

# **Response to Recent Requirements for Federal Grants**

June 17, 2025

# Outline

- Changing federal **requirements** affecting federal grants
- **Federal grants** received by City of Fort Worth
- **Programs, people, and projects** impacted if federal funds are not received
- **Penalties** for not complying with federal requirements
- **Recommendations** to comply and to support small businesses
- Impact of using **City funds** to potentially replace federal funds
- Proposed **next steps**

# Changing Federal Requirements

- Recent U.S. Supreme Court cases, Executive Orders, and directives from federal agencies prohibit use of race, color, national origin, sex, religion, etc. as criteria for participation in programs and services.
- Federal grant recipients, including the City, will be required to certify they do not have such programs, even if using non-federal funds for the programs.

# Civil Rights

These federal grant requirements do not currently affect:

- City's Human Relations Ordinance
- ADA – Accessibility and Reasonable Accommodations
- Civil Rights Act – Unlawful Discrimination
- Fair Housing
- Fair Employment

# Federal Grants: Multi-Year Awards

MANAGING DEPARTMENT	NUMBER OF ACTIVE AWARDS	TOTAL AWARDED
Aviation	13	\$ 30,685,748
Development Services	2	74,270
Diversity & Inclusion	14	4,954,786
Environmental Services	6	4,233,753
Fire/Emergency Mgmt.	21	7,014,593
Library	1	103,298
Neighborhood Services	31	135,298,446
Park & Recreation	5	22,085,086
Police	17	6,503,063
Transportation & Public Works	29	66,158,356
<b>Grand Total</b>	<b>139</b>	<b>\$ 277,111,399</b>

# Federal Grants: Annual Awards and Positions

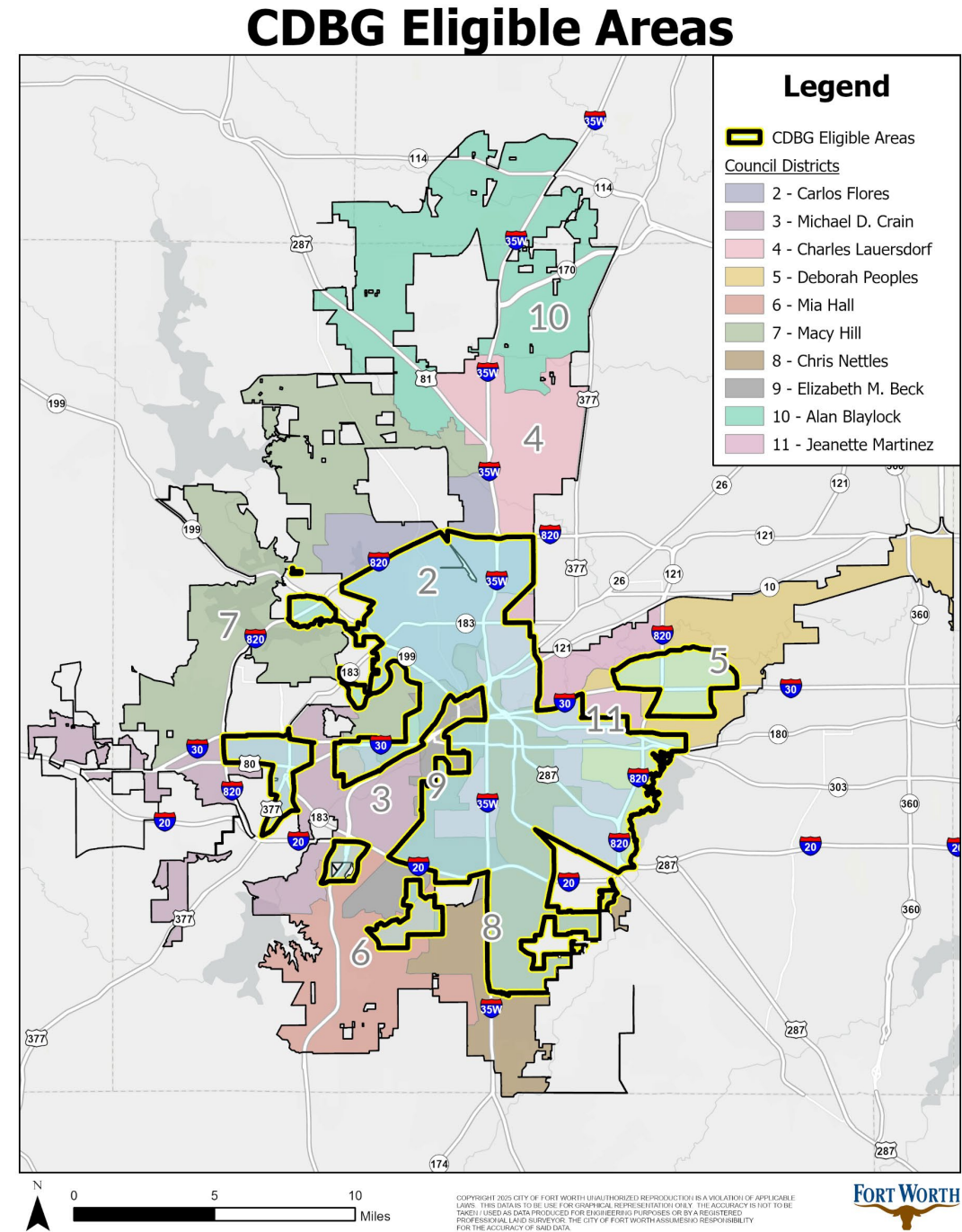
MANAGING DEPARTMENT	ANNUAL AWARDS	FUNDED POSITIONS
Diversity & Inclusion	\$ 526,802	5
Environmental Services	1,948,263	4
Fire/Emergency Mgmt.	927,967	8
Neighborhood Services	34,771,951	92
Police	2,457,752	11
<b>Grand Total</b>	<b>\$ 40,632,735</b>	<b>120</b>

