



# City of San Antonio

## Agenda Memorandum

**File Number:**16-2148

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**Agenda Item Number:** 4.

**Agenda Date:** 3/23/2016

**In Control:** Housing Committee

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

**DEPARTMENT HEAD:** John M. Dugan

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

Briefing on the FY 2017 Action Plan and Budget

### **SUMMARY:**

This item will present to the Housing Committee a briefing on the FY 2017 Action Plan and Budget for 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), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) Grant.

### **BACKGROUND INFORMATION:**

#### **A. *Consolidated Plan***

The City of San Antonio receives four (4) federal entitlement grants awarded through the Department of Housing and Urban Development (HUD). These four grants include CDBG, HOME, ESG and HOPWA. For FY 2016-2020, the City has anticipates \$89.9 million in federal resources to be available through the four formula grants.

In order to determine the most pressing needs and develop effective, place-based market-driven strategies to meet these needs, HUD required 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.

## **ISSUE:**

### ***FY 2016-2020 Consolidated Plan Priorities and Goals***

The City established an interdepartmental Steering Committee comprising of representatives from various City departments to assist in reviewing community needs, identify other City resources, and setting initial funding priorities based on results of the community engagement. 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**

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. The goal is:

- A. Provide housing and services for persons with HIV/AIDS

#### **Priority 4: Provide Housing and Supportive Services for 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 2017 Action Plan***

The City has a total of \$23,062,833 in available funds for the FY 2017 Action Plan. The following table provides a summary of the proposed FY 2017 budget across the four grant programs.

Formula Grant	FY 2017 Actual*
Community Development Block Grant	\$13,247,418
Home Investment Partnership Grant	7,523.862
Emergency Solutions Grant	1,244,429
Housing Opportunities for Persons w/ AIDS	1,047,124
Total	\$23,062,833

\*Includes Entitlement and Estimated Program Income

The approach for developing the proposed FY 2017 Action Plan and Budget involved convening workgroups with City subject matter experts to identify the proposed projects. Furthermore, staff proposes administrative improvements to ensure the delivery function of the proposed FY 2017 programs. The administrative budget across the four grants is \$3,180,000 (14%) and provides for efficient grant administration while ensuring resources remain available to manage the performance of community development programs.

#### Community Development Block Grant (CDBG)

##### **Housing Delivery**

**\$547,800**

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.

##### **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 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.

##### **Green and Healthy Homes Grant Match**

**\$510,000**

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 Green and Healthy Homes Initiative to complete homes that would not otherwise be able to be served with the LHRD funds alone.

##### **Minor Repair Projects**

**\$250,000**

CDBG funds will be used to perform minor home repairs to assistance low to moderate income families with a one-time grant not to exceed \$4,999 per household. Qualified minor home repairs include but are not limited to mechanical, electrical, plumbing, roofing, foundation, HVAC and ADA modifications.

**Façade Improvement Program****\$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 targeted areas.

**Code Enforcement Activities****\$187,749**

CDBG funds will be used to support three (3) Code Enforcement Officers to provide proactive code enforcement efforts in the REnewSA Initiative target areas. The City is allocating additional local funds in support of REnewSa Initiative including code enforcement activities. This budget does not provide for the cost of correcting code violations.

**EastPoint Neighborhood Infrastructure Improvements****\$2,080,931**

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.

**REnewSA Catalytic Investment****\$1,600,000**

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

**COSA Parks and Recreation - Summer Youth Program****\$208,282**

The Summer Youth Recreation Program is an eight week, structured, supervised program, offered at 20 Community Centers, which features recreation themed 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. Participants are grouped according to age and staff conducts age-appropriate recreation activities. CDBG funds will be used for staff salaries and other admin expenses.

**COSA Parks and Recreation - Community Extended Hours****\$64,140**

CDBG funds will be used to support staff salaries at 20 community centers during extended hours of operation from 5:30 p.m. to 9:00 p.m. Monday through Thursday and Saturday 10:00 a.m. - 4:00 p.m. during the summer months.

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

The City currently supports a financial counseling program that provides free basic financial literacy to area residents. The funding source for this program is ending in September 2015, leaving a significant gap for low income individuals meeting basic financial needs.

**HUD 108 Loan Repayment****\$4,794,419**

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 Rehabilitation & Reconstruction****\$1,500,000**

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.

### **Multi-family Rental Housing Set Aside**

**\$1,250,000**

The City provides HOME funds as a set-aside to support multi-family rental development activities awarded through the State Tax Credit Program or have leveraged significant private investment. The program provides gap financing for both new construction and rehabilitation of affordable rental housing units for low income families.

### **CHDO Single Family New Construction**

**\$1,220,000**

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

### **Eastside Choice Neighborhood Multi-Family Rental**

**\$2,500,000**

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.

### **Homebuyer Incentive Program**

**\$301,476**

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.

### Emergency Solutions Grant

#### **Emergency Shelter**

**\$212,747**

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.

#### **Rapid Re-housing**

**\$488,465**

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**

**\$266,175**

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.

#### **Outreach**

**\$70,935**

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**

**\$1,207,096**

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.

**FISCAL IMPACT:**

The City's FY 2017 Action Plan and Budget will not have an impact on the General Fund Budget.