

Program Year 2021 Community Development Block Grant Consolidated Annual Performance and Evaluation Report (CAPER)

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

Program year 2021 (PY 2021) which began October 1, 2021 and ended September 30, 2022 was the second year of the 2020- 2024 Consolidated Plan for the Community Development Block Grant (CDBG) program. This 5-year plan established three priority needs to be addressed using CDBG Entitlement funds: (a) affordable housing; (b) public services; (c) public facilities, and added economic development as a priority for CDBG-Coronavirus Relief funds along with affordable housing and public services. All projects and activities carried out during program year 2021 addressed a priority need. All projects/activities satisfied a National Objectives: all benefitted low to moderate income persons. The City was above the timeliness threshold of 1.5% on the August 2, 2022 testing date; however, when the housing rehabilitation programs begin construction in PY 2022, the City will be well below the threshold at the next testing date in August, 2023.

Key accomplishments in Program Year 2021:

- One staff-administered program was active during the year: the Homebuyers Assistance Program. Four new households were assisted with down payment and closing costs. Funding was available for twelve.
- Three subrecipient-administered CDBG-Entitlement programs were active during the year: Advocates for Foster Children (211 served), Hays-Caldwell Family Violence program (378 served), and Housing Counseling (21 served).
- Several CDBG-Coronavirus programs continued: Advocates for Foster Children (22 served), Small Business Assistance (10 served this year), and Rent-Mortgage-Utility Assistance (29 served this year).
- San Marcos continued to affirmatively further fair housing by publishing an annual fair housing rights ad in English and Spanish in the local newspaper, maintaining a Fair Housing page on the City's website, and issuing a proclamation declaring April to be "Fair Housing Month". The City partnered with Austin Tenants Council to provide a question and answer session on fair housing for renters.
- Construction was started on the Blanco Gardens disaster recovery stormwater project.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g) Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee’s program year goals. Note: Table 1 has been divided into parts in order to be legible.

Goal	Category	Indicator
Advocates for Foster Children	Non-Homeless Special Needs	Public service activities other than Low/Moderate Income Housing Benefit
CDBG-CV Coronavirus Response	Other-Coronavirus Response	Public service activities other than Low/Moderate Income Housing Benefit
CDBG-DR Disaster Recovery	Other - Disaster Recovery	Other
CDBG-MIT Mitigation of Risk	Other - Mitigation of Risk from Potential Disaster	Other
Estimated Administration Cost at 20% of Grant	Other - Grant Administration	Other
Home Ownership Counseling	Affordable Housing	Public service activities other than Low/Moderate Income Housing Benefit
Homebuyer Assistance	Affordable Housing	Direct Financial Assistance to Homebuyers
Housing Demolition	Affordable Housing	Buildings Demolished
Owner Occupied Housing Rehabilitation	Affordable Housing	Homeowner Housing Rehabilitated
Park or Public Facility Improvements	Non-Housing Community Development	Public service activities other than Low/Moderate Income Housing Benefit
Priority Repair	Affordable Housing	Homeowner Housing Rehabilitated

Table 1 - Part A – Indicators

Goal	Funding
Victims of Domestic Abuse	\$105,000
CDBG-DR Disaster Recovery	\$33,794,000
CDBG-MIT Mitigation of Risk	\$24,012,000
Estimated Administration Cost at 20% of Grant minus Planning funding	\$142,296
Home Ownership Counseling	\$23,656
Homebuyer Assistance	\$87,000
Owner Occupied Housing Rehabilitation	\$224,963
Park or Public Facility Improvements	\$159,500
Priority Repair	\$70,000
Planning	\$11,000

Table 2 - Part B – Program Year Funding

Goal	Funding
Advocates for Foster Children	\$300,000
CDBG-CV Coronavirus Response	\$993,086
CDBG-DR Disaster Recovery	\$33,794,000
CDBG-MIT Mitigation of Risk	\$24,012,000
Estimated Administration Cost at 20% of Grant	\$720,000
Home Ownership Counseling	\$118,280
Homebuyer Assistance	\$420,000
Housing Demolition	\$125,000
Owner Occupied Housing Rehabilitation	\$1,000,000
Park or Public Facility Improvements	\$625,000
Priority Repair	\$216,240

Table 2 – Strategic Plan Funding (PY 2020-2024)

Goal	Expected	Actual	Measure	% Complete
Victims of Domestic Abuse	141 125	211 378	Persons Assisted Persons Assisted	150% 302%
CDBG-DR Disaster Recovery	*	*	Other	30%
CDBG-MIT Mitigation of Risk	*	*	Other	1%
Estimated Administration Cost at 20% of Grant	NA	NA	Other	100%
Home Ownership Counseling	25	21	Households Assisted	84%
Homebuyer Assistance	12	4	Households Assisted	33%
Owner Occupied Housing Rehabilitation	15	0	Household Housing Unit	0%
Park or Public Facility Improvements	230	0	Households Assisted	0%
Priority Repair	5	0	Household Housing Unit	0%

Table 3 - Part D – Program Year Measures (PY 2021)

*percent complete was calculated by amount of funds expended vs amount of funds available during the program year

Goal	Expected	Actual	Measure	% Complete
Advocates for Foster Children	280	316	Advocates Trained	113%
CDBG-CV Coronavirus Response	500	678	Persons Assisted	136%
CDBG-DR Disaster Recovery	**	**	Other	30%
CDBG-MIT Mitigation of Risk	**	**	Other	1%
Estimated Administration Cost at 20% of Grant	NA	NA	Other	100%
Home Ownership Counseling	500	82	Households Assisted	16%
Homebuyer Assistance	50	9	Households Assisted	18%
Housing Demolition	18	1	Buildings	6%
Owner Occupied Housing Rehabilitation	35	0	Household Housing Unit	0%
Park or Public Facility Improvements	5	0	Parks or Facilities Improved	0%
Priority Repair	60	0	Household Housing Unit	0%

Table 2 – Strategic Plan to Date Measures

**percent complete was calculated by amount of funds expended since 2020 vs amount of funds total

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

49% (\$405,619 out of \$823,415) of the funding from PY 2021 and prior years was allocated to programs that address the City’s highest priority, which is the creation and maintenance of affordable housing. For PY 2021, the City funded programs to support homebuyers and rehabilitate and repair owner occupied single family housing. 13% (\$105,000) of the funding addressed public services high priority, which was serving victims of domestic violence. In addition, 19% (\$159,500) was allocated toward a parks project, and a very small amount (\$11,000, or 1%) was devoted to a planning project. Although most of these programs were not very active during PY 2021, the funding remains allocated and when put to use will be effective in meeting the City’s high priority needs. Program updates are as follows:

- The Homeownership Counseling program was re-opened to in-person participation but still struggled to attract interested attendees.
- The Homebuyer Assistance program was initially slated to assist 12 families, and instead served 4. The program continues to struggle because households who meet the income requirements of the program cannot afford to buy the houses that are on the market in San

Marcos. Also, homes for sale are sold very quickly, to the highest bidder, often over asking price.

