

# Mayor and Council Communication

**DATE:** 08/12/25

**M&C FILE NUMBER:** M&C 25-0676

**LOG NAME:** 192025-2026 HUD ANNUAL ACTION PLAN

## **SUBJECT**

(ALL) Conduct Public Hearing and Approve the City of Fort Worth's 2025-2026 Annual Action Plan for the Use of Federal Grant Funds in the Amount of \$13,273,355.77 to be Awarded by the United States Department of Housing and Urban Development from the Community Development Block Grant, HOME Investment Partnerships Program, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS Program, Authorize Collection and Use of Program Income, Authorize Execution of Related Contracts, Adopt Appropriation Ordinance, and Authorize Waiver of Indirect Costs

(PUBLIC HEARING - a. Staff Available for Questions: Juliet Moses; b. Public Comment c. Council Action: Close Public Hearing and Act on M&C)

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## **RECOMMENDATION:**

It is recommended that City Council:

1. Conduct a public hearing to allow citizen input and consideration of the City's 2025-2026 Annual Action Plan for use of federal grant funds to be awarded by the United States Department of Housing and Urban Development in the amount of \$13,273,355.77 for the Community Development Block Grant, HOME Investment Partnerships Program, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS grant programs;
2. Approve the City's 2025-2026 Annual Action Plan for submission to the United States Department of Housing and Urban Development, including allocations of grant funds to particular programs and activities as detailed below;
3. Authorize the collection and use of an estimated \$30,000.00 of program income which is expected to result from activities using prior years' Community Development Block Grant funds for the City's Priority Repair Program;
4. Authorize the collection and use of an estimated \$30,000.00 of program income which is expected to result from activities using prior years' HOME Investment Partnerships Program grant funds for the City's Homebuyer Assistance Program, and authorize the use of 10 percent of the program income for administrative costs;
5. Authorize the City Manager or his designee to execute contracts for one-year terms with the agencies listed in Tables 1, 2, and 3 below for Program Year 2025-2026 for Community Development Block Grant, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS grant funds, contingent upon receipt of funding, and satisfactory completion of all federal regulatory requirements;
6. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund in the total amount of \$13,273,355.77 consisting of \$7,116,438.00 in Community Development Block Grant funds, \$2,814,431.77 in HOME Investment Partnerships Program funds, \$615,818.00 in Emergency Solutions Grant funds, and \$2,726,668.00 in Housing Opportunities for Persons with AIDS grant funds, all subject to receipt of such funds; and
7. Authorize a waiver of the Neighborhood Services Department indirect cost of 21.05%, estimated total of \$264,698.00.

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## **DISCUSSION:**

The City's 2025-2026 Annual Action Plan summarizes the major housing and community development activities and proposed expenditures for the program year beginning October 1, 2025 and ending September 30, 2026 for use of federal grant funds totaling \$13,273,355.77 from the United States Department of Housing and Urban Development (HUD) from the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) grant programs, plus program income from the CDBG and HOME grant programs totaling \$60,000.00. It also summarizes the use of program income resulting from activities using prior years' CDBG and HOME funds, the primary purpose of which is to benefit low-and moderate-income persons in Fort Worth. ESG funds primarily benefit persons experiencing homelessness, and HOPWA funds primarily benefit low-and moderate-income persons with HIV/AIDS.

A Request for Proposals from social service agencies and nonprofit organizations seeking grant funding was published on January 15, 2025. All proposals were received on March 3, 2025. Staff reviewed all proposals and developed recommendations for the allocation of estimated funding from HUD based on the capacity of applicant organizations, grant experience, fiscal stability, and compliance with applicable federal regulations. One public hearing was held on July 14, 2025, to provide citizens with the opportunity to participate in the development of the Annual Action Plan. Recommendations for award amounts were considered and adopted by the Community Development Council on June 11, 2025.

A 30-day public comment period was held from June 16, 2025, through July 16, 2025. Notice of this public comment period was published in the Cleburne Times Review on June 10, 2025; in the *Fort Worth Star Telegram* and Weatherford Democrat on June 11, 2025; and in La Vida News and the Wise County Messenger on June 12, 2025.

Any comments received are maintained by the Neighborhood Services Department in accordance with federal regulations. The City held two public hearings as a part of the HUD required citizen participation process. The first public hearing was held by staff on July 14, 2025, and the second public hearing is scheduled for the City Council Meeting on August 12, 2025.

A summary of staff's final funding recommendations is provided below in Tables 1, 2, and 3. The 2025-2026 Annual Action Plan will be submitted

to HUD by August 15, 2025.

