



# City of San Antonio

## Agenda Memorandum

**File Number:**20-5785

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**Agenda Item Number:** 36.

**Agenda Date:** 10/29/2020

**In Control:** City Council A Session

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Verónica R. Soto, FAICP, Director

**COUNCIL DISTRICTS IMPACTED:** City-Wide

### **SUBJECT:**

Substantial Amendment #1 to the FY 2021 HUD Action Plan and Budget (CDBG Reprogramming)

### **SUMMARY:**

Ordinance authorizing Substantial Amendment #1 to the FY 2021 HUD Action Plan and Budget to reprogram Community Development Block Grant (CDBG) funds in an amount not to exceed \$4,875,000 set aside for Affordable Rental and Homeownership Housing Development to the COVID-19 Emergency Housing Assistance Program (EHAP).

### **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).

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 October 23, 2020 initiating the public comment period which will run through October 28, 2020. A virtual public hearing was held on October 28, 2020 at 5:00 pm.

**ISSUE:**

In an effort to assist vulnerable populations at risk of homelessness during COVID-19, staff recommends approval of the reprogramming of \$4,875,000 in Community Development Block Grant (CDBG) funding set aside for affordable housing development gap funding (\$3,250,000 for rental housing development and \$1,625,000 for homeownership housing development) to the COVID-19 Emergency Housing Assistance Program (EHAP).

EHAP is delivered by the Neighborhood and Housing Services Department. CDBG funding will be utilized to assist households whose incomes are at or below 80% Area Median Income for the general purpose of preventing homelessness by providing assistance for rent or mortgage, utilities and internet.

This action is necessary to fund Phase III of the COVID-19 Emergency Housing Assistance Program. The total budget for Phase III is \$24.1 million.

**ALTERNATIVES:**

An alternative to awarding this funding for the recommended activities would be to reject the recommendation; 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 ordinance approves Substantial Amendment #1 to the FY 2021 HUD Action Plan and Budget to reprogram \$4,875,000 in Community Development Block Grant (CDBG) funding set aside for affordable housing development gap funding to the COVID-19 Emergency Housing Assistance Program. There is no impact to the City's General Fund.

**RECOMMENDATION:**

Staff recommends approval of an Ordinance authorizing Substantial Amendment #1 to the FY 2021 HUD Action Plan and Budget to assist vulnerable populations at risk of homelessness and to mitigate the impacts of COVID-19.