

To the Mayor and Members of the City Council

January 14, 2025

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SUBJECT: CDBG MULTIFAMILY RENTAL REHABILITATION NOTICE OF FUNDING AVAILABILITY (NOFA)

The purpose of this Informal Report is to provide information regarding the process, scoring, and outcome of an advertised Notice of Funding Availability (NOFA) for the award of Community Development Block Grant program (CDBG) funds issued through the Department of Housing and Urban Development (HUD) for the purpose of multifamily rental rehabilitation. Though not a requirement, competitive NOFAs are a best practice when administering grant-funded awards and help City Staff identify the projects that best align with the City’s established goals and to identify those most qualified to receive federal funding.

In November 2024, Neighborhood Services staff advertised a NOFA for up to approximately \$3.33M to multifamily housing developers for the purpose of substantially rehabilitating multifamily housing (5+ units) in an effort to create and/or preserve affordable housing in the City. Available CDBG funds consist of the following:

M&C	Date	Amount	Comment
23-0631	August 8, 2023	\$636,610.00	2023-2024 Action Plan specific to rental rehabilitation
24-0552	June 25, 2024	\$644,469.00	2024-2025 Action Plan specific to rental rehabilitation
Future M&C	January 28, 2025	\$2,052,306.85	Addition of unprogrammed funds and interest earned from action plan years 2019-2022
Total		\$3,333,385.85	Amendment to 2024-2025 Action Plan and Appropriation for Award

Developers were to include the following in their application for funding: scope of work/project overview, project map in relation to community amenities, proof of site control/ownership/purchase agreement, fifteen-year operating pro forma, and (if applicable) proof of funding commitments.

Five applications were received on or before the December 6, 2024 submission deadline. A panel of four Neighborhood Services Department staff members specializing in grant compliance and housing development carefully reviewed and evaluated each application based on the following:

- ✓ Alignment with the HUD Five-Year Consolidated Plan and the *Neighborhood Conservation Plan and Housing Affordability Strategy*
- ✓ Financial sustainability of the project
- ✓ Applicant’s past experience
- ✓ Project delivery and timeline

Based on receiving the highest scores in all of the above-listed categories, City staff recommends awarding O-SDA/Saigebrook the totality of the \$3,330,000 CDBG award in the form of a forgivable loan to acquire and rehabilitate an existing 116-unit multifamily property to be known as Delara Chase (Project) located at 4805 Altamesa Blvd, Fort Worth, 76133 (CD 6). Awarding one project will assist with the timely and efficient expenditure of grant funds and ensure administrative capacity is not exceeded for City staff as well as the developer’s staff.

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The Project was determined to meet the City's goal to preserve affordable housing stock, offering a range of mixed-income housing with 12 units at 30% AMI, 45 units at 50% AMI, 53 units at 60% AMI, and 6 market-rate units. Leveraging a Federal Housing Tax Credit award received in July 2024, the Project will keep housing affordable in the Wedgwood neighborhood for the next 45 years. The CDBG award will help close a significant financing gap to make the project's real estate closing in February 2025 feasible. An M&C approving this award is scheduled for the February 11, 2025 City Council meeting.

For more information, please contact Neighborhood Services Department Director, Kacey Bess at kacey.bess@fortworthtexas.gov.

David Cooke
City Manager