



MEMORANDUM

TO: Mayor and City Council

FROM: Victoria J. Li, P.E., Director
Watershed Protection Department

DATE: August 12, 2015

SUBJECT: FY16 Drainage Charge Base Rate Assumptions

On June 25, 2015, City Council approved the Watershed Protection Department (WPD) proposed changes to City Code Chapter 15-2 and 15-9, adopting a new methodology for computing the drainage charge. Council asked staff to consider two action items for FY16: (1) a cap on the percentage of single family charge increases, and (2) drainage charge exemptions. Both items impact the calculation of the drainage charge base rate. At this time, WPD is seeking direction on the most likely assumptions in order to prepare the final base rate for FY16 and move forward implementing the new drainage charge method.

The adopted ordinance included an option to reduce single family residential increases in FY16 by a percentage cap if passed by separate ordinance (i.e. the fee ordinance). Changes to exemptions for non-mandated properties would require an ordinance change to City Code Section 15-2-13. Guidance on these two items will allow Watershed Protection to determine the drainage charge base rate for FY16 and prepare more accurate public outreach materials, and allow Austin Energy to finalize the billing system changes. This memo is intended to describe how these items could affect typical utility customers. Information on refinements to the drainage charge adjustment factor is also included.

- A. SINGLE FAMILY Charge Increase Cap or Phase-In:** The current drainage charge for each single family lot is \$9.80 for FY15. With the new drainage charge method, each single-family property will be charged based on the amount and percent of its impervious cover. Some properties will have a charge lower than \$9.80 and others will have a charge higher than \$9.80. Council requested WPD staff consider phase-in options with the possibility of a percent cap on monthly charge increases for single-family customers for FY15-16. A percent cap would limit the amount of increase in a customer's drainage charge from that of the previous year. For example, a residential owner with a new charge of \$19.80 in FY16 would have a \$10 increase over the currently \$9.80 charge. A 50% cap would limit the increase to \$5.00, reducing the bill to \$14.80. Staff performed some analysis on the single family phase-in option by imposing a 50% and 75% cap and the results are shown in the table below and on the exhibits attached to this memo.

Example: Transition Cap on Increase for Single Family Customers						
Proposed Citywide FY 16 Monthly Base Rate (\$/ft² impervious area):		\$ 0.00500		Revised Citywide FY 16 Monthly Base Rate with 50% Cap (\$/ft² impervious area):		\$ 0.00525
Annual Drainage Charge						
Land Use	FY15	FY16	FY16 with 50% Cap	% Change from FY15 to FY16	% Change with 50% Cap	% Change with 75% Cap
Single Family	\$ 18.3M	\$ 24.2M	\$ 21.1M	32%	15%	25%
Multi Family	\$ 17.1M	\$ 15.4M	\$ 16.2M	-10%	-5%	-8%
Non Residential	\$ 39.6M	\$ 43.9M	\$ 46.2M	11%	17%	14%

The analysis indicates that the phase-in option would reduce the FY16 increase in drainage charge for single family customers as a class from 32% to 15% using a 50% cap, and from 32% to 25% using a 75% cap. Due to the reduction in revenue from single family customers, the citywide base rate would need to be adjusted upward to achieve the same annual budget. The effect of increasing the base rate for all customers would result in a greater drainage charge increase for nonresidential customers, e.g., from 11% to 17% using a 50% cap.

The impact of the 50% or 75% cap on the drainage charge increase to single family monthly charges is illustrated in the graphs attached to this memo. The analysis shows that the phase-in option will result in the greatest reduction in charge to customers with impervious cover greater than 4,000 square feet which is greater than the citywide median value of 3,100 square feet. Since the largest portion of benefit from the cap would be realized by those with the largest amounts of impervious cover, as opposed to what may be typical for lower-income single family owners, staff recommends that no cap be adopted.

- B. Drainage Charge Exemptions:** At its June 25 meeting, City Council briefly considered the possibility of discontinuing all exemptions to the drainage charge that are not state mandated. At that time, WPD was specifically requested to inform potentially impacted parties and to “ask for feedback on how that would affect their operations.”

Section 580.003 of the Texas Local Government Code states that the City may not collect a drainage charge “from a state agency or a public or private institution of higher education.” However, the City currently provides four other exemptions that are allowed, but not mandated, by Section 552.053. These are listed in Section 15-2-13 of the recently amended City Code:

- 1) a county;
- 2) the City, if the property is publicly maintained right-of-way;
- 3) an independent school district;
- 4) property owned and occupied by an organization that is exempt from taxation (as a religious organization) and that participates in a program that provides housing for the homeless, at a monetary amount at least equal to the drainage charge.

The City contacted Travis County, the City of Austin Public Works Department, the seven independent school districts with properties in the City, and the 18 organizations that receive funding allowed by the exemption that pertains to religious organizations. Letters and email received so far as written feedback from a number of the independent school districts and organizations involved with housing for the homeless are attached. The way that the exemption for religious organizations has been working is unique and is also explained in the attachments. Feedback from the Travis County Commissions Court will be transmitted to the Council at a later date.