- Housing Demolition was used once during the 2021 program year. The demolition funds are a last resort for those that for one reason or another have not been resolved by the homeowner in a timely fashion. The first goal of this program will be to clear out structures that are unsafe and are providing an attractive nuisance or which are causing significant neighborhood blight. This funding can be used in cases where homeowners are financially unable to remove unsafe structures. Liens can be placed on the property for the cost of the building removal.
- Owner Occupied Housing Rehabilitation has been on hold pending first a complete re-write of program policies and procedures and then a request for proposals competitive bid process to create a list of on-call contractors to do housing rehabilitation. The policies and procedures were completed in Program Year 2020 and the bid was published in the first quarter of Program Year 2021. Contractors are now in place for the program and applications are being accepted.
- The Parks project is expected to happen in PY 2022 with additional CDBG funding that has been allocated to it in that program year. The prices exceeded expectation.
- The Priority Repair program funding is to repair issues that are actively causing damage to a house. The administration of this program is the same as the larger Owner Occupied Housing Rehabilitation program. This program's application process has been combined with the Owner Occupied Housing Rehabilitation program, and contractors are standing by ready to begin work.

The 2020-2024 Consolidated Plan lists the following as high priorities: **Affordable Housing, Public Services, Public Facilities, and Economic Development (related to recovery from the pandemic).**

AFFORDABLE HOUSING

- **Production of new units** – Low at this time due to lack of moderately priced land. (Note: Units constructed with CDBG-DR funding are replacements for units severely damaged by the 2015 floods.

SUMMARY: Because the production of new units has been problematic due to the cost of land, the City has turned to other alternatives to support the creation of opportunities for the construction of affordable housing, either for rent or sale.

- **Rehabilitation of existing units** – CDBG Entitlement high priority to preserve existing housing stock due to the high percentage of cost-burdened renters and homeowners. CDBG-DR priority due to the need for repair of flood damage throughout the City, which is all designated as the “most impacted and distressed area” and especially in low- to moderate-income neighborhoods hit hardest by the 2015

floods.

SUMMARY (CDBG): Because it costs far more to build a new house than repair an old one, and because surveys and data show that the need for repair is relatively high, the City of San Marcos has chosen rehabilitation of existing units as a high priority.

SUMMARY (CDBG-DR): The City has tried to balance spending CDBG-DR grant funding between housing rehabilitation and reconstruction that directly assists those whose homes were damaged by the 2015 floods versus spending on infrastructure to try to prevent future impacts on a greater number of houses. Approximately \$2.6 million remained available for housing in Program Year 2021, and City staff worked to make City owned lots into properly zoned, platted lots that are ready for construction.

- **Rehabilitation of existing units, community partnership**-- High priority

SUMMARY: The rehabilitation of owner-occupied, low-to-moderate income single-family residences (IDIS 429 and IDIS 438) In PY 2021, staff completed the rewriting of policies and procedures that had been required by HUD. The application process was opened first come first served, and contractors were procured to perform the home rehabilitations. Home rehabilitations have not begun, pending the procurement of an inspector to create independent scopes of work with cost estimates.

A second program that will assist with repairs of homes is the Emergency Repair Program (IDIS 430). This funding has been combined with the home rehabilitation funding to create one program to market to residents.

- **Acquisition of existing units** - Low priority at this time.

DISCUSSION AND SUMMARY: Due to the high cost of purchasing homes in the area, along with the need for rehabilitation as discussed above, the City has opted to prioritize preservation of the existing affordable housing stock through rehabilitation instead of acquiring houses. A small amount of funding has been set aside for acquisition. (IDIS 425)

- **Homelessness**

- **Outreach** –High City priority - Outreach to existing homeless service providers is a priority for the City to support the formation of the Homeless Coalition of Hays County in examining current homeless needs and evaluating next steps.

SUMMARY: The City’s primary role in serving the homeless in San Marcos is that of outreach to service providers and interested parties to assist with coordination for locating, assessing the needs of, and providing for the city’s homeless population.

- **Emergency shelter and transitional housing** – Low priority for CDBG funding; however, the City owns the land on which a new eighteen-

unit transitional shelter is under construction, and is leasing it to the service provider for \$1.00 per year on a sixty year lease.

SUMMARY: The need for all these types of units is greater than the funding available to the City can address; however, the City supports service providers in finding solutions in ways other than providing funding. As noted in Section MA-35, the Hays-Caldwell Women’s Center and its 18 units of transitional housing is owned by the non-profit, but they are located on City-owned land that is leased to the Center for \$1.00.

The San Marcos Housing Authority has also found creative ways to meet some of the need. In program year 2020, the Housing Authority applied for and received 36 Emergency Housing Vouchers for use similar to the Section 8 program.

- **Rapid Re-housing** – Low priority at this time; under discussion by service providers.

SUMMARY: Rapid Re-Housing programs are favored by advocates for ending homelessness, but because part of the effectiveness is due to the combination of housing, case management, and services, such programs are costly. Because of their impact, this type of program may be a point of discussion for the homeless coalition; if only to create better coordination with service providers in Austin for San Marcos citizens.

- **Prevention** – Low priority for CDBG funding; however, local service providers and the Housing Authority are all focused on fostering self-sufficiency in their clients in order to prevent future homelessness.

SUMMARY: Because homelessness may result from a variety of issues, work towards preventing it must also address a variety of issues. While CDBG funding is not currently specifically used for homelessness prevention, the efforts by the City to provide affordable housing described in the Consolidated Plan MA-20 Housing Market Analysis – Condition of Housing will provide support for those in need of housing rehab in order to be able to stay where they are. Section MA-30 Homeless Facilities and Services provides information on services now provided in San Marcos as well as those that are known to be needed or which are desired by service providers, as discussed in consultations with them.

NON-HOUSING COMMUNITY DEVELOPMENT

- **Public Facilities** – High priority for CDBG Entitlement funding to facilitate the rehabilitation of an historic school as a comfortable place for programs offered to low- and moderate-income people such as cultural enrichment and English as a second language.

