

City of San Marcos  
Community Development Block Grant  
Consolidated Annual Performance  
Evaluation Report  
(CAPER)  
Program Year 2015



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## 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 2015 (PY 15) which began October 1, 2015 and ended September 30, 2016 was the first year of the 2015-2019 Consolidated Plan for the Community Development Block Grant (CDBG) program. This 5-year plan established five priority needs to be addressed using CDBG funds: (a) affordable housing; (b) public services; (c) public facilities / infrastructure / transportation; (d) clearance activities; and (e) program administration. All projects and activities carried out during program year 2015 addressed a priority need. All projects/activities satisfied one of the 3 National Objectives: (1) benefit low to moderate income persons; (2) eliminate slum and blight; or (3) address an urgent need. The City was well below the timeliness threshold of 1.5% on the August 1st testing date.

San Marcos continues to affirmatively further fair housing by: (1) including fair housing as a topic in its homebuyer education program; (2) CDBG staff completing a National Fair Housing Alliance Training Webinar regarding Fair lending; (3) publishing fair housing rights ads in English and Spanish in the local newspaper; (4) maintaining a Fair Housing page on the City's website; (5) issuing a proclamation declaring April to be "Fair Housing Month"; and (6) including a "*Fair Housing Fact*" article in the Summer edition of the City Exchange -- a quarterly newsletter distributed to all utility billing customers and provided as handouts at various city office locations. The City also referred three persons to the San Antonio FHEO field office regarding potential discrimination complaints.



**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.*

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected 5-year Goals	Actual 5-year Goal to Date	Percent Complete for 5-Yr.	Expected in Program Year	Actual in Program Year	Percent Complete in PY
Clearance of Spot Slum & Blight	Clearance	CDBG: \$	Buildings Demolished	Buildings	15	1	6.67%	5	1	20.00%
First Time Homebuyer Program	Affordable Housing	CDBG: \$	Direct Financial Assistance to Homebuyers	Households Assisted	16	3	18.75%	4	3	75.00%
Land Acquisition for affordable housing	Affordable Housing	CDBG: \$	Homeowner Housing Added	Household Housing Unit	3	1	33.33%	1	1	100.00%
Owner-Occupied Housing Rehabilitation	Affordable Housing	CDBG: \$	Homeowner Housing Rehabilitated	Household Housing Unit	35	7	20.00%	7	7	100.00%
Parks, Sidewalks and Public Facilities	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	4,500	0	0.00%	3,550	0	0.00%
Program Administration	Program Admin	CDBG: \$	Other	Other	N/A	N/A	N/A	N/A	N/A	N/A
Public Services	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	2500	509	20.36%	363	509	140.22%

**Table 1 - Accomplishments – Program Year & Strategic Plan to Date**



**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.**

All 2015 Activities addressed one of the identified High Priority Needs. The City's Program Administration expenditures did not exceed the 20% cap and the three public service programs did not exceed the 15% maximum expenditure limit.

Three activities were included in the 2015 Action Plan to address **Affordable Housing**. Maintaining the City's owner-occupied housing stock, thus reducing the potential for homelessness for our very-low income families, was accomplished by Southside Community Center through the completion of the rehabilitation of seven homes. Although no new lots were purchased for development of new affordable housing, Habitat for Humanity completed the second (and final) home on land acquired through a PY 2012 activity, allowing the activity to be closed successfully. The City assisted first-time homebuyers to purchase a home, serving 3 low/mod households. A fourth homebuyer loan, originally scheduled to close in September, closed in October 2016 which will be included in the 2016 CAPER.

The implementation of two **Infrastructure** programs, improvements to Veterans Park (PY 2014) and Dunbar Park (PY 2015) has gone slower than anticipated. The construction of Veteran's Park will be completed during PY 2016 as will the design of the Dunbar Park improvements. Until these projects are complete, the City cannot show any beneficiaries served.