The impact from each of the potentially exempt organizations on the WPD drainage utility fund is estimated as follows:

Organization	Approximate Reduction on Drainage Utility/year	
County	\$230,000	0.24%
Independent Schools Districts	\$1.8 Million	2.7%
Religious Organizations	\$800,000	1%
Right-of-Way	\$31 Million	30%

In brief, if the City were to choose to remove the fee exemption for County, ISD, and religious properties, the total impact on DUF would be about 4%, and a typical single family home might save about \$0.40/month. Based on the feedback received, the tight implementation schedule for this new charge structure, and the time needed to propose ordinance changes for Council approval, staff recommends continuing these drainage charge exemptions in FY16.

Since City ROW has much larger impervious area (about 30% of city total IC), its savings were computed separately and would result in about a 1/3 reduction in the drainage charge to other customers. However, if City ROW were to be exempted, Public Works would pay the drainage charge to WPD. It would in turn collect a like amount from the Transportation Usage Fee, which is also in the City's utility bill, but is calculated and assessed on property somewhat differently than the drainage charge. A brief web survey found no other cities/counties in the nation that include ROW in their drainage charge formula. Also, the City's current GIS data does not differentiate between City, County, and State ROW, which adds difficulty in processing City ROW data. Therefore, staff recommends making no change to the City ROW exemption.

Briefing on the Adjustment Factor Formula

Finally, WPD would like to brief Council regarding a refinement on the Adjustment Factor formula. The new drainage charge methodology requires Council each year to approve three values of the drainage charge formula: the base rate (currently proposed at \$0.005 per square foot of IC per month, depending on WPD FY16 Budget approval) and the 2 constants that determine the Adjustment Factor formula $[C1 \times IC\% + C2]$. C1 and C2 are currently proposed to be 1.6149 and 0.1452 respectively. These values were determined using data and information available in the method development phase and have been published in advertisements for the public hearing (scheduled on August 20, 2015) and have been used for displaying various statistics. Over the past few months, WPD staff has continued to refine the values of the two constants, including:

- The use of additional observed annual rainfall-runoff data (from 2009 and 2015) for a total of over 30 years of recorded data (1984 - 2015),
- Further refinement of each parcel's IC and %IC using GIS data to obtain a more accurate citywide weighted average value of %IC for determining the adjustment factor, and
- Consideration of both the annual observed data and the city's 100-year hydrologic design method to derive a weighted-average adjustment factor formula to reflect both annual O&M costs and design/construction costs incurred by Watershed Protection..

Staff is finalizing the numbers and will be ready to report to Council before the August 20 public hearing. Preliminary results indicate that the refinement has minor effect on citywide charge distribution on different land use categories or on variation within each land use category.

Since the prior values have been published in advance of the August 20 public hearing as required by law, the minor revision to the Adjustment Factor will require Council action. Staff will propose the final change as part of the adoption of the drainage charge rate in the budget process.

