

Mayor and Council Communication

DATE: 06/25/24

M&C FILE NUMBER: M&C 24-0552

LOG NAME: 192024-2025 ACTION PLAN

SUBJECT

(ALL) Conduct Public Hearing and Approve the City of Fort Worth's 2024-2025 Annual Action Plan for the Use of Federal Grant Funds in the Amount of \$13,036,747.00 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 2024-2025 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 \$13,036,747.00 from the Community Development Block Grant, HOME Investment Partnerships Program, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS grant programs;
2. Approve the City's 2024-2025 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 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;
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' 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;
5. 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 2024-2025 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;
6. 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;
7. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund in the total amount of \$13,136,747.00 consisting of \$7,006,875.00 in Community Development Block Grant funds, \$2,763,144.00 in HOME Investment Partnerships Program funds, \$614,768.00 in Emergency Solutions Grant funds, and \$2,651,960.00 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
8. Authorize a waiver of the Neighborhood Services Department indirect cost of 28.10%, estimated total of \$341,260.45.

DISCUSSION:

The City's 2024-2025 Annual Action Plan summarizes the major housing and community development activities and proposed expenditures for the program year beginning October 1, 2024 and ending September 30, 2025 for use of federal grant funds totaling \$13,036,747.00 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, 2024. All proposals were received on March 15, 2024. 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 10, 2024, 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 8, 2024.

A 30-day public comment period was held from May 15, 2024 to June 14, 2024. Notice of this public comment period was published in *La Vida News* on May 9, 2024; in the *Fort Worth Star-Telegram* on May 13, 2024; in *Wise County Messenger* on May 16, 2024; and in the *Cleburne Times Review* and the *Weatherford Democrat* on May 18, 2024.

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 May 29, 2024, and the second public hearing is scheduled for the City Council on June 25, 2024.

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 2024-2025 Annual Action Plan will be submitted to HUD by August 15, 2024.

Indirect costs totaling approximately \$341,260.45 could be charged to the CDBG grant, 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. This amount is calculated based on the estimated salary expenses and other administrative costs for the CDBG program totaling \$1,214,450.00. This amount multiplied by the indirect cost rate of 28.10% equals \$341,260.45.

COMMUNITY DEVELOPMENT BLOCK GRANT

For Program Year 2024-2025, it is recommended that the amount of \$7,006,875.00 in CDBG funds and an estimated amount of \$50,000.00 in CDBG program income totaling \$7,056,875.00 be allocated as follows:

- Public Service Agencies - \$1,051,031.00: Includes social services for low- and moderate-income persons, persons with disabilities, and disadvantaged persons
- Housing Programs - \$2,930,000.00: Includes funding for the City's Priority Repair Program, Cowtown Brush-Up, and accessibility modifications for seniors and persons with disabilities
- Major Projects - \$644,469.00: Includes funding for multifamily rental rehabilitation
- Program Delivery - \$980,000.00: Includes program delivery costs for housing programs
- Administration - \$1,401,375.00: 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 2024-2025, it is recommended that the amount of \$2,763,144.00 in HOME funds and an estimated amount of \$50,000.00 in HOME program income totaling \$2,813,144.00 be allocated as follows:

- Homebuyer Assistance Program - \$72,358.00: Includes funding for down payment and closing cost assistance for low- and moderate-income homebuyers
- Community Housing Development Organizations (CHDOs) for affordable housing projects - \$414,471.60: These funds will be used by Housing Channel for an affordable housing development in southeast Fort Worth called Mason Heights. Funds will be used for the acquisition of land and new construction of 248 residential units comprised of the following: 125 Single Family attached townhomes, 106 Single Family detached homes, and 17 cottages. An estimated 104 units (approximately 42%) will be sold to low to moderate income households at or below 80% Area Median Income (AMI). This funding is part of a multi-year commitment to Housing Channel for a total of five years.
- Major Projects - \$2,000,000.00: Includes \$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 \$1,000,000.00 allocated to the multifamily housing project, Columbia Renaissance - Phase III
- Administration - \$276,314.40: 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 2024-2025, it is recommended that the amount of \$2,651,960.00 in HOPWA funds be allocated as follows:

