

FY 2019 Housing and Urban Development Entitlement Grants Budget

**City Council Agenda Item #6
(18-4308)**

August 2, 2018



**CITY OF SAN ANTONIO
NEIGHBORHOOD & HOUSING
SERVICES DEPARTMENT**

**Verónica R. Soto, AICP
Director**

Council Action Request

Adoption of FY 2019 HUD Annual Action Plan Budget totaling \$21.1 million:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)
- HEARTH Emergency Solutions Grant (HESG)
- Begins October 1, 2018 to September 30, 2019



FY 2016-2020 Consolidated Plan Five Year Priorities

Priority 1: Provide Decent Safe Affordable Housing

Rehabilitate existing housing stock

Create new affordable single-family housing

Provide homebuyer assistance

Develop new affordable rental housing

Further Fair Housing Opportunities

Priority 2: Neighborhood Revitalization Efforts

Create mixed-income neighborhoods

Improve neighborhood connectivity

Improve public improvements

Eliminate environmental hazards and blight

Priority 3: Provide for Special Populations

Housing and Services for persons with HIV/AIDS

Priority 4: Housing and support services for homeless

Prevent at risk-persons from becoming homeless

Services and housing for homeless

Priority 5: Provide Economic Development

Provide Financial Literacy Training



Annual Entitlement Award Year-Over-Year Budget

Grant	FY 2018 (in Millions)	FY 2019 (in Millions)	Variance (in Millions)
CDBG	\$11.6	\$12.74	\$1.14
HOME	3.9	5.49	1.59
HESG	1.03	1.04	0.01
HOPWA	1.42	1.61	0.19
Total	\$17.95	\$20.88	\$2.9

Federal Fiscal Year Appropriations Bill

- President's Fiscal Year 2018 budget proposed to zero out CDBG and HOME funding, however Congress allocated additional funding (Funding for use in City's FY 2019 budget)
- For Federal FY 2019, the President's budget proposes to eliminate CDBG and HOME funding potentially impacting the City's FY 2020 Budget, resulting in more general fund pressure



Annual Year-Over-Year Budget Including Program Income

Grant	FY 2018 (in Millions)	FY 2019 (in Millions)	Variance (in Millions)
CDBG	\$12.17	\$12.99	\$0.82
HOME	4.90	5.49	0.59
HESG	1.03	1.04	0.01
HOPWA	1.42	1.61	0.19
Total	\$19.52	\$21.13	\$1.61



CDBG Budget - \$12.99 Million

Priority 1 - Affordable Housing (\$8.7 million)

- **Housing Delivery**
 - \$632,000
- **Fair Housing Program**
 - \$246,600
 - 325 Persons Assisted
- **Green & Healthy Homes Match**
 - \$350,000
 - 60 Housing Units
- **Support Affordable Housing Development**
 - \$5,000,000
 - 75 Housing Units

Priority 1 – Continued

- **Single-Family Rehabilitation**
 - \$3,031,889
 - 34 Housing Units
- **Minor Repair Activities**
 - \$150,000
 - 6 Housing Units

Priority 2 – Neighborhood Revitalization (\$937,749)

- **Code Enforcement Activities**
 - \$187,749
 - 1500 Housing Units

Priority 3 – Special Needs Populations (\$772,422)

- **Public Service Activities**
 - \$500,000
- **Parks & Recreation Activities**
 - \$272,422
 - 21,880 Persons Assisted

Priority 5 – Economic Development (\$200,000)

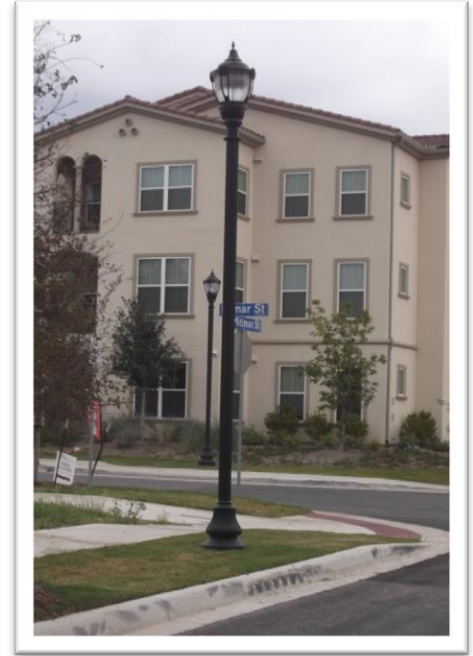
- **Financial Education Program**
 - \$200,000
 - 400 Persons Assisted

Other

- **Administration and Direct Services**
 - \$2.42 million
 - Funds 37 positions in two departments: NHSD & CAO

FY 2019 CDBG Additional Funding Capacity Increase- \$8.7 Million

- Additional FY 2019 Entitlement Funding: \$1.1M
- Eastpoint Neighborhood Improvement Commitment Complete: \$2.5M
- HUD 108 Loan Refinancing: \$4.8M
- FY 2018 One-Time Public Facility Improvement: \$304,500
- Allows to fund more owner occupied rehab and affordable housing gap financing