Three of the four PY 2015 **Public Service** projects shown in the 2015 Action Plan were completed during PY 2015:

- CASA of Central Texas utilized \$29,810 to reimburse staff salaries/benefits for administering a child advocacy program for children in the Texas Foster Care System;
- Hays-Caldwell Women's Center utilized \$25,000 to reimburse staff salaries/benefits for the operation of a family violence shelter;
- City Parks and Recreation Division utilized \$8,274 to provide recreation fee scholarships to low/mod youth in San Marcos

United Way of Hays County notified the City that they were withdrawing from 2015 CDBG funding due to the difficulty their program would have of satisfying HUD's beneficiary documentation for their *Read, Tutor, Mentor Program*. The activity was cancelled which reduced the PY 2015 proposed beneficiaries by 1,000 persons in this funding category.



## CR-10 - Racial and Ethnic composition of families assisted

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

### 91.520(a)

Beneficiary Racial & Ethnic Composition	CDBG
White	339
Black or African American	72
Asian	3
American Indian or American Native	6
Native Hawaiian or Other Pacific Islander	0
<b>Total</b>	<b>420</b>
Hispanic	240
Not Hispanic	180

Table 2 – Table of assistance to racial and ethnic populations by source of funds

### Narrative

The San Marcos CDBG program reaches out to and serves the minority population of our community. Using 2010 Census data, San Marcos has a minority demographic of: African Americans (Black) - 5.5%; Hispanic / Latino ethnicity - 37.8%. No other racial group had a population share that reached 2%. The City served minority populations at a slightly higher ratio than our census, with 17% of the total 420 beneficiaries being African American and 57% having Hispanic ethnicity, with two percent of our beneficiaries being Asian and American Indian/American Native Alaskan. The City's housing programs served 11 families, with 9 being of Hispanic ethnicity. The three public service programs served a total of 577 individuals. Of those, 55% were Hispanic and 14% were African American.



## CR-15 - Resources and Investments 91.520(a)

### Identify the resources made available

Source of Funds	Estimated total 5-Year Resources	Resources Made Available from all years	Amount Expended During Program Year
CDBG	\$2,000,000	\$809,746	\$207,499

Table 3 – Resources Made Available

### Narrative

The City received \$517,077 as its 2015 CDBG allocation.

In addition, the City recaptured \$1,444.36 from a first-time homebuyer loan that did not complete the five-year affordability period. This amount was slightly less than the \$2,000 estimated in the 2015 Action Plan.

This program income is classified as revolving loan funding, meaning the funds were returned to the first-time homebuyer program. In compliance with CDBG regulations, the recaptured funds were drawn as part of the funding for the next first-time homebuyer loan.

### Identify the geographic distribution and location of investments

### Narrative

San Marcos does not have any specific target areas for CDBG expenditures -- essentially the entire City has a low-mod population, spread throughout all census tracts (see SP-10 of the Consolidated Plan). Likewise the City has not geographically prioritized the identified needs of the community. However, as shown in the *Southside Rehab Program 2015* map included in the appendix section, the PY 2015 housing rehabilitation program served 7 houses which were all located in census block groups that had a low/mod population in excess of 51%. The appendix also includes the service area maps for both park improvement projects, which serve low/mod areas.



## 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, CASA child advocacy program, and Hays-Caldwell Women's Center Family Violence Shelter all utilize additional funding sources including private and local government funds.

Both park improvement infrastructure projects identified in the 2015 Action Plan are located on city-owned property. In addition, the City provides the Hays Caldwell Women's Shelter the land on which their offices and family violence shelter facility are located on a long-term lease basis. This organization receives financial support through both CDBG and local government funding.