# Neighborhood Services: Programs and People Served

PROJECT NAME	Program	Households/ Families Served Annually*	Individuals Served Annually*
Community Services Block Grant	Case Management Services: Rental Assistance, Education, etc.	5,346	14,702
Comprehensive Energy Assistance Program	Utility Payment Assistance	3,734	10,269
Low Income Energy Assistance Program	Utility Payment Assistance	1,100	3,025
Community Development Block Grant	Priority Repair Program	230	634
Community Development Block Grant	Cowtown Brush-Up	100	276
Community Development Block Grant	Rental Rehabilitation	200	552
Community Development Block Grant	Housing Counseling & Education	240	240
Community Development Block Grant	REACH/Project Ramp	65	65
Department of Energy Bipartisan Infrastructure Law Weatherization Assistance Program	Weatherization	137	378
Department of Energy Weatherization Assistance Program	Weatherization	40	110
Low Income Home Energy Assistance Program	Weatherization	40	110
Texas Association of Community Action Partners	Weatherization	148	408
Emergency Solutions Grant	Emergency Shelter	6,026	6,026
HOME Investment Partnership - ARPA	Multifamily Housing (Journey Homes and New Leaf)	144	397
HOME Investment Partnership	City of Fort Worth Homebuyer Assistance Program (HAP)	20	55
HOME Investment Partnership	Multifamily Housing (Babers Manor	80	220
HOME Investment Partnership	Multifamily Housing (Columbia Renaissance III)	100	276
HOME Investment Partnership	Community Housing Development Organization (Housing Channel – Mason Heights)	248	684
Housing Opportunities for Persons with AIDS Grant	Rental Assistance, Supportive Services, Short Term Rental Mortgage and Utility Assistance	291	800
Lead Hazard Reduction Program	Lead Abatement	169	466
United Community Center Bethlehem Center	PARD Evans Rosedale Plaza Improvement		
<b>TOTAL</b>		<b>18,458</b>	<b>39,693</b>

\*Many programs only track households served. In these cases, staff used a factor of 2.75 to calculate individuals.  
Some households and individuals may be receiving services from multiple grant programs and be counted more than once.

