

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 2017 (PY 17) which began October 1, 2017 and ended September 30, 2018 was the third year of the 2015-2019 Consolidated Plan for the Community Development Block Grant (CDBG) program. This 5-year plan established five priority needs to be addressed using CDBG funds: (a) affordable housing; (b) public services; (c) public facilities / infrastructure / transportation; (d) clearance activities; and (e) program administration. All projects and activities carried out during program year 2017 addressed a priority need. All projects/activities satisfied one of the 3 National Objectives: (1) benefit low to moderate income persons; (2) eliminate slum and blight; or (3) address an urgent need. The City was below the timeliness threshold of 1.5% on the August 1st testing date.

San Marcos continues to affirmatively further fair housing by: (1) including fair housing as a topic in its homebuyer education program; (2) CDBG staff completing a National Fair Housing Alliance Training Webinar regarding Fair lending; (3) publishing fair housing rights ads in English and Spanish in the local newspaper; (4) maintaining a Fair Housing page on the City's website; (5) issuing a proclamation declaring April to be "Fair Housing Month"; and (6) including a "Fair Housing Fact" article in the Summer edition of the City Exchange -- a quarterly newsletter distributed to all utility billing customers and provided as handouts at various city office locations; (7) Three City Staff attended the National Fair Housing Conference.

Key accomplishments:

- Rehabilitation of 17 owner-occupied homes,
- 221 directly benefiting from Public Service Programs;
- 97 children provided legal assistance/protection through court appointed special advocates (CASA),
- 124 children given scholarships through San Marcos Parks & Recreation Department
- Completion of the Veterans Park Project - 862 LMI Area beneficiaries
- Hays County Women's Shelter renovation - 516 San Marcos direct beneficiaries
- CDBG Down payment assistance for 1 new homeowner.

Underway/Future Projects:

- Rehabilitation of 7 homes
- Parks – Dunbar Park, Dog Park, Anita Reyes Park, Children's Park Tree Project
- San Marcos Parks and Recreation scholarships - 140 scholarships
- CASA legal assistance/protection - 45 Children served
- Homebuyer Assistance - 8 CDBG Down Payment Assistance
- LMI - Land Acquisition - 4 LMI Households

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Clearance of Spot Slum & Blight	Clearance	CDBG: \$	Buildings Demolished	Buildings	0	0				
First Time Homebuyer Program	Affordable Housing	CDBG: \$	Direct Financial Assistance to Homebuyers	Households Assisted	16	1	6.25%			

Infrastructure	Public Infrastructure	CDBG - DR: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0		192	862	448.96%
Infrastructure	Public Infrastructure	CDBG - DR: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	768	516	67.19%			
Land Acquisition for affordable housing	Affordable Housing	CDBG: \$	Homeowner Housing Added	Household Housing Unit	3	0	0.00%			
Owner-Occupied Housing Rehabilitation	Affordable Housing	CDBG: \$	Homeowner Housing Rehabilitated	Household Housing Unit	35	0	0.00%	14	17	121.43%
Owner-Occupied Rehab/Recon DR	Affordable Housing	CDBG - DR: \$	Homeowner Housing Added	Household Housing Unit	25	0	0.00%			
Owner-Occupied Rehab/Recon DR	Affordable Housing	CDBG - DR: \$	Homeowner Housing Rehabilitated	Household Housing Unit	5	0	0.00%	15	0	0.00%

Parks, Sidewalks and Public Facilities	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	4500	1795	39.89%	515	516	100.19%
Program Administration	Program Admin	CDBG: \$	Other	Other	5	0	0.00%			
Public Services	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	2500	6	0.24%	465	221	47.53%
Rental Rehab/Recon DR	Affordable Housing	CDBG - DR: \$	Rental units constructed	Household Housing Unit	30	0	0.00%			
Rental Rehab/Recon DR	Affordable Housing	CDBG - DR: \$	Rental units rehabilitated	Household Housing Unit	0	0		15	0	0.00%

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

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

All 2017 Activities addressed one of the identified High Priority Needs. The City's Program Administration expenditures did not exceed the 20% cap and the three public service programs did not exceed the 15% maximum expenditure limit.

Three activities were included in the 2017 Action Plan to address Affordable Housing. Maintaining the City's owner-occupied housing stock, thus

reducing the potential for homelessness for our very-low income families, was accomplished by Southside Community Center through the completion of the rehabilitation of four homes. Program Year 2016 Project - St. Bernard Project completed the rehabilitation of an additional seven homes. The City assisted a first-time homebuyer to purchase a home, serving 1 low/mod household.

Veterans Park (PY 2014) was completed during this program year. The construction of Dunbar Park (PY 2015) and Dog Park (PY 2018) is now underway and will be completed in PY 2018. The design of the Anita Reyes Park improvements is now underway and will be completed during PY 2018.

