

Program Year 2023-2024 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)

Program Year 2023 (PY 2023), which began October 1, 2023 and ended September 30, 2024, was the fourth year of the implementation of the 2020-2024 Consolidated Plan for the Community Development Block Grant (CDBG) programs. 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 PY 2023 addressed a priority need. All projects and activities satisfied a National Objective: all benefitted low to moderate income persons.

Annually on August 2, the US Department of Housing and Urban Development (HUD) checks each jurisdiction's progress on expending CDBG funds in a timely manner. The requirement is that CDBG funds available cannot exceed 1.5 times the current program year's allocation. In 2024, the City exceeded the required ratio for the third time, and submitted a workout plan to HUD showing how this ratio will be met by August 2, 2025. Significant amounts of funding from prior years will be spent on housing rehabilitation, Victory Gardens Park improvements, and the design of the Thorpe Lane Sidewalk project, bringing the City into compliance with the funds available ratio.

Key accomplishments in Program Year 2023:

- Eight homes completed rehabilitation under the Housing Rehabilitation Program. In September, there were 10 homes under repair
- The City-administered Homebuyer Down Payment and Closing Cost Assistance Program assisted 2 households.
- Six subrecipient-administered CDBG-Entitlement programs were active during the year: Advocates for Foster Children (33 served), Hays-Caldwell Family Violence program (412 served), Salvation Army Emergency Assistance (153 served), St Vincent de Paul Emergency Assistance (173 served), Greater San Marcos Youth council (123 served) and Habitat for Humanity Housing Counseling (2 served).
- Remaining CDBG-Coronavirus Response (CDBG-CV) funding was transferred to the City's Rent and Utilities Assistance Program (20 served)
- 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".
- During Fair Housing Month, workshops were hosted by staff addressing aging in place, student housing, renter's rights, and accessibility.

- Construction was completed on the final home in the CDBG-Disaster Recovery (CDBG-DR) Single Family New Construction program.
- Construction continued on the Blanco Gardens CDBG DR/MIT funded stormwater infrastructure project. The Blanco Riverine and Midtown CDBG-DR/MIT stormwater projects were completed, as well as the Flood Emergency Warning System enhancements

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)

PROGRAM YEAR OUTCOMES

The PY2023 Action Plan allocated funding to the following goals:

Goal Name	Funding	Expected Outcome	Actual Outcome
Housing Rehab Activity Delivery	\$120,338.75	Indirect costs for 15 homes	Indirect costs for 18 homes
Advocates for Foster Children	\$35,000	38 advocates trained; 135 children received assistance	34 advocates trained; 45 children received assistance
Services for Victims of Domestic Abuse	\$35,000	Assist 13 families moving into their own homes.	412 individuals received help in 72 households.
Emergency Financial Assistance	\$25,000	24-40 people	Two agencies with 2 FT staff, 5 volunteers and 1 intern assisted 326 individuals
Public Facility Improvements	\$253,362	1 park improved; approximately 230 households served	0 parks improved; 0 households served
Planning and Administration	\$142,500	All admin funds expended	All admin funds expended
Family and Youth Success	\$11,900	100 individuals to attend meetings and events	123 individuals attended meetings and events.
TOTAL	\$623,100.75		

In addition, the following activities funded in prior years or with related funding were active during PY2023:

Goal Name	Funding	Expected Outcome	Actual Outcome
Homebuyer Assistance	\$15,162	12 households served	2 households served
Housing Demolition	\$57,000	0 households served	1 household served
CDBG-CV Rent and Utilities Assistance	\$188,442.85	0 households served	20 households served
CDBG-DR Disaster Recovery	\$33,794,000	1 house constructed 2 infrastructure projects completed	1 house constructed 2 infrastructure projects completed
CDBG-MIT Mitigation	\$24,012,000	3 projects completed (1 infrastructure, 1 planning, 1 flood emergency warning system enhancements)	3 projects completed (1 infrastructure, 1 planning, 1 flood emergency warning system enhancements)
Homeownership Counseling	\$3,220.40	8 households assisted	2 households assisted
Public Facility Improvements	\$468,500	1 park improved; 1 facility improved; approximately 230 households served	1 park improved; 1 facility improved; 625 households served

