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U.S. Department of Housing and Urban Development
San Antonio Field Office, Region VI
Office of Community Planning and Development
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Mr. Jared H. Miller
City Manager
City of San Marcos
630 E. Hopkins Street
San Marcos, TX 78666

Dear Mr. Miller:

SUBJECT: Approval of Fiscal Year 2016 CDBG-DR Action Plan Submission

Thank you for your timely submission of the City of San Marcos Action Plan addressing the use of **\$25,080,000** in Community Development Block Grant Disaster Recovery (CDBG-DR) funds. These funds were appropriated by the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act of 2016 (P.L. 114-113) and must be used for the purpose of assisting long-term recovery in San Marcos, Texas. This letter serves as official notification of HUD's approval of your CDBG-DR Action Plan.

The Action Plan serves as a planning document for your jurisdiction, which builds on a participatory process among citizens, organizations, businesses, and other stakeholders; a strategy to be followed in carrying out HUD programs; and a management tool for assessing performance and tracking results.

We appreciate the hard work of the City staff in producing the Action Plan, and your continued collaboration with the city, state and federal stakeholders, numerous local non-profit and public service agencies, as well as the citizens of San Marcos to provide enhanced housing, community revitalization initiatives and disaster relief for your community.

The Department's consideration of the city's Action Plan is governed, in part, by HUD's Consolidated Plan regulations at 24 CFR Part 91.500 and the Federal Register Notice specifically addressing CDBG-DR funds appropriated by P.L. 114-113. In accordance with this notice, the city is required to demonstrate a proportionate allocation of resources relative to areas of need. HUD is exercising greater scrutiny in its review to ensure grantees address what the Notice identifies as core aspects of recovery - housing, infrastructure, and the economy.

The Department is approving the full grant amount of **\$25,080,000** in the following funding categories, with a grant condition regarding Infrastructure at \$12,540,000 as explained further below:

<u>Funding Category</u>	<u>Amount</u>
Housing	\$7,524,000
Infrastructure	\$12,540,000
Planning	\$3,762,000
Administration	\$1,254,000

On page 33 of the Action Plan, the city indicates that, "...a feasibility study will be conducted to prioritize the potential infrastructure projects. If necessary, when projects are identified, an Amendment

to the Action Plan will be drafted in order to describe the City's intent for the use of infrastructure dollars under the grant..."

Special contract conditions associated with the use of the \$12,540,00 will be attached to the grant agreement. The City will be granted access to these funds after submitting an Amendment to the Action Plan and designating the specific Infrastructure projects along with eligibility criteria, national objectives and start and end dates for the projects that will be funded with the CDBG-DR funds.

Once executed grant agreements are received from the city, the grant agreements will be executed by the Department. The date that the Department signs the grant agreement is the date on which the funds are obligated. Under the provisions of P.L. 114-113, all funds obligated by the grant agreement must be expended within six years of the date on which the Department signs the grant agreement. HUD will increase the city's line of credit account for this grant upon execution of the agreement.

Please be advised that the City is required to report on its use of these grant funds through the Department's Disaster Recovery Grant Reporting (DRGR) system. The DRGR reporting requirements are outlined in detail in the Department's Federal Register Notice of June 22, 2016.

OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY

A primary goal of the Department is to reduce housing discrimination, affirmatively further fair housing through CPD programs and promote diverse, inclusive communities. To that end, we encourage your community to take all measures necessary to ensure compliance with the Fair Housing requirements associated with these funds. A copy of your Action Plan was provided to the Office of Fair Housing and Equal Opportunity for review. Comments from that review are attached as a separate document.

OFFICE OF PUBLIC AND INDIAN HOUSING (PIH)

A copy of your Annual Action Plan was provided to the San Antonio Office of Public Housing (SAOPH) for review. A separate letter could be forthcoming should the results of their review determine the need to contact the City to provide or request further information. Thank you for your patience and consideration.

The Department looks forward to continuing to work with you and your staff in partnership to address the city's recovery needs. If you or any members of your staff have any questions concerning this matter, do not hesitate to contact Nancy Sanchez, CPD Representative at (210) 475-6800 ext. 2294 or via email at nancy.e.sanchez@hud.gov.

Sincerely,



Elva F. Garcia
Director, Office of Community Planning
and Development

Cc: Mrs. Janis Hendrix, Community Initiatives Office