SUMMARY: The City receives approximately \$700,000 annually in CDBG entitlement funds and has used some of this funding to pay for park improvements that were not covered by the City’s Capital Improvements Plan. In Program Year 2020, the City was presented with the opportunity to assist with rehabilitation of an historic school owned by the school district that is now used for cultural enrichment and English as a second language classes. This was funded with CDBG as a public facilities project. This project, titled Centro (IDIS 436), will provide rehabilitation of the historic building to create safer facilities. In Program Year 2021, staff took a change in this project’s scope before Council and the new scope was

approved. The City will continue to work with Centro to initiate the project in program year 2022.

- **Public Improvements and Infrastructure** – High priority for CDBG-DR infrastructure funding to prevent future flooding. High priority for CDBG-MIT funding to prevent future flooding and to reduce the risks associated with flooding and storms, for example by enhancing the existing flood warning system.

SUMMARY: Although a variety of important infrastructure needs exist, especially in transit and broadband, the level of CDBG Entitlement funding received by a City the size of San Marcos can make the greatest impact on the other most prevalent need, affordable housing, since transit and broadband would require more than the City receives in order to address the shortfalls there.

- **Public Services** – Low priority for CDBG Entitlement funding due to the high level of need for affordable housing; however, the maximum amount of CDBG funding is generally approved for public services. Public Services are a High priority for CDBG-CV funding due to the need for support of programs and services to respond to the COVID-19 pandemic and its effects on people’s health and the economy.

SUMMARY (CDBG): CDBG funding emphasizes the provision of affordable housing as an important use of this specific stream of funding, and that also resonates with a very high need category for San Marcos. The City uses its very limited Public Services allocation to support some of the most vulnerable, abused children and people who have experienced domestic violence, in order to fill in a gap in funding for services for them.

- **Economic Development** – High priority for CDBG-CV funding due to the impact of required business closures and restrictions to attempt to control the spread of COVID-19. A funding allocation has been approved for a small business support program related to supplies and adjustments made for operating in the pandemic.

SUMMARY: HUD has provided an alternative requirement that up to 100% of CDBG-CV funding can be spent on public services. Due to the nature of the situation – a pandemic – public services was the first consideration for the use of funds. In addition, its use for job retention is appropriate due to the economic impacts of the pandemic caused by required business closures and occupancy restrictions.

CR-10 - Racial and Ethnic composition of families assisted - 91.520(a)

Describe the families assisted (including the racial and ethnic status of families assisted). 91.520(a)

RACE	CDBG	CDBG	CDBG- CV	CDBG- CV
White	521	83%	39	64%
Black or African American	63	10%	10	16%
Asian	2	1%	3	5%
American Indian or American Native	1	1%	1	2%
Native Hawaiian or Other Pacific Islander	0	0%	0	0%
Other	34	5%	8	13%
TOTAL	621	100%	61	100%
ETHNICITY		CDBG		CDBG
Hispanic	348	56%	25	41%
Not Hispanic	273	44%	36	59%
TOTAL	621	100%	61	100%

Table 4 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The San Marcos CDBG program reaches out to and serves all low to moderate income people in our community. The City served minority populations at a slightly higher ratio than our census, with 10% and 16% of beneficiaries being African American and 56% and 41% having Hispanic ethnicity. Per the US Census Bureau, as of July 2021, the following are estimates of race and Hispanic origin for the residents of San Marcos:

White alone, percent	78.8%
Black or African American alone, percent(a)	6.0%
American Indian and Alaska Native alone, percent(a)	0.2%
Asian alone, percent(a)	2.8%
Native Hawaiian and Other Pacific Islander alone, percent(a)	0.1%
Two or More Races, percent	7.3%
Hispanic or Latino, percent(b)	41.7%
White alone, not Hispanic or Latino, percent	45.4%

(a)Includes persons reporting only one race

(b)Hispanics may be of any race, so also are included in applicable race categories

Source: US Census QuickFacts <https://www.census.gov/quickfacts/sanmarcocitytexas>

CR-15 - Resources and Investments 91.520(a): Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	\$823,415	\$323,687
Section 8	public - federal	\$1,870,796	\$1,827,213
CDBG-DR and CDBG_MIT	Public-federal	\$52,842,676	\$6,715,993

The City of San Marcos made additional resources available, shown below:

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG-CV Rd 1 and 3	public – federal	\$993,086	\$174,746
Rent-Mortgage Program (Direct to Community Action)	Coronavirus Relief General Fund	\$174,399	\$174,399
Small Business Program (to Chamber)	Coronavirus Relief General Fund	\$200,000	\$0
Court Appointed Special Advocates	Coronavirus Relief General Fund	\$40,000	\$18,785
Hays County Food Bank	Coronavirus Relief General Fund	\$6,830	\$6,830
Hill Country MHMR	Coronavirus Relief General Fund	\$94,050	\$0
Human Services Grant Application Process	City of San Marcos	\$1,019,000	\$776,000
	TOTALS	\$4,106,706	\$1,049,568

Table 5 - Resources Made Available

Narrative

The City had CDBG Entitlement Funding available of \$766,482 in PY 2021 funds plus \$56,933 left over from prior years, for a total of \$823,415. Amount expended from PY 2021 funds was \$247,550. Remaining funds will be spent in future years on the programs approved for PY 2021. In addition, \$9,134 was spent from PY 2019 funds, and \$67,004 was spent from PY 2020 funds, bringing total expenditures to \$323,687.

\$164,900 of the PY 2018 funds were for a program to purchase lots to use for the construction of homes for low- to moderate-income people who lost their homes in the 2015 floods. No lots have been purchased. Lots in the San Marcos market are very expensive and sell very quickly, due to development pressure from the city of Austin, which is within commute distance. The City is continuing to explore alternatives to obtain lots that

can be used for housing construction. In PY 2020, the City Council approved donating five City-owned lots to the program, which will be replatted to six lots.

Expenses for CDBG-CV were for three programs: rent-mortgage-utility assistance, court appointed special advocates, and a small business recovery program.

CDBG-DR expenses were for the cost of program staff handling amendments to the plans, and for the engineering staff’s oversight of the design of infrastructure projects by consultants, for the engineering design work, and for the start of construction of the Uhland Road project and the Blanco Gardens program

The CDBG-MIT action plan was approved during the PY 2020 year, and expenses are related to administration of the grant and capital improvements planning.

The City received quite a bit of coronavirus pandemic funding in addition to CDBG-CV and City Council chose to use much of the funding to support social services. During PY 2020, some of the funding was allocated to specific programs, and some was allocated to the Human Services Grant process, for which applications were accepted within PY 2020, for review and selection in PY 2021. The Human Services Advisory Board made recommendations to City Council for this funding and it was allocated to agencies in PY 2021.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
City Limits	100%	100% of all expenditures	See below

Table 6 – Identify the geographic distribution and location of investments

Narrative

Ten of the twelve census tracts in the City of San Marcos contains at least 69% low to moderate income people, with the remaining two at 48% and 26% (in a tract with only 2,215 people). Therefore the CDBG geographic target area encompasses the entire city limits.

