

# Mayor and Council Communication

**DATE:** 12/14/21

**M&C FILE NUMBER:** M&C 21-0968

**LOG NAME:** 19NS PROPOSED HOME-ARPA ALLOCATION PLAN

**SUBJECT**

(ALL) Approve a Substantial Amendment to the City's 2021-2022 Annual Action Plan for the Use of Federal Grant Funds in the Amount of \$10,537,030.00 to be Awarded by the U.S. Department of Housing and Urban Development from the American Rescue Plan Act of 2021 Home Investment Partnerships Program; Authorize Amendment to Citizen Participation Plan to Reduce Public Comment Period for American Rescue Plan Act of 2021 Related Activities from Thirty Days to Fifteen Days; and Adopt Attached Appropriation Ordinance

**RECOMMENDATION:**

It is recommended that City Council:

1. Approve a substantial amendment to the City's 2021-2022 Annual Action Plan for the use of Federal Grant funds in the amount of \$10,537,030.00 to be awarded by United States Department of Housing and Urban Development from the American Rescue Plan Act of 2021 HOME Investment Partnerships Program,
2. Authorize amendment to the Citizen Participation Plan to reduce public comment period for American Rescue Plan Act of 2021 related activities from thirty days to fifteen days and,
3. Adopt attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund, in the amount of \$10,537,030.00, for the purpose of funding the City's 2021-2022 Annual Action Plan for homeless assistance.

**DISCUSSION:**

The American Rescue Plan Act (ARPA) of 2021 provides \$5 billion for homeless assistance through the HOME Investment Partnership Program. The City of Fort Worth (City) received \$10,537,030.00 in HOME-ARPA. These funds can be used to serve: those experiencing homelessness, those at risk of experiencing homelessness and other vulnerable populations. Eligible activities are housing, rental assistance, supportive services and non-congregate shelter.

The City consulted with many different stakeholders, as required, in developing an allocation plan. Groups consulted: Continuum of Care, homeless and domestic violence service providers, veterans' groups, public housing agencies, public agencies that address needs of qualifying populations and organizations that address fair housing, civil rights and the needs of persons with disabilities as well as the general public. The City also evaluated data reports and sent letters seeking input on the plan.

Consensus emerged that the biggest need in the City currently is physical units for the chronically homeless. Agencies shared that because of federal Coronavirus Aid, Relief and Economic Security Act funds, there has been a significant increase in funds available for rental assistance and services. Tarrant County Homeless Coalition pointed out that in October, there were approximately 500 people experiencing homelessness with rental assistance trying to find a unit.

Organizations cited the success of permanent supportive housing projects, such as Casa de Esperanza and New Leaf, at being able to quickly house the most vulnerable through a single site project with onsite services. Based on system needs and goals, Tarrant County Homeless Coalition has requested that the City as well as Tarrant County and the City of Arlington allocate all HOME-ARPA funds to the development of permanent supportive housing to support community efforts to end chronic homelessness. At this time, neither Tarrant County nor the City of Arlington have allocated HOME-ARPA funds to the development of permanent supportive housing.

Staff is recommending that all City HOME-ARPA funds be allocated to the development of permanent supportive housing.

Proposed use of HOME-ARPA funding:

<b>Use</b>	<b>Funding</b>
Development of at least 125 units of permanent supportive housing	\$8,956,476.00
Administration	\$1,580,554.00
<b>TOTAL</b>	<b>\$10,537,030.00</b>

In an effort to streamline processes and hasten development, the City can issue a Notification of Funding Availability with three different funding sources: HOME-ARPA, Directions Home capital and Fort Worth Housing Finance Corporation funds that were previously allocated for permanent supportive housing. There is a required private foundation match for FWHFC funds of \$2.55 million.

Proposed funding for Notice of Funding Availability:

<b>Capital Funding Sources for permanent supportive housing</b>	<b>Funding</b>
Directions Home capital	\$1,262,801.00
Fort Worth Housing Finance Corporation	\$2,550,000.00
HOME-ARPA	\$8,956,476.00
<b>TOTAL Notice of Funding Availability Funds</b>	<b>\$12,769,277.00</b>
Foundation Match for FWHFC	\$2,550,000.00
<b>Total Community Investment</b>	<b>\$15,319,277.00</b>

The competitive Notice of Funding Availability process will be used to select developers to create a total of at least 125 units of permanent supportive housing through construction or renovation. Developers will be required to comply with certain restrictions, including affordability restrictions, throughout the compliance period. The compliance period is a minimum of 15 years or the length of the housing assistance program (if applicable). Funds must be fully expended by September 30, 2030. However, because of the urgency to develop permanent supportive housing and end chronic homelessness, staff is recommending that the Notice of Funding Availability establish a goal for completion of all projects as of December 2023. All projects will be subject to Housing and Urban Development Department-required underwriting to ensure financial viability over the 15-year (or longer) compliance period. Proposals will be scored based on capacity and experience of the developer, location of the proposed project relative to services and transportation, and financial feasibility of the proposed project budget.

Staff recommendation is to submit the HOME-ARPA allocation plan to Housing and Urban Development Department and then release a Notice of Funding Availability with all HOME-ARPA funds and other sources to produce at least 125 units of permanent supportive housing.

Proposed Timeline:

Received HOME-ARPA Grant Agreement	September 23
Consultation Meetings	October
Presentation to Community Development Council	November 10
Public Notice published	November 28
Consultation letters mailed	November 29
HOME-ARPA Allocation Plan posted to City website	November 29
15 day public comment period begins	November 29
Community Development Council – Request for Allocation Plan approval	December 8
Public Comment Period Ends	December 13
M&C to City Council – Request for Allocation Plan approval	December 14
Submit allocation Plan to Housing and Urban Development Department	December 19

Notice of Funding Availability published	January 2022
Review/Scoring of Proposals	March 2022
Approval of Funding Allocation Awards – City Council and FWHFC	April 2022

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, execution of the agreement 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. This is a reimbursement grant.

**Submitted for City Manager's Office by:** Fernando Costa 6122

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Expedited