

## **MEMORANDUM**

**TO:** Claire Powell, City Manager

**FROM:** Chris McGinn, Director of Neighborhood & Inspection Services

**DATE:** February 2, 2026

**SUBJECT:** **Approval of a Resolution of the City Council of the City of Lewisville, Texas, Authorizing an Agreement to Disburse Grant Funding To United Way Of Denton County Inc., a Budgeted Subrecipient Receiving Portions of the City of Lewisville's U.S. Department of Housing and Urban Development Community Development Block Grant Funding for FY 2023-2024, to Replace Two of the Main Office's Heating Ventilation and Cooling Systems; Authorizing the City Manager, or Her Designee, To Execute Said Agreement; and Providing an Effective Date.**

### **BACKGROUND**

In the FY 2023-2024 Annual Action Plan for the allocation of Community Development Block Grant (CDBG) funds, public infrastructure funding was allocated to the design and engineering of the second phase of the Serve Lewisville facility. Not all of the CDBG funds allocated to the Serve Lewisville project were spent before the Serve Lewisville closure in June 2025. The remaining CDBG funds for the project were required to be reallocated to another eligible project.

In Spring 2025, the City issued a competitive application for public infrastructure projects to utilize the FY 2023-2024 and 2024-2025 CDBG funds needing to be reallocated, and the incoming FY 2025-2026 CDBG funds. United Way of Denton County applied for funding to replace two primary heating ventilation and air conditioning (HVAC) systems at United Way of Denton County's main facility. United Way of Denton County was selected to receive reallocated FY 2023-2024 CDBG public infrastructure funds for the project. The CDBG Advisory Committee reviews and provides recommended budgets for City Council approval. On August 4, 2025, City Council approved an amendment to the 2023-2024 Annual Action Plan to account for the reallocation of funds.

### **ANALYSIS**

The current HVAC units at the United Way of Denton County facility are outdated and inefficient, leading to high energy consumption and elevated utility costs. The replacement of the two HVAC systems will reduce the carbon footprint, lower operational expenses, and ensure a comfortable environment for staff and clients served at the facility. The replacement of the units is expected to achieve a minimum 20% reduction in energy consumption within the first year. Utility cost savings will be redirected towards enhancing services provided to clients.

United Way of Denton County serves as a backbone support entity to social service providers in Denton County, operating three Leadership Teams and 15 workgroups that promote regional, cross-sector collaboration to reduce and remove barriers faced by Denton County residents. This structure has resulted in a shared data system and opportunities for collaboration for nonprofit organizations throughout the county, including those based in Lewisville, as well as school districts, hospitals, and governmental entities. The United Way of Denton County location houses meetings of the Leadership Teams and workgroups, and the two internal direct service programs offered through United Way of Denton County, Volunteer Income Tax Assistance (VITA) and Information & Referral. The location also receives walk-in referral services to residents from throughout Denton County, and houses staff, training, and serves as one of the site locations for the VITA program. Additionally, United Way of Denton County provides funding to direct service agencies that provide services to Lewisville residents, including agencies that are based in Lewisville.

#### **CITY STAFF'S RECOMMENDATION**

That the City Council approve the resolution as set forth in the caption above.