

A Resolution

NO. _____

REQUESTING THAT THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT GRANT AN EXCEPTION AS AUTHORIZED BY THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM REGULATIONS FOR A CONFLICT OF INTEREST SO THAT AIDS OUTREACH CENTER, A LOCAL NONPROFIT ORGANIZATION THAT RECEIVES FEDERAL GRANT FUNDS FROM THE CITY OF FORT WORTH, MAY CONTINUE TO RECEIVE FEDERAL FUNDING TO PROVIDE SERVICES TO LOW INCOME RESIDENTS

WHEREAS, the City of Fort Worth (“**City**”) receives Housing Opportunities for Persons With AIDS (“**HOPWA**”) grant funds from the United States Department of Housing and Urban Development (“**HUD**”) with which it provides funding to nonprofit project sponsors that deliver eligible services to low- and moderate-income residents of the City of Fort Worth, as authorized by its Annual Action Plan; and

WHEREAS, the City has awarded HOPWA grant funds to the AIDS Outreach Center as a project sponsor since March 1995; and

WHEREAS, AIDS Outreach Center’s goal is to provide a continuum of services from testing and prevention efforts through linkage to health care and maintenance of viral suppression. Current programs for people living with HIV include case management, patient navigation, peer advocacy, behavioral health services, outreach, a food bank, dental clinic, housing, and financial services designed to help clients stay in care. Prevention services include HIV and STI testing, STI treatment, PrEP services, a gender care program providing hormone replacement therapy and counseling to the trans and gender nonconforming community, and a young adult drop in center; and

WHEREAS, AIDS Outreach Center currently uses the City’s HOPWA funds to provide eligible clients throughout seven counties with supportive services, including housing counseling and case management, or short-term rental, mortgage, or utility assistance (“**STRMU**”), or a combination of both; and

WHEREAS, Kelly Allen Gray, a former member of the Fort Worth City Council serving from July 10, 2012, to June 15, 2021, has accepted an offer of employment from the AIDS Outreach Center to serve as its Executive Director beginning July 12, 2021; and

WHEREAS, the federal regulations governing the use of HOPWA funds (“**HOPWA Regulations**”) state that “no person who is an employee, agent, consultant, officer, or elected or appointed official of the grantee or project sponsor and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for

one year thereafter,” but exceptions are permitted if certain conditions are met; and

WHEREAS, as a City Council Member and member of the City of Fort Worth Housing and Neighborhood Services Committee, a subcommittee of the City Council, Ms. Gray was responsible for reviewing and voting on the Annual Action Plan for HUD grant funds, including the award of HOPWA funds to AIDS Outreach Center as a project sponsor; and

WHEREAS, Ms. Gray was in a position that had decision-making authority regarding the award of federal funds, including HOPWA funds that were allocated to the AIDS Outreach Center; and

WHEREAS, related to her application for or her acceptance of the position with AIDS Outreach Center, the City is not aware of a misuse by Ms. Gray of her position on the City Council or her past voting history that would violate state laws or local ordinances; and

WHEREAS, Ms. Gray does not and will not for a year from June 15, 2021, directly receive any of the grant funds provided by the City as compensation from AIDS Outreach Center, as funds are specifically designated for direct client services, salaries and benefits for specific positions which do not currently include the Executive Director, and other costs not directly related to Ms. Gray or her position; and

WHEREAS, even though Ms. Gray is now in a position to dictate how the funds are used by AIDS Outreach Center, the City’s contract provides specific requirements and lists eligible activities that remove most discretion of how the federal funds may be utilized; and

WHEREAS, Ms. Gray has extensive experience with delivery of affordable housing and community-based social services to low income residents, as well as with leadership of nonprofit organizations; and

WHEREAS, Ms. Gray is no longer an officer of the City, and is, therefore, no longer in a position to gain inside information about or participate in a decision-making role in the City’s process for awarding HOPWA funds; and

WHEREAS, AIDS Outreach Center currently provides services to approximately 90 residents who depend on the service to help meet their minimum needs; and

WHEREAS, denial of this exception will result in undue hardship to the City and the target population of the HOPWA Grant because AIDS Outreach Center is one of only two agencies in the City that have the capacity to deliver needed services to the vulnerable population of low-income persons with AIDS; and

WHEREAS, although there is a public interest in avoiding conflicts of interest, such an interest is outweighed by the importance of ensuring the delivery of necessary and critical services at appropriate levels to eligible residents who are in need; and

WHEREAS, if the requested exception is not granted and the City is not able to provide HOPWA funds to the AIDS Outreach Center, clients in-need would be severely impacted by a potential reduction in the availability of services and resources; 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 August 3, 2021. The agenda was posted as required by Texas law at least 72 hours prior to the meeting and the title of Resolution clearly identified the covered person, the nature of the conflict, the type of assistance being sought and that the City intends to request an exception from HUD. The Agenda, including copies of all items to be presented to the Council, was available for review by the public on the City’s website; and

WHEREAS, the HOPWA Regulations that permit HUD to grant exceptions require a written opinion of the recipient’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 the United States Department of Housing and Urban Development grant an exception to the conflict of interest requirements of the Housing Opportunities for Persons With AIDS program so that AIDS Outreach Center may continue to receive federal funding even though a former city council member is serving as its Executive Director; and

Section 2. That the City Council requests the City Attorney to issue a written opinion confirming that the interest for which the exception is sought does not violate state or local law and for such opinion to accompany the request; and

Section 3. That the minutes of the August 3, 2021, meeting of the City Council reflect that this Resolution was 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 accompany the request.

Adopted this 3rd day of August, 2021.

ATTEST:

By: _____
Ronald P. Gonzalez, Acting City Secretary