Indirect costs totaling approximately \$264,698.00 could be charged to these grants, 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 programs and services to assist low-to-moderate income citizens.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

For Program Year 2025-2026, it is recommended that the amount of \$7,116,438.00 in CDBG funds and an estimated amount of \$30,000.00 in CDBG program income totaling \$7,146,438.00 be allocated as follows: Public Service Agencies - \$1,067,465.00 (Limited to 15% of the grant allocation): Includes social services for low- and moderate income persons, persons with disabilities, and disadvantaged persons; Housing Programs - \$2,665,000.00: Includes funding for the City's Priority Repair Program, Cowtown Brush-Up, and accessibility modifications for seniors and persons with disabilities; Major Projects - \$1,000,685.00: Includes funding for street improvements; Program Delivery - \$960,000.00: Includes program delivery costs for housing programs; Administration - \$1,423,288.00 (Limited to 20% of the grant allocation): Includes costs for administering the CDBG grant; Estimated Program Income - \$30,000.00: Includes up to \$30,000.00 in funding for the City's Priority Repair Program. Any CDBG program income over the estimated amount not used for the Priority Repair Program will be allocated to priority activities in the City's Consolidated Plan, subject to the City Council approval.

**HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)**

For Program Year 2025-2026, it is recommended that the amount of \$2,814,431.77 in HOME funds and an estimated amount of \$30,000.00 in HOME program income totaling \$2,844,431.77 be allocated as follows: Homebuyer Assistance Program - \$1,110,824.77: Includes funding for down payment and closing cost assistance for low- and moderate-income homebuyers through the Fort Worth Community Land Trust, the City of Fort Worth and Trinity Habitat for Humanity; Community Housing Development Organizations (CHDOs) for affordable housing projects - \$422,164.00: These funds will be used by Housing Channel for the Mason Heights affordable housing development in southeast Fort Worth. Funds will be used for the acquisition of land and the new construction of 236 units. An estimated 183 units (approximately 77%) will be sold to low to moderate income households at or below 80% Area Median Income (AMI); Major Projects - \$1,000,000.00 allocated to Fort Worth Housing Solutions (FWHS) as a part of Phase Six of the Choice Neighborhood Initiative (CNI) grant benefiting low-moderate income residents in the Stop Six Neighborhood of Fort Worth; Administration - \$281,443.00 (Limited to 10% of the grant allocation): Includes costs for administering the HOME grant; Estimated Program Income - \$30,000.00: Includes funding for the Homebuyer Assistance Program and HOME grant administrative costs. HUD allows the City to use 10 percent of any HOME program income towards the cost of administering the HOME grant. HOME program income over the estimated amount not used for the Homebuyer Assistance Program will be allocated to priority activities in the City's Consolidated Plan, subject to City Council approval.

**HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)**

For Program Year 2025-2026, it is recommended that the amount of \$2,726,668.00 in HOPWA funds be allocated as follows: Public Service Agencies - \$1,670,868.00; Neighborhood Services Department - \$974,000.00; Administration - \$81,800.00 (Limited to 3% of the grant allocation)

**EMERGENCY SOLUTIONS GRANT (ESG)**

For Program Year 2025-2026, it is recommended that the amount of \$615,818.00 in ESG funds to be allocated as follows: Public Service Agencies - \$569,632.00; Administration - \$46,186.00 (Limited to 7.5% of the grant allocation)

**CONTRACT RECOMMENDATIONS**

The Community Development Council and Neighborhood Services Department staff recommend that contracts be executed with the public service and subrecipient agencies listed below for the amounts shown in the following tables:

**Community Development Block Grant Contracts**

**TABLE 1: CDBG AGENCIES**

AGENCY	CONSOLIDATED PLAN GOAL	PROGRAM	AMOUNT
Housing Channel	Affordable Housing	Housing Counseling & Education	\$111,000.00
Meals-On-Wheels, Inc. of Tarrant County	Healthy Living and Wellness	Nutrition Program	\$120,000.00
Guardianship Services Inc.	Aging In Place	Money Smart+ Elder Financial Fraud Prevention Workshops	\$80,000.00
United Community Centers, Inc	Children and Youth Services	Education Literacy Program	\$125,000.00
Boys & Girls Club of Greater Tarrant County	Children and Youth Services	Youth Development at Eastside Branch	\$72,000.00
Girls Inc of Tarrant County	Children and Youth Services	Whole Girl Program	\$90,281.00

