

Mayor and Council Communication

DATE: 08/08/23

M&C FILE NUMBER: M&C 23-0631

LOG NAME: 19NS 2023-2027 CONSOLIDATED PLAN AND 2023-2024 ACTION PLAN

SUBJECT

(ALL) Conduct Public Hearing and Approve the City of Fort Worth's 2023-2027 Consolidated Plan Priorities and Goals and 2023-2024 Annual Action Plan for the Use of Federal Grant Funds in the Amount of \$13,452,621.00 to be Awarded by the United States Department of Housing and Urban Development from the Community Development Block Grant, HOME Investment Partnerships Program, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS Program, Authorize Collection and Use of Program Income, Authorize Execution of Related Contracts, Adopt Appropriation Ordinance, and Authorize Waiver of Indirect Costs

(PUBLIC HEARING - a. Report of City Staff Sharon Burkley; b. Public Comment; c. Council Action: Close Public Hearing and Act on M&C)

RECOMMENDATION:

It is recommended that City Council:

1. Conduct a public hearing to allow citizen input and consideration of the City's 2023-2027 Consolidated Plan Priorities and Goals and 2023-2024 Annual Action Plan for use of federal grant funds to be awarded by the United States Department of Housing and Urban Development in the amount of \$13,552,621.00 from the Community Development Block Grant, HOME Investment Partnerships Program, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS grant programs, and for the use of program income from activities using prior years' federal grant funds;
2. Approve the City's 2023-2027 Consolidated Plan and 2023-2024 Annual Action Plan for submission to the United States Department of Housing and Urban Development, including allocations of grant funds to particular programs and activities as detailed below;
3. Authorize an increase in the City's Priority Repair Program contract authority by \$500,000.00 annually for a total annual amount of \$2,500,000.00 for the next five years (Fiscal Years 2023-2027) contract authority of \$46,858,546.53 to reflect the increased annual funding allocation from \$2,000,000.00 to \$2,500,000.00.
4. Authorize the collection and use of an estimated \$50,000.00 of program income which is expected to result from activities using prior years' Community Development Block Grant funds for the City's Priority Repair Program;
5. Authorize the collection and use of an estimated \$50,000.00 of program income which is expected to result from activities using prior years' HOME Investment Partnerships Program grant funds for the City's Homebuyer Assistance Program, and authorize the use of 10 percent of the program income for administrative costs;
6. Authorize the City Manager or his designee to execute contracts for one-year terms with the agencies listed in Tables 1,2, and 3 below for Program Year 2023-2024 for Community Development Block Grant, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS grant funds, contingent upon receipt of funding, and satisfactory completion of all federal regulatory requirements;
7. Authorize the City Manager or his designees to extend the contracts for up to one year if an agency or department requests an extension and such extension is necessary for completion of the program, or to amend the contracts if necessary to achieve program goals provided any amendment is within the scope of the program and in compliance with City policies and all applicable laws and regulations governing the use of federal grant funds;
8. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund in the total amount of \$13,452,621.00 consisting of \$6,994,785.00 in Community Development Block Grant funds, \$3,271,119.00 in HOME Investment Partnerships Program funds, \$610,543.00 in Emergency Solutions Grant funds, and \$2,576,174.00 in Housing Opportunities for Persons with AIDS grant funds, plus estimated program income in the amount of \$100,000.00, all subject to receipt of such funds; and
9. Authorize a waiver of the Neighborhood Services Department indirect cost rate of 28.10%, estimated total of \$393,106.92.

DISCUSSION:

The City of Fort Worth's (City's) 2023-2027 Consolidated Plan assesses community and affordable housing needs and sets strategic priorities and goals for use of federal grants funds from the United States Department of Housing and Urban Development (HUD) for a five-year period. These priorities and goals are to be addressed with Annual Action Plans that summarize the major housing and community development activities and proposed expenditures for each of the five years.

These priorities and goals were developed to be consistent with strategies and initiatives previously adopted by the City Council, as well as through an assessment of community needs. This included Citywide public meetings conducted by JQuad Planning Group, the consultant contracted to prepare the Consolidated Plan in collaboration with the Neighborhood Services Department staff. The recommended Consolidated Plan priorities and goals for use of HUD grant funds over the next five years are summarized below.

