



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 1

**Agenda Date:** January 26, 2022

**In Control:** Public Comment Session

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Verónica R. Soto

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Public Hearing related to a Substantial Amendment to the City's adopted FY 2022 (PY 2021) Annual Action Plan and Budget

**SUMMARY:**

On August 12, 2021, City Council adopted the FY 2022-2026 HUD Consolidated Plan and FY 2022 Annual Action Plan (AAP) and Budget. NHSD proposes a Substantial Amendment to the FY 2022 Annual Action Plan to better align funding sources with the awarded projects.

**BACKGROUND INFORMATION:**

On August 12, 2021, through Ordinance 2021-08-12-0564, City Council adopted the FY 2022-2026 HUD Consolidated Plan and FY 2022 Annual Action Plan (AAP) and Budget. A Substantial Amendment is required for the City to utilize this funding in a manner different than the AAP details.

NHSD proposes a Substantial Amendment to the FY 2022 Annual Action Plan to better align funding sources with the awarded projects. The proposed Substantial Amendment does not change funding levels for any of the awarded projects; rather, it provides each subject project with funding from sources that better align with the unique realities of each project.

## **ISSUE:**

The proposed Substantial Amendment will reprogram funding from three affordable housing projects: Habitat for Humanity's Watson Road project, Alamo Community Group's Babcock North project, and the Owner-Occupied Rehabilitation and Reconstruction Program (OORRP). The proposed amendment does not change the funding commitment amounts for any project and ensures that each project can meet HUD guidelines.

The Watson Road project is located at 1380 Watson Road in Council District 4. When completed, the project will yield 45 new single-family homes for buyers who earn up to 80% Area Median Income (AMI). NHSD proposes reprogramming \$2,000,000 in awarded HOME funding to the OORRP and replacing with \$2,000,000 in CDBG funding.

The Babcock North project is located at 6542 Spring Branch St. in Council District 8. This project will rehabilitate 139 existing apartment homes. Of these 139 units, 71 are reserved for renters whose income is below 60% AMI and 68 units are reserved for renters whose income is below 80% AMI. NHSD proposes canceling the \$1,000,000 CDBG award and reprogramming those funds to the Watson Road project while funding Babcock North with \$1,000,000 from the General Fund.

The Owner-Occupied Rehabilitation and Reconstruction Program assists low-and moderate-income homeowners to address critical repairs needed to ensure the preservation and safety of their homes. NHSD proposes reprogramming \$1,000,000 in CDBG funding to the Watson Road project, and \$1,000,000 in General Funds to the Babcock North project and funding the OORRP with \$2,000,000 in HOME funding originally allocated to the Watson Road project.

A summary of the funding amendments is below:

<b>Project</b>	<b>Current Funding Source</b>	<b>Proposed Funding Source</b>
Watson Road (Habitat for Humanity SA)	\$2,000,000 HOME	\$2,000,000 CDBG
Babcock North (Alamo Community Group)	\$1,000,000 CDBG	\$1,000,000 General Fund
Owner Occupied Rehab & Recon Program	\$2,000,000 (\$1M CDBG and \$1M General Fund)	\$2,000,000 HOME

## **ALTERNATIVES:**

The City is required to undergo this process for federally funded programs.

## **FISCAL IMPACT:**

This item will not have an impact on the City's General Fund Budget.

**RECOMMENDATION:**

No action required.