

Mayor and Council Communication

DATE: 08/06/19

M&C FILE NUMBER: M&C 19-0016

LOG NAME: 19NS ACTION PLAN 2019-20

SUBJECT

Conduct Public Hearing and Approve the City's 2019-2020 Annual Action Plan for the Use of Federal Grant Funds in the Amount of \$12,280,561.00 to be Awarded by the U.S. 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 Programs; Authorize Collection and Use of Program Income; Authorize Waiver of Application of Indirect Cost Rates; Approve Waiver of Certain Development Fees Estimated at \$200,000.00 for the Everly Plaza Apartments Located at 1801-1821 8th Avenue and 1808 Hurley Avenue; Authorize the Use of Fee Waivers as HOME Match; Authorize Execution of Related Contracts; and Adopt Appropriation Ordinance (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that City Council:

1. Conduct a public hearing to allow citizen input and consideration of the City's 2019-2020 Annual Action Plan for use of federal grant funds to be awarded by the U.S. Department of Housing and Urban Development in the amount of \$12,280,561.00 from the Community Development Block Grant, HOME Investment Partnerships Program, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS programs, and for the use of program income from activities using prior years' federal grant funds;
2. Approve the City's 2019-2020 Annual Action Plan for submission to the U.S. 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 \$150,000.00 of program income which resulted 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 \$75,000.00 of program income which resulted from activities using prior years' HOME Investment Partnerships Program funds for the City's Homebuyer Assistance Program;
5. Authorize a waiver of indirect cost rates as applicable for grant funds, in accordance with the City's administrative regulations;
6. Approve the waiver of certain development fees estimated at \$200,000.00 for Everly Plaza Apartments located at 1801-1821 8th Avenue and 1808 Hurley Avenue, find that the waiver of such fees serves to carry out the public purpose of providing quality, accessible, affordable housing for low- and moderate-income households, and that adequate controls are in place to carry out such public purpose;
7. Authorize the use of the fee waivers approved for the development of Everly Plaza Apartments as HOME match for the City's HOME Investment Partnerships Program grant funds;
8. 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 2019-2020 for Community Development Block Grant, HOME Investment Partnerships Program, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS grant funds, contingent upon receipt of funding and satisfactory completion of an Environmental Review and all regulatory requirements;
9. Authorize the City Manager or his designee to extend 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 contracts if necessary to achieve program goals, provided any amendment is within the scope of the program and complies with City policies and all applicable laws and regulations governing the use of federal grant funds; and
10. Adopt the attached appropriation ordinance increasing the estimated receipts and appropriations to the grant fund in the total amount of \$12,280,561.00 consisting of \$7,270,678.00 in Community Development Block Grant funds, \$2,662,983.00 HOME Investment Partnerships Program funds, \$616,266.00 in Emergency Solutions Grant funds, and \$1,505,634.00 in Housing Opportunities for Persons with AIDS funds, plus any program income, all subject to receipt of such funds.

DISCUSSION:

The City's 2019-2020 Annual Action Plan summarizes the major housing and community development activities and proposed expenditures for the program year beginning October 1, 2019 and ending September 30, 2020 for use of federal grant funds totaling \$12,280,561.00 from the U.S. 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 homeless persons, and HOPWA funds primarily benefit low- and moderate-income persons with HIV/AIDS.

Staff developed initial recommendations for the allocation of the estimated funding to the City from HUD based on a Request For Proposals and continuation of existing housing and community development programs. A public hearing was held on May 15, 2019 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 15, 2019. These funding recommendations were then presented to the Housing and Neighborhood Services Committee on June 4, 2019, and to the full City Council on June 11, 2019.

A 30-day public comment period was held from July 1, 2019 to July 31, 2019. Notice of this public comment period was published in the *Fort Worth Star-Telegram*, *Wise County Messenger*, and *Hood County News* on June 26, 2019; in *La Vida News*, *Cleburne Times-Review*, and *Weatherford Democrat* on June 27, 2019; in the *Glen Rose Reporter* on June 28, 2019; and in *La Estrella* on June 29, 2019.

Any comments received are maintained by the Neighborhood Services Department in accordance with federal regulations. The City holds two public hearings as part of the HUD-required citizen participation process. The first public hearing was held by staff on July 10, 2019, and the second public hearing is scheduled for the City Council meeting on August 6, 2019.

