



Agenda Item Report

Legislative Board: City Council
Date: April 7, 2026
Contact: Alicia Ramirez, City Clerk
Agenda Item ID / Number: 2020-360- / J.5

ITEM TITLE: Deliberation and possible action to consider an Ordinance on first and final reading and to adopt said Ordinance of the City of Buda, Texas, amending the Human Services Grant Program related to accomplishing a public purpose to benefit the City of Buda; providing an effective date (City Clerk Alicia Ramirez) [PUBLIC TESTIMONY]

1. EXECUTIVE SUMMARY

During the FY25 Budget presentation, the Human Services Review Committee (HSRC) made recommendations to streamline the application process for organizations that previously received funding and have an established funding history with the City, certain application requirements are reduced for returning applicants. These applicants must still demonstrate program performance, financial accountability, and continued need for funding. Applicants that received funding during the previous funding cycle and are seeking continued funding must comply with the requirements outlined in the draft ordinance.

The HSRC consists of Tia Pair, Lori Moya, and Ricardo Garay.

2. BACKGROUND/HISTORY

Chapter 380 of the Texas Local Government Code allows municipalities to establish economic development programs for the administration of programs making loans or grants of public money to promote local businesses and stimulate commercial activity in the municipality. Article III, Sections 51 and 52 of the Texas Constitution does not preclude a city from making an expenditure of public money so long as the expenditure provides for a public purpose.

The City Council of the City of Buda, Texas recognizes the importance of acting as a resource to nonprofit organizations who work to improve the quality of life of Buda residents by improving health and welfare programs that the government does not currently address, and desires to establish a program to provide limited financial assistance to those certain organizations.

The City of Buda grants funds for projects and programs that address community needs in the following areas: arts and culture, education and training, community development/community service, environment, health, human services, recreation and animal-related services. The City of Buda accepts grant requests only from organizations that are tax-exempt (or have applied for tax-exempt status) under Sections 501(c)(3) of the Internal Revenue Code.

3. ANALYSIS

An economic development program for projects related to business development in certain small municipalities is created under Section 505.158 of the Texas Local Government Code. The adoption of the Ordinance formalizes the Human Services Grant Program. The Program has a set of 7 criteria with which to determine eligibility and qualifying small organizations. Funding is determined based on the nature of the project or program listed in the application and its ability to address community needs within the City of Buda.

4. FINANCIAL IMPACT

\$42,000 is budgeted annually. The City Council will consider individual grant requests and authorize grant allocations as part of the budget process.

5. STRATEGIC PLAN/GOALS

EXCEPTIONAL CITY SERVICES WITH A LOW TAX RATE

6. STRATEGIC PLAN OBJECTIVES

Other.

7. PROS AND CONS

Pros

The Council formally adopts the Human Service Grant Program to assist organizations within the City of Buda by providing limited reimbursement grants to organizations who are performing services or are planning projects committed to improving the health and wellness of Buda residents.

Cons

Agencies would not receive the award as part of their funding to further programs thereby decreasing the number of human service programs for the City of Buda residents

8. ALTERNATIVES

Not applicable.

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

Staff seeks the City Council's directive to adopt or reject the recommended changes to the Ordinance.

Attachments:

[Ordinance - Human Services Grant Program 380 Agreement Amdmt.docx](#)
[Human Services Grant Application 26-27.pdf](#)