

Mayor and Council Communication

DATE: 08/13/24

M&C FILE NUMBER: M&C 24-0689

LOG NAME: 19LEAD HAZARD REDUCTION GRANT PROGRAM 2025

SUBJECT

(ALL) Authorize Application for and Acceptance of Up to \$5,700,000.00 from the United States Department of Housing and Urban Development for a Lead Hazard Reduction Grant Program Up to \$5,000,000.00 and a Healthy Homes Supplemental Grant Up to \$700,000.00, Authorize Use of Up to \$750,000.00 of Community Development Block Grant Funds for Direct Match, Authorize Related Agreements and Commitments, Waive Indirect Costs, Certify that Grant Activities are Consistent with the Consolidated Plan and Adopt Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the application for and, if awarded, the acceptance of up to \$5,700,000.00 from the United States Department of Housing and Urban Development consisting of up to \$5,000,000.00 for a Lead Hazard Reduction Grant Program and up to \$700,000.00 for a Healthy Homes Supplemental grant;
2. Authorize the use of up to \$750,000.00 of Community Development Block Grant funds as the City's direct match;
3. Authorize the City Manager or his designee to enter into related agreements and commitments and to extend such agreements and commitments as may be necessary and appropriate within the scope of the program and in compliance with applicable laws and regulations governing the use of federal grant funds;
4. Certify that the activities to be funded with the grant funds are consistent with the City's Consolidated Plan;
5. Adopt the attached appropriation ordinance increasing the estimated receipts and appropriations in the Grants Operating Federal fund in the amount up to \$6,450,000.00, subject to receipt of the grant; and
6. Authorize a waiver of the Neighborhood Services Department indirect cost of 21.05%, estimated \$343,539.16.

DISCUSSION:

On June 24, 2024, the United States Department of Housing and Urban Development (HUD) issued a Notice of Funding Availability (NOFA) for competitive grant funds under the Lead Hazard Reduction Grant Program (LHRG) and the Office of Healthy Homes Supplemental Funding Program (HHSF). The purpose of the LHRG and the HHSF program is to assist local governments in undertaking programs to identify and control lead-based paint hazard in owner occupied houses and privately-owned rental housing. Housing is generally made lead-safe through the use of interim controls, a cost-effective treatment consisting of encapsulation of lead-paint surfaces and replacement of components such as doors and windows which have friction surfaces that can create lead dust. The City's program is targeted toward housing constructed before 1978 that is occupied by children under 6 years old. The HHSF grant funds are to be used in conjunction with the LHRG grant funds on the same house in order to eliminate health and safety hazards identified during the lead-based paint inspection. Hazards are defined by the HHSF rating system and may include uneven flooring surfaces, trip hazards in bathrooms, poor lighting, moisture problems, exposure to carbon monoxide, fire hazards, excessive heat or cold exposure, exposure to biocides and non-secured entry ways.

The City's Housing and Economic Development and Neighborhood Services Departments received similar grants in 2002-2005, 2005-2008, 2012-2015, 2015-2017, and most recently in 2020 for the 2020-2024 for the Lead Hazard Reduction Demonstration Program grant term.

The Neighborhood Services Department is requesting authorization to apply for a \$5,000,000.00 LHRG grant and a \$700,000.00 HHSF grant from HUD. The grant period will be for 48 months from the date of the award. Administrative costs for the program are limited to 10 percent of the grant. The Lead Hazard Reduction grant requires a minimum 10 percent direct match. A 15% match is planned for the program to strengthen our application request. Any additional match beyond the minimum statutory requirement results in additional points awarded during the review process. This match is proposed to be met through reallocation of unprogrammed Community Development Block Grant (CDBG) funds previously allocated to the Southside Community Center.

This grant will staff five full time positions with estimated direct salaries of approximately \$780,000.00 during the 48-month term. The grant limits administrative costs to 10 percent or \$500,000.00. Indirect costs totaling approximately \$343,539.16 could be charged to the LHRG grant, as the Neighborhood Services Department indirect cost rate is 21.05% in the City's most recent Cost Allocation Plan. A waiver of these costs is requested to allow allocation of these funds to further support the LHRG program. This amount is calculated based on the estimated salary expenses and other administrative costs for the LHRG program totaling \$1,632,015.00. This amount multiplied by the indirect cost rate of 21.05% equals \$343,539.16.

Positions funded with HUD Entitlement grants are subject to grant availability. In the event of a grant award being decreased or eliminated, Neighborhood Services Department would review programs and services funded by the grants and determine a level of service and staffing that aligns with the available funding. alternatives to consider may include staff and program reductions or eliminations.

The Neighborhood Services Department will collaborate with the Tarrant County Public Health Department, Fort Worth Housing Solutions, North Texas Area Community Health Center, Fort Worth Independent School District, Trinity Area Habitat for Humanity, and other area non-profits, community-based organizations and entities to ensure that effective and appropriate outreach is conducted among all at-risk populations and

neighborhoods.

The LHRG and HHSF programs will be available in ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: United States Department of Housing and Urban Development

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, in the Grants Operating Federal Fund. The Neighborhood Services Department (and Financial Management Services) will be responsible for the collection and deposit of funds due to the City. Prior to an expenditure being incurred, the Neighborhood Services Department has the responsibility to validate the availability of funds. This is a reimbursement grant.

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Expedited