



**Public Hearing  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 60  
AGENDA DATE: Thu 05/12/2005  
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**SUBJECT:** Conduct a public hearing to receive citizen comments on the City's (1) Draft annual Action Plan for Fiscal Year 2005-2006, related to allocation of the U.S. Department of Housing and Urban Development grant funds, (2) Community Development Fiscal Year 2005-2006 Program required by Texas Local Government Code Chapter 373, including proposed funding allocations, and (3) the application for \$3,000,000 from the U.S. Department of Housing and Urban Development Section 108 Loan Program for use under the City's Neighborhood Commercial Management Program.

**AMOUNT & SOURCE OF FUNDING:** N/A

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Neighborhood Housing      **DIRECTOR'S**  
**DEPARTMENT:** and Community      **AUTHORIZATION:** Paul Hilgers  
Development

**FOR MORE INFORMATION CONTACT:** Paul Hilgers, Director, Neighborhood Housing and Community Development, 974-3108.

**PRIOR COUNCIL ACTION:** Public hearing conducted April 7, 2005.

**BOARD AND COMMISSION ACTION:** Community Development Commission conducted public hearings on April 12, 2005 and May 10, 2005.

**PURCHASING:** N/A

**MBE / WBE:** N/A

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In order to receive certain federal entitlement grant funds, Federal Law requires cities to develop an annual Action Plan, and provide a 30-day comment period for public input and two public hearings. In addition, Chapter 373, Texas Local Government Code, requires cities that utilize federal funds to establish an approved community development program that is determined to assist a public purpose. This Fiscal Year 2005-2006 Action Plan and Chapter 373 Community Development Program (the 2005-2006 Plan) is a one-year strategic plan that describes community needs, resources, priorities, and proposed activities to be undertaken under certain Federal housing and community development grants programs as well as in accordance with Chapter 373, Texas Local Government Code.

The public hearing will also serve to receive comments on the application for \$3 million dollars from the U.S. Department of Housing and Urban Development (HUD) Section 108 Loan Program. This program provides Community Development Block Grant (CDBG) entitlement cities, like Austin, the opportunity to provide for projects that are larger than a city's annual allocation of CDBG funds. The principal security for the loan guarantee will be a pledge by the City of Austin of our current and future CDBG funds. Additional security will also be required to assure repayment of guaranteed obligations, which will be decided on a case-by-case basis. If successful in receiving this loan, the City will utilize the funds for the Neighborhood Commercial Management Project under the Community and Economic Development



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Program. Specifically, the monies received would be used to provide a revolving loan pool which will assist small businesses. Following the public hearing process the HUD 108 loan application will be scheduled for review and action by Council before it is submitted to HUD.

The final Plan is scheduled for review and action by Council on July 28, 2005. The City of Austin must submit its Council approved Fiscal Year 2005-2006 Action Plan to the U.S. Department of Housing and Urban Development (HUD) by August 15, 2005. HUD and State law requires that the public have opportunities to participate in the development of Action Plans through two City Council public hearings and a thirty-day written citizen comment period which began May 9, 2005. The City of Austin provides further opportunities by meeting with stakeholders/vendors, and holding two additional public hearings with the Community Development Commission (CDC). Notice of hearings is published in three local newspapers.