

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	20323	Agenda Number	22.
Meeting Date:	12/6/2012	Department:	Neighborhood and Community Development	
Subject				
<p>Approve an ordinance authorizing acceptance of an additional \$50,000 in grant funds from the United States Department of Health and Human Services, Administration for Children and Families, Assets for Independence Demonstration Program; and amending the Fiscal Year 2012-2013 Neighborhood Housing and Community Development Office Operating Budget Special Revenue Fund (Ordinance No. 20120910-001) for a total authorization of \$300,000 to establish a City of Austin Individual Development Accounts program to help participating low-income persons achieve financial stability.</p>				
Amount and Source of Funding				
<p>Funding is available from the United States Department of Health and Human Services, Administration for Children and Families, Assets for Independence Demonstration Program. A local match of 100 percent is required, which will be met through funds from the Community Development Block Grant Revolving Loan Funds for the Neighborhood Commercial Management Program, the Acquisition and Development Program and the Housing Smarts Program.</p>				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:				
Prior Council Action:	<p>May 12, 2011 - Council passed a resolution authorizing Neighborhood Housing and Community Development Office to apply for the Assets for Independence Demonstration Program.</p> <p>April 26, 2012 – Council approved an ordinance authorizing acceptance of up to \$250,000 in grant funds from the Assets for Independence Demonstration Program.</p>			
For More Information:	Contact Elizabeth A. Spencer, Director, Neighborhood Housing and Community Development, 974-3182.			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				

This action will authorize acceptance of an additional \$50,000 in grant funds from 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 (IDAs). Council approved an initial \$250,000 on April 26, 2012. This action will allow for a total authorization of \$300,000. The grant period is from April 1, 2012 through March 31, 2017.

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 may 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 other benefits and services.

The goal of the demonstration grant is to learn the extent to which this approach enables individuals and families with low incomes to become financially stable over the long term. The Neighborhood Housing and Community Development (NHCD) Office 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 accounts can grow substantially in proportion to the amount deposited on a regular basis.

All department grant application requests are reviewed by the Budget Office prior to submission to ensure the grant minimizes the financial impact to the City.