



MEMORANDUM

To: Mayor and City Council

Through: Jon Fortune, Deputy City Manager 

From: Carrie Rogers, Government Relations Officer

Date: July 31, 2026

Subject: **Austin Government Relations Update – July 2026**

The purpose of this memorandum is to provide the Mayor and City Council with a legislative and grants update from Austin Government Relations (AGR).

Legislative Division Highlights – State

New Senate Interim Charges

On Monday, July 27, Lieutenant Governor Dan Patrick released additional Senate Interim Charges for the Senate Business & Commerce Committee, the Religious Liberty Committee, the State Affairs Committee and the Water, Agriculture, and Rural Affairs Committee. There are no new City-specific charges and AGR will monitor the new charges as hearings are scheduled for potential City impacts. *The new Senate Interim Charges are attached.*

Senate Health & Human Services Committee Hearing on July 7

On July 7, the Senate Health and Human Services Committee [held a hearing](#) to consider an interim charge related to the City's work on mental health, public safety, and homelessness. The Senate charge, "Strengthening Crisis Related Mental Health and Homelessness Services," was very similar to the charge heard by the House Committee on Intergovernmental Affairs in June and witness testimony echoed many of the same themes that emerged in the House hearing, including the need for psychiatric beds and service options for individuals with severe mental health needs who are experiencing homelessness.

As oral testimony was limited to a select number of invited witnesses, the City submitted written testimony from Mayor Watson, Austin Police Chief Lisa Davis and Homeless Strategies and Operations David Gray to the Committee. *Written testimony is attached.*

House Land & Resource Management Committee Hearing on July 20

Austin Development Services Department Director Keith Mars testified on third-party reviews at the House Committee on Land & Resource Management [hearing on July 20](#). Director Mars highlighted the

Date: July 31, 2026
Subject: Austin Government Relations Update – July 2026

improvements to the City's development and permitting processes, such as the 70% reduction of permit processing times, and emphasized the need to consider safety and quality controls in any potential third-party review legislation next session. *Director Mars's testimony is attached.*

In addition to third-party review, the Committee also heard testimony on [charges related to fees and previously passed legislation related to land-use and zoning](#). The City met with Committee members and stakeholders to discuss all of the charges prior to the hearing and AGR will continue to engage with legislators and partners as we prepare for the 90th Legislative Session.

Legislative Division Highlights – Federal

OMB Uniform Guidance Comments Update

The City of Austin submitted formal comments to the U.S. Office of Management and Budget (OMB) regarding the [proposed rule](#) titled *Regulation for Federal Financial Assistance*, expressing significant concerns about the operational impacts the rule would have on local governments and community partners. While the City supports OMB's stated goals of transparency and accountability, many of the proposed changes would increase administrative burden, reduce flexibility, and introduce new compliance risks that could delay programs, strain municipal resources, and create uncertainty for major infrastructure, public health, housing, and community service projects. The City is particularly concerned about expanded discretionary termination authority, ambiguous compliance standards, and provisions that could politicize grant awards or allow federal agencies to revise expectations after awards have been issued, creating uncertainty for long-term investments. Additionally, the OMB proposed reporting requirements could discourage participation from nonprofits and community-based organizations, slowing down the delivery of essential services. The City's comments emphasize the need for clear definitions, practical timelines, and safeguards that protect local investments and ensure consistent, evidence-based administration of federal grants. Overall, the City has requested that OMB withdraw the proposed rule due to the disproportionate administrative and financial burden on recipients, subrecipients, and the communities they serve.

21st Century ROAD to Housing Act Update

[H.R. 6644](#), the *21st Century ROAD to Housing Act*, became law on July 11, 2026, and establishes a comprehensive, bipartisan framework aimed at increasing housing supply, modernizing federal review processes, and expanding local flexibility across key housing programs. The new law introduces significant updates to the Community Development Block Grant (CDBG) and the HOME Investment Partnerships Program (HOME), including expanded eligible uses, new construction authorities, and streamlined environmental review requirements intended to accelerate project delivery. It also creates multiple pillow programs to support regional planning, infrastructure improvements, housing rehabilitation, and innovation in local development practices. The Act recognizes infrastructure gaps as a barrier to housing affordability, establishing new disaster recovery authorities, and provides targeted support for small and rural communities. Additional provisions address land-use tools, manufactured housing preservation, vacant structure conversion, voucher program improvements, and restrictions on large institutional single-family home purchases.

Foster Youth to Independence Initiative (FYI) Update

The U.S. Department of Housing and Urban Development (HUD) has issued updated guidance under [Notice PIH-2026-19](#) for the Melanie Trump Foster Youth to Independence Initiative (FYI), expanding voucher availability and clarifying eligibility requirements for youth exiting foster care. The updated

Date: July 31, 2026
Subject: Austin Government Relations Update – July 2026

notice removes prior caps on voucher requests and streamlines the noncompetitive award process, allowing PHAs to respond more quickly when local child welfare agencies identify eligible youth. HUD has also broadened the definition of “at risk of becoming homeless,” which is expected to help more vulnerable adults access stable housing. The City will continue to monitor implementation guidance and assess opportunities to support participating departments and partners as the funding becomes available.

Grants Division Highlights

Community Project Funding

FY 2026 Community Project Funding Updates: Award letters have now been received for all FY26 CPF projects. For the HUD Economic Development Initiative (EDI) projects, staff continue to participate in required webinars covering program requirements and implementation; however, HUD has not yet released the grant applications. The application for the Austin Community Violence Intervention (CVI) CPF project has been released, and AGR is working with Austin Public Health to prepare and submit the application. The application for the Emergency Disaster Energy Hubs CPF project has also been released, and AGR is coordinating with the department to complete the application for submission to the Texas Division of Emergency Management (TDEM), which will then submit it to FEMA.

FY 2027 Community Project Funding (CPF) Update: The House Appropriations Committee released the FY 2027 Transportation-HUD Appropriations bill, which includes several City of Austin Community Project Funding requests submitted by Representatives Greg Casar and Lloyd Doggett. This represents an encouraging first step in the appropriations process; however, these proposed awards are preliminary and are not final. The bill must still advance through the full House and Senate appropriations processes before funding is enacted. Additionally, several City project requests have not yet advanced through the appropriations process, and no information is currently available on their status. AGR will continue to monitor all pending requests and provide updates as additional information becomes available. Proposed projects currently included in the House bill are:

Representative Greg Casar

- \$250,000 – Montopolis Tributary Trail (Highway Projects)
- \$2.25 million – Mariposa Family Learning Center (HUD EDI)
- \$1.25 million – Block 16 Urban Renewal District (HUD EDI)
- \$500,000 – Goodnight Ranch Housing Development (HUD EDI)

Representative Lloyd Doggett

- \$2.4 million – UT-Waller Creek Restoration and Connectivity (Highway Projects)
- \$1.15 million – Open Door Preschool Early Childhood Center – Facility Rehabilitation and Security Upgrades (HUD EDI)
- \$4.9 million – Waterloo Greenway Creek Restoration & Water Quality Enhancements (HUD EDI)
- \$1.9 million – Foundation Communities' Prosper Center North (HUD EDI)

For the most updated CPF information, please refer to Attachment B.

Date: July 31, 2026
Subject: Austin Government Relations Update – July 2026

Grants Submitted

- Austin Police Department – Firehouse Subs Foundation - \$37,000 request to purchase pneumatic breaching equipment for SWAT.
- Austin Police Department – Department of Justice (DOJ) FY26 National Integrated Ballistic Information Program - \$300,000 request to purchase a new BrassTrax ballistic imaging machine that will replace APD's current technology that is approaching the end of its lifecycle. This machine captures high-definition 2D and 3D images of microscopic markings on spent shell casings. These images are then automatically entered into the National Integrated Ballistic Information Network which then automatically identifies any potential matches among other casings that have already been entered into the network.
- Austin Police Department – Texas Department of Transportation (TxDOT) Impaired Driving Mobilization - \$28,000 to cover overtime costs for patrol officers to increase impaired driving enforcement in high-crash areas during holiday periods.
- Austin Public Health – Department of Homeland Security (DHS) BioWatch - \$491,000 request for APH's existing BioWatch program that protects public safety through ongoing analysis or air samples and screening for aerosolized threats.
- Austin Public Health –US Department of Health and Human Services Substance Abuses and Mental Health Services Administration (SAMHSA) - \$7.5 million to address the growing behavioral health needs of school-aged youth by strengthening school and community capacity to promote mental wellness, prevent substance use and suicide through a coordinated three-tiered system of care.

