

A G E N D A



RCA	Austin City Council	Item ID	6311
Meeting Date:	5/12/2011	Department:	Neighborhood and Community Development

Subject

Approve a resolution authorizing the Neighborhood Housing and Community Development Office to apply to the United States Department of Health and Human Services, Administration for Children and Families, for a National Assets for Independence demonstration grant in the amount of \$300,000 to establish a City of Austin Individual Development Accounts program to assist low-income persons achieve financial stability.

Amount and Source of Funding

Funding is available from the United States Department of Health and Human Services, Administration for Children and Families, Assets for Independence Demonstration Program, for the grant period October 1, 2011 to September 30, 2016. One hundred percent funding match is required. The Community Development Block Grant Revolving Loan Funds for the Neighborhood Commercial Management Program and the Acquisition and Development Program will contribute the majority of the local match requirement. The Housing Smarts Program will provide the financial literacy contribution.

Fiscal Note

A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Elizabeth A. Spencer, Director, 974-3182.
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

Approval of this action will authorize the Neighborhood Housing and Community Development (NHCD) Office to submit a Grant Application to the United States Department of Health and Human Services, Administration for Children and Families, for a National Assets for Independence demonstration grant for Individual Development Accounts (IDA).

IDAs are special savings accounts designed to assist low-income individuals and families move toward asset ownership through matched savings and financial education. An IDA can be used to buy a first home, pay for college or other training, and start or expand a small business. Participants receive financial training and coaching on family budgeting, consumer issues, debt and credit counseling, using mainstream financial products, accessing refundable tax credits, and accessing other benefits and services.

The goal of the demonstration grant is to learn about the extent to which this approach enables individuals and families with low incomes to become financially stable over the long term. NHCD will use these funds to administer

projects that provide IDAs and related services to low-income individuals and families. Because the participants' deposits are matched, the account can grow substantially in proportion to the amount deposited on a regular basis.