The Consolidated Plan lists the following as Goals for PY2020-2024:

Goal Name	Funding	Expected Outcome (5 years)	Outcome to Date (4 years)
Owner Occupied Housing Rehabilitation and Priority Repair	\$860,283	35 homes rehabilitated	8 homes rehabilitated
Home Ownership Counseling	\$121,500.40	500 people counseled	96 people counseled
Advocates for Foster Children	\$335,000	280 advocates trained	444 children assisted
Park or Public Facility Improvements	\$1,093,500	5 parks or facilities improved (10,000 persons benefitted total)	1 park improved; 1 facility improved (625 persons benefitted from Paul Pena Park, hundreds from Centro Cultural)
Estimated Administration Cost at 20% of Grant	\$862,500	N/A	All admin funds are expended annually
Homebuyer Assistance	\$435,162	50 loans made	16 loans made
Housing Demolition	\$57,500	18 houses demolished	2 house demolished

Notes on progress for all the above programs is as follows:

Housing Rehabilitation and Repair Program

The goal for this year was to rehab 15 houses; however, the previous year’s delay seeking estimators pushed the application period into the beginning of the program year. Once homeowners were approved in the Spring, each address was added into IDIS as an individual activity. Eight homes were completed during the calendar year using previous years’ funding.

Home Ownership Counseling

This program was provided through a subrecipient, Habitat for Humanity. It provided the counseling required for people who were participating in the Homebuyer Assistance program, and was also open to other San Marcos residents. The goal was to provide workshops and counseling to 8 low to moderate income families. This program served 2 San Marcos families in PY 2023. The subrecipient did not use the entire \$4,000 allocated, using \$3,220.40. This program has been discontinued.

Services for Victims of Domestic Abuse

This item includes two programs: Court Appointed Special Advocates for foster children and a Family Violence Shelter Program. Both programs consistently spend all funding provided and meet or exceed their predicted service numbers.

Emergency Financial Assistance

Emergency Financial Assistance has become a higher priority need during and since the pandemic. This program provides one-time assistance with rent, utilities, medicine, transportation, etc. Two agencies provide services to San Marcos residents.

Public Facility Improvements

- Repair of the Centro Cultural Hispano de San Marcos (Hispanic Cultural Center) was funded in PY2020 and the project was completed in PY2023.
- In PY 2021, the Paul Peña Park Improvement project obtained bids for rehabilitating the park with skate features, installation of playground equipment and an extension of an ADA walking path. Subsequently it was discovered that costs had substantially increased. In PY 2022, the City allocated an additional \$41,000 for the improvements. The Paul Peña Park was completed in PY 2023 and serves 625 families.
- Additional park projects have received funding allocations for PY2023 which will be completed in PY2024 and PY2025. Planning and Administration

Funding for administration is expended annually.

Homebuyer Assistance

This program provided down payment and closing cost assistance for qualified low to moderate income families. Use of this funding was very slow in the San Marcos housing market. The Homebuyer Assistance program was cancelled this year and the funding reprogrammed to PY2024 projects. Initially slated to assist eight families, the program served two this year.

Housing Demolition

The goals of this program are to clear out structures that are unsafe, creating an attractive nuisance, or causing significant neighborhood blight. This funding can be used in cases where homeowners are financially unable to remove these structures. Liens can be placed on the property for the cost of the building removal, in hopes of recovering the funds if the property sells. Since this program is voluntary, funds cannot be spent without permission from the owner. One such owner voluntarily asked for their home to be demolished when it did not qualify for the home repair program. The cost of repair exceeded the home value and the property was on the verge of becoming an issue with code compliance. The owner moved into a retirement community. Two additional homes are under environmental review and will be completed in PY2024. \$67,000 was reallocated out of the program, leaving \$51,000 to demolish three homes.

Property Acquisition for LMI Households

No progress has been made since available lots sell quickly for above market prices. Funds were reallocated out of the program to fund PY2024 projects

CDBG-CV Rent and Utilities Assistance

20 additional households were served during PY 2023. The goal was to serve approximately 50 families in program years 2022 and 2023, with 42 actually served.