Grants Awarded

- Austin Police Department – TxDOT Motor Vehicle Crime Prevention Authority (MVCPA) - \$532,000 to support overtime, community outreach and equipment purchases aimed at reducing auto theft.
- Austin Police Department – TxDOT Operation SlowDown - \$25,000 to cover overtime costs for patrol officers to increase speed-related enforcement in high-crash areas.
- Austin Forensic Science – Office of the Texas Governor (OOG), Coverdell National Forensics Grant, \$278,000 to cover overtime costs for forensics analysts, training, equipment and supplies purchases for forensic work related to opioid, firearms and crime scene evidence.

Should you have any questions, please contact Carrie Rogers, Government Relations Officer, at Carrie.Rogers@AustinTexas.gov, or Erika Dzungare, Deputy Government Relations Officer, at Erika.Dzungare@AustinTexas.gov.

cc: T.C. Broadnax, City Manager
Erika Brady, City Clerk
Jason Hadavi, City Auditor
Mary Jane Grubb, Municipal Court Clerk
Judge Sherry Statman, Municipal Court
CMO Executive Team
Austin Government Relations

Date: July 31, 2026
Subject: Austin Government Relations Update – July 2026

Appendix: **Appendix A** – Federal Rulemaking Tracker

Attachments: **Attachment A** – OMB Uniform Guidance Comments

Attachment B – FY22-27 Community Project Funding Status

Attachment C – Senate 2026 Additional Interim Legislative Charges

Attachment D – Mayor Watson Testimony, Senate Health & Human Services, 7/7

Attachment E – APD Testimony, Senate Health & Human Services, 7/7

Attachment F – Homeless Strategy Testimony, Senate Health & Human Services, 7/7

Attachment G – DSD Testimony, House Land & Resource, 7/20

Appendix A – City of Austin Upcoming Rulemaking Tracker

Notice Title & Docket Number	Status	Federal Agency Summary
<u>Designation-Restrict the Operation of Unmanned Aircraft in Close Proximity to a Fixed Site Facility</u> – Docket No. FAA-2026-4558; Notice No. 26-03	Extended Due Aug. 5, 2026	<i>This action would implement section 2209, of the FAA Extension, Safety and Security Act of 2016, by establishing a process for operators and proprietors of certain fixed site facilities to request and maintain an unmanned aircraft flight restriction. The proposal also establishes requirements for applicants to demonstrate the unmanned aircraft flight restriction is necessary for: aviation safety, protection of people and property on the ground, national security, or homeland security. Lastly, the proposal identifies the types of operations that are allowed in the unmanned aircraft flight restriction UAFR.</i>
<u>Section 8 Housing Assistance Payments Program- Fiscal Year (FY) 2026 Inflation Factors for Public Housing Agency (PHA) Renewal Funding</u> – Docket No. FR-6607-N-01	Reviewing Due Aug. 5, 2026	<i>This notice establishes Renewal Funding Inflation Factors (RFIFs) to adjust Fiscal Year (FY) 2026 renewal funding for the Housing Choice Voucher (HCV) Program of each public housing agency (PHA), as required by the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2026, enacted as part of the Consolidated Appropriations Act, 2026. The notice apportions the expected percent change in national Per Unit Cost (PUC) for the HCV program, 2.337 percent, to each PHA based on the change in Fair Market Rent (FMR) for their operating area(s) to produce the FY 2026 RFIFs. HUD continues to use the methodology refined in FY 2025 to produce the national PUC forecast. This approach adjusts the gross rent component by empirically weighting projected recent-mover rents, as measured by the FMR, with an independent forecast of all-mover rents, as measured by the Consumer Price Index (CPI). In addition, HUD is seeking comment on potential RFIF methodological changes it is considering for FY 2027 which would incorporate an additional factor to partially adjust the local inflation adjustment an area would otherwise receive if there is indication that local land use policies, permitting policies, or other local regulatory housing policies may be influencing local inflation in rents.</i>
<u>Revisions To Establish the Sixth Unregulated Contaminant Monitoring Rule</u>	Reviewing Due Aug. 31, 2026	<i>The U.S. Environmental Protection Agency (EPA or agency) is proposing the sixth Unregulated Contaminant Monitoring Rule (UCMR 6). Under the Safe Drinking Water Act (SDWA), the UCMR program gathers data about unregulated contaminant occurrence in drinking water. The proposed UCMR 6 would require public water systems (PWSs) to collect national occurrence data for seven ultrashort organofluorine compounds (including certain PFAS), three pesticide metabolites, 13</i>

Appendix A – City of Austin Upcoming Rulemaking Tracker

Notice Title & Docket Number	Status	Federal Agency Summary
<u>(UCMR 6) for Public Water</u> – EPA-HQ-OW-2023-0469		<i>semivolatile organic compounds, and seven purgeable organic compounds. Subject to the availability of appropriations, the EPA will require all community and non-transient non-community water systems (CWSs and NTNCWSs) serving 3,300 or more people, and a representative sample of PWSs serving fewer than 3,300 people, to conduct monitoring. These contaminants are not currently subject to national primary drinking water regulations (NPDWRs), and the EPA is proposing to require the collection of drinking water occurrence data to inform agency decisions. The data collected will be publicly available. The EPA is also announcing two public meetings (via webinar) to discuss this proposal of the sixth Unregulated Contaminant Monitoring Rule (UCMR 6).</i>
<u>Counter-UAS Authority for State, Local, Tribal, and Territorial Law Enforcement and Correctional Agencies</u> – Docket No. FBI-2026-000	Reviewing Due Sept. 4, 2026	<i>In this interim final rule (“IFR”), the Department of Justice (“DOJ”) and the Department of Homeland Security (“DHS”) (collectively, “the Departments”) codify the framework for implementing the SAFER SKIES Act, which authorizes State, local, Tribal, and territorial law enforcement or correctional (“SLTT”) agencies to conduct counter-unmanned aircraft system (“C-UAS”) operations. This framework governs training and certification (including a two-tiered structure for detection and warning operations and for mitigation operations), authorized technologies, spectrum coordination, airspace approval, real-time air traffic control notification, mitigation reporting, privacy protections, and compliance requirements for SLTT agencies in relation to the exercise of C-UAS authority.</i>
<u>Rescission of Floodplain Management and Protection of Wetlands; Minimum Property Standards for Flood Hazard Exposure; Building to the Federal Flood Risk Management Standard</u> – Docket No. FR-6527-P-01	Reviewing Due Sept. 8, 2026	<i>This proposed rule would revise HUD’s regulations governing floodplain management and the protection of wetlands in accordance with <u>Executive Order 14148</u>, entitled “Initial Rescissions of Harmful Executive Orders and Actions.” <u>Executive Order 14148</u> revoked an earlier executive order that formed a basis for the final rule that HUD published on April 23, 2024, entitled “Floodplain Management and Protection of Wetlands; Minimum Property Standards for Flood Hazard Exposure; Building to the Federal Flood Risk Management Standard.” This proposed rule generally would restore HUD’s regulations to their state prior to the publication of the April 23, 2024, final rule, although it would maintain flexibilities from that rule related to floodways, categorical exclusions, exemptions from Part 55 applicability, and the decision making process; it also proposes minor revisions for clarity.</i>



July 13, 2026

The Honorable Russell Vought
Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Re: City of Austin Comments – Regulation for Federal Financial Assistance [Docket OMB-2026-0034]

Submitted electronically through the Federal eRulemaking Portal at <https://www.regulations.gov>.

To Whom It May Concern:

On behalf of the City of Austin, thank you for the opportunity to provide comments on the U.S. Office of Management and Budget (OMB)'s [notice](#) titled "*Regulation for Federal Financial Assistance*."