# Neighborhood Services: Programs Mostly Serve People in CDBG-Eligible Areas

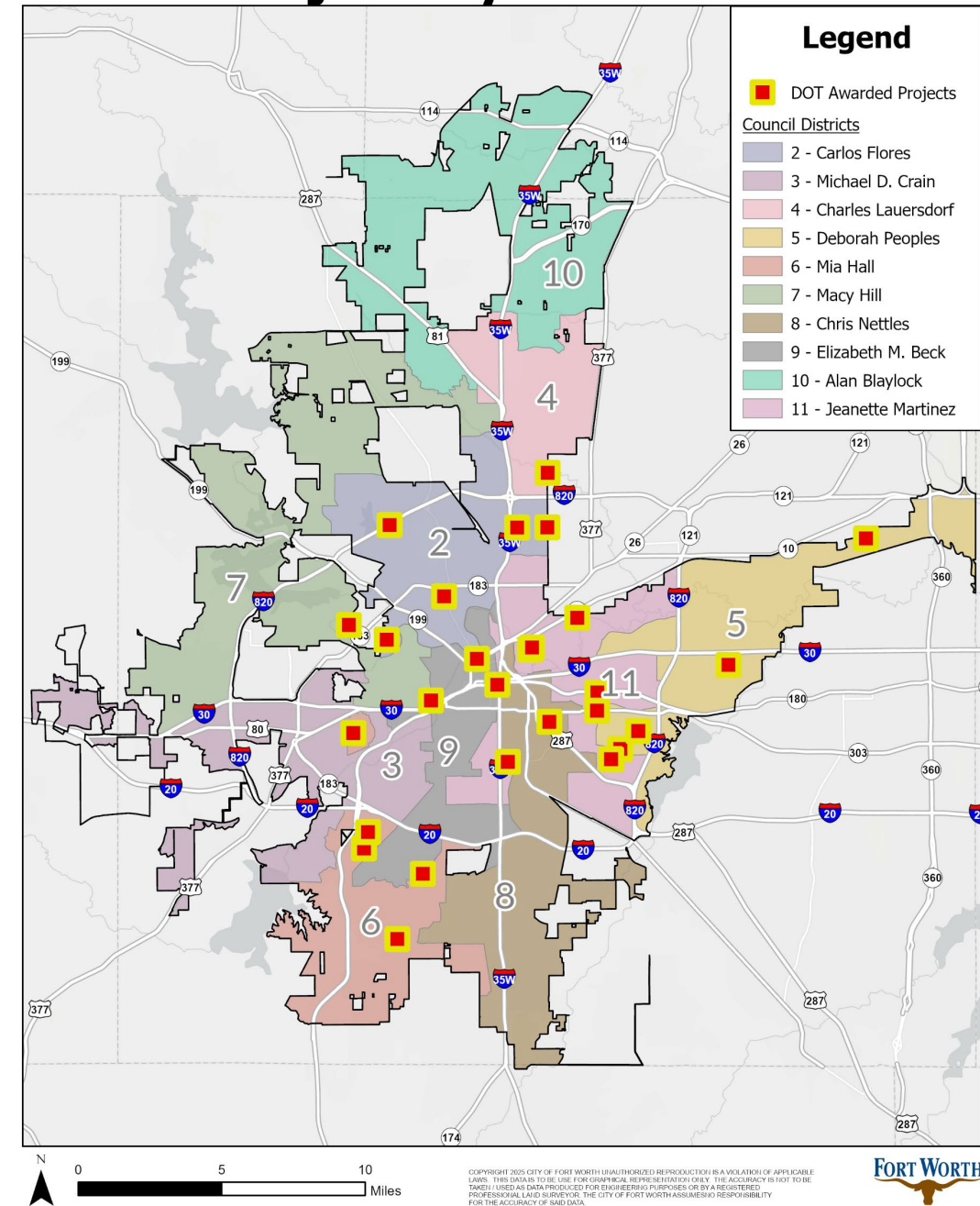




# Transportation Projects Funded

PROJECT NAME	FEDERAL AGENCY	AMOUNT
2018 Bond RR TRE at Haltom	DOT	\$ 891,053
2018 Bond RR TRE at Riverside	DOT	266,038
55FTW Gate 1 Turn Lane Design	DOT	476,000
A M Pate Safe Routes To School	DOT	1,043,908
A V Cato Safe Routes To School	DOT	1,570,248
Cooks Ln & Brentwood Stair	DOT	466,750
E 4th St & E 1st St Improvement	DOT	2,332,000
E Berry St at New York Ave	DOT	691,549
E Berry St at Village Creek	DOT	796,670
Heritage Park; BUS 287 to Weatherford	DOT	6,640,000
Horne Street Streetscape Project	DOT	8,439,816
McCart Ave & Altamesa Blvd.	DOT	723,205
Meacham and Sylvania	DOT	407,556
Meandering Road	DOT	20,284,009
Mitchell Blvd at S Beach St	DOT	395,445
N Beach St at Meacham Blvd	DOT	1,246,232
N Beach St. Corridor Signals	DOT	683,525
NW 25TH ST at Clinton Ave	DOT	648,129
NW Loop 820 & Marine Creek Pkwy	DOT	2,720,000
Oakland Miller Safe Streets	DOT	2,000,000
Ramey Ave at Stalcup Rd	DOT	335,125
Rosedale Corridor Mgt System	DOT	740,142
S Hulen St & Oakmont Intersection Imp	DOT	428,701
S Hulen St & S Drive W Intersection Imp	DOT	540,345
Safe Streets and Roads Action Plan	DOT	419,506
Trinity Blvd Corridor Signals	DOT	808,121
University Dr Trail-Rosedale	DOT	7,699,106
US DOT Smart Weatherization	DOT	2,000,000
W Risinger Rd at Garden Spring	DOT	465,177
		<b>\$ 66,158,356</b>

## DOT Projects by Council District



# Penalties for Noncompliance

- **Loss** of existing and future federal funds
- City employees subject to **individual civil and criminal liability**
  - False Claims Act
- **Treble damages** against the City

Example: \$40.6M x 3 = **\$121.8M**

# Recommendations

- City Council adopts **resolution to suspend** Council-approved programs providing a benefit based on race, ethnicity or gender:
  - ✓ Business Equity Ordinance
  - ✓ MWBE requirements in economic development incentive policies
  - ✓ Duties of Diversity & Inclusion Department prescribed in City Code addressing racial, ethnic, and gender disparities
