



MEMORANDUM

To: Mayor and City Council

From: Traci E. Leach, Deputy City Manager

Date: January 14, 2025

Reference: Consider approval or other action of a First Amendment to a Grant Agreement between the City of Coppell and Metrocrest Services for the provision of Enhanced Homeless Outreach Services, as provided in the American Rescue Plan Act (ARPA) Fund; and authorizing the City Manager to sign any necessary documents.

2040: Enhance the Unique 'Community Oasis' Experience

Introduction:

This item is presented for City Council consideration to amend the existing ARPA Agreement with Metrocrest Services to include enhanced homeless outreach services for the City of Coppell. The First Amendment provides additional services for Coppell to better utilize the existing American Rescue Plan Act (ARPA) funding allocated to Metrocrest Services. It is not a request to add funding.

Background:

On November 9, 2022, the City Council approved a Grant Agreement with Metrocrest Services as part of the City's strategy to utilize funding allocated from the American Rescue Plan Act (ARPA). The initial term of the agreement began in FY23 and expires on September 30, 2025. The total amount allocated for the scope of services was \$375,000, scheduled to be paid via three equal payments over fiscal years 2023, 2024, and 2025. The scope of services included in the original Agreement were Housing Stability and Financial Capability Program, Homeless Response, and Workforce Development.

Through the first two years of the Agreement, Metrocrest has used \$122,604 of the \$250,000 allocated and still has a third installment of \$125,000 due that has not yet been distributed. This is due to lower-than-expected utilization of eligible services by Coppell residents, which is positive in that there are fewer individuals and families that need assistance. The City's desire is for the ARPA funds to be used for the benefit of Coppell residents. Unfortunately, the rate of utilization for the existing scope of services is not sufficient to expend the funds allocated by the end of the Agreement, which is currently September 30, 2025.

The City has been engaged with the Metrocrest team to discuss additional services that can benefit the community and meet with qualifications of both ARPA and Metrocrest. The proposed First Amendment will include the following:

- **Enhanced Homeless Outreach Services:** The current ARPA Agreement includes homeless services. However, it is focused on diversion only, which includes services such as bus tickets, transportation to a substance abuse facility, bridge lodging, plus tasks such as acquiring documents to help homeless individuals obtain jobs and housing. The Enhanced Services will now include 2 years of dedicated training and education for staff and our community. It will also expand the support and coordination effort between Metrocrest Services and the City to include 2-3 site visits per week to Coppell and monthly coordination meetings with City staff and the Metrocrest Homeless Outreach team.
- **Salary Reimbursement for Direct Costs:** Up to this point, the City was reimbursing Metrocrest for only the indirect costs associated with the services provided under the Agreement. This is capped at 10% of expenditures and covers the overhead costs such as utilities, facilities, and back of house support services like IT and HR. The First Amendment will allow for the pro-rated reimbursement of direct staff costs associated with the provision of services to Coppell residents. Direct cost reimbursement is an allowable expenditure of ARPA funds.
- **Extend the Term:** The expiration date for the Agreement will be extended to December 31, 2026, which is the last day in which ARPA funds can be expended.

Benefit to the Community:

The scope of services included in the First Amendment will benefit the community by providing better support for City staff to coordinate with Metrocrest to help serve our unhoused persons. The First Amendment will more effectively and appropriately use the ARPA funds allocated to Metrocrest Services.

Legal Review:

The City Attorney has reviewed the agreement.

Fiscal Impact:

No additional funds are required to fulfill the scope of work outlined in the First Amendment.

Recommendation:

Staff recommends approval of this item.