## 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.

	One-Year Goal	Actual
Number of <b>Homeless</b> households to be provided affordable housing units	0	0
Number of <b>Non-Homeless</b> households to be provided affordable housing units	7	11
Number of <b>Special-Needs</b> households to be provided affordable housing units	5	5
<b>Total</b>	<b>12</b>	<b>16</b>

Table 4- Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	0	1
Number of households supported through Rehab of Existing Units	7	7
Number of households supported through Acquisition of Existing Units	0	0
<b>Total</b>	<b>7</b>	<b>8</b>

Table 5 - Number of Households Supported

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

The City exceeded its goal of providing affordable housing units by rehabilitating seven owner-occupied houses, assisting 3 families with the purchase of their first home, and closing out the Habitat for Humanity land acquisition project once the second (final) house was constructed and sold to an eligible beneficiary. Five of the seven houses rehabilitated were occupied by elderly persons; one house included accessibility improvements.

### Discuss how these outcomes will impact future annual action plans.

The City's goal of acquiring land to create affordable housing units was established as three sites to be acquired during the 5-year Consolidated Plan period. The site must be developed and sold to an eligible beneficiary before the program can be closed so that the actual beneficiary data can be included in the



CDBG record. One unit was completed this year from the 2012 Habitat for Humanity program. In 2015 Habitat received a land-acquisition grant through private funds that allowed them to secure property for an additional 3 or 4 homes. Based on their usual schedule of completing one home per year, the City does not expect to receive an application to acquire new lots for Habitat until the 2019 or 2020 program year. This may result in the City needing to amend this goal.

Southside has been a CDBG subrecipient for many years and consistently rehabilitates 7 houses per year. The City anticipates they will continue to receive annual funding to allow them to continue rehabilitating seven houses per year. In PY 2016, the City also provided CDBG funds to a new subrecipient to rehabilitate flood-damaged, owner-occupied housing. Therefore, we are confident that we will achieve and exceed our rehabilitation goals.

The number of requests for Homebuyer Assistance in the early part of FY 2016 is showing an increase in this activity. We anticipate reaching or exceeding goals set for this program.

**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 Persons Served	CDBG Actual
Extremely Low-income	3
Low-income	2
Moderate-income	6
<b>Total</b>	<b>11</b>

Table 6 – Number of Persons Served

### Narrative Information

The CDBG grant establishes three low-to-moderate income reporting categories: Extremely Low (30% Area Median Income (AMI)); Low (50% AMI); and Moderate (80% AMI). 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. For 2016, the median family income for a family of 4 in this MSA is \$77,800, which is the number that the income calculations is based on, adjusted for family size. The 2016 income limit schedule is included in the appendix section.

All beneficiaries for PY 2015 have incomes within the low/mod maximum of 80% AMI. The low and extremely low income beneficiaries were part of Southside Community Center's rehabilitation program. All households with income above 50%, but less than 80%, are reported in the 80% (Moderate-income) category.

Unfortunately, there is not a reporting category for beneficiaries that are at 60% of AMI. If we could report a 60% AMI income, we would show that all First-Time Homebuyer beneficiaries and the Habitat for Humanity beneficiary have household incomes between 50 and 60%. To illustrate: a one person household can earn up to \$43,600 at 80% AMI, but could not exceed \$32,700 at 60%.



## **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**

The City does not receive any funds specifically targeting homeless persons and Hays County is not included in a Continuum of Care. The City provides 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.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

Two of the three homeless shelters in San Marcos target very specific populations: victims of family abuse and children and youth under age 18. The Southside Community Center shelter expanded its service population from "families only" to allow individuals to be eligible. In addition to providing overnight shelter, Southside also provides a daily evening meal that is open to anyone and provides the homeless with an opportunity to shower and wash their clothing.

The City uses public services funding to help support the family violence shelter. In PY 2015, 344 individuals were served in this shelter. The City also provides \$82,600 in grants through the general fund in support of all three shelters.

Transitional housing is recognized as an unmet need in San Marcos. In PY 2016, the City has provided funding to the Hays Caldwell Women's Shelter for a new public service to provide 1.5 month's rent for persons transitioning out of their shelter.

