



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER _____

PAGE 1 OF 20

DATE: 02/21/2024

**SUBJECT: APPROVAL OF AN INTERLOCAL AGREEMENT BETWEEN
TARRANT COUNTY AND THE CITY OF FORT WORTH FOR
EMERGENCY RENTAL ASSISTANCE FUNDING TO SUPPORT
AFFORDABLE HOUSING DEVELOPMENT**

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court approve an Interlocal Agreement with the City of Fort Worth for \$4,000,000.00 in American Rescue Plan Act (ARPA) Emergency Rental Assistance 2 (ERA 2) funds to support two (2) affordable housing developments.

BACKGROUND

On December 27, 2020, the 2021 Consolidated Appropriations Act was enacted, awarding \$24,281,300.00 in Emergency Rental Assistance funds (ERA 1) to Tarrant County. On March 11, 2021, the ARPA was enacted, awarding an additional \$26,407,662.00 in ERA 2 funds for a total of \$50,688,962.00 of ERA funds awarded to Tarrant County.

On March 23, 2021, the Commissioners Court, through Court Order #135050, approved the Emergency Rental Assistance Program (ERAP) policy and guidelines, created by the Administrator's Office to provide rent and utility assistance to households negatively impacted by COVID-19.

On January 18, 2022, the Commissioners Court, through Court Order #137256, approved the voluntary reallocation of \$10 million in ERA 1 funds to the City of Fort Worth, and \$5 million in ERA 1 funds to the City of Arlington, as allowable by the U.S. Treasury. The approved reallocations enabled Fort Worth and Arlington to continue assisting residents through their programs and assisted Tarrant County in meeting the ERA 1 expenditure deadline set by the Treasury.

To ensure sufficient funds remained available to provide the maximum amount of assistance to households approved through the program, the County stopped accepting new applications on April 30, 2022. Over \$28,500,000.00 in ERA 1 and ERA 2 funds were expended through ERAP to assist 2,448 households with rent and/or utility assistance. The last payment of the program was made on or around the end of September 2023, leaving approximately \$4,250,000.00 of ERA 2 funds unspent.

The U.S. Treasury allows a grantee that has obligated over seventy-five percent (75%) of its ERA 2 funds to utilize remaining funds for affordable housing development in line with various federal housing programs. Tarrant County currently qualifies for this allowance. Additionally, the Treasury allows a grantee to reallocate or obligate ERA 2 funds to other eligible grantees to use within the same guidelines.

SUBMITTED BY:	Administrator's Office	PREPARED BY: APPROVED BY:	Kristen Camareno
---------------	------------------------	------------------------------	------------------



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER: _____ DATE: 02/21/2024 PAGE 2 OF 20

On May 2, 2023, Tarrant County issued an RFP for the development of affordable housing units. Several proposals were received, and staff asked the Commissioners Court to consider the reallocation of \$4,000,000.00 in ARPA ERA 2 funds to the City of Fort Worth to award to two (2) developments: \$500,000.00 to Westcare Texas, Inc., for Casa Mia and \$3,500,000.00 to the Renaissance Heights Foundation for Renaissance Heights Phase III.

On September 5, 2023, the Commissioners Court, through Court Order #141575, approved the voluntary reallocation of ERA2 funds to the City of Fort Worth to support the Casa Mia and Renaissance Heights Phase III projects. After Court approval, County staff, following ERA 2 guidance provided by the Treasury, submitted the reallocation request online. After some delay, staff received notice from the Treasury that they would no longer approve voluntary reallocation requests and the County must instead enter into a subrecipient relationship with the City of Fort Worth to award the \$4,000,000.00 in ERA 2 funds.

With approval of this agreement, the City of Fort Worth will become a subrecipient of Tarrant County's ERA 2 grant and will be awarded \$4,000,000.00 to support the Casa Mia and Renaissance Heights Phase III projects. County staff will work with the subrecipient to ensure all reporting requirements outlined within the ILA are satisfied.

The Criminal District Attorney's Office has reviewed and approved this ILA as to form.

FISCAL IMPACT

Funding in the amount of \$4,000,000.00 is available in account Grant 2004/H0101-2025/5440100000.