CDBG-DR Disaster Recovery

The second phase of the housing reconstruction program was completed in PY 2023. Construction was completed on two stormwater infrastructure projects (Blanco Riverine and Midtown) and completed on three of four phases of the Blanco Gardens stormwater infrastructure project.

CDBG-MIT Mitigation

MIT funds funded construction on the completed Blanco Riverine project. One of the planning projects was also completed – the Hazard Mitigation Plan. The Flood Emergency Warning System enhancements were completed as well.

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.

The 2020-2024 Consolidated Plan lists the following as high priorities: **Affordable Housing, Public Services, and Public Facilities.**

AFFORDABLE HOUSING

13.47% (\$96,000 out of \$712,899) of the funding for PY 2023 was allocated to programs that address the City's highest priority, which is the creation and maintenance of affordable housing. During the PY 2023 year, the Homebuyer Assistance Program contributed toward making housing more affordable, assisting two households while primarily using program income and prior years' funding. .

- **Production of new units** – This is a low priority 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.) Because the production of new units has been problematic due to the cost of land, the City has turned to other alternatives to support affordable housing availability, including housing rehabilitation and homebuyer assistance.
- **Rehabilitation of existing units** – Preserving existing housing stock is a high priority due to the high percentage of cost-burdened renters and homeowners in San Marcos.
- **Acquisition of existing units** - This is a low priority at this time. Housing prices remain inflated in the area due to high market demand.

HOMELESSNESS

Emergency assistance was introduced in PY2023 by allocated \$25,000 to two service agencies. The agencies provided short term rental assistance and utility assistance.

- **Outreach** –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** – This is a low priority for CDBG Entitlement funding because the funding is not enough to provide substantial support.
- **Rapid Re-housing** – This is a low funding priority for CDBG at this time since CDBG funding is focused on maintaining the affordable housing stock in the community., However, Rapid Re-housing has long been under discussion by service providers as a need in the community to resolve homelessness. 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. The City has allocated funding in the FY2024 budget.
- **Prevention** – Moderate priority for CDBG funding; local service providers and the Housing Authority are all focused on fostering self-sufficiency in their clients in order to prevent future homelessness.

NON-HOUSING COMMUNITY DEVELOPMENT

Parks projects were also identified in the Consolidated Plan as a priority. The Paul Pena park was completed during this time. In PY2023, \$337,499 was allocated to two additional parks, Swift Memorial Park and Victory Gardens Park.

- **Public Facilities** – Public facilities are a relatively high priority for CDBG Entitlement funding in order to benefit broad sections of the community.
- **Public Improvements and Infrastructure** – Infrastructure is a high priority for CDBG-DR and CDBG-MIT funding to lower the risks associated with future flooding events.

PUBLIC SERVICES

Public Services is also a high priority in San Marcos, and the maximum percentage of CDBG funds allowed (15%) is always allocated toward that; in PY 2023, the amount was \$106,900.

- **Public Services** – Surveys have shown that the community supports funding for public services as a high priority, and the maximum allowed amount of CDBG funding is generally approved for this use each year. Public Services were 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.

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)

Table 2 – Assistance by Race and Hispanic Ethnicity <i>*see note</i>				
RACE	CDBG	CDBG	CDBG-CV	CDBG-CV
White	699	76%	11	58%
Black or African American	127	14%	2	11%
Asian	6	0.7%	0	0%
American Indian or American Native	3	0.3%	1	5%
Native Hawaiian or Other Pacific Islander	3	0.3%	0	0%
Other	80	8.7%	6	26%
TOTAL	918	100%	20	100%
ETHNICITY		CDBG		CDBG-CV
Hispanic	549	60%	9	45%

Not Hispanic	369	40%	11	55%
TOTAL	918	100%	20	100%

**Note: Some programs tally households, some tally persons, and some tally businesses served. This is a combined total of households and persons. Businesses served were not tracked by race and ethnicity.*

