

# 2016-2017 BUDGET QUESTION

## *Response to Request for Information*

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**DEPARTMENT:** Neighborhood Housing and Community Services

**REQUEST NO.:** 124

**REQUESTED BY:** Casar

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**REQUEST:** In the Neighborhood Housing and Community Development budget (pg. 156), Housing First units and Permanent Support Housing units are identified separately in the performance measures for Renter Assistance activities within the department. Please explain how these units are differentiated and how funds were allocated within the FY 2016 Approved and FY 2017 Proposed Budgets.

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### **RESPONSE:**

Neighborhood Housing and Community Development Department tracks Permanent Supportive Housing (PSH) units and Housing First (HF) units (a designation of a low barrier PSH model) in developments funded by the Rental Housing Developer Assistance program, through a contractual arrangement with ECHO (Ending Community Homelessness Coalition).

HF units and services may be differentiated from PSH, by the less restrictive requirements placed on prospective tenants regarding income, criminal history, or substance abuse. Although there is aggregate reporting of units as Permanent Supportive Housing, a subset of that aggregate data that caters to low barrier housing that is identified as Housing First PSH, is reported separately. ECHO tracks and reports on the development and occupancy of PSH and HF units receiving Federal and City funding.

### **Permanent Supportive Housing**

- **Permanent Supportive Housing (PSH) is an evidence-based housing intervention** that has been shown to be extremely effective for individuals who are experiencing chronic homelessness and **who often have other barriers to housing**, such as serious, persistent conditions like addiction, alcoholism, mental illness, HIV/AIDS, disabilities or other challenges.
- Permanent Supportive Housing pairs housing units with supportive services that offer a substantial amount of care and are designed to enable tenants to live independently and participate in community life.
- **PSH serves households earning under 30% of area median income that have multiple barriers to housing stability. Rents are subsidized so that the tenant pays no more than 30% of household income towards rent, even where tenants have extremely limited or no income.**
- Tenancy is based on a legally-enforceable lease or similar form of occupancy agreement, and there are no limits to a person's length of tenancy as long as they abide by the conditions of the lease or agreement. Leases *do not* include additional requirements for tenancy beyond the market standards.
- The tenant has access to an array of harm reduction services, including, but not limited to, case management, medical, mental health, substance use treatment, employment and life skills counseling, eviction prevention programs including locating alternative affordable housing for tenants, social and recreational events, and tenant advocacy; however, a lease may not be terminated solely because a tenant chooses not to participate.

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#### Housing First

- Is an approach to providing housing that centers on quickly delivering housing to individuals experiencing chronic homelessness, regardless of their potential housing barriers, and then providing supportive services as needed.
- **What differentiates the Housing First approach from other strategies is its immediate and primary focus on helping individuals and families access long-term, sustainable housing as quickly as possible.** It does not require clients to become sober, complete rehab, or obtain sources of income before moving into housing.
- Applicants are seldom rejected solely on the basis of poor credit or financial history, poor absent rental history, criminal convictions, or any other behaviors are generally held to indicate a lack of “housing readiness.
- **“Discretionary funds are available to support basic needs for both clients without income and clients who experience financial crises. Tenants are given reasonable flexibility in paying their tenant share of rent.** Typical case manager to client ratio 1:10 to 1:15.
- Tenant selection process includes the prioritization of eligible tenants based on criteria such as duration/chronicity of homelessness, vulnerability, or high utilization of crisis services.

#### Program accomplishments:

NHCD estimates 14 PSH units in FY 2015-16 and 33 PSH units in FY 2016-17 to be available in the Rental Housing Developer Assistance Program (RHDA) funded developments. There will also be 5 Housing First units in RHDA funded developments in FY 2016-17. The funding amounts specified below have either been fully spent or committed as projects are under construction or completed construction and units are projected to be ready in the current and next fiscal years as indicated.

RHDA Project	Funding Amount	Funding Sources	Total units	Proposed PSH units	Proposed HF units
Homestead Oaks	\$2,250,000	CIP	140	14	
Bluebonnet Studios	\$3,994,420	GO Bonds/HOME	107	6	
Lakeline Station	\$3,269,820	GO Bonds/HOME	128	13	
Live Oak Trails	\$2,045,690	GO Bonds/HOME	58	12	
The Timbers	AHFC took ownership of land and is a general partner in the project. No funding was provided		104		5

#### New project funding:

- \$3 million in Austin Housing Finance Corporation (AHFC) funding was previously approved for a PSH project on Dec 11th 2014, however development has not yet begun and the funding has not been disbursed. Currently the developer, Austin Travis County Integral Care (ATCIC), is applying to the Texas Department of Housing and Community Affairs (TDHCA) for 4% Housing Tax Credits. It is anticipated that AHFC will also be issuing Private Activity Bonds up to \$13 million for this development, in conjunction with the 4% tax credits.
- A \$4 million appropriation from the 2013 GO Bond program is included in the FY 2016-17 Capital Budget to provide 50 Housing First units.