

**AGENDA CAPTION:**

**..Title**

Consider approval of Resolution 2021-67R approving Creation of the City of San Marcos Grant Fund, designating categories, criteria, and partial allocation of current funding, authorizing the City Manager to act as the Official Representative of the City in matters related to the City of San Marcos Grant Program, and declaring an effective date.

**..Body**

**Meeting date:** April 6, 2021

**Department:** Planning and Development Services

**Amount & Source of Funding**

**Funds Required:** N/A

**Account Number:** N/A

**Funds Available:** N/A

**Account Name:** N/A

**Fiscal Note:**

**Prior Council Action:** Click or tap here to enter text.

**City Council Strategic Initiative:** [Please select from the dropdown menu below]

N/A

Choose an item.

Choose an item.

**Comprehensive Plan Element (s):** [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services
- Not Applicable

**Master Plan:** [Please select the corresponding Master Plan from the dropdown menu below (if

applicable)]

Choose an item.

**Background Information:**

As part of the CARES Act implementation in 2020, the US Treasury Department created the Coronavirus Relief Fund (CRF) and issued funding to the states to distribute to smaller communities. The Texas Department of Emergency Management (TDEM) is the administrator of these funds for the State of Texas. TDEM set the amounts allocated for each city and the rules by which applications must be submitted.

On December 15, 2020, the City of San Marcos submitted an application to TDEM for \$3.6 million, the City's highest reimbursement possible according to the rules of the grant program.

On **DATE**, TDEM informed the City that the application for funding had been approved, as follows: **As of 3/29/21 amount awarded is pending TDEM**

<b>Non-Budgeted COVID-19 Pandemic Related Expenses</b>		
Public Health Provision	\$475,691	Personal protective equipment, touchless water access in sinks and fountains, fencing
Other Reasonably Necessary	\$1,164	Administrative Costs
Compliance with Public Health Restrictions	\$367,032	Phone system, learning management system
Compliance with Public Health Restrictions	\$98,925	Computers for San Marcos Consolidated Independent School District
<b>Budgeted Expenses</b>		
Fire and Police Salaries and Benefits	\$2,671,995	Payroll for public health and safety (City: Police and Fire)
<b>TOTAL REQUESTED</b>	<b>\$3,614,807</b>	

Receiving reimbursement for fire and police salaries and benefits frees up general fund dollars that had been budgeted for salary expenses. After covering on going City expenditures related to the pandemic, it was expected that approximately \$2 million would be available for programs to provide public services. At the February 2, 2021, and March 2, 2021, Work Sessions, the City Council discussed allocating 80% of the funding to current issues and 20% to building capacity for local non-profits.

Next steps include a budget adjustment to appropriate funds into the general fund so they can be spent, and City Council allocation of the funding to programs. The Budget Adjustment will be presented to City Council on April 20, 2021. Program allocation recommendations are presented below for City Council Consideration on April 6, 2021.

**Council Committee, Board/Commission Action:**

Click or tap here to enter text.

**Alternatives:**

Click or tap here to enter text.

**Recommendation:**

Staff is seeking direction from City Council to implement the following programs:

**As of 3/29/21 All amounts are pending confirmation from TDEM. Ongoing expenses amount is pending confirmation from the City. All numbers are draft.**

ALLOCATION OF CRF FUNDING		
FIRST: ONGOING UNBUDGETED CITY PANDEMIC EXPENSES		
1. Ongoing Unbudgeted Pandemic Expenses	\$371,995	Extraordinary City expenditures related to the COVID-19 Pandemic
80% OF REMAINDER FOR CURRENT ISSUES		
2. Utility Bill Assistance	\$1 million	Administered by the City; maximum of \$1,500 per each residential utility account >60 days past due as of March 16, 2021

