



# City of San Antonio

## Agenda Memorandum

**File Number:** 15-4141

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**Agenda Item Number:** 24.

**Agenda Date:** 8/6/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Department of Planning and Community Development

**DEPARTMENT HEAD:** John M. Dugan

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

Adoption of the FY 2016-2020 Consolidated Plan and FY 2016 Action Plan

### **SUMMARY:**

An Ordinance adopting the FY 2016-2020 Consolidated Plan and FY 2016 Action Plan including the 41st year Community Development Block Grant (CDBG) Budget in the total amount of \$11,852,129; the 24th year HOME Investment Partnerships Program Entitlement Grant (HOME) Budget in the total amount of \$4,384,916; the Housing Opportunities for Persons with AIDS Entitlement Grant (HOPWA) Budget in the total amount of \$1,216,888; and the Emergency Solutions Grant (ESG) Budget in the total amount of \$1,025,839 which begins October 1, 2015; authorizing the allocation of program income in the amount of \$220,000 in CDBG funds and \$780,000 in HOME funds; authorize a personnel complement of 43 positions; appropriating funding; authorizing the submission of the grants to the U.S. Department of Housing and Urban Development (HUD) for the Fiscal Year 2016-2020 Consolidated Plan and FY 2016 Annual Action Plan/Budget, certification and other information as required by the U.S. Department of Housing and Urban Development; and approving the FY 2016/ FY 2017 REnewSA target areas, Avenida Guadalupe, Edgewood, Five Points, Harlandale, Las Palmas, South San/ Kindred, and Wheatley.

### **BACKGROUND INFORMATION:**

The City of San Antonio receives four federal entitlement grants awarded through the Department of Housing and Urban Development. These four grants include CDBG, HOME, ESG and HOPWA. The City has estimates an \$89.8 million in total grant funding with \$52.4 million (58%) in federal resources anticipated to be available for programs through the four formula grants over the next five years. As for the remaining \$37.4 million, \$23.9

million (27%) will be utilized for repayment of the HUD 108 Loan, and \$13.5 million (15%) for administration.

In order to determine the most pressing needs and develop effective, place-based market-driven strategies to meet needs, HUD requires the development of a FY 2016-2020 Consolidated Plan (“Consolidated Plan”). In developing the Consolidated Plan, the City gathered information through a number of methods, including a facilitated engagement session with 42 local stakeholders, four public meetings, a community survey, which received over 1,650 responses, and a review of available census and HUD data. This process formed the basis of the strategic plan element of the Consolidated Plan. Annually, the City coordinates an Action Plan process to identify and implement community development and affordable housing activities to advance the goals of the Consolidated Plan. The City is completing both processes concurrently.

On May 19, 2015, the Quality of Life Council Sub-committee voted to forward to the full City Council the proposed FY 2016-2020 Consolidated Plan and FY 2016 Action Plan. Subsequently, On June 17, 2015 and August 5, 2015, two required public hearings were conducted to obtain public comment on the Consolidated Plan and FY 2016 Action Plan.

## **ISSUE:**

The Department of Planning and Community Development established an interdepartmental Steering Committee to assist in reviewing community needs, identify other City resources, and set initial funding priorities based on results of the community engagement process. The priorities of the Strategic Plan are as follows:

### **Priority 1: Provide Decent Safe Affordable Housing**

The City shall utilize HUD funds to address a host of affordable housing issues. The goals are:

- A. Rehabilitate existing housing stock to preserve neighborhoods by addressing aging, low performing, and substandard housing
- B. Build new affordable single family housing to re-establish strong communities
- C. Provide homebuyer assistance to make homes affordable and sustainable
- D. Develop new affordable rental housing to expand the amount of available affordable rental housing
- E. Further fair housing opportunities

### **Priority 2: Provide Neighborhood Revitalization Efforts**

Neighborhood revitalization at its fundamental core transforms lower income neighborhoods into sustainable communities with mixed-income housing, safe streets, and economic opportunity. The goals of this priority are:

- A. Integrate housing, land use, transit, safety to create mixed use, mixed income neighborhoods
- B. Improve neighborhood connectivity between jobs, housing, and commercial areas
- C. Improve public infrastructure including streets, streetscapes, sidewalks, drainage, and utilities
- D. Eliminate environmental hazards and conditions of blight

### **Priority 3: Provide for Special Needs Populations and Youth**

The City will utilize HOPWA funds to provide rental assistance, counseling, healthcare, life skills, short-term housing, supportive services and transportation services to clients. The City will also provide case management, financial assistance and support services. In addition, the City shall utilize CDBG funds to provide youth summer and extended community center access for thousands of youth in our low income communities. The goal is:

- A. Provide housing and services for persons with HIV/AIDS
- B. Provide affordable child care, including summer and after school programs

#### **Priority 4: Provide Housing and Supportive Services for the Homeless Population**

Emergency shelter funds are used to provide essential services and operations in emergency shelters. The services provided will improve housing stability; reduce barriers to finding safe affordable, and positively impact client's ability to remain in stable housing. The goals are:

- A. Provide Services & Housing for the Homeless
- B. Provide Services to Prevent at Risk-Persons from becoming Homeless

#### **Priority 5: Provide Economic Development**

Financial literacy for low-income families is about education with respect to reducing overall household cost in relation to household income. For basic needs, the impact of financial decisions made today directly impact the future ability to manage debt and save money. The goal is:

- A. Provide financial literacy training

#### *FY 2016 Action Plan*

The City has a total of \$18,479,722 in available funds for the FY 2016 Action Plan. The following table provides a summary of the proposed FY 2016 budget across the four grant programs.

Community Development Block Grant	\$11,852,129
Home Investment Partnership Grant	4,384,916
Emergency Solutions Grant	1,025,839
Housing Opportunities for Persons w/ AIDS	1,216,888

The approach for developing the proposed FY 2016 Action Plan and Budget involved convening workgroups with City subject matter experts to identify the proposed projects. Furthermore, staff proposes administrative improvements to ensure efficient delivery of the proposed FY 2016 programs. The administrative budget across the four grants is \$2,324,842 (12.5%) and provides for grant administration while ensuring resources remain available to manage the performance of community development programs.

#### Community Development Block Grant (CDBG)

##### **Minor Repair Projects** **\$250,000**

CDBG funds will leverage the remaining Lead Hazard Reduction Demonstration Grant (LHRD) funds to assist low to moderate income families address health and environmental safety issues across San Antonio. Specifically, CDBG funds will be utilized for minor repairs which are not eligible through LHRD grants. CDBG funding will allow the Green and Healthy Homes Initiative to complete homes that would not otherwise be able to be served with the LHRD funds alone. The anticipated number of units assisted is 39.

##### **Rehabilitation Delivery** **\$504,000**

CDBG funds will be utilized to support the delivery of the City's Green and Healthy Homes Initiative and to support other rehabilitation program efforts. The anticipated number of units assisted is 75.

##### **Fair Housing Activities** **\$192,784**

The City's Fair Housing Program will continue to advocate for and promote equal treatment of all residents of the community under the Federal Fair Housing Act. The City's program is part of the Family Assistance Division of the Department of Human Services and will promote activities on asset retention by addressing unique problems of predatory lending practices by unscrupulous lenders. The program will provide information and education, especially for the disabled and elderly community, through outreach presentations and classes. The program will also continue to assist in natural disaster situations by providing housing placement referrals for displaced families in an effort to avoid housing discrimination. At an individual level, Fair Housing staff will provide predatory lending counseling. An estimated 90% of the services provided by the program will benefit low to moderate income citizens in San Antonio neighborhoods with the least access or recourse to

professional housing counseling services. The anticipated number of Fair Housing complaints mediated is 225.

**Commercial Façade Project** **\$269,829**

CDBG funds will support facade improvement initiatives to reverse the deterioration of commercial structures in targeted areas and stimulate new, private investment and economic growth. The City's Operation Facelift Program will provide funding for exterior improvements to commercial buildings in accordance with the City's REnewSA initiative. The anticipated number of businesses assisted is 12.