### **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**

Families living below the poverty level and those on fixed incomes often cannot afford to maintain their homes, which puts them at risk of becoming homeless or having to move in with family, creating overcrowding. The City used \$100,000 of the PY 2015 CDBG allocation to provide housing rehabilitation services to 7 families. All families served this year had elderly household members, who often live on fixed incomes that allows very little funding for routine or emergency maintenance.



The City also 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.

**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**

There are very few resources available in San Marcos to address these issues. During PY 2015, there were no transitional housing units available, although in PY 2016 the City has allocated \$8,000 to fund a new program for beneficiaries transitioning from the family violence shelter to rental housing in San Marcos. This program will pay the first month's full rent and 1/2 of the second month's rent. The beneficiaries are responsible for any required deposit.

The Hays-Caldwell County Women's Center's office and shelter are operated on land provided by the City on a long-term, \$10 per year lease. This property will also become the site of approximately 18 units of transitional housing that is planned to be under construction in 2017-2018. The proposed development will be 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. City Planning staff are currently working with the project architect to ensure the plans are designed to meet local development codes.



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

### **Actions taken to address the needs of public housing**

During the Memorial Day 2015 flood event, 100 units of public housing at the CM Allen Homes complex were impacted. The City, along with numerous volunteers, immediately began assisting the displaced residents in their efforts to find temporary housing. The City waived all construction permit fees; by the end of September 2016, seventy of the 100 units were repaired, with 50 occupied.

The City also works closely with the staff of the Public Housing Authority (PHA) and refers potential residents to their office. The City provides approximately \$25,000 per year as a grant using general funds to support the Family Self-Sufficiency (FSS) program.

The City funds a public service program that provides recreation program fee scholarships to low income youth and children in the area. City staff works with the PHA staff to identify and reach out to their residents who can benefit from this program. One of the most beneficial programs for low-income working families is the "Summer Fun" program that essentially provides day-care five days a week during the summer. The program includes a daily meal and structured activities, including trips to the City's pool and local movie theatre. The CDBG grant paid 100% of the fee for the full 8 weeks for 15 children living in housing assisted by the San Marcos Housing Authority (PHA).

The PHA Executive Director and Resident Services Manager were members of the City's Disaster Recovery Needs Analysis Task Force and were active participants in this important process that allowed the City to move forward with the preparation of the Disaster Recovery Action Plan.

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

The City provided a homebuyer education class that was attended by a number of the FSS residents. The presentation included education about fair housing rights and provided information about the City's homebuyer assistance program. A five-member board, including a resident board member, oversees the PHA program; 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. If requested, City staff will attend a meeting to discuss specific needs or concerns of the residents.

### **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) did not find any regulatory barriers.

The City has almost completed the update of its development codes. 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 as drafted 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)**

There are two primary obstacles to meeting 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 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/mod population. San Marcos continues to offer low/mod youth access to affordable sports and leisure activities through a recreation fee scholarship. The City targets infrastructure projects, such as park improvements, in areas that serve low/mod populations.

In PY 2016 the City will fund a program supporting transitional housing, which is an underserved need.

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

The City's housing programs comply with all lead-based paint hazard reduction requirements including risk assessment, notifications, using the appropriate level of control/mitigation measures, and obtaining clearance for houses found to contain lead paint that will be disturbed during rehab activities. In program year 2015 there were four houses participating in the housing rehabilitation program that were found to have lead-based paint. The lead paint hazards were treated using interim controls and all passed a clearance exam.

The City's homebuyer education program includes a discussion on lead paint hazards in housing constructed prior to 1978.



The First-Time Homebuyer program applicants are provided online access to the "Protect your Family from Lead in Your Home" booklet. Houses constructed prior to 1978 must pass a lead hazard evaluation and inspection prior to loan closing.