3. Rent-Mortgage Assistance	\$0	Instead refer residents to programs through TDHCA, Hays County, and CDBG-CV Round 3
4. Small Business Assistance (<30 Employees)	\$200,000	Administered by the San Marcos Chamber of Commerce; This would fund 32-35 businesses at \$5,000 each, plus administration. Could be allocated now or included in the application process below.
5. One-Time Grant Fund	\$640,000	Notice of Funding Availability open to applications by agencies serving San Marcos, evaluated by Human Services Advisory Board
<b>20% OF REMAINDER FOR NON-PROFIT CAPACITY BUILDING</b>		
6. One-Time Non-Profit Capacity Building Fund	\$450,000	Includes <b>funding for a comprehensive needs assessment</b> with a focus on resolving gaps in assistance for homeless and non-homeless, and <b>funding for programs based on the needs assessment</b>
7. HMIS licenses – two years	\$10,000	For agencies in the Local Homeless Coalition that agree to be points of entry (approximately 12 agencies)
<b>TOTAL</b>	<b>\$2,671,995</b>	

Staff recommends the following stipulations per City Council Work Session Discussions, with additions by staff:

1. Ongoing Unbudgeted Pandemic Expenses:

Additional information on specific expenses will be provided at the Council meeting. Includes funding additional phone system adjustments, overtime for vaccinations, installing touch-free faucets, and City staff cost of administering the San Marcos Grant Fund (one time grant fund and one time non profit capacity building fund).

2. Utility Bill Assistance per March 16, 2021, City Council direction to staff:

- No income restrictions

- Use CRF funding to pay up to \$1,500 for each residential account that was more than 60 days delinquent as of March 16, 2021
- Include accounts currently on payment plans
- For accounts that do not use the entire \$1,500, no expectation that additional funding will be available later
- City will send by mail and email the following packet to all eligible account holder:
  - information about this program,
  - one-page statement of need due to COVID-19 or February snow storm, that must be signed and submitted
  - information on other resources on a sheet for the account holder to keep

Public benefit of this program includes supporting those in the community in need, infusing funding into the local economy, and possibly preventing a rate increase that could be needed if those bills continue to be left unpaid.

### 3. Rent-Mortgage Assistance:

- Consider not funding due to support currently or soon to be available through TDHCA, Hays County, and CDBG-CV Round 3 funding
- Could include the ability to support non-traditional rental agreements and non-citizens
- If funded, staff recommends that this be administered by Community Action, Inc. and BR3T; this designation will enable the most efficient coordination with existing state, county, and local programs since they are administered by these two agencies.

### 4. Small Business Assistance:

- Companies with less than 30 employees
- Administered by the San Marcos Chamber of Commerce; this takes advantage of the existing framework developed for a recent CDBG-CV program
- Cash infusion, few restrictions
- Must follow CDC and local health guidelines

### 5. One-Time Grant Fund:

- Notice of Funding Availability open to applications by all non-profits, governmental, and faith based programs serving San Marcos
- Agency must have a track record of producing results OR up to three letters of recommendation
- Strong preference for low overhead expenses
- Programs must have public benefit
- Applications to be evaluated by Human Services Advisory Board
- Additional points for case management, child care, internet support, car payments, job training, homelessness prevention

#### Program Specifications:

- San Marcos resident, including non-citizens
- Difficulty must be related to the pandemic
- Need based (not first come first served)

#### Income restrictions

Staff recommends waiting to consider income restrictions until after agencies have proposed programs. At the time of project approval, City Council can specify income restrictions if desired. Staff's recommendation will be as follows:

- 120% of the City of San Marcos Median Household Income (see attached table)

#### 6. One-Time Non-Profit Capacity Building Fund:

- Includes funding for a comprehensive needs assessment with a focus on resolving gaps in assistance for homeless and non-homeless
- Needs assessment scope to be discussed and approved by City Council
- Needs assessment report will be used to create recommendations for allocations of the rest of this funding
- This funding will support non-profit capacity building and closing gaps in service

#### 7. HMIS Licenses for Two Years: For agencies in the Local Homeless Coalition that agree to be points of entry (est. #)