

CITY OF SAN MARCOS, TEXAS
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
PROGRAM YEAR 2024-2025 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

Table of Contents

CR-05 - Goals and Outcomes - 91.520(a)

CR-10 Racial and Ethnic composition of (person/households/families) assisted

CR-15 Resources and Investments 91.520(a)

CR-20 Affordable Housing 91.520(b)

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

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

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

CR-40 Monitoring 91.220(d, e); 91.520(c)

CR-45 CDBG 91.520(c)

CR-58 Section 3

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 2024 was the fifth and final year of the implementation of the 2020-2024 Consolidated Plan for the Community Development Block Grant (CDBG) program. This 5-year plan initially established three priority needs to be addressed using CDBG entitlement funds: a) affordable housing; b) public services; c) public facilities, and then added a fourth priority need for CDBG-CV funding: d) economic development. All projects and activities carried out during PY 2024 addressed a priority need. All projects and activities satisfied a National Objective: all benefitted low to moderate income people.

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 2025, the City met the required ratio after having submitted a workout plan in 2024 and successfully completed it.

Key accomplishments in Program Year 2024:

- Rehabilitation or repair was completed on ten homes under the Housing Rehabilitation Program.
- Two structures were demolished under the Demolition program, removing potential safety concerns on site.
- Six subrecipient-administered CDBG programs were active during the year: Advocates for Foster Children (47 served), Hays Caldwell Family Violence Program (483), Greater San Marcos Youth Council (821), and emergency assistance programs managed by Salvation Army (171), St Vincent de Paul (184), and Southside Community Center (82).
- Two parks projects were completed.
- The Thorpe Lane sidewalk project completed the design phase.
- CDBG-Coronavirus Response (CDBG-CV) continued for the BR3T Rent and Utilities Assistance Program (20 served).
- With CDBG-MIT funding, two major stormwater infrastructure projects were completed, and two risk mitigation projects were completed.

Compare 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)

Source / Amount	Unit of Measure	Expected Strategic Plan	Actual Strategic Plan	Percent Complete	Expected Program Year	Actual Program Year	Percent Complete
Goal: Advocates for Foster Children							
Category: Non-Homeless Special Needs							
Indicator: Public service activities other than Low/Moderate Income Housing Benefit							
CDBG: \$300,000	Persons Assisted	673	416	62%	135	47	35%
Goal: CDBG-CV Coronavirus Response							
Category: Coronavirus Response							
Indicator: Public service activities other than Low/Moderate Income Housing Benefit							
CDBG-CV: \$993,086	Persons Assisted	226	593	262%	20	20	100%
Goal: CDBG-MIT Mitigation of Risk							
Category: Mitigation of Risk from Potential Disaster							
Indicator: Public Facilities or Infrastructure							
CDBG-MIT: \$24,012,000	Projects	4	4	100%	2	2	100%
Goal: Emergency Financial Assistance							
Category: Public Services							
Indicator: Public service activities other than Low/Moderate Income Housing Benefit							
CDBG: \$36,000 One year	Persons Assisted	0	437		75	437	583%
Goal: Administration at 20% of Grant							
Category: Grant Administration							
Indicator: Other							
CDBG: \$144,000 annually	Other						

Goal: Home Ownership Counseling							
Category: Affordable Housing							
Indicator: Public service activities for Low/Moderate Income Housing Benefit							
CDBG: \$118,280	Households Assisted	500	96	19%	0	0	
Goal: Homebuyer Assistance							
Category: Affordable Housing							
Indicator: Direct Financial Assistance to Homebuyers							
CDBG: \$420,000	Households Assisted	50	16	32%	0	0	
Goal: Housing Demolition							
Category: Affordable Housing							
Indicator: Buildings Demolished							
CDBG: \$215,000	Buildings	18	4	22%	4	2	50%
Goal: Owner Occupied Housing Rehabilitation							
Category: Affordable Housing							
Indicator: Homeowner Housing Rehabilitated							
CDBG: \$1,216,240	Household Housing Unit	35	18	51%	7	10	143%
Goal: Park or Public Facility Improvements							
Category: Public Facilities							
Indicator: Public Facility or Infrastructure Activities							
CDBG: \$625,000	Projects	5	4	80%	4	2	50%
Goal: Services for Children and Families							
Category: Non-Homeless Special Needs							
Indicator: Public service activities other than Low/Moderate Income Housing Benefit							
CDBG: \$41,000 One Year	Persons Assisted	0	1304		204	1304	639%

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.

