



City of San Antonio

Legislation Details (With Text)

File #: 20-7504

Type: Miscellaneous Item

In control: City Council A Session

On agenda: 1/14/2021

Title: PULLED -- Ordinance approving Substantial Amendment #2 to the FY 2021 HUD Action Plan and Budget to program \$10,249,127.00 in second round CDBG CARES Act funding and reprogram \$4,325,000.00 in CDBG funds. [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

Sponsors:

Indexes:

Code sections:

Attachments: 1. FY 2021 Action Plan Budget Substantial Amendment #2 (1-8-21), 2. Draft Ordinance

Date	Ver.	Action By	Action	Result
1/14/2021	1	City Council A Session	pulled	

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: City-Wide

SUBJECT:

Substantial Amendment #2 to the FY 2021 HUD Action Plan and Budget (CDBG-CV and CDBG)

SUMMARY:

Consideration of an ordinance for Substantial Amendment #2 to the FY 2021 HUD Action Plan and Budget to:

- (A) Program the second allocation of Community Development Block Grant CARES Act (CDBG-CV) funding in the amount of \$10,249,127; and
- (B) Reprogram FY 2021 Community Development Block Grant (CDBG) entitlement funds in the amount of \$4,325,000

These actions result in a net increase of \$4,675,127 to the COVID-19 Emergency Housing Assistance Program and fund the following additional activities:

- \$159,540 for Eviction Intervention court support;
- \$189,460 for Housing Counseling and Foreclosure Prevention;
- \$900,000 to provide temporary shelter for homeless individuals and families;

- \$2,000,000 for affordable rental housing development;
- \$1,000,000 for affordable homeownership housing development;
- \$900,000 for Owner Occupied Rehabilitation for older housing; and
- \$425,000 for the Minor Repair Program.

BACKGROUND INFORMATION:

On August 13, 2020, City Council approved the \$22.4 million FY 2021 HUD Action Plan and Budget (Action Plan) for the four federal grant programs funded by the U.S. Department of Housing and Urban Development (HUD). On September 11, 2020, the City of San Antonio (the City) received an award letter for a second allocation of CDBG-CV funding in the amount of \$10,249,127 authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

On April 23, 2020, City Council approved the creation of the COVID-19 Emergency Housing Assistance Program (EHAP). The program provides eligible applicants rental or mortgage assistance, utility assistance, and cash assistance. As of December 31st, the City of San Antonio has approved \$65.9 Million in assistance to residents seeking emergency rental, mortgage and utility assistance to over 25,400 households.

Recognizing the need for additional funds to support the Emergency Housing Assistance Program, on September 17 City Council approved the recommendation to reallocate \$4,875,000 from the FY 2021 CDBG Affordable Housing budget. This action required a subsequent Substantial Amendment to the FY 2021 HUD Action Plan. On October 29, 2020, City Council approved Substantial Amendment #1 to the FY 2021 HUD Action Plan to reprogram \$4,875,000 of FY 2021 Community Development Block Grant entitlement funds from affordable housing development activities to the COVID-19 Emergency Housing Assistance Program.

A federal entitlement municipality adjusting the adopted action plan budget by 10% or more requires a substantial amendment process that includes a public notice, a 30-day public comment period and a public hearing prior to any City Council action. However, the CARES Act reduced the public comment period to not less than 5 days and allows for virtual public hearings when necessary for public health reasons. Staff issued a public notice in the San Antonio Express News in both English and Spanish on January 8, 2021 to initiate the public comment period through January 13, 2021. A virtual public hearing will be held on January 13, 2021 at 5:00 pm.

ISSUE:

This substantial amendment contains recommendations to program \$10,249,127 in second round CDBG-CV funding and to reprogram \$4,325,000 in CDBG entitlement funding to support the activities below.

- Net increase the EHAP Budget by \$4.6 Million to support approximately 1,800 families. The new budget for the EHAP will increase from \$76.7 million to \$81.4 million.
- Provide additional staff support at the eviction courts for 18 months.
- Provide additional staff support for housing counseling and foreclosure prevention services for 18 months.
- Support temporary shelter for homeless for an additional 18 months.
- Provide \$2 million in gap funding for affordable rental housing and \$1 million for affordable single-family housing.
- Increase the budget for the Minor Repair Program from \$500,000 to \$925,000. Allows the City to

facilitate an additional 13 houses for a total of 53.

- Increase the funding for owner occupied rehab by \$900,000 to \$2,699,226. Allows the City to rehab an additional 7 houses for a total of 67.

The Culture and Neighborhood Housing Services Council Committee considered this item at their January 7, 2021 meeting. Councilmember Roberto Trevino motioned to amend staff's recommendation to increase the EHAP budget by an additional \$3 million and not provide funds for gap financing for affordable housing. The motion was not approved by the Committee.

ALTERNATIVES:

An alternative to awarding this funding for the recommended activities would be to reject the recommendation. Please note, however, this proposed action is in response to the public health emergency that has impacted many vulnerable people at risk of homelessness.

FISCAL IMPACT:

This funding recommendation programs \$10,249,127 in CDBG-CV CARES Act funding and reprograms \$4,325,000 in Community Development Block Grant entitlement funding. There is no impact to the City's General Fund.

RECOMMENDATION:

Staff recommends approval of an ordinance for Substantial Amendment #2 to the FY 2021 HUD Action Plan and Budget to Program the second allocation of Community Development Block Grant CARES Act (CDBG-CV) funding in the amount of \$10,249,127 and reprogram FY 2021 Community Development Block Grant (CDBG) entitlement funds in the amount of \$4,325,000 from the COVID-19 Emergency Housing Assistance Program. These actions result in a net increase of \$4,675,127 to the COVID-19 Emergency Housing Assistance Program and fund the following additional activities: (a) \$159,540 for Eviction Intervention court support; (b) \$189,460 for Housing Counseling and Foreclosure Prevention; (c) \$900,000 to provide temporary shelter for homeless individuals and families; (d) \$2,000,000 for affordable rental housing development; (e) \$1,000,000 for affordable homeownership housing development; (f) \$900,000 for Owner Occupied Rehabilitation for older housing; and (g) \$425,000 for the Minor Repair Program.