



CITY COUNCIL AGENDA

Create New From This M&C

DATE: 9/17/2024 **REFERENCE NO.:** **M&C 24-0807 **LOG NAME:** 13ARPA COBB PARK RECLAIM AND IMPACT FEE ALLOCATIONS

CODE: G **TYPE:** CONSENT **PUBLIC HEARING:** NO

SUBJECT: (ALL) Approve Reductions in Allocations from the American Rescue Plan Act State and Local Fiscal Recovery Funds Totalling \$1,528,394.00 from the Cobb Park Road and Parking Improvements Project and from the ARPA Texas A&M Fort Worth Campus Water/Sanitary Sewer Project, Authorize ARPA Allocations Totalling \$239,661.00 to Cover Development-Related Fees for Affordable Housing Projects, and Authorize Execution of Agreements with Justins Place and Palladium E Lancaster Avenue, Ltd. or Affiliates Thereof for Such Allocations

RECOMMENDATION:

It is recommended that the City Council:

1. Approve the reduction of allocations in the American Rescue Plan Act State and Local Fiscal Recovery Funds Revenue Recovery Category by \$28,394.00 from the allocation for the Water/Sanitary Sewer Texas A&M Fort Worth Campus project (City Project No. 104855);
2. Approve the reduction of allocations in the American Rescue Plan Act State and Local Fiscal Recovery Funds Non-Revenue Recovery Category by \$1,500,000.00 from allocations for the Cobb Park Road/Parking Improvements project (City Project No. 104476);
3. Approve allocations in the American Rescue Plan Act State and Local Fiscal Recovery Funds Non-Revenue Recovery Category Totalling \$239,661.00 for the purpose of funding development related fees for affordable housing projects to be built by for the Justins Place (The Nest) and Palladium E Lancaster Avenue, Ltd. (Palladium East Lancaster); and
4. Authorize execution of agreements with Justins Place and Palladium E Lancaster Avenue, Ltd. of affiliates thereof.

DISCUSSION:

The purpose of this Mayor & Council Communication (M&C) is to notify City Council of available American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF), to authorize the reduction of allocations for initiatives that not able to be completed within the federal deadlines or that are projecting excess revenue, and to reallocate a small portion of the identified balance of non-revenue recovery dollars for development-related costs for two affordable housing developments.

The City of Fort Worth received a total ARPA SLFRF allocation of \$173,745,090.00, consisting of \$87,024,408.00 to be spent in the areas of Public Health and Negative Economic Impacts (Non-Revenue Recovery), and \$86,720,682.00 to assist the City of Fort Worth (City) with the provision of governmental services (Revenue Recovery). On June 21, 2021, M&C 21-0445 adopted a framework of the City's priorities for ARPA funding.

To-date, City Council has approved projects and reduced allocations totaling \$169,618,742.46. That total consists of (i) \$86,381,893.50 that has been allocated in the Revenue Recovery category, leaving \$338,789.50 unallocated, and (ii) \$83,236,848.96 that has been allocated in the Non-Revenue Recovery category, leaving a balance of \$3,787,559.04 unallocated.

Per U.S. Treasury guidelines, these ARPA funds must be fully obligated by December 31, 2024 and fully expended by December 31, 2026.

The City Manager's Office and Financial Management Services Department have been evaluating project timelines and projected residual revenue with Department Directors and Project Managers during Fiscal Year 2024 to identify available amounts and additional uses for ARPA SLFRF funds, as any funds not fully obligated by December 31, 2024 must be returned to the U.S. Treasury.

ARPA SLFRF Revenue Recovery Funds

ARPA allows local governments to designate a portion of the funds they receive to replace revenue lost as a result of the COVID-19 public health emergency, with such funds eligible to be used for the provision of government services. (Section 603(c)(1)(C) of Title VI of the Social Security Act, added by ARPA). Treasury guidance construing the revenue recovery provision indicates such funds can generally be used for any purpose for which a city could use its own funds, subject to certain narrow exceptions that are not applicable here.

