



TO: Mayor & Council Members

FROM: Marc A. Ott, City Manager

DATE: March 11th, 2009

SUBJECT: Update on City of Austin's Federal Stimulus Program

As you know, on February 17th, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA), more widely known as the Stimulus Package. I wanted to provide you an update from my February 9th memo, by outlining the City's process in securing funding included in the legislation.

As we work through this effort we will stress the importance of not only listening to Austinites, but also drawing upon their expertise, to ensure that our community gets the most from this opportunity.

Staff Efforts

There are nearly 200 separate programs included in ARRA, and funding will be made available in a variety of forms – formula-driven, competitive grants, and loans. Staff's first task was to identify which of these programs the City can access. I am providing to you a list of the 51 programs we believe – based on this preliminary analysis - the City is eligible either to receive formula-driven funding or apply for competitive grants. This list also includes programs that our local social service agencies, either in partnership with us, or on their own, could potentially access. As we work with our team in Washington and the community here in Austin, we will continue our assessment of the legislation, and identify other programs that could be beneficial to Austin.

Within the next week staff will forward to Council draft stimulus program goals and prioritization criteria for project selection, similar to the criteria that was sent to Council for the transportation projects included in the CAMPO list.

The major effort over the next several weeks will be to develop an understanding of each of the identified programs – deadlines, spending requirements, reporting requirements, etc. This work will be concurrent with the effort of developing a draft project list for each of the ARRA programs and funding streams the City will be pursuing. I will be bringing forward to Council, and the community, these draft projects lists as they are developed.

City Council

This will be a very fluid and unpredictable effort, especially given that many of the federal agencies have only just begun to craft the funding requirements and guidelines for each of their programs. Therefore, I am asking that Council re-constitute the Legislative Committee (a Council Committee of the whole). This will provide us a quick and reliable way to keep you updated on the stimulus program, review draft projects lists, and to get your approval for the many actions that will be required. There may be occasions, though, where timeframes and deadlines may require us to move forward more quickly on funding requests. I will advise you of these instances, with the understanding that acceptance of funds will always come before Council for approval. I will do all I can to minimize these occurrences.

I plan on providing routine and regular updates to the City Council about our process, our outreach efforts, and critical news and information about ARRA, including when the City is awarded formula-driven ARRA funding.

Community Outreach

Consistent with Council's focus on full community engagement, we plan several efforts to ensure that our community is involved in the process.

First, I plan to seek the advice of key stakeholders as we work on drafting project lists. I will be working with workforce development groups, social service providers, chambers of commerce, business leaders, neighborhood leaders and others to ensure that we are getting the upfront input on community priorities.

We will also be using the existing frameworks of the City/AISD and City/County Joint Sub-Committees to work with our governmental partners to discuss areas of collaboration and cooperation, so that we can maximize the impact of ARRA here in Austin. This will allow for both elected officials and staff to stay in communication about the federal stimulus program.

Information regarding Austin's Federal Stimulus Program is available at www.cityofaustin.org/stimulus. This will include ongoing updates about the overall program, our efforts, and general news. Once an initial set of draft projects is created, we will be using the website to solicit feedback on priorities from our citizens. Via the webpage, citizens will be able to communicate with us about Austin's federal stimulus program throughout this process.

Finally, since the Legislative Committee would be a meeting of the full City Council, citizens will be able to provide input as matters and action items are presented.

Recent ARRA announcements

- The Department of Housing and Urban Development has already allocated, via formula, \$10.1 billion in stimulus funding. The City of Austin will receive approximately \$2.0 million. This funding is part of HUDs existing CDBG program.
- The Department of Justice's Bureau of Justice Assistance (BJA) announced today the allocations for the \$2 billion Edward Byrne Memorial Justice Assistance Grant (JAG) Program. The City of Austin will receive \$1.8 million.

While these allocations have already been determined, we have not yet made any decisions about their use. We plan to use this process, as outlined, to help determine the best use of this funding.

- ARRA provides \$50 million to support jobs in the arts through National Endowment for the Arts (NEA) grants. The NEA is fast-tracking their process in order to get funding to arts organizations quickly, as many have been directly impacted by cuts in local and state funding. The deadline for applying for the direct grants is April 2, 2009, with grants being awarded as early as July 1, 2009. The City of Austin is eligible to apply for these grants, up to a total of \$250,000. If awarded, the City would then sub-grant them to local art agencies. Acceptance of these NEA grants would go to Council for approval. The Arts Commission would award any sub-grants, as they do with other funding.

Summary

I have asked Greg Canally, Deputy Chief Financial Officer to take the staff lead on Austin's Federal Stimulus Program, including not only the process for securing funding, but also to ensure a speedy implementation of any funding we do receive. This Friday at the Community Action Network meeting, Greg will be presenting a summary of Austin's process.

The process I have outlined here will accomplish two main objectives – listening to the Austin community about priorities in securing federal funding, but at the same time allowing for flexibility and speed, so that Austin does not pass up any funding opportunities.

Please let me or Greg know if you have any comments, questions or concerns.