



MEMORANDUM

TO: Mayor and Council Members

FROM: Rosie Truelove, Director
Neighborhood Housing and Community Development Department

DATE: May 18, 2020

SUBJECT: Recommendations for the use of funding from the U.S. Department of Housing and Urban Development made available through the Coronavirus Aid, Relief, and Economic Security Act, and Amendments to the City's Citizen Participation Plan

This memorandum serves to provide information related to May 21, 2020 City Council Agenda Item 14 regarding the deployment of funding to respond the impacts of the coronavirus made available by the U.S. Department of Housing and Urban Development (HUD) through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and the related amendments to the City's Citizen Participation Plan, which describe the processes to seek feedback from the community about the use of HUD funds.

The City of Austin expects to receive approximately \$7.2 million in federal funding for coronavirus relief through three HUD grants: Community Development Block Grant (CDBG-CV), Emergency Solutions Grant (ESG-CV), and Housing Opportunities for Persons with AIDS (HOPWA-CV). To be able to deploy these funds quickly for Austinites in need of assistance due to the impacts of the coronavirus, the City of Austin must submit amendments to add the proposed uses of these funds to the City's FY 2019-20 Action Plan, FY 2019-2024 Consolidated Plan, and make amendments to the City's Citizen Participation Plan to expedite the process to be able to deploy funds.

Background on Planning for the use of HUD CARES Act Funding

In order to receive the additional funding awarded as part of the CARES Act, HUD has directed jurisdictions to amend their Action Plans and Consolidated Plans to include programming that will be funded with HUD CARES Act allocations. The City of Austin, under rules developed locally through the HUD-required Citizen Participation Plan (CPP), normally require that when amending an Action Plan, community members be granted a public hearing before the Austin City Council as well as a 30-day public comment period. To expedite the availability of funds, provisions under the CARES Act allow jurisdictions to shorten the public comment period to five days and provides that grantees may amend their CPP to establish expedited procedures to draft, propose, or amend Action Plans and Consolidated Plans in cases of emergencies.

Public Input Process for Community Needs Assessment and Public Comment

In accordance with modified provisions for public input outlined in the CARES Act and issued by HUD to help prevent the spread of COVID-19, the following opportunities for public input were provided:

- NHCD solicited public comment about community needs and priorities to inform funding decisions regarding the HUD CARES Act funding, as well as FY 2020-21 HUD funding. To ensure the plan addresses community needs, priorities, and potential service gaps, the City encouraged Austinites to submit comments online at the SpeakUp Austin website April 16-23. More than 70 comments were submitted and can be found [here](#).
- Austin City Council conducted a public hearing on April 23, 2020 to receive public input on community needs for the City's federal Action Plans for Fiscal Years 2019-20 and 2020-21 that relate to federal funding opportunities.
- NHCD staff coordinated with the Directors Economic Recovery Core Panel to develop recommendations so funding is optimally positioned to respond to the COVID-19 pandemic.
- The draft staff recommendations for the HUD CARES Act funds and amended Citizen Participation Plan were made available for public review and comment on the NHCD [federal funding](#) and SpeakUp Austin websites from May 4 to May 13, exceeding the required five-day comment period.
- The Community Development Commission conducted a public hearing and provided recommendations on the draft staff recommendations for the HUD CARES Act funds, and on amendments to the Citizen Participation Plan.
- Both the Community Development Commission and the Early Childhood Council provided recommendations regarding the HUD coronavirus response funds.

Staff Recommendations

In preparing the following recommendations, NHCD staff worked with interdepartmental leadership and considered public input provided during the community needs assessment and public comment periods. The recommended activities would be funded in Fiscal Year 2019-20 with funding awarded by HUD as part of the CARES Act to assist Austinites impacted by the economic effects of COVID-19.

Recommendations for use of CDBG-CV funds:

- Approximately \$2.6 million for emergency rental assistance for low- and moderate- income households impacted by the economic impacts of COVID-19 lasting no more than three consecutive months.
- Approximately \$1 million for the child care workforce to sustain jobs necessary for the response to coronavirus, avoid job loss caused by decreased enrollment of children in child care; incentivize overnight and weekend child care for essential workers by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons; respite care for children whose parents or guardians are hospitalized or quarantined; and health and safety supplies needed for child care programs to operate during COVID-19 pandemic.
- Approximately \$1 million for homelessness assistance to prevent, prepare for, and mitigate the economic effects of Coronavirus. These funds will be programmed in direct response to Coronavirus relief in the broader context of the City's homeless strategy.

Recommendations for use of ESG-CV funds:

- Approximately \$2.3 million for homelessness assistance and to procure goods and services to prevent, prepare for, and mitigate the economic effects of Coronavirus.

Recommendations for use of HOPWA-CV funds:

- Approximately \$270,000 for services for the HOPWA program, including payments for short-term rent, mortgage and utility assistance, tenant based rental assistance, hotel/motel voucher assistance, permanent housing placement, facility-based housing, master leasing, supportive services, and housing case management.

NHCD is designated by the Austin City Council as the single point of contact for HUD. NHCD will administer the CDBG affordable housing and community development programs. Austin Public Health will administer the CDBG Public Services programs, and the HOPWA, and ESG programs.

If approved, the proposed recommendations will allow the City to apply for, receive and quickly administer funding to provide services to Austinites in need.

I remain available should there be questions.

cc: Spencer Cronk, City Manager
J. Rodney Gonzales, Assistant City Manager
Christopher Shorter, Assistant City Manager

**Final Recommendations for U.S. Housing and Urban Development (HUD)
Coronavirus Response Funding made available through the Coronavirus Aid,
Relief, and Economic Security Act**

City of Austin

May 18, 2020

Recommendations for use of CDBG-CV funds:

- Approximately \$2.6 million for emergency rental assistance for low- and moderate-income households impacted by the economic impacts of COVID-19 lasting no more than three consecutive months.
- Approximately \$1 million for the child care workforce to sustain jobs necessary for the response to coronavirus, avoid job loss caused by decreased enrollment of children in child care; incentivize overnight and weekend child care for essential workers by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons; respite care for children whose parents or guardians are hospitalized or quarantined; and health and safety supplies needed for child care programs to operate during COVID-19 pandemic.
- Approximately \$1 million for homelessness assistance to prevent, prepare for, and mitigate the economic effects of Coronavirus. These funds will be programmed in direct response to Coronavirus relief in the broader context of the City's homeless strategy.

Recommendations for use of ESG-CV funds:

- Approximately \$2.3 million for homelessness assistance and to procure goods and services to prevent, prepare for, and mitigate the economic effects of Coronavirus.

Recommendations for use of HOPWA-CV funds:

- Approximately \$270,000 for services for the HOPWA program, including payments for short-term rent, mortgage and utility assistance, tenant based rental assistance, hotel/motel voucher assistance, permanent housing placement, facility-based housing, master leasing, supportive services, and housing case management.