One program this year had a recorded geographic impact – the Homebuyer Assistance Program. The Homebuyer Assistance Program provided four forgivable loans to homebuyers for down payment and closing cost assistance. Three were in census tract 104.02, with 62.5% low to moderate income people, and the other one was in census tract 109.05, with 26%.

The rehabilitation program did not accomplish work on any houses during this time period, so no it has not yet had a geographic impact.

Regarding the use of publicly owned land to fulfill identified needs: The City Council donated five City-owned lots for construction of affordable houses through the CDBG-DR program. The historic school that is used as a community center and which received funding for rehabilitation in PY 2020 is owned by the San Marcos Consolidated Independent School District. In addition, The stormwater infrastructure projects under design with CDBG-DR funding utilize a combination of publicly owned land and land purchased from private owners.

The city owns the land on which a new eighteen-unit transitional shelter has recently been constructed and is leasing it to the service provider for \$1.00 per year on a sixty-year lease. They also received a General Funds grant from the city for the project in the amount of \$93,510.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The City does not require that projects/programs have matching funds. The Southside Community Center rehab program and CASA child advocacy program all utilize additional funding sources, including private and local government funds. The City supports public service agencies by using approximately \$500,000 of the general fund for Human Services Advisory Board Grants.

In addition, the City provides the following facilities at low or no cost for the programs housed within them:

- The Mitchell Center is provided to Boys and Girls Clubs of South Central Texas as their location in San Marcos
- The City Recreation Hall hosts the Lion's Club, which operates a tube rental station there that annually raises more than \$300,000 for charity
- The Senior Center (on Arizona) is provided to Community Action Inc of Central Texas to provide meals, education, and social time for the elderly
- The Price Center is owned by the City and leased by a non-profit that provides recreational programs to all regardless of age.
- Hays-Caldwell Women's Center is owned by the non-profit but is located City-owned land that is leased to the Center for \$1.00
- The San Marcos Area Chamber of Commerce is located in a building provided by the City
- Charles S. Cock House is used as the "Charles S. Cock House Museum" by the Heritage Association
- The Commemorative Air Force Hangar houses the Central Texas Wing Museum
- The Calaboose Building houses the African American History Museum

The City does not receive HOME or ESG funding through direct allocation.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

Using CDBG-Entitlement and CDBG-CV Only

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	0	0
Number of Non-Homeless households to be provided affordable housing units	14	0
Number of Special-Needs households to be provided affordable housing units	6	0
Total	20	0

Table 7 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental and Mortgage Assistance	0	0
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	20	0
Number of households supported through Acquisition of Existing Units	0	0
Total	20	0

Table 8 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

- **(2018 funding) IDIS 425: LMI Housing Acquisition** Due to the high cost of purchasing lots in the area there was no progress for the year and no goals entered. This funding is on hold pending other projects.
- **IDIS 429/ 438: Housing Rehabilitation** Owner Occupied Housing Rehabilitation had been on hold pending first a complete re-write of program policies and procedures required by HUD and then a request for proposals competitive bid process to create a list of on-call contractors to do housing rehabilitation. The policies and procedures were completed in Program Year 2020 and the bid was published in the first quarter of Program Year 2021. Three housing rehabilitation contractors were procured. The application process was opened in

October, 2021, and with the help of Code Enforcement Officers, more than 35 applications were submitted. The City now must re-issue an RFP for an inspector/estimator for the program so that independent scopes of work with cost estimates can be created. This is necessary in order to meet regulations at 2 CFR 200 for cost reasonableness analysis.

- **IDIS 430: Emergency Repair Program** The program will be combined with the Owner Occupied Housing Rehabilitations Program in order to assist more applicants.
- **IDIS 439: Priority Repair** The Priority Repair program funding is to repair issues that are actively causing damage to a house. The administration of this program is the same as the larger Owner Occupied Housing Rehabilitation program. This program is managed by the City in combination with the Housing Rehabilitation Program.
- **IDIS 451: Housing Counseling** This program is provided through a subrecipient, Habitat for Humanity. It includes the counseling required for people who are participating in the Homebuyer Assistance program.
- **IDIS 452: Homebuyer Assistance** This program provides down payment and closing cost assistance for qualified low to moderate income families. Although it has been marketed, usage is relatively low because families who can qualify for the program struggle to find a house they can afford for sale in San Marcos.
- **CDBG-CV** The CDBG-CV rent, mortgage, and utility assistance program wrapped up this year with 29 additional households served.
- **(2019 funding)** One home was demolished with CDBG funding in PY 2021. The demolition funds are a last resort for those that for one reason or another have not been resolved by the homeowner in a timely fashion. The first goal of this program is to clear out structures that are unsafe and are providing an attractive nuisance or which are causing significant neighborhood blight. This funding can be used in cases where homeowners are financially unable to remove unsafe structures.

In addition, regarding CDBG-DR funding for reconstruction of homes, it has proved more difficult than expected to provide new affordable housing because of the generally high price of lots in the area. Approximately \$2.6 million remains in funding for reconstruction of homes. In PY 2020, the City Council approved donating five City-owned lots to the program. In PY 2021, staff has worked with a consultant to create plats for those lots that needed platting, and to gather the appropriate information to request rezoning of the lots as needed. Staff has worked through various issues to bring all lots to the point where construction can begin – including the City owned lots and the lots owned by individuals on which homes will be reconstructed.

The CDBG-DR grant also has funding that has been allocated toward the rehabilitation of rental units (\$659,000 remaining) and reimbursement of homeowners' expenses for repairing their homes (\$1,000,000). These programs were intended to help preserve existing affordable housing. On August 16, 2022, City Council provided direction to staff to submit an amendment to the action plan to cancel these programs and move the funding to infrastructure, after staff presented issues with the feasibility of each program.

Much of the funding for CDBG Entitlement has been allocated to housing rehabilitation and to the Centro rehabilitation program. Both have had major reconfigurations and have not yet successfully started construction. This is expected in PY 2022.

Discuss how these outcomes will impact future annual action plans.

Rehabilitation of homes continues to be the City’s top priority for CDBG funding. The amounts not used in prior years will be used for those same programs, but later than expected. As soon as independent cost estimates can be obtained for each house, work can begin and it is expected that several years of funding will be spent all at once since three contractors are available.