Strategies for serving San Marcos residents through housing rehabilitation and public services have been working well. In addition, the 2024-2025 Action Plan provided final funding for the Thorpe Lane Sidewalk project, which is a strategic use of funds to improve accessibility to low and moderate income residents near a commercial corridor used by pedestrians for access to groceries, medicine, and services. Park facility improvements and rent and utility assistance programs have been successful uses of funds as well.

One of the highest priorities in San Marcos is single family housing rehabilitation and repair. This year, ten houses were completed, using funding from prior years. Overall, eighteen houses were rehabilitated or repaired within the consolidated plan five year period. Rising prices prevented the City from reaching its goal of serving 35 households.

Public services, especially services for survivors of domestic violence, have been a high priority throughout the five years plan period. In recent years, in part due to the pandemic, emergency assistance for rent and utilities has become a higher priority for funding as well. The maximum allowed (15%) for CDBG funds has been spent annually on these priorities.

Public Facilities, including Parks, are another strong need in San Marcos. One public facility and three parks have been improved over the past five years, including two in the 2024-2025 program year.

CDBG-CV funding has been used primarily for rent and utility assistance. This emergency assistance has been a growing need since 2020.

Stormwater issues are another high priority overall in San Marcos. CDBG-MIT funding has been used to construct two major stormwater infrastructure projects and two minor flood risk mitigation projects over the past five years. This funding continues to support mitigation efforts, including stormwater planning.

Regarding shortfalls in actuals vs expected:

Programs and strategies that did not serve sufficient numbers of people in the first few years were closed so the funding could be moved to serve other needs. The Homeownership Counseling program and the Homebuyer Assistance program were closed after struggling for several years to attract qualified homebuyers. Remaining funding was moved to other priorities.

The Housing Demolition program completed two demolitions this year. The process of qualifying for the program is slow because the properties where demolition is needed often have title issues

that must first be resolved, so the City can be sure the program has permission from the actual owner(s) to demolish the structure.

In the Parks and Public Facilities category, two projects (Thorpe Lane sidewalks and Outsiders homeless/addition recovery facility) were funded in 2024-2025, but will not be completed until the 2025-2026 program year.

Advocates for Foster Children (Court Appointed Special Advocates) served as many San Marcos children as possible with funding provided, but CDBG funding did not cover all the San Marcos children who received service from CASA. Numbers provided as “actual” are numbers served with CDBG funding.

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)

	CDBG
White	1,509
Black or African American	162
Asian	36
American Indian or American Native	1
Native Hawaiian or Other Pacific Islander	2
Total	1,710
Hispanic	1,088
Not Hispanic	622

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

Narrative

In addition to the numbers shown on the table above, 90 individuals who identified themselves as “Other – Non-Hispanic” were served by CDBG programs this year. The racial and ethnic composition of residents served mirrors the composition of San Marcos as a whole.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG-Entitlement	public - federal	\$2,939,887	\$1,395,219
CDBG-CV	public - federal	\$65,468	\$63,977
CDBG-MIT	public - federal	\$7,122,297	\$1,253,874

Table 3 - Resources Made Available

Narrative

The city was awarded CDBG Entitlement funding of \$766,063 for program year 2024. In addition, \$639,927 of previous year funding was approved for reallocation, for a total of \$1,405,990 allocated by the PY2024 Action Plan.

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

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

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
San Marcos City Limits	100%	100%	See below

Table 4 – Identify the geographic distribution and location of investments

Narrative

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

The Housing Rehabilitation program and the Demolition program generally served houses located in particularly low income 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.

Non-profits supported through CDBG funding also use a wide variety of other funding sources. The City supported public service agencies by providing \$550,000 of the general fund for Human Services Advisory Board Grants in the 2024-2025 year.

The City also provides land and facilities at low or no cost to a variety of non-profits, including the San Marcos Senior Center (managed by Community Action Inc of Central Texas), the Hays-Caldwell Women's Center, and the Calaboose African American History Museum.