The City administers a broad portfolio of federal assistance programs supporting essential municipal functions. These programs fund activities across key operational areas, including infrastructure, community programs, public health, public safety, environmental and utility systems, transportation, and administrative functions. Because these areas rely on clear, consistent, and workable federal requirements, changes that increase administrative complexity or expand compliance obligations may hinder the City's ability to deliver services efficiently and sustain effective partnerships with community-based organizations.

While the City supports and shares the federal government's goals of transparency, accountability, and responsible stewardship of taxpayer funds, we are concerned that several proposed revisions would impose additional operational burdens for recipients and subrecipients. Many provisions introduce new compliance requirements and penalties without evidence that existing oversight systems are insufficient or clearly defined evaluation criteria.

The City would note that we are in the process of developing monitoring guidance and training material for sub-awards/subrecipients of Federal, State and City dollars. Furthermore, the City will conduct a full risk assessment on all subrecipient awarded contracts to ensure both performance and financial requirements are adhered to. Additional monitoring and training will be conducted on the review of Single Audit and Schedule of Expenditure of Awards (SEFA) reporting requirements for City staff and subrecipient organizations. The proposed rule threatens to make this already detailed process even more burdensome, with little to no return on investment for federal taxpayers.

In addition, the City would also note that most federal grant awards require a non-federal match. By the time a local government applies for a federal grant, especially one for a major infrastructure project, the local government has invested months if not years of time, effort, and money into the project or program. The City fears that in its effort to increase accountability, OMB may simply be shifting cost. Any savings or efficiencies that would benefit federal taxpayers would likely be offset by those same taxpayers at the state or local level.

The City is especially concerned that the proposed rule would further empower OMB and federal agencies to “move the goalposts” after a grant award has been made and major local resources have been committed to a project. In addition, the City is concerned that the proposed rule would expand the politicization of federal grants. The City understands that each federal Administration has its own policies and priorities. However, local governments need a degree of stability and predictability, especially when in the realm of major infrastructure investments, which usually involve a major commitment of local government time, money, and resources over an extended period. As noted above, any efficiencies and savings realized at the federal level should this proposed rule be implemented, will likely be offset at the state and local level.

We respectfully offer the following comments to help ensure that federal regulations remain practical, implementable, and aligned with longstanding principles of effective intergovernmental partnership while supporting efficient service delivery and effective outcomes.

In addition to the comments outlined below, the City of Austin also endorses comments submitted by national local government organizations such as The United States Conference of Mayors, the National League of Cities, and the Government Finance Officers Association.

General Comments

The Office of Management and Budget (OMB) identifies “reducing recipient burden” as one of the three primary objectives of the proposed revision. However, numerous changes — including elimination of fixed amount awards, expanded documentation and reporting obligations, additional subrecipient monitoring requirements, and broadened risk-based authorities — would likely increase administrative burden. We urge OMB to reassess whether several proposals fulfill its stated intent to streamline requirements and minimize unnecessary administrative load.

OMB’s proposed effective date of October 1, 2026, allows less than four months between publication of the 408-page rule and full implementation. This accelerated timeline presents a significant operational challenge for local governments, which must revise internal policies, retrain staff, update systems, and modify subrecipient oversight processes within a compressed window. A more practical implementation schedule is necessary to avoid substantial budget and staffing impacts across City departments.

Federal agencies already employ extensive oversight tools, including Single Audit requirements, site visits, desk reviews, performance reporting, and cost reasonableness requirements under Subpart E. The proposed rule cites national-level concerns regarding “wasteful spending,” “misuse,” and “misalignment” of federal funds, but provides limited evidence demonstrating systematic shortcomings in local government administration across the country. As written, the proposed changes impose broad, burdensome requirements in response to isolated or program-specific concerns. The City recommends OMB avoid layering new compliance where effective safeguards already exist.

The proposed rule includes substantial changes to subrecipient oversight and accountability, including heightened reporting expectations, new risk-based conditions, more expansive termination authorities, undefined restrictions, and stricter enforcement pathways. While the City supports appropriate oversight and accountability for federal funds, these changes risk discouraging small nonprofits, community-based organizations, and emerging partners from participating in federally funded programs due to heightened compliance concerns, uncertainty about enforcement thresholds, and the costs of meeting new administrative standards. A healthy federal grant ecosystem depends on strong local partnership networks.

Additional compliance requirements may divert staff time and resources from core City services, including public health, public safety, housing and homelessness response, affordable utility services, transportation and infrastructure. Increased administrative burden may reduce capacity for activities such as public health preparedness, housing and homelessness initiatives, reliable utility service delivery, transportation and project implementation, environmental compliance, public safety programs, and other community-based services.

Across City departments, expanded compliance obligations may delay fund disbursements, delay program implementation, strain community partnerships, and diminish the effectiveness of federally funded programs. The City recommends that OMB clarify compliance expectations, narrow ambiguous provisions, and ensure oversight requirements remain proportionate to program risk and recipient capacity.

Beyond administrative impacts on City operations, sudden changes in federal priorities or mid performance terminations can also directly affect affordability and essential household costs for residents. For example, the Solar for All program would have reduced utility bills for customers in Austin's service area by an estimated 20 percent. However, because the award was challenged and ultimately cancelled due to perceived misalignment with federal priorities, residents lost a significant opportunity to access lower-cost onsite energy and enhanced resilience. Allowing federal awards to be cancelled on these grounds can materially impact consumers and reduce access to programs that support basic needs such as affordable energy.

This rule could raise the City's capital project costs by increasing the cost of procuring contracted work. The elements of the rule change that enable or require government agencies to rescind funds that have been obligated, place stop-work orders, or otherwise create the prospect of authorized projects being frozen, canceled, or delayed, introduce additional risk to private businesses that contract with the City. Private businesses, upon perceiving an additional risk of a work stoppage, a reduced or changed scope of work, or other delays, are likely to add more contingency costs to account for this risk. If this happens, the City would expect to see more cost escalation on projects with federal funds.

This proposed rule could increase uncertainty around how federal grant applications are finally selected, which may discourage the City and other qualified entities from applying for federal grants for capital projects. The proposed rule places more discretion and centralizes greater power in political appointees in the grant evaluation and award process. If there is further political discretion in decisions around which projects are awarded funds, this would erode the salience of the scoring criteria and create greater uncertainty for applicants who have otherwise competitive projects. Added uncertainty around final selection decisions may deter applicants who are weighing the known and often significant costs of applying against that uncertainty.

Specific Comments by Section

Section	Summary of Proposed Rule	Comments/Recommendations
I. Executive Summary: Reducing recipient burden (pp. 32199-32200)	OMB identifies “reducing recipient burden” as one of its three primary objectives. The notice states “Finally, OMB also proposes changes to reduce recipient burden” and “A third and final objective of this rulemaking is to reduce recipient burden.” OMB asserts that removing certain program requirements will allow recipients to “restore focus on efficient project delivery.”	The City recommends that OMB clearly define how “reducing burden” will be defined, measured, and evaluated. Several proposed revisions appear to increase administrative workload, reporting, and oversight requirements, making the net impact uncertain. The City urges OMB to publish measurable burden-reduction criteria and implementation tools to avoid unintended increases in workload for recipients and subrecipients, and avoid the diversion of resources from direct services.
IV. OMB Objectives for 2026 Proposed Revisions: A.5 Examples of Proposed Changes Related to First Objective. §200.340 (pp. 32204-32205)	OMB proposes to clarify agencies’ authority to “terminate awards for discretionary reason” (p. 32204) including when an award is “no longer in the Federal Government’s interest.” The rule aligns termination authority with federal contract “termination for convenience” concepts.	The City urges OMB to require written justification, reasonable notice periods, and protections for costs already incurred. Discretionary termination authority creates uncertainty for multi-year infrastructure, housing, community programs, and essential public health activities that rely on stable federal commitments. For example, the termination of a Building Resilient Infrastructure and Communities (BRIC) grant resulted in the City of Austin losing access to up to \$47.5 million for a critical flood mitigation project until the award was later reinstated by court order. Clear criteria and safeguards would help prevent similar disruptions and protect local investments made in reliance on awarded funds.
VI. Section-By-Section Discussion of the Proposed Revisions to Subtitle A of 2 CFR: Subpart D – Post Federal Award Requirements.	OMB proposes new prohibitions on funding “DEI”... policies that violate anti-discrimination laws” (paragraph (b) of §200.300)), adds viewpoint neutrality requirements for public	The City recommends OMB clarify definitions, provide implementation guidance. Ambiguity may create uncertainty and administrative challenges for City operations and community partners. Clear guidance will also ensure recipients can continue to use data driven assessments, performance measures, community needs analyses and evidence-based practices to inform program design, resource