It is also expected that CDBG-DR homes will be constructed in PY 2022.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual (owner)	CDBG-CV Actual (almost all renter)	HOME Actual	Housing Trust Fund Actual
Extremely Low-income	6	12	na	na
Low-income	2	9	na	na
Moderate-income	20	8	na	na
Unknown	0	0	na	na
Total	28	29	na	na

Table 9 – Number of Households Served

Narrative Information

Households shown above participated in the City’s Rent-Mortgage-Utility Assistance program, Homebuyer Assistance program, and in the Homebuyer Counseling program, all of which track income levels for eligibility purposes. Foster children are presumed to be in the extremely low income category since they are wards of the state; income is not an eligibility factor for them. The majority of households served were served by CDBG funding. More detailed information is as follows:

The number of extremely low-income owner occupied households: 0 were assisted through CDBG Entitlement, 0 through CDBG-CV

The number of extremely low-income owner households: 0 were assisted through CDBG-CV, 6 through CDBG Entitlement

The number of extremely low-income renter households: 12 were assisted through CDBG-CV, 0 through CDBG Entitlement

The number of low-income renter households: 9 were assisted through CDBG-CV, 0 through CDBG Entitlement

The number of low-income owner households: 0 were assisted through CDBG-CV, 2 through CDBG Entitlement

The number of moderate-income renter households: 8 were assisted through CDBG-CV, 0 through CDBG Entitlement

The number of moderate-income owner households: 0 were assisted through CDBG-CV, 20 through CDBG Entitlement

The number of middle-income persons served: 0 were assisted through CDBG-CV, 4 through CDBG Entitlement

The number of homeless persons served: 0 were assisted through CDBG-CV, 0 through CDBG Entitlement

24 CFR 570.3 DEFINITIONS

https://www.ecfr.gov/cgi-bin/text-idx?rgn=div5;node=24:3.1.1.3.4#se24.3.570_13

HUD establishes income maximums for each grantee based on Census data, as updated annually by the American Community Survey. San Marcos is included in the Austin-Round Rock Metropolitan Statistical Area (MSA) for the calculation of income limits. As an example, for 2021, 80% of the median family income for a family of four in this MSA is \$88,250.

Each project has a quarterly progress report that tracks the metrics and demographics. The report is either completed by the project manager, or the agency receiving funds. The report asks for average median income, race and ethnicity, if the household is a female led household, and if there is a disability or special needs individual in the home.

All beneficiaries for PY 2021 had incomes less than 80% Area Median Income (which is \$88,250 for a family of four). No homeless people were served in these programs.

The City acknowledges that it is important to address the housing needs of persons with disabilities and households who live at or below 50% of the Area Median Income, (\$55,150 for a family of four).

The City has funded housing rehabilitation projects annually that provide needed improvements to bring the homes into decent, suitable living environments, and to provide handicap accessibility. The focus of these projects are to assist disabled and elderly residents. To be classified as disabled, they must show written proof; elderly are considered seniors at 55 years of age.

Addressing "worst case" housing needs is critical to ensuring a viable community. In San Marcos, with a very high percentage renter population, this is especially for those unassisted renters with incomes below 50% of the local area median incomes who pay more than half of their income for housing. The City has supported Low Income Housing Tax Credit multi-family projects in order to support renters.

Other actions taken to foster and maintain affordable housing (91.220(k); 91.520(a))

In 2018, the City created a Workforce Housing Task Force that led to the creation of a Housing Strategic Action Plan in 2019 that is currently under review. Adoption of this plan and its implementation will help foster the creation and retention of affordable housing in San Marcos.

Evaluation of progress in meeting the City's specific objective of providing affordable housing assistance during the reporting period; Each type of owner and renter household should be discussed (ELI, LI, Mod, MI, Homeless):

CDBG programs other than CDBG-CV have been focused on supporting homeowners instead of renters since rental housing is a business venture. The majority of the city is categorized as low to moderate income.

Extremely Low Income and Low Income

During this reporting period, the City assisted people with extremely low, low, and moderate incomes through the CDBG-CV funding for rent, mortgage and utility assistance. Almost all people assisted were renters. CDBG Entitlement funding has been set aside for housing rehabilitation programs that will also benefit people in these income categories by helping them stay in their homes and in a safe and sanitary living environment. These programs were active in program year 2021-2022, accepting applications for housing rehabilitation. The rehabilitation programs are so far focused solely on owner occupied housing.

Extremely low is considered 30% of AMI. This is 1 person earning \$23,200; 2 people earning \$26,500; 3 people earning \$29,800; 4 people earning \$33,100; 5 people earning \$35,750; 6 people earning \$38,400; 7 people earning \$41,910; or 8 people earning \$46,630.

Low income is considered 50% of AMI. This is 1 person earning \$38,650; 2 people earning \$44,150; 3 people earning \$49,650; 4 people earning \$55,150; 5 people earning \$59,600; 6 people earning \$64,000; 7 people earning \$68,400; or 8 people earning \$72,800.

Moderate Income

The City's homebuyer assistance program and housing counseling provides benefit to moderate income families who are able to afford home ownership with some support. This program has been successful in attracting buyers in the newly constructed neighborhoods; however, it is also desirable to support purchase of existing housing stock. Therefore, staff marketed this program more aggressively in program year 2021-2022 in order to attract a broader range of buyers.

Moderate is considered 80% of AMI. This is 1 person earning \$61,800; 2 people earning \$70,600; 3 people earning \$79,450; 4 people earning \$88,250; 5 people earning \$95,350; 6 people earning \$102,400; 7 people earning \$109,450; or 8 people earning \$116,500.

Middle Income

Because the average median income for the metropolitan statistical area is very high compared to the actual incomes in San Marcos, it is not an objective of the City to serve people with middle incomes using CDBG funding.

Homeless

The City is supporting the development of a local homeless coalition using funds other than CDBG, including the general fund. Progress is being made by the members of the coalition toward creating a local coordinated entry system.

PY 2021 CDBG Income Limits

Median Family Income: Austin-Round Rock MSA - **\$110,300 as of April 18, 2022**

Effective: April 18, 2022

Percent AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30%	\$23,200	\$26,500	\$29,800	\$33,100	\$35,750	\$38,400	\$41,910	\$46,630
50%	\$38,650	\$44,150	\$49,650	\$55,150	\$59,600	\$64,000	\$68,400	\$72,800
80%	\$61,800	\$70,600	\$79,450	\$88,250	\$95,350	\$102,400	\$109,450	\$116,500

Source: <https://www.hudexchange.info/resource/5334/cdbg-income-limits/>

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction’s progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Annually, the City provides \$500,000 total in grants through its General Fund to organizations that serve the homeless and those at risk of becoming homeless, including the Hays County Area Food Bank, the Society of St. Vincent De Paul, Southside Community Center, Salvation Army, Hays-Caldwell Women's Center, the Greater San Marcos Youth Council, and the residents' services program of the San Marcos Housing Authority. The City relies upon its non-profit partners in outreach activities for the unsheltered homeless population in San Marcos.

