City of Austin

Neighborhood Housing and Community Development
P.O. Box 1088, Austin, TX 78767 -1088
(512) 974-3100 ♦ Fax (512) 974-3112 ♦ www.austintexas.gov/housing

DATE: June 4, 2013

TO: Mayor and Council

FROM: Betsy Spencer, Director

SUBJECT: DRAFT Action Plan and Fiscal Year 2014 federal funding allocations

This memorandum serves to provide you information regarding the City of Austin's DRAFT Action Plan submission for community feedback over the next 30 days as well as an update on the City of Austin's anticipated allocation from the U.S. Department of Housing and Urban Development (HUD) for four key entitlement programs that fund housing and community development initiatives.

Fiscal Year 2014 federal funding

On Wednesday, May 29, 2013, HUD released the Fiscal Year 2013 allocations for the HUD Community Planning and Development formula programs, which provide funding for housing, community and economic development activities, and assistance for low- and moderate-income persons and special populations across the country.

As you are likely aware, the President was required by law to issue a sequestration order on March 1, 2013, canceling approximately $85 billion in budgetary resources across the Federal Government for the remainder of the federal fiscal year. The following amounts reflect the approximately 5 percent cut attributable to sequestration, as well as the impact of annual changes to individual FY 2013 program appropriation levels and the updated American Community Survey data upon which some of the formula calculations are based. Due to HUD's calculation, you will note in the chart below an expected increase in funding for CDBG and HOME – and a decrease in funding to ESG and HOPWA.

Description	CDBG	HOME	HOPWA	ESG
FY 2013-14 Allocation	$7,185,072	$2,527,120	$1,048,348	$488,262
FY 2012-13 Allocation	6,692,838	2,429,177	1,100,219	595,612
Increase / Decrease Amount	$492,234	$97,943	-$51,871	-$107,350
Increase / Decrease Percentage	7.4%	4.0%	-4.7%	-18.0%

Fiscal Year 2013-2014 Action Plan

The chart reflects expected federal funding for Fiscal Year 2013-14 through four U.S. Department of Housing and Urban Development (HUD) entitlement grant programs: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA).

In order to receive these entitlement grant funds, the City of Austin must submit an annual Action Plan to HUD describing the community needs, resources, priorities, and proposed activities with regards to housing, community and economic development, and public services. NHCD staff used the published allocation for Fiscal Year 2013-14 to make federal funding recommendations for programs and activities reflected in the DRAFT Action Plan released to the community on Friday, May 31, 2013, for a 30-day comment period.

The annual Action Plan, which serves as the City's grant application for HUD entitlement funds, is being submitted in a new format this year. In 2012, HUD's Office of Community Planning and Development introduced the eCon Planning Suite, a collection of new online tools to assist grantees in creating market-driven, leveraged housing and community development plans. As a part of this initiative, HUD is requiring grantees to submit the Five Year Consolidated Plan and Annual Action Plan online via a new Consolidated Plan template. This year, for FY 2013-14, the City of Austin is utilizing the online Action Plan template for the first time.

The Austin City Council is scheduled to approve the final FY 2013-14 Action Plan on August 8, 2013. The report is due to HUD prior to August 15, 2013. The public is invited to attend and provide input at the following public hearings:

- **Thursday, June 13, 2013, 6:30pm** - Before the Community Development Commission at City Hall, Boards and Commissions Room, 301 W. Second Street

- **Thursday, June 20, 2013, 4:00pm** – Before the Austin City Council at City Hall, City Council Chambers, 301 W. Second Street

The Draft FY 2013-14 Action Plan is available on the City's web site at www.austintexas.gov/housing or at a number of community locations, which is also noted on NHCD's Web site.

I am available to provide additional information should you have questions. I can be reached at 512.974.3185.

cc: Marc A. Ott, City Manager
Bert Lumbreras, Assistant City Manager
Elaine Hart, Chief Financial Officer
Ed Van Eenoo, Deputy Chief Financial Officer