



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

JUL 30 2019

PRINCIPAL DEPUTY ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

Mr. Bert Lumbreras
City Manager
City of San Marcos
630 East Hopkins
San Marcos, TX 78666

Dear Mr. Lumbreras:

The Department is approving the city of San Marcos's substantial Action Plan Amendment (APA) #8 for Community Development Block Grant disaster recovery (CDBG-DR) funds appropriated under Public Law (P.L.) 114-113 and P.L. 115-31, which provided \$33,794,000, to the city to assist with its long-term disaster recovery needs from damage caused by flooding events that occurred in 2015. This amendment is considered substantial and will now be considered as part of the city's approved Action Plan, as it reallocates funds to a new Single-Family Owner-Occupied Housing Reimbursement (OOHR) activity and to previously approved infrastructure activities.

Under substantial APA #8, the Single-Family OOHR activity will be added to the city's previously HUD-approved Action Plan. The activity and allocated funds will allow for reimbursement to eligible San Marcos homeowners for costs incurred to repair housing damaged by the 2015 floods. The city previously allocated \$1,659,013 to address rental rehabilitation and reconstruction housing needs of the 2015 flooding events. To date, no rental rehabilitation or reconstruction applications have been approved. Therefore, the rental activity budget was reduced by \$1,000,000 and reallocated to the new Single-Family OOHR activity. Additionally, due to refined infrastructure design plans, the city requested to reallocate \$3,000,000 from their planning activity and \$2,325,000 of the Clarewood/Barbara infrastructure activity, after determining the project would not reduce flooding in a significant amount to justify expending funds budgeted. Similarly, the city reduced the budget of the Blanco Riverine infrastructure activity based upon forthcoming funding through a Federal Emergency Management Agency Hazard Mitigation Grant and from the Texas Water Development Board.

This substantial amendment proposes to reallocate funds from the activities mentioned above to the new city's Single-Family OOHR activity and Midtown/Aquarena Springs, Blanco Gardens and Uhland Road infrastructure activities. The transition of funds will further address unmet needs and allow for continued efforts related to disaster relief and long-term recovery in the impacted and distressed areas of San Marcos.

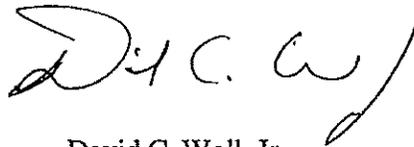
The following table describes each CDBG-DR funded activity funded by the city for 2015 flooding events:

2015 Floods Program	APA #7 Budget/Allocation	Change	APA #8 Revised Budget/Allocation
Single Family Owner-Occupied Rehab/ Reconstruction	\$5,000,000	\$0	\$5,000,000
Rental Unit Rehab/ Reconstruction	\$1,659,013	(\$1,000,000)	\$659,013
Public Housing Authority Reimbursement	\$864,987	\$0	\$864,987
Single Family Owner-Occupied Housing Reimbursement	N/A	\$1,000,000	\$1,000,000
Infrastructure: Midtown/Aquarena Springs	\$850,000	\$850,000	\$1,700,000
Infrastructure: Blanco Gardens	\$5,000,000	\$3,071,987	\$8,071,987
Infrastructure: Clarewood/Barbara Drive	\$2,500,000	(\$2,325,000)	\$175,000
Infrastructure: Uhland Road	\$4,190,000	\$2,989,000	\$7,179,000
Infrastructure: Blanco Riverine	\$6,971,200	(\$1,585,987)	\$5,385,213
Planning	\$5,069,100	(\$3,000,000)	\$2,069,100
Administration	\$1,689,700	\$0	\$1,689,700
TOTAL	\$33,794,000	\$0	\$33,794,000

With approval of this substantial amendment, the city should ensure the most current data available is used to update the local needs assessments in future action plan amendments. Additionally, adequate policies and procedures should be developed immediately to ensure all program requirements for the city's new Single-Family OOHR activity are documented and that a comprehensive checklist of reimbursement documentation required is provided to program applicants to ensure completed applications are submitted. The Department also recommends that the city is prepared to address Single-Family OOHR applicants that may not be able to provide required reimbursement documentation to tie-back repairs to the storm, due to the time that has elapsed since the flooding events in 2015.

The Department is committed to working with you and your staff to address the city's recovery needs and assisting citizens of the city of San Marcos. If you or any members of your staff have any questions, please contact Ms. Tennille Parker, Director, Disaster Recovery and Special Issues Division, at (202) 402-4649.

Sincerely,



David C. Woll, Jr.
Principal Deputy Assistant Secretary
for Community Planning and Development