

# Mayor and Council Communication

**DATE:** 06/10/25

**M&C FILE NUMBER:** M&C 25-0515

**LOG NAME:** 19NEW LEAF COMMUNITY SERVICES CAMP BOWIE WEST

## **SUBJECT**

(CD 3) Authorize Change in Use and Adjust Existing Appropriations in the Amount of \$700,000.00 of HOME Investment Partnerships – American Rescue Plan Administration Funds for the New Leaf Community Services Housing Development Project Located at 8843 Camp Bowie West Boulevard, Authorize a Substantial Amendment to the City's 2021-2022 Action Plan, Authorize an Amendment to the Agreement with New Leaf Community Services to Increase the Contracted Amount from \$4,028,476.00 to \$4,728,476.00, Authorize Substitution of Funding Years, and Find that the Loan Serves a Public Purpose with Adequate Controls in Place

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize a change in use and adjust existing appropriations in the amount of \$700,000.00 of unused HOME Investment Partnerships – American Rescue Plan Administration funds to be reallocated in support of the Camp Bowie West Housing Development Project located at 8843 Camp Bowie West Boulevard for a total amount of \$4,728,476.00;
  2. Authorize a substantial amendment to the City's 2021-2022 Action Plan regarding the change in use of \$700,000.00 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 policies, applicable laws, and regulations governing the use of federal funds, with New Leaf Community Services, in the amount of \$700,000.00 in HOME Investment Partnerships – American Rescue Plan Administration funds, for the construction costs associated with the development;
  4. Award \$700,000.00 of HOME Investment Partnerships – American Rescue Plan Administration funds in the form of a forgivable to New Leaf Community Services for the ongoing development of 48 units of permanent supportive housing; and
  5. Find that the forgivable loan of \$700,000.00 HOME Investment Partnerships – American Rescue Plan Administration funds to New Leaf Community Services 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 \$6,428,476.00 to New Leaf Community Services (NLCS) for the development of the Camp Bowie West Development (Project), a multifamily complex consisting of 48 permanent supportive housing units. The awarded amount included \$4,028,476.00 of HOME-ARP funds, \$1,200,000.00 from the Fort Worth Housing Finance Corporation (FWHFC) funds and \$1,200,000.00 in North Texas Community Foundation funds to be used as match money to the FWHFC funds.

The development has since notified the City that the Project is facing a funding shortfall of \$700,000.00 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 staff 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 held a comment period from December 27, 2024, to January 27, 2025 and no public comments were received. Approval of this M&C will amend the Action Plan.

City staff recommends amending the development agreement with New Leaf Community Services to add an additional \$700,000.00 in HOME-ARP funds for the Camp Bowie West Development 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 the 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 and agreements to ensure the public purpose is effectively carried out.

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**FISCAL INFORMATION / CERTIFICATION:**

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

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