A summary of final funding recommendations is provided below and in Tables 1, 2, and 3. A spreadsheet of funding recommendations is also attached. The 2019-2020 Annual Action Plan must be submitted to HUD by August 15, 2019.

A waiver of indirect costs is requested to maximize program benefits. The CDBG program provides for an estimated salary amount of \$1.3 million. The inclusion of indirect costs in the grant administration budgets would result in a reduction of staff and services. These indirect costs are estimated to be \$215,386.00.

COMMUNITY DEVELOPMENT BLOCK GRANT

For Program Year 2019-2020, it is recommended that the amount of \$7,270,678.00 in CDBG funds and an estimated amount of \$150,000.00 in CDBG program income, for a total amount of \$7,420,678.00, be allocated as follows:

- Public Services - \$1,090,601.00: Includes social services for low- and moderate-income persons, persons with disabilities, and disadvantaged persons
- Housing Programs - \$2,862,785.00: Includes funding for the City's Priority Repair Program, Cowtown Brush-Up program, homebuyer and housing services, accessibility modifications for seniors and persons with disabilities, and related project delivery costs for these programs
- Major Projects - \$1,122,476.80: Includes funding for ADA-compliant accessibility improvements to bathrooms, entry ways, parking lots, and other improvements that benefit City residents, particularly seniors and persons with disabilities, at the following facilities: Worth Heights Community Center, 3551 New York Avenue, 76110; Southside Community Center, 959 E. Rosedale Street, 76104; and North Tri-Ethnic Community Center, 2950 Roosevelt Avenue, 76106. Repairs at the Worth Heights Community Center will also include rehabilitation and reconfiguration of an area previously used as a dental clinic into office space to be used by Community Action Partners staff.
- Economic Development - \$740,680.20: City's annual payment of its Section 108 loan from HUD. The Section 108 is a HUD loan guarantee program that enables CDBG grantees to borrow up to five times their annual entitlement grant.
- Administration - \$1,454,135.00: Includes costs for administering the CDBG grant, including allocations for the City's Financial Management Services and Planning and Development Departments
- Estimated Program Income - \$150,000.00: Includes up to \$150,000.00 in funding for the City's Priority Repair Program. CDBG program income over the estimated amount which is not used for the Priority Repair Program will be allocated to priority activities in the City's Consolidated Plan, subject to City Council approval.

HOME INVESTMENT PARTNERSHIPS PROGRAM

For Program Year 2019-2020, it is recommended that the amount of \$2,662,983.00 in HOME funds and an estimated amount of \$75,000.00 in HOME program income, for a total amount of \$2,737,983.00 be allocated as follows:

- Homebuyer Assistance Program - \$907,237.00: Includes funding for down payment and closing cost assistance for low- and moderate-income homebuyers.
- Community Development Housing Organizations (CHDOs) - \$399,448.00: HUD requires that a minimum of 15 percent of HOME funds be allocated to CHDOs for affordable housing projects. These funds will be used by Development Corporation of Tarrant County for single family infill development in the Ash Crescent neighborhood.
- Community Development Housing Organizations (CHDOs) Operating - \$90,000.00: To support community-based affordable housing development, the City is also authorized to fund CHDO administrative operating costs. One half of these funds will be awarded to Housing Channel to support completion of the Riverside single family infill project, and one half of these funds will be awarded to Development Corporation of Tarrant County to support completion of the Ash Crescent single family infill project. All housing supported with these funds will be sold to homebuyers with incomes at or below 80 percent of area median income, as set annually by HUD
- New Construction of Rental Housing - \$1,000,000.00: Represents gap financing for a portion of the costs associated with constructing Everly Plaza, a new approximately 88-unit affordable senior multifamily rental housing complex to be located at 1801-1821 8th Avenue and 1808 Hurley Avenue.

The HOME program requires that 25% of HOME expenditures annually be matched by local in-kind or cash resources. The Everly Plaza project will therefore incur a \$250,000 match liability. Staff recommends the waiver of fees that are eligible for waiver under the Neighborhood Empowerment Zone (NEZ) Basic Incentive Policy, estimated at \$200,000.00. This will assist with closing the project's gap in financing and will also assist the City's Match obligation under the HOME funds. Park fees are not waived and will be fully payable.