Camp Fire First Texas	Children and Youth Services	Teens In Action	\$62,184.00
Junior Achievement of the Chisholm Trail, Inc.	Children and Youth Services	Cradle to Career Initiative	\$50,000.00
The Women's Center of Tarrant County	Economic Empowerment and Financial Resilience	Employment Solutions	\$90,000.00
Easter Seals North Texas, Inc.	Economic Empowerment and Financial Resilience	Employment Services	\$92,000.00
Presbyterian Night Shelter	Homelessness Prevention and Special Needs Support	Moving Home Program	\$175,000.00
<b>CDBG Public Services Agencies Total</b>			<b>\$1,067,465.00</b>
**Rehabilitation, Education and Advocacy for Citizens with Handicaps dba REACH, Inc.	Accessibility Improvements	Project Ramp	\$165,000.00
**Fort Worth Area Habitat for Humanity, Inc. DBA Trinity Habitat for Humanity	Housing Preservation and Rehabilitation	Cowtown Brush Up	\$500,000.00
<b>CDBG Subrecipient Agencies Total</b>			<b>\$665,000.00</b>
<b>TOTAL CDBG CONTRACTS</b>			<b>\$1,732,465.00</b>

\*\*REACH and Trinity Habitat will be funded from the CDBG Housing Programs and Services budget.

#### Housing Opportunities for Persons with AIDS Contracts

**TABLE 2: HOPWA AGENCIES**

AGENCY	CONSOLIDATED PLAN GOAL	PROGRAM	AMOUNT
Tarrant County Samaritan Housing, Inc.	Homelessness Prevention and Special Needs Support	HOPWA Program - Administration, Tenant-Based Rental Assistance (TBRA), Short-Term Rent, Mortgage, and Utility Assistance (STRMU), Supportive Services, Facility-Based Operations (FBO)	\$1,406,188.00
AIDS Outreach Center, Inc.	Homelessness Prevention and Special Needs Support	The Housing Assistance Program - Administration, Tenant-Based Rental Assistance (TBRA), Short-Term Rent, Mortgage, and Utility Assistance (STRMU), Supportive Services	\$264,680.00
<b>TOTAL HOPWA CONTRACTS</b>			<b>\$1,670,868.00</b>

#### Emergency Solutions Grants Contracts

**TABLE 3: ESG AGENCIES**

AGENCY	CONSOLIDATED PLAN GOAL	PROGAM	AMOUNT
The Presbyterian Night Shelter of Tarrant County, Inc.	Homelessness Prevention and Special Needs Support	Shelter Operations/Services	\$139,491.00
Lighthouse for the Homeless dba True Worth Place	Homelessness Prevention and Special Needs Support	Day Shelter Operations/Services	\$150,000.00
The Salvation Army	Homelessness Prevention and Special Needs Support	Homelessness Prevention	\$127,141.00
Center for Transforming Lives	Homelessness Prevention and Special Needs Support	Rapid Re-Housing	\$73,000.00
SafeHaven of Tarrant County	Homelessness Prevention and Special Needs Support	Shelter Operations/Services	\$80,000.00

All figures have been rounded to the nearest dollar for presentation purposes.

Each of these grants are an entitlement grant rather than a competitive grant received from the United States Department of Housing and Urban Development (HUD). Entitlement grants provide funds to agencies based on a formula prescribed in legislation or regulation, rather than based on review. These specific grants are allocated to the City of Fort Worth based on population size and per capita income each year. The grants have been consistently awarded to the City since 1974 with the inception of the Community Development Block Grant (CDBG) through the Housing and Community Development Act of 1974. The Emergency Shelter (renamed Solutions) Grant (ESG) was authorized in 1987 through the McKinney-Vento Homelessness Assistance Act. The HOME Investment Partnerships Program (HOME) and the Housing Opportunities for Persons with AIDS (HOPWA) Program were authorized through the Cranston-Gonzales National Affordable Housing Act of 1990. With these grants, administrative and program delivery allocations support approximately 90 FTE positions in the Neighborhood Services Department, which is funded nearly 60% with various grants including these entitlement grants.

Positions funded with HUD Entitlement grants are subject to grant availability. In the event of a grant award being decreased or eliminated, the 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 City of Fort Worth has certified that all programs receiving funding through the HOPWA, HOME, ESG, and CDBG grants comply with applicable Executive Orders.

These programs are available in ALL COUNCIL DISTRICTS.

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**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. 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. These are reimbursement grants.

**Submitted for City Manager's Office by:** Dana Burghdoff 8018

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Expedited