

# Mayor and Council Communication

DATE: 02/16/21

M&C FILE NUMBER: M&C 21-0108

LOG NAME: 19PRESBYTERIAN NIGHT SHELTER – KITCHEN REHABILITATION PROJECT

## **SUBJECT**

(CD 8) Authorize Change in Use and Expenditure in the Amount of \$320,000.00 of Unprogrammed Community Development Block Grant Funds to the Presbyterian Night Shelter of Tarrant County, Inc. in the Form of a Forgivable Loan for the Kitchen Rehabilitation Project at the Karl Travis Men's Center Located at 2400 Cypress Street, Authorize Execution of Contract, Authorize a Substantial Amendment to the City's 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019 Action Plans, Authorize the Substitution of Funding Years, and Find that Funding the Renovation Serves a Public Purpose

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize a change in use and expenditure in the amount of \$320,000.00 in unprogrammed Community Development Block Grant funds to The Presbyterian Night Shelter of Tarrant County, Inc. in the form of a forgivable loan for the Kitchen Rehabilitation project located in the Karl Travis Men's Center at 2400 Cypress Street, Fort Worth, Texas;
2. Authorize a substantial amendment to the City's 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019 Action Plans;
3. Authorize the City Manager, or his designee, to substitute funding years in order to meet United States Department of Housing and Urban Development commitment, disbursement and expenditure deadlines;
4. Authorize the City Manager, or his designee, to execute a contract with The Presbyterian Night Shelter of Tarrant County, Inc. for the project for a one year term beginning on the date of execution of the contract;
5. Authorize the City Manager, or his designee, to extend or renew the contract with up to two one-year extensions if The Presbyterian Night Shelter of Tarrant County, Inc. requests an extension and such extension is necessary for completion of the project;
6. Authorize the City Manager, or his designee, to amend the contract if necessary to achieve project goals provided that the amendment is within the scope of the project and in compliance with City policies and applicable laws and regulations governing the use of federal grant funds; and
7. Find that funding the rehabilitation of the kitchen in the Karl Travis Men's Center achieves the public purpose of providing meals to the homeless population in the City and helps ensure their health and welfare and that adequate controls are in place to ensure that the public purpose is carried out.

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## **DISCUSSION:**

The Presbyterian Night Shelter of Tarrant County, Inc. (PNS), has requested \$320,000.00 in Community Development Block Grant (CDBG) funds, in the form of a forgivable loan, for the Kitchen Rehabilitation project in the Karl Travis Men's Center (Project) located at 2400 Cypress Street. The agency requested this assistance from the CARES Emergency Solution Grant (ESG-CV2) received in summer of 2020 in order to appropriately respond to COVID-19 by ensuring adequate health, safety, and social distancing for food preparation at the shelter. To ensure that the maximum amount of ESG-CV2 funds could be spent on rapid rehousing of homeless persons, staff recommended that unprogrammed CDBG funds be used for this purpose. The Project will address key concerns for how foods offered at the shelter can be safely handled and delivered to the public while safeguarding workers. PNS operates the Presbyterian Night Shelter, which serves approximately 350 homeless individuals daily and serves more than 500,000 meals per year which includes breakfast, lunch, and dinner for the men's shelter, women's shelter, family center, SafeHaven, and the Patriot House.

In an effort to continue to provide a safe environment for volunteers to prepare and provide meal services to homeless individuals, the scope of work for the Project includes, but is not limited to, demolition work, replacement of walls and flooring, replacement of tiles, dry wall installation, painting, plumbing, electrical and any other necessary repairs to bring the kitchen up to City standards.

Staff recommends the following loan terms:

- i. Contract term of one year commencing on the date of execution with the option for two one-year extensions;
- ii. Payment of the CDBG funds and performance of the CDBG requirements will be secured by a Deed of Trust and other loan documents;
- iii. No interest will be charged on the loan unless PNS defaults under the terms of the contract;
- iv. Loan term to commence on the date of execution of loan documents and end at the termination of the five year performance period;
- v. Performance period shall begin upon issuance of a Certificate of Occupancy for use of the rehabilitated portion of the shelter; and
- vi. Loan will be deferred and forgiven at the end of the five-year performance period if all CDBG requirements and terms and conditions of the contract have been met.

Staff recommends that City Council approve amendments to the 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019 Action Plans, and authorize the expenditure of \$320,000.00 in CDBG funds for the Project. A public comment period was held from November 16, 2020 to December 16, 2020. No comments were received.

The Action Plan funding years selected may vary and be substituted based on the principle of First In, First Out (FIFO) in order to expend oldest

grant funds first. The funds may be used for any CDBG-eligible costs related to this project on behalf of homeless population.

The Project will help provide meals to the homeless individuals in the City which is vital for protecting their health and safety and connecting them to critical resources that can help them exit homelessness. The City's contract and loan documents will ensure that the public purpose will be carried out.

The project is located in COUNCIL DISTRICT 8.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendation, funds are available in the current operating budget, as appropriated, in the Grants Operating Federal Fund. Neighborhood Services will be responsible for the collection and deposit of funds due to the City. Prior to expenditure being incurred, Neighborhood Services has the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:**

**Originating Business Unit Head:**

**Additional Information Contact:**