

Mayor and Council Communication

DATE: 01/11/22

M&C FILE NUMBER: M&C 22-0017

LOG NAME: 19NSES-G-CV&CV2REVISIONS

SUBJECT

(ALL) Authorize Substantial Amendment to the 2019-2020 Action Plan for use of Federal Grant Funds, Authorize Execution of Contract Amendments to Agreements with Nonprofit Subrecipients of Emergency Solutions Grant Funds Received Under the Coronavirus Aid, Recovery and Economic Security Act, and Ratify Execution of Amendment to Agreement with The Salvation Army, A Georgia Nonprofit Corporation to Expand the Scope of Work to Include Shelter Operations

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize a substantial amendment to the 2019-2020 Action Plan for use of Federal Grant Funds from the United States Department of Housing and Urban Development revising allocation of such funds among local nonprofit homeless service providers;
2. Authorize execution of contract amendments to agreements with nonprofit subrecipients of Emergency Solutions Grant Funds received under the Coronavirus Aid, Recovery and Economic Security Act to change funding allocations and scopes of services to ensure the expenditure of funds;
3. Ratify the execution of an amendment to an agreement with The Salvation Army, A Georgia Nonprofit Corporation to expand the scope of work to support Emergency Shelter Operation in addition to Rapid Rehousing services; and
4. Authorize the City Manager or his designee to further amend the agreements if necessary to achieve program goals and meet Housing and Urban Development expenditure deadlines, provided the amendment is within the scope of the program and in compliance with applicable City policies, laws and regulations.

DISCUSSION:

In April 2020, the City of Fort Worth (City) was awarded \$2,202,929.00 in Emergency Solutions Grant (ESG) funds from Housing and Urban Development (HUD) under the Coronavirus Aid, Recovery and Economic Security (CARES) Act to support the City’s response to the coronavirus pandemic among the homeless and at-risk population (ESG-CV). In June 2020, the City was awarded an additional \$6,070,529.00 in ESG funds to expand the City’s ability to assist homeless and at-risk residents (ESG-CV2). The City Council approved allocation of these funds to local nonprofit homeless service providers on May 19, June 23, and September 15, 2020, through M&C Nos. 20-0330, 20-0471, and 20-0657. Funding priorities for the allocations were Rapid Rehousing (65%), Shelter Operations (11%); Outreach to Unsheltered (8%), and Homelessness Prevention (6%), with 10% authorized for program administration by the City and its nonprofit partners. The expenditure deadline for use of all ESG-CV and ESG-CV2 funds is September 30, 2022.

To ensure that the expenditure deadline for the full eight million dollars is met, and to address priorities which have arisen since initial allocations were made, staff is recommending amendments to some of the ESG-CV and ESG-CV2 contracts to change funding allocations and scopes of service as detailed below.

Due to a strong demand in the rental housing market, lease-up of Rapid Rehousing units has been slow, as landlords have many alternate options rather than acceptance of a federally-funded short-term housing voucher. Therefore, funds are recommended to be moved from Rapid Rehousing programs operated by the Day Resource Center (DRC), The Salvation Army (TSA), and Fort Worth Housing Solutions (FWHS), into Homelessness Prevention and Emergency Shelter Operations programs. Local shelters, including the Presbyterian Night Shelter (PNS), have continued to experience costly challenges in providing safe services throughout the pandemic, and additional funds were therefore needed for staff hazard pay, vaccine incentives, client transportation services, and other operational items. The need for homelessness prevention for target populations has also increased. Cornerstone Assistance Network (CAN) has nearly exhausted its original allocation for homelessness prevention for the Re-Entry population and needs additional funds to continue the program. Day Resource Center has entered into a partnership to accept referrals from the Fort Worth Independent School District of highly at-risk families who are living doubled-up or in motels, and will provide rental assistance and case management to stabilize their housing and prevent homelessness.

The table below summarizes proposed contract scope and allocation changes to be formalized in contract amendments. Each affected agency either requested or was thoroughly consulted regarding the change, and all fully concurred with the proposed changes. The proposed revisions have been publicized as required by HUD guidelines for use of ESG-CV and ESG-CV2 funds, through placement of a notice on the City’s website and publication of a five-day public notice in the *Fort Worth Star-Telegram*. Due to previously approved contract amendments, some current contract amounts listed below may vary from the original contract amount.

Agency/Program Name	Original Contract Amount	Allocation Adjustment Amount	New Contract Amount	Proposed Change
				Reduction by \$500,000;

Fort Worth Housing Solutions: Rapid Rehousing: City Secretary Contract No. 54964	\$1,809,477	(\$500,000)	\$1,309,477	reallocation to Homelessness Prevention (new DRC-HP for \$150,000) and (CAN-HP for \$300,000); and to Shelter Operations (PNS-SS for \$50,000) Activities
Day Resource Center: Outreach to Unsheltered; City Secretary Contract No. 54955	\$400,000	(\$100,000)	\$300,000	Reduction by \$100,000, reallocation to Homelessness Prevention (new DRC-HP for \$100,000)
Day Resource Center: Homeless Prevention	\$0.00	\$250,000	\$250,000	Increase by \$150,000, reallocation from FWHS Rapid Rehousing City Contract No. 54964 and \$100,000 reallocation from DRC Outreach Contract No. 54955
Cornerstone Assistance Network: Homelessness Prevention; City Secretary Contract No. 54959	\$450,000	\$300,000	\$750,000	Increase in contract by \$300,000 from FWHS Rapid Rehousing Contract No. 54964
Presbyterian Night Shelter: Operations; City Secretary Contract No. 54963	\$260,000	\$50,000	\$310,000	Increase in contract by \$50,000 from FWHS Rapid Rehousing Contract No. 54964

Through this M&C, staff recommends ratification of Amendment No. 1 to City contract 55043 with the Salvation Army, which expanded the scope of services to include shelter operations in addition to rehousing activities. The amendment did not involve a change in the total funding under than contract as the additional service was allocated \$196,000 of the existing funding that was in danger of not being spent. To allow for the funds to be used as quickly as possible for shelter services, the amendment was internally approved and executed.

Section 2-9(11) of the City Code allows for any contract or other legal instruments necessary to provide public assistance from funds available under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as may be amended, or from funds available under the Consolidated Appropriations Act of 2021, as may be amended to be administratively approved by the City Manager. When possible, items will be brought to the City Council prior to execution of any contracts or amendments; however, staff anticipates that in order to meet the approaching expenditure deadlines in 2022, that future amendments may require administrative approval. Staff will provide updates via Informal Reports or M&Cs seeking ratification of any changes made under this administrative mechanism.

Services are available in ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This contract legally does not require City Council approval.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and reallocation of funds, funds are 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.

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