PRIORITY NEED	GOAL
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Promote Affordable Housing for Renters and Owners	Increase neighborhood stability through homeownership assistance; Fair Housing efforts, and supportive services for renters and owners
Housing Preservation and Rehabilitation	Preserve and expand the supply of quality affordable housing throughout the City
Neighborhood Improvement and Revitalization	Enhance neighborhood development and revitalization throughout the City
Economic Empowerment and Financial Resilience	Support programs and services providing employment training and career readiness programs that promote self-sufficiency and household stability
Children and Youth Services	Support programs and services to prepare children and youth for success through educational, mentoring, training and related programs
Aging In Place	Support programs and services for older adults to access resources needed to age in their homes, while maintaining both their independence and quality of life
Accessibility Improvements	Improve accessibility in public facilities and housing, including architectural barrier removal
Homelessness Prevention and Special Needs Support	Provide housing and support services for persons experiencing and at-risk of experiencing homelessness; support efforts to achieve permanent housing
Healthy Living and Wellness	Support programs and services to improve the mental and physical health of low-to moderate-income Fort Worth families

The City's 2023-2024 Annual Action Plan summarizes the major housing and community development activities and proposed expenditures for the program year beginning October 1, 2023 and ending September 30, 2024 for use of federal grant funds totaling \$13,452,621.00 from the United States Department of Housing and Urban Development (HUD) from the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) grant programs. It also summarizes the use of program income resulting from activities using prior years' CDBG and HOME funds, the primary purpose of which is to benefit low-and moderate-income persons in Fort Worth. ESG funds primarily benefit persons experiencing homelessness, and HOPWA funds primarily benefit low-and moderate-income persons with HIV/AIDS.

A Request for Proposals from social service agencies and nonprofit organizations seeking grant funding was published on February 1, 2023. All proposals were received on March 15, 2023. Staff reviewed all proposals and developed recommendations for the allocation of estimated funding from HUD based on the capacity of applicant organizations, grant experience, fiscal stability, and compliance with applicable federal regulations. One public hearing was held on April 12, 2023 to provide citizens the opportunity to participate in the development of the Annual Action Plan. Recommendations for award amounts were considered and adopted by the Community Development Council on May 10, 2023. These funding recommendations were presented in City Council Work Session on August 1, 2023.

A 30-day public comment period was held from June 30, 2023 to July 31, 2023. Notice of this public comment period was published in the *Fort Worth Star-Telegram* on June 29, 2023; in the *Cleburne Times Review* on July 6; in the *Weatherford Democrat* on July 8; and in *La Vida News* on July 13.

Any comments received are maintained by the Neighborhood Services Department in accordance with federal regulations. The City held two public hearings as a part of the HUD required citizen participation process. The first public hearing was held by staff on July 12, 2023, and the second public hearing is scheduled for the City Council on August 8, 2023.

A summary of staff's final funding recommendations is provided below in Tables 1,2, and 3. A Powerpoint presentation listing funding recommendations is also attached. The 2023-2024 Annual Action Plan will be submitted to HUD by August 15, 2023.

Indirect costs totaling approximately \$393,106.92 could be charged to these grants, as the Neighborhood Services Department indirect cost rate is 28.10% in the City's most recent Cost Allocation Plan. A waiver of these costs is requested to allow allocation of these funds to further support the programs and services to assist low-to-moderate income citizens.

Mayor & Council Communication (M&C) 22-0569 dated August 9, 2022 increased the annual funding amount of the City's Priority Repair Program (PRP) from \$1,100,000.00 to \$2,000,000.00. Approval of this M&C authorizes an additional increase of annual funding from \$2,000,000.00 to \$2,500,000.00. This will require an increase in the expenditure authority for the PRP and the contracting authority for PRP agreements, resulting in an annual increase of \$500,000.00. A total five year (Fiscal Years 2023-2027) contract authority of \$46,858,546.53 for PRP is necessary to facilitate the increase in funding from CDBG.