A Point-In-Time Count of homeless people was conducted for Hays County on January 27, 2022, and February 24, 2022, by volunteers of the Homeless Coalition of Hays County. . With more than 66,000 residents, San Marcos is the most populous city in the county, which has more than 214,000 residents in 11 communities. The second and third largest cities in the county are Buda with 18,000 people, and Kyle, with 48,000. The Point-In-Time Count found 173 homeless people total: 141 adults, 15 young adults, and 32 children under 18. All but one person were located in San Marcos.

Point in Time Count numbers were much higher this year, with 173 people found as compared to 137. However, both years’ counts were impacted by the pandemic and the need for volunteers to go out and find people who are homeless. Therefore, both years’ numbers may be lower than actual.

Results for Point in Time Count are as follows:

Chronically Homeless Individuals and Families	58 individuals
Families with Children	19 households (58 people)
Veterans and Their Families	12 individuals
Unaccompanied Youth	8 individuals
Households without Children	109 households (115 people)

*Note: People can belong to more than one group

Addressing the emergency shelter and transitional housing needs of homeless persons

The three homeless shelters in San Marcos target specific populations:

The Hays-Caldwell Women's Center provides services to victims of family abuse. Hays-Caldwell Women's Center provided various services to 2,023 unduplicated victims of abuse, with 254 of those from Hays County, in program year 2020-2021. Currently the Center provides emergency shelter, counseling, prevention education, physical exams, and forensic interviews. In August, 2022, Hays-Caldwell Women's Center opened a new transitional housing complex that houses 18 families

The Greater San Marcos Youth Council provides services to abused and neglected children ages 2-17 and families with children under the age of 18. Services include youth and family counseling, trauma support groups, shelter, and assessment services. In 2021, 50 children received shelter care and assessment services.

Southside Community Center is able to provide emergency shelter for up to 25 persons in families. In addition to providing overnight shelter, Southside also provides a daily meal to approximately 60 people that is open to anyone, and provides the homeless with an opportunity to shower and wash their clothing. The Center provided transitional shelter for 41 people in 2021.

In addition, two organizations are providing significant numbers of people shelter through donations. The Homeless Outreach Mitigation and Emergency Center (HOME Center) was providing shelter for 78 individuals in motels, and Together for a Cause was providing shelter for 11 in motels.

On the days of the Point in Time Homeless Count 110 individuals were sheltered, out of 173 counted (64%), including the people sheltered temporarily in motels.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The City of San Marcos and Hays County are covered under the Texas Balance of State Continuum of Care run by the Texas Homeless Network. The City works with the local non-profit organizations that provide shelter and services to specifically targeted homeless populations. San Marcos has an informal network of service providers that provide cross referrals to each other and any resources they can find, local and otherwise; however, no central coordination currently exists to provide help to people recently released from institutions or publicly provided systems of care. The City does not have a homeless discharge coordination policy

For people with Intellectual Development Disorders who are discharged from the State Supported Living Centers (SSLC) (state-run institutions), there is intensive planning and coordination prior to their discharge and they almost always leave the SSLC with Home and Community Services with a “guaranteed” living environment awaiting them. The local intellectual and developmental disability authority (LIDDA) is aware that people can be referred to the Section 8 Housing waitlists (through both city and county housing authorities). Upon release from an institution, Hill Country Mental Health and Developmental Disabilities Center (the local mental health authority, or LMHA) provides a comprehensive evaluation to identify housing needs among other risks or needs and make referrals to local resources: including the San Marcos Housing Authority, shelters, and agencies that may assist with providing financial supports until permanent housing can be obtained. Hill Country MHDD also participates in a supportive housing program through the state, but individuals do not always qualify for this assistance; there is a very long application process; the assistance is not immediately available; and the funds are limited and often are not adequate to cover the present need.

Though the City does fund various agencies that assist transitioning foster youth, provide other youth programs, and aid people transitioning out of correctional facilities, they are not funded through CDBG. Such programs compete for funding annually for the Human Services Grants funded by the City’s General Fund.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City has several programs in place to help reduce housing costs, including: (1) using non-federal funds to provide utility bill payment assistance to low income, elderly or disabled residents once per year; (2) providing a \$25,000 homestead exemption for homeowners sixty-five and older or with a disability; (3) providing free energy and water audits to help residents find ways to lower utility costs; and (4) providing utility bill averaging to equalize energy costs over a 12-month period; (5) provide financial support through general fund grants to numerous social service agencies; Hays County Food Bank, San Marcos Resident Services, Youth Services Bureau, SMCISD Age Parenting Program, Combined Community Action (Senior Nutrition), Mental Health Services, Society of St. Vincent de Paul, Early Childhood Intervention, Greater SM Youth Council, Drug Abuse Center, United Way of Hays County, Child Protective Board, and the Salvation Army.

The City is working on homelessness prevention by participating in the Homeless Coalition of Hays County and by providing funding for capacity building among non profits, to be allocated in the near future. In the PY 2021-2022 year, the City provided \$1,019,000 in funding to various non profits through the Human Services Grant application process. Of this funding, \$426,427 (42%) went to programs for homelessness prevention and emergency assistance.

The City of San Marcos does not receive ESG funds. However, several local agencies provide assistance to homeless individuals.

1) The Salvation Army – San Marcos provides basic needs assistance.

2) The San Marcos Consolidated Independent School District Homeless Liaison Services office acts as a liaison between students experiencing homelessness and the school district. The office provides support services to students, such as:

- Tutoring and mentoring
- Assistance with school supplies
- Transportation assistance
- Help in obtaining identification documents
- Assistance with fees for school activities, summer school, and camp tuition
- Referrals to other community agencies

Homeless students may attend the school zoned for their area, or the school they last attended. School districts are required to make reasonable accommodations for transportation, even out of their zoned areas.

3) The Greater San Marcos Youth Council provides an emergency shelter for children who have been neglected, abused, abandoned, who are homeless, or who have run away. It Operates a Crisis Hotline providing crisis intervention for youth, and offers support services, including:

- Psychological, medical, and dental evaluations
- Drug/alcohol assessments
- Public education or General Education Diploma (GED) classes. Shelter residents may enroll in or continue to attend an area school.
- Individual and family counseling
- Life skills instruction

4) The Hays-Caldwell County Women's Center's office and shelter are operated on land provided by the City on a long-term, \$1 per year lease. This property has 18 units of transitional housing. The transitional housing is targeted to women with children who are leaving the shelter and need month-by-month, low-cost rent as they transition away from their abusive situation.