HUD 108 Loan Refinancing

- HUD 108 Original Loan Amount: \$57 million
- Loan Execution Date: June 2006
- Term: 20 Years, Twelve years paid, eight years remain
- Current annual loan payment amount is \$4.8M of City's annual CDBG entitlement which represents 40% of entitlement
- In Fall 2017, City's CFO recommended refinancing loan within the debt plan
- Refinancing with property tax supported debt will allow the City to use an additional \$4.8M in entitlement funds for affordable housing development
- Refinancing results in net present value interest cost savings of approximately \$2.8M



Single Family Rehabilitation/Reconstruction

1113 Jennings

BEFORE

AFTER



HOME Budget - \$5.49 Million

Priority 1 - Affordable Housing (\$5 million)

- **Single-Family Rehabilitation/Reconstruction**
 - \$1,500,000
 - 18 Housing Units
- **Rental Housing Development**
 - \$1,250,000
 - 10 Housing Units
- **Homeownership Housing Development**
 - \$1,250,000
 - 25 Housing Units

Priority 1 - Affordable Housing (Continued)

- **Homebuyer Incentive Program**
 - \$926,736
 - 97 Housing Units
- **CHDO Operating Expense Funding**
 - \$75,000
 - 2 CHDOs

Other

- **Administration** - \$489,891



FY 2019 Allocations for Owner Occupied Rehabilitation/ Reconstruction

Activity	Fund	Allocation
Single-Family Rehabilitation/ Reconstruction Program	HOME	\$1,500,000
Single-Family Rehabilitation Program	CDBG	\$3,031,889
TOTAL		\$4,531,889
FY 2019 Budget Request for Single-Family Rehabilitation/ Reconstruction Program (Subject to City Council Approval)	General Fund	\$2,000,000
TOTAL		\$6,531,889*

*\$6.5 Million is all new funding. There are no homeowners selected for this new money at this time.



HOPWA Budget - \$1.61 Million

Priority 3 – Special Needs Populations (\$1.59 million)

- **Tenant-Based Rental Assistance**
 - \$481,882
- **Transportation**
 - \$257,004
- **Transitional Housing**
 - \$240,941
- **Housing Information Assistance**
 - \$337,317
- **Food and Nutrition**
 - \$144,564
- **Case Management**
 - \$96,376

Other

- **Administration** - \$48,188



HESG Budget - \$1.04 Million

Priority 4 – Housing Services for Homeless Populations (\$992,552)

- **Emergency Shelter**
 - \$511,948
- **Homeless Prevention**
 - \$282,094
- **Rapid Re-Housing**
 - \$198,510

Other

- **Administration** - \$52,240



Program Delivery, Compliance & Monitoring Budgets Authorize 47 Positions Totaling \$3.6M

Department	FY 2018 Positions	FY 2019 Positions
Neighborhood and Housing Services Program Delivery, Compliance & Monitoring	32	35
City Attorney's Office Legal Services/ Contracts	2	2
Human Services Fair Housing and Financial Education	7	7
Development Services Code Compliance	3	3



HUD FY 2019 Action Plan/Budget Development Timeline

Key dates include the following:

- **May 16, 2018** – Comprehensive Plan Committee Policy Funding Strategy
- **May 20, 2018** – Initiation of Public Comment Period
- **June 13, 2018** – First Public Hearing
- **June 20, 2018** – Comprehensive Plan Committee Funding Strategy Update
- **July 11, 2018** – Second Public Hearing
- **August 1, 2018** – Third Public Hearing
- **August 2, 2018** – City Council Consideration of Budget Adoption
- **August 15, 2018** – FY 2019 Action Plan & Budget due to HUD



Public Input

- **Over 1,300 Written Comments Submitted**
 - Recommend Increased Funding for Homeownership Development and Single Family Rehabilitation/ Reconstruction
- **Approximately 1,500 Create Your Own Budget Exercises Completed**
 - Recommended Increased Funding for Rental Housing Development, Homeownership Housing Development and CHDO Operating Expense Funding



Have a say in how the City of San Antonio allocates Community Development Block Grant & Home Investment Partnerships Program funds!

Take this quick survey today and learn how to create your own budget!

deadline for public comments is August 1, 2018

Para los programas de subvenciones para el desarrollo de las comunidades.

¡Toma esta corta encuesta hoy y aprenda a cómo crear su propio presupuesto!

Fecha límite para tus comentarios / sugerencias 1 de agosto del 2018

COMMUNITY

Call (210) 207-6600 or visit sanantonio.gov/actionspeak

CITY OF SAN ANTONIO
HOUSING/COMMUNITY & BUSINESS
SERVICES DEPARTMENT



Recommendation

Staff recommends the adoption of FY 2019 HUD federal grants totaling \$21.1 million and authorizing 47 grant funded positions:

- Community Development Block Grant (CDBG) \$12.99M
- HOME Investment Partnerships Program (HOME) \$5.4M
- Housing Opportunities for Persons with AIDS (HOPWA) \$1.6M
- HEARTH Emergency Solutions Grant (HESG) \$1.04M

