

Mayor and Council Communication

DATE: 06/22/21

M&C FILE NUMBER: M&C 21-0498

LOG NAME: 19COWAN PLACE - CDBG FUNDS

SUBJECT

(CD 5) Authorize Execution of a Subrecipient Agreement with the Housing Authority for the City of Fort Worth, Texas Doing Business as Fort Worth Housing Solutions in the Amount of \$750,000.00 in Community Development Block Grant Funds for Construction Costs Associated with the Infrastructure Improvements in Support of the Cowan Place Affordable Housing Development Located at 5400 East Rosedale Street

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the City Manager to execute a subrecipient contract with the Housing Authority for the City of Fort Worth, Texas Doing Business As Fort Worth Housing Solutions in the amount of \$750,000.00 in Community Development Block Grant Funds for the construction costs associated with infrastructure improvements in support of the Cowan Place Affordable Housing Development located at 5400 East Rosedale Street;
 2. 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; and
 3. Authorize the City Manager, or his designee, to amend contract as necessary for completion of the project 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.
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DISCUSSION:

On October 22, 2019, City Council authorized the City to act as a co-applicant with Fort Worth Housing Solutions (FWHS) for a Choice Neighborhoods Implementation (CNI) grant from the U.S. Department of Housing and Urban Development (HUD), adopted a revised Cavile Place/Historic Stop Six Neighborhood Transformation Plan (Transformation Plan), and committed \$39,375,654.00 over a six-year period for various improvements and activities in the Cavile Place and Historic Stop Six neighborhood, subject to receipt of the grant. In Spring 2020, the City was notified that the City and FWHS had been awarded the CNI grant. (Mayor and Council Communication (M&C) 19-0268). As co-applicant, the City agreed to support FWHS in implementing the Transformation Plan by providing resources to eligible activities, including a commitment of \$3,250,000.00 in Community Development Block Grant (CDBG) funds to be awarded over the next six years. The purpose of this M&C is to move forward with awarding CDBG funds for the first year in the amount of \$750,000.00 for eligible activities.

The Cowan Place Project (Project) is part of Phase 1 of the Transformation Plan and will consist of a new multifamily, affordable apartment complex. The Project will have up to 174 units for seniors 55 and older, with 156 units set aside for households earning sixty percent or less of area median income (AMI) and at least five percent of the total units set aside as permanent supportive housing (PSH) units. Phase 1 will also include infrastructure improvements in support of the Project. These improvements include, but are not limited to, improvements within the public right of way such as street reconstruction, water and/or sewer improvements, curb and gutter, public sidewalks, and street lights.

Staff recommends the execution of a subrecipient agreement with FWHS in the amount of \$750,000.00 in CDBG funds, to be paid on a reimbursement basis, to fund the construction costs of the infrastructure improvements necessary for the completion of the Project. So long as FWHS completes all obligations and complies with all City and CDBG requirements, there will be no repayment of the CDBG funds. Contract term will commence on the date of execution and will expire upon the completion of the 5-year performance period.

In addition to CDBG funding, the City also committed to providing additional funds from various federal grants in support of the Transformation plan, including the HOME Investment Partnerships Program and the Urban Development Action Grant. Authorization for use of the additional funds for the Project is being sought through a separate M&C.

The Fort Worth Housing Finance Corporation (FWHFC) approved a resolution in support of the CNI grant and the Transformation Plan on October 22, 2019. The resolution set aside \$1,250,000.00 of FWHFC funds for construction-to-permanent loans for affordable housing development financing and an additional \$1,250,000.00 specifically for the development of Permanent Supportive Housing. (Resolution No. FWHFC-2019-06). A portion of these funds are anticipated to be used in support of the Project.

The Project will assist the City in fulfilling its goals under the City's Comprehensive Plan, Choice Neighborhoods Implementation Grant, Transformation Plan and Consolidated Plan by providing quality, accessible, affordable housing for low- to moderate- income residents and supporting economic development and revitalization.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: Fort Worth Housing Solutions

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations, funds are available in the current operating budget as appropriated, in the Grants Operating Federal Fund. Neighborhood Services (and Financial Management Services) will be responsible for the collection and deposit of funds due to the City. Prior to an expenditure being incurred, Neighborhood Services has the responsibility to validate the availability of funds. This is a reimbursement grant.

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