5) Community Action Inc., offers some case management services and classes to assist people who are in danger of becoming homeless, in addition to providing financial assistance through various grants.

6) Together for a Cause offers emergency assistance, motel stays, and assistance with applications with the goal of moving people from homelessness to more stable housing.

7) H.O.M.E. Center offers emergency assistance, motel stays, and case management with the goal of moving people from homelessness to more

stable housing.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

Annually, the City provides approximately \$25,000 as a grant using general funds to support programs at the San Marcos Public Housing Authority that improve the quality of life for public housing residents, reduce dependence on welfare, and empower residents to take charge of their lives and their environment by employing the following initiatives: Elderly/Disabled Services, General Family Services, the Family Self Sufficiency Program, and Resident Organizations.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

A five-member board, including a resident board member, oversees the Housing Authority's programs; board members are appointed by the City's Mayor and City Council. Each public housing complex has a resident Council or Assembly group which holds periodic meetings. These resident councils and assemblies provide a direct opportunity for residents to become more involved in management of housing and services. The resident councils help coordinate with local agencies and supervising volunteer programs which serve all residents.

The staff of the San Marcos Housing Authority's (SMHA) Resident Services Department take actions to encourage public housing residents to become more involved in management and to participate in homeownership. The mission of SMHA Resident Services is to provide a wide variety of direct services and referrals to families and individuals receiving housing assistance. The strategies they employ to reach these goals include several complementary initiatives: Elderly/Disabled Services, Youth Development Services, Self-Sufficiency, and Resident Organization (the resident councils and assemblies). Each Resident Services facility includes a meeting room, a computer lab, a kitchen, and an office. They provide services, to one degree or another, to about 950 persons. Participants in the Self Sufficiency program receive money management training with the goal of helping them be able to become homeowners, in addition to case management, support group facilitation, and connection to job training and educational resources. The Youth Development Services include after school and summer programs, self-development, and additional meal support. Elderly/Disabled Services help individuals obtain access to medication and medical appointments, social activities, and food deliveries.

Actions taken to provide assistance to troubled PHAs

The San Marcos Housing Authority is not designated as a troubled PHA.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The most recent Analysis of Impediments to Fair Housing Choice (AI) - adopted June 6, 2017 - did not find any regulatory barriers. The City completed the update of its development codes during PY 2017, and the revised Development Code was adopted by City Council on April 17, 2018. During the process, the City took into consideration the effect development codes can have on housing affordability and sought ways to ensure maximum flexibility. The Code has a section on "Affordable Housing" that includes development incentives, standards for an affordability period for both rental and for-sale units receiving development incentives, and definitions of eligibility. The Planning staff utilized the adopted San Marcos Affordable / Workforce Housing Policy as a guide in preparing the affordable housing section.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

Two primary obstacles affect the ability to meet the underserved needs of San Marcos residents: inadequate funding and lack of capacity. Organizations and government programs that provide supportive services are finding it increasingly difficult to maintain their current funding levels or to obtain new sources of revenue. Loss of revenue can lead to program elimination or reduction in the level of services provided or the number of clients that can be served. The City continues to use non-federal and CDBG funds to support programs offered by local non-profit organizations that serve the City's low to moderate income population.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

Per the 2018-2019 Housing Needs Assessment, 28% of the homes in San Marcos were constructed prior to 1980. All houses that were constructed before 1978 that participate in CDBG Entitlement or CDBG-DR funded housing rehabilitation programs are tested for lead paint hazards by a qualified firm, and the test results determine which houses require lead-based paint interim control measures and clearance reports. Participants in these programs receive a copy of the "Protect Your Family from Lead in Your Home" booklet. The City's Homebuyer Assistance Program applicants receive a copy of the "Protect Your Family from Lead in Your Home" booklet. Houses constructed prior to 1978 must pass a lead hazard evaluation inspection prior to loan closing.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The City's primary role in reducing the number of poverty-level families is the use of federal funding and local policies and programs to support the creation and maintenance of affordable housing in the community. Affordable housing, in conjunction with services that lead to long-term

self-sufficiency, can lift and keep people out of poverty. The Consolidated Plan includes funding allocations in the Affordable Housing, Public Services, and Public Facilities categories.

When applications are received annually for funding of specific projects and programs using CDBG entitlement funds, the City Council takes into consideration the City's current needs assessments, policies, and programs when choosing among applicants and staff proposals. Workforce Housing and Economic Development were named by the City Council in 2022 as two of their five strategic initiatives for 2022-2026, continuing the focus on these issues that has been evident for some time. These two issues are complementary, since the issues of affordable housing in San Marcos are a combination of high prices due to growth pressure and generally low incomes in the city.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

Multiple local and regional non-profit and faith-based organizations serve a variety of purposes in public services, affordable housing, and economic development functions. The longevity of these local institutions has created a working network of support for the community that is supplemented by CDBG entitlement funds.

In PY 2019, to examine how well San Marcos' current housing market meets the needs of its residents, Root Policy Research conducted a modeling effort called a "gaps analysis" as part of the 2019 San Marcos Housing Study. The analysis compares the supply of housing at various price points to the number of households who can afford such housing. If there are more housing units than households, the market is "oversupplying" housing at that price range. Conversely, if there are too few units, the market is "undersupplying" housing. The gaps analysis conducted for renters in San Marcos addresses both rental affordability and ownership opportunities for renters who want to buy. The analysis found gaps in the rental and for-sale markets in the number of affordable housing units available compared to the need. This study provided information to be used to form programs and policies over the next few years.

Known gaps in the institutional structure for CDBG-type community assistance include:

- Housing options that are truly affordable compared to the incomes of the local population
- Levels of funding available for supportive services
- Shelter for homeless single adults – not available in San Marcos
- Affordable child care, including for families currently receiving other services
- Transportation - bus service is very limited and complicated, not geared toward people who work in shifts

The City contributes \$500,000 annually in additional funding for supportive service. In PY 2020, administration of those funds (the Human Services Advisory Board grants) was turned over to the same staff who administer CDBG grants in order add process consistency and focus on outcomes. In PY 2021, scoring was added to application review and the contracting process was changed to require more documentation for reimbursements.

Regarding homelessness, the Homeless Coalition of Hays County has been formed with local agencies as the leaders, and the City participating.

