Austin/Travis County Leadership Committee on Permanent Supportive Housing Finance

City Council Meeting
May 24, 2012
PSH Strategy Timeline

- **March 25, 2010**: Resolution directs City Manager to devise strategy to create 350 PSH units by YE 2014
- **September 30, 2010**: Council briefing on PSH Strategy
- **January 13, 2011**: Resolution directing the city manager to research best practices on engaging communities and building support for permanent supportive housing projects and report his findings and recommendations
- **March 10, 2011**: Resolution adopting PSH Strategy as working document and calls for creation of Leadership Committee on PSH Finance
- **October 20, 2011**: Resolution affirming City's support of the 100 Homes Campaign
City Council Resolution #20110310 - 025
March 10, 2011

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:
The City Council hereby adopts the City of Austin Permanent Supportive Housing Strategy as a working document.

BE IT FURTHER RESOLVED:
The City Manager shall facilitate the creation of a Leadership Committee on Supportive Housing Finance to include, but not to be limited to, designated representatives from the Ending Community Homelessness Coalition; the City of Austin; Travis County; Seton; the St. David’s Foundation; Central Health; Austin-Travis County Integral Care; the Housing Authority of the City of Austin; Travis County Housing Authority, and the United States Department of Veterans Affairs.

BE IT FURTHER RESOLVED:
Representatives from additional entities not listed should be considered to serve on the Leadership Committee.

BE IT FURTHER RESOLVED:
The Leadership Committee shall work together to review and analyze the report given to Council; and recommend a comprehensive public and private financing strategy for the City Council to consider for action; and provide Council with quarterly updates on their progress beginning in May 2011.
City of Austin PSH Strategy

- **Austin PSH Strategy Program Definition:**
  - Rental Housing that is Targeted to Long-term Homeless, Lease-Based, Non-Time Limited, Deeply Affordable @ 30% AMI, with Coordinated, Comprehensive, Voluntary Services

- **Total Community Need:**
  - 1889 Units based on *literally homeless*

- **Council-Approved Short Term Goal:**
  - 350 Units by YE2014

- **Unit Mix:**
  - 100 Leased/ 250 New Construction or Rehab
City of Austin PSH Strategy: Subpopulation Targets

- Eligible Populations: Chronically homeless, Non-Chronically Homeless/Institutionalized 90+ Days, and unaccompanied youth or families and youth aging-out at risk of literal homelessness

- Targets by Tenant Selection Method (Total 350)
  - At least 225 households identified as Frequent Users of public systems
  - At least 75 households identified using a method linked to ‘vulnerability’
  - An additional 50 units for eligible tenants under any screening method, or meeting other subpopulation goals

- Targets by Household Composition (Total 350)
  - At least 270 single adults
  - At least 30 Families Total
  - At least 10 Unaccompanied Youth Total
  - At least 20 “Youth Aging Out” of foster care and/or juvenile probation (target 10 single adults/10 families)
  - 20 units open to any household size

- Additional Population Targets (Does Not Total to 350)
  - 300 Individuals with Severe & Persistent Mental Illness
  - 150 Individuals with Co-occurring Disorder
  - 70 Veterans
PSH Strategy Elements

- Deeper subsidy, preferences, or set-asides for providers with demonstrated practices intended to lower screening barriers to house targeted population
- Funding preferences for housing first and harm reduction
- Diversity of housing settings
- Low case management ratios
- Development of siting policies
Overall Costs

- One-Time Capital Costs: $21.57M

- 350 Annual Rental Subsidies: Value $3M
  - (At Full Occupancy)

- Annual Service Funding $4.13M
  (At Full Occupancy)
## Bricks & Mortar for 250 units

### Capital Financing Expenditures: $21,568,173

<table>
<thead>
<tr>
<th>Projected Sources</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Texas Department of Housing and Community Affairs: Neighborhood Stabilization Program</td>
<td>$3,000,000</td>
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<tr>
<td>Texas Department of Housing and Community Affairs: Low Income Housing Tax Credits</td>
<td>$4,070,000</td>
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<tr>
<td>Texas Department of Housing and Community Affairs: State Housing Trust Fund</td>
<td>$200,000</td>
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<tr>
<td>City of Austin federal funds: HOME, CDBG</td>
<td>$800,000</td>
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<tr>
<td>City of Austin: General Obligation Bonds</td>
<td>$2,775,000</td>
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<tr>
<td>FY2011/2012</td>
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<tr>
<td>City of Austin: General Obligation Bonds:</td>
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<tr>
<td>2012 Bond Issue (for subject 350 only; add'l funds on request)</td>
<td>$7,300,000</td>
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<tr>
<td>Travis County General Fund</td>
<td>$650,000</td>
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<td>Federal Home Loan Bank Affordable Housing Program:</td>
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<tr>
<td>Philanthropic</td>
<td>$576,000</td>
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**TOTAL FINANCING EXPENDITURES:** $21,571,000
# Rental Subsidies

## Recommended PSH Annual Rental Subsidy Strategy

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<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Front Steps 2009 HUD Continuum of Care grant (committed)</td>
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<tr>
<td>Caritas 2010 &amp; 2011 HUD Continuum of Care grants (committed)</td>
<td>45</td>
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<tr>
<td>HUD Continuum of Care 2012/2013 (anticipated)</td>
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<tr>
<td>Travis County Housing Authority (board authorized)</td>
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<tr>
<td>Veterans Affairs Supportive Housing (VASH)</td>
<td>75</td>
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<tr>
<td>Housing Authority City of Austin (committee recommendation)</td>
<td>124</td>
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</table>

**Total Rental Subsidies** 350
Service Funding

Total Annual Costs at Full Occupancy

Services Financing Expenditures: $4,130,000
- Veterans Affairs Supportive Housing $300,000
- City of Austin (new funding) $500,000
- Travis County (BJA, new County funding thereafter) $500,000
- New Medicaid leveraged via Medicaid 1115 Waiver (via Central Health, ATCIC & other providers) $2,530,000
- Philanthropy/Other Sources $300,000

- TOTAL FINANCING EXPENDITURES: $4,130,000
Process Recommendation

- Leadership Committee on PSH Finance Continues with charge to secure financing
- Committee charged to work with City staff to recommend incentives or set-asides for capital funding
- All sources require low barrier approach for frequent users and/or vulnerable populations, specifying target subpopulations
- ECHO and City track and report progress toward subpopulation goals