Section	Summary of Proposed Rule	Comments/Recommendations
<i>Sections 200.218—Prohibition of Using Federal Awards To Promote or Support Theories of Disparate-Impact Liability & 200.300—Statutory and National Policy Requirements</i> (pp. 32213-32216)	entities hosting events (§200.19), and prohibits use of funds for certain foreign collaborations (§200.220).	allocations, service delivery and outcome evaluation. Moreover, these prohibitions reflect political leanings and open the door for each subsequent administration to drastically shift grant administration based on ideology. This creates wasteful spending for grant recipients responding to ever-changing guidelines that reflect political trends.
VI. Section-By-Section Discussion of the Proposed Revisions to Subtitle A of 2 CFR: Subpart C- Pre Federal Award Requirements and Contents of Federal Awards – §200.208 - Specific Conditions on Awards (pp. 32209-32213)	OMB proposes to expand agencies' authority to add, modify, or remove specific conditions at any point during the period of performance.	The City recommends limiting significant modifications to active awards except when necessary for compliance or statutory requirements. For example, the City relies on federal preparedness funding to support emergency planning, training, exercises, and response coordination. Mid performance changes to award conditions could require revisions to approved work plans, contracts, and reporting systems, diverting resources from preparedness activities and reducing operational efficiency.
§200.332—Requirements for Pass-Through Entities, Proposed Paragraph (i) (p. 32225)	OMB proposes requiring pass-through entities to ensure subrecipients do not engage in actions that could "significantly damage the reputation of the pass-through entity, awarding Federal agency, or the Federal Government," but does not refine what constitutes reputational harm or how it should be evaluated.	The City requests that OMB clarify the scope and thresholds for "significant reputational damage" including clear definitions, objective criteria, and appropriate monitoring requirements. Ambiguity around "reputational" risk may result in abrupt terminations of federal awards driven by shifting political priorities and create additional burdens for recipients and subrecipients. Unclear standards may also cause grantees to become overly risk-averse, limiting the flow of funds to eligible subrecipients. The City recommends that OMB either strike this provision or establish narrowly tailored, evidence-based standards tied to demonstrable misconduct (e.g. fraud, criminal violations, or misuse of federal funds).
§200.340—Termination and	OMB proposes expanding agencies'	Undefined criteria and open-ended criteria for discretionary termination may lead to

Section	Summary of Proposed Rule	Comments/Recommendations
Suspension (a); (a)(2); (a)(5) (p. 32258)	authority to terminate awards for discretionary reasons, including when an award no longer advances program goals, agency priorities, or the national interest. Furthermore, OMB explicitly states that this list of reasons is "not intended to necessarily be exhaustive". Agencies are permitted to use supplementary, undefined reasons, such as whether an award is no longer in the "public interest".	inconsistent or politically influenced decisions, creating uncertainty for long-term infrastructure, housing and community service projects. This unpredictability can also hinder the City's ability to hire and retain qualified contractors and temporary staff needed to deliver essential public services. When federal awards can be terminated abruptly for political reasons, higher-quality candidates may be less willing to participate, reducing the pool of qualified personnel and increasing administrative burdens – outcomes contrary to the stated intent of reducing recipient burden. To promote transparency and reduce these operational risks, the City recommends that OMB provide a strictly defined and exhaustive list of allowable termination triggers and establish an administrative review or appeal process to ensure due process for recipients and subrecipients.
Subtitle A of 2 CFR , including Part 1, Parts 25-183, and Part 200; Part 180, §180.25; Part 182, §182.25 (p. 32209)	OMB proposes converting 2 CFR from "guidance" into binding "regulation," limiting agencies' ability to offer flexibility or make program-specific administrative discretion where discretion is not explicitly allowed.	The City notes that transforming uniform guidance into binding regulation removes important administrative flexibility historically relied upon by grantees. Under the current guidance framework, recipients could occasionally negotiate reasonable accommodations with federal agencies to align administrative requirements with the realities of specific programs. The shift to strict regulatory enforcement eliminates this flexibility, imposing rigid, uniform standards across diverse federal assistance programs – many of which vary significantly in operational complexity and purpose. This one-size-fits-all approach may hinder program effectiveness and impose additional compliance burdens. To mitigate these impacts, the City recommends reverting to the guidance model or incorporating explicit discretionary clauses that allow federal agencies to waive non-statutory administrative or reporting requirements when appropriate. (AFS)
Subpart C—Pre-Federal Award Requirements and Contents of	OMB proposes requiring senior political appointees to review selected	The City is concerned that increasing the role of senior political appointees in grant selection may politicize funding decisions, potentially overriding rigorous technical or peer review evaluations.

Section	Summary of Proposed Rule	Comments/Recommendations
Federal Awards, under §200.205 - Federal Agency Review of Merit of Proposals (p. 32212)	proposals to verify alignment with agency priorities and the national interest, as defined by “politically accountable leadership.”	Under the proposed revisions, awards could be denied not for programmatic shortcomings, but because political leadership determines that a proposal does not sufficiently ideologically align with evolving national priorities. This dynamic also increases the risk of abrupt project termination should a change of administration lead to a redefinition of priorities. To ensure objective, merit-based decision-making, the City recommends striking the political review requirement, strengthening the role of peer review, or establishing clear and objective definitions for terms such as “national interest” and “agency priorities.”
§200.206 Federal Agency Review of Risk Posed by Applicants (b)(2) (p. 32212)	OMB proposes expanding the risk-assessment criteria to include undefined “questionable practices” and certain organizational affiliations deemed potentially harmful to public safety or national security.	The City is concerned that the introduction of undefined terms such as “questionable practices” and “affiliations” in pre-award risk evaluations may lead to subjective or inconsistent funding decisions. Without clear definitions, federal agencies could rely on shifting political or ideological interpretations, potentially resulting in funding denials based on lawful activities that are mischaracterized as questionable. To ensure fairness and transparency, the City recommends that OMB either remove this language or adopt clear, objective, and evidence-based definitions of both “questionable practices” and “affiliations.”
§200.332 Requirements for Pass-Through Entities; Section 200.340 Termination and Suspension (pp. 32225- 32229)	OMB proposes requiring pass-through entities to certify that all subawards have been reported to SAM.gov in accordance with 2 CFR part 170 and proposes to explicitly state that the failure of a recipient to report subawards on SAM.gov can constitute grounds for the Federal agency to terminate the award for noncompliance.	The City notes that expanding SAM.gov reporting errors as grounds for award termination elevates a routine administrative task into significant compliance risk. Under the proposal, pass-through entities must certify that all subawards have been accurately reported, and failure to do so – regardless of whether the issue results from technical glitches or system outages – could result in termination for noncompliance. To prevent disproportionate penalties, the City proposes that OMB establish a “cure period” or safe-harbor provision requiring agencies to provide a formal notice and a 30-day correction window before initiating termination actions.
§200.305 Federal Payment	OMB proposes requiring recipients and	The proposed requirement for payment justifications presents several challenges. The

Section	Summary of Proposed Rule	Comments/Recommendations
(p. 32254)	subrecipients (excluding States) to submit payment "justifications describing the purpose of the payment and the specific award-related work it supports."	rule does not define the length, format, or level of detail for justifications, leaving agencies free to impose subjective and potentially inconsistent standards. This ambiguity is likely to delay drawdowns, disrupt cash flow, and significantly increase administrative workload for both recipients and pass-through entities – who would be responsible for collecting and reviewing justification narratives from subrecipients. These requirements duplicate existing financial and performance reporting obligations and may strain administrative capacity. The City recommends removing the justification requirements or exempting cost-reimbursement awards where detailed invoices or receipts already serve as adequate documentation.

Conclusion

The City of Austin appreciates OMB's consideration of these comments. For the reasons outlined above, we respectfully request **that OMB withdraw the proposed rule** due to its potential to create substantial administrative and operational burdens and uncertainty for local governments and community partners.

Austin remains committed to ensuring that federally funded programs are accessible, consistent, and transparent for all community members and to maintaining strong, practical working relationships with federal agencies in support of effective program delivery.

Should you have any questions, please reach out to Carrie Rogers, Austin Government Relations Officer, at carrie.rogers@austintexas.gov or 512.923.7577.

Sincerely,



T.C. Broadnax
City Manager
City of Austin

cc: The Honorable Austin Mayor and City Council
Jon Fortune, Austin Deputy City Manager
Ed Van Eenoo, Austin Chief Financial Officer
Carrie Rogers, Austin Government Relations Officer

AGR July Memo (Attachment B) Community Project Funding (CPF) Status Updates FY 2022-2027

Member	FY	Project	Amount	Status
Lloyd Doggett	2027	UT-Waller Creek Restoration and Connectivity	\$2,400,000	Advanced – Pending Final Selection
Lloyd Doggett	2027	Open Door Preschool Early Childhood Center – Facility Rehabilitation and Security Upgrades	\$1,150,000	Advanced – Pending Final Selection
Lloyd Doggett	2027	Waterloo Greenway Creek Restoration & Water Quality	\$4,900,000	Advanced – Pending Final Selection
Lloyd Doggett	2027	Foundation Communities' Prosper Center North	\$1,900,000	Advanced – Pending Final Selection
Greg Casar	2027	Montopolis Tributary Trail	\$250,000	Advanced – Pending Final Selection
Greg Casar	2027	Mariposa Family Learning Center	\$2,250,000	Advanced – Pending Final Selection
Greg Casar	2027	Block 16 Urban Renewal District	\$1.250,000	Advanced – Pending Final Selection
Greg Casar	2027	Goodnight Ranch Housing Development	\$500,000	Advanced – Pending Final Selection
Lloyd Doggett	2026	Austin Community Violence Intervention (Resubmitted FY25)	\$1,031,000	Award letter received; application submitted

Member	FY	Project	Amount	Status
Lloyd Doggett	2026	Waterloo Greenway Creek Restoration and Water Quality Improvements (Resubmitted FY25)	\$1,092,000	Award letter received; application pending
Lloyd Doggett	2026	West Bouldin Creek Trail	\$3,500,000	Award letter received; application pending
Lloyd Doggett	2026	Connecting Windsor Park: Belfast Bridge & Trail	\$2,000,000	Award letter received; application pending
Lloyd Doggett	2026	Cool Corridors: Tree Planting and Workforce Development to Reduce Extreme Heat in Austin's Hottest Corridors	\$500,000	Award letter received; application pending
Lloyd Doggett	2026	Emergency Disaster Energy Hubs	\$1,145,144	Award letter received; application submitted
Lloyd Doggett	2026	Sunken Garden Springs Historic Rehabilitation and Environmental Restoration Project (Resubmitted FY25)	\$625,000	Award letter received; application pending
Lloyd Doggett	2026	Foundation Communities/Mary Lee Campus Redevelopment - Lamar Square (Resubmitted FY25)	\$625,000	Award letter received; application pending
Greg Casar	2026	All Abilities Playground – Onion Creek Metro Park	\$3,150,000	Award letter received; application pending
Greg Casar	2026	Esperanza Community Project (Resubmitted FY25)	\$850,000	Award letter received; application pending

Member	FY	Project	Amount	Status
Greg Casar	2026	Persimmon Point (Resubmitted FY25)	\$250,000	Award letter received; application pending
Greg Casar	2026	Sir Swante Palm Park (Resubmitted FY25)	\$850,000	Award letter received; application pending
Lloyd Doggett	2024	Bergstrom Spur Urban Trail West Segment	\$4,116,279	Project is at 90% design, with TxDOT reviews scheduled and a late 2026 construction bid anticipated
Lloyd Doggett	2024	Victims & Survivors of Violent Crime Trauma Recovery Program	\$1,445,000	Funds are currently being drawn down for the Harvest Trauma Recovery Center, with project completion anticipated this fiscal year
Lloyd Doggett	2024	Buttermilk Creek Water Quality Improvement Project	\$959,752	Project is partially reimbursed, with one reimbursement received and a second pending EPA approval; an additional invoice will be submitted later this year.
Greg Casar	2024	Longhorn Dam Multimodal Improvements	\$4,116,279	Advance Funding Agreement with TxDOT is nearing completion; design is underway, public engagement is anticipated in early 2026, and Halff is supporting preliminary drainage and survey work.
Greg Casar	2024	Bergstrom Spur Urban Trail Central Segment	\$500,000	Advance Funding Agreement with TxDOT has been finalized; the City will complete design for the Bergstrom Spur segment under I-35, with construction to be delivered by TxDOT as part of the I-35 project
Greg Casar	2024	John Trevino Metro Park at Morrison Ranch Development	\$1,000,000	Contract has been executed; the project is currently in permitting and is expected to enter the bidding phase next month.
Lloyd Doggett	2023	City of Austin Northern Walnut Creek Trail	\$5,000,000	Advance Funding Agreement with TxDOT has been finalized; Project is on schedule and expected to be approved for bidding by TxDOT in September 2026

Member	FY	Project	Amount	Status
Lloyd Doggett	2023	Austin Public Health's Substance Abuse, Awareness, Education	\$2,000,000	This project has concluded. All contracts were executed, projects completed, and contracts have been closed out. Funds have been drawn down and fully expended.
Lloyd Doggett	2023	Office of Community Violence Intervention Neighborhood Peace Project expansion	\$1,000,000	Funds have been fully expended and the award has been closed.
Lloyd Doggett	2022	Colony Park Water and Wastewater Project	\$1,000,000	Contract is in place and funds are being drawn down.
Lloyd Doggett	2022	I-35 Cap & Stitch Planning Study	\$1,500,000	Funds have been received through a TxDOT reimbursement program; \$174,245.16 of the \$1,666,667 CPF award remains.
Lloyd Doggett	2022	Mokan Trail Project	\$1,000,000	Construction for Phase 5 is underway, with completion anticipated in fall 2026. A ribbon cutting is planned toward the end of the 2026 calendar year.
			\$48,489,175	



Dan Patrick

Lieutenant Governor of Texas
President of the Senate

2026 Additional Interim Legislative Charges:

Business and Commerce Committee
Religious Liberty Committee
State Affairs Committee
Water, Agriculture, and Rural Affairs Committee

July 27, 2026

Business and Commerce Committee

- **Preventing Unfair Online Ticket Sales Practices:** Evaluate the operations of online ticket platforms, and recommend ways to improve consumer price transparency throughout the ticket purchase process. Identify ways to protect Texans from unfair or deceptive practices, especially within the secondary ticket market. Consider what changes, if any, should be made to the state's consumer protection laws to ensure a fair, competitive, and accessible live entertainment ticket marketplace.

Religious Liberty Committee

- **Studying the Current State of Religious Liberty:** Compare and contrast state laws protecting religious liberty with federal laws, including Article 1, Section 6 of the Texas Constitution — Freedom of Worship — and the Establishment and Free Exercise Clauses of the First Amendment to the United States Constitution. Make recommendations to ensure all Texans have the right to practice their religion, free from discrimination or government interference. Determine if additional protections are needed to ensure religious liberty is protected in Texas.
- **Educating Texans on Religious Liberty:** Examine ways to educate Texans about their sacred and constitutionally guaranteed right to religious liberty. Make recommendations to inform and remind Texans of their religious liberty rights in all settings, including, but not limited to: education, workplace, government, and healthcare.
- **Monitoring:** Monitor the implementation of legislation passed by the 89th Legislature, as well as relevant agencies and programs under the committee's jurisdiction. Specifically, make recommendations for any legislation needed to improve, enhance, or complete implementation of the following:
 - Senate Bill 1049 (89th Legislature), relating to excused absences from public school for the purpose of attending a released time course.

State Affairs Committee

- **Protecting Minors Online:** Study online gaming platforms that target minor children. Determine which gaming platforms advertise to minors, whether the advertisements are appropriate, and whether the platforms have sufficient age verification and youth protections. Make recommendations to prevent minors from accessing violent and sexual content in games. Additionally, make recommendations to prohibit communications between minors and adult strangers on gaming platforms.
- **Protecting Texas Families:** Study the unnecessary burden placed on Texas children and families who suffer from inefficient or inconsistent divorce and child custody proceedings. Identify inefficiencies in these proceedings that result in unpredictable timelines, unnecessary delays, repetitive child evaluations, or other needless complications. Make recommendations to ensure Texas families have access to fair and consistent procedures in family courts and truly prioritize the best interests of children.

Water, Agriculture, and Rural Affairs Committee

- **Managing the Pecos River Basin:** Study water availability, flow decline, and administrative challenges within the Pecos River Basin. Evaluate the current purpose, operations, and function of the Red Bluff Water Power Control District and its constituent irrigation districts. Review state accounting under the Pecos River Compact, the implementation of environmental flow standards, and assess the anticipated discharges and beneficial reuse of treated produced water in the basin. Make recommendations to modernize special district governance, enhance inter-state coordination, and ensure long-term basin reliability.



Office of Mayor Kirk Watson

301 West Second Street, Austin, TX 78701

July 7, 2026

The Honorable Lois Kolkhorst, Chair
Senate Committee on Health and Human Services
Texas Senate
P.O. Box 12068
Austin, Texas 78711

Re: Interim Charge on Strengthening Crisis Related Mental Health and Homelessness Services

Dear Chairwoman Kolkhorst,

I want to first recognize your many years of service and focus on public health issues in our State and for vulnerable populations. Unfortunately, as you know, the needs have only grown, with the number of individuals at the intersection of public safety, mental health, substance use, and homelessness outpacing the resources available.

The City of Austin approaches the Committee's interim charge in two parts: first, our taxpayers, our peace officers, and our emergency rooms are absorbing the cost of an ecosystem that has not kept up with the need. And second, while dollars absolutely matter, there is an important human element to our work as public servants: concern for vulnerable individuals who lack insight into their own need for care.

Just this past week, City staff encountered one of our highest system utilizers. He sat on Congress Avenue in a wheelchair wearing a hospital gown, having been discharged days earlier. The gentleman is a veteran from Philadelphia and suffers from both mental deterioration and substance addiction. He was transported to one of the City's emergency homeless shelters, where he promptly exited the following day. Without intervention, this process will repeat again and again.

There must be a better way.

For perspective on how many people we are talking about, according to the Meadows Mental Health Policy Institute (MMHPI), there are at least 950 individuals in Travis County who are at this intersection of the local emergency response system. This high utilizer population has a significant financial impact across the local criminal justice, homelessness, and health care capacity. The cost is estimated to be \$144,000 per person. That results in a staggering total cost of \$137 million annually. I know that leads to a question — what's the cost across the state? MMHPI estimates the State has approximately 18,500 high utilizers at a cost of approximately \$175,000 each, totaling \$3.2 billion annually.

I acknowledge the important investment by the State in the last decade, and I know you've had a big hand in that, Chairwoman. The years we spent together in the legislature fighting for these

dollars is work I'm proud of. Despite this commitment from the State, the resources have not scaled to the need. As you're aware, Austin State Hospital, the primary state psychiatric facility in our region, operates at full capacity, many awaiting competency restoration. The traditional, acute hospital emergency rooms do not have behavioral health units nor staff trained to handle persons experiencing active mental health crisis co-occurring with addiction, and, as we know, are often also homeless.

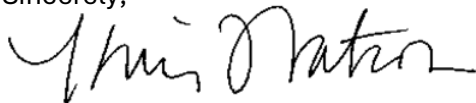
Unfortunately, it's just true that crisis care is limited for the individuals the Committee is talking about today. Further along the continuum, there are almost no intermediate step-down beds for people leaving crisis care or the criminal justice system who are not yet ready to live independently. Consequentially, when a person in crisis is stabilized, there is frequently nowhere appropriate to send them, so they return to the street, and the vicious cycle restarts. This is the single most acute gap in our continuum of care, and it is a gap the local jurisdictions cannot close alone.

The Committee's charge specifically asks about the state's authority and procedures for providing public mental health services for such a specific segment of the population. Among legal constraints is the limited authority for law enforcement to exclusively complete a Peace Officer Emergency Detention (POED). Including emergency medical providers who have more clinical expertise could relieve this strain on police officers. Expanding authority to a nurse, psychologist, or psychiatrist makes crisis determinations more efficient, enabling faster access to treatment and relieving peace officers of the burden of initiating all POEDs. Further, mandated treatment – for mental health and substance use – is critical. These individuals often lack insight into their own health, and absent a compelled path to care, will continue to cycle.

City staff, including Austin Police, have been doing what they can to compel the connection between the court systems and public health. I have also convened leaders of our local healthcare systems and Travis County to take action within our existing authority to ensure our partners are fulfilling their state and federally funded obligations. We also are leveraging local data to identify the highest-need individuals and connect them to services, rather than take only broad, one-size-fits-all approaches. What we cannot manufacture locally is the appropriate authority and more complex case beds. We need State partnership for meaningful change.

I am grateful for the Committee's attention to a problem that crosses every jurisdictional and political line in our state, and I welcome the opportunity to serve as a resource as your work continues. You may also reach out to Carrie Rogers, Austin's Government Relations Officer, at carrie.rogers@austintexas.gov or 512.923.7577 for questions or additional information you may need.

Sincerely,



Kirk Watson
Mayor

cc: The Honorable Greg Abbott, Governor of Texas
The Honorable Dan Patrick, Lieutenant Governor of Texas
The Honorable Members of the Senate Committee on Health and Human Services
Austin Legislative Delegation
Carrie Rogers, Austin Government Relations Officer



July 7, 2026

The Honorable Lois Kolkhorst, Chair
Senate Committee on Health and Human Services
Texas Senate
P.O. Box 12068
Austin, Texas 78711

Re: Interim Charge on Strengthening Crisis Related Mental Health and Homelessness Services

Dear Chairwoman Kolkhorst,

On behalf of the City of Austin and the Austin Police Department, I wanted to share with you several challenges my officers are facing every day relating to the intersection of public safety, substance use, mental health, and homelessness.

According to the Meadows Mental Health Policy Institute (MMHPI), there are at least 950 individuals in Travis County who are at this intersection of the local emergency response system. The financial impact of this high-utilizer population across the local criminal justice, homelessness, and health care capacity is estimated to be \$144,000 per person, totaling \$137 million annually.

For reference, a review of Austin Police (APD) arrest records found that 2% of individuals arrested by APD accounted for nearly 17% of arrests between 2021 and 2025. Of that two percent, 85% experienced homelessness, and 55% showed evidence of a behavioral health condition, with half arrested again within 10 weeks. These are individuals whose untreated illness keeps them in an endless cycle that is only interrupted when they perish or commit a serious crime – you may have read about an [incident at the Austin Library downtown](#) in March of this year, where I arrested a man for assaulting another man sitting next to him in the computer lab. One man is now in jail, and the other man is dead.

The same small population drives disproportionate demand across the entire ecosystem – emergency medical services, homelessness, criminal justice, and healthcare. Over the past 90 days, 4,074 people who have had at least one interaction with APD also presented evidence of mental health challenges. 64 of those individuals have had 10 or more contacts within the same timeframe — that is a rate of 1 contact every 6.7 days. APD can safely define a high utilizer in our system as someone with at least 1 contact with APD every two weeks.

The following are the key issues in the current system, followed by our request to partner with the State to support legislation that strengthens legal functions to streamline coordinated crisis response and access to sustained care.

Point 1: Structural problem

- There is currently no single location in Travis County where law enforcement can drop off a person in a mental health crisis and have that person accepted without refusal, regardless of acuity, behavior, or circumstance.
- Austin-Travis County lacks sufficient bed capacity at its sole public mental health facility. That distinction matters operationally because private psychiatric hospitals may decline to admit a person for any reason, including individuals brought in under court order. Austin State Hospital, the state facility in our region, is limited to forensic psychiatric beds.
- So when Austin Police officers take custody of a person in crisis, they are searching a system that is permitted to turn that person away, and frequently does.
- Law enforcement needs a tailored workflow outside of incarceration that promotes pre-arrest alternatives with a dedicated referral pathway for supportive services. For people who are arrested and awaiting prosecution, the criminal justice system needs support prioritizing early competency restoration as a person-centered intervention with more standardized strategies.