The City and its rehabilitation subrecipients will participate in HUD-sponsored Lead Based Paint compliance training as it is made available.

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

The City believes that education and job opportunities are paths that lead families out of poverty. In PY 2015 the City amended its Economic Development Policy to provide a requirement that jobs created through economic development incentives (generally not using federal funds) pay a "Family Living Wage" which is defined as "a wage of \$15.00/hr. plus employer-sponsored health insurance available to the employee and dependents that provides coverage equal to that offered to any other full-time employee of the company." The policy includes a scoring system that provides points for major criteria including "Labor Force Practices" such as (a) training to be provided, (b) number and percentage of jobs earning a family living wage; (c) average and median wages to be paid compared to national/regional averages; and (d) estimate of percentage of hiring from local labor force.

During FY 2015, the City approved one development incentive agreement (not a CDBG project) that required the firm to employ a minimum of 50 "jobs" as provided in the agreement. The facility is currently operational and employs in excess of 50 people.

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

San Marcos has completed a Risk Analysis on its staffing capacity as a part of the CDBG Disaster Recovery Program. As a result of this analysis, plus the additional responsibilities created by the receipt of \$25M in disaster funding, the City will increase the number of staff working directly with the CDBG programs. Also during PY 2016, Janis Hendrix will retire after leading the CDBG program for 14 years. The City is providing cross-training and anticipates having new staff in place prior to her retirement to ensure a smooth transition.

During PY 2015, Thane Newman, the City's grant accountant, completed the 3-day *Basically CDBG* training. Three employees completed the disaster recovery DRGR training in Ft. Worth. The City's CDBG staff, and other key personnel who are working with the Disaster Recovery Program, participated in a number of HUD-sponsored webinars covering topics including: Subrecipient Management and Record Keeping; Amending the 5-Year Consolidated Plan; Duplication of Benefits; and Developing a CAPER.

All subrecipients participated in the City's Subrecipient Training event that included a discussion on the Uniform Administration Requirements (Part 200) and reporting responsibilities. City staff will participate in relevant HUD-sponsored training and webinars, and when appropriate, will invite Subrecipient staff to attend.



The City provided a great deal of technical assistance to Subrecipient Southside Community Center in the areas of procurement and contracting. The City also reviewed and updated its Subrecipient Agreement template, purchasing policy, monitoring policy, and Limited English Proficiency plan.

**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 and/or public housing are forwarded directly to agency representatives by CDBG staff.

The City also allocates over \$500,000 in grant awards from the general fund budget to support local social service agencies, including the Public Housing Authority's Family Self Sufficiency Program.

The City provides a free homebuyer education program at least once annually and invites PHA residents to participate. CDBG staff work closely with local lenders, developers, Realtors, and PHA Self Sufficiency Program participants to promote the City's homebuyer incentives.

**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.

(1) Lack of affordability was addressed using the City's First Time Homebuyer Program. As previously discussed, this impediment will be further addressed as the City completes the update of its development code and affordable housing policy.

(2) Insufficient income is being addressed through economic development using non-federal funds. The City has a contract with a consulting firm to provide economic development services, including bringing new jobs to San Marcos.

(3) Limited resources for housing maintenance is addressed with CDBG funds through its rehabilitation program. 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 housing 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 monitors each open activity annually to assure compliance with applicable Federal requirements and achievement of performance goals. During PY 2015, the city had open projects with 4 subrecipients, one public service program covered under an inter-department agreement, two infrastructure programs still in the planning stages, and the homebuyer assistance program administered by CDBG staff.

The monitoring strategy includes an initial risk assessment, periodic desk reviews, and on-site monitoring. Risk assessments are based on various categories, as recommended by HUD, and scored to reflect low, moderate and high risks, depending upon regulatory complexity, previous experience and leadership stability.

