

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

ORDINANCE

APPROVING SUBSTANTIAL AMENDMENT #2 TO THE FY 2025 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) ANNUAL ACTION PLAN AND BUDGET TO REPROGRAM FUNDS AND AUTHORIZING AN AWARD OF UP TO \$1,900,000.00 TO HABITAT FOR HUMANITY OF SAN ANTONIO, INC. FOR AN AFFORDABLE SINGLE-FAMILY HOUSING DEVELOPMENT PROJECT; SAID AWARD BEING COMPRISED OF UP TO \$1,000,000 IN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING AND UP TO \$900,000 IN HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FUNDING.

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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, in furtherance of making the award at issue, City staff previously released a Request for Proposals for Affordable Single-Family Housing Development Gap Funding (RFP), which sought proposals for qualifying single-family housing development projects in need of gap funding; and

WHEREAS, five (5) proposals were initially received in response to the RFP; however, two (2) proposals were deemed non-responsive for failing to meet the requirements in the RFP and one (1) proposal was disqualified for a prohibited campaign contribution during the blackout period. The remaining two (2) proposals were deemed responsive to move forward for subsequent evaluation; and

WHEREAS, a panel of committee members comprised of city staff and partners with relevant expertise in the RFP category areas reviewed and scored the two (2) proposals deemed eligible for evaluation based on criteria set forth in the RFP. While these two (2) proposals were initially recommended for award of funding, one (1) of the recommended proposals was subsequently disqualified for a prohibited campaign contribution; and

WHEREAS, the evaluation committee has thus recommended an award of funding to the remaining highest ranked proposal, being the affordable single-family housing development project proposed by Habitat for Humanity of San Antonio Inc. (the “*Project*”); and

WHEREAS, the total recommended award of funding for this Project is up to \$1,900,000, which shall be comprised of up to \$900,000 in HOME funding including up to \$210,000 in reprogramed HOME funding made available through prior year program savings. The total recommended award also includes up to \$1,000,000 in CDBG funding. In order to reprogram funds and provide the recommended funding award, City staff recommends that City Council approve Substantial Amendment #2 to the FY 2025 HUD Action Plan; and

WHEREAS, after notice having been duly published and posted, a public comment period was opened, a public hearing was held on April 30, 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 reprogram necessary HOME funds and provide the recommended funding award as identified herein, it is necessary to authorize a substantial amendment to the City's FY 2025 HUD Action Plan; and

WHEREAS, City Council approves Substantial Amendment #2 to the FY 2025 HUD Action Plan to reprogram up to \$210,000 in HOME funds and authorizes an award of up to \$1,900,000 to Habitat for Humanity of San Antonio, Inc. for their proposed affordable single-family housing development project as set forth herein; **NOW THEREFORE:**

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

SECTION 1. In accordance with the schedule affixed hereto as **Attachment I** and incorporated herein, an allocation of Community Development Block Grant (CDBG) funds in an amount not to exceed \$1,000,000.00 and HOME Investment Partnerships Program (HOME) funds in an amount not to exceed \$900,000.00 is hereby authorized to be awarded to Habitat for Humanity of San Antonio, Inc., for their proposed affordable single-family housing project located in Council District 5.

SECTION 2. The City Manager or designee, or the Deputy Chief Financial Officer or designee, authorizes a contract with Habitat for Humanity of San Antonio, Inc. for Affordable Single-Family Housing Development Gap Funding services for an estimated total value of \$1,900,000 for a term based on the development schedule. A letter of preliminary award will be provided to the selected Respondent. The Respondent will have two weeks to provide written acknowledgement of the award and all conditions that must be met prior to the issuance of a binding commitment. The terms of the preliminary award with the City will be performance-driven based on the requested closing date, the required underwriting review, the required environmental review, the construction timeline, and other items or special conditions imposed by the City in its sole discretion. Funding is available from Community Development Block Grant (CDBG) & HOME Investment Partnerships Program (HOME) funding specifically for these activities in the FY 2025 (PY 2024) Annual Action Plan.

SECTION 3. Funding will be made available in a General Ledger, Internal Order Number, and Fund to be determined. Payment not to exceed the budgeted amount.

SECTION 4. Substantial amendment #2 to the City's FY2025 HUD Action Plan and Budget in accordance with this Ordinance and **Attachment I** 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 in **Attachment I**; (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 29th day of May, 2025.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney