



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 34

Agenda Date: June 12, 2025

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Substantial Amendment #3 to the FY 2025 HUD Annual Action Plan and Budget

SUMMARY:

Ordinance approving Substantial Amendment #3 to the FY 2025 Annual Action Plan and Budget to add a goal objective, add a project, reprogram up to \$5,000,000.00 in Community Development Block Grant (CDBG) funds, and award up to \$5,000,000.00 to the San Antonio Housing Trust Public Facility Corporation (PFC) to acquire 1.31 acres of land and buildings to stabilize the properties and preserve the historic character of the buildings.

BACKGROUND INFORMATION:

The San Antonio Housing Trust is undergoing a district-wide master plan and vision process in the Cattleman's Square Historic District. The non-profit entity is currently conducting a community-led process to re-envision the area situated between the westside neighborhoods and downtown.

In November 2024, the San Antonio Housing Trust PFC purchased 5.9 acres of property within the master plan area. The organization seeks to purchase additional property within the area to ensure the planning efforts can be realized.

The San Antonio Housing Trust PFC will utilize up to \$5,000,000.00 in CDBG funds to acquire, stabilize and preserve approximately 1.31 acres of land and buildings at the corner of North Frio and West Houston Streets, within the Cattleman Square district. This ordinance will authorize the Neighborhood and Housing Services Department (NHSD) to negotiate and execute funding agreements with the San Antonio Housing Trust PFC for the acquisition.

The site consists of a four-building, 38,687-square-foot commercial property located at 118 N. Medina Street, 900 W. Houston Street, 908 W. Houston Street and 907 W. Commerce Street. The existing improvements include a 19,329- square foot, three-story office building known as the Heimann Building which is listed on the National Register of Historic Places, a two-story, 14,306-square foot former apartment/hotel/retail building known as the Rich Book Building, a 5,502-square foot commercial building currently used for storage and a 1,750-square foot convenience store/former gas station. The improvements were originally constructed between 1900 and 1973, with renovations to the Heimann Building having been completed in 2004 and continuing today for non-residential office use. The Historic Preservation/Stabilization effort is anticipated to retain the same use without change in size or capacity to these non-residential building footprints.

ISSUE:

On August 8, 2024, City Council adopted the \$27.8 million FY 2025 HUD Annual Action Plan and Budget which allocated approximately \$15,669,404.00 in CDBG and \$7,795,948.27 in HOME funds. A Substantial Amendment is required for the City to utilize this funding in a manner different than the plan details.

The proposed Substantial Amendment #3 to the FY 2025 Annual Action Plan and Budget adds a goal objective, adds a project, and reprograms funding for the proposed project. Specifically, this ordinance will:

- Add one (1) goal outcome indicator to aid in activities that address specific conditions of blight, physical decay, or environmental contamination that are not located in a slum or blighted area: acquisition; clearance; relocation; historic preservation; remediation of environmentally contaminated properties; or rehabilitation of buildings or improvements;
- Add one (1) project for Activities that Address the Elimination of Slums or Blight;
- Reprogram \$220,052.39 in CDBG funds made available through FY 2024 Green and Healthy Homes Grant Match program savings to Activities that Address the Elimination of Slums or Blight;
- Reprogram \$423,513.45 in CDBG funds made available through FY 2022 Minor Repair and Single Family Rehabilitation program savings to Activities that Address the Elimination of Slums or Blight;
- Reprogram \$139,460.33 in CDBG funds made available through FY 2021 Green and Healthy Homes Grant Match program savings to Activities that Address the Elimination of Slums or Blight;
- Reprogram \$31,251.83 in CDBG funds made available through FY 2020 NHSD Minor Repair Program savings to Activities that Address the Elimination of Slums or Blight;

- Reprogram of \$2,800,000.00 in CDBG funds from FY 2025 Homeownership Housing Development to Activities that Address the Elimination of Slums or Blight;
- Reprogram of \$1,385,722.00 in CDBG funds from Rental Housing Development to Activities that Address the Elimination of Slums or Blight; and
- Award up to \$5,000,000.00 in CDBG funds to The San Antonio Housing Trust PFC to acquire approximately 1.31 acres of land and buildings at the corner of North Frio and W Houston Streets for the purpose of stabilizing the properties and preserving the historic character of the buildings.

ALTERNATIVES:

An alternative to awarding CDBG funding would be to reject the recommended actions; however, the proposed activities are in line with the Five-Year Consolidated Plan and rejection of this award could negatively impact the viability of the project to proceed.

FISCAL IMPACT:

Substantial Amendment #3 will reprogram and award up to \$5,000,000.00 in CDBG funds to the San Antonio Housing Trust PFC to acquire, stabilize, and preserve properties within the Cattleman Square Historic District. There is no fiscal impact to the City’s General Fund.

Funding will be made available for the award by reprogramming funding as follows:

| City of San Antonio CDBG Funding Allocation | | | | |
|--|------------------------|-----------------------------|-------------------------------|--|
| Activity Name | Current Funding | Commitments/Expenses | Proposed Reprogramming | |
| FY 2024 Green & Healthy Homes Grant Match (program savings) | \$337,952.00 | (\$83,205.98) | (\$220,052.39) | |
| FY 2022 Minor Repair and Single-Family Rehabilitation (program savings) | \$423,513.45 | \$0.00 | (\$423,513.45) | |
| FY 2021 Green and Healthy Homes Grant Match (program savings) | \$219,022.45 | \$0.00 | (\$139,460.33) | |
| FY 2020 NHSD Minor Repair (program savings) | \$100,000.00 | (\$68,748.17) | (\$31,251.83) | |
| FY 2025 Homeownership Housing Development | \$3,800,000.00 | (\$1,000,000.00) | (\$2,800,000.00) | |
| FY 2025 Rental Husing Development | \$2,411,569.00 | (\$1,025,847.00) | (\$1,385,722.00) | |
| FY 2025 Addressing Slum & Blight | \$0.00 | \$0.00 | \$5,000,000.00 | |

RECOMMENDATION:

Staff recommends approval of Substantial Amendment #3 to the FY 2025 Annual Action Plan and Budget.