

Mayor and Council Communication

DATE: 01/10/23

M&C FILE NUMBER: M&C 23-0011

LOG NAME: 17ARPA AMEND ALLOCATION CENTER FOR TRANSFORMING LIVES

SUBJECT

(ALL) Amend Mayor & Council Communication 22-0268 to Allow an Allocation of \$3,000,000.00 in Funds from American Rescue Plan Act State and Local Fiscal Recovery Funds with the Center for Transforming Lives to be used for Property Acquisition in the Development of a Centralized Campus to Improve Access to Childcare, Healthcare and Workforce Development Across Tarrant County

RECOMMENDATION:

It is recommended that the City Council Amend Mayor & Council Communication 22-0268 to allow an allocation of \$3,000,000.00 from the American Rescue Plan Act, Subtitle M (Coronavirus State and Local Fiscal Recovery Funds) to be used for property acquisition.

DISCUSSION:

On April 12, 2022, the City Council approved Mayor & Council Communication (M&C) 22-0268 which allocated \$3,000,000.00 in funds from the American Rescue Plan Act, Subtitle M (Coronavirus State and Local Fiscal Recovery Funds) with the Center for Transforming Lives (CTL) for the adaptive reuse of a 1950's era structure, located at 2851 S. Riverside Drive. This facility is located within the 76119-zip code which has one of the highest poverty rates in Tarrant County. The proposed redevelopment will restore both the building and the surrounding land to create a hub for services, such as early childhood education and economic opportunity. The City of Fort Worth and Tarrant County, have identified a need to partner on the establishment of this centralized campus to improve access to childcare, healthcare and workforce development among those populations that have been disproportionately impacted by the Covid-19 pandemic and the resulting recession.

The facility will serve low to moderate income families in need of increased housing stability, affordable quality childcare, increased economic security and/or improved mental health. In order to address these issues, CTL will provide the following services at the facility:

- **Improved access to childcare:** The new facility will offer care for up to 120 children, including those who qualify for Head Start or Early Head Start as well as traditional childcare, with expansive natural playgrounds.
- **Improved access to quality behavioral healthcare:** CTL's behavioral health providers are licensed through Medicaid and CHIP and the new facility will offer state of the art therapeutic spaces for child therapy, as well as individual and group therapies.
- **Expanded workforce development opportunities:** CTL's new Economic Mobility Center, included within the facility, will offer free drop-in child care so that women may attend classes, interviews and coaching services without childcare as an access barrier.
- **Strengthen Fort Worth Businesses:** The Economic Mobility Center will also offer ample space for individual and group business coaching and education, along with incubator and accelerator services. In addition to these services, the space will facilitate meetings with mentors, provide areas for interviews with local employers and meeting spaces for small business development. Business growth will be encouraged through a Small Business Fund for entrepreneurs, which will be funded through CTL.

Under the previously approved M&C, the City's portion of ARPA funding would be used for eligible expenses related to the construction of the core and building improvements of the campus. CTL has now requested that the City's portion of the funds be used for acquisition of the property. The total acquisition costs of the property are \$6,759,678.00 and in order to close on New Markets Tax Credits (NMTC) for the redevelopment of the site, CTL will need to have all sources of funding in place. By allowing the City funds to be used for the property acquisition, CTL will avoid having to secure a bridge loan for the NMTC application. Under the revised terms a single payment of \$3,000,000.00 would be made to CTL from the City's FY23 ARPA funds. The proposed opening of the facility is estimated to be in the Fall of 2024.

Responding to the negative health and economic impacts of the coronavirus pandemic is a specifically identified use of ARPA dollars under Section 603(c)(1)(A) of Title VI of the Social Security Act (added by ARPA). Treasury Department guidance specifically notes that these Fiscal Recovery Funds can be deployed for a broad range of uses to mitigate the effects of COVID-19 on local residents and accelerate the community's recovery from the pandemic. The revision of the funding use towards facility purchase would remain an allowable use of ARPA dollars.

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 approval of this recommendation will have no material effect on City funds.

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