Public Service projects shown in the 2017 Action Plan were completed during PY 2016:

- CASA of Central Texas utilized \$29,810 to reimburse staff salaries/benefits for administering a child advocacy program for (97) children in the Texas Foster Care System;
- City Parks and Recreation Division utilized \$9,282.75 to provide recreation fee scholarships to 124 low/mod youth in San Marcos

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	368
Black or African American	44
Asian	11
American Indian or American Native	5
Native Hawaiian or Other Pacific Islander	0
Total	428
Hispanic	413
Not Hispanic	324

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

Narrative

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

The two public service programs served a total of 221 individuals. Of those, 67% were Hispanic and 4% were African American.

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	CDBG	562,799	756,941
HOME	HOME		
HOPWA	HOPWA		
ESG	ESG		
Other	Other	8,293,000	

Table 3 - Resources Made Available

Narrative

The City received \$562,799 as its 2017 CDBG allocation.

In addition, the City recaptured \$4,200 from a first-time homebuyer loan that did not complete the five-year affordability period.

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

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description

Table 4 – Identify the geographic distribution and location of investments

Narrative

San Marcos does not have any specific target areas for CDBG expenditures -- essentially the entire City has a low-mod population, spread throughout all census tracts (see SP-10 of the Consolidated Plan). Likewise the City has not geographically prioritized the identified needs of the community. However, as shown in the Southside Rehab Program map included in the appendix section, the PY 2017 housing rehabilitation program served 17 houses which were all located in census block groups that had a low/mod population in excess of 51%.

The appendix also includes the service area maps for both park improvement projects and first-time homebuyer assistance which serve low/mod areas.

Leveraging

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

The City does not require that projects/programs have matching funds. The Southside Community Center rehab program, CASA child advocacy program, and Hays-Caldwell Women's Center Family Violence Shelter all utilize additional funding sources including private and local government funds.

All park improvement infrastructure projects identified in the 2017 Action Plan are located on city-owned property. In addition, the City provides the Hays Caldwell Women's Shelter the land on which their offices and family violence shelter facility are located on a long-term lease basis. This organization receives financial support through both CDBG and local government funding. The City anticipates the possibility of implementing a LMI-Housing Relocation Plan that will take advantage of City owned residential lots ready for redevelopment.

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	27	0
Number of Special-Needs households to be provided affordable housing units	2	0
Total	29	0

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	29	0
Number of households supported through Acquisition of Existing Units	0	0
Total	29	0

Table 6 – Number of Households Supported

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

The City provided affordable housing units by rehabilitating seven owner-occupied houses and assisting four families with the purchase of their first home. St. Bernard Project rehabilitation of an additional seven homes were completed in the 2017 Program Year and will be included in the 2017 CAPER. Six of the seven houses rehabilitated were occupied by elderly persons; five households included accessibility improvements.

Discuss how these outcomes will impact future annual action plans.

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

Southside has been a CDBG subrecipient for many years and consistently rehabilitates 7 houses per year. The City anticipates they will continue to receive annual funding to allow them to continue rehabilitating seven houses per year. In PY 2017, the City also provided CDBG funds to a new subrecipient (Blanco River Regional Recovery Team – BR3T) to rehabilitate owner-occupied housing. Therefore, we are confident that we will achieve and exceed our rehabilitation goals.

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	HOME Actual
Extremely Low-income	0	0
Low-income	0	0
Moderate-income	0	0
Total	0	0

Table 7 – Number of Households Served

Narrative Information

The CDBG grant establishes three low-to-moderate income reporting categories: Extremely Low (30% Area Median Income (AMI)); Low (50% AMI); and Moderate (80% AMI). HUD establishes income maximums for each grantee based on Census data, as updated annually by the American Community Survey. San Marcos is included in the Austin-Round Rock Metropolitan Statistical Area (MSA) for the calculation of income limits. For 2016, the median family income for a family of 4 in this MSA is \$77,800, which is the number that the income calculations is based on, adjusted for family size. The 2016 income limit schedule is included in the appendix section.

All beneficiaries for PY 2016 have incomes within the low/mod maximum of 80% AMI. The low and extremely low income beneficiaries were part of Southside Community Center's rehabilitation program. All households with income above 50%, but less than 80%, are reported in the 80% (Moderate-income) category.

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

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

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

The City does not receive any funds specifically targeting homeless persons and Hays County is not included in a Continuum of Care. The City provides grants through its General Fund to organizations that serve the homeless and those at risk of becoming homeless including the Hays County Area Food Bank, the Society of St. Vincent De Paul, Southside Community Center, Salvation Army, Hays-Caldwell Women's Center, the Greater San Marcos Youth Council, and the residents' services program of the San Marcos Housing Authority. The City relies upon its non-profit partners in outreach activities for the unsheltered homeless population in San Marcos.

