



# City of San Antonio

## Agenda Memorandum

**File Number:**20-4342

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**Agenda Item Number:** 29.

**Agenda Date:** 8/13/2020

**In Control:** City Council A Session

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**DEPARTMENT:** Neighborhood and Housing Services

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

**COUNCIL DISTRICTS IMPACTED:** City-Wide

### SUBJECT:

FY 2021 Action Plan and Budget and Substantial Amendment to the FY 2016-2020 Consolidated Plan

### SUMMARY:

Ordinance adopting the \$22,350,369 FY 2021 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; adopting a substantial amendment to the FY 2016-2020 Consolidated Plan; 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 \$21.7 million which is an overall increase of \$873,276 from FY 2020 allocations. The table below represents a year over year comparison by each entitlement grant.

Entitlement Grant	FY 2020	FY 2021	Variance
Community Development Block Grant	\$12,880,355	\$13,101,216	\$220,861
HOME Investment Partnerships Program	\$5,100,964	\$5,473,415	\$372,451
Emergency Solutions Grant	\$1,081,148	\$1,131,767	\$50,619
Housing Opportunities for Persons with AIDS	\$1,814,626	\$2,043,971	\$229,345

<b>Total</b>	<b>\$20,877,093</b>	<b>\$21,750,369</b>	<b>\$873,276</b>
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The City must develop an annual Action Plan and Budget for HUD entitlement funds based on the goals and priorities outlined in the Five-Year Consolidated Plan.

## ISSUE:

### ***Substantial Amendment***

As a recipient of HUD federal funding the City is required to undergo a collaborative and strategic planning process to identify housing and community development needs and propose strategies for addressing those needs for the next five years in the Consolidated Plan. The FY 2021-2025 Consolidated Plan was required to be submitted to HUD by August 16, 2020 along with the FY 2021 Action Plan and Budget. However, the City received HUD's approval to delay submission of the next Five-Year Consolidated Plan until August 16, 2021, due to the COVID-19 pandemic.

The substantial amendment to the FY 2016-2020 Consolidated Plan will allow the City to include the FY 2021 Action Plan and Budget in the current plan for a sixth year and will amend the citizen participation plan to allow for expedited procedures to draft, propose and amend consolidated plans as authorized by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) for FY 2020 and FY 2021 HUD programs to respond to the COVID-19 pandemic.

### ***Action Plan and Budget***

In the FY 2021 Action Plan and Budget, the City has a total of \$22,350,369 in available funds for the period of October 1, 2020 to September 30, 2021. The following table provides a summary of the proposed FY 2021 budget across the four grant programs. The detailed budget schedules can be found in the attachments.

<b>Grant</b>	<b>FY 2021 Budget*</b>
Community Development Block Grant	\$13,351,216
HOME Investment Partnerships Program	5,823,415
Housing Opportunities for Persons w/ AIDS	2,043,971
Emergency Solutions Grant	1,131,767
<b>Total</b>	<b>\$22,350,369</b>

*\*Includes Entitlement and Estimated Program Income of \$600,000*

The proposed FY 2021 Action Plan and Budget includes a total of \$13.6 million in federal funding set aside for affordable housing activities that further Priority 1 (Provide Decent Safe Affordable Housing) and Priority 3 (Provide for Special Needs Population) of the FY 2016-2020 Consolidated Plan in the Affordable Housing Budget that aligns with the priorities outlined in the Housing Policy Framework.

The budget also includes \$1,000,000 for the Emergency Housing Assistance Program to assist households at risk of homelessness due to the COVID-19 pandemic.

The administrative budget across the four grants is \$3,198,497 and provides for efficient grant administration and performance monitoring of these 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 2021:

**Community Development Block Grant**

*Housing Delivery (Citywide) | \$551,990*

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) | \$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) | \$350,000*

Utilized as a match for the Lead Hazard Reduction Demonstration (LHRD) grant funds that assist low to moderate income families address health and environmental safety issues.

*Support Affordable Housing Development - Rental Housing (Citywide) | \$3,250,000*

Utilized to create and preserve affordable housing by supporting affordable housing development through acquisition, rehabilitation, clearance, site improvements and neighborhood infrastructure. Funding will supplement HOME Program rental housing development.

