



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 4.

Agenda Date: 8/3/2017

In Control: City Council A Session

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

FY 2018 Action Plan and Budget

SUMMARY:

An ordinance adopting the FY 2018 Action Plan and Budget for the four federal grant programs funded by the U.S. Department of Housing and Urban Development (HUD) which include the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA) Program, and the HEARTH Emergency Solutions Grant (HESG); authorizing a staff complement of 44 positions; and authorizing contracts to execute program budgets.

BACKGROUND INFORMATION:

The City of San Antonio commenced the development of the FY 2018 Action Plan and Budget, which is the third year plan under the FY 2016-2020 Consolidated Plan. The City anticipates receiving approximately \$19.5M in federal entitlements awarded through the U.S. Department of Housing and Urban Development (HUD). These grants include the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA) Program, and the HEARTH Emergency Solutions Grant (HESG). 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.

Consolidated Plan

The City of San Antonio receives four (4) federal entitlement grants awarded through the U.S. Department of Housing and Urban Development (HUD). These four grants include CDBG, HOME, HOPWA and HESG. Under the FY 2016-2020 Consolidated Plan, the City 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. 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 (over 1,650 responses received), 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 and Budget development 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 comprised of representatives from various City departments to assist in reviewing community needs, identifying 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, and 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 and affordable housing, 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 2018 Action Plan and Budget

In the FY 2018 Action Plan and Budget, the City has a total of \$19,515,760 in available funds for the period of October 1, 2017 to September 30, 2018. The following table provides a summary of the proposed FY 2018 budget across the four grant programs. The detailed budget schedules can be found in Attachment A. On May 31, 2017 the Housing Committee supported the FY 2018 Action Plan and Budget funding strategy as follows:

Formula Grant	FY 2018 Actual*
Community Development Block Grant	\$12,167,381
HOME Investment Partnerships Program	4,898,909
Housing Opportunities for Persons w/ AIDS	1,417,988
HEARTH Emergency Solutions Grant	1,031,482
Total	\$19,515,760

*Includes Entitlement, Interest Income and Estimated Program Income

The City took a strategic approach in developing the proposed FY 2018 Action Plan and Budget. The \$3.7 million reduction is directly attributed to the recordation of six years of Program Income in FY 2016. The administrative budget across the four grants is \$2,926,271 (15%) and provides for efficient grant administration while ensuring resources remain available to manage the performance of community development programs.

Community Development Block Grant

The following are the staff recommended CDBG program allocations for FY 2018.

Housing Delivery (Citywide)

\$500,000

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.

Fair Housing Activities (Citywide)

\$246,600

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 to 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. On an individual level, Fair Housing staff will provide predatory lending counseling.

Single Family Rehabilitation (Citywide)

\$330,000

In an effort to preserve our inner city neighborhoods, the City will utilize CDBG funds to assist low to moderate income homeowners that are in need of rehabilitating their homes. Funds available may assist with all aspects of rehabilitation and construction including weatherization, lead based paint abatement, and

clearance activities.

Façade Improvement Program (Citywide)

\$300,000

CDBG funds will support facade improvement initiatives seeking to reverse the deterioration of commercial structures and stimulate new private investment and economic in CDBG-eligible census tracts to include the Neighborhood Improvements Bond areas and well as the World Heritage footprint.

Code Enforcement Activities (Citywide)

\$187,749

CDBG funds will be used to support three (3) Code Enforcement positions that provide proactive code enforcement in CDBG-eligible census tracts. The City is allocating additional local resources in support of revitalization efforts, including other code enforcement costs that are not CDBG eligible. This budget does not provide for the cost of correcting code violations.

EastPoint Neighborhood Infrastructure Improvements (D2)

\$2,532,662

CDBG funds will be utilized for public improvements to EastPoint (previously known as the Eastside Choice Neighborhood Transformation or Wheatley Choice Neighborhood). In 2013, the City pledged approximately \$19.4 million in various resources over a five year period to leverage another \$88.5 million in public and private funds including a \$30 million HUD Choice Neighborhood Initiative grant, for this transformational project. This is the City's final commitment in CDBG funding for the EastPoint Choice Initiative.

Public Facility Improvements (D3/D5)

\$304,500

CDBG funds will be utilized for public facility improvements. Staff proposes awarding \$304,500 to Avenida Guadalupe Association for facility improvements to include installation of a fence.

Public Service Activities (Citywide)

\$149,955

Staff recommends providing CDBG Public Service funding to the Department of Human Services to support new or one time Delegate Agency projects in the categories of Children and Family, Youth, and Community Safety Net services.

Summer Youth Program (D1, D2, D3, D4, D5, D6 & D7)

\$208,282

The COSA Parks and Recreation Summer Youth Recreation Program is an eight-week, structured, supervised program offered at 20 Community Centers located in D1, D2, D3, D4, D5, D6 & D7, 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 administrative expenses.

Community Center Extended Hours (D1, D2, D3, D4, D5, D6 & D7)

\$64,140

CDBG funds will be used to support staff salaries at 20 community centers in D1, D2, D3, D4, D5, D6 & D7 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 (Citywide)

\$200,000

The City currently supports a financial counseling program that provides free basic financial literacy to area residents. This award includes a contractual allocation of up to \$100,000.00 of FY 2018 CDBG funds for Family Service Association of San Antonio, Inc.'s Financial Empowerment Program. The program aims to provide services to at least 400 individuals with either the City's program or the City's sub-recipient, Family Services Association.

HUD 108 Loan Repayment (Citywide)

\$4,802,609

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 Program

The following are the staff recommended HOME program allocations for FY 2018.

Single Family Rehabilitation & Reconstruction (Citywide) \$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 (Citywide) \$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 (Citywide) \$1,220,000

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

Homebuyer Incentive Program (Citywide) \$364,018

The City provides HOME funds for low-to-moderate income homebuyers seeking to purchase decent, safe affordable housing. Specifically, the program will provide down payment and closing cost assistance to ensure homes are both affordable and sustainable to the homebuyer. This activity funding will be reduced proportionately to the entitlement funding award.

CHDO Operating Expense Program (Citywide) \$75,000

This is supplemental funding to FY 2016's uncommitted CHDO Operating Expense funding. This program is designed to provide operating funds to Community Housing Development Organizations based on financial need and the expectation that the organization is utilizing or will utilize the City's HOME CHDO development funding within 24 months of the award. This activity funding will be reduced proportionately to the entitlement funding award.

Housing Opportunities for Persons with AIDS

Housing and Supportive Services \$1,375,448

The City will provide tenant based rental assistance, transitional housing, transportation, case management, housing information assistance and food/nutrition programs for persons with HIV/AIDS.

HEARTH Emergency Solutions Grant

Emergency Shelter \$499,776

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, employment assistance and job training, and support services.

Homeless Prevention \$282,126

The City will work with external partners to provide financial assistance and services to prevent individuals and families from becoming homeless and from moving into an emergency shelter. The funds are intended to target

individuals and families who would be homeless but for this assistance.

Rapid Re-housing

\$197,224

The City 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.

As a part of this process, two Public Hearings were held in the City Council Chambers. The first Public Hearing was held on June 14, 2017 during the development of the Action Plan and Budget to encourage citizen participation and comment. The second Public Hearing was held on August 2, 2017 to comment on the proposed FY 2018 Action Plan and Budget.

FISCAL IMPACT:

The City's FY 2018 Action Plan and Budget will not have an impact on the General Fund Budget.

RECOMMENDATION:

Staff recommends approval of the FY 2018 Action Plan and Budget for the City's four federal grant programs including the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA) Program, and the HEARTH Emergency Solutions Grant (HESG); authorizing a staff complement of 44 positions; and authorizing contracts to execute program budgets.