

Mayor and Council Communication

DATE: 01/11/22

M&C FILE NUMBER: M&C 22-0014

LOG NAME: 19NS CEAP ARPA FUNDS

SUBJECT

(ALL) Authorize Acceptance of Comprehensive Energy Assistance Program American Rescue Plan Funds in an Amount Up to \$6,496,163.00 from the Texas Department of Housing and Community Affairs, a Federally Funded Program Sponsored by the U.S. Department of Health and Human Services Designed to Provide Utility Payment Assistance and Energy Conservation Education for Low to Moderate Income Residents Under the American Rescue Plan Act of 2021, Authorize Execution of Related Contracts, Authorize Waiver of the Indirect Cost, and Adopt Attached Appropriation Ordinance

RECOMMENDATION:

It is recommended that City Council:

1. Authorize acceptance of Comprehensive Energy Assistance Program funds in an amount up to \$6,496,163.00 from the Texas Department of Housing and Community Affairs under the American Rescue Plan Act of 2021;
 2. Authorize the City Manager or his designee to execute related contracts, including any renewals, amendments and extensions with the Texas Department of Housing and Community Affairs;
 3. Authorize a waiver of the Neighborhood Services Department indirect cost rate of 26.09%, estimated total of \$179,416.46; and
 4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund in the amount of \$6,496,163.00, for the purpose of funding utility payment assistance and energy conservation education for low to moderate income residents under the American Rescue Plan Act of 2021.
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DISCUSSION:

The American Rescue Plan Act (ARPA) of 2021 (Public Law 117-2) enacted on March 11, 2021, includes provisions to help local governments prevent, prepare for and respond to the coronavirus pandemic, including providing for additional allocations of formula grant funds under the Comprehensive Energy Assistance Program (CEAP). The City was notified by Texas Department of Housing and Community Affairs as an eligible entity with an award up to \$6,496,163.00.

The Community Action Partners will administer the funds to assist coronavirus-related clients with:

1. Household Energy Crisis - repair of HVAC systems and/or purchase of window units and other energy-related assistance;
2. Utility Assistance - assistance to eligible households with priority given to household composition of elderly and/or disabled members or a child 5 and under; and
3. Education - providing information about energy conservation measures.

All households at or below 150 percent of the Federal Poverty Income Guidelines will have access to the program. Applicants will need to provide documentation of their income, utility bills and the impact of the coronavirus relating to their inability to pay.

Indirect costs totaling an estimated \$179,416.46, calculated by taking wages & salaries designated for this grant of approximately \$687,682.86 multiplied by the Neighborhood Service Departments' indirect cost rate of 26.09% defined in the City's most recent Cost Allocation Plan, could be charged to this grant. A waiver of these indirect costs is requested to allow allocation of these funds to further support the programs and services to assist low-to-moderate income citizens.

This program is 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: Texas Department of Housing and Community Affairs

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 expenditures being incurred, Neighborhood Services Department has the responsibility to validate the availability of funds. This is a reimbursement grant.

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