

# Mayor and Council Communication

**DATE:** 10/17/23

**M&C FILE NUMBER:** M&C 23-0848

**LOG NAME:** 08FHAP2023

## **SUBJECT**

(ALL) Ratify Execution of a Cooperative Agreement with the United States Department of Housing and Urban Development to Process Housing Cases for Fiscal Year 2023, Approve Acceptance of Funds in the Amount Up to \$205,514.00, Including Interest, Waive Indirect Costs, and Adopt Appropriation Ordinance

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Ratify the execution of a Fair Housing Assistance Program Cooperative Agreement through the Diversity and Inclusion Department, on behalf of the Fort Worth Human Relations Commission with the United States Department of Housing and Urban Development for Fiscal Year 2023 and accept funds in the amount up to \$194,800.00 plus current and future accrued interest from contractual awards in an amount up to \$10,714.00 based upon actual receipts for a total amount of \$205,514.00;
  2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund, subject to receipt of the grant, in the amount up to \$205,514.00, for the purpose of funding a Fair Housing Assistance Program Cooperative Agreement; and
  3. Waive the transfer of indirect cost revenue due the General Fund in the estimated amount of \$50,640.00.
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## **DISCUSSION:**

On August 10, 2023, the Diversity and Inclusion Department received Fair Housing Assistance Program (FHAP) Cooperative Agreement with the United States Department of Housing and Urban Development (HUD). Pursuant to that Cooperative Agreement, HUD provides funding to the Diversity and Inclusion Department, a designated FHAP agency, based on the number of fair housing complaints resolved from July 1, 2022, to June 30, 2023. The contractual reimbursement of funds is based on activities conducted within the preceding twelve-months (Performance Period). Diversity and Inclusion Departmental staff, on behalf of the Fort Worth Human Relations Commission, resolved 49 complaints during this period. Additional funds are awarded to qualifying FHAP agencies for administrative costs and training.

The Cooperative Agreement provides payment for the following:

- Resolution of 49 housing discrimination complaints in the amount of \$148,800.00;
- Post-Cause supplemental pay in the amount of \$0;
- Administrative costs in the amount of \$32,000.00; and
- Training funds in the amount of \$14,000.00 for mandatory HUD training.

The additional of accrued interest from Cooperative Agreement funds in an amount up to \$10,714.00 based upon actual receipts, brings the total to an amount up to \$205,514.00.

A waiver of the collection of Indirect Cost Revenue otherwise due to the General Fund from the FHAP contract is being requested. The Diversity and Inclusion Department has determined that the remission of indirect cost reimbursement to the General Fund would result in less available programming dollars, which when compounded by yearly fluctuations in funding, unanticipated delays in the receipt of funding, the threat of federal cuts in HUD's programming, and increasing salary and benefits costs, could jeopardize the Diversity and Inclusion Department's ability to successfully fulfill the provisions of the program. The cost to the General Fund of the waiver is estimated at \$50,640.00.

The Grant is a pay-for-performance grant, where the amount awarded is for services previously rendered. Currently, seven employee's salary are paid with the funds received as part of this FHAP contract and funding from prior FHAP contracts. One (1) Assistant Director totaling \$202,591.71, 30% Grant funded; one (1) Human Relation Manager totaling \$87,880.00, 100% Grant funded; one (1) Human Relation Investigator totaling \$66,336.88, 100% Grant funded; one (1) Human Relation Investigator totaling, \$71,442.87, 100% Grant funded; one (1) Human Relation Investigator totaling \$76,841.84, 30% Grant funded; one (1) Eligibility Specialist \$40,846.91, 100% Grant funded; and one (1) Eligibility Specialist \$32,857.89, 50% Grant funded. If funding ends, such as if HUD decides to terminate the contract in the future, the affected employees will not yet have performed the services for the next contract year. There may be several options for consideration to retain high-performing talent, including remaining in the function through General Funds, or the employee may have the opportunity to seek employment elsewhere, within or outside the City.

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

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## **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 Diversity and Inclusion Department (and Financial Management Services) will be responsible for the collection and deposit of funds due to the City. Prior to expenditures being incurred, the Diversity and Inclusion Department has the responsibility to validate the availability of funds. This is a fee for service grant.

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

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**Additional Information Contact:**