

Mayor and Council Communication

DATE: 08/09/22

M&C FILE NUMBER: M&C 22-0569

LOG NAME: 19NS 2022-2023 ACTION PLAN

SUBJECT

(ALL) Conduct Public Hearing and Approve the City of Fort Worth's 2022-2023 Annual Action Plan for the Use of Federal Grant Funds in the Amount of \$13,124,648.00 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 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. Report 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 2022-2023 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 \$13,124,648.00 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 2022-2023 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 \$50,000.00 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 \$50,000.00 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 2022-2023 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 estimated receipts and appropriations in the Grants Operating Federal Fund in the total amount of \$13,124,648.00 consisting of \$6,996,710.00 in Community Development Block Grant funds, \$3,266,685.00 in HOME Investment Partnerships Program grant funds, \$628,543.00 in Emergency Solutions Grant funds, and \$2,232,710.00 in Housing Opportunities for Persons with AIDS grant funds, plus estimated program income in the amount of \$100,000.00, all subject to receipt of such funds; and
8. Authorize a waiver of the Neighborhood Services Department indirect cost rate of 17.29%, estimated total of \$330,793.14.

DISCUSSION:

The City of Fort Worth's (City's) 2022-2023 Annual Action Plan summarizes the major housing and community development activities and proposed expenditures for the program year beginning October 1, 2022 and ending September 30, 2023 for use of federal grant funds totaling \$13,124,648.00 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 persons experiencing homelessness, 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 year's funding levels. One public hearing was held on April 27, 2022 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 11, 2022. These funding recommendations were presented in City Council Work Session on June 7, 2022.

A 30-day public comment period was held from July 1, 2022 to August 1, 2022. Notice of this public comment period was published in the *Fort Worth Star-Telegram* on June 26, 2022; in the *Weatherford Democrat* on June 28, 2022; in the *Hood County News* and *Wise County Messenger* on June 29, 2022; in *Cleburne Times Review* and *La Vida News* on June 30, 2022; and in *Glen Rose Reporter* on July 1, 2022.

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 13, 2022, and the second public hearing is scheduled for the City Council meeting on August 9, 2022.

A summary of staff's final funding recommendations is provided below in Tables 1, 2, and 3. A Powerpoint presentation listing funding recommendations is also attached. The 2022-2023 Annual Action Plan will be submitted to HUD by August 15, 2022.

Indirect costs totaling approximately \$330,793.14 could be charged to these grants, as the Neighborhood Services Department indirect cost rate is 17.29% 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 2022-2023, it is recommended that the amount of \$6,946,710.00 in CDBG funds and an estimated amount of \$50,000.00 in CDBG program income totaling \$6,996,710.00 be allocated as follows:

- Public Services Agencies- \$1,042,006.00: Includes social services for low- and moderate-income persons, persons with disabilities, and disadvantaged persons
- Housing Programs - \$4,153,352.00: 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 - \$362,010.00: Includes funding for Southside Community Center improvements
- Administration - \$1,389,342.00: Includes costs for administering the CDBG grant, including allocations for the Financial Management Services and Development Services Departments
- Estimated Program Income - \$50,000.00: Includes up to \$50,000.00 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

For Program Year 2022-2023, it is recommended that the amount of \$3,216,685.00 in HOME funds and an estimated amount of \$50,000.00 in HOME program income totaling \$3,266,685.00 be allocated as follows:

- Homebuyer Assistance Program - \$129,623.50: Includes funding for down payment and closing cost assistance for low- and moderate-income homebuyers
- Community Housing Development Organization - \$707,430.00: 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 Development Corporation of Tarrant County (DCTC) for single-family infill development in the Polytechnic neighborhood. 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 - \$2,057,963.00: Includes funds (\$1,000,000.00) allocated to the affordable housing project to be developed by Fort Worth Housing Solutions (FWHS) as a part of its Choice Neighborhood Initiative (CNI) grant and funds (\$1,057,963.00) allocated to the development of permanent supportive housing.
- Administration - \$321,668.50: Includes costs for administering the HOME grant
- Estimated Program Income - \$50,000.00: 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 2022-2023, it is recommended that the amount of \$2,232,710.00 in HOPWA funds be allocated as follows:

- Public Service Agencies - \$1,515,729.00
- Neighborhood Services Department - \$650,000.00
- Administration - \$66,981.00

EMERGENCY SOLUTIONS GRANT

For Program Year 2022-2023, it is recommended that the amount of \$628,543.00 in ESG funds be allocated as follows:

- Public Service Agencies - \$581,403.00
- Administration - \$47,140.00

CONTRACT RECOMMENDATIONS

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

Community Development Block Grant Contracts

TABLE 1: CDBG AGENCIES

AGENCY	CONSOLIDATED PLAN GOAL	PROGRAM	AMOUNT
		Homebuyer	

Housing Channel	Affordable Housing	Education and Housing Counseling Services	\$100,000.00
Guardianship Services, Inc.	Aging-In-Place	Financial Exploitation Prevention Center	\$70,000.00
Meals-On-Wheels, Inc. of Tarrant County	Aging-In-Place	Home-Delivered Meals	\$72,006.00
Meals-On-Wheels, Inc. of Tarrant County	Aging-In-Place	Transportation Program	\$50,000.00
Girls Incorporated of Tarrant County	Children/Youth Training and Mentorship	Leadership Program	\$75,000.00
United Community Centers, Inc.	Children/Youth Training and Mentorship	Educational Enrichment Program	\$100,000.00
Boys & Girls Clubs of Greater Tarrant County, Inc.	Children/Youth Training and Mentorship	After School Program	\$60,000.00
Young Men's Christian Association of Metropolitan Fort Worth	Children/Youth Training and Mentorship	Y Achievers	\$50,000.00
AB Christian Learning Center	Children/Youth Training and Mentorship	After School Program	\$75,000.00
Fortress Youth Development Center, Inc.	Children/Youth Training and Mentorship	Fortress PreSchool	\$50,000.00
The Presbyterian Night Shelter of Tarrant County, Inc.	Homeless Services	Moving Home Case Management	\$125,000.00
The Ladder Alliance	Poverty Reduction and Household Stabilization	Computer Skills Training - Next Level Program	\$70,000.00
Easter Seals North Texas, Inc.	Poverty Reduction and Household Stabilization	Employment Services	\$50,000.00
The Women's Center of Tarrant County, Inc.	Poverty Reduction and Household Stabilization	Working Families Success	\$50,000.00
Center for Transforming Lives	Poverty Reduction and Household Stabilization	Level Up Microenterprise	\$45,000.00
CDBG Public Service Agencies Total			\$1,042,006.00
Rehabilitation, Education and Advocacy for Citizens with Handicaps DBA REACH, Inc.	Accessibility Improvements	Accessibility Improvements for Low Income Residents	\$125,000.00
United Way of Tarrant County	Accessibility Improvements	Accessibility Improvements for Low Income Senior Residents	\$50,000.00
Fort Worth Area Habitat for Humanity, Inc. DBA Trinity Habitat for Humanity	Preserve Aging Housing Stock	Cowtown Brush Up Paint Program	\$455,000.00
CDBG Subrecipient Agencies Total			\$630,000.00
TOTAL CDBG CONTRACTS			\$1,672,006.00

Housing Opportunities for Persons with AIDS Contracts

TABLE 2: HOPWA AGENCIES

AGENCY	PROGRAM	AMOUNT
AIDS Outreach Center, Inc.	Administration, Supportive Services, Short-Term Rent, Mortgage, and Utility Assistance (STRMU)	\$429,850.00
Tarrant County	Administration, Facility-Based Operations,	

Samaritan Housing, Inc.	Supportive Services, Tenant-Based Rental Assistance (TBRA)	\$1,085,879.00
TOTAL HOPWA CONTRACTS		\$1,515,729.00

Emergency Solutions Grant Contracts

TABLE 3: ESG AGENCIES

AGENCY	PROGRAM	AMOUNT
The Presbyterian Night Shelter of Tarrant County, Inc.	Shelter Operations/Services	\$130,220.00
Lighthouse for the Homeless DBA True Worth Place	Shelter Operations/Services	\$176,000.00
The Salvation Army	Homelessness Prevention	\$105,535.00
Center for Transforming Lives	Rapid Re-Housing	\$98,743.00
SafeHaven of Tarrant County	Shelter Operations/Services	\$70,905.00
TOTAL ESG CONTRACTS		\$581,403.00

All figures have been rounded to the nearest dollar for presentation purposes. These programs are available in ALL COUNCIL DISTRICTS.

Each of these grants is 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 in 1990 through the Cranston-Gonzales National Affordable Housing Act of 1990. With these grants, administrative and program delivery allocations support approximately 72 FTE positions in the Neighborhood Services Department, which is funded nearly 70% 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, 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. Alternative to consider may include staff and program reductions or eliminations.

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. This is a reimbursement grant.

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

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