



# City of Austin

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**Housing and Planning Department**

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## MEMORANDUM

**TO:** Mayor and Council Members

**FROM:** Rosie Truelove, Director   
Housing and Planning Department

**DATE:** December 9, 2020

**SUBJECT:** City Council Agenda December 10, 2020, Item 31: Recommendations for the use of federal funding from the U.S. Department of Housing and Urban Development made available through the Coronavirus Aid, Relief, and Economic Security Act, and Amendment to the FY 2019 -20 Housing and Planning Department Action Plan

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This memorandum serves to provide additional information related to the December 10, 2020, Austin City Council Agenda, Item 31 regarding the planning and deployment of funding to respond to 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). If approved, this item will initiate an amendment to City's FY 2019-2020 Action Plan, which describes the use of HUD funds.

The City of Austin expects to receive an additional \$18 million in federal funding for coronavirus relief through two HUD grants: Community Development Block Grant (CDBG-CV 3) and the Emergency Solutions Grant (ESG-CV 2). 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 the City's FY 2019-20 Action Plan, the process directed by HUD.

### **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. This process allows for the programming of additional dollars made available by HUD in order to address the impacts of COVID-19. To allow for the availability of funds in an expeditious manner, provisions under the CARES Act allow jurisdictions to shorten the public comment period.

The Housing and Planning Department (HPD), in collaboration with the leadership of Austin Public Health Department and the Economic Development Department, seeks to address multiple community needs by allocating CDBG-CV CARES Act dollars to childcare services, emergency rental assistance, and small business assistance. ESG-CV will address homelessness service needs per the CARES Act regulatory requirements. The following provides additional information that has been noticed to the public. The information is available in English and Spanish on the City of Austin Housing and Planning Web site at: [Notice of Public Comment Period for FY 2019-20 Action Plan Amendment | AustinTexas.gov](#).

### **Recommendations for the Use of Federal Funds**

The City of Austin is expected to receive \$7.6M in Community Development Block Grant-CV funding. The following is staff's recommendation as it relates to the use of these funds:

#### **ACTIVITY 1: EMERGENCY RENTAL ASSISTANCE**

**FUNDS: \$2.2 Million**

##### **DEPARTMENT: HOUSING AND PLANNING**

- Funding for emergency rental assistance activities will be used for direct rental assistance payments made to landlords. The intent of this program is to provide emergency rental assistance to households impacted by COVID-19. This program is designed to be a short-term solution and a rapid response to those experiencing financial hardships as a result of COVID-19, supporting the City of Austin's goal to provide stable housing options for families. This effort will also help the department in its mission of preventing the displacement of Austin's low-income community members.

#### **ACTIVITY 2: CHILD CARE SERVICES**

**FUNDS: \$2.5 Million**

##### **DEPARTMENT: AUSTIN PUBLIC HEALTH**

- Funding for childcare assistance activities will be used for direct childcare services to sustain jobs of low- to moderate-income essential workers responding to coronavirus. There continues to be a waitlist for childcare subsidies for over 2,000 children, and this funding will enable eligible essential workers on the waitlist to receive childcare. This funding will also help to keep childcare facilities operational and low- to moderate-income workers employed.

#### **ACTIVITY 3: SMALL BUSINESS ASSISTANCE**

**FUNDS: Approximately \$2.5 Million**

##### **DEPARTMENT: ECONOMIC DEVELOPMENT**

- Funding for this activity will be used for grants to small businesses negatively affected by the COVID-19 pandemic, for the purpose of creating and retaining employment for low- to moderate-income workers.

The City of Austin is expected to receive \$10.9M in Emergency Solutions Grant-CV funding. The following is staff's recommendation as it relates to the use of these funds:

**ACTIVITY: HOMELESS ASSISTANCE**

**FUNDS: Approximately \$10.8 Million**

**DEPARTMENT: AUSTIN PUBLIC HEALTH**

- The ESG-CV second round of funding made available by HUD will be used to help prevent and respond to the negative effects of coronavirus through the expansion of programs designed to help individuals and households experiencing homelessness. The second round of ESG-CV funding for the City of Austin is \$10,859,249 and will be allocated to serve persons at a high risk of health complications due to COVID-19, based on the current CDC guidelines. The funds will be allocated to internal and external agencies. The Downtown Austin Community Court will use funding to provide rapid rehousing services to individuals identified for temporary shelter stays at Protective Lodges during the pandemic. Funding also will be allocated to provide rapid rehousing, shelter, and outreach services needed to help prevent and respond to the negative effects of coronavirus in the community.

**Public Input Process for Community Needs Assessment and Public Comment**

In accordance with modified provisions for public input outlined in the CARES Act provisions to help prevent the spread of COVID-19, the following opportunities were deployed to seek public input.

**Public Hearing for FY 19-20 Action Plan Amendment**

- ***Online, SpeakUp Austin.*** HPD solicited public comment about community needs and priorities to inform funding decisions regarding the HUD CARES Act funding. To ensure the plan addresses community needs, priorities, and potential service gaps, the City sought comments online from November 23-December 4, 2020.
- ***Community Development Commission public hearing.*** The public was invited to provide public comment during the special videoconferencing meeting of the Community Development Commission (CDC) on December 4, 2020. The Community Development Commission approved an item on its Dec. 4 agenda in support of staff recommendations.
- ***Austin City Council Meeting public comment.*** Staff also highlighted the December 10, 2020, as an additional opportunity to provide public comment during the Austin City Council meeting.

Approval of the item will allow the City to apply for, receive and administer these additional CARES Act dollars. For additional information, please contact me at [Rosie.Truelove@austintexas.gov](mailto:Rosie.Truelove@austintexas.gov); 512.974.3064.