



City of San Antonio

Agenda Memorandum

File Number:18-4308

Agenda Item Number: 6.

Agenda Date: 8/2/2018

In Control: City Council A Session

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT: FY 2019 Action Plan and Budget

SUMMARY:

An ordinance adopting the FY 2019 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), HEARTH Emergency Solutions Grant (HESG), and Housing Opportunities for Persons with AIDS (HOPWA) Program; authorizing a staff complement of 47 positions; and authorizing contracts to execute program budgets.

BACKGROUND INFORMATION:

The City anticipates receiving approximately \$20.9 Million 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. Program Income will be used in FY 2019 as well.

ISSUE:

FY 2019 Action Plan and Budget

In the FY 2019 Action Plan and Budget, the City has a total of \$21,134,235 in available funds for the period of October 1, 2018 to September 30, 2019. The following table provides a summary of the proposed FY 2019 budget across the four grant programs. The detailed budget schedules can be found in Attachment A.

Formula Grant	FY 2019 Actual*
Community Development Block Grant	\$12,991,544
HOME Investment Partnerships Program	5,491,627
Housing Opportunities for Persons w/ AIDS	1,606,272
HEARTH Emergency Solutions Grant	1,044,792
Total	\$21,134,235

*Includes Entitlement and Estimated Program Income

The City received an increase in entitlement funding compared to FY 2018. The City took a strategic approach in developing the proposed FY 2019 Action Plan and Budget to identify activities that further Priority 1 (Provide Decent Safe Affordable Housing) of the Five Year Consolidated Plan. The proposed plan includes a total of \$17.3 million in CDBG and HOME funding set aside for affordable housing activities including housing delivery staff.

There is a \$9.3 Million increase in CDBG and HOME allocations toward affordable housing in the FY 2019 proposed budget over the FY2018 budget. An increase in CDBG funding is attributed to shifting the \$4.8 Million HUD 108 loan repayment from CDBG to the City's property tax supported debt, reallocating \$2.5 Million from Eastpoint infrastructure (2018 was the final year of the City's commitment), and \$1.1 Million in additional funding from the CDBG entitlement award.

The administrative budget across the four grants, which is not included below, is \$3,011,803 and provides for efficient grant administration while ensuring resources remain available to manage the performance of community development programs.

The following are staff recommended program allocations for FY 2019.

Community Development Block Grant

Housing Delivery (Citywide) \$632,000

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) \$246,000

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 also will 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.

Green and Healthy Homes Grant Match (Citywide) \$350,000

CDBG funds will be used as a match for the Lead Hazard Reduction Demonstration (LHRD) grant funds to assist low to moderate income families address health and environmental safety issues across San Antonio.

Support Affordable Housing Development (Citywide) \$5,000,000

In an effort to create and preserve affordable housing, the City will utilize CDBG funds to support affordable

housing development through acquisition, rehabilitation, clearance, site improvements and neighborhood infrastructure. This funding will supplement rental housing development and homeownership housing development through the HOME Program. Outcomes will include acquisition, rehabilitation, resale or new construction homeownership housing and acquisition rehabilitation or new construction rental housing.

Single-Family Rehabilitation & Reconstruction (Citywide) \$3,031,889

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 or reconstructing homes. Funds available may assist with all aspects of rehabilitation and construction including weatherization, lead based paint abatement, and clearance activities. Additional funds are in the HOME budget for this program.

Minor Repair (Citywide) \$150,000

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 minor home repairs. Funds available may assist with all aspects of rehabilitation, lead based paint abatement, and clearance activities.

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.

Public Service - Housing Supportive Services (Citywide) \$500,000

CDBG funds will be utilized for public service - housing supportive service activities that will benefit low to moderate income persons and includes \$100,000 in emergency short term rental assistance. These programs will be administered either through the Department of Human Services or a qualified CDBG sub-recipient.

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. The program aims to provide services to a least 400 individuals with either the City's program or the City's sub-recipient, Family Services Association.

HOME Investment Partnerships Program

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. Additional funds are in the CDBG budget for this program.

Rental Housing Development (Citywide) \$1,250,000

HOME funds will be set-aside for rental housing development activities. The program provides gap financing for both new construction and rehabilitation of affordable rental housing units for low income households.

Homeownership Housing Development (Citywide) \$1,250,000

HOME funds will be set aside for homeownership housing development activities. The program provides gap financing for both new construction and rehabilitation of affordable homeownership housing units for low income households.

Homebuyer Incentive Program (Citywide) \$926,736

HOME funds will be used to assist 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.

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

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.

Housing Opportunities for Persons with AIDS

Housing and Supportive Services \$1,558,084

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 \$511,948

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 \$282,094

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 \$198,510

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.

Citizen Participation Process

The City of San Antonio commenced the ActionSpeak Campaign on May 20, 2018 to obtain public input on the proposed FY 2019 Action Plan and Budget as required by the U.S. Department of Housing and Urban Development for entitlement funding. Citizens had the opportunity to provide feedback online at www.sanantonio.gov/actionspeak <<http://www.sanantonio.gov/actionspeak>>. Comments were accepted until

August 1, 2018.

In addition, three Public Hearings were held during the development of the FY 2019 Action Plan and Budget to obtain citizen input on the proposed plan. The first Public Hearing was held on June 13, 2018 at City Council Chambers. The second Public Hearing was held on July 11, 2018 at the Central Library, and the third Public Hearing was held on August 1, 2018 at City Council Chambers.

FISCAL IMPACT:

In the FY 2019 Action Plan and Budget, the City has a total of \$21,134,235 in available entitlement funds for the period of October 1, 2018 to September 30, 2019 and this item will not have an impact on the General Fund Budget.

RECOMMENDATION:

Staff recommends approval of the FY 2019 Action Plan and Budget totaling \$21,134,235 for the City's four U.S. Department of Housing and Urban Development (HUD) grant programs which include the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) Grant; authorizing a staff complement of 47 positions; and authorizing contracts to execute program budgets.