

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

ORDINANCE

APPROVING SUBSTANTIAL AMENDMENT #2 TO THE FY 2024 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) ANNUAL ACTION PLAN AND BUDGET AND AUTHORIZING AN AWARD AND CORRESPONDING FUNDING AGREEMENT FOR UP TO \$1,744,000.00 IN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING AND UP TO \$2,256,000.00 IN HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) FUNDING FOR THE LEGACY SENIOR RESIDENCES AFFORDABLE HOUSING PROJECT.

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WHEREAS, on August 3, 2023, pursuant to Ordinance No. 2023-08-03-0511, City Council approved and adopted the FY 2024 United States Department of Housing and Urban Development (HUD) Annual Action Plan and Budget (Action Plan); and

WHEREAS, on February 15, 2024, pursuant to Ordinance No. 2024-02-15-0098, City Council approved and adopted Substantial Amendment #1 to the FY 2024 HUD Action Plan; and

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

WHEREAS, five (5) proposals were received in response to the RFP and all 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 evaluated all proposals received. The proposals were scored by the evaluation committee based on criteria set forth in the RFP and the two (2) highest ranked proposals were recommended for an award of funding; and

WHEREAS, one of the previously recommended proposals, Rainbow Lofts, ultimately elected to withdraw their proposal prior to City Council consideration and approval. As a result, the evaluation committee has recommended an award of funding to the next highest ranked proposal, being the Legacy Senior Residences affordable housing project proposed by Legacy-San An New Braunfels LP (Cornerstone Housing Group) (the “**Project**”); and

WHEREAS, the recommended award of funding for this Project is up to \$4,000,000.00, which shall be comprised of up to \$1,744,000.00 in CDBG funds and up to \$2,256,000.00 in HOME funds. In order to provide the recommended funding award, City staff recommends that City Council approve Substantial Amendment #2 to the FY 2024 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 10, 2024, 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 2024 HUD Action Plan; and

WHEREAS, in order to award said CDBG and HOME funds to the affordable housing Project recommended herein, it is necessary to authorize a substantial amendment to the City's FY 2024 HUD Action Plan; and

WHEREAS, City Council approves Substantial Amendment #2 to the FY 2024 HUD Action Plan and authorizes an award and corresponding agreement for up to \$1,744,000.00 in CDBG funding and up to \$2,256,000.00 in HOME funding to the affordable housing 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 \$1,744,000.00 and HOME Investment Partnerships Program (HOME) funds in an amount not to exceed \$2,256,000.00 are hereby authorized to be awarded to Legacy-San An New Braunfels LP (Cornerstone Housing Group) for the Legacy Senior Residences affordable housing project located in Council District 3.

SECTION 2. Revisions to the Community Development Block Grant (CDBG) projects and the modifications to the budgets and reprogramming in support thereof in an amount not to exceed \$1,744,000.00, available from cancelled activities, program savings, and/or program income are hereby authorized in accordance with the budget revision schedule affixed hereto and incorporated by reference herein for all purposes as **Attachment I**. Said funds are hereby authorized to be reprogrammed to eligible affordable housing development activities in accordance with **Attachment I** and the allocation and appropriation of funds consistent with **Attachment I** are hereby authorized.

SECTION 3. Revisions to the HOME Investment Partnerships Program (HOME) projects and the modifications to the budgets and reprogramming in support thereof in an amount not to exceed \$2,256,000.00 available from cancelled activities, program savings, and/or program income are hereby authorized in accordance with the budget revision schedule affixed hereto and incorporated by reference herein for all purposes as **Attachment I**. Said funds are hereby authorized to be reprogrammed to eligible affordable housing development activities in accordance with **Attachment I** and the allocation and appropriation of funds consistent with **Attachment I** are hereby authorized.

SECTION 4. Substantial amendment #2 to the City's FY2024 HUD Action Plan and Budget to reprogram funds in the CDBG and HOME 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 Grants Administrator of the Division of Grants Monitoring and Administration are each individually hereby authorized to approve budget adjustments within project allocations to conform with actual expenditures if line item cost overruns occur or are anticipated.

SECTION 7. The appropriations, reallocations, expenditures, encumbrances, and budget revisions necessitated and scheduled pursuant to the aforesaid **Attachment I** are hereby authorized for entry into the City's accounting system.

SECTION 8. The Deputy Chief Financial Officer is hereby authorized to effect on the books of the City the cancellations, revisions, and reprogramming in support thereof set forth in **Attachment I**. 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) close-out and cancel affected projects and create new projects and project budgets in accordance with **Attachment I**; and (e) execute any and all necessary contracts and other documents in connection with the projects set forth above; and (f) provide for payment.

SECTION 9. 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 Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 10. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 11th day of April, 2024.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney

ATTACHMENT I

COVER SHEET