Addressing the emergency shelter and transitional housing needs of homeless persons

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

The City uses public services funding to help support the family violence shelter. In PY 2016, 357 individuals were served in this shelter. The City also provides \$82,600 in grants through the general fund in support of all three shelters.

Transitional housing is recognized as an unmet need in San Marcos. In PY 2016, the City has provided funding to the Hays Caldwell Women's Shelter for a new public service to provide 1.5 month's rent for persons transitioning out of their shelter. Nine(9) families (21 individuals) were assisted through this program in PY 2016.

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

Families living below the poverty level and those on fixed incomes often cannot afford to maintain their homes, which puts them at risk of becoming homeless or having to move in with family, creating overcrowding. The City used \$330,883 of the PY 2016 CDBG allocation to provide housing rehabilitation

services to 14 families. Most families served this year had elderly household members, who often live on fixed incomes that allows very little funding for routine or emergency maintenance.

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

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

There are very few resources available in San Marcos to address these issues. During PY 2016, the City allocated \$8,000 to fund a new program for beneficiaries transitioning from the family violence shelter to rental housing in San Marcos. This program pays the first month's full rent and 1/2 of the second month's rent. The beneficiaries are responsible for any required deposit.

The Hays-Caldwell County Women's Center's office and shelter are operated on land provided by the City on a long-term, \$10 per year lease. This property will also become the site of approximately 18 units of transitional housing that is planned to be under construction in 2018-19. The proposed development will be targeted to women with children who are leaving the shelter and need month-by-month, low-cost rent as they transition away from their abusive situation. City Planning staff are currently working with the project architect to ensure the plans are designed to meet local development codes.

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

Actions taken to address the needs of public housing

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

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

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

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

The City provided a homebuyer education class that was attended by a number of the FSS residents. The presentation included education about fair housing rights and provided information about the City's homebuyer assistance program. A five-member board, including a resident board member, oversees the PHA program; board members are appointed by the City's Mayor and City Council. Each public housing complex has a resident Council or Assembly group which holds periodic meetings. If requested, City staff will attend a meeting to discuss specific needs or concerns of the residents.

Actions taken to provide assistance to troubled PHAs

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

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

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

The most recent Analysis of Impediments to Fair Housing Choice (AI) - adopted June 6, 2017, did not find any regulatory barriers.

The City has almost completed the update of its development codes. During the process, the City took into consideration the effect development codes can have on housing affordability and sought ways to ensure maximum flexibility. The Code as drafted has a section on "Affordable Housing" that includes development incentives, standards for an affordability period for both rental and for-sale units receiving development incentives, and definitions of eligibility. The Planning staff utilized the adopted San Marcos Affordable / Workforce Housing Policy as a guide in preparing the affordable housing section.

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

There are two primary obstacles to meeting the underserved needs of San Marcos residents: inadequate funding and lack of capacity. Organizations and government programs that provide supportive services are finding it increasingly difficult to maintain their current funding levels or to obtain new sources of revenue. Loss of revenue can lead to program elimination or reduction in level of services provided or the number of clients that can be served.

The City continues to use non-federal and CDBG funds to support programs offered by local non-profit organizations that serve the City's low/mod population. San Marcos continues to offer low/mod youth access to affordable sports and leisure activities through a recreation fee scholarship. The City targets infrastructure projects, such a park improvements, in areas that serve low/mod populations.

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

The City's housing programs comply with all lead-based paint hazard reduction requirements including risk assessment, notifications, using the appropriate level of control/mitigation measures, and obtaining clearance for houses found to contain lead paint that will be disturbed during rehab activities. In program year 2016 there were seven houses participating in the housing rehabilitation program that were found to have lead-based paint. The lead paint hazards were treated using interim controls and all passed a clearance exam.

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

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

The City and its rehabilitation subrecipients will participate in HUD-sponsored Lead Based Paint

compliance training as it is made available.

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

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

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

San Marcos has completed a Risk Analysis on its staffing capacity as a part of the CDBG Disaster Recovery Program. As a result of this analysis, plus the additional responsibilities created by the receipt of \$33M in disaster funding, the City increased the number of staff working directly with the CDBG programs.

Three employees completed the disaster recovery HUD DRGR training. The City's CDBG staff, and other key personnel who are working with the Disaster Recovery Program, participated in a number of HUD-sponsored webinars covering topics including: DRGR Problem Solving, DRGR Training, Subrecipient Management and Record Keeping; Amending the 5-Year Consolidated Plan; Duplication of Benefits; and Developing a CAPER.

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

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

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

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

representatives by CDBG staff.

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

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

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

The impediments identified in the Analysis of Impediments (AI) included (1) Lack of affordability of the housing stock; (2) insufficient income to afford local housing costs; and (3) limited resources available to help low income homeowners maintain their homes.

