

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	68882	Agenda Number	19.
Meeting Date:	3/23/2017	Department:	Neighborhood and Community Development	

## Subject

Approve a resolution authorizing the City Manager to: submit an application to the U.S. Department of Health and Human Services for the Assets for Independence Demonstration Program for an Individual Development Account (IDA) Grant in the amount of up to \$300,000; and execute the documents associated with the administration of the IDA Grant.

## Amount and Source of Funding

Funding is available from the Austin Housing Finance Corporation in the amount of up to \$300,000 over five years. Funding is available from the U.S. Department of Health and Human Services, Administration for Children and Families, Assets for Independence Demonstration Program, for the grant period of October 1, 2017 to September 30, 2022. One hundred percent funding match is required. The City of Austin Housing Trust Fund will contribute the majority of the local match requirement.

## Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Rosie Truelove, Interim Director, 512-974-3064
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

## Additional Backup Information

Approval of this action will authorize the submission of a grant application and entering into an agreement with the U.S. Department of Health and Human Services, Administration for Children and Families, for a National Assets for Independence demonstration grant for Individual Development Accounts (IDA).

IDAs are savings accounts designed to assist low-income individuals and families in moving 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, or start or expand a small business. Participants receive financial training on budgeting and saving, debt and credit counseling, using mainstream financial products, asset-specific training, and accessing other benefits and services. These services and trainings will be provided by the Neighborhood Housing and Community Development Department (NHCD) as well as various community partner agencies.

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. NHCD 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. This is the second IDA grant that the City is applying for. The City was awarded a grant in the amount of \$300,000 in April 2011. The current grant is scheduled to end March 31, 2018 and will have served approximately 125 individuals.