

Mayor and Council Communication

DATE: 08/03/21

M&C FILE NUMBER: M&C 21-0522

LOG NAME: 19NS 2021-2022 ACTION PLAN

SUBJECT

(ALL) Conduct Public Hearing and Approve the City's 2021-2022 Annual Action Plan for the Use of Federal Grant Funds in the Amount of \$13,070,952.00 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 Programs, Authorize Collection and Use of Program Income, Authorize Execution of Related Contracts, Authorize the Use of Fee Waivers as HOME Match, Adopt Attached Appropriation Ordinance, and Authorize Waiver of Indirect Costs

(PUBLIC HEARING - a. Report of City Staff: Sharon Burkley; b. Public Presentations; c. Council Action: Close Public Hearing and Act on the M&C)

RECOMMENDATION:

It is recommended that City Council:

1. Conduct a public hearing to allow citizen input and consideration of the City's 2021-2022 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 \$13,070,952.00 from the Community Development Block Grant, HOME Investment Partnerships Program, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS grant programs, and for the use of program income from activities using prior years' federal grant funds;
2. Approve the City's 2021-2022 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 \$75,000.00 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 \$75,000.00 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 2021-2022 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. Authorize the City Manager or his designee to extend the contracts for up to one year if an agency or department requests an extension and such extension is necessary for completion of the program, or to amend the contracts if necessary to achieve program goals provided any amendment is within the scope of the program and in compliance with City policies and all applicable laws and regulations governing the use of federal grant funds;
7. Adopt the attached Appropriation Ordinance increasing the estimated receipts and appropriations to the Grants Operating Federal Fund in the total amount of \$13,070,952.00 consisting of \$7,477,274.00 in Community Development Block Grant funds, \$2,907,320.00 in HOME Investment Partnerships Program grant funds, \$632,124.00 in Emergency Solutions Grant funds, and \$1,904,234.00 in Housing Opportunities for Persons with AIDS grant funds, plus estimated program income in the amount of \$150,000.00, all subject to receipt of such funds; and
8. Authorize a waiver of the Neighborhood Services Department indirect cost rate of 18.73%, estimated total of \$303,276.16.

DISCUSSION:

The City's 2021-2022 Annual Action Plan summarizes the major housing and community development activities and proposed expenditures for the program year beginning October 1, 2021 and ending September 30, 2022 for use of federal grant funds totaling \$13,070,952.00 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. 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 homeless persons, and HOPWA funds primarily benefit low- and moderate-income persons with HIV/AIDS.

Staff developed initial recommendations for the allocation of the estimated funding from HUD based on prior years' funding levels. Two public hearings were held on April 14, 2021 and May 12, 2021 to provide citizens 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 May 12, 2021. These funding recommendations were presented in City Council Work Session on June 22, 2021.

A 30-day public comment period was held from July 1, 2021 to July 30, 2021. Notice of this public comment period was published in the *Wise County Messenger* and *Glen Rose Reporter* on June 25, 2021; in the *Cleburne Times-Review*, *Hood County News*, and *Weatherford Democrat* on June 26, 2021; in the *Fort Worth Star-Telegram* on June 27, 2021; and in *La Vida News* on July 1, 2021.

Any comments received are maintained by the Neighborhood Services Department in accordance with federal regulations. The City held two public hearings as part of the HUD required citizen participation process. The first public hearing was held by staff on July 14, 2021, and the second public hearing is scheduled for the City Council meeting on August 3, 2021.

A summary of staff's final funding recommendations is provided below and in Tables 1, 2, and 3. A spreadsheet of funding recommendations is also attached. The 2021-2022 Annual Action Plan will be submitted to HUD by August 15, 2021.

Indirect costs totaling approximately \$354,132.42 could be charged to these grants, as the Neighborhood Services Department indirect cost rate is 18.73% 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

For Program Year 2021-2022, it is recommended that the amount of \$7,477,274.00 in CDBG funds and an estimated amount of \$75,000.00 in CDBG program income totaling \$7,522,274.00 be allocated as follows:

- Public Services - \$1,121,591.00: Includes social services for low- and moderate-income persons, persons with disabilities, and disadvantaged persons
- Housing Programs - \$2,848,219.00: Includes funding for the City's Priority Repair Program, Cowtown Brush-Up, homebuyer and housing services, accessibility modifications for seniors and persons with disabilities, and related project delivery costs for these programs
- Major Projects - \$2,012,009.00: Includes funding for Southside Community Center improvements, Bunche Park improvements, and Street/Sidewalk improvements
- Administration - \$1,495,455.00: Includes costs for administering the CDBG grant, including allocations for the Financial Management Services and Development Services Departments
- Estimated Program Income - \$75,000.00: Includes up to \$75,000.00 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 City Council approval.