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

CR-20 - Affordable Housing 91.520(b)

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

	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	6	10
Number of Special-Needs households to be provided affordable housing units	1	0
Total	7	10

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	20	20
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	7	10
Number of households supported through Acquisition of Existing Units	0	0
Total	27	30

Table 6 – Number of Households Supported

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

Goals were met for both active programs listed above: The CDBG-CV Rent and Utilities Assistance program and the CDBG Housing Rehabilitation and Repair program. The need in San Marcos exceeds the amount of CDBG funding available.

Discuss how these outcomes will impact future annual action plans.

Although rent and utility assistance continues to be a high priority for residents, CDBG-CV funding will end in the 2025-2026 year, which will end the CDBG-CV funded rent and utility assistance

program. CDBG Entitlement funds tend to be used for assistance to create longer term impacts, such as contributions to agencies that help survivors of domestic abuse turn their lives in a different direction.

Housing Rehabilitation and Repair also continues to be a high priority for residents, and it will be proposed for CDBG funding annually because it also matches the priorities of HUD's CDBG program as a whole.

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

Number of Households Served	CDBG Actual	CDBG-CV Actual
Extremely Low-income	3	11
Low-income	5	6
Moderate-income	2	3
Total	10	20

Table 7 – Number of Households Served

Narrative Information

The CDBG-CV program served renters, while the CDBG program served home owners. City of San Marcos CDBG programs only serve residents with incomes up to 80% of area median income.

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

Significant progress has been made in the past two years in reaching out to homeless people, assessing their needs, and providing assistance to meet those specific needs.

Texas penal code does not allow camping in public spaces. The strategy of the San Marcos Police Department's Homeless Outreach Team is to locate people in need and to provide tangible resources such as food, shelter, transportation, and housing instead of just handing them a ticket. The HOT team has an enclosed trailer and is able to use a City fleet truck to assist in transporting belongings. The Police Department's Mental Health Unit and HOT team provide referrals to local service agencies. This approach has been successful in reducing the number of unhoused people in the community.

Over the next year, the Homeless Coalition of Hays County plans to use Texas Homeless Network (THN) best practices to begin a case conferencing committee for key people in organizations that conduct homelessness case management. The goal is to narrow those gaps that occur when people are seeking help from multiple agencies.

In addition to providing ongoing services to its clients, HOME Center of Central Texas conducts outreach to people who are currently homeless, to assess their needs and begin a case management process. They have expanded their services to prioritize veteran households to ensure Hays County/San Marcos is able to reach functional zero homelessness for the unhoused veteran population.

Southside Community Center has signed a Memorandum of Understanding with THN as a partner agency. Southside received training from THN in 2024, and is using processes recommended by THN to develop policies and procedures, including using HMIS to record information gathered when assessing the needs of individuals. Southside Community Center currently has two full time and one part time case managers. The current assessment process uses the Vulnerability Index Service Prioritization Tool to help determine types of services needed. Case managers document all interactions in HMIS.

Addressing the emergency shelter and transitional housing needs of homeless persons

In 2022, the City contracted with Marbut Consulting to create a strategic plan with implementation steps, entitled "Homelessness Services Needs Assessment and Recommended Strategic Action Steps for The City of San Marcos". This Plan was completed in May, 2023, and presented to City Council in July, 2023. One of the recommendations was to expand Southside Community Center housing and services, and provide funding. In April, 2024, the City signed a contract with Southside providing \$800,000 in American Rescue Plan Act (ARPA) funding to

implement a series of actions including 1) creating a framework for homelessness prevention and rapid rehousing and establishing coordinated entry and a client management system; 2) providing training and networking with other local agencies to build community capacity for serving people who are homeless, and 3) providing improved or expanded safe, multi-purpose spaces that can support community initiatives and activities. Funding is provided through the ARPA deadline of December 31, 2026. Southside hired a project manager and the activities are well underway.

The following programs are in place within various City Departments:

Planning and Development Services

The City sets aside a minimum of \$600,000 each year for Human Services Grants that provide funding for a variety of programs, including those which serve non-homeless special needs persons. The Community Initiatives Division administers this grant application review process and the subsequent contracts and payments.

