



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 45

**Agenda Date:** August 8, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Director

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Ordinance adopting the FY 2025 HUD Annual Action Plan and Budget

**SUMMARY:**

Ordinance adopting the FY 2025 Annual Action Plan and Budget for the City's four U.S. Department of Housing and Urban Development (HUD) entitlement grant programs including the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS Program (HOPWA); authorizing a staff complement of 53 positions; and authorizing contracts to execute program budgets.

**BACKGROUND INFORMATION:**

The City of San Antonio receives four federal entitlement grants awarded through the U.S. Department of Housing and Urban Development. These four grants include CDBG, HOME, ESG and HOPWA. As a recipient of federal entitlement funds, HUD requires the City to develop an annual Action Plan and Budget which details how grant funds will address the goals and priorities described in the five-year Consolidated Plan. City Council approved the FY 2022-2026 Consolidated Plan on August 12, 2021. Development of the Consolidated Plan involves collecting and analyzing local economic data and engaging in an extensive community input process to

identify priority needs and related goals.

The FY 2025 Action Plan is the fourth-year plan under the adopted Consolidated Plan. The annual Action Plan commits funding to programs and projects that address the community needs detailed in the Consolidated Plan. Development of the Action Plan involves community engagement and analysis of past performance.

The City anticipates receiving \$22,794,376.27 in formula funding for the FY 2025 Action Plan and has additionally budgeted \$4,972,653.00 in Program Income and prior year savings for a total FY 2025 budget of \$27,767,029.27. The Action Plan is statutorily due to HUD by August 16, 2024.

**ISSUE:**

Based upon extensive community engagement and data analysis conducted during the Consolidated Plan process, decent, safe affordable housing is the number one priority need for low-income families in San Antonio followed by programs and services for special needs populations. The following is the full list of priorities detailed in the Consolidated Plan and which the FY 2025 Action Plan will address.

Priority 1: Provide Decent Safe Affordable Housing

Priority 2: Provide for Special Needs Populations

Priority 3: Provide Housing and Supportive Services for Homeless Population

Priority 4: Provide Neighborhood Revitalization Efforts

Priority 5: Provide Economic Development

**FY 2025 Action Plan**

The City anticipates receiving \$22,794,376.27 in formula funding for the FY 2025 Action Plan and has budgeted an additional \$4,972,653.00 in Program Income and prior year savings. The following table provides a summary of budgeted funds across the four grant programs.

<b>Program</b>	<b>Entitlement</b>	<b>Program Income/Savings</b>	<b>Total</b>
Community Development Block Grant	\$13,108,952.00	\$2,560,452.00	\$15,669,404.00
HOME Investment Partnerships Program	\$5,383,747.27	\$2,412,201.00	\$7,795,948.27
Housing Opportunities for Persons with AIDS	\$3,126,754.00	----	\$3,126,754.00
Emergency Solutions Grant	\$1,174,923.00	----	\$1,174,923.00
<b>Total</b>	<b>\$22,794,376.27</b>	<b>\$4,972,653.00</b>	<b>\$27,767,029.27</b>

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**The following are recommended program allocations for FY 2025:**

**Community Development Block Grant | \$15,669,404.00**

Housing Delivery (Citywide) | \$530,000.00

Utilized to support the delivery of the City's Single-Family Rehabilitation and Reconstruction program and Green and Healthy Homes Initiative and to support other rehabilitation program efforts.

Fair Housing Activities (Citywide) | \$155,000.00

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.

Affordable Rental Housing Development (Citywide) | \$2,411,569.00

Utilized to create and preserve rental housing by supporting affordable housing development through acquisition, rehabilitation, clearance, site improvements and neighborhood infrastructure. Funding for this activity is also provided through the HOME Program.

Affordable Homeownership Housing Development (Citywide) | \$3,800,000.00

Utilized to create and preserve housing for ownership by supporting affordable housing development through acquisition, rehabilitation, clearance, site improvements and neighborhood infrastructure. Funding for this activity is also provided through the HOME Program.

Housing Rehabilitation & Reconstruction (Citywide) | \$4,600,000.00

Utilized to assist low to moderate income residents 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. Funding for this activity is also provided through the HOME Program.

Public Service – Housing Supportive Services (Citywide) | \$250,000.00

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 – Neighborhood Revitalization Case Management (Citywide) | \$100,000.00

CDBG funding will be utilized to connect eligible homeowners to City and non-profit services that may assist in rectifying code violations. CDBG funds will not be used to correct code enforcement violations.

Public Service – Housing Stabilization Services (Citywide) | \$600,000.00

Utilized to assist vulnerable populations at risk of homelessness by providing emergency rental, mortgage, and/or utility assistance for up to three consecutive months, eviction intervention services, and related legal aid services. Households must have incomes at or below 80% Area Median Income.

Financial Education Program (Citywide) | \$175,000.00

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.