The San Marcos CDBG program reaches out to and serves all people with low to moderate incomes in the community. The City served minority populations at a slightly higher ratio than our census, with 14% (CDBG-E) and 11% (CDBG-CV) of beneficiaries being African American and 60% and 53% having Hispanic ethnicity. Per the US Census Bureau, as of July 2023, the following are estimates of race and Hispanic origin for the residents of San Marcos:

White alone, percent	66%
Black or African American alone, percent(*a)	6.2%
American Indian and Alaska Native alone, percent(*a)	0.5%
Asian alone, percent(*a)	2.3%
Native Hawaiian and Other Pacific Islander alone, percent(*a)	0.1%
Two or More Races, percent	17.8%
Hispanic or Latino, percent(*b)	41.9%
White alone, not Hispanic or Latino, percent	44.9%

(*a) Includes persons reporting only one race.

(*b) Hispanics may be of any race, so they are also 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

Table 1 - Resources Made Available			
Source of Funds	Source	Resources Made Available*	Amount Expended During Program Year
CDBG	public – federal	\$2,457,753.34	\$926,447.04
Other: CDBG-DR	public – federal	\$11,740,727.27	\$5,060,478.73
Other: CDBG_MIT	public – federal	\$6,891,673.54	\$5,894,231.70

*Various years available at beginning of PY2023

Narrative

The City was awarded CDBG Entitlement Funding \$712,899 for PY 2023; funding was also available from prior years. Total expenditures using all funding available for all years \$1.1 million

Expenses for CDBG-CV were for a rent and utility assistance program, along with a small amount for administration.

CDBG-DR expenses were for construction and completion of stormwater improvements projects; staff cost for managing construction projects; and for demolition of homes, lot development, and construction of new homes.

CDBG-MIT expenses are related to administration of the grant and capital improvements planning, construction of improvement projects, flood emergency warning system enhancements, as well as project design and required environmental review.

Identify the geographic distribution and location of investments

Table 2 – 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

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 two forgivable loans to homebuyers for down payment and closing cost assistance.

The housing rehabilitation program completed repair construction work on eight houses during this time period, having a geographic impact.

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 or programs have matching funds, and the City did not use CDBG as matching funds. Non-profits supported through CDBG funding also use a wide variety of other funding sources. The City supports public service agencies by using approximately \$500,000 of the general fund for Human Services Advisory Board Grants annually.

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.

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.

Table 5 – Number of Households Supported (CDBG-Entitlement)	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	0	0
Number of Special-Needs households to be provided affordable housing units	0	0
Number of households supported through Rental and Utilities Assistance	0	0
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	15	8
Number of households supported through Acquisition of Existing Units	0	0
Total	15	8

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

- **LMI Housing Acquisition** Program funds were reallocated due to inability to find affordable lots.
- **Housing Rehabilitation and Repair Program** The goal for this year was to rehab 15 houses; the program was re-opened for applications in August, 2023. This timing pushed the repair of homes into Spring 2024. Eight homes were completed out of 18 total projects being funded through CDBG. The Housing Rehabilitation and Repair programs are now administered directly by the City instead of a subrecipient. Repair of the remaining houses will be finished in PY2024. .
- **Housing Counseling** This program was provided through a subrecipient, Habitat for Humanity. It provided the counseling required for people who were participating in the Homebuyer Assistance program and was also open to other San Marcos residents. The goal was to provide workshops and counseling to 8 low to moderate income families. This program served 2 San Marcos families in PY 2023. This program seemed to struggle with marketing and consistently reported low attendance numbers. It has been discontinued.

Homebuyer Assistance This program provided down payment and closing cost assistance for qualified low to moderate income families. The Homebuyer Assistance program was cancelled this year, and the funding reprogrammed to PY2024 projects. Initially slated to assist eight families, the program served two this year. (IDIS 452-2021 funding)

CDBG-CV The CDBG-CV rent and utility assistance program served 20 additional households during PY 2023. The goal was to serve approximately 50 families in program years 2022 and 2023, with 42 actually served.

Substandard Home Demolition The goals of this program are to clear out structures that are unsafe, creating an attractive nuisance, or causing significant neighborhood blight. This funding can be used in cases where homeowners are financially unable to remove these structures. Liens can be placed on the property for the cost of the building removal, in hopes of recovering the funds if the property sells. Since this program is voluntary, funds cannot be spent without permission from the owner. It has been discovered that many of the structures that need to be demolished have significant title issues. Staff is working with volunteers from a local title company and the real estate industry in order to try to assist families with the laborious and complicated process of clearing title. In PY 2023, staff continued collaboration with a local title company and real estate agents to volunteer their time in assisting families in clearing titles. One such project could not continue, as all heirs would not consolidate ownership. Another structure was demolished voluntarily before the home could become a compliance issue. Two more are projected for PY2024

Regarding CDBG-DR funding for reconstruction of homes, the last home reconstruction was completed in PY2023.

Much of the funding for CDBG Entitlement has been allocated to housing rehabilitation and to the Centro Cultural Hispano de San Marcos HVAC/roofing program. Construction started on the Centro project in October 2023, and construction started for the housing rehab program in Spring, 2024.

Discuss how these outcomes will impact future annual action plans.

Rehabilitation of homes continues to be the City’s top priority for CDBG funding because affordable housing is the highest need in San Marcos.

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.

Table 3 – Number of Households Served by Income Category				
Number of Households Served	CDBG Actual (owner)	CDBG-CV Actual (renter)	HOME Actual	Housing Trust Fund Actual
Extremely Low-income	1	11	na	na
Low-income	7	6	na	na
Moderate-income	4	3	na	na
Total	12	20	na	na

Narrative Information

Households shown above participated in the City's Rent-Utility Assistance program, Owner Occupied Rehabilitation, 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. More detailed information is as follows:

OWNER HOUSEHOLDS

No owner-occupied households were served by CDBG-CV this year.

1 extremely low-income household was served through the Owner-Occupied Rehabilitation Program

7 low-income households were served through the Owner Occupied Rehabilitation Program

2 moderate income households were served through the Homebuyer Assistance program.

2 moderate income households were served through the Homebuyer Counseling program.

RENTER HOUSEHOLDS

For CDBG-CV, the number of households served by the Rent and Utilities Assistance Program was:

11 extremely low income

6 low income

3 moderate income

No renter-occupied households were served by CDBG Entitlement this year.

PERSONS SERVED

No middle-income persons were served by CDBG-CV or CDBG Entitlement since programs are restricted to 80% of Area Median Income.

No homeless persons were served by CDBG-CV or CDBG Entitlement.

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 PY 2023, 80% of the median family income for a family of four in this MSA is \$97,800.

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 information by categories: income, race, ethnicity, female led household, disability status.

All beneficiaries for PY 2023 had incomes less than 80% Area Median Income. 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 (\$63,000 for a family of four).

The City has funded housing rehabilitation projects annually to provide needed improvements to bring the homes into decent, suitable living environments, and to provide handicap accessibility. One focus of these projects is to assist disabled and elderly residents. To be classified as disabled, they must show written proof; people are considered elderly at 62 years of age for these programs. The rehab program will help disabled and elderly households who are living in substandard housing, by rehabilitating the housing into standard condition.

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 important for those unassisted renters who pay more than half their income for housing. The City has supported Low Income Housing Tax Credit multi-family projects in order to support renters, including disabled renters and renters who have been involuntarily displaced due to the cost of rent.

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. The Plan is currently being updated for review by City Council in PY2024. 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 (Extremely Low Income, Low Income, Moderate Income, Middle Income, 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 census tracts in San Marcos include high percentages of people with low to moderate incomes.

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 and utility assistance. 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. The housing rehabilitation and repair programs were

active in PY 2023, starting with the inspection process in Fall 2023 of 29 homes and ending the year with completion of eight of those homes. The remaining homes will be completed in PY2024.

Extremely low income is 30% of area median income (AMI) or lower. For a four-person household, this is \$37,800.

Low income is 30%-50% of AMI. For a four-person household, the limit is \$63,000.

Moderate Income

The City's homebuyer assistance program and housing counseling benefitted low to moderate income families who were able to afford home ownership with some support. Despite aggressive promotion, the program failed to attract a broader range of buyers. In addition, previous clients were returning to end their five year loan terms and sell their homes due to their mortgages being so unaffordable despite the assistance.

Moderate income is 50%- 80% of AMI. For a four-person household, this is \$97,800.

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.

PY 2023 CDBG Income Limits

Median Family Income: Austin-Round Rock MSA Effective: May 1, 2024 = \$126,000

Percent AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% Extremely Low	\$26,500	\$30,250	\$34,050	\$37,800	\$40,850	\$43,850	\$46,900	\$49,900
50% Low	\$44,100	\$50,400	\$56,700	\$63,000	\$68,050	\$73,100	\$78,150	\$83,200
80% Moderate	\$68,500	\$78,250	\$88,050	\$97,800	\$105,650	\$113,450	\$121,300	\$129,100

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 at least \$550,000 in Human Services 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, Homeless Outreach, Mitigation, and Emergency Center (“HOME Center”), 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. The HOME Center provides direct outreach and case management.

A Point-In-Time Count of homeless people was conducted for Hays County on January 25, 2024, by volunteers of the Homeless Coalition of Hays County. With more than 71,000 residents, San Marcos is the most populous city in the county, which has more than 241,000 residents in 11 communities. The second and third largest cities in the county are Buda with 15,000 people, and Kyle, with 46,000.

The Point-In-Time Count for San Marcos found 210 homeless people total: 138 adults, 12 young adults, and 60 children under 18. Although the total number of homeless children people remained roughly the same, the total increased by 8.5% when compared to the 2023 count.

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 domestic abuse. Currently the Center provides emergency shelter, transitional shelter, a head start program, counseling, prevention education, physical exams, and forensic interviews and a transitional housing complex that can house 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.

Southside Community Center is able to provide emergency shelter for up to 25 persons. In addition to providing overnight shelter, Southside also provides a daily meal that is open to anyone and provides the homeless with an opportunity to shower and wash their clothing. Southside also owns a home that provides transitional living space for a limited number of individuals and families.

In addition, the HOME Center provides people shelter in motels through donations as funding is available.

On the day of the Point in Time Homeless Count 111 individuals were sheltered, out of 210 counted (down 25%, up from 77% in 2023), 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

In PY23, two agencies received CDBG funding for emergency assistance, St Vincent de Paul and Salvation Army. The short term rent payments and utility assistance prevents homelessness. 326 individuals were assisted by both agencies

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

The City provides financial support through general fund Human Services Grants to numerous social service agencies that help prevent homelessness, including: Hays County Food Bank, San Marcos Public Housing Resident Services, Youth Services Bureau, SMCISD School Age Parenting Program, Combined Community Action (Senior Nutrition), various mental health services, Society of St. Vincent de Paul, Early Childhood Intervention, Greater San Marcos Youth Council, 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.

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) Southside Community Center offers emergency assistance, transitional housing, and meal and shower services. During especially hot or cold weather, Southside opens an emergency shelter space.

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

The San Marcos Public Housing Authority strives to 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: expand the Housing Choice Voucher Program and build more affordable housing.

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, computer/printer access, a kitchen, and an office. They provide services, to one degree or another, to about 875 persons.

The Housing Authority provides a variety of programs and continues to partner with local agencies, faith-based organizations, Texas State University, Community Action and the City to bring resources to its residents.

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 program normally serves about 90 youth at two sites providing mentors, tutors, homework assistance, computer access, and social opportunities. This program is conducted with the help of volunteer students from Texas State University. Nutrition snacks are provided. Goals of the program include:

- Providing a safe environment where youth can get help with schoolwork.
- Helping youth learn personal responsibility, goal setting, communication skills, and the importance of community involvement.
- Helping children develop or improve social skills

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

A five-member Board of Commissioners oversees the Housing Authority. The Mayor appoints the Board, which includes one Resident Commissioner. Each public housing complex has a resident Council or Assembly group which holds periodic meetings to provide information on programs, gather input, and encourage communication among residents. Resident organizations are actively supported by the Housing Authority Resident Services department. Service coordinators collaborate with other organizations in support of social gatherings, presentations, and fundraising efforts.

The Resident Services office publishes a quarterly newsletter, which is distributed to all residents. It is also published on the Housing Authority website. The newsletter, occasional flyers, public hearings, postings at Housing Authority buildings, the website, are the various means used by the Housing Authority to share information with residents and give them an opportunity to be involved.

The Family Self-Sufficiency program provides residents an opportunity to learn new life and career skills, to save for future needs, get connected with educational and training resources and, ideally, to move out of public housing. About 80 families participate annually. Homeownership is a goal of many families participating in the Family Self-Sufficiency (FSS) program. First-time homebuyer presentations are included in FSS classes on a regular basis. Helping participants improve their credit scores and manage their budgets more effectively is a major focus of the program. This is essential for participants to be able to secure financing. The FSS Escrow account and other asset-building activities helps participants to be able to have the necessary down-payment for a home when they are ready to buy.

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 a new 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. Since 2018, the City has implemented additional updates to the Development Code which further housing, such as clarifying the use of tiny homes and adding certain development code exemptions for new housing to help remove regulatory barriers associated with the development process.

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 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.

Known gaps in the institutional structure for CDBG-type community assistance include the following, and the City's actions have been noted in italics:

- Housing options that are truly affordable compared to the incomes of the local population - *San Marcos housing stock consists of primarily single-family homes unattainable to the local population and multifamily apartments that are student oriented or not truly affordable.*
- Levels of funding available for supportive services - *The City contributes \$500,000 annually in additional funding for supportive service, including partial funding for staff as needed.*
- Shelter for homeless single adults – *not available in San Marcos*
- Affordable childcare, including for families currently receiving other services – *Since 2023, the City used \$100,000 in general funds that were formerly Coronavirus Relief Funds to fund childcare services for people who exceed the income limit set by Workforce Solutions Daycare Program, but are still under 80% of the Area Median Income. The program expended all funds in PY2023*

- Transportation - *Bus service is very limited and complicated, not geared toward people who work in shifts. The City and Texas State University are working toward being able to provide joint service.*

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 nonprofits. The City then contracted for 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. Assessment of Community Assistance was named an Area of Focus by the City Council for PY 2022-2023. During PY 2022, the City contracted with Dr. Robert Marbut for the next step, a recommendation on specific, strategic next steps to address homelessness in San Marcos. Dr. Marbut delivered his final written report in May 2023. Following the report, staff has met with representatives from Southside Community Center and the Hays County Local Homeless Coalition to begin developing a roadmap for implementing its recommendations.

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 \$550,000 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 is addressed using the City's Homebuyer Program. This impediment will be further considered as the City completes the latest update of its development code and review of the affordable housing strategic action plan in PY 2023-2024. 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

Programs are 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.

Though there was no formal monitoring in PY2023, programs are closely reviewed through quarterly reports and regular conversations with program administrators.

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 13, 2024, and included a description of the contents and 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 28, 2024, through November 12, 2024.

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 would 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 will be held in a combined virtual/in person meeting on December 3, 2024, in accordance with the public hearing requirements as described below, which are described in the Citizen Participation Plan:

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.

Comments received during this time period will be published here in the final draft.

Adoption

After the public hearing and discussion, the next steps are for City Council to adopt a resolution approving the CAPER.

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.

In PY 2022, an estimator was procured to create independent scopes of work and cost estimates for the Housing Rehabilitation program and re-opened for applications in August 2023. During the construction process, it was revealed that bids were not clear enough to provide a complete scope of work that was needed. Newer bids took slightly longer to generate in order to convey exactly what repairs were needed and what was considered satisfactory completion.

Inspections prior to construction addressed major home issues. However, during construction, additional issues were identified, which created change orders and project delays.

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. The Homebuyers Assistance Program is the only program that receives program income. When a home that has received Homebuyers Assistance is sold before the affordability period (lien term) ends, a prorated portion of the assistance must be paid to the CDBG program. This created “program income” which is then used to fund assistance for additional homebuyers. The City uses program income first before drawing down currently budgeted funds for the Homebuyer Assistance Program. In PY 2023, \$8,000 in program income was used in the Homebuyer Assistance Program.

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.

PENDING: Attachments (to be added after comment periods and document 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)