

**To the Mayor and Members of the City Council****August 21, 2012**

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SUBJECT: PROPOSED FUNDING FOR TARRANT COUNTY HOUSING PARTNERSHIP TO PROVIDE HOUSING COUNSELING

In 2010, the City of Fort Worth adopted the Consolidated Plan which outlines how the City will spend federal grant funds received from the U.S. Department of Housing and Urban Development. The adopted Plan states that the City will use federal grant funds to increase homeownership through housing counseling and that the city will assist 300 new homebuyers from 2010-2013.

On August 17, 2010, the City Council approved the City of Fort Worth's Action Plan (M&C C-24401) which provided \$133,092.00 of Community Development Block Grant (CDBG) Funds for the City's Housing Counseling and Foreclosure Prevention program. Because of CDBG grant reductions which resulted in a decrease in the amount of funds that could be spent on administrative costs, on November 9, 2010, the city eliminated its Housing Counseling and Foreclosure Prevention program and outsourced the program and the CDBG funds to the Tarrant County Housing Partnership (TCHP). TCHP provides the service to low-moderate income residents.

In order to fund this program in 2011-2012, TCHP competed for CDBG funds with other public service agencies and was awarded \$133,092.00. In 2012, TCHP again competed for CDBG funds, however because of reduced CDBG funding, TCHP was not awarded CDBG funds.

Therefore, since the City's Consolidated Plan provides that the city would assist 300 new homebuyers with housing counseling, staff recommends providing \$97,608 to TCHP in order that they can continue the program in 2012-2013. Staff proposes to bring an M&C forward on September 11, 2012, recommending the funding with non-federal Housing Trust Fund dollars. Currently there is \$1,351,816.23 available in non-federal HTF funds that are typically used to fund the development of affordable housing units.

If you have any questions, please call Jay Chapa, Director of Housing and Economic Development Department at 817-392-5804.

**Tom Higgins
City Manager**