



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER _____

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DATE: 09/05/2023

**SUBJECT: APPROVAL TO REALLOCATE AMERICAN RESCUE PLAN ACT
EMERGENCY RENTAL ASSISTANCE 2 FUNDS TO THE CITY OF
FORT WORTH FOR AFFORDABLE HOUSING DEVELOPMENT
PROJECTS**

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court approve the voluntary reallocation of \$4,000,000.00 in American Rescue Plan Act (ARPA) Emergency Rental Assistance 2 (ERA 2) funds to the City of Fort Worth to be awarded to two (2) affordable housing development projects.

BACKGROUND

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

On March 23, 2021, the Commissioners Court, through Court Order #135050, approved the Emergency Rental Assistance Program (ERAP) Policy and Guidelines 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 Treasury. The approved reallocations enabled the Cities of 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 U.S. 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. To date, over \$28,500,000.00 in ERA 1 and ERA 2 funds have been expended through ERAP, assisting 2,448 households with rent and/or utilities. Staff anticipates the last payment of the program will be made on or around the end of September 2023, leaving approximately \$4,250,000.00 in 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, and Tarrant County currently qualifies for this allowance. Additionally, Treasury allows a grantee to reallocate ERA 2 funds to other eligible grantees to use within the same guidelines.

SUBMITTED BY:	Administrator's Office	PREPARED BY: APPROVED BY:	Kristen Camareno
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On May 2, 2023, Tarrant County issued a Request For Proposals (RFP) for the development of affordable housing units. Several proposals were received, and staff recommends the reallocation of \$4,000,000.00 in ARPA ERA 2 funds to the City of Fort Worth to be awarded 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. The City of Fort Worth is prepared to receive the reallocation of funds for this purpose and will seek approval from City Council should Commissioners Court take action to approve the requested reallocation.

Approval of this item will authorize the County Auditor to transfer \$4,000,000.00 in ARPA ERA 2 funds to the U.S. Treasury to be subsequently transferred to the City of Fort Worth and awarded as outlined herein.

FISCAL IMPACT

Approval of this item will reduce Tarrant County's ERA 2 award by \$4,000,000.00.