Neighborhood Enhancement

The City of San Marcos has created a donation warehouse for goods that can be provided when people move out of homelessness into a home. In addition, the City collaborates with non-profits and other organizations to obtain services related to the issues of homelessness.

Multi-Departmental Outreach

Homeless Outreach Team (HOT) is comprised of police officers, City marshals, and Code Compliance staff who provide direct outreach to homeless residents. City staff also work to support area businesses and help them cope with and understand homelessness.

San Marcos Police Department Mental Health Unit

The Police Department Mental Health Unit aids individuals suffering from mental health illness and crisis through counseling and diversion, medical help and stabilization, coordination for placement in mental health facilities or treatment centers and connecting individuals with resources and referrals for continuity of care.

Library

The library provides library cards with photos which can sometimes be used as identification for those who do not have other forms of photo identification. The library also provides job and computer training services to all residents, including those who are unhoused.

Animal Services

Animal Shelter staff provide pet food and dog collars and shelter the pets of incarcerated homeless residents.

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

San Marcos does not have a homeless discharge coordination policy; however, Southside Community Center has recently been designated as the Coordinated Entry point and is working on creating policies and procedures per guidance received from Texas Homeless Network, the Continuum of Care agency over San Marcos.

Hill Country Mental Health and Developmental Disabilities Centers provide some options for individuals who are active in their services and who are discharged from institutional care. They offer a Direct Monetary Funding program which can provide up to \$500 to individuals who need expedient monetary assistance to avoid homelessness. They also have a housing assistance program which provides longer term (up to a year) of housing aide for individuals who are identified as homeless or at high risk of becoming homeless. This support also provides a transitional plan which focuses on the individual's ability to become self-sufficient within the funding time frame. In addition to these direct funding programs, Hill Country MHDD provides case management services to assist individuals in connecting with local resources as needed. They also provide counseling, skills training, and psychosocial rehab services to support individuals with managing symptoms, finding, and maintaining employment, or filing for disability benefits, if appropriate.

A useful starting point for people returning from institutions other than Hill Country is Community Action Inc. of Central Texas because the organization provides a wide variety of resources and is well connected with other service entities. Community Action Inc. (CAI) offers a variety of support services for individuals exiting institutions or systems of care depending on the individual's needs and the institution he or she is exiting. For low-income individuals released, CAI provides a utility assistance program to help pay for electric, gas, and water bills. Case management services are also offered to help low-income families move towards self-sufficiency. That could include assistance with rent, transportation, outstanding bills, financial and career counseling, and other types of support. One-time emergency funding is also available to those exiting institutions and looking for housing. That could include help with first month's rent and/or deposit.

For those exiting institutions who are adults and able to work, CAI partners with Austin Community College and other training providers (including Texas Fire Academy) to offer vocational and career training programs. In planning job training programs, CAI partners with Greater San Marcos Partnership and Texas Workforce Commission to be informed of the employment trends and to know the latest jobs that are in demand. CAI also partners with the San Marcos Public Library and SMCISD for space to provide the trainings.

If people exiting institutions need assistance with childcare, CAI offers a Head Start and Early Head Start program for families with children between the ages birth-to-five for those who

qualify. Also, CAI's Home Visiting program is also available that provides intensive and comprehensive home-based child development services.

The Homeless Coalition of Hays County is working to build a network to host significant conversation among coalition members, and city and county stakeholders for better collaborative outcomes. They educate organizations and the public about the importance of funded diversion programs.

Southside Community Center provides an array of programs and services for families to prevent homelessness. The agency provides healthcare access, including mental health and substance abuse, to address issues that contribute to housing instability. Southside has established a network of service providers to provide emergency assistance, food, and clothing. The agency facilitates access to government services meeting basic needs.

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

Southside is in the midst of fully implementing a Rapid Rehousing Program with ARPA funding supplied by the City. Several families have been placed into housing. Key performance indicators (KPI's) for the program are part of the contract with Southside. KPI's are:

- Serve 20 households for homelessness prevention and 15 for rapid rehousing.
- Place participants in permanent housing within 30-60 days of entering the program
- Provide 15-20 hours of case management per household, with regular check-ins
- Measures: Households stay housed for 6 months, participants have increased income

The City is also using ARPA funding to provide rent and utility assistance through BR3T, a local non-profit. As ARPA projects are completed over the next year, remaining funding will be moved to the BR3T program. Due to high demand, funding is used up as quickly as it becomes available.