On June 27, 2023, and February 27, 2024, Council allocated a total of \$646,275.00 in ARPA SLFRF Revenue Recovery funds for water and sewer infrastructure improvements to support the Texas A&M Innovation HUB campus (M&Cs 23-0518 and 24-0180). The Water Department has determined that excess revenue in the amount \$28,394.00 is available for recapture and reallocation.

Adding this amount to the previously unallocated means there is \$367,183.50 in revenue recovery funds available to be programmed with recent adjustments to projects and amounts as follows:

Action	Amount	M&C
Previously Reclaimed Funds	\$3,874,289.50	24-0459 13UPDATE AMERICAN RESCUE PLAN ALLOCATIONS
Previous Allocation	(515,000.00)	24-0458 2020INT IMPROV N. BEACH ST/WESTERN CENTER BLVD APPROPRIATION

Previous Allocation	(2,020,500.00)	24-0496 21MEADOWBROOK GOLF COURSE MAINTENANCE FACILITY
Previous Allocation	(1,000,000.00)	24-0567 20INTERMODAL PKWY CONSTRUCTION CONTRACT
Reclaimed Funds	28,394.00	13ARPA COBB PARK RECLAIM AND IMPACT FEE ALLOCATIONS (This M&C)
	\$367,183.50	Total Revenue Recovery Funds Currently Available

ARPA SLFRF Non-Revenue Recovery Funds

Responding to the negative health and economic impacts of the coronavirus pandemic is a specifically identified use of ARPA dollars under Section 603(c)(1)(A) of Title VI of the Social Security Act (added by ARPA). Treasury Department guidance specifically notes that these Fiscal Recovery Funds can be deployed for a broad range of uses to mitigate the effects of COVID-19 on local residents and accelerate the community's recovery from the pandemic. The intended outcomes of this program will be to deliver increased access to childcare, healthcare, affordable housing and workforce development.

On September 27, 2022, City Council allocated \$1,500,000.00 in ARPA SLFRF Non-Revenue Recovery funding category (M&C 22-0789) to support improvements to the road and parking access to Cobb Park. Due to a conflict with an already planned water project anticipated within 18-24 months that would require demolition to the newly constructed road, City leadership determined it was not prudent to use ARPA SLFRF for the improvements and has requested the reduction of the allocations for that project. The Park & Recreation Department will be responsible for moving expenditures previously incurred off this project so that it can be closed.

Two affordable housing projects, The Nest (being constructed by the non-profit Justins Place) and Palladium East Lancaster (owned by the HFC-affiliated Paladium E Lancaster Avenue, Ltd.) have been approved by City leadership to move forward with allocation requests for development-related impact fees totaling \$239,661.00. Affordable housing is a key initiative of ARPA.

The Nest is a joint project with Tarrant County and will provide 24 units of new, deeply affordable housing, serving single-led households disproportionately impacted by the COVID-19 pandemic by providing holistic, wraparound services focused on self-sustainability and long-term stability in an effort to break the cycle of generational poverty. This project has been allocated City ARPA SLFRF in the amount of \$1,500,000.00, and Tarrant County has matched the City's allocation with additional ARPA SLFRF funding in the amount of \$1,500,000.00. The allocation amount for development-related fees for The Nest is \$113,871.00.

Palladium East Lancaster will consist of 243 units, 170 of which will be reserved for households earning 60% or less of Area Median Income (AMI) and 24 deeply-affordable units set aside for households earning no more than 30% AMI. Allocating ARPA SLFRF will help further the goals of providing affordable housing and ensure impact fee funds are available to make necessary water and wastewater improvements for the area's aging infrastructure. The allocation amount for development-related fees for Palladium East Lancaster is \$125,790.00.

A separate M&C on the September 17, 2024 City Council Agenda, 20ARPA NON-REV TRANSPORTATION ALLOCATIONS will seek authorization of allocations for several transportation projects totalling \$2,307,939.00 utilizing the current unallocated amount of Non-Revenue Recovery funds.