Most significantly in PY 2020, the City Council allocated \$400,000 of general fund dollars that originated as a Coronavirus Relief Fund reimbursement to be held for capacity building of local non profits. Use of the funds will be determined after the conclusion of a community-wide Homeless Services Needs Assessment that was completed by Texas State University during PY 2021. This needs assessment contributes to an accurate picture of services available in the community as well as gaps where capacity building is needed. The City Council will next allocate the remainder of the \$400,000 to provide capacity building to fill those gaps as well as others identified that are unrelated to homelessness services. Assessment of Community Assistance was named an Area of Focus by the City Council for PY 2022-2023.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

City staff and representatives of the local public housing authority, private housing resources, and social service agencies communicate and work well together to the benefit of San Marcos citizens. The City shares timely news and announcements through press releases that are widely distributed. Notices of special interest to social service agencies or public housing are forwarded to agency representatives by CDBG staff.

The City also allocates more than \$500,000 in grant awards from the general fund budget to support local social service agencies, including the Public Housing Authority's resident services programs.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The impediments identified in the Analysis of Impediments (AI) included (1) Lack of affordability of the housing stock; (2) insufficient income to afford local housing costs; and (3) limited resources available to help low income homeowners maintain their homes. Lack of affordability was addressed using the City's Homebuyer Program. This impediment will be further addressed as the City completes the update of its development code and review of the affordable housing strategic action plan in PY 2022-2023. Insufficient income is being addressed through economic development using non-federal funds. Since PY 2019, the City has funded an economic development position, in addition to funding a Main Street Program and contracting with the Greater San Marcos Partnership to attract businesses. In addition, the City works in partnership with the San Marcos Area Chamber of Commerce. The limited availability of resources for housing maintenance is addressed with CDBG funds through its rehabilitation programs. Other resources include the City's programs to reduce housing costs such as utility bill assistance, energy audits and rebate programs, and energy bill averaging. If a family is paying less on utility costs, they have more funds to spend on maintenance.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City's policies and procedures for monitoring were updated as part of the update to the CDBG Overall Management Policies and Procedures in Program Year 2019 and 2020. Typically, programs will be monitored annually while programs are active, with staff following HUD guidelines and standard operating procedures to document the Subrecipient's compliance with HUD administrative and financial requirements (2 CFR Part 200), and compliance with the City's contract provisions.

Monitoring of programs funded through CDBG-CV shall include a review and documentation of how the activities carried out with CDBG-CV funds tie back to the to the prevention, preparation, and response to coronavirus.

For minority business outreach, as part of the procurement process, the City checks the state's list of certified Historically Underutilized Businesses and sends the procurement notice to any applicable businesses.

The City is currently in process of revising the City's Comprehensive Plan through a public engagement and research project led by a consultant in conjunction with the City's Planning Manager.

In Program Year 2021, staff conducted a formal monitoring of the City's Homebuyer Assistance Program, Court Appointed Special Advocates, and Hays Caldwell Womens Center programs. These programs have been closely reviewed in prior years through quarterly reports and conversations with program administrators; however, it is customary to conduct a formal monitoring every few years even for programs that are clearly progressing well. No findings were made during the monitorings. Records were found to be in excellent condition, and the programs are serving the purposes for which they are intended.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The City followed the adopted 2020-2024 Citizens Participation Plan in its preparation and approval of the Consolidated Annual Performance and Evaluation Report (CAPER).

Public Notice of Comment Period and Public Hearing

Notice of the comment period and public hearing was provided in English and Spanish by publication in a local newspaper and on the City's website at least 14 days before the start of the comment period and included the names and addresses of the locations where copies could be found for

review. The notice was published October 16, 2022. The notice announcing the comment period included a list of the contents and description of the purpose of the CAPER.

Comment Period

As part of annual CAPER process, a comment period on the draft document as described below is required for a minimum of 15 days. The comment period was from October 31, 2022, through November 15, 2022.

During the comment period, copies of proposed documents were available for viewing at the San Marcos Public Library and at City Hall. The City will provide a reasonable number of free copies of the proposed document to citizens and groups who request it. Upon request, these materials will be made available in a form accessible to persons with disabilities.

No comments were received.

Public Hearing

The City must hold at least one public hearing before City Council after publication of the above public notice and conclusion of the comment period, to review program performance and to obtain citizen comments and input for the direction of the CDBG Entitlement programs. The hearing was held in a combined virtual/in person meeting on December 6, 2022, in accordance with the public hearing requirements as described below:

1. Hearings shall be held at times and locations convenient to potential and actual beneficiaries.
2. Hearings shall be held with accommodation for persons with disabilities. Hearings will be held in facilities that are physically accessible to individuals with disabilities, or if that is not possible, the information will be provided through alternative methods that allow for the most integration possible. Individuals who require auxiliary aids and services for a meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000(voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be sent by e-mail to ADArequest@sanmarcostx.gov.
3. In the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate, citizen comments written in Spanish will be translated, and a Spanish translator will be present.
4. The City may meet public hearing requirements with virtual public hearings if:
 - a. national/local health authorities recommend social distancing and limiting public gatherings for public health reasons; and
 - b. virtual hearings provide reasonable notification and access for citizens in accordance with the grantee's certifications, timely responses from local officials to all citizen questions and issues, and public access to all questions and responses.

One citizen comment was received, generally in favor of the report.

Adoption

After the public hearing and discussion, City Council adopted Resolution 2022-271R approving the CAPER on December 6, 2022.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction’s program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The housing needs assessment conducted in 2018-2019 confirmed that top priority for CDBG programs in San Marcos is affordable housing. However, in PY 2019, the need to respond to the COVID-19 pandemic became a high priority as well. This priority continued into PY 2020 and PY 2021, as additional funding was received by the City through CDBG Coronavirus Response (HUD), the Coronavirus Relief Fund (Texas Department of Emergency Management), and the American Rescue Plan (US Treasury).

In PY 2021, the Housing Rehabilitation program received applications but has not started construction due to length of time it has taken to finish policies and procedures, recruit contractors, and contract with an outside resource for independent scopes of work and cost estimates. It is anticipated that construction will begin in PY 2022 and that approximately 26 houses will be completed using a combination of CDBG Entitlement and American Rescue Plan funding.

The City does not have any active Section 108 loans.

Data on the amount and use of program income for projects

The City did not have program income higher than the \$25,000 reportable threshold. \$23,200 was received from payments made in the Homebuyer Assistance program, and this funding has been used first prior to making draws; it has been recorded separately in the City’s general ledger.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants or Section 108 guaranteed loans?

The City does not have any open Brownfields Economic Development Initiative grants or Section 108 loans. It is not anticipated that the City will have any in the foreseeable future.

CR-58 Section 3

The City did not have any CDBG Entitlement or CDBG-Coronavirus Response projects that required Section 3 compliance.

Attachments (to be added after approval)

1. PR 26 Financial Summary Report

2. Public Notice for comment period and public hearing
3. Resolution approving the CAPER
4. Comments Received (Name and Address redacted)