

Mayor and Council Communication

DATE: 09/12/23

M&C FILE NUMBER: M&C 23-0742

LOG NAME: 19TARRANT COUNTY - AFFORDABLE HOUSING FUNDING REALLOCATION

SUBJECT

(CD 8) Accept Emergency Rental Assistance Program Funds Totaling \$4,000,000.00 Reallocated from Tarrant County, Allocate American Rescue Plan Act Funds Totaling \$3,000,000.00 to Two Affordable Housing Projects - Columbia Renaissance Phase III and The Nest, Allocate Emergency Rental Assistance Program Funds Totaling \$4,000,000.00 to Two Affordable Housing Projects - Columbia Renaissance Phase III, and Casa Mia, and Adopt Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Accept Emergency Rental Assistance Program funds from the United States Department of the Treasury through Section 3201 of the American Rescue Plan Act of 2021 from Tarrant County in the amount of \$4,000,000.00;
2. Reallocate American Rescue Plan Act, Subtitle M (State and Local Fiscal Recovery Funds) in the amount of \$3,000,000.00 for the purpose of funding two affordable housing development projects allocated as follows: (1) Columbia Renaissance Phase III (new construction) - \$1,500,000.00 and (2) The Nest (new construction) - \$1,500,000.00; and
3. Adopt the attached ordinance increasing the estimated receipts and appropriations in the Grants Operating Federal Fund, subject to receipt of the grant, in the amount of \$4,000,000.00, for the purpose of funding allowable expenses related to two affordable housing development projects allocated as follows: (1) Columbia Renaissance Phase III (new construction) - \$3,500,000.00 and (2) Casa Mia (property purchase) - \$500,000.00.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to accept Emergency Rental Assistance (ERA2) Program funds totaling \$4,000,000.00 reallocated from Tarrant County and reallocate American Rescue Plan Act (ARPA) funds totaling \$3,000,000.00 to affordable housing projects, as shown on the table below.

In December 2020, the Consolidated Appropriations Act of 2021 was approved by Congress and signed by the President. This statute was part of the federal government's continued effort to help communities respond to economic and other impacts of the coronavirus pandemic. Section 501 of the Act included authorization of \$25 billion for a first Emergency Rental Assistance (ERA1) program to be administered by state and local governments, including \$27,484,117.00 for the City of Fort Worth (City). City Council approved acceptance of this first ERA award through M&C 21-0111 on February 16, 2021. In March of 2021, Congress and the President approved the American Rescue Plan Act, which extended the deadline for expenditure of ERA1 funds until September 30, 2022, and included further funds for Emergency Rental Assistance (known as ERA2). The purpose of the funds is for financial assistance and housing stability services for households with incomes under 80% of the Area Median that have incurred financial hardship and housing instability due to or during the coronavirus pandemic.

M&C 22-0927, dated November 8, 2022, was approved by City Council awarding ARPA funds totaling \$3,078,001.00 to Tarrant County Samaritan Housing, Inc. in the form of a forgivable loan for the development of 37 units of permanent supportive housing to be located at 5120 McCart Avenue. As stated in the M&C Discussion section, in the event that the McCart site does not meet the requirements included herein, a future M&C with loan terms could be brought for City Council approval for another project site, if such a site is identified by Samaritan House and meets all required City criteria. At this time, more than nine months after the M&C was approved, neither the McCart site nor any other location has met the required City criteria. It is the recommendation of staff that the ARPA funds be reallocated to the proposed projects listed below, which includes the development of 25 units of permanent supportive housing.

In May 2023, Tarrant County released a Request for Proposals (RFP) for ARPA funds. The goal of the RFP was to receive proposals aimed at increasing the number of affordable housing units for homelessness, permanent supportive housing, supportive housing, and deeply affordable housing. Per a request from Tarrant County, the City of Fort Worth is proposing to co-fund the below listed projects with a direct allocation of Tarrant County ARPA funds, reallocated ERA2 funds from Tarrant County to the City of Fort Worth and ARPA funds from City of Fort Worth as shown. Tarrant County Commissioners are expected to approve a resolution reallocating these funds from Tarrant County to the City of Fort Worth. Funding totaling \$8,500,000.00 will be used to develop 61 deeply affordable housing units, including 25 permanent supportive housing (PSH) units, for extremely low and very low-income individuals.

Proposed Affordable Housing Projects

				Proposed County ARPA		Proposed		
				Total				

Project	Council District	Total Project Cost	Requested through County's ARPA RFP	Funding <i>(direct allocation from Tarrant County)</i>	Proposed City ARPA	County ERA2 Dispersed to City	Proposed Total Public Funding	# Units Created (<60% AMI)
Columbia Renaissance Phase III; Columbia Residential (New Construction)	8	\$35,299,277.00	\$5,157,639.00	\$0.00	\$1,500,000.00	\$3,500,00.00	\$5,000,000.00*	25 PSH Units
The Nest; Justin's Place (New Construction)	8	\$9,000,000.00	\$4,000,000.00	\$1,500,000.00	\$1,500,000.00	\$0.00	\$3,000,000.00	24 deeply affordable, supportive units (12 duplexes)
Casa Mia; Westcare (Property Purchase)	8	\$800,000.00	\$657,000.00	\$0.00	\$0.00	\$500,000.00	\$500,000.00	12 deeply affordable, supportive units
TOTALS		\$45,099,277.00	\$9,814,639.00	\$1,500,000.00	\$3,000,000.00	\$4,000,000.00	\$8,500,000.00	61 units (\$139,344.00 subsidy/unit)

*Does not include committed HOME funds from City of Fort Worth

Neighborhood Services Department staff views the request from the County as an opportunity to spread extremely limited resources further. When bundling City and County funding together, we create more housing units than if each unit of government funds projects separately.

In addition to the ARPA and ERA2 funding proposed, Columbia Renaissance Phase III has a HOME funding commitment from the City of Fort Worth for \$4,000,000.00 over three years. The disbursement is planned to be \$1,000,000.00 in year one (approved by M&C on August 8, 2023), and future commitments in Year 2 and Year 3 of \$1,500,000.00 each year, which will be included on future requests to the City Council. These will be forgivable loans to the project. Total public funding for Columbia Renaissance III will be \$9,000,000.00.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: Tarrant County

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 for the Columbia Renaissance Phase III, The Nest and Casa Mia projects. 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 an advance grant.

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Expedited