Assuming approval of both this M&C and the transportation reallocation one, a balance of \$2,739,959.04 in Non-Revenue Recovery funds will remain available for reallocation as follows:

Action	Amount	M&C
Previously Reclaimed Funds	\$3,787,560.04	24-0459 13UPDATE AMERICAN RESCUE PLAN ALLOCATIONS
Reclaimed Funds	1,500,000.00	13ARPA COBB PARK RECLAIM AND IMPACT FEE ALLOCATIONS (This M&C)
Pending Allocation	(2,307,939.00)	20ARPA NON-REV TRANSPORTATION ALLOCATIONS (September 17, 2024 Agenda)
Pending Allocation	(239,661.00)	13ARPA COBB PARK RECLAIM AND IMPACT FEE ALLOCATIONS (This M&C)
	\$2,739,960.04	Total Non-Revenue Recovery Funds Available

Summary of ARPA Allocations To-Date

The following chart reflects the current status for allocation of the City's ARPA funding under Subtitle M and incorporates both ARPA M&Cs on the September 17, 2024 Council Agenda:

		M&C's
Total CFW ARPA Subtitle M Funding	\$173,745,090.00	21-0445 2021 AMERICAN RESCUE PLAN
Allocations Approved To-Date	6,000,000.00	21-0794 ARPA-VFW-TDG
Allocations Approved To-Date	1,000,000.00	21-0805 ARPA-ADMINISTRATION
Allocations Approved To-Date	4,245,533.42	21-0810 ARPA ALLOCATIONS EVANS & ROSEDALE REDEVELOPMENT
Allocations Approved To-Date	2,400,000.00	21-0811 ARPA ALLOCATIONS UNTHSC TECHSTARS
Allocations Approved To-Date	10,100,000.00	21-0814 ARPA ALLOCATIONS TO HOUSING AND HUMAN SERVICES PROJECTS

Allocations Approved To-Date	3,000,000.00	21-0809 ARPA ALLOCATION CDFI FRIENDLY AMERICA
Allocations Approved To-Date	300,000.00	21-0820 ARPA-WRMC MURAL PLAQUES
Allocations Approved To-Date	6,400,000.00	21-0935 ARPA-PEG FUNDING-FUTURE CITY HALL
Allocations Approved To-Date	8,000,000.00	21-0908 ARPA-VACCINATIONS AND TESTING
Allocations Approved To-Date	4,560,000.00	21-0913 ARPA-PED////////////////////////////////////_CAPITAL////////////////////////////////////_RESTORE
Allocations Approved To-Date	52,000,000.00	21-0934 ARPA-FWCC EXPANSION FUNDING & PROJECT MANAGEMENT
Allocations Approved To-Date	3,000,000.00	22-0268 ARPA CENTER FOR TRANSFORMING LIVES
Allocations Approved to-Date	5,000,000.00	22-0270 ARPA ALLOCATION FOR PERMANENT SUPPORTIVE HOUSING
Allocations Approved to-Date	7,091,047.00	22-0368 ARPANEIGHBORHOOD WIFI CARES RATIFICATION/ARPA ALLOCATION
Allocations Approved to-Date	3,595,000.00	22-0366 ARPA INFRASTRUCTURE PROGRAM
Allocations Approved to-Date	3,675,000.00	22-0367 ARPA CYBERSECURITY PROGRAM
Allocations Approved to-Date	16,000,000.00	22-0789 MMA INFRASTRUCTURE – STREETLIGHTS & PEDESTRIAN SAFETY
Allocations Approved to-Date	2,500,000.00	22-0789 MMA INFRASTRUCTURE – COBB & HIGHLAND HILLS PARKS
Allocations Approved to-Date	3,200,000.00	22-0789 TARRANT AREA FOOD BANK FACILITY
Allocations Approved to-Date	2,000,000.00	22-0789 POLICE AND FIRE COVID WORKER'S COMPENSATION CLAIMS
Allocations Approved to-Date	1,458,372.00	22-0789 POLICE COVID HEALTH EXPENDITURES
Allocations Approved to-Date	750,000.00	22-0789 VISIT FORT WORTH SPECIAL EVENT FUNDING
Allocations Approved to-Date	4,411,080.00	22-0789 UNITED WAY ONE SECOND COLLABORATIVE
Allocations Approved to-Date	8,000,000.00	22-0789 DEEPLY AFFORDABLE HOUSING INFRASTRUCTURE & DRAINAGE
Allocations Approved to-Date	1,500,000.00	22-0789 FORT WORTH ZOO ROAD REPAIR, EROSION CONTROL, BROADBAND
Allocations Approved to-Date	200,000.00	22-0789 TX WESLEYAN ON-CAMPUS PUBLIC UTILITY RELOCATION
Allocations Approved to-Date	1,925,000.00	22-0789 WILL ROGERS MC AIR HANDLER REPLACEMENT
Allocations Approved to-Date	5,950,000.00	22-0789 WILL ROGERS MC CONCOURSE, LOBBY AND RESTROOM UPDATES
Allocations Approved to-Date	2,000,000.00	23-0284 ARPA FWTC INNOVATION PARTNERSHIP
Allocations Approved to-Date	50,000.00	23-0518 WSTAMUS ILA
Previously Reclaimed Allocations	(4,216,902.00)	23-0609 ARPA////////////////////////////////_CENTRAL////////////////////////////////_MULTIMODAL////////////////////////////////_MOBILITY////////////////////////////////_HUB
Allocations Approved to-Date	\$100,000.00	23-0609 ARPA////////////////////////////////_CENTRAL////////////////////////////////_MULTIMODAL////////////////////////////////_MOBILITY////////////////////////////////_HUB
Allocations Approved to-Date	4,500,000.00	23-0925 RFP 22-0146 BROADBAND ENHANCEMENTS CH CITY
Allocations Approved to-Date	596,275.00	24-0180 WSTAMUS-MCO
Reclaimed	(5,207,162.96)	24-0459 13UPDATE AMERICAN RESCUE PLAN ALLOCATIONS