  - ✓ Any other applicable Council-approved programs
- Staff administratively revises other programs as needed.

# Support for Small Business

- Staff to develop more robust **Small Business Development Program**
- **Continue** to use the following as allowed/required by law:
  - ✓ City's **Local Preference Ordinance** for purchasing with local funds
  - ✓ **Historically Underutilized Businesses** as required for purchasing with state funds or City funds greater than \$3,000
  - ✓ **Disadvantaged Business Enterprises** as required for purchasing with federal DOT and EPA funds

# What is the impact on the City's tax rate to replace federal funding?

DEPARTMENT	OPERATING	FUNDED POSITIONS
Diversity & Inclusion	\$ 526,802	5
Environmental Services	1,948,263	4
Fire/Emergency Mgmt.	927,967	8
Neighborhood Services	34,771,951	92
Police	2,457,752	11
<b>Grand Total</b>	<b>\$ 40,632,735</b>	<b>120</b>

	CAPITAL
Aviation	\$ 30,685,748
Development Services	74,270
Neighborhood Services	1,500,000
Park & Recreation	22,085,086
Transp. & Public Works	64,158,356
<b>Grand Total</b>	<b>\$118,503,460</b>

Department	Tax Rate
Diversity & Inclusion	\$ 0.0004
Environmental Services	\$ 0.0016
Fire/Emergency Mgmt.	\$ 0.0008
Neighborhood Services	\$ 0.0291
Police	\$ 0.0021
<b>Total O&amp;M (Operations) Tax Rate</b>	<b>\$ 0.0340</b>

Aviation	\$ 0.0257
Development Services	\$ 0.0001
Neighborhood Services	\$ 0.0013
Park & Recreation	\$ 0.0185
Transp. & Public Works	\$ 0.0537
<b>Total I&amp;S (Debt) Tax Rate</b>	<b>\$ 0.0993</b>

<b>Total Tax Rate Impact</b>	<b>\$ 0.1333</b>
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$$\text{\$0.6725} + \text{\$0.1333} = \text{\$0.8058}$$

**19.8%** increase in City tax rate

# Homeowner Tax Bill Impact Example

Total Impact		
Tax Rate to Absorb Grants	\$	0.1333
Taxable Value	\$	240,000
<b>Tax Bill Increase</b>	<b>\$</b>	<b>319.95</b>

**19.8%** increase in City tax rate

- Single family homestead appraised at \$300,000
- 20% local homestead exemption
- \$240,000 taxable value

## Next Step

June 24

**Resolution to suspend** pertinent ordinances and programs as of July 1