

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):
FUND:

4/26/12
Neighborhood Housing and Community Development
Special Revenue

SUBJECT: Approve an ordinance authorizing acceptance of up to \$250,000 in grant funds from the United States Department of Health and Human Services, Administration for Children and Families, Assets for Independence Demonstration Program; and amending the Fiscal Year 2011-2012 Neighborhood Housing and Community Development Office Operating Budget Special Revenue Fund (Ordinance No. 20110912-005) to appropriate up to \$250,000 to establish a City of Austin Individual Development Accounts program to assist low-income persons achieve financial stability.

CURRENT YEAR IMPACT:

	2011-12 Approved	This Action	2011-12 Amended
Special Revenue Fund			
Assets for Independence Demonstration Program			
Grant Period: 04/2012-03/2017	0	250,000	250,000
Total	0	250,000	250,000
FTEs	0.00	0.00	0.00

FIVE-YEAR IMPACT:

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Revenue	250,000	0	0	0	0
Total Expenditures	250,000	0	0	0	0
Net Impact	0	0	0	0	0

ANALYSIS / ADDITIONAL INFORMATION: This action will approve the acceptance of up to \$250,000 in grant funds from the United States Department of Health and Human Services, Administration for Children and Families, for a National Assets for Independence demonstration grant for Individual Development Accounts (IDA). The grant period is from April 1, 2012 through March 31, 2017.

IDAs are special savings accounts designed to assist low-income individuals and families move toward asset ownership through matched savings and financial education. An IDA can be used to buy a first home, pay for college or other training, and start or expand a small business. Participants receive financial training and coaching on family budgeting, consumer issues, debt and credit counseling, using mainstream financial products, accessing refundable tax credits, and accessing other benefits and services.

The goal of the demonstration grant is to learn about the extent to which this approach enables individuals and families with low incomes to become financially stable over the long term. The Neighborhood Housing and Community Development (NHCD) Office will use these funds to administer projects that provide IDAs and related services to low-income individuals and families. Because the participants' deposits are matched, the account can grow substantially in proportion to the amount deposited on a regular basis. Acceptance of these additional grant