

A Resolution

NO. _____

REQUESTING THAT THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT GRANT AN EXCEPTION AS AUTHORIZED BY THE COMMUNITY DEVELOPMENT BLOCK GRANT REGULATIONS TO THE POTENTIAL CONFLICT OF INTEREST SO THAT (I) ELIZABETH BECK, AN OFFICER OF THE CITY AS A MEMBER OF THE CITY COUNCIL, MAY SERVE AS A BOARD MEMBER FOR CLAYTON CHILD CARE, INC, A LOCAL NONPROFIT THAT IS RECEIVING COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS FUNDS, WHILE SERVING ON THE CITY COUNCIL, AND (II) CLAYTON CHILD CARE, INC. MAY CONTINUE TO RECEIVE FEDERAL GRANT FUNDS FROM THE CITY

WHEREAS, the City of Fort Worth (“City”) receives federal grant funds from the Department of Housing and Urban Development (“HUD”) through the Community Development Block Grant (“CDBG”) with which it funds programs and initiatives throughout the City to help create strong, sustainable, inclusive communities and quality affordable homes for all; and

WHEREAS, during the COVID-19 pandemic, Congress allocated additional funds through the Coronavirus Aid, Relief, and Economic Security Act to HUD through various programs, including the CDBG (“CDBG-CV”);

WHEREAS, CDBG-CV funds are a finite amount of money which the City has already allocated to specific agencies and projects, but reallocation is possible; and

WHEREAS, the Fort Worth City Council is the governing body for the City and approves the allocation of federal grants to different agencies and projects throughout the City as part of the City’s Annual Action Plan and determines policy regarding City priorities and strategic plans; and

WHEREAS, Elizabeth Beck has been a member of the Council since June 15, 2021, and currently serves as a member of the Neighborhood Quality and Revitalization Committee, a subcommittee of the City Council that focuses on creating and maintaining strong neighborhoods throughout the City through strategic partnerships in key areas impacting community resilience; and

WHEREAS, Ms. Beck is currently serving as a board member for Clayton Child Care, Inc. (“Clayton”); and

WHEREAS, under an agreement that was authorized on January 12, 2021, Clayton receives CDBG-CV funding from the City to provide after school and summer day camp services to elementary school students to improve academic performance

and increase the social and emotional skills of the participants; and

WHEREAS, the contract with Clayton was approved prior to Ms. Beck joining the City Council, and Ms. Beck has had no decision-making responsibilities regarding the Clayton contract; and

WHEREAS, Clayton has applied for other grant funds for various projects in the past and could apply for federal grant funds, including CDBG funds, in the future; and

WHEREAS, the CDBG regulations governing the use of CDBG-CV and other CDBG funds generally prohibit, in relevant part, an officer of the City who exercises or who has exercised responsibility with respect to CDBG funds, who participates in the decision-making process, or who is in a position to gain inside information with regard to activities assisted with the grants from obtaining a financial interest or benefit from a CDBG-CV-assisted or CDBG-assisted activity, or having a financial interest in any contract, subcontract, or agreement with respect to a CDBG-CV-assisted or CDBG-assisted activity or with respect to the proceeds of the CDBG-CV-assisted or CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter, but permit exceptions if certain conditions are met; and

WHEREAS, as a member of the City Council, Ms. Beck is an Officer of the City who participates in the decision-making process, exercises responsibility with respect to CDBG-CV and CDBG funds, and is in a position to gain inside information regarding the CDBG-CV and CDBG funds; and

WHEREAS, Ms. Beck, through service as a board member for Clayton, may have a business tie with an entity that has a financial interest in at least one existing contract and would potentially have a financial interest in future contracts for federal grant funds benefitting Clayton, if awarded; and

WHEREAS, if an exception is approved by HUD, Ms. Beck, in order to comply with the City's Code of Ethics, will be required to abstain from participating in discussions of any agenda item or taking any action on behalf of the City Council that is related to Clayton or the allocation of CDBG-CV funds and, in the event Clayton were to apply for other CDBG funds in the future, would be required to abstain from participating in discussions of any agenda item taking any action on behalf of the City Council that is related to such other CDBG funds; and

WHEREAS, Ms. Beck has confirmed that she does not currently and will not receive any compensation from Clayton; and

WHEREAS, public disclosure of this conflict has been made by including this resolution on the non-consent portion of the Agenda for the City Council meeting on June 28, 2022. The meeting agenda was posted as required by Texas law at least 72

hours prior to each meeting and the title of the resolution clearly identified the covered person and agency, the nature of the conflict, and that the City intended to request an exception from HUD. With the Agenda were copies of all items to be presented to the City Council, which were made available for review by the public on the City's website during the 72-hour posting period; and

WHEREAS, the regulations that permit HUD to grant exceptions require a written opinion of the local government's attorney that the interest for which the exception is sought would not violate state or local law.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

Section 1. That the City Council requests that the United States Department of Housing and Urban Development grant an exception to the conflict of interest requirements of the Community Development Block Grant regulations so that (I) (a) Elizabeth Beck may continue to serve on the board of directors for Clayton Child Care, Inc., a local non-profit that is receiving Community Development Block Grant Coronavirus funds from the City, while serving as a member of the City Council, (b) Clayton Child Care, Inc. may continue receiving federal grant funds from the City, and (II) (a) Ms. Beck could continue to serve on Clayton's board and (b) Clayton could receive federal funds, including CDBG, from the City in the future if Clayton were to apply and be deemed eligible and recommended for award *so long* as Ms. Beck abstains from participating in discussions of any agenda item that is related to such other federal funds; and

Section 2. That the City Council requests the City Attorney to issue a written opinion as to whether the interest for which the exception is sought violates state or local law and for such opinion to accompany the request; and

Section 3. That the minutes of the June 28, 2022, meeting of the City Council reflects that this Resolution was discussed and brought up for a vote during the meeting in accordance with the posted agenda, that the minutes include an accurate description of the discussion by members of the City Council and the public as to its merits, and that such minutes, resolution, and agenda accompany the request.

Adopted this 28th day of June, 2022.

ATTEST:

By: _____
Jannette S. Goodall, City Secretary