



TO: Mayor & Council Members

FROM: Greg Canally, Deputy Chief Financial Officer

DATE: July 23rd, 2009

SUBJECT: July Update on City of Austin Federal Stimulus (ARRA) Activities

I wanted to provide you an update on the City's efforts regarding Federal Stimulus (ARRA) funding.

Inter-governmental Process

As you know, we have been working very closely with all our local partners. The City has headed up an Inter-governmental Stimulus Steering Committee which includes the City, Travis County, Austin Independent School District, Austin Community College, Health Care District and Capital Metro. In addition to these partners, the executive directors of the Community Action Network and Workforce Solutions have joined us on this steering committee.

Together this group hosted the Stimulus Forum for Non-Profits in May, that provided the unique opportunity for local non-profits to interact with representatives from all the local governmental entities, State agencies, and Congressman's Doggett's office, as well as network with each other about collaborations and partnerships.

This Inter-governmental Stimulus Steering Committee has created nine Staff Working Groups: Energy, Transportation & Infrastructure, Public Safety/Law Enforcement, Technology, Education, Youth & Family, Housing, Workforce Development, and Health. These working groups will serve as a forum for sharing entity specific stimulus updates, discuss specific collaborative projects, and discuss new areas for collaboration. In addition to staff, each of these groups will be identifying community partners (non-profits, stakeholders) to be a part of the team, so that they can be in on conversations about efforts to secure and implement stimulus funding on the front-end.

We believe this structure will serve us well, as it will ensure there continues to be a community-wide conversation about Stimulus efforts.

ARRA Grant Updates

Attached is the summary of City of Austin ARRA grant opportunities – showing those grants we have received, grants we have applied for, or may be applying for – including a status update. I wanted to highlight some specific areas:

Austin Energy

Under the Department of Energy's \$5 billion Weatherization program, the City of Austin was allocated \$5.8 million, to increase the energy efficiency of dwellings owned and occupied by low-income persons. Prior to expenditure of these funds, Austin Energy will present a proposed program implementation plan to Council by early Fall. In developing this Weatherization program implementation plan, Austin Energy will work with Neighborhood Housing & Community Development, Travis County (which was allocated approximately \$5 million in Weatherization funds), local non-profits, and other local partners to ensure we are leveraging these dollars with other existing programs.

The grant deadlines for DOE \$4.5 billion Smart Grid program are August 6th and August 26th. These are competitive grants that will require a 50-50 match, and DOE will grant awards will be up to a maximum of \$200 million. Through its application, Austin Energy is seeking to build on its existing Smart Grid technologies, such as its automated meter network, and explore new technologies and applications like those being discussed in the Pecan Street Project.

Health

The federal stimulus legislation included \$1 billion for the Department of Health & Human Services' existing Community Services Block Grant (CSBG) program that aims for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals. As the existing eligible entity for Travis County, the City of Austin has been allocated \$1.4 million in CSBG funding. On this week's City Council agenda, there is an item to formally accept this \$1.4 million allocation. These funds will be used to enhance the City's existing CSBG funded programs, specifically the Youth Employment Development Program, Case Management services, Workforce Development, and Childcare services. In crafting this plan, the Health & Human Services Department worked with the Community Development Corporation and Workforce Solutions.

Broadband Technology

The Department of Commerce's \$4.5 billion Broadband Technology Opportunities Program (BTOP) is for entities to develop or expand broadband services in underserved areas and for public safety agencies. The National Telecommunications & Information Administration (NTIA) has indicated that it will be giving priority in this highly competitive grant area to communities that partner together up front on a grant submission. In collaboration with State Senator Kirk Watson's office, the City has taken the lead in coordinating a multi-jurisdictional grant submission to create a wireless mesh in the attendance zone of Eastside Memorial High School. This wireless mesh would increase the number of broadband connections and extend the availability of broadband in this underserved area of Austin. In addition to the Senator's office, AISD, ACC and the University of Texas, private entities such as Cisco, AT&T, as well as the non-profit agencies – One Economy Corporation, Skillpoint Alliance, and Austin FreeNet – has been included in this collaborative effort. The grant deadline is August 15th, and will require a 20% match.

Fire Station Improvements

The City has applied for a \$1.25 million grant under the Department of Homeland Security Firefighter Assistance Grants. This is a highly competitive grant program – only \$210 million to be awarded nationally – and will announce its awards sometime in first of half of 2010. If accepted the City would use its funds for additional fire station Women's Lockerroom Additions. The Fire Department has already completed additions to 11 stations, and will be completing another 7 by the end of FY10. Stimulus funds would help complete the remaining 6 stations, for which design has already begun.

Recent Award Notifications

As indicated in our April update, the Austin Water Utility applied for both Drinking Water and Clean Water (wastewater) EPA grants administered by the Texas Water Development Board. On June 18th, the TWDB informed AWU that it was awarded at minimum a \$32 million no-interest loan for improvements to the Hornsby Bend Biosolids plant. This was the number one rated green project in the entire State. Coupled with a biogas generator project at Hornsby Bend – funded partially by Austin Energy's Energy Efficiency & Conservation Block stimulus grant – the Hornsby Bend improvements are projected to reduce the carbon footprint of the plant by 6,400 tons of carbon dioxide per year by 2012, and 8,500 tons per year by 2030. In 2012, the proposed project would more than double the reduction in footprint than would otherwise be expected. In addition to reducing the carbon footprint, the biogas generator will also produce renewable energy that will be sold to Austin Energy to be part of the green choice grid and will further clean up AE's fuel mix.

On June 8th, the City was notified by CAMPO, that only two of the City's six proposed projects for ARRA Federal Aids Highways were approved: \$2.4 million for traffic signalization, and \$1.5 million for street overlays. The State of Texas received \$2.25 billion in stimulus funds from this program; Austin's share of that total was *less than two-tenths* of a percent. Of the \$29 million CAMPO received from the State, this \$3.9 million only represents 13.5 % of the total.

The Department of Transportation also has a \$1.5 billion competitive grant program called TIGER. This will be a highly competitive program nationally. The Austin Transportation Department is assessing the program requirements in advance of the September 15th grant application deadline, and will bring forward to Council a recommendation of projects to be submitted.

Back in April, the City applied for the maximum \$250,000 grant from the National Endowment for the Arts, as part of their highly competitive \$50 million Stimulus grant program. We were recently notified that our grant application was not accepted.

Summary

As a reminder, any grant applications accepted would come before City Council for final approval.

Over the next month we will be working with Departmental staff to ensure that the correct processes and mechanisms regarding ARRA financial and project reporting are in place.

I am available if you have any questions about the City of Austin's Federal Stimulus program.

xc: Marc A. Ott, City Manager