*Support Affordable Housing Development - Homeownership Housing (Citywide) | \$1,625,000*

Utilized to create and preserve affordable housing, by supporting affordable housing development through acquisition, rehabilitation, clearance, site improvements and neighborhood infrastructure. Funding will supplement HOME Program homeownership housing development.

*Single-Family Rehabilitation & Reconstruction (Citywide) | \$1,799,226*

Utilized to assist low to moderate income homeowners who need their homes rehabilitated or reconstructed. Funds may assist with all aspects of rehabilitation and construction including weatherization, lead based paint abatement, and clearance activities.

*Minor Repair Activities (Citywide) | \$500,000*

Utilized to assist low to moderate income homeowners with minor home repairs. Funds may assist with all aspects of rehabilitation, lead based paint abatement, and clearance activities. Programs will be administered either through the Department or a qualified CDBG sub-recipient.

*Public Service - Housing Supportive Services (Citywide) | \$400,000*

CDBG funding will be utilized for public service - housing supportive service activities that will benefit low to moderate income persons. Programs will be administered either through the Department of Human Services or a qualified CDBG sub-recipient.

*Public Service - COVID-19 Emergency Housing Assistance Program (Citywide) | \$1,000,000*

Utilized to assist vulnerable populations at risk of homelessness during or as a result of COVID-19 by providing emergency rent or mortgage assistance and or utility assistance for up to three consecutive months. Households must have incomes at or below 80% Area Median Income.

*Financial Education Program (Citywide) | \$200,000*

Utilized to support a financial counseling program that provides free basic financial literacy to 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.

*Code Enforcement Activities (Citywide) | \$125,000*

Utilized to support two (2) Code Enforcement positions that provide proactive code enforcement in CDBG-eligible census tracts. This budget does not provide for the cost of correcting code violations.

*Zarzamora Service Center Environmental Remediation (District 5) |\$600,000*

Utilized 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 \$3.6 million. This funding is to reimburse previously allocated CDBG funds that were redirected from this project in April 2020 to respond to the COVID-19 crisis.

**HOME Investment Partnerships Program**

*Single-Family Rehabilitation & Reconstruction (Citywide)| \$2,533,415*

Utilized to assist low to moderate income homeowners whose homes need rehabilitation or reconstruction. Funds 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*

Utilized as gap financing for rental housing development activities for both new construction and rehabilitation of affordable rental housing units for low income households.

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

Utilized as gap financing for homeownership housing development activities for both new construction and rehabilitation of affordable homeownership housing units for low income households.

*CHDO Operating Expense Program (Citywide) | \$300,000*

Utilized to provide operating funds to Community Housing Development Organizations (CHDO) 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 | \$2,043,971*

Utilized to 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.

**HEARTH Emergency Solutions Grant**

*Emergency Shelter |\$361,703*

Utilized to provide essential services and operations to local emergency shelters. The City will work with external partners to provide case management, employment assistance, job training, and support services.

*Rapid Re-housing | \$534,005*

Utilized to 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 Outreach | \$182,001*

Utilized to provide street outreach and case management to homeless individuals, to include arranging, coordinating, and monitoring the delivery of individualized services including planning a path to permanent housing stability.

#### **Citizen Participation**

The City initiated a public comment period on July 13, 2020 through August 12, 2020. Outreach included a public notice in the San Antonio Express News, the City's websites and stakeholder communications.

Comments were accepted online at [www.sanantonio.gov/gmainaction](http://www.sanantonio.gov/gmainaction); by e-mail at [communitydevelopment@sanantonio.gov](mailto:communitydevelopment@sanantonio.gov) <<mailto:communitydevelopment@sanantonio.gov>> and by mail. Additionally, the City hosted two Public Hearings.

#### **ALTERNATIVES:**

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

#### **FISCAL IMPACT:**

The City anticipates receiving a total of \$21,750,369 in entitlement funding for the period of October 1, 2020 to September 30, 2021. This item will not have an impact on the General Fund Budget. This item will not have an impact on the General Fund Budget.

#### **RECOMMENDATION:**

Staff recommends approval of an ordinance adopting the \$22,350,369 FY 2021 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; adopting a substantial amendment to the FY 2016-2020 Consolidated Plan; authorizing a staff complement of 48 positions; and authorizing contracts to execute program budgets.