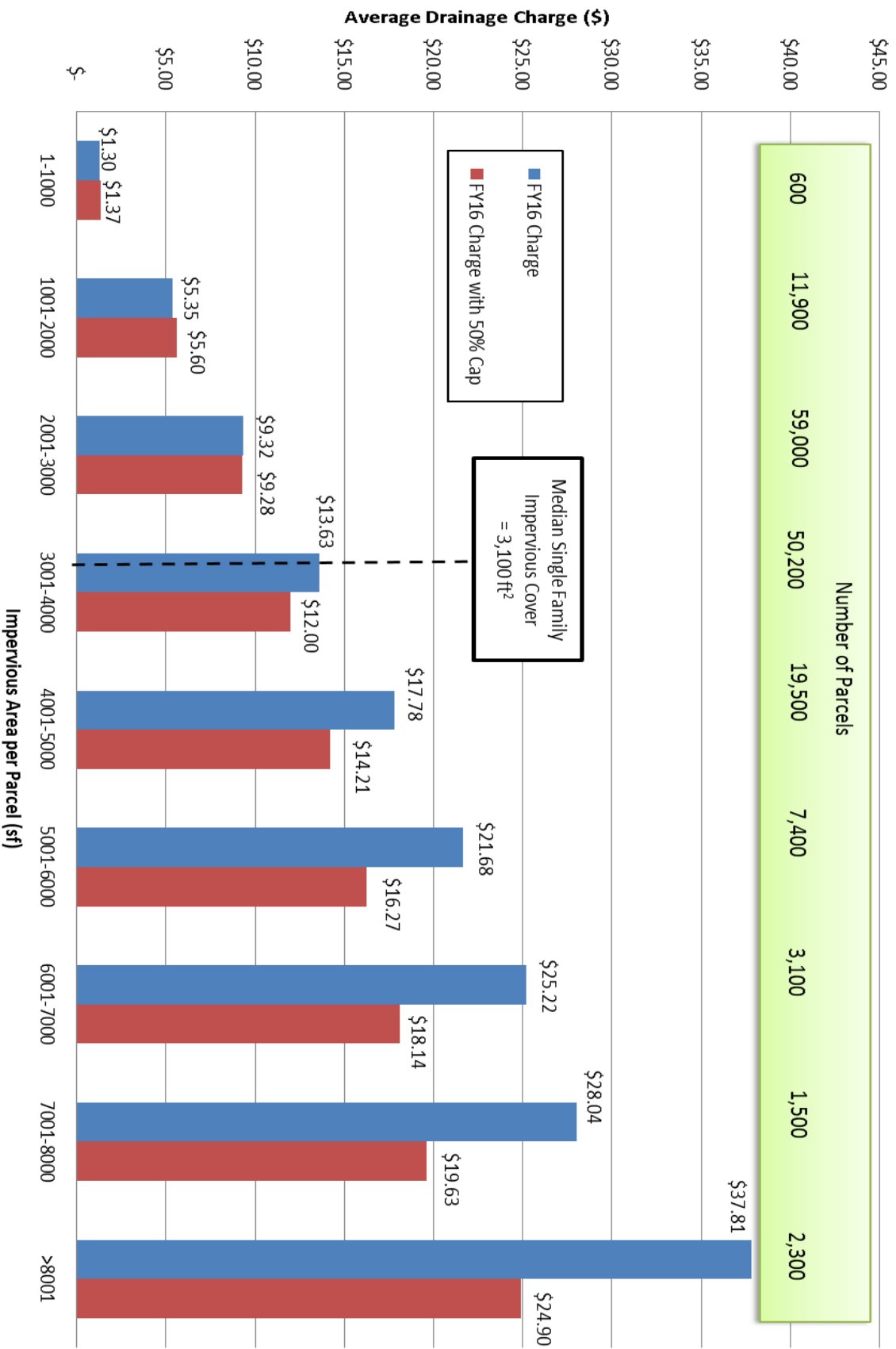
Staff stands ready to meet with members of the Council Public Utilities Committee (PUCC) before the August 19th PUCC meeting to discuss the items in this memo, if so desired.

Please contact Victoria Li, Director, Watershed Protection Department, should you have additional questions or concerns at (512) 974-9195 or via e-mail at Victoria.Li@austintexas.gov.

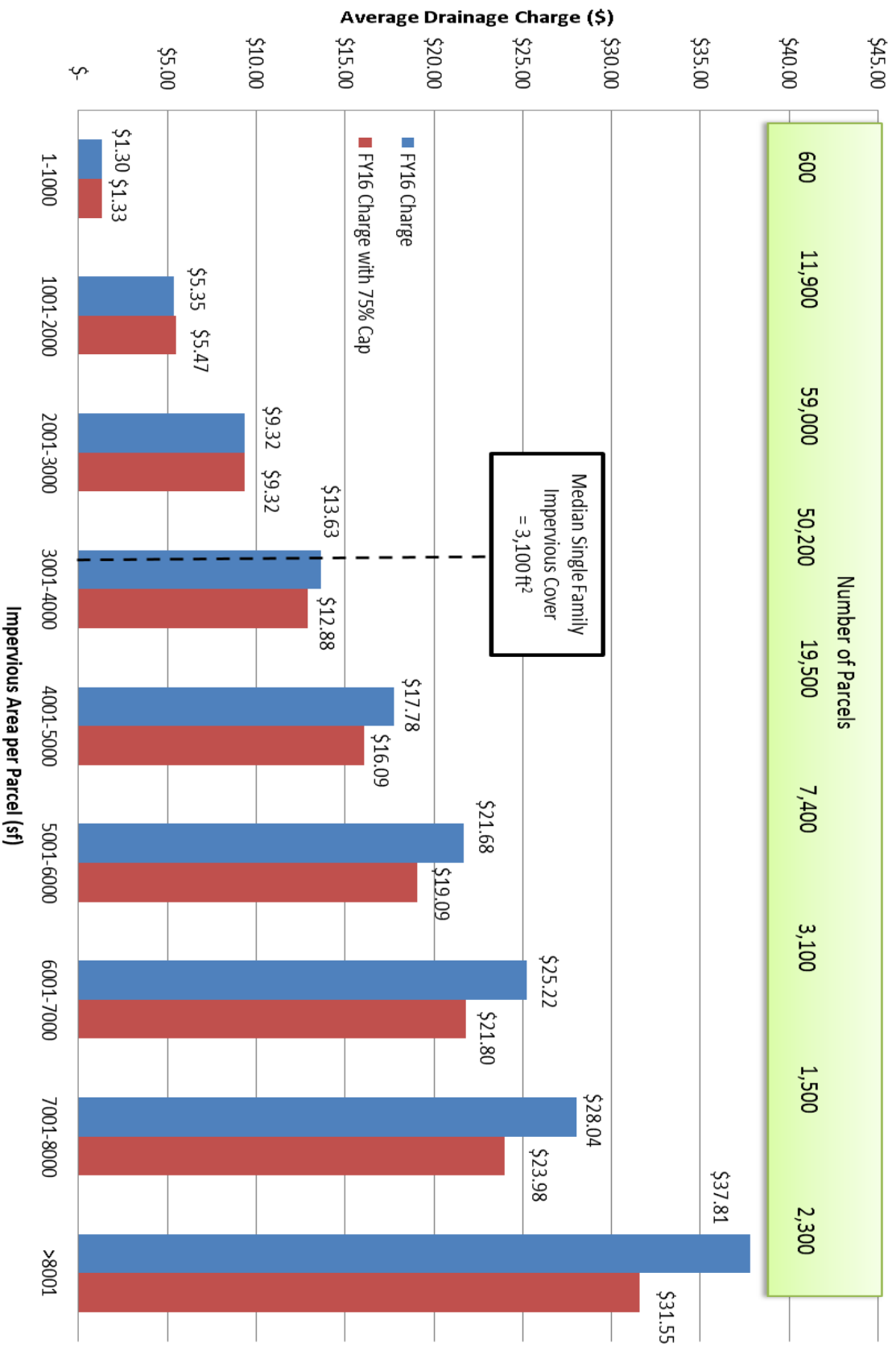
Cc: Marc A. Ott, City Manager
Sue Edwards, Assistant City Manager

