City Council approval.

Indirect costs totaling approximately \$204,839.00 could be charged to this grant, as the Neighborhood Services Department Indirect Cost rate is 18.73% in the City's most recent Cost Allocation Plan. A waiver of these costs is requested to allow allocation of these funds to further support the

programs and services to assist low-to-moderate income citizens impacted by the coronavirus.

**CARES ACT COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG-CV3)**

It is recommended that \$4,093,641.20 of CDBG-CV3 funds be allocated as follows:

General Administration: \$1,093,641.20

Costs of planning for, administering, reporting on, and monitoring all activities paid for with CDBG-CV3 funds.

Direct Awards to Public Service Agencies (\$3,000,000.00): Contracts are recommended for the following agencies and programs in the following amounts:

<b>TABLE 1: CDBG-CV3 AGENCIES</b>		
<b>AGENCY</b>	<b>PROGRAM</b>	<b>AMOUNT</b>
Fort Worth Area Habitat for Humanity	Healthy Homes for Seniors	\$2,000,000.00
AB Christian Learning Center	Youth Education/Tutoring	\$ 120,000.00
Boys & Girls Club of Greater Tarrant County	Youth Education/Tutoring	\$ 156,120.00
Camp Fire First Texas	Youth Education/Tutoring	\$ 120,000.00
Clayton Youth Enrichment Services	Youth Education/Tutoring	\$ 128,500.00
Fort Worth SPARC	Youth Education/Tutoring	\$ 88,368.00
Girls, Inc. of Tarrant County	Youth Education/Tutoring	\$ 111,375.00
United Community Centers	Youth Education/Tutoring	\$ 120,000.00
YMCA of Metropolitan Fort Worth	Youth Education/Tutoring	\$ 155,637.00
<b>TOTAL CDBG-CV3 CONTRACTS</b>		<b>\$3,000,000.00</b>

These programs are available in ALL COUNCIL DISTRICTS.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the current operating budget, as appropriated, in the Grants Operating Federal Fund. 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.

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

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