



City of San Antonio

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In control: Quality of Life Committee

On agenda: 4/15/2014

Title: Briefing and Possible Action on the FY 2015 Action Plan and Budget, administering the City's programs funded through the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG), the Home Investment Partnership (HOME) Grant, the Emergency Solutions Grant (ESG), and the Housing Opportunities for Persons with AIDS (HOPWA) Grant. [Presented by John Dugan, Director, Planning and Community Development]

Sponsors:

Indexes: CDBG, HOME Program

Code sections:

Attachments: 1. FY 2015 Budget Summary Attachments, 2. FY 2015 Fiscal Attachment, 3. REnewSAandICRIP

Date	Ver.	Action By	Action	Result
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TO: Sheryl Sculley, City Manager

FROM: John Dugan, Director Planning and Community Development

COPIES TO: Councilwoman Ivy Taylor, Chair, District 2; Councilman Diego Bernal, District 1; Councilwoman Shirley Gonzalez, District 5; Councilman Joe Krier, District 9

SUBJECT: Proposed FY 2015 Action Plan and Budget administering programs funded through the City's four U.S. Department of Housing and Urban Development

Summary

This item will present to the Quality of Life Committee the proposed FY 2015 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.

Background

The City of San Antonio receives four (4) federal entitlement grants awarded through the Department of Housing and Urban Development (HUD). These funds are designed to meet the needs of persons who are of low and moderate income and for preserving and developing low-income communities. These four grants include CDBG, HOME, ESG and HOPWA. Each year the City conducts an action plan process to identify and implement community development and affordable housing activities that address a myriad of activities necessary to advance the goals of both the five year Consolidated Plan and the Strategic Plan for Community Development.

The five year Consolidated Plan (FY 2011-2015) is an assessment of affordable housing and community development needs and market conditions, which serves as the framework for community wide dialogue to identify priorities. The Strategic Plan for Community Development provides investment strategies for addressing all elements of the living and built environment that constitute a sustainable community organized around three approaches: reinvestment planning, coordinating city resources and leveraging private sector investment.

At the February 18, 2014 Quality of Life Committee meeting, committee members supported an Action Plan funding strategy as follows:

Community Development Block Grant

The Quality of Life Committee supported the initial staff recommendations to continue prior CDBG grant priorities including funding the annual Section 108 debt service payment, REnewSA initiatives, Green and Healthy Homes grant match, housing repair, and fair housing activities.

Home Investment Partnership Program

The Quality of Life Committee supported the initial staff recommendations to continue homebuyer activities, Community Housing Development Organization (CHDO) Set Aside activities, and multi-family rental development set aside to support projects receiving low income housing tax credits or similar programs designed to leverage private investments.

ESG and HOPWA

The Quality of Life Committee supported the initial ESG staff recommendations to continue rapid re-housing, homeless prevention, emergency shelter or street outreach services. The Quality of Life Committee also supported the initial staff HOPWA recommendations to continue permanent housing placement services, rental/utility assistance, transitional shelter, medical hospice with 24-hour care, and essential services such as meals, transportation for persons with HIV/AIDS.

REnewSA Target Areas

Additionally, Quality of Life Committee members supported continuing revitalization efforts in targeted geographies throughout the City's core in FY 2015. The five REnewSA *Target Areas* include:

Neighborhood(s)	Council District(s)
Edgewood Area	District 6
University Park - West / Blueridge	Districts 1, 5, & 7
Collins Garden Area	District 5
Harlandale Area	Districts 3 & 5
Wheatley Area - North	District 2

The continuation of *place-based* approach of targeting and layering resources in a geographically defined area is consistent with the Council-adopted Strategic Plan for Community Development, and seeks to provide more meaningful and comprehensive services within a given community. Through the brand of REnewSA, an inter-departmental collaborative was created to transform distressed areas within the City of San Antonio into ones of opportunity by coordinating internal COSA resources earmarked for revitalization efforts, and leveraging those with like private dollars, to give areas with the need and capacity for this type of assistance a better opportunity to brand these resources.