- Public Service Agencies - \$1,626,781.00
- Neighborhood Services Department - \$945,620.00
- Administration - \$79,559.00

EMERGENCY SOLUTIONS GRANT

For Program Year 2024-2025, it is recommended that the amount of \$614,768.00 in ESG funds to be allocated as follows:

- Public Service Agencies - \$568,660.00
- Administration - \$46,108.00

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
Housing Channel	Affordable Housing	Housing Counseling & Education	\$111,000.00
Meals-On-Wheels, Inc. of Tarrant County	Aging In Place	Nutrition Program	\$75,000.00
Sixty and Better, Inc.	Aging In Place	Increasing Access to Basic Needs for Senior Adults	\$50,000.00
AB Christian Learning Center	Children and Youth Services	Out of School Time Program	\$90,000.00
Boys & Girls Clubs of Greater Tarrant County, Inc.	Children and Youth Services	Youth Development at Eastside Branch	\$80,000.00
Camp Fire First Texas	Children and Youth Services	Teens In Action	\$78,300.00
Girls Incorporated of Tarrant County	Children and Youth Services	Girls Inc. of Tarrant County	\$100,000.00
Junior Achievement of the Chisholm Trail, Inc.	Children and Youth Services	Cradle to Career Initiative	\$50,000.00
United Community Centers, Inc.	Children and Youth Services	Holistic Educational Literacy Program	\$90,000.00
Easter Seals North Texas, Inc.	Economic Empowerment and Financial Resilience	Employment Services	\$60,000.00
Taste Project	Economic Empowerment and Financial Resilience	Culinary Workforce Development Program	\$25,000.00
The Ladder Alliance	Economic Empowerment and Financial Resilience	Tarrant County Workforce Development	\$81,731.00
The Women's Center of Tarrant County, Inc.	Economic Empowerment and Financial Resilience	Employment Solutions	\$60,000.00
Your Harvest House, Inc.	Economic Empowerment and Financial Resilience	Client Aid Services	\$25,000.00
Cancer Care Services	Healthy Living and Wellness	Increasing Health Equity by Decreasing Health Disparities	\$50,000.00
Tarrant Area Food Bank	Healthy Living and Wellness	Home Delivery	\$25,000.00
CDBG Public Services Agencies Total			\$1,051,031.00
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			\$1,671,031.00

Housing Opportunities for Persons with AIDS Contracts**TABLE 2: HOPWA AGENCIES**

AGENCY	CONSOLIDATED PLAN GOAL	PROGRAM	AMOUNT
		The Housing Assistance Program - Administration, Tenant-Based Rental	

AIDS Outreach Center, Inc.	Homelessness Prevention and Special Needs Support	Assistance (TBRA), Short-Term Rent, Mortgage, and Utility Assistance (STRMU), Supportive Services	\$326,781.00
Tarrant County Samaritan Housing, Inc.	Homelessness Prevention and Special Needs Support	HOPWA Program - Administration, Tenant-Based Rental Assistance (TBRA), Short-Term Rent, Mortgage, and Utility Assistance (STRMU), Supportive Services, Facility-Based Operations (FBO)	\$1,300,000.00
TOTAL HOPWA CONTRACTS			\$1,626,781.00

Emergency Solutions Grants Contracts

TABLE 3: ESG AGENCIES

AGENCY	CONSOLIDATED PLAN GOAL	PROGAM	AMOUNT
The Presbyterian Night Shelter of Tarrant County, Inc.	Homelessness Prevention and Special Needs Support	Shelter Operations/Services	\$127,345.00
Lighthouse for the Homeless dba True Worth Place	Homelessness Prevention and Special Needs Support	Day Shelter Operations/Services	\$138,851.00
SafeHaven of Tarrant County	Homelessness Prevention and Special Needs Support	Shelter Operations/Services	\$75,000.00
Center for Transforming Lives	Homelessness Prevention and Special Needs Support	Rapid Re-Housing	\$75,901.00
The Salvation Army	Homelessness Prevention and Special Needs Support	Homelessness Prevention	\$151,563.00
TOTAL ESG CONTRACTS			\$568,660.00

All figures have been rounded to the nearest dollar for presentation purposes.

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 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.

These programs are available in ALL COUNCIL DISTRICTS.

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. These are reimbursement grants.

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

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