Agencies throughout San Marcos are working to increase the amount of personalized case management that is available to help people make the transition to permanent housing. Providing people the ability to live independently in a sustainable manner is one of the goals of all the local service agencies.

For the past several years Hays-Caldwell Women's Center has operated a highly successful transitional housing program with 18 units on a secure campus. Childcare, Head Start, and additional support services are provided to the residents to help them transition from situations of domestic abuse to independent living.

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

Actions taken to address the needs of public housing

The San Marcos Housing Authority (“Housing Authority”) provides decent, safe, and affordable housing for approximately 632 low-income households, including elderly and disabled.

The Housing Authority Commission is made up of 4 commissioners and 1 resident commissioner. Commissioners are the governing body of the Housing Authority and must work closely with the Executive Director and local officials; they also communicate with the community regarding their needs, concerns, and successes. Via their leadership, commissioners enable the housing agency to fulfill its mission of providing affordable, safe, and sanitary housing in a sustainable, thriving community.

The City works closely with the Housing Authority regarding public housing issues. The City’s Mayor and Council members appoint the Housing Authority Commissioners.

Additional public housing and Section 8 vouchers are definitely needed in San Marcos, as is evidenced by the long waiting lists both programs typically maintain, especially for public housing 1- and 2-bedroom units.

These actions have continued to be taken by the San Marcos Public Housing Authority:

- Maximize resources and efforts to continually improve the efficiency and effectiveness of the housing authority’s performance
- Improve rental assistance to address the need for affordable housing
- Reduce public housing vacancies
- Promote Homeownership through education about saving

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

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. Springtown Villa is the only site with an active Resident Assembly currently. Chapultepec maintains a Program Coordinating Committee as part of the FSS program and has a resident involved with this. Allen Woods, CM Allen, and Chapultepec are actively working to reinvigorate participation in the Resident Assembly meetings. 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 Housing Authority provides a variety of programs and continues to partner with local agencies, faith-based organizations, Texas State University, and the City to bring resources to its residents.

A youth development program normally serves about 40 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 services are provided through the Texas State Nutrition Class. 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

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.

Actions taken to provide assistance to troubled PHAs

Not applicable – 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 City waives construction permitting and impact fees for Habitat for Humanity housing construction and City or non-profit rehabilitation projects.

The City continues to review the Development Code to address zoning and code restrictions that may act as barriers to affordable housing construction.

The City provides a \$35,000 homestead exemption for homeowners sixty-five and older or with a disability, thus reducing their property tax burden.

The Utilities Conservation Department provides rebates for installations that reduce utilities costs, including efficient HVAC systems, insulation, EnergyStar windows and doors, and solar photovoltaic systems:

The City has developed a Strategic Housing Action Plan with 4 goals, 6 strategies, and 23 action items to address the top needs in San Marcos. A status update was presented to City Council in 2024, and funding was provided in the 2025-2026 City Budget for a staff position to support Affordable Housing strategies, including the update and adoption of this Plan. The Plan includes implementation steps that will then be carried out.

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

The City created a Council Committee on Homelessness in 2020, comprised of three City Council members. In 2021 the City contracted with Texas State University (in conjunction with Luminosa Research) for creation of a Homeless Needs Assessment, entitled Assessing the Needs of the Community to Keep Homelessness Rare, Brief, and Non-Recurring. This report was completed in 2022, and included a review and recommendations for an increase in collaboration, coordination, and leadership. Below are the steps recommended by the 2022 Assessment and an update on progress made:

1. Identify a lead planning and coordinating agency

Update: Southside Community Center has agreed to be a lead planning and coordinating agency, and is contracted and funded by the City using American Rescue Plan Act funding

2. Facilitate collaboration among all community stakeholders

Update: Homeless Coalition of Hays County facilitates collaboration among all community stakeholders, with membership updates and regular meetings. City staff from the Police Department, Neighborhood Enhancement, and the Library participate in the Coalition.

3. Develop a strategic plan to systematically address the critical relief and housing solution gaps

Update: The City contracted to have a Strategic Plan created for San Marcos, which was completed in March 2023.