Allocations		
Allocations Approved to-Date	\$515,000.00	24-0458 2020INT IMPROV N. BEACH ST/WESTERN CENTER BLVD APPROPRIATION
Allocations Approved to-Date	2,020,500.00	24-0496 21MEADOWBROOK GOLF COURSE MAINTENANCE FACILITY
Allocations Approved to-Date	1,000,000.00	24-0567 20INTERMODAL PKWY CONSTRUCTION CONTRACT
Pending Allocations	2,307,939.00	20ARPA NON-REV TRANSPORTATION ALLOCATIONS
Pending Allocations	(1,288,733.00)	13ARPA COBB PARK RECLAIM AND IMPACT FEE ALLOCATIONS (This M&C)
Unallocated balance	\$3,107,141.54	

Forthcoming M&Cs will be presented to Council to request approval for the allocation of the remaining unallocated balances. ARPA projects are located Citywide.

FISCAL INFORMATION/CERTIFICATION:

The Director of Finance certifies that funds are available in the Grants Operating Federal Fund, and upon approval of the above recommendations, funds will be available in the current operating budget, as previously appropriated, of the Grants Operating Federal Fund's American Rescue Plan Act project. Prior to any expenditure being incurred, the participating department shall be responsible for ensuring funds are available and that only expenditures allowable under the American Rescue Plan Act are charged to the ARPA funding source.

TO

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
------	---------------	---------	------------	---------	----------	-------------	----------------------------	--------

FROM

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
------	---------------	---------	------------	---------	----------	-------------	----------------------------	--------

Submitted for City Manager's Office by: Reginald Zeno (8517)

Originating Department Head: Reginald Zeno (8517)

Additional Information Contact: Kate Perry (2234)

ATTACHMENTS

[13ARPA COBB PARK RECLAIM AND IMPACT FEE ALLOCATIONS funds availability.pdf](#) (CFW Internal)

[Form 1295 Certificate 101138847 JUSTINS PLACE.pdf](#) (CFW Internal)

[Form 1295 Certificate Palladium.pdf](#) (CFW Internal)