

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 CONFLICT OF INTEREST SO THAT (I) THE SPOUSE OF MICHAEL D. CRAIN, AN OFFICER OF THE CITY AS A MEMBER OF THE CITY COUNCIL, MAY BE EMPLOYED BY CHILD CARE ASSOCIATES, A LOCAL NONPROFIT THAT IS RECEIVING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS, WHILE MICHAEL D. CRAIN CONTINUES SERVING ON THE CITY COUNCIL, AND (II) CHILD CARE ASSOCIATES 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, 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, Michael D. Crain has been a member of the Council since May 1, 2021; and

WHEREAS, on October 6, 2022, Mr. Crain’s wife (“Mrs. Crain”) was offered a position as the Chief of Staff with Child Care Associates (“CCA”), a local nonprofit that provides children of low- to moderate-income families with academic and social/emotional growth through quality early education and child care programs; and

WHEREAS, Mrs. Crain intends to accept this offer and begin her employment with CCA on or about November 30, 2022; and

WHEREAS, CCA has been allocated CDBG funding from the City in the form of a forgivable loan for the purpose of rehabilitating its Gwendolyn C. Gragg Development Facility, which was approved by the City Council on September 13, 2022, prior to Mrs. Crain’s employment offer from CCA; and

WHEREAS, the CDBG regulations governing the use of 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-assisted activity, or having a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity or with respect to the proceeds of the 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, Mr. Crain is an Officer of the City who participates in the decision-making process, exercises responsibility with respect to CDBG funds, and is in a position to gain inside information regarding the CDBG funds; and

WHEREAS, Mrs. Crain is a person with whom Mr. Crain has immediate family ties, and who, through her employment with CCA, could have a financial interest in at least one existing contract and would potentially have a financial interest in future contracts for federal grant funds benefitting CCA, if awarded; and

WHEREAS, the City has received no allegations that Mr. Crain's role or actions as a member of the City Council were a factor in Mrs. Crain obtaining employment with CCA; and

WHEREAS, if an exception is approved by HUD, Mr. Crain, 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 CCA or the allocation of CDBG funds; and

WHEREAS, if an exception is approved by HUD, Mr. Crain has confirmed that Mrs. Crain will not receive any compensation from CCA that is funded using the City's CDBG funds or derived from the CDBG-assisted activity; 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 November 29, 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) Michael D. Crain’s wife can be employed by Child Care Associates, a local non-profit that is receiving Community Development Block Grant funds from the City, while Mr. Crain is serving as a member of the City Council, and (II) Child Care Associates may continue receiving federal grant funds from the City; 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 November 29, 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 ____ day of _____ 2022.

ATTEST:

By: _____

Jannette S. Goodall, City Secretary