**Catalytic Re-investment Project** **\$1,200,000**

CDBG funds will be utilized for public improvements to promote connectivity between residents, commercial corridors, and neighborhood facilities, in an effort to transform lower income neighborhoods into sustainable communities through the City's REnewSA initiative.

**EastPoint Neighborhood Infrastructure** **\$1,700,000**

CDBG funds will be utilized for public improvements to EastPoint (previously known as the Eastside Choice Neighborhood Transformation or Wheatley Choice Neighborhood). The City has committed approximately \$19.4 million in various City resources over a four year period to leverage other investments for the area including \$30 million in HUD Choice grants funds.

**Brownfield Abatement Project** **\$100,000**

The City is leveraging funds allocated through a local Brownfield initiative to provide incentives for the redevelopment of sites abandoned or underutilized due to contamination caused by hazardous substances. Program funds may be used to rehabilitate existing building contaminated with hazardous substances, or to clear existing structures. The program may also be applicable for contaminated sites that have no existing structures. The anticipated number of abatements is 2.

**Code Compliance** **\$189,749**

CDBG funds will be utilized to support three full-time staff providing proactive efforts, education, and abatement of public nuisances (e.g., overgrown lots and unsecure vacant structures) in the targeted neighborhoods.

**Financial Education** **\$200,000**

The City currently supports a financial counseling program that provides free basic financial education to area residents. The funding source for this initiative is ending in September 2015, leaving a significant gap for low income individuals meeting basic financial needs. DHS oversees one-on-one financial counseling to assist an estimated 400 families.

**Summer Youth Program** **\$208,282**

The Summer Youth Program at Community Centers is an eight week, structured, supervised program offered at multiple community centers throughout the city and features recreation activities, active games, sports and more. A weekly enrichment program will also instruct participants with advanced art projects and science experiments along with a fitness and wellness component. Staff anticipates assisting 2,000 youth in low income areas.

**Community Center Extended Hours Program** **\$64,140**

CDBG funds will be used for temporary personnel services to staff multiple Community Centers in low-to-moderate income areas throughout the city. This program will allow for expansion of the traditional summer recreation programs to operate into the evening hours.

**HUD 108 Loan Repayment** **\$4,764,493**

In FY 2006, the City of San Antonio received a \$57 million HUD 108 Capital Improvement Loan for the benefit of low to moderate income persons. Each year approximately \$4.8 million of the CDBG entitlement is set aside for debt service to the Section 108 Guaranteed loan which becomes due on August 1, 2025.

Home Investment Partnerships (HOME) Program

**Single Family Rehab & Reconstruction** **\$1,446,425**

In an effort to preserve our inner city neighborhoods, the City will utilize HOME funds to assist low to moderate income homeowners that are in need of rehabilitating or reconstructing homes. Funds available may assist with all aspects of rehabilitation and construction including weatherization, lead based paint abatement, and clearance activities. The City anticipates assisting 18 homes.

**Multi-family Rental Program** **\$1,100,000**

The City provides HOME funds as a set-aside to support multi-family rental development activities awarded through the State Tax Credit Program or significant private investment. The program provides gap financing for both new construction and rehabilitation of affordable rental housing units for low income families. The anticipated number of HOME rental units assisted is 10; however the program estimates to leverage approximately 240 additional affordable units.

**CHDO Set Aside** **\$1,000,000**

The HOME program requires the City set aside specific funds for Community Housing Development Organizations (CHDO's) to develop affordable housing units. The City anticipates developing 40 affordable single family household units.

**CHDO Operating Expenses** **\$100,000**

The City provides a set aside of HOME funds to assist Community Housing Development Organizations (CHDO's) with operating expenses to build capacity and provide administrative support. The City anticipates assisting 3 CHDO's.

**Homebuyer Incentive Program** **\$300,000**

The City provides HOME funds for low-to-moderate income homebuyers seeking to purchase decent, safe affordable housing. Specifically, the program provides down payment and closing cost assistance to ensure homes are both affordable and sustainable to the homebuyer. The anticipated number of homebuyers assisted is 35.

Emergency Solutions Grant

**Rapid Re-housing** **\$478,536**

DHS will work with external partners to provide assistance including rental assistance, transportation, case management services, and life skills classes to allow participants to achieve increased self-sufficiency and an improved ability to meet their basic needs.

**Homeless Prevention** **\$221,578**

DHS will work with external partners to provide financial assistance and services to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized. The funds are intended to target individuals and families who would be homeless but for this assistance.

**Emergency Shelter** **\$208,422**

Emergency shelter funds are used to provide essential services and operations to local emergency shelters. DHS will work with external partners to provide case management, financial assistance, and support services.

**Outreach****\$69,493**

DHS will provide street outreach and case management to homeless veterans, including arranging, coordinating, and monitoring the delivery of individualized services including planning a path to permanent housing stability

**Housing Opportunities for Persons with AIDS****Housing and Supportive Services****\$1,180,381**

DHS shall provide tenant based rental assistance, transitional housing, and other housing assistance for persons with HIV/AIDS, as well as, funding nursing operations, transportation, case management, food and nutrition programs.

*REnewSA Target Areas*

REnewSA will target resources to seven areas for a two year term beginning in FY 2016. The proposed FY 2016/ FY 2017 REnewSA target areas were selected through a data-driven process that assessed real estate market conditions, urban form (i.e. quality of the built environment), and community investment. The proposed FY 2016/ FY 2017 target areas include four (4) new target areas, Five Points, South San/ Kindred, Las Palmas, and Avenida Guadalupe, and three (3) existing target areas, Wheatley, Harlandale, and Edgewood. The four (4) new proposed target areas have stable or emerging real estate markets, fair to excellent urban form, and significant existing or planned community investments with high leverage potential. The three (3) existing proposed target areas include significant ongoing community development projects that warrant continued support and significant existing or planned community investments with high leverage potential.

Two (2) existing target areas, Collins Gardens and University Park West/ Blueridge, are not proposed for FY 2016/ FY 2017. These areas will become legacy target areas and remain eligible for federal and local funding necessary to complete or enhance projects currently underway.

**ALTERNATIVES:**

Staff recommendations may be approved, disapproved, or amended in part. All projects must meet HUD eligibility regulations and would have to conform to the stated limitations.

**FISCAL IMPACT:**

This ordinance appropriates funds for four federal grants as follows:

\$11,852,129 in 41st year Community Development Block Grant (CDBG) Budget; \$4,384,916 in 24th year HOME Investment Partnerships Program Entitlement Grant (HOME) Budget; \$1,216,888 in the Housing Opportunities for Persons with AIDS Entitlement Grant (HOPWA) Budget; and \$1,025,839 in the Emergency Solutions Grant (ESG) Budget which begins October 1, 2015. This ordinance also authorizes the allocation of program income in the amount of \$220,000 in CDBG funds and \$780,000 in HOME funds. The City's Five Year Consolidated Plan and Annual Action Plan does not provide for continuation of the Summer Pool Program through the CDBG grant in an annual amount of \$76,557.

**RECOMMENDATION:**

The Quality of Life Committee recommends approval of the FY 2016-2020 Consolidated Plan and FY 2016 Action Plan and Budget administering programs funded through the City's four U.S. Department of Housing and Urban Development (HUD) grant programs including the Community Development Block Grant (CDBG),

the Home Investment Partnership Grant (HOME), the Emergency Solutions Grant (ESG), and the Housing Opportunities for Persons with AIDS (HOPWA) Grant for the fiscal year beginning October 1, 2015 and approval of the FY 2016/ FY 2017 REnewSA target areas, Avenida Guadalupe, Edgewood, Five Points, Harlandale, Las Palmas, South San/ Kindred, and Wheatley.