COMMUNITY DEVELOPMENT BLOCK GRANT

For Program Year 2023-2024, it is recommended that the amount of \$6,994,785.00 in CDBG funds and an estimated amount of \$50,000.00 in CDBG program income totaling \$7,044,785.00 be allocated as follows:

- Public Service Agencies - \$1,049,218.00: Includes social services for low- and moderate-income persons, persons with disabilities, and disadvantaged persons
- Housing Programs - \$3,910,000.00: Includes funding for the City's Priority Repair Program, Cowtown Brush-Up, homebuyer and housing services, accessibility modifications for seniors and persons with disabilities, and related project delivery costs for these programs
- Major Projects - \$636,610.00: Includes for multifamily rental rehabilitation

- Administration - \$1,398,957.00: Includes costs for administering the CDBG grant, including allocations for the Financial Management Services Department
- Estimated Program Income - \$50,000.00: Includes up to \$50,000.00 in funding for the City's Priority Repair Program. Any CDBG program income over the estimated amount not used for the Priority Repair Program will be allocated to priority activities in the City's Consolidated Plan, subject to the City Council approval.

HOME INVESTMENT PARTNERSHIPS PROGRAM

For Program Year 2023-2024, it is recommended that the amount of \$3,271,119.00 in HOME funds and an estimated amount of \$50,000.00 in HOME program income totaling \$3,321,119.00 be allocated as follows:

- Homebuyer Assistance Program - \$408,339.25: Includes funding for down payment and closing cost assistance for low- and moderate-income homebuyers
- Community Housing Development Organization - \$490,667.85: HUD requires that a minimum of 15 percent of HOME funds be allocated to Community Housing Development Organizations (CHDOs) for affordable housing projects. These funds will be used by Housing Channel for multifamily housing development in southeast Fort Worth. All housing developed with these funds will be sold to homebuyers making at or below 80 percent of area median income (AMI), set by HUD.
- Community Housing Development Organization Operating - \$45,000.00:
- Major Projects - \$2,000,000.00: Includes funds (\$1,000,000.00) allocated to the affordable housing project to be developed by Fort Worth Housing Solutions (FWHS) as a part of its Choice Neighborhood Initiative (CNI) grant and funds (\$1,000,000.00) allocated to the multifamily housing project, Columbia Renaissance - Phase III
- Administration - \$327,111.90: Includes costs for administering the HOME grant
- Estimated Program Income - \$50,000.00: Includes funding for the Homebuyer Assistance Program and HOME grant administrative costs. HUD allows the City to use 10 percent of any HOME program income towards the cost of administering the HOME grant. HOME program income over the estimated amount not used for the Homebuyer Assistance Program will be allocated to priority activities in the City's Consolidated Plan, subject to City Council approval.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For Program Year 2023-2024, it is recommended that the amount of \$2,576,174.00 in HOPWA funds be allocated as follows:

- Public Service Agencies - \$1,729,850.00
- Neighborhood Services Department - \$769,039.00
- Administration - \$77,285.00

EMERGENCY SOLUTIONS GRANT

For Program Year 2023-2024, it is recommended that the amount of \$610,543.00 in ESG funds to be allocated as follows:

- Public Service Agencies - \$564,752.00
- Administration - \$45,791.00

CONTRACT RECOMMENDATIONS

The Community Development Council and Neighborhood Services Department staff recommend that contracts be executed with the public service and CDBG subrecipient agencies for the amounts shown in the following tables:

Community Development Block Grant Contracts

TABLE 1: CDBG AGENCIES

AGENCY	CONSOLIDATED PLAN GOAL	PROGRAM	AMOUNT
AB Christian Learning Center	Children and Youth Services	Out of School Time Program	\$78,218.00
Boys & Girls Clubs of Greater Tarrant County, Inc.	Children and Youth Services	Youth Development at Eastside Branch	\$70,000.00
Camp Fire First Texas	Children and Youth Services	Teens In Action	\$50,000.00
Cancer Care Services	Healthy Living and Wellness	Cancer Care Services	\$50,000.00
Easter Seals North Texas, Inc.	Economic Empowerment and Financial Resilience	Employment Services	\$60,000.00
Girls Incorporated of Tarrant County	Children and Youth Services	Leadership Program	\$100,000.00
Guardianship Services, Inc.	Aging In Place	Money Smart+	\$100,000.00
Housing Channel	Promote Affordable Housing for Renters and Owners	Housing Counseling & Education	\$111,000.00