CDBG staff guides the subrecipients and City staff to ensure that all regulatory requirements are completed correctly prior to releasing funds. For construction activities the City provides applicable federal wage rates; Davis Bacon, Section 504 and Section 3 information, forms, and lists of Historically Underutilized Businesses (HUB) lists to subrecipients to be utilized in procurement and contracting activities.

The city conducts preconstruction conferences with subrecipients and contractors to provide and explain all labor standards requirements including Davis-Bacon, and to ensure that the current federal wage rates will be paid and the weekly payrolls will be submitted timely. City staff conduct employee interviews and review payrolls as the construction progresses. The engineer/architect is responsible for ongoing inspections and approving costs incurred prior to submission of draws. City inspectors monitor projects for code and plan compliance. CDBG staff also make periodic site visits to monitor progress.

Quarterly progress reports are reviewed to ensure that activities are being conducted as outlined in the scope of work and schedule contained in the organization's subrecipient agreement. The information in the quarterly report allows staff to update the project's status in the federal reporting system IDIS. Draws are closely inspected by CDBG staff to determine if documentation is complete and that all costs are eligible. The finance department again reviews draws for completeness and accuracy before processing payment. The final draw for major construction contracts must be approved by the city attorney. The Finance Department reviews Subrecipient annual audits and notifies the CDBG staff if there are findings or concerns that need to be addressed. .

The city also monitors housing programs for compliance with the approved guidelines, including income eligibility, lead-based paint and flood insurance requirements. City staff provided an increased level of on-site technical assistance to Southside Community Center this year for the housing rehab activities. Staff conducted desk reviews of the income calculations prior to start of rehab to ensure eligibility with the housing guidelines. Compliance with lead based paint was closely reviewed. Four of the



seven homes were found to have very limited lead paint that was successfully cleared with interim controls. No homes rehabbed were in a floodplain.

Public service projects are monitored to ensure that income eligibility is performed correctly (where required), that program performance is adhered to, and services to the intended beneficiaries are being delivered in a timely manner.

All 2015 subrecipients were monitored for compliance with regulations regarding program management, financial management, and Fair Housing and Equal Opportunity.

### **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 complied with its adopted Citizens Participation Plan (copy included in the appendix) during the annual Action Plan and CAPER processes. A fifteen-day comment period on the CAPER was held from December 5 through December 19, 2016. The CAPER draft was available on-line at [www.sanmarcostx.gov/cdbg](http://www.sanmarcostx.gov/cdbg) and paper copies were available at the San Marcos Public Library, the City Hall lobby, and the Planning Department office.

Citizen comments were also accepted at a public hearing held on Tuesday, December 20, 2016 at 7:00 p.m.

Notice of the public hearing and the comment period were published in English and Spanish on Thursday, December 1st in the San Marcos Daily Record. The City's website was also updated with the notice of public hearing. A press release was issued on November 29<sup>th</sup> regarding the comment period and public hearing. The press release was forwarded to all 2015 Subrecipients. The comment period and meeting were advertised through the City's social media Twitter and Facebook accounts. Copies of the notice and press release are included in the Appendix. The website allows for instant translation of web content into other languages, including Spanish.

Any comments that are received will be summarized here: None were received during the comment period or at the public hearing.



## **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.**

San Marcos experienced two devastating floods in 2015; each flood received presidential disaster designation. Although this did not change any of the City's high priorities, it did impact the way the 2016 funds were allocated. For PY 2016, the City focused the majority of its allocation on housing programs. The City funded a new public service activity to provide housing assistance to persons transitioning from the family violence shelter. The City also provided new funding to continue its First-Time Homebuyer program. The majority of the 2016 funds will be used for housing rehabilitation; Southside Community Center will continue its program of rehabilitating 7 owner-occupied houses and St. Bernard Project, a new subrecipient, will rehabilitate owner-occupied housing impacted by the floods. This focus reflects San Marcos' commitment to ensuring its low-to-moderate income residents are able to obtain and/or maintain quality, affordable housing.

**Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?**

No