

**ORDINANCE NO. 2024-O-XXX**

**PUBLIC HEARING AND INTRODUCTORY ORDINANCE AUTHORIZING THE CITY MANAGER TO AMEND FY 23-24 REVENUES AND EXPENDITURES UNDER THE DEPARTMENT OF COMMUNITY DEVELOPMENT IN THE AMOUNT OF \$373,000.00 IN THE SECTION 108- SOUTHERN HOTEL FUND TO BE USED FOR THE REHABILITATION OF THE SOUTHERN HOTEL PROJECT. THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) IS REQUESTING THE CITY TO ESTABLISH A DEPOSIT ACCOUNT CONTROL AGREEMENT (DACA) FUNDED PURELY FROM HUD COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS (CDBG), WHICH WILL CREATE A SHORTFALL IN THE FUNDING AVAILABILITY FOR THIS PROJECT.**

**WHEREAS,** Authorizing the City Manager to amend FY 23-24 revenues and expenditures under the Department of Community Development in the amount of \$373,000.00 in the Section 108- Southern Hotel Fund to be used for the rehabilitation of the Southern Hotel Project.

**WHEREAS,** The U.S. Department of Housing and Urban Development (HUD) is requesting the City to establish a Deposit Account Control Agreement (DACA) funded purely from HUD Community Development Block Grant funds (CDBG), which will create a shortfall in the funding availability.

**WHEREAS,** The City of Laredo was advised by the Housing of Urban Development (HUD) of the approval of their Section 108 Loan in the amount of \$4,115,000.00 on January 26, 2023. The Southern Hotel located downtown at the 1200 block of Matamoros St., Laredo, TX 78040, for the purpose of providing additional affordable rental housing units available for low-moderate income households. The City of Laredo's intent is to expand the number of affordable units in Laredo with funds from the Section 108 Loan. This project will consist of 22 units, consisting of 13 low-income and 9 market rate units. The location of this historical building is in a low-to moderate-income area. Additional grant funds have been allocated to this project.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAREDO, TEXAS THAT:**

**Section 1.** Authorizing the appropriation of \$373,000.00 from the Capital Improvement Fund – Reserve Appropriation to the Section 108 – Southern Hotel.

**PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR**

ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2024.

\_\_\_\_\_  
**DR. VICTOR D. TREVIÑO**  
**MAYOR**

**ATTESTED:**

\_\_\_\_\_  
**MARIO MALDONADO, JR.**  
**CITY SECRETARY**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**DOANH "ZONE" T. NGUYEN**  
**CITY ATTORNEY**