Point 2: Cumulative effect on police

- Austin Police officers are trained and willing to help people in crisis, but they are also serving as the default mental health transport and custody system for a highly defined subset of the population, and that is neither what they were trained for nor where they do the most public good. Still, they continue to lead the way for those who remain in a cycle of crisis.
- I want to give the Committee a concrete measurement by reflecting on a real case. Austin Police has been working with a high-utilizer individual before and after engagement by Austin's No Wrong Door coordinated crisis response program.
 - Over the past five years, before engagement, that one person had previously been arrested 63 times in 63 months.
 - That's one arrest on average every 30 days, and since the start of the individual's involvement with No Wrong Door, that person went 2 months without arrest or contact with Austin Police.
- For that one individual, such coordinated engagement returns officer hours that were previously spent on repeat crisis response, reflecting time that went back to answering other calls.
 - While this documented case is only a representation of what is recoverable, it still shows the scale of public safety resources the current system consumes one individual at a time. Officer time is returned significantly only when recidivism is functionally interrupted. Multiply the recovery of approximately 4 or more patrol officer hours on average per Peace Officer Emergency Detention, for example, across the hundreds of people driving repeat contact per month, and the patrol capacity restored to the public is substantial and immediate.

Point 3: What would change this

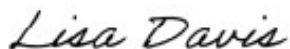
- Dedicated funding for communities like Austin, which need a crisis services facility as a single public location built and staffed to receive people in behavioral health crisis.
- Additionally, a no-refusal provision for law enforcement so that an officer who brings a person into the crisis services facility can do so with clear authority to transfer custody and return to patrol quickly.
- Expanded authority for medical providers to perform a Peace Officer Emergency Detention, allowing law enforcement to maintain responsiveness for new calls while deferring medically acute cases to medical professionals.
- When appropriate, prioritize early competency restoration in outpatient community environments, rather than within a jail system, to preserve jail capacity and reduce pressure on state hospitals.
- Post-adjudication pleas with a suspended sentence to spare institutionalization and require rehabilitation conditions focused on individual care.

Closing

We are fortunate to have Mayor Watson and his backing on the challenges our officers are facing. The Austin Police Department is ready to coordinate with local, regional, and state partners to elevate the current referral system and promote a true continuum of care based on efficient resource navigation and service coordination for these most vulnerable individuals.

I appreciate the Committee's attention and will make myself available for any opportunity to further discuss these issues. You may also reach out to Carrie Rogers, Austin Government Relations Officer, at carrie.rogers@austintexas.gov.

Sincerely,



Lisa Davis
Austin Police Chief

cc: The Honorable Greg Abbott, Governor of Texas
The Honorable Members of the Senate Committee on Health and Human Services
Austin Legislative Delegation
Carrie Rogers, Austin Government Relations Officer



July 7, 2026

The Honorable Lois Kolkhorst, Chair
Senate Committee on Health and Human Services
Texas Senate
P.O. Box 12068
Austin, Texas 78711

Re: Interim Charge on Strengthening Crisis Related Mental Health and Homelessness Services

Dear Chairwoman Kolkhorst,

On behalf of the City of Austin, the following is written testimony relating to the Committee's interim charge on the intersection of homelessness, mental health, and public safety. I would like to show everyone what the data behind this interim charge really looks like in a person's life, because the gap this Committee is studying is easiest to see in a single case repeated hundreds of times.

Point 1: Local response has scaled, but the need still grows

- I want to be clear that this is not a story of inaction but one of inertia. Over the past five years, Austin has more than doubled the number of shelter beds and housing units for people experiencing homelessness. Our local emergency shelter capacity grew more than 70% year-over-year, and our continuum of care served 13% more people from 2023 to 2024 alone. We have invested heavily, and that investment is producing change for many people. In fact, more than 3,000 individuals were successfully housed last year – a record for our region! But on any given night, there are still roughly 3,865 people experiencing unsheltered homelessness in our community, and the proportion of this population experiencing long-term homelessness has not declined. During 2024, more than 1,300 people became chronically homeless. The system is growing, but the need at the most complex end is growing faster, requiring more from our partners to initiate change and address this growing public health and safety crisis.

Point 2: High-acuity people hardest to house

- The individuals that this Committee is studying are not the typical case that our system resolves. They are people carrying serious behavioral health conditions and chronic medical needs, and at the same time, they are unsheltered. Per the 2025 State of the System report from the Ending Community Homelessness Coalition (ECHO), 59.9% people experiencing homelessness report a disabling condition. Our own data shows people with disabilities are much more likely to exit housing programs and return to homelessness.

- These are precisely the individuals who cycle through emergency rooms, jails, and crisis settings, because the standard housing pathway is not built for someone who cannot stabilize without intensive, coordinated support first. They need a level of care that sits between an acute crisis bed and an independent apartment, and that level of care barely exists in our city.
- Leaving people in this vicious cycle is significantly more expensive than sheltering or housing them. If anything, this cycle is the costliest path available to us.
- These costs recur frequently because oftentimes the encounter does nothing to change the person's trajectory. Of all the available settings in our local emergency response system, the street is always the most expensive because it generates repeated contact without sustained care.

Point 3: What would change this

- Austin has already made strategic investments to scale our homelessness response through homelessness prevention programs, short- and long-term supportive housing units, and emergency shelter facilities. Similarly, we also operate extensive outreach and response efforts alongside our local emergency response system through interlocal mental health and public safety initiatives.
- The missing piece is one that the City or County cannot fund into existence without increased support, and that is the intermediate, step-down transitional residential capacity that bridges acute crisis and independent living for people with complex social and co-occurring health conditions. Our state psychiatric hospital is full. Our local crisis capacity is full. Our emergency response system is full.
- The category of placement for people living with these challenges is the most outstanding gap in our entire system of care, and it is the one piece that we genuinely cannot build alone.
- Filling this gap in our healthcare system would allow us to hold individuals at the center of this interim charge long enough to help them, rather than discharging them to the street without a follow-up plan.

Closing

We are asking the State to invest in that capacity. Austin has built the response system and proven we can house people at scale. The mental health crisis center for the highest-acuity individuals is the missing piece.

I appreciate the Committee's consideration and will make myself available for any opportunity to discuss these issues further. You may also reach out to Carrie Rogers, Austin Government Relations Officer, at carrie.rogers@austintexas.gov.

Sincerely,



David Gray
Director
Homeless Strategies and Operations

cc: The Honorable Greg Abbott, Governor of Texas
The Honorable Members of the Senate Committee on Health and Human Services
Carrie Rogers, Austin Government Relations Officer



July 20, 2026

The Honorable Gary Gates, Chair
House Committee on Land & Resource Management
Texas House of Representatives
P.O. Box 2910
Austin, Texas 78768-2910

Re: Interim Charge on Third-Party Review

Dear Chairman Gates,

On behalf of the City of Austin, I want to thank you and the Committee for the opportunity to discuss third-party reviews and the City's development process.

In recent years, the City has made significant strides to improve our development and permitting processes and create a customer-centric culture while ensuring the safety of Austin's built environment through review, permitting, inspection, and code compliance processes:

- Austin has cut permit processing times from a high of 100 days to less than 30 days of initial review with an average processing time of 23 days. This was a top priority of Mayor Watson's when he returned to office.
- Most inspections can be scheduled within 24 hours.
- Austin hired a third-party vendor in May 2026 to serve as a staff augmentation, deepening our bench of resources to respond to permitting and development services.

The City of Austin has delivered significant improvements to transparency, permitting speed, and the overall development experience. We have worked cross-departmentally to achieve record-fast site plan review times, launch real-time customer tools, expand education programs, streamline permitting paths, increase third-party support, and introduce AI-assisted review. These efforts are already producing faster results, clearer guidance, and better public access to information and support.