4. Collect and analyze data to quantify needs and measure successes

Update: The Homeless Coalition of Hays County coordinated the annual Point in Time Count for Hays County and provided the data to the Texas Homeless Network, the Continuum of Care agency over San Marcos. Data regarding the number of homeless children is provided by the Texas Academic Performance Reports created by the Texas Education Agency.

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

Any federally funded home repair program clears lead paint in the areas disturbed by the home repair, and can also use funding to proactively clear lead paint from other areas of the home.

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

Each agency supported by the City's CDBG Entitlement and General Fund (Human Services) dollars has as their goal the self-sufficiency of the people they serve. Except for emergency assistance and emergency shelter, programs offered by San Marcos agencies are focused on providing long term benefit that will keep people out of poverty: assistance gaining their GED or job skills, programs for the elderly so their caregivers can work, family development skills, and health services such as prescription assistance that help keep people in the workforce. The agencies and City have formed networks of resources, providing cross-referrals and facilitating access to resources outside the City that can help lift people out of poverty permanently.

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.

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 which applications to fund.

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. The City will continue to fund social service programs that benefit the low to moderate income citizens of San Marcos using both CDBG and City Human Services funds.

Case management and a coordinated rapid-rehousing homelessness response are two major themes for the actions agencies will be focused on strategically over the next few years. The local organizations also provide assistance geared toward preventing homelessness and leading

toward self-sufficiency, filling needs identified on a case by case basis. They collaborate with each other, and several organizations provide case management for individuals seeking to become self-sufficient. Some funding has been provided by the City, donations, and foundations, but additional funding is needed. Local organizations continue to pursue funding, including private donations and grants, to provide for the needs in their areas of expertise, described above, through an informal network of support.

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

The City's primary roles in the grant funding, affordable housing, homelessness, and public service arenas are 1) to participate with interested parties and agencies in open discussion and information gathering and 2) to provide funding for projects that support the community's highest priorities as determined through public processes.

The library, as a public entity, is a natural liaison between the community and various non-profit providers. The Library has several dozen programs that leverage these collaborative partnerships, such as Community Action, St. Davids Foundation, Greater San Marcos Youth Council, San Marcos Queer Council, Dunbar Heritage Association, Hays County Master Gardeners, Volunteer Legal Services of Austin, Austin Tenants Council, Workforce Solutions, and others that provide a rich array of library programming all year long.

City staff from various departments are active members of the Homeless Coalition of Hays County, the SMTX Mental Health Coalition, Community Organizations Active in Disaster, the Hays Interagency Group, San Marcos Area Chamber of Commerce, and Healthy Hays. Leadership and direction for these groups are provided by the participating public services agencies.

Ongoing, the City's CDBG staff works closely with San Marcos Housing Authority and local organizations that provide services to City residents by sharing information on grant and training opportunities, as well as community data. The city's open application process allows agencies and City departments to apply for CDBG funding. The City also provides more than \$600,000 annually in general funds to local non-profit organizations through an annual open application process.

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 three impediments identified in the 2017 Analysis of Impediments to Fair Housing Choice have been addressed as follows:

1. Lack of affordability

- a. CDBG funded a homebuyer program for closing cost and down payment assistance for several years. The City now funds this program for City employees.
- b. The City waives construction permitting and impact fees for Habitat for Humanity housing construction and City or non-profit rehabilitation projects.
- c. This impediment was also addressed in the recent update of the City's Development

Codes. Zoning and development codes were amended to better accommodate affordable housing types such as duplexes, condominiums, and accessory dwelling units.

2. Insufficient income

- a. The City's Economic Development staff coordinate with the Greater San Marcos Partnership and the San Marcos Area Chamber of Commerce to bring new business to San Marcos and support the growth of existing businesses.
- b. The City provides a \$35,000 homestead exemption for homeowners sixty-five and older or with a disability, thus reducing their property tax burden.
- c. The Utilities Conservation Department provides rebates for installations that reduce utilities costs, including efficient HVAC systems, insulation, EnergyStar windows and doors, and solar photovoltaic systems:
- d. The City also provided funding to local non-profits for utility assistance.