The fees that would otherwise be charged by the City include:

- All building permit related fees, including plan review, inspection, and re-inspection fees;
- Plat and/or replat application fees;
- Board of Adjustment application fees;
- Demolition fees;
- Structure moving fees;
- Zoning application fees;
- Street, alley, and utility easement vacation application fees;

- Consent and/or encroachment agreement application fees;
 - Urban forestry application fees;
 - Sign permit fees;
 - Community Facilities Agreement application fees; and
 - Water and sewer impact fees.
- Administration - \$266,298.00: Includes costs for administering the HOME grant.
 - Estimated Program Income - \$75,000.00: Includes funding for the Homebuyer Assistance Program and HOME grant administrative costs. HUD allows the City 10 percent of any HOME program income to be used 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 2019-2020, it is recommended that the amount of \$1,505,634.00 in HOPWA funds be allocated as follows:

- Public Service Agencies - \$857,499.00
- Neighborhood Services Department Community Action Partners (Tenant Based Rental Assistance; Supportive Services) - \$602,966
- Administration - \$45,169.00

EMERGENCY SOLUTIONS GRANT

For Program Year 2019-2020, it is recommended that the amount of \$616,266.00 in ESG funds be allocated as follows:

- Public Service Agencies - \$570,047.00
- Administration - \$46,219.00

PUBLIC SERVICE AGENCY CONTRACT RECOMMENDATIONS

The Community Development Council and staff recommend that contracts be executed with the listed agencies for the amounts shown in the following tables.

TABLE 1: CDBG AGENCIES		
AGENCY	PROGRAM	AMOUNT
AB Christian Learning Center	After School Tutoring	\$85,000.00
AB Christian Learning Center	Summer Reading Program	\$45,000.00
Girls Incorporated of Tarrant County	Youth Education, Prevention and Leadership Program	\$70,000.00
Camp Fire First Texas	After-School Program	\$45,000.00
Stop Six Church of Christ	Fort Worth Reads & Rights	\$45,000.00
United Community Centers, Inc.	Educational Enrichment	\$70,000.00
Artes de la Rosa	Artes Academy	\$45,000.00
Goodwill Industries of Fort Worth	Employment/Job Training	\$90,000.00

Guardianship Services, Inc.	Education to Prevent Financial Exploitation of Elderly	\$70,000.00
Housing Channel	Homebuyer Education and Housing Counseling Services	\$125,000.00
The Ladder Alliance	Employment/Job Training	\$70,000.00
Meals on Wheels, Inc. of Greater Tarrant County	Home-Delivered Meals	\$70,000.00
The Presbyterian Night Shelter of Tarrant County, Inc.	Case Management for Homeless	\$145,601.00
Sixty and Better, Inc.	Transportation for Seniors	\$115,000.00
TOTAL CDBG CONTRACTS		\$1,090,601.00

TABLE 2: HOPWA AGENCIES		
AGENCY	PROGRAM	AMOUNT
Tarrant County Samaritan Housing, Inc.	Supportive Services, Facility-Based Housing Operations, Tenant-Based Rental Assistance TBRA, Administration	\$671,499.00
AIDS Outreach Center, Inc.	Short Term Rent Mortgage and Utility Assistance, Supportive Services, Administration	\$186,000.00
TOTAL HOPWA CONTRACTS		\$857,499.0

TABLE 3: ESG AGENCIES		
AGENCY	PROGRAM	AMOUNT
The Presbyterian Night Shelter of Tarrant County, Inc.	Shelter Operations/Services	\$145,000.00
Lighthouse for the Homeless	Shelter Operations/Services	\$125,000.00
The Salvation Army	Homelessness Prevention	\$125,047.00

Center for Transforming Lives	Rapid Re-Housing	\$100,000.00
SafeHaven of Tarrant County	Shelter Operations/Services	\$75,000.00
TOTAL ESG CONTRACTS		\$570,047.00

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

These programs are available in ALL COUNCIL DISTRICTS.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations, adoption of the attached appropriation ordinance and receipt of grant funds, funds will be available in the current operating budget, as appropriated, of the Grants Operating Federal Fund. These are reimbursement grants. The Neighborhood Services Department has the responsibility to validate the availability of funds prior to an expenditure being made.

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