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ORDINANCE NO.

AN ORDINANCE AMENDING ORDINANCE NO. 820401-D TO ELIMINATE THE LIMITATIONS OF THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR HEALTHY FOOD RETAIL.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Council amends Part 3 of Ordinance No. 820401-D to remove limitations on the use of Community Development Block Grant funds for healthy food retail as follows:

PART 3. The primary objectives of community development activities funded with Community Development Block Grant (CDBG) dollars in the City of Austin shall be the development of [a] viable [~~urban community~~] communities by providing [~~including~~] decent housing[;] and a suitable living environment, [~~elimination of slums and blight~~] and expanding economic opportunities, principally for persons of low- and moderate- income. To be eligible under this Ordinance, a project or activity must either:

a) Serve beneficiaries, at least fifty-one percent (51%) of whom are low- and moderate-income persons [~~provide at least seventy-five percent (75%) of its benefits to low and moderate income persons~~]; or

b) Aid in the prevention or elimination of slum or blight, limited specifically to areas where the majority (51%) of the residents are low and moderate income persons, provided that tourism and tourism-related activity are excluded from the scope of the proposed project or activity; specifically excluded are convention centers, multi-story parking lots, hotels, motels, or other lodging, or projects or activities enhancing such facilities or businesses; or

c) Meet an urgent community need that threatens the health or welfare of residents. [~~Qualify as an economic development activity under Part 6 of this Ordinance.~~]

34 With the exception of projects which are directly supportive of and concurrent with
35 the development of a grocery store, in [In] implementing (a) - (c) [(b)] above, the
36 City's general obligation to provide capital improvements to the target areas is not
37 diminished except in extraordinary circumstances. Capital improvements in the
38 target areas are to be funded through the normal course of city-wide capital
39 improvements.

40 **PART 2.** Council amends Part 6 of Ordinance No. 820401-D, as follows:

41
42 **PART 6.** Projects and activities for economic development for business
43 revitalization and job creation shall not be funded unless they consist of direct
44 or technical assistance to businesses in low and moderate income areas in the
45 City of Austin and are located within the City of Austin full purpose jurisdiction
46 ~~[and are limited to businesses whose gross income does not exceed three~~
47 ~~hundred thousand (\$300,000) dollars in the preceding year]~~

48 or

49 a. create jobs which expand the economic opportunities available for low and
50 moderate income people by providing relevant and marketable jobs and skills
51 training ~~[not ordinarily available in the City of Austin]; and~~

52 b. at least ~~[seventy-five]~~ fifty-one percent (51 ~~[75]~~%) of the ~~[employees~~
53 ~~receiving skill training and/or jobs]~~ program beneficiaries are low- and
54 moderate- income persons~~[from low to moderate income areas]; and~~

55 c. they are monitored ~~[monthly by the Department]~~ for their ~~[compliance]~~
56 performance according to City of Austin CDBG program compliance
57 practices; and

58 d. grant assistance shall be provided only to firms, corporations or business
59 enterprises having their main business office within the City of Austin, Texas.
60 This provision shall not exclude businesses in low- and moderate-income
61 areas from joint venturing, subcontracting, or franchising with outside firms.

62 In no case shall more than twenty percent (20%) of all program year funds be
63 allocated for economic development for business revitalization and jobs creation.
64 This 20% limitation would not apply to the funding of a full service grocery store.
65
66

PART 3. This ordinance takes effect on _____, 2020.

PASSED AND APPROVED

_____, 2020 § _____
Steve Adler
Mayor

APPROVED: _____ **ATTEST:** _____
Anne L. Morgan Jannette S. Goodall
City Attorney City Clerk