



# City of San Antonio

## Agenda Memorandum

**File Number:**19-5443

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**Agenda Item Number:** 21.

**Agenda Date:** 8/8/2019

**In Control:** City Council A Session

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Verónica R. Soto, AICP, Director

**COUNCIL DISTRICTS IMPACTED:** City-Wide

### SUBJECT:

FY 2020 Action Plan and Budget

### SUMMARY:

Ordinance adopting the \$23,652,383 FY 2020 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), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) Program; authorizing a staff complement of 48 positions; and authorizing contracts to execute program budgets.

### BACKGROUND INFORMATION:

The City of San Antonio (the City) receives federal entitlement funding from the U.S. Department of Housing and Urban Development (HUD) for housing and community development activities. The City anticipates an allocation of \$20.9 million which is in line with FY 2019 allocations, a decrease of \$7,142 overall. The table below represents a year over year comparison by each entitlement grant.

Entitlement Grant	Federal FY 2018 City's FY 2019	Federal FY 2019 City's FY 2020	Variance
Community Development Block Grant (CDBG)	\$12,741,544	\$12,880,355	\$138,811
HOME Investment Partnerships Program (HOME)	\$5,491,627	\$5,100,964	\$(390,663)
Emergency Solutions Grant (ESG)	\$1,044,792	\$1,081,148	\$36,356

Housing Opportunities for Persons with AIDS (HOPWA)	\$1,606,272	\$1,814,626	\$208,354
<b>Total</b>	<b>\$20,884,235</b>	<b>\$20,877,093</b>	<b>\$(7,142)</b>

## ISSUE:

In the FY 2020 Action Plan and Budget, the City has a total of \$23,652,383 in available funds for the period of October 1, 2019 to September 30, 2020. The following table provides a summary of the proposed FY 2020 budget across the four grant programs. The detailed budget schedules can be found in Attachment A.

<b>Grant</b>	<b>FY 2020 Budget*</b>
Community Development Block Grant	\$15,655,645
HOME Investment Partnerships Program	5,100,964
Housing Opportunities for Persons w/ AIDS	1,814,626
Emergency Solutions Grant	1,081,148
<b>Total</b>	<b>\$23,652,383</b>

*\*Includes Entitlement and Estimated Program Income*

The City took a strategic approach in developing the proposed FY 2020 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 federal funding set aside for activities that further the priorities outlined in the Mayor's Housing Task Force Housing Policy Framework. More specifically, to help us further the production goals, we are setting aside \$4.5 million for affordable rental housing development; \$3 million for affordable homeownership housing development; \$4.5 million for single-family rehabilitation and reconstruction; and \$461,063 for homebuyer assistance.

The administrative budget across the four grants, which is not included below, is \$3,399,872 and provides for efficient grant administration while ensuring resources remain available to manage the performance of community development programs. This administrative budget funds 48 positions at Neighborhood and Housing Services Department, City Attorney's Office, Department of Human Services and Development Services Department.

The following are staff recommended program allocations for FY 2020:

### **Community Development Block Grant**

#### *Housing Delivery (Citywide)*

*\$551,900*

CDBG funds will be utilized to support the delivery of the City's Green and Healthy Homes Initiative and the owner occupied rehabilitation/reconstruction program.

#### *Fair Housing Activities (Citywide)*

*\$350,000*

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 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.

*Green and Healthy Homes Grant Match (Citywide)*

*\$160,000*

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 - Rental Housing (Citywide)*

*\$3,250,000*

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 through the HOME Program.

*Support Affordable Housing Development - Homeownership Housing (Citywide)*

*\$1,750,000*

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 homeownership housing development through the HOME Program.

*Single-Family Rehabilitation & Reconstruction (Citywide)*

*\$3,032,000*

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 or reconstructing their homes. Funds available may assist with all aspects of rehabilitation and construction including weatherization, lead based paint abatement, and clearance activities.

*Minor Repair Activities (Citywide)*

*\$275,000*

In an effort to preserve our inner city neighborhoods, the City will utilize CDBG funds to assist low to moderate income homeowners with minor home repairs. Funds available may assist with all aspects of rehabilitation, lead based paint abatement, and clearance activities. These programs will be administered either through the Neighborhood and Housing Services Department or a qualified CDBG sub-recipient.

*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.

*Zarzamora Service Center Environmental Remediation (District 5)*

*\$2,325,000*

CDBG funds will be used for environmental remediation at the former Zarzamora Service Center located at 4503, 4531, and 4719 South Zarzamora Rd. The City closed and moved the service center to the City's new Northwest Service Center at Callaghan and W. Commerce in the summer of 2013, leaving the Zarzamora Service Center vacant and available for redevelopment. The City is requiring cleanup for historic firefighter foam impacts beyond Texas Commission on Environmental Quality (TCEQ) requirements. The total estimated cost to remediate this site is \$3.625 million. CDBG reprogrammed funds in the amount of \$1.3 million was allocated to the project on March 21, 2019. This funding represents the second and final phase of the project.

*Public Service - Housing Supportive Services (Citywide)*

*\$500,000*

CDBG funding will be utilized for public service - housing supportive service activities that will benefit low to moderate income persons. These programs will be administered either through the Neighborhood and Housing Services Department 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 19 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 18 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 their homes. Funds available may assist with all aspects of rehabilitation and construction including weatherization, lead based paint abatement, and clearance activities.

*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)\$461,073*

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)\$150,000*

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\$1,760,187*

The City will provide tenant based rental assistance, transitional housing, transportation, case management, housing assistance, emergency financial assistance, newly empowered women program, and food/nutrition programs for persons with HIV/AIDS.

## **Emergency Solutions Grant**

### *Emergency Shelter*\$310,439

Emergency shelter funds are used to provide essential services and operations to local emergency shelters. The City will work with external partners to provide case management, employment assistance and job training, and supportive services.

### *Homeless Prevention*\$182,001

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*\$534,650

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**

The City initiated a public engagement campaign (SA Speak Up on the Housing and Community Initiatives Budget) on May 22, 2019 and continued through August 7, 2019. Outreach included social media posts, the City's websites, TVSA and stakeholder communications. The survey was available online at [www.saspeakup.com](http://www.saspeakup.com) and paper copies were available upon request. Additionally, the City hosted three Community Input Sessions (Public Hearings). To date, the City has received 631 surveys with the preliminary results supporting funding for affordable homeownership housing development, rental housing development and owner occupied rehabilitation and reconstruction.

This item was considered by the Comprehensive Plan Committee on June 17, 2019, Housing Commission on July 31, 2019 and council members were briefed on this item individually.

## **ALTERNATIVES:**

The City is statutorily required to undergo this process in order to execute federal funding agreements.

## **FISCAL IMPACT:**

Ordinance adopting the \$23,652,383 FY 2020 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), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) Program; authorizing a staff complement of 48 positions; and authorizing contracts to execute program budgets. Of the \$23,652,383, \$20,877,093 is entitlement funding for the period of October 1, 2019 to September 30, 2020 and \$2,775,290 in Estimated Program Income for FY 2019 and FY 2020.

This item will not have an impact on the General Fund Budget.

## **RECOMMENDATION:**

Staff recommends approval of an ordinance adopting the \$23,652,383 FY 2020 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), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) Program; authorizing a staff complement of 48 positions; and authorizing contracts to execute program budgets.