In parallel, additional initiatives are underway to simplify the City's Land Development Code, accelerate permitting, expand AI-enabled reviews, and improve customer experience. Together, these completed and ongoing efforts demonstrate a sustained commitment to more responsive, predictable, and customer-centric development services that support Austin's long-term economic goals.

Third-Party Review: The First Priority is Safety

- **Life safety is the City's first priority.**
- Risk and liability of third-party vendors' work should be addressed in any potential legislation.
- Use of third-party vendors works best when the work is **collaborative** with the local government entity throughout the process.

Third-party reviews are already a component of the City's efforts to improve the development process. Recently, the City secured third-party review and inspections support to expand capacity when needed and to enable staff to focus on high-impact, quality service delivery. This third-party vendor will provide qualified staff to perform Building and Site Plan Review and Inspection Services as needed for residential and commercial construction in compliance with international technical codes, City codes and regulations. Staff provided by vendors will augment Austin Development Services' and other City departments' staff in performing various plan reviews and inspection support to help maintain the department's productivity, goals and standards, as well as help maintain customer satisfaction. Contracted staff will also ensure that proposed construction projects comply with building codes, zoning regulations and other relevant ordinances established by local authorities.

The City has previously engaged vendors for third-party residential and commercial plan review and engineering services. These contracts augmented plans examiner and engineering staff to address a backlog of plan reviews during and immediately after the COVID epidemic.

Moving Forward: Third-Party Review Legislation Priorities

Thus far, the City's use of third-party reviewers has been via vendors hired by the City to augment the work of City development services staff, rather than outside parties hired by developers and bypassing the City. When considering potential legislation related to applicants' ability to utilize third-party reviews and inspections, the City respectfully requests that the Committee consider several key factors to ensure the safety of Austin's people, buildings, environment, and special events:

- **Enforcement and Accountability:** Ensure that cities have the authority to enforce penalties for violations of City Code and authorize cities to prohibit third-party vendors from performing reviews or inspections if they repeatedly violate city regulations or knowingly or intentionally makes a misrepresentation related to a review of a development document or development inspection conducted.
- **Final Regulatory Approval:** Cities / regulatory authorities should retain the right to perform the final inspection for a certificate of occupancy (CO).
- **Liability Protection:** Ensure that the regulatory authority is not liable for reviews or inspections conducted by an outside third-party.
- **Qualified / Preapproval of Third-Party Reviewers:** Authorize municipalities/ regulatory authorities to set standards and register third-party engineers and inspectors.
- **Document Sharing:** Third-party reviewers and inspectors should be required to share all documentation related to inspections and plan reviews with the city.
- **Invalid Permits:** Make clear that a permit is not valid if it violates City Code or state law and that reviewers must follow city codes.

- **Utility Service Provider Provisions:** Preserve authority for municipally owned utilities to conduct development reviews and inspections for projects connecting to utility infrastructure within the utility's service area.
 - **Utility Inspections:** Maintaining utility inspections within municipally owned utilities is necessary to address issues that could create serious risks to occupants, the public, public drinking water systems, and line workers as well as grid safety, legal liability, and operational integrity of the infrastructure. Without this language, further delays to ensure safety and reliability are likely.
 - For example, a solar panel or battery installation installed without the proper safety mechanisms could create risks to first responders and utility workers by energizing downed electric lines or other parts of the system. An emergency worker may believe the lines are not energized since the system is down but without a properly installed safety switch, the lines would be live and create a shock hazard.
 - **Subdivision / Plat Reviews:** Preserve authority for municipally owned water and wastewater utilities to verify service availability, system capacity and utility regulations in subdivision and plat reviews. Maintaining review of plats for municipally owned utilities is necessary to legally secure water and wastewater service provider designations and establish appropriate service plans with adequately sized public infrastructure. Additionally, municipalities must retain the ability to confirm compliance with applicable private plumbing codes to ensure that proposed developments meet all required standards for safe, functional, and compatible connections to public utility systems.
 - **Water, Wastewater, and Reclaimed Water Regulation Enforcement:** The Texas Commission on Environmental Quality (TCEQ) delegated authority to municipally owned water and wastewater utilities to conduct development reviews and inspections for utility infrastructure within their service areas. Maintaining this authority is necessary for public health and safety, including compliance with federal drinking water and wastewater standards and adequate water pressure for firefighting. Municipally owned utilities have the sole authority to issue waivers to local design criteria and must obtain approval from TCEQ for deviations from State utility standards that govern infrastructure design, operation, and oversight. These responsibilities directly affect legal liability, operational responsibility, and the long-term integrity, reliability and serviceability of the infrastructure.
- **Floodplain Regulation Enforcement:** Preserve the authority for municipalities to conduct floodplain reviews to ensure that floodplain regulations, as required by both the National Flood Insurance Program and FEMA Community Rating System, are enforced and that required documentation is captured during the inspection process. This documentation is regularly audited by FEMA and failure to comply not only endangers public safety but would also risk higher flood insurance premiums for residents and disruptions to real estate transactions in the floodplain.

Previous Third-Party Review Legislation of Note

- [SB 1202](#) by Senator King (89th Legislature / 2025) allows qualified third parties to inspect home backup power systems without requiring city approval and mandates that city permits for such systems must be processed within three business days after notice of the inspection is received. *The bill includes an exemption for a municipal electric utility to enforce tariff, interconnection and service policies.* This is necessary for the safety of the public, occupants, and the electric grid itself.
- [HB 14](#) by Representative Harris (88th Legislature / 2023) authorizes third-party review of development documents or permits and third-party inspections if not acted upon or completed by the City within 15 days of a state-mandated deadline. This applies to all development documents, which include preliminary plans, final plats, site plans, certain license agreements, and building permits. The legislation also allows a decision to be appealed to the governing body of a political subdivision to conditionally approve or disapprove a development document made by the regulatory authority for the political subdivision or a third-party reviewer or inspector.

Thank you for your consideration. The City of Austin remains committed to improving the City's internal processes and working with the Legislature on a broader level to advance development services tools and increase affordable housing. I appreciate the Committee's attention to these issues and will make myself available for any opportunity to further discuss these issues. You may also reach out to Carrie Rogers, Austin Government Relations Officer, at carrie.rogers@austintexas.gov.

Sincerely,



Director, Austin Development Services Department

cc: The Honorable Greg Abbott, Governor of Texas
The Honorable Members of the House Committee on Land & Resource Management
Austin Legislative Delegation
Carrie Rogers, Austin Government Relations Officer

Addendum: City of Austin Faster Building Plan Review Turnarounds

With the overarching goal of establishing our service as the gold standard in customer service and making permitting an economic development tool and competitive advantage as Austin is "Open for Business," the City of Austin is implementing changes to improve the turnaround times for building plan reviews. These changes, effective July 1, 2026, for Residential and July 15, 2026, for Commercial projects, can reduce review times by an average of 59% for residential applications and an average of 43% for commercial applications. No changes to applicants' submissions will be required. Any application or update submitted on or after the effective date will automatically receive the new, faster timeline.

Outcome Highlights:

- Many inspections are one day turnaround.
- All permits are being reviewed faster than ever.
- Stakeholder feedback has been more positive than ever.
- Site Plan review times have been cut nearly 75% since 2023.
- Developing a design/review permitting model to derisk development and move through permitting with speed.

Residential Building Plan Review

Project Type	New Turnaround (business days)
New Construction & Additions	10 days
Update Submittals	7 days
Fences	5 days
Minor Revisions	5 days
Swimming Pools / Uncovered Decks	5 days
Garage Conversions / Porch Enclosures	5 days

Commercial Building Plan Review

Project Type	New Turnaround (business days)
New Construction / Remodels	
10,000 sq ft or less	7 days
10,001-25,000 sq ft	10 days
Greater than 25,000 sq ft	20 days
Update 2+ (Review Cycle 3+)	5 days
Remodels	
Less than 25,000 sq ft	10 days
Update 2+ (Review Cycle 3+)	7 days
Small Project (Previously 7-Day Review)	5 days
Minor Revisions	5 days
New Tenant Finish-Outs / Interior Remodels (Less than 5,000 sq ft)	5 days
Portable Classrooms	5 days