Issue*Sources of Funds*

On March 19, 2014, HUD notified the City of San Antonio of final entitlement awards for the FY 2015 CDBG, HOME, ESG, and HOPWA grants. The appropriation was consistent with estimates proposed at the February 18, 2014 Quality of Life Committee meetings however with slight increases to the HOME, ESG and HOPWA programs.

The amount of grant funds available for the FY 2015 Action Plan includes the HUD entitlement awards but also, available reprogrammable funds from completed activities, and estimated FY 2015 program income based on projected loan re-payments and lease payment obligations. The following table provides a comparison of the approved FY 2014 Budget and the proposed FY 2015 Budget across the four grant programs.

Final FY 2015 Action Plan Budget				
Grant	FY 2014 Budget*	FY 2015 Budget	Variance	Variance%
CDBG	\$ 14,059,585	\$ 12,705,226	\$ (1,354,359)	-9.6%
HOME	4,292,605	4,803,986	511,381	11.9%
ESG	843,303	956,346	113,043	13.4%
HOPWA	1,138,748	1,212,178	73,430	6.4%
	\$ 20,334,241	\$ 19,677,736	\$ (656,505)	-3.2%

**Includes reprogramming actions during FY 2014*

Use of Funds

The strategy for developing the final proposed FY 2015 Action Plan and Budget involved a review of existing funding levels for ongoing initiatives to ensure priorities have adequate resources to achieve community revitalization objectives. The recommendations for the four entitlement programs are as follows:

Community Development Block Grant (CDBG)

Under the CDBG Program, the City has a commitment to meet the annual Section 108 debt service obligations of \$4.8M. CDBG funds in the amount of \$1.2M previously allocated for delegate agency public service activities have been reprioritized to support Strategic Catalytic Reinvestments in the REnewSA Target Areas including \$1.0M for the EastPoint Initiative. Additional recommendations include maintaining funding levels for façade improvements, code enforcement, a continuation of the District 5 Spruce Up and Minor Repair Programs, as well as, a new initiative with Habitat for Humanity to implement the Alamo City Brush Up Program. Finally, the proposal includes \$1.2M funding to support public infrastructure improvements in eligible CDBG areas including quiet zones, park development, and/or street improvements. A summary of the CDBG budget is attached

Home Investment Partnership Program (HOME)

The FY 2015 HOME budget reinforces the place based concept with an allocation of approximately \$1.2M for the Wheatley Phase III Senior Housing Development located in the REnewSA Target Area. Additionally \$1.9M would be available to support other multi-family tax credit projects or other affordable rental development efforts. Additionally, HOME funds will support Community Development Housing Organizations (CHDO) by setting aside \$850,000 for single family new construction development and operating expense activities. Finally, \$373,588 funds are allocated to the City's Homebuyer Incentive Program to assist eligible homebuyers with down payment and closing costs assistance. A summary of the HOME budget is attached.

ESG and HOPWA

The Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with Aids (HOPWA) grant programs are administered by the Department of Human Services. The final FY 2015 ESG entitlement amount resulted in an increase of \$113,043 or 13.4% while the HOPWA program realized a increase of \$73,430 or 6.4%. A summary of the ESG and HOPWA budget is attached.

FY 2015 Action Plan Administration

The Department of Planning and Community Development (DPCD) proposes several key improvements to ensure the administration and delivery functions are continually innovated to implement City's proposed programs and targeted neighborhood initiatives.

The budget provides for an efficient functional model of grant administration while ensuring resources remain available to manage partnership performance of residential and reinvestment programs. The budget also allows for the outsourcing of a significant portion of loan servicing providing for management of existing single family housing loans funded with HUD funds. Additionally, the administrative budget provides for appropriate resources to initiate planning of the new Five Year Consolidated Plan process for FY 2016-2020 beginning in October 2015.

Recommendation

Staff recommends forwarding to the full City Council for consideration, the FY 2015 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.