



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 17

Agenda Date: August 4, 2022

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Interim Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Ordinance adopting the FY 2023 Action Plan and Budget

SUMMARY:

Ordinance adopting the \$26,392,967.44 FY 2023 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 49 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 to allocate grant funds to meet the goals identified in the five-year Consolidated Plan. The FY 2022-2026 Consolidated Plan, approved in August 2021, identifies the following five priorities:

- 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

The City anticipates receiving \$22,893,030.00 in entitlement funding and has additionally budgeted \$3,499,937.44 in program income and prior year program savings for a total FY 2023 budget of \$26,392,967.44. The Action Plan is statutorily due to HUD by August 16, 2022.

ISSUE:

The City anticipates receiving \$22,893,030.00 in formula funding and has budgeted an additional \$3,499,937.44 in program income and prior year program savings for the FY 2023 Action Plan. The following table provides a summary of budgeted funds across the four grant programs.

Program	Entitlement	Program Income / Savings	Total
Community Development Block Grant	\$12,848,225.00	\$488,678.26	\$13,336,903.26
HOME Investment Partnerships	\$6,190,784.00	\$3,011,259.18	\$9,202,043.18
Emergency Solutions Grant	\$1,139,581.00	-	\$1,139,581.00
Housing Opportunities for Persons with AIDS	\$2,714,440.00	-	\$2,714,440.00
Total	\$22,893,030.00	\$3,499,937.44	\$26,392,967.44

The proposed FY 2023 Action Plan and Budget includes:

- \$17.1 million in CDBG and HOME funding set aside for affordable housing activities that further Priority 1 (Provide Decent Safe Affordable Housing)
- \$4.2 million in CDBG and HOPWA funding for Priority 2 (Provide Services for Special Populations)
- \$1.5 million in CDBG and ESG funding for Priority 3 (Provide Housing and Supportive Services for Homeless Population)
- \$100,000 in CDBG funding for Priority 4(Neighborhood Revitalization Efforts)
- \$200,000 in CDBG funding for Priority 5 (Provide Economic Development)

The administrative budget across the four grants is \$3,266,149.26 and provides for efficient grant administration and performance monitoring of these community development programs.

The following are recommended program allocations for FY 2023:

Community Development Block Grant | \$13,336,903.26

Housing Delivery (Citywide) | \$516,342.00

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) | \$300,000.00

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) | \$1,000,000.00

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) | \$2,650,000.00

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.

Single-Family Rehabilitation & Reconstruction (Citywide) | \$4,000,000.00

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. Funding for this activity is also provided through the HOME Program.

Public Service – Housing Supportive Services (Citywide) | \$400,000.00

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 fund two case managers in the Development Services Department. The case managers will 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 –Emergency Housing Assistance Program (Citywide) | \$500,000.00

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

Community Center / Supportive Services (Citywide) | \$750,000.00

Funds will be provided to assist with the development of a community serving facility to expand

the availability of supportive services. Funding may support construction of a community based project where services may be provided or in the provision of such services.

Financial Education Program (Citywide) | \$200,000.00

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) | \$273,282.00

The COSA Parks and Recreation Summer Youth Recreation Program provides an eight-week, structured, supervised program at 19 Community Centers located in D1, D2, D3, D4, D5, & 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, & D7) | \$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 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 | \$2,573,139.26

This administrative budget fully or partially funds 41 positions in total with 38 at the Neighborhood and Housing Services Department, 2 at the City Attorney's Office, and 1 at the Department of Human Services.

HOME Investment Partnerships Program | \$9,202,043.18

Single-Family Rehabilitation & Reconstruction (Citywide) | \$3,870,990.00

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. Funding for this activity is also provided through the CDBG Program.

Affordable Rental Housing Development (Citywide) | \$2,154,010.18

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) | \$2,002,043.00

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) | \$275,000.00

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) | \$300,000.00

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 | \$600,000.00

This administrative budget fully or partially funds 5 positions in total at the Neighborhood and Housing Services Department.

Housing Opportunities for Persons with AIDS | \$2,714,440.00

Housing and Supportive Services | \$2,642,145

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.

Administration | \$72,295.00

This administrative budget funds 1 position at the Department of Human Services.

Emergency Solutions Grant | \$1,139,581.00

Emergency Shelter | \$367,968.00

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 | \$516,297.00

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 | \$234,601.00

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.

Administration | \$20,715.00

This administrative budget partially funds 2 positions at the Department of Human Services.

Citizen Participation

The City initiated a public comment period on June 13, 2022 through August 3, 2022. Public outreach included public notices in the San Antonio Express News, through the City's websites, NHSD newsletter and via stakeholder meetings. Comments were accepted online via the SASpeakUp portal and by e-mail at communitydevelopment@sanantonio.gov.

The City hosted two Public Hearings, one June 16 and August 3, 2022 and additionally hosted one in-person and one virtual community meeting.

Over 1,100 residents were engaged through the SASpeakUp webpage and through public meetings. All comments were accepted.

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 \$22,893,030.00 in entitlement funding and \$3,499,937.44 in Program Income and prior year program savings for the period of October 1, 2022 to September 30, 2023. This item will not have an impact on the General Fund Budget.

RECOMMENDATION:

Staff recommends approval of an ordinance adopting the FY 2023 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 49 positions; and authorizing contracts to execute program budgets.