



To the Mayor and Members of the City Council

September 20, 2022

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**SUBJECT: AMERICAN RESCUE PLAN ACT ALLOCATION
RECOMMENDATIONS**

The purpose of this Informal Report is to provide background on available American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) and summarize projects recommended for City Council approval. The background for the submission process and recommended projects for ARPA allocations were outlined in a Council Work Session presentation on August 2, 2022.

The City of Fort Worth received a total ARPA SLFRF allocation of \$173,745,090, consisting of \$86,874,408 to be spent in the areas of Public Health and Negative Economic Impacts (Non-Revenue Recovery), and \$86,870,682 to assist the City with the provision of governmental services (Revenue Recovery). On June 21, 2021, Mayor & Council Communication (M&C) 21-0445 adopted a framework of the City's priorities for ARPA funding. To-date City Council has approved projects totaling \$120,366,580.

The following list incorporates ARPA funding recommendations by the City Administration that have not yet been approved by City Council:

| Category | Focus Area | Amount | Description |
|----------------------|--|---------------------|---|
| Non-Revenue Recovery | Negative Economic Impact: Assistance to Households | \$16,000,000 | TPW MMA Infrastructure projects Streetlights & Pedestrian Safety |
| Non-Revenue Recovery | Negative Economic Impact: Assistance to Households | 2,500,000 | PARD MMA Infrastructure projects Cobb and Highland Hills Parks |
| Revenue Recovery | Provision of Government Services | 1,500,000 | PARD MMA Infrastructure projects Fort Worth Zoo |
| Revenue Recovery | Provision of Government Services | 200,000 | Texas Wesleyan University on-campus public utility relocation |
| Total | | \$20,200,000 | |

In addition, \$5,000,000 has been set aside from Revenue Recovery ARPA funds for a Texas A&M University project yet to be determined. Approval of these projects would leave available ARPA funding in the amounts of \$20,137,838 in the Non-Revenue Recovery category, and \$8,040,682 in the Revenue Recovery Category

The Administration initiated an RFP process to solicit proposals for additional projects. After an internal review of submissions, the following recommendations are proposed for ARPA funding within the Revenue Recovery category:

| Project Name | Amount | Project Lead | Description |
|-------------------------------|--------------------|---------------|---|
| Will Rogers MC – Air Handlers | \$5,950,000 | Public Events | Replace facility air handlers 20+ years past life |
| Will Rogers MC – Renovation | 1,925,000 | Public Events | Update concourse and restrooms, ensure Americans with Disability Act compliance |
| Remaining Funds | 165,682 | | Held in Contingency |
| Total | \$8,040,682 | | |


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The following recommendations are proposed from the Non-Revenue Recovery category:

| Project Name | Amount | Project Lead | Description |
|-------------------------------------|---------------------|-----------------------|---|
| Deeply Affordable Housing* | \$8,000,000 | Neighborhood Services | Infrastructure for Tobias Place 288 new units (53 deeply affordable) |
| Tarrant Area Food Bank | 3,200,000 | Economic Development | Purchase of 80,000 sf facility to double the Food Bank's capacity |
| Public Safety Worker's Comp | 2,000,000 | Human Resources | COVID claims for Police and Fire |
| Police Health Expenditures | 1,458,372 | Human Resources | Health claims for COVID treatment |
| Visit Fort Worth | 750,000 | Public Events | Additional funding for special events |
| United Way One Second Collaborative | 4,411,080 | Police | Gun violence prevention |
| Remaining Funds | 318,376 | | Held in Contingency |
| Total | \$20,137,828 | | |

*Note: The Deeply Affordable Housing project proposes utilizing City ARPA funds for a necessary drainage project for a housing development expected to produce 53 new deeply affordable housing units plus 235 additional affordable units. Staff will be bringing forward an M&C on that project in early 2023 once a determination is made of the financing structure for the project. Two alternatives are being explored simultaneously - (i) 4% low-income housing tax credits coupled with private activity bonds and (ii) a HUD-insured multifamily loan. Although the loan structure provides the City with lower risk by delaying the contribution of ARPA funds until after financial closing, the loan process can sometimes drag out. If the HUD loan does not seem on track to close within the year by January/February 2023, then the bond/tax credits structure will be utilized. If that route is chosen, then financial closing on the project would be targeted as early as June/July 2023, and the ARPA funds would be expended in the four to six-month window preceding financial closing. An additional funding request in the amount of \$2,000,000 from Tarrant County to fully fund the project is outstanding, and a decision is expected by March, 2023.

An M&C will be included on the September 27th City Council agenda for approval of recommended ARPA allocations.

If you have any questions or concerns related to these proposals, please contact Reginald Zeno, Chief Financial Officer, at 817-392-8987.

David Cooke
City Manager