

(THIS IS A DRAFT ORDINANCE ONLY AND SUBJECT TO CHANGE)
ORDINANCE

APPROVING SUBSTANTIAL AMENDMENT #3 TO THE FY 2025 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) ANNUAL ACTION PLAN AND BUDGET TO ADD A NEW GOAL OBJECTIVE AND NEW PROJECT, REPROGRAM FUNDS, AND AUTHORIZING AN AWARD OF UP TO \$5,000,000 IN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING TO SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO ASSIST IN THE ACQUISITION OF APPROXIMATELY 1.3 ACRES OF LAND AND BUILDINGS LOCATED AT THE CORNER OF NORTH FRIO AND WEST HOUSTON STREETS IN FURTHERANCE ANNUAL ACTION PLAN GOALS.

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WHEREAS, on August 8, 2024, pursuant to Ordinance No. 2024-08-08-0560, City Council approved and adopted the FY 2025 United States Department of Housing and Urban Development (HUD) Annual Action Plan and Budget (Action Plan); and

WHEREAS, on May 1, 2025, pursuant to Ordinance No. 2025-05-01-0319, City Council approved and adopted Substantial Amendment #1 to the FY 2025 HUD Action Plan; and

WHEREAS, on May 29, 2025, pursuant to Ordinance No. 2025-05-29-0398, City Council approved and adopted Substantial Amendment #2 to the FY 2025 HUD Action Plan; and

WHEREAS, the City's FY 2025 HUD Action Plan currently outlines various goals and projects sought to be accomplished with use of federal entitlement grant funding as allocated to the City by the U.S. Department of Housing and Urban Development; and

WHEREAS, it is the desire of staff to add an additional goal outcome indicator to the FY 2025 HUD Action Plan 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; and

WHEREAS, in order to accomplish this additional goal outcome indicator, staff is also seeking to add new project to the FY 2025 HUD Action Plan which will address the elimination of slums or blight on a spot basis in accordance with applicable CDBG regulations; and

WHEREAS, the San Antonio Housing Trust Public Facility Corporation is currently undertaking a historic preservation and stabilization effort and in furtherance thereof is seeking to acquire approximately 1.3 acres of land and buildings located at the corner of North Frio and West Houston Street to stabilize the properties and preserve the historic character of the buildings; and

WHEREAS, staff has determined that this stabilization and preservation project proposed by the San Antonio Housing Trust Public Facility Corporation is in alignment with the new goal outcome

indicator and qualifies as an eligible project to address the elimination of slum or blight on a spot basis as referenced above; and

WHEREAS, in accordance with this determination, staff recommends providing up to \$5,000,000 in CDBG funding to the San Antonio Housing Trust Public Facility Corporation to assist in acquiring the aforementioned property in furtherance of this stabilization and preservation project; and

WHEREAS, to provide the proposed funding for this project, City staff recommends a third substantial amendment to the Action Plan to reprogram necessary CDBG funding in order to effectuate the award as recommended herein; and

WHEREAS, after notice having been duly published and posted, a public comment period was opened, a public hearing was held on June 11, 2025, and timely responses were given from local officials to all citizen questions and issues and public access was granted to all questions and responses, thereby satisfying applicable law governing substantial amendments to the City's FY 2025 HUD Action Plan; and

WHEREAS, in order to add the new goal outcome indicator and project to the Action Plan, effectuate the reprogramming of necessary funds, and provide the recommended funding award as identified herein, it is necessary to authorize a third substantial amendment to the City's FY 2025 HUD Action Plan; and

WHEREAS, City Council approves Substantial Amendment #3 to the FY 2025 HUD Action Plan to add a new goal outcome indicator, new project, reprogram necessary CDBG funds and authorizes an award of up to \$5,000,000 to San Antonio Housing Trust Public Facility Corporation to assist in the acquisition of land for their proposed stabilization and preservation project as set forth herein; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. This ordinance approves Substantial Amendment #3 to the FY 2025 Annual Action Plan and Budget to allow for the following actions:

1. Add an additional 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 blight area; and
2. Add a new project to address elimination of slums or blight on a spot basis; and
3. Reprogram up to \$5,000,000 in CDBG funding; and
4. Authorizing an award of up to \$5,000,000 in CDBG funding to San Antonio Housing Trust Public Facility Corporation to assist in the acquisition of approximately 1.31 acres of land and buildings located at the corner of North Frio and West Houston Streets to stabilize the properties and preserve the historic nature of the buildings.

SECTION 2. The City Manager or designee, or the Deputy Chief Financial Officer or designee, authorizes Substantial Amendment #3 to the FY 2025 Annual Action Plan and Budget authorizing an award of up to \$5,000,000 in Community Development Block Grant 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 West Houston Streets to stabilize the properties and preserve the historic character of the buildings.

SECTION 3. This ordinance authorizes a reprogramming of funds in the amounts of \$814,278 in CDBG funds made available through prior year program savings, \$2,800,000 in CDBG funds from FY 2025 Homeownership Housing Development and \$1,385,722 in CDBG funds from FY 2025 Rental Housing Development.

SECTION 4. Substantial amendment #3 to the City's FY2025 HUD Action Plan and Budget in accordance with this Ordinance is hereby authorized and approved. The City Manager or their designee, the Director of the Neighborhood and Housing Services Department or their designee, the Assistant Director of the Neighborhood and Housing Services Department or their designee, or the Grants Administrator of the Division of Grants Monitoring and Administration are each individually hereby authorized to execute any and all documents necessary to implement and carry out said substantial amendment.

SECTION 5. The City Manager or their designee, the Director of the Neighborhood and Housing Services Department or their designee, the Assistant Director of the Neighborhood and Housing Services Department or their designee, or the Grants Administrator of the Division of Grants Monitoring and Administration, are each hereby authorized to negotiate and execute any and all contracts, agreements and other documents as necessary for: (a) implementation of the funding award as set forth herein; and (b) compliance with the U.S. Department of Housing and Urban Development (HUD) rules, regulations, and procedures, and to submit all certifications and such other information to and as required by HUD.

SECTION 6. The City Manager or their designee, the Director of the Neighborhood and Housing Services Department or their designee, the Assistant Director of the Neighborhood and Housing Services Department or their designee, or the Grants Administrator of the Division of Grants Monitoring and Administration are each individually hereby authorized to (a) implement the reductions, revisions, and reprogramming set forth herein; (b) comply with HUD rules, regulations, and procedures, and submit all certifications and such other information to and as required by HUD; (c) approve budget adjustments within project allocations to conform with actual expenditures if line item cost overruns occur or are anticipated; (d) negotiate and execute any and all necessary contracts and other documents in connection with the project set forth above; and (e) provide for payment.

SECTION 7. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 8. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 12th day of June, 2025.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney