

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 [~~provide~~] at least seventy-five percent (75%) of whom are [~~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) Qualify as an economic development activity under Part 6 of this Ordinance; or

d. Provide a full-service grocery store within an area where the majority (51% or more) of the residents are low- and moderate-income persons and where there is no existing full-service grocery store within a one-mile radius.

Be directly supportive of and concurrent with the development of a full-service grocery store as outlined in (d), in [H] implementing (a) - (c) [(b)] above, the City's general obligation to provide capital improvements to the target areas is not diminished except in extraordinary circumstances. Capital improvements in the target areas are to be funded through the normal course of city-wide capital improvements.

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

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

or

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

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

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

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

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

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

PASSED AND APPROVED

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_____, 2020

Steve Adler
Mayor

APPROVED: _____ **ATTEST:** _____

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Anne L. Morgan
City Attorney

Jannette S. Goodall
City Clerk

Version 2

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