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

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

(3) Limited resources for housing maintenance is addressed with CDBG funds through its rehabilitation program. Other resources include the City's programs to reduce housing costs such as utility bill assistance, energy audits and rebate programs, and energy bill averaging. If a family is paying less on housing costs, they have more funds to spend on maintenance.

CR-40 - Monitoring 91.220 and 91.230

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

The city monitors each open activity annually to assure compliance with applicable Federal requirements and achievement of performance goals. During PY 2016, the city opened projects with 4 subrecipients, one public service program covered under an inter-department agreement, one infrastructure project still in the planning stages, one infrastructure project with construction underway, and the homebuyer assistance program administered by CDBG staff. The monitoring strategy includes an initial risk assessment, periodic desk reviews, and on-site monitoring. Risk assessments are based on various categories, as recommended by HUD, and scored to reflect low, moderate and high risks, depending upon regulatory complexity, previous experience and leadership stability. CDBG staff guides the subrecipients and City staff to ensure that all regulatory requirements are completed correctly prior to releasing funds. For construction activities the City provides applicable federal wage rates; Davis Bacon, Section 504 and Section 3 information, forms, and lists of Historically Underutilized Businesses (HUB) lists to subrecipients to be utilized in procurement and contracting activities. The city conducts preconstruction conferences with subrecipients and contractors to provide and explain all labor standards requirements including Davis-Bacon, and to ensure that the current federal wage rates will be paid and the weekly payrolls will be submitted timely. City staff conduct employee interviews and review payrolls as the construction progresses. The engineer/architect is responsible for ongoing inspections and approving costs incurred prior to submission of draws. City inspectors monitor projects for code and plan compliance. CDBG staff also make periodic site visits to monitor progress. Quarterly progress reports are reviewed to ensure that activities are being conducted as outlined in the scope of work and schedule contained in the organization's subrecipient agreement. The information in the quarterly report allows staff to update the project's status in the federal reporting system IDIS. Draws are closely inspected by CDBG staff to determine if documentation is complete and that all costs are eligible. The finance department again reviews draws for completeness and accuracy before processing payment. The final draw for major construction contracts must be approved by the city attorney. The Finance Department reviews Subrecipient annual audits and notifies the CDBG staff if there are findings or concerns that need to be addressed. The city also monitors housing programs for compliance with the approved guidelines, including income eligibility, lead-based paint and flood insurance requirements. City staff provided an increased level of on-site technical assistance to Southside Community Center and SBP this year for the housing rehab activities. Staff conducted desk reviews of the income calculations prior to start of rehab to ensure eligibility with the housing guidelines. Compliance with lead based paint was closely reviewed. Four of the seven homes were found to have very limited lead paint that was successfully cleared with interim controls. Public service projects are monitored to ensure that income eligibility is performed correctly (where required), that program performance is adhered to, and services to the intended beneficiaries are being delivered in a timely manner.

All 2016 subrecipients will be monitored in PY 2017 for compliance with regulations regarding program management, financial management, and Fair Housing and Equal Opportunity.

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

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

The city complied with its adopted Citizens Participation Plan (copy included in the appendix) during the annual Action Plan and CAPER processes. A thirty-day comment period on the CAPER will be held from November 3, 2017 through December 5, 2017. The CAPER draft was available on-line at www.sanmarcostx.gov/cdbg and paper copies were available at the San Marcos Public Library, the City Hall lobby, and the Planning Department office.

Citizen comments were also accepted at a public hearing held on Tuesday, December 5, 2017 at 6:00 p.m.

Notice of the public hearing and the comment period were published in English and Spanish on Friday, November 3rd in the San Marcos Daily Record. The City's website was also updated with the notice of public hearing. A press release was issued on November 19th regarding the comment period and public hearing. The press release was forwarded to all 2015 Subrecipients. The comment period and meeting were advertised through the City's social media Twitter and Facebook accounts. Copies of the notice and press release are included in the Appendix. The website allows for instant translation of web content into other languages, including Spanish.

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

CR-45 - CDBG 91.520(c)

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

San Marcos experienced two devastating floods in 2015; each flood received presidential disaster designation. Although this did not change any of the City's high priorities, it did impact the way the 2016 funds were allocated. For PY 2016, the City focused the majority of its allocation on housing programs. The City funded a new public service activity to provide housing assistance to persons transitioning from the family violence shelter. The City also provided new funding to continue its First-Time Homebuyer program. The majority of the 2016 funds will be used for housing rehabilitation;

Southside Community Center will continue its program of rehabilitating 7 owner-occupied houses and St. Bernard Project, a new subrecipient, rehabilitated 7 owner-occupied housing impacted by the floods. This focus reflects San Marcos' commitment to ensuring its low-to-moderate income residents are able to obtain and/or maintain quality, affordable housing.

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

No

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

DRAFT

CR-45 - CDBG 91.520(c)

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

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

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

No

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