3. Limited resources for housing maintenance

- a. CDBG Entitlement provides funding for housing rehabilitation and emergency repair programs.
- b. The City waives construction permitting fees for CDBG-funded housing rehabilitation projects.
- c. Every spring semester through the Texas State University student initiative "Bobcat Build", students volunteer their time to complete various service projects throughout the community such as landscaping, painting, or clean-ups at residents' homes, local schools, parks, churches, and neighborhoods.
- d. The City sponsors neighborhood-wide cleanup activities, and provides opportunities for brush drop-off, household hazardous waste collection, and a recycling program through Green Guy Recycling that accepts tires, Freon-containing appliances, and electronics.

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

When monitoring is deemed necessary, the following procedures are followed. However, risk assessment in 2024-2025 did not show a need to monitor subrecipients or City programs through a formal monitoring process. Subrecipients are long-time administrators of CDBG programs, and they are closely reviewed through quarterly reports. Payments are made only as reimbursements, after expenditures have been reviewed by City staff for eligibility per CDBG requirements and the program contract. City programs are also constantly reviewed by City staff through quarterly reports by project managers, and payment of contractors only after review by both project managers and program staff.

Formal Monitoring procedures:

Programs are monitored 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.

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 2025-2029 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. It is required to be published at least 15 days before the start of the comment period and include the names and addresses of the locations where copies could be found for review. The notice was published October 5, 2025, and included a description of the contents, purpose, and locations of the CAPER.

Comment Period

As part of annual CAPER process, a comment period on the draft document is required for a minimum of 15 days. The October 5 notice stated the comment period would be from October 18, 2025, through November 03, 2025; however, a start date of October 18 provides less than 15 days notice. Therefore, the comment period will be extended through November 5, and a notice will be posted on the City's website.

In summary, dates are as follows:

October 5: Notice of Comment Period and Public Hearing was published

October 6-20: 15 day notice period

October 18: Draft CAPER published and posted for comment as stated in the notice

October 21: Required start of public comment period since notice was published October 5

October 22-November 5: 15 day comment period

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

No comments were received during the Comment Period.

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 2, 2025, 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.
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 at the public hearing will be published here in the final draft.

Approval

After the public hearing and discussion, the City Council will consider a resolution approving the CAPER for submission to HUD.

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 2024-2025 Action Plan made significant shifts in the allocation of prior years' funding to ensure that the City will continue to move the funding out into the community at an appropriate rate, while serving its highest priority needs. This successfully realigned and simplified uses of the City's CDBG funding, to provide a fresh start. It is anticipated that the City will continue to focus annual funding on housing rehabilitation and public services, while supporting 1-2 mid-size public facility improvements or new initiatives annually.

The City does not have any active Section 108 loans and does not anticipate utilizing that program in the near future.

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

No, San Marcos does not have any open Brownfields Economic Development Initiatives grants.

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

Not applicable.

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	0	0	0	0	0
Total Labor Hours					
Total Section 3 Worker Hours					
Total Targeted Section 3 Worker Hours					

Table 8 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers	See notes				
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.					
Direct, on-the job training (including apprenticeships).					
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.					
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).					
Outreach efforts to identify and secure bids from Section 3 business concerns.					
Technical assistance to help Section 3 business concerns understand and bid on contracts.					
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.					
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.					
Held one or more job fairs.					
Provided or connected residents with supportive services that can provide direct services or referrals.					
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.					
Assisted residents with finding child care.					

Assisted residents to apply for, or attend community college or a four year educational institution.					
Assisted residents to apply for, or attend vocational/technical training.					
Assisted residents to obtain financial literacy training and/or coaching.					
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.					
Provided or connected residents with training on computer use or online technologies.					
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.					
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.					
Other.					

Table 9 – Qualitative Efforts - Number of Activities by Program

Narrative

For CDBG Program Year 2024-2025 funding, only the Thorpe Lane Sidewalk Project must meet Section 3 requirements. This project was in design during the 2024-2025 year; therefore, the Section 3 requirements have not started.

CDBG-MIT stormwater infrastructure construction projects and the Flood Enhanced Warning System project were required to meet Section 3 requirements. City staff and contractors followed the City's Section 3 procedures to reach out to possible candidates; however, no Section 3 workers were hired.