

Mayor and Council Communication

DATE: 09/24/19

M&C FILE NUMBER: M&C 19-0207

LOG NAME: 19PRPINTERESTAPPROPRIATION

SUBJECT

Adopt Attached Appropriation Ordinance Increasing Estimated Receipts and Appropriations in the Grants Operating Federal Fund in the Amount of up to \$30,000.00 from Earned Interest Income to be Utilized for the City's Priority Repair Program (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund in the amount of up to \$30,000 for earned interest income to be allocated to the City's Priority Repair Program.
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DISCUSSION:

On May 13, 2014 the City Council authorized repayment of \$1,449,290.17 in Federal grant funds to the Department of Housing and Urban Development (HUD) for the incomplete portions of the Evans Rosedale Redevelopment Project (M&C L-15682). The Fort Worth Housing Finance Corporation (HFC) was the source of these funds, which were used to purchase the remaining Evans Rosedale properties. Consistent with HUD policy, a liability was booked in the General Fund for this amount, and the funds were placed in a restricted City account (Grants Operating Federal Fund) to be used on CDBG eligible activities in the future.

On December 2, 2014 the City Council authorized the transfer of \$900,000.00 of these restricted funds to the City's Grant Fund (M&C C-27098). On March 3, 2015 the City Council approved the use of the \$900,000 for the Carter Park Project (M&C C-27205); the remaining \$545,271.26 of restricted account funds were to be allocated to the City's Priority Repair Program (PRP) to assist City residents with health and safety repairs to their homes. Thanks to the involvement of the Tarrant County Transportation Department in the road installation portion at Carter Park, only \$297,918.82 in funding was required to complete this project. Therefore, the remaining \$602,081.18 of funds that were not required to complete the Carter Park Project were allocated to PRP, making the total allocation from this Restricted Account to PRP \$1,147,352.44. To date, a total of \$1,445,271.26 in funds has been expended on CDBG eligible projects from this Restricted Account (\$297,918.82 on the Carter Park Project, and the remaining \$1,147,352.44 to PRP). Due to interest income earned on the account, a small balance of \$28,893.88 remains.

In order to close the restricted account and complete HUD-mandated reporting requirements, staff recommends City Council authorize the appropriation of these remaining funds, in the amount of up to \$30,000.00 to incorporate any additional interest income accrual through the closing of the account, to PRP to serve additional City residents with health and safety repairs to their homes. (ALL COUNCIL DISTRICTS)

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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. Prior to an expenditure being made, the Neighborhood Services Department has the responsibility to validate the availability of funds. This is a reimbursement grant.

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