Summer Youth Program (D1, D2, D3, D4, D5, D7, & D10) | \$345,000.00

The City's Parks and Recreation Summer Youth Recreation Program provides an eight-week, structured, supervised program at 18 Community Centers located in D1, D2, D3, D4, D5, D7, & D10, 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, D7, & D10) | \$74,140.00

CDBG funds will be used to support staff salaries at 18 COSA Parks and Recreation Department community centers in D1, D2, D3, D4, D5, D7, & D10 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.

Administration | \$2,628,695.00

This budget provides for administrative support for CDBG programs.

This will also authorize 45 positions that will support these activities. Of the 45 positions, 42 are in Neighborhood and Housing Services Department, two are in the City Attorney's Office and one for Department of Human Services.

**HOME Investment Partnerships Program | \$7,795,948.27**

Housing Rehabilitation & Reconstruction (Citywide) | \$2,300,000.27

Utilized to assist low to moderate income residents 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. Funding for this activity is also provided through the CDBG Program.

Affordable Rental Housing Development (Citywide) | \$3,148,387.00

Utilized as gap financing for rental housing development activities for both new construction and rehabilitation of affordable rental housing units for low-income households. Funding for this activity is also provided through the CDBG Program.

**Affordable Homeownership Housing Development (Citywide) | \$1,200,000.00**

Utilized as gap financing for homeownership housing development activities for both new construction and rehabilitation of affordable homeownership housing units for low-income households. Funding for this activity is also provided through the CDBG Program.

**Homebuyer Incentive Program (Citywide) | \$305,000.00**

Funding will 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 first-time homebuyer.

**CHDO Operating Expense Program (Citywide) | \$269,187.00**

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.

**Administration | \$573,374.00**

This budget provides for administrative support for HOME programs.

This will also authorize 5 positions that will support these activities.

**Housing Opportunities for Persons with AIDS | \$3,126,754.00**

Operating Costs, TBRA, Housing Information Services, Supportive Services, and STRMU. | \$3,044,847.00

Utilized to provide tenant-based rental assistance (TBRA), facility-based and transitional housing operating costs, housing information services, supportive services, and short-term, rental, mortgage and utility assistance (STRMU) for persons with HIV/AIDS.

**Administration | \$81,907.00**

This administrative budget funds one position at the Department of Human Services.

**Emergency Solutions Grant | \$1,174,923.00**

**Emergency Shelter | \$385,651.00**

Utilized to provide eligible services including, but not limited to, renovations of a building to serve as an emergency shelter, essential services for individuals and families in emergency shelter, shelter operations, and/or relocation assistance for persons displaced by a project assisted with ESG funds. Funding may be used by City programs and/or allocated to delegate agencies providing eligible services.

**Rapid Re-housing | \$523,623.00**

Utilized to provide eligible services include, but not limited to, housing relocation and stabilization services, short- or medium-term rental assistance as necessary to help individual or families living in an emergency shelter or other qualified place to move as quickly as possible into permanent

housing and achieve stability in that housing. Funding may be used by City programs and/or allocated to delegate agencies providing eligible services.

**Homeless Outreach | \$218,812.00**

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. This authorizes 2 positions at the Department of Human Services.

**Administration | \$46,837.00**

The administrative budget funds time and effort expenses (wages and fringe benefits) for support staff (Fiscal and Contract division staff) that allocate time spent on ESG administrative activities.

**Citizen Participation**

On May 28, 2024, the City issued a public notice in the San Antonio Express-News announcing a public comment period and the first of two public hearings. The first public hearing took place at the Public Comment session on Wednesday, June 12, 2024. Public input sessions were also held on June 18th, June 22nd, and June 25th followed by presentations to the Housing Commission and the Planning and Community Development City Council Committee. Stakeholder outreach continued throughout June and July. A second public notice was published in the San Antonio Express-News on July 23, 2024 announcing the second and final public hearing which will occur on Wednesday, August 7, 2024. All comments received by August 7th are accepted and included in the Action Plan.

**ALTERNATIVES:**

The City is statutorily required to undergo this process in order to execute federally funded programs.

**FISCAL IMPACT:**

This ordinance adopts the FY 2025 Annual Action Plan and Budget for the City's four U.S. Department of Housing and Urban Development (HUD) entitlement grant programs including the Community Development Block Grant (CDBG) in the amount of \$15,669,404.00, HOME Investment Partnerships Program (HOME) in the amount of \$7,795,948.27, Emergency Solutions Grant (ESG) in the amount of \$1,174,923.00, and Housing Opportunities for Persons with AIDS Program (HOPWA) in the amount of \$3,126,754.00. This also authorize a personnel complement of 53 positions and authorizes contracts to execute program budgets.

**RECOMMENDATION:**

Staff recommends approval of the Ordinance adopting the FY 2025 HUD Annual Action Plan and Budget; authorizing a staff complement of 53 positions; and authorizing contracts to execute program budgets.