HOME INVESTMENT PARTNERSHIPS PROGRAM

For Program Year 2021-2022, it is recommended that the amount of \$2,907,320.00 in HOME funds and an estimated amount of \$75,000.00 in HOME program income totaling \$2,982,320.00 be allocated as follows:

- Homebuyer Assistance Program - \$500,000.00: Includes funding for down payment and closing cost assistance for low- and moderate-income homebuyer
- Community Housing Development Organizations - \$1,116,588.00: HUD requires that a minimum of 15 percent of HOME funds be allocated to Community Housing Development Organizations (CHDOs) for affordable housing projects. These funds will be used by Housing Channel for a multifamily rental demolition/reconstruction project in the Polytechnic neighborhood. The City is also authorized by HUD to fund CHDO operating costs to support community-based affordable housing development. These funds for operating costs will be used by Housing Channel to support completion of the multifamily rental demolition/reconstruction project. All housing developed with these funds will be sold to homebuyers making at or below 80 percent of area median income (AMI), set by HUD.
- Major Projects - \$1,000,000.00: Includes funds allocated to the multifamily project to be developed by Fort Worth Housing Solutions (FWHS) as a part of its Choice Neighborhood Initiative (CNI) grant.
- Administration - \$290,732.00: Includes costs for administering the HOME grant
- Estimated Program Income - \$75,000.00: 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

For Program Year 2021-2022, it is recommended that the amount of \$1,904,234.00 in HOPWA funds be allocated as follows:

- Public Service Agencies - \$1,148,627.00
- Neighborhood Services Department/Community Action Partners - \$698,480.00
- Administration - \$57,127.00

EMERGENCY SOLUTIONS GRANT

For Program Year 2021-2022, it is recommended that the amount of \$632,124.00 in ESG funds be allocated as follows:

- Public Service Agencies - \$584,715.00
- Administration - \$47,409.00

CONTRACT RECOMMENDATIONS

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

Community Development Block Grant Contracts

TABLE 1: CDBG AGENCIES

AGENCY	PROGRAM	AMOUNT
AB Christian Learning Center	After School Tutoring	\$85,000.00
AB Christian Learning Center	Summer Reading Program	\$65,303.00
Artes de la Rosa	Artes Academy	\$60,000.00
Big Brothers Big Sisters Lone Star	Mentor 2.0 @ Young Men's Leadership Academy	\$50,000.00
Big Brothers Big Sisters Lone Star	Mentor 2.0 @ Young Women's Leadership Academy	\$50,000.00
Boys & Girls Clubs of Greater Tarrant County, Inc.	After School Program	\$60,000.00
United Community Centers, Inc.	Educational Enrichment	\$100,000.00
Family Pathfinders of Tarrant County	Financial Capability Program	\$50,000.00
The Ladder Alliance	Computer Skills Training	\$70,000.00
Housing Channel	Homebuyer Education and Housing Counseling Services	\$125,000.00
Meals-On-Wheels, Inc. of Tarrant County	Home-Delivered Meals	\$116,288.00
Guardianship Services, Inc.	Financial Exploitation Prevention Center	\$70,000.00
The Presbyterian Night Shelter of Tarrant County, Inc.	Case Management for Homeless	\$145,000.00
The Salvation Army	Red Shield Emergency Shelter	\$75,000.00
CDBG Public Service Agencies Total		\$1,121,591.00
Rehabilitation, Education and Advocacy for Citizens with Handicaps DBA REACH, Inc.	Accessibility Improvements for Low Income Residents	\$115,000.00
Fort Worth Area Habitat for Humanity, Inc. DBA Trinity Habitat for Humanity	Cowtown Brush Up Paint Program	\$455,000.00
Fort Worth Area Habitat for Humanity, Inc. DBA Trinity Habitat for Humanity	Preserve-A-Home Program (Como Neighborhood Improvement Strategy)	\$400,000.00
CDBG Subrecipient Agencies Total		\$970,000.00
TOTAL CDBG CONTRACTS		\$2,091,591.00

Housing Opportunities for Persons With AIDS Contracts

TABLE 2: HOPWA AGENCIES

AGENCY	PROGRAM	AMOUNT
Tarrant County Samaritan Housing, Inc.	Supportive Services; Facility-Based Housing Operations; Tenant-Based Rental Assistance; Administration	\$845,765.00
AIDS Outreach Center, Inc.*	Short-Term Rent, Mortgage, and Utility Assistance; Supportive Services; Administration	\$302,862.00
TOTAL HOPWA CONTRACTS		\$1,148,627.00

*The City has identified a potential conflict of interest under the HOPWA Regulations related to this award and is in the process of seeking a waiver of the conflict of interest from HUD. A contract will not be executed with AIDS Outreach Center, Inc. unless and until the City receives approval from HUD. In the event the City does not receive approval, an amended Action Plan will be submitted, as necessary, to address the reallocation of the funds.

Emergency Solutions Grant Contracts

TABLE 3: ESG AGENCIES

AGENCY	PROGRAM	AMOUNT
The Presbyterian Night Shelter of Tarrant County, Inc.	Shelter Operations/Services	\$130,315.00
Lighthouse for the Homeless DBA True Worth Place	Shelter Operations/Services	\$177,000.00
The Salvation Army	Homelessness Prevention	\$106,440.00
Center for Transforming Lives	Rapid Re-Housing	\$100,000.00
SafeHaven of Tarrant County	Shelter Operations/Services	\$70,960.00
TOTAL ESG CONTRACTS		\$584,715.00

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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