Junior Achievement of the Chisholm Trail, Inc.	Children and Youth Services	Cradle to Career Initiative	\$25,000.00
Maroon 9 Community Enrichment Organization	Children and Youth Services	Maroon 9 Teen Enrichment Program	\$25,000.00
Meals-On-Wheels, Inc. of Tarrant County	Aging In Place	Nutrition Program	\$75,000.00
NPower Inc.	Economic Empowerment and Financial Resilience	Tech Fundamentals Workforce Training Program	\$25,000.00
The Ladder Alliance	Economic Empowerment and Financial Resilience	Tarrant County Workforce Development	\$80,000.00
The Women's Center of Tarrant County, Inc.	Economic Empowerment and Financial Resilience	Employment Solutions	\$75,000.00
United Community Centers, Inc.	Children and Youth Services	Holistic Educational Literacy Program	\$125,000.00
CDBG Public Services Agencies Total			\$1,049,218.00
Rehabilitation, Education and Advocacy for Citizens with Handicaps dba REACH, Inc.	Accessibility Improvements	Project Ramp	\$165,000.00
Fort Worth Area Habitat for Humanity, Inc. DBA Trinity Habitat for Humanity	Housing Preservation and Rehabilitation	Cowtown Brush Up	\$455,000.00
CDBG Subrecipient Agencies Total			\$620,000.00
TOTAL CDBG CONTRACTS			\$1,669,218.00

Housing Opportunities for Persons with AIDS Contracts

TABLE 2: HOPWA AGENCIES

AGENCY	PROGRAM	AMOUNT
AIDS Outreach Center, Inc.	Administration, Support Services, Short-Term Rent, Mortgage, and Utility Assistance (STRMU), Tenant-Based Rental Assistance	\$429,850.00
Tarrant County Samaritan Housing, Inc.	Administration, Facility-Based Operations, Supportive Services, Tenant-Based Rental Assistance (TBRA)	\$1,300,000.00
TOTAL HOPWA CONTRACTS		\$1,729,850.00

Emergency Solutions Grants

TABLE 3: ESG AGENCIES

AGENCY	PROGRAM	AMOUNT
The Presbyterian Night Shelter of Tarrant County, Inc.	Shelter Operations/Services	\$116,635.00
Lighthouse for the Homeless dba True Worth Place	Day Shelter Operations/Services	\$158,400.00
The Salvation Army	Homelessness Prevention	\$150,000.00
Center for Transforming Lives	Rapid Re-Housing	\$75,901.00
SafeHaven of Tarrant County	Shelter Operations/Services	\$63,816.00
TOTAL ESG CONTRACTS		\$564,752.00

All figures have been rounded to the nearest dollar for presentation purposes. These programs are available in ALL COUNCIL DISTRICTS.

Each of these grants is an entitlement grant rather than a competitive grant received from the United States Department of Housing and Urban Development (HUD). Entitlement grants provide funds to agencies based on a formula, prescribed in legislation or regulation, rather than based on review. These specific grants are allocated to the City of Fort Worth based on population size and per capita income each year. The grants have been consistently awarded to the City since 1974 with the inception of the Community Development Block Grant (CDBG) through the Housing and Community Development Act of 1974. The Emergency Shelter (renamed Solutions) Grant (ESG) was authorized in 1987 through the McKinney-Vento Homelessness Assistance Act. The HOME Investment Partnerships Program (HOME) and the Housing Opportunities for Persons with AIDS (HOPWA) Program were authorized in 1990 through the Cranston-Gonzales National Affordable Housing Act of 1990. With these grants, administrative and program delivery allocations support approximately 72 FTE positions in the Neighborhood Services Department, which is funded nearly 70% with various grants including these entitlement grants.

Positions funded with HUD Entitlement grants are subject to grant availability. In the event of a grant award being decreased or eliminated, Neighborhood Services Department would review programs and services funded by the grants and determine a level of service and staffing that aligns with the available funding. Alternatives to consider may include staff and program reductions or eliminations.

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, of 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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