



# City of San Antonio

## Agenda Memorandum

**File Number:**20-4671

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**Agenda Item Number:** 1.

**Agenda Date:** 8/19/2020

**In Control:** City Council Special Session

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**DEPARTMENT:** Office of Management and Budget

**DEPARTMENT HEAD:** Scott Huizenga

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

City Council Worksession on the FY 2021 Proposed Budget

### **SUMMARY:**

Staff presentation on the FY 2021 Proposed Budget focusing on, but not limited to, the following City policies and initiatives:

A. Economic Development

B. Neighborhood and Housing Services

### **BACKGROUND INFORMATION:**

The FY 2021 Proposed Budget was presented to City Council on August 6, 2020. The budget is balanced as required by law and reflects both the City's continued commitment to long-term recovery and resilience from the COVID-19 pandemic as well as to address the community's priorities including health and human services, workforce development, affordable housing, infrastructure, and violence prevention while also maintaining the city in a strong financial position.

The Proposed FY 2021 Consolidated Annual Budget, comprised of all funds, excluding transfers, totals \$2.9 billion. The General Fund budget is \$1.28 billion; restricted funds such as Airport, Development Services, Solid Waste, and Hotel Occupancy Tax total \$999 million; and the Capital Budget totals \$641 million.

Following the presentation of the proposed budget a series of city council budget worksessions are scheduled

from August 11 to September 16. At these sessions, City staff will review the budget proposals with the Mayor and City Council in detail. The budget is scheduled to be adopted on September 17 for the City's fiscal year that begins on October 1.

## **ISSUE:**

A budget worksession is scheduled for Wednesday, August 19<sup>th</sup> from 2:00 P.M. to 5:00 PM. At this session, the City Council will be presented with a briefing on the City of San Antonio Economic Development Department and Neighborhood and Housing Services Department.

## **Economic Development Department**

The Proposed FY 2021 Budget for the Economic Development Department includes funding from the General Fund and Restricted Funds. Below is a summary of the funding and position counts that would be authorized by the FY 2021 Proposed Budget.

<b>FUND</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
General Fund	\$8,932,664	38
General Fund- Workforce Development Agencies	2,901,032	0
Economic Development Incentive Fund	584,613	0
Starbright Industrial Corporation Fund	1,663,919	0
<b>Total</b>	<b>\$14,082,228</b>	<b>38</b>

The FY 2021 General Fund appropriation for Economic Development is \$11,146,583 of which \$550,000 is transferred to the Economic Development Incentive Fund (EDIF) and \$1,663,919 is transferred to the Starbright Industrial Development Corporation Fund.

The Economic Development Department collaborates with other agencies to foster job creation and investment in targeted industries including advanced manufacturing, aerospace, cybersecurity and information technology, biosciences, and new energy. Economic Development works to empower small, minority, and women owned businesses and entrepreneurs in starting and growing local businesses through participation of City contracts, services provided through LaunchSA, and access to capital. Economic Development also focuses on alignment of local industry workforce needs by training providers through SA Works and invests in delegate agencies to provide training and support for distressed populations to ensure inroads into the growing San Antonio economy.

The FY 2021 Proposed Budget includes \$2.9 million for workforce development. Included within this allocation is \$1.1 million for AlamoPROMISE to support the Last Dollar Scholarship, which in combination with \$4.5 million in private funding raised by Alamo Colleges, will award scholarships to over 7,280 Alamo Colleges students.

A total of \$800,000 is included in the FY 2021 Proposed Budget for Small Business Economic Development Advocacy (SBEDA) disparity study. The program requires that a Disparity Study be completed every five years to determine whether the SBEDA program should be continued and/or modify the criteria supporting minority and women-owned enterprises (M/WBE). The last study was completed in FY 2016. The Small Business

Economic Development Advocacy (SBEDA) program was established in FY 2011.

The FY 2021 Proposed Budget includes also total of \$1,611,838 in reductions for economic development incentive funding.

A detailed listing of the Economic Development's FY 2021 Reductions and Improvements are included in Attachment 1.

### **Affordable Housing/Neighborhood and Housing Services**

<b>FUND</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
General Fund	\$14,876,974	26
Tax Increment Financing	797,000	8
Capital Management Services Fund	332,942	3
Grants	18,937,976	42
<b>Total</b>	<b>\$34,944,892</b>	<b>79</b>

The total housing investment for FY 2021 is recommended at \$25.0 million from the General Fund, HOME and Community Development Block Grants. The \$25.0 Million in funding will facilitate 536 affordable housing units and 1,100 families assisted through Risk Mitigation, through the following allocations.

- \$8.2 million for Housing Preservation and Repair to assist low to moderate income homeowners with all aspects of rehabilitation and construction including weatherization and lead-based paint abatement and remediation
- \$7.6 Million for Neighborhood Improvements and Gap Financing
- \$5.25 million for the Risk Mitigation Fund to mitigate the impacts of displacement. The fund will offer emergency financial assistance for rent or relocation costs to renters facing an adverse event or displacement.
- \$2.25 million for the Under One Roof Program which replaces worn roofs with energy efficient white roofs. Funding will be allocated citywide. Assistance is provided in the form of a one-time grant up to \$14,000 (no cost to applicant).
- \$1.25 million for the Coordinated Housing System.
- \$450,000 for the Homebuyer Assistance Program.

A detailed listing of the Neighborhood and Housing Services Department FY 2021 Improvements is included in Attachment 2.

### **ALTERNATIVES:**

This item is a scheduled worksession for the FY 2021 Proposed Budget.

### **FISCAL IMPACT:**

This presentation provides briefings on the Economic Development and Neighborhood and Housing Services

Departments. The FY 2021 Budget is scheduled to be adopted by City Council on September 17, 2020.

**RECOMMENDATION:**

This item is a worksession for discussion of the FY 2021 Proposed Budget and is for briefing purposes only.