

# Mayor and Council Communication

**DATE:** 10/17/23

**M&C FILE NUMBER:** M&C 23-0871

**LOG NAME:** 19PATHWAYS TO REMOVING OBSTACLES TO HOUSING GRANT APPLICATION

## **SUBJECT**

(ALL) Authorize Application for, and Acceptance of, if Awarded, the United States Department of Housing and Urban Development's Community Development Block Grant Pathways to Removing Obstacles to Housing Program Grant in an Amount Up to \$10,000,000.00, Authorize Execution of Related Grant Agreement, and Adopt Appropriation Ordinance

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize application for, and acceptance of, if awarded, the United States Department of Housing and Urban Development Pathways to Removing Obstacles to Housing Program grant, in an amount up to \$10,000,000.00;
2. Authorize the execution of a grant agreement with the United States Department of Housing and Urban Development; and
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund, subject to the receipt of the grant, in an amount up to \$10,000,000.00 for the purpose of developing, evaluating, and implementing housing policy plans; addressing restrictive zoning or land use policies; developing affordable housing in high opportunity areas; and improving housing strategies to identify and remove barriers to affordable housing production and preservation.

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## **DISCUSSION:**

The purpose of the United States Department of Housing and Urban Development (HUD) Pathways to Removing Obstacles to Housing (PRO Housing) grant (PRO Housing Grant) is to identify and remove barriers to affordable housing production and preservation. Eligible applicants are local and state governments, metropolitan planning organizations (MPOs), and multijurisdictional entities and are encouraged to apply for available funding from \$1,000,000.00 to \$10,000,000.00 for eligible uses that support the grant program goals.

The Development Services Department, Neighborhood Services Department, and The Fort Worth Lab propose to work collaboratively to apply for and implement the PRO Housing Grant for the purposes of expanding the development of affordable housing within the City of Fort Worth.

Eligible activities for the PRO Housing Grant include the following:

- Develop, evaluate, and implement housing policy plans
- Improve housing strategies
- Develop housing in high-opportunity areas
- Facilitate affordable housing production and preservation

Priority is given by HUD to applicants who demonstrate a commitment to and progress toward overcoming local barriers to affordable housing and have an acute demand for affordable housing. Current and ongoing plans approved or pending approval by City Council already identify the City's tremendous affordable housing needs and also identify barriers to affordable housing and the strategies that would encourage more affordable housing development. Relevant plans include the 2023-2027 HUD Consolidated Plan, the City's Comprehensive Plan, The Economic Development Strategic Plan & Full-Strength Fort Worth, and the Fort Worth Neighborhood Conservation Plan and Housing Affordability Strategy. The PRO-Housing Grant would allow the City an opportunity to fully implement strategies identified in plans through policy development and the development of new programs that support affordable housing development.

Funding in an amount up to \$10,000,000.00 will be used to support multiple housing affordability and neighborhood conservation strategies. These include, but are not limited to the following:

- Establish a Land Bank and Acquire Properties at Risk of Foreclosure or Tax Lien
- Encourage Zoning and Land Use Reforms to encourage Affordable Housing Development including:
  - Zoning Diagnostic Studies
  - Analysis of Fire and Building Codes
  - Development of new Zoning Ordinances and Zoning Policies, such as Development Bonuses
  - Development of a Unified Development Code merging the Zoning Code, Subdivision Regulations, and Building Codes into one Comprehensive Document
  - Expanding Mixed-Use Zoning
  - Encourage Transit Oriented Development
- Develop a Neighborhood Pattern Book of Pre-Approved Designs for Homes
- Expand Fort Worth Housing Finance Corporation (FWHFC) Tools
- Create Community Land Trusts (CLTs)
- Establish A Capital Fund for Affordable Multifamily Housing Development in High-opportunity Areas (as defined by the Texas Department of Housing and Community Affairs)

- Study City Alleyway Policies and Regulations Relating to Housing Development and Alleyway Maintenance
- Transit-oriented Development Plans Encouraging Denser Mixed-income Residential Development Surrounding Transit Stations
- Land Use & Redevelopment Plans that Lead to Mixed-income Residential Redevelopment of Priority Sites

The below listed specific activities are proposed to be undertaken to develop, evaluate, and implement housing policy plans; improve housing strategies; and facilitate affordable housing production and preservation:

| <b>Proposed Activities</b>                                  |                        |
|---|------------------------|
| <b>ACTIVITY</b>   | <b>ESTIMATED COST</b>  |
| Develop a Neighborhood Pattern Book of Pre-Approved Designs | \$1,000,000.00         |
| Develop a Unified Development Ordinance                     | \$950,000.00           |
| Establish a Land Bank                                       | \$400,000.00           |
| Multifamily Housing Development Capital                     | \$5,000,000.00         |
| Alleyway Analysis   | \$400,000.00           |
| Expand Mixed Use Zoning through Station Area Planning       | \$750,000.00           |
| Retrofit Suburban Malls to Mixed Use and Affordable Housing | \$1,500,000.00         |
| <b>TOTAL</b>  | <b>\$10,000,000.00</b> |

A 15-day public comment period will be held from October 2, 2023 to October 17, 2023. Notice of this public comment period will be published in the *Fort Worth Star-Telegram* on October 1, 2023. A draft of the proposed plan will also be posted on the Neighborhood Services Department website.

Any comments received are maintained by the Neighborhood Services Department in accordance with federal regulations. The City will hold one public hearing as a part of the HUD required citizen participation process. The public hearing is scheduled for the Community Development Council meeting on October 11, 2023. The application is due to HUD on Monday, October 30, 2023.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: United States Department of Housing and Urban Development

**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 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 an advance grant.

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

**Originating Business Unit Head:** Victor Turner 8187

**Additional Information Contact:** Amy Connolly 7556  
Sharon Burkley 5785

Expedited