Attachments

Single Family Monthly Drainage Charge with 50% Cap



Single Family Monthly Drainage Charge with 75% Cap



ATTACHMENT 1

EXEMPTIONS FROM THE DRAINAGE CHARGE

With Feedback from Organizations that Could Be Affected if Exemptions Not Mandated by State Law Were to Be Eliminated

Background

The Texas Local Government Code provides for exemptions from the drainage charge in two sections.

Sec. 580.003. EXEMPTIONS OF CERTAIN PROPERTY FROM INFRASTRUCTURE FEES. No county, municipality, or utility district may collect from a state agency or a public or private institution of higher education any fee charged for the development or maintenance of programs or facilities for the control of excess water or storm water.

And:

Sec. 552.053. EXEMPTIONS. (a) A governmental entity or person described by Subsection (b) and a lot or tract in which the governmental entity or person holds a freehold interest may be exempt from this subchapter and all ordinances, resolutions, and rules adopted under this subchapter.

(b) The following **may** be exempt:

- (1) this state;
- (2) a county;
- (3) a municipality;
- (4) a school district.

(c) The following **shall be** exempt from the provisions of any rules or ordinances adopted by a municipality pursuant to this Act:

- (1) property with proper construction and maintenance of a wholly sufficient and privately owned drainage system;
- (2) property held and maintained in its natural state, until such time that the property is developed and all of the public infrastructure constructed has been accepted by the municipality in which the property is located for maintenance; and
- (3) a subdivided lot, until a structure has been built on the lot and a certificate of occupancy has been issued by the municipality in which the property is located.

(d) A municipality **may** exempt property owned by a religious organization that is exempt from taxation pursuant to Section 11.20, Tax Code, from drainage charges under this subchapter.

Section 15-2 of the Austin City Code, as amended on June 25, 2015, provides for exemptions in this manner:

§ 15-2-13 EXEMPTIONS.

(A) A benefitted property described in Section 552.053(c) (*Exemptions*) of the Texas Local Government Code is exempt from the drainage charge established by this chapter.

(B) A benefitted property is exempt from the drainage charge established by this chapter if the property is owned and occupied by:

- (1) the State of Texas;
- (2) a county;
- (3) the City, if the property is publicly maintained right-of-way;
- (4) an independent school district; or
- (5) a public or private institution of higher education.

(C) A benefitted property is exempt from the drainage charge established by this chapter if the property is owned and occupied by an organization that is exempt from taxation under Section 11.20 (*Religious Organizations*) of the Texas Tax Code, and the organization submits to the director:

- (1) a request for an exemption from the drainage charge;
- (2) a copy of the organization's tax exemption certificate; and
- (3) an affidavit executed by a person authorized to contract for the organization stating that the organization participates in a program that provides housing for the homeless, at a monetary amount at least equal to the drainage charge.

Four categories of exemptions in the City Code are not mandated by State Law: (1) counties, (2) City maintained ROW, (3) independent school districts, and (4) certain property owned and occupied by religious organizations that participate in a program that provides housing for the homeless.

County

Information obtained by WPD indicates that Travis County owns approximately 1,438 acres of land in the City of Austin, comprising 84 properties, with 76.81 acres of impervious cover. If these properties were no longer exempt, fee revenues would be \$233,329 per year assuming the projected annual FY 2016 rate of \$0.06, or \$0.005 per month. Travis County officials state that the Commissioners Court will be considering a letter expressing concerns about the possibility of losing the exemption, but that has not yet happened.

City ROW

Public Works would be responsible for paying the drainage fee were City rights-of-way no longer exempt. The WPD geographic information system (GIS) does not show ownership of ROW, making it difficult to calculate an aggregate fee for the City. Preliminary estimates exceed well over \$30 million for City and State ROW together within Austin, and this would be after adjusting the base rate to account for the increased revenue. Subtracting State ROW would very likely reduce the fee for City ROW to below \$30 million, but it would still probably account for about 1/3 of the total drainage fee collected.

School Districts

Seven independent school districts have property in the City, and they are listed below. Feedback from 5 of these districts are elements of this attachment.

	<u>Total Property Acres in City</u>	<u>Impervious Cover Acres in City</u>	<u># Properties in City</u>	<u>Projected FY16 Annual Fees</u>
Austin ISD	1,861.32	637.09	173	\$1,243,104.64
Del Valle ISD	146.86	38.63	11	\$59,067.56
Eanes ISD	70.25	13.62	10	\$21,351.23
Leander ISD	181.81	64.19	4	\$118,848.11
Manor ISD	52.85	13.62	3	\$19,427.30
Pflugerville ISD	143.30	57.51	11	\$119,229.72
Round Rock ISD	314.94	113.26	23	\$240,101.26

Religious Organizations

In spite of how this exemption appears in the City Code, it is a single program that works in a specific way. The City does not bill the drainage charge to Austin churches that are enrolled in this program. However, they pay the exact amount of the charge to the Religious Coalition to Assist the Homeless (RCAH: www.RCAHaustin.com). It is sometimes said that this is not really an “exemption” but a “diversion.” The 147 participating churches are paying a total of more than \$820,000 this year to the RCAH. It was set up after a State law was passed in 1997 that allowed churches to be exempted from certain fees under certain conditions. RCAH is a 501 (c)(3) non-profit organization, and the 11 board members represent participating churches. The Board meets quarterly, and it selects recipient agencies in a manner that resembles a grant process. This “diversion” of the drainage fee helps selected social service agencies expand capacity.

The recipient agencies are: A New Entity, Caritas, Casa Marianella, ECHO, Foundation Communities, Foundation for the Homeless, Front Steps, Green Doors, Lifeworks, Mary House, Mobile Loaves and Fishes, Project Transitions, SafePlace, Safe Sleep Shelter for Women, Saint Louise House, Texas Reach Out, The Salvation Army, Trinity Center of Austin, and Vision Luke. All of these agencies have been contacted, and feedback received by August 4 is included in this attachment.

There is a single paid employee of RCAH: a part-time administrator. Whenever the administrator recruits another church, WPD is notified and it stops the billing for the drainage fee. Conversely, when a church stops payments to RCAH, WPD is notified and it starts the City utility billing again.

In summary, the program is not a true exemption in the sense that certain churches don't pay a fee. The churches pay an identical fee that is channeled through RCAH to recipient non-profits. Elimination of the "exemption" would not financially impact the churches that pay the fee. The financial impacts would be on the recipient agencies since the money that has been diverted to RCAH would be paid to the City instead. These 18 agencies and their RCAH funding for this fiscal year are listed below. Funding is sent to the agencies monthly in 12 equal payments.

	FY 2015
<u>Agency</u>	<u>Annual Funding</u>
A New Entry	\$50,008
Caritas	\$50,000
Casa Marianella	\$65,138
ECHO	\$15,000
Foundation Communities	\$10,000
Foundation for the Homeless	\$48,500
Front Steps	\$120,180
Green Doors	\$58,500
LifeWorks	\$60,200
Mary House	\$30,000
Mobile Loaves and Fishes	\$6,000
Project Transitions	\$33,804
Safe Place	\$10,000
Saint Louise House	\$59,400
Texas Reach Out	\$68,000
The Salvation Army	\$56,755
Trinity Center	\$10,000
Vision Luke	<u>\$18,000</u>
Total	\$769,485

Letters from RCAH and some of the funded agencies are compiled in Attachment 2

Attachment 2 A

Feedback from Independent School Districts

Received by August 6, 2015

Austin Independent School District

Office of Superintendent



August 3, 2015

Mayor Steve Adler & Austin City Council Members
City of Austin
301 W. 2nd Street
Austin, Texas 78704

Dear Mayor Adler & Austin City Council Members,

The Austin Independent School District appreciates the opportunity to provide feedback on the important issue of the possible impact of eliminating the drainage exemption. As you know, removal of the exemption would cost the District, and ultimately taxpayers, approximately \$1,243,000 for 173 AISD properties. Given the District's austere financial condition, we cannot absorb this additional cost.

Unfortunately, the District is still reeling from the unprecedented state cuts made in FY2012 when our revenue was cut permanently by \$50 million. To offset losses in revenue, the District has implemented over \$75 million in budgetary reductions, costs avoidance and savings measures over the last five years; including a massive Reduction in Force in FY2012. To stabilize the organization and protect the quality of education in Austin, the District has adopted a deficit budget for the last three fiscal years and is projected to experience a nearly \$30 million deficit in FY2016. Therefore, additional financial pressures only widen the District's financial gaps.

To specifically address the three questions posed by the City Council, AISD offers the following:

1. How would this impact AISD and its budget?

Response: Removal of the exemption would have an adverse and detrimental impact on AISD's budget. It would add to the District's projected deficit for FY2016 and would mean that AISD would need to consider cutting important educational programming; or the equivalent of nearly 26 teachers to offset the cost thereafter in future budgets.

2. Where would the AISD get the money to pay the fee?

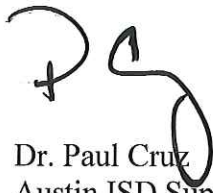
Response: There are only two ways a school district can generate discretionary operating revenue: increase the average number of students in daily attendance or the tax rate. Since many factors contributing to enrollment/attendance rates are beyond the District's control, AISD would need to consider adjusting our tax rate in the future to offset these costs which is not a viable option. Not only would the rate increase itself place additional burden on Austin taxpayers, but because of how the State funds public education, *AISD would have to tax twice as much to cover the costs, unlike other taxing jurisdictions that retain 100% of what they collect.*

3. What is it about AISD – e.g., what it does for Austin, its unique situation, and its relationship with the City – that warrants an exemption from the drainage fee?

Response: In 1992, AISD sought exemption through the passage of an ordinance from the City based on the argument that since the drainage fee does not provide a direct service to the District, it is in fact a tax, not a fee, and the District is tax exempt. We still consider this position valid and ask you to consider it again as you contemplate removal of the exemption. We also reiterate our unique status as a Chapter 41 school district and the added burden additional expenses to the District imposes upon the taxpayer.

We strongly urge you to continue this exemption. As you can see, it would have a severe and adverse impact on AISD. Also, considering the additional financial burden on AISD and Austin taxpayers under state education funding laws, we would like to explore other ways in which the City can provide additional financial relief to the School District through the reduction of other high cost utilities and fees, while maintaining this exemption. Educating Austin's children remains our top priority; removal of this exemption jeopardizes our ability to continue offering the kinds of educational services students in our community both need and deserve.

Sincerely,



Dr. Paul Cruz
Austin ISD Superintendent



Gina Hinojosa
Austin ISD Board President

July 22, 2015

Victoria Li, Director
Watershed Protection Department, City of Austin
505 Barton Springs Road, 12th Floor
Austin, Texas 78704

Ms. Li,

It is my understanding that the City Council is considering the discontinuation of exemptions currently in place for drainage fees. This exemption provides relief from approximately \$240,000 in annual charges.

The mission of Round Rock ISD is “to provide exemplary education, guidance and encouragement to empower all students to reach their individual potential and become contributing members of a diverse community”. The District is continually growing and is projected to serve 47,954 students in the 2015-16 school year.

With the responsibility to educate tomorrow’s citizens and leaders, every dollar is critical. Under current law, school districts are restricted in the level that can be set for their tax rate to support district operations. Additionally, current state funding formulas do not provide a mechanism for additional funding to assist with inflationary costs and unfunded mandates. In short, school districts are limited in their capacity to raise additional revenues to cover increasing costs.

If the drainage fee exemption is lifted, the District would have to look for areas in which to reduce spending. The amount of \$240,000 in potential additional fees is equivalent to five teaching positions. Thus, this would have a negative impact, either directly or indirectly, on the classroom.

Thank you for your consideration of the effects of any changes in policy to Round Rock ISD and its service to students and the community.

I would be happy to visit further with you directly if you see a benefit.

Sincerely,



Randy Staats
Chief Financial Officer



Dear Mr. Bell:

Thank you for notifying Leander ISD in regards to the potential changes related to Ordinance No. 20150625-021. **Leander ISD opposes the discontinuing of drainage fee exemptions for school districts.**

We have reviewed the ordinance, and would ask that the following information be considered by the City of Austin.

How would this impact Leander ISD and its budget?

Nearly 86% of the District's budget is personnel, so the budget reductions would be felt in personnel units. Based on the rough estimates you provided, the related costs could result in 3-4 teacher units being reduced for the upcoming school year.

Where would the Leander ISD get the money to pay the fee?

Since this would be an ongoing expense which could increase annually as rates change, the District would make budget reductions.

What is it about Leander ISD that warrants an exemption from the drainage fee?

School districts do not have the ability to adjust rates, alter exemptions, etc. to increase revenues. The Texas Legislature provides funding based on a number of variables such as property values and student attendance. The 84th Texas Legislature is providing funding for new enrollment growth which is in turn used to employ new teachers. However, the District is not receiving an increase of funding to continue the education of the existing 36,000 students. Currently, the only meaningful revenue enhancement avenue is by asking the taxpayers to vote for a tax increase – something which should only be asked of the communities to directly benefit the students.

Thank you for considering Leander ISD's comments, and we hope that the drainage exemptions are not amended from the current form adopted on June 25, 2015.

Respectfully,



Lucas Janda
Chief Financial Officer

LeanderISD.org

204 W. South Street • P.O. Box 218 • Leander, TX 78646

Phone: 512-570-0000 • Fax: 512-570-0054



July 30, 2015

Kenneth Adix, Ph.D., CFO
Pflugerville ISD
1401 W. Pecan St.
Pflugerville, TX 78660
Kenneth.Adix@pfisd.net

Victoria Li, Director
Watershed Protection Department, City of Austin
505 Barton Springs Road, 12th floor
Austin, Texas 78704

Dear Ms. Li:

I am writing this letter on behalf of Pflugerville ISD to request the City of Austin continue its exemption of the drainage fee for school districts. It is my understanding that if this exemption were discontinued, Pflugerville ISD would incur annual drainage charges of \$119,230. This cost would have to be paid out of the district's operating budget.

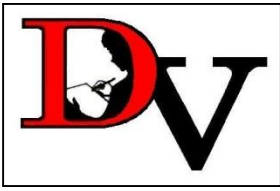
We are a public entity and are devoted to serving our community through the education of our children. Our yearly funding levels are basically fixed each year and dependent upon the level of funding approved by the State and local property values. Thus, any additional expense would have to be offset by cutting cost somewhere else.

Since over 83 percent of our budget is devoted to personnel costs, the cuts would likely result in the reduction in staffing. Thus, the potential increase in drainage fees is the equivalent of funding that could otherwise be used to pay for two teachers.

I appreciate your consideration. If you have any questions, please contact me.

Sincerely,

Kenneth R. Adix, Ph.D.



Vitoria Li, Director
Watershed Protection Department, City of Austin
505 Barton Springs Road, 12th Floor
Austin, Texas 78704

Ms. Li,

It has been communicated to the district that the Austin City Council is considering the discontinuation of the exemption for drainage fee. This exemption provides the district relief from approximately \$59,000 in annual charges.

With the responsibility to educate today's children, every dollar is critical to our district. Del Valle ISD is continually growing and we are projected to serve nearly 12,000 students in this upcoming 2015-2016 school year. Many of these students and their families reside in the Austin city limits. Currently, the City of Austin does not provide any direct funding to the school district to support these students. This exemption is an indirect support and welcome benefit. Although it may not appear as a significant amount to some, this amount of \$59,000 is equivalent to an average teacher salary. With approximately 86% of our budget designated to salaries, it is critical that this exemption remains in place for our district.

Under current State law, school districts are restricted in the level that can be set for their tax rate to support district operations. School districts are limited in their ability to raise additional revenue to cover increasing costs. With this in mind, if the drainage fee exemption is removed, Del Valle ISD would have to reduce funding that supports student learning. This would surely have a negative impact on the children of our district.

On behalf of the district, I ask that the exemption remain in place. I appreciate your time and consideration regarding this most important matter. Please do not hesitate to contact me if you have any questions, comments, or concerns.

Sincerely,

Elvis Williams
Assistant Superintendent
Del Valle Independent School District
512-386-3043
elvis.williams@dvisd.net

Attachment 2 B

Feedback from Organizations that Receive Funding from the Religious Coalition to Assist the Homeless (RCAH)

Received by August 6, 2015



July 24, 2015

Ms. Victoria Li
Director, Watershed Protection Department
City of Austin
505 Barton Springs Road, 12th Floor
Austin, Texas 78704

Dear Ms. Li:

Thank you for the opportunity to update your office on the Religious Coalition to Assist the Homeless's purpose and reach into the social services community. And, also to address the impact of eliminating drainage fee diversions that fund the program.

The Religious Coalition to Assist the Homeless (the Coalition) mission of helping area social services agencies expand capacity in their shelters and housing programs is the principal component in moving individuals and families off the streets. In the last five years, the number of homeless individuals and families on the street has declined by 21%, which is the result of agencies, congregations, funders, advocates and City employees working together identifying service gaps and implementing strategies and programs necessary to fill those gaps.

For FY 2015, eighteen agencies are receiving Coalition funding. These agencies provide the crucial services necessary to prepare homeless individuals and families to find pathways from the streets and shelters to safe, appropriate housing and the life skills needed for better futures. These agencies—A New Entry, Caritas of Austin, Casa Marianella, ECHO, Foundation Communities, Foundation for the Homeless, Front Steps, Green Doors, LifeWorks, Mary House, Mobile Loaves and Fishes, Project Transitions, SafePlace, Saint Louise House, Texas Reach Out, The Salvation Army, Trinity Center of Austin and Vision Luke 4:18—offer shelter beds, transitional housing, permanent supportive housing or the supportive services necessary to keep individuals and families in housing.

Grants for FY 2015 range from \$6,000 to \$120,180 totaling \$769,485. Together, these agencies help homeless adults, youth, families, men, women, single mothers, veterans, immigrants, ex-offenders, and the medically fragile.

Providing the revenue stream for funding are 147 congregations from across the city and across all denominations. Each of these congregations divert the drainage fee from their utility bill and instead send that monthly amount to the Religious Coalition to Assist the Homeless.

The Coalition formed in 1997 after a city ordinance passed allowing faith-based properties to pool diverted drainage fees designed specially to build capacity in city homeless shelters. Mrs. Rose Lancaster, a long-time community volunteer and civic leader, was asked by city officials to lead the newly formed organization by appointing a board of directors, recruiting churches and allocating funds. The first grant was awarded to the Capital Area Homeless Alliance, now Front Steps, to help add more beds to the overnight shelter.

Today, the Coalition is overseen by eleven volunteer board members representing Coalition churches—including Covenant Presbyterian Church, First Baptist Church of Austin, First United Methodist Church, Hillcrest Baptist Church, Saint Mary Cathedral, St. Catherine of Siena Catholic Church, St. Ignatius Catholic Church, Trinity Lutheran Church, University United Methodist Church, Victory Christian Center, and Westminster Presbyterian Church—and meets as a full Board four times a year to review finances and grant proposals. A part-time employee, also a member of University United Methodist Church, manages the day-to-day operations of the Coalition.

Each new board member receives a set of the Coalition's by-laws, conflict of interest and financial policies and signs agreements of understanding and compliance.

Two committees of board members work throughout the year monitoring the agencies and recruiting new churches into the Coalition. Agencies are required to send in a mid-year report, be receptive to tours and visits, agree to be interviewed and attend a once-a-year agency briefing.

Board members and staff volunteer in the wider community by giving their time, gifts and talents to area programs and nonprofits, including Cold Weather Shelters, Downtown Cluster of Congregations and Social Service Agencies, ECHO's Membership Council and Independent Review Team, Feed My People, Foundation Communities, HUD's annual Point-in-Time count, Interfaith Hospitality Network, Kairos Prison Ministries, Manos de Cristo, Mary House Catholic Worker, Meals on Wheels, Mobile Loaves and Fishes, Movin' and Groovin', Open Door and Fig Leaf Store, Safe Sleep Shelter for Women, Street Youth Ministry, St. Vincent dePaul Society, Trinity Center of Austin, United Methodist Church Free Store, and Women's Resource Fair.

The interconnectivity of organizations and volunteers providing social services can be found throughout the city. A powerful example of this was the call to action to help extremely vulnerable women on the streets.

Coalition board members -- along with staff and volunteers from social services agencies, the Downtown Cluster of Congregations and Social Services Agencies and ECHO -- came to the table in 2011 for an emergency meeting to address the horrifying and growing problem of women being assaulted, raped and killed on the streets of Austin. In recognition of the lack of shelter beds available for women on any given night, a three-pronged strategy was devised to get more women into safety at night. Two of the strategies were long-term plans, and the third was an answer to "What can we do tonight to keep women safe?"

With organizations working together, Safe Sleep Shelter for Women was opened within a week by asking downtown churches to open their doors at night for homeless women. This included any homeless woman needing a safe place to lay her head at night regardless of her "barriers." Red Cross provided the cots, churches provided the blankets, food and volunteers to manage the temporary shelters and the money for operations was raised by the Coalition. Today the Salvation Army operates the Safe Sleep Shelter for Women in its downtown shelter. Because the Coalition recruited several new churches that year, we had the money to help fund the new shelter program.

Not included on the list of Coalition grantees, but very much a recipient of its funds, is Project Help. Project Help works with homeless children enrolled in Austin Independent School District by ensuring each child has the supplies, clothing and access to breakfast and lunches needed to be successful. The organization also connects struggling families to much-needed community resources.

When possible, the Coalition helps pay for motel stays for families found living in cars, evicted from their homes, or running from abusive situations while they wait for a shelter or housing.

Applying for a Coalition grant is very straightforward. Grant proposals are submitted in October of each year and can be only from agencies serving the Austin community and falling within the scope of the Coalition's mission. In addition to support for shelter, transitional and permanent/supportive beds, consideration is also given to supportive services needed to keep a vulnerable population in those beds. Proposals must be very specific in detailing the use of the money, and each proposal is read thoroughly by members of the Board of Directors.

The Coalition's administrative costs are 1.4% of the total budget, which includes my salary and a yearly independent audit.

I am employed by the Coalition to perform the duties of the fund administrator on a part-time basis. My job functions include preparing and mailing 147 monthly statements to congregations, preparing deposits, writing monthly allotment checks, sending monthly financial reports to the Coalition's board treasurer, recruiting new congregations, preparing new member paperwork for the City, maintaining contact with Coalition members, agencies and Watershed Protection staff, facilitating the yearly grant proposal process, setting the agenda and preparing the reports for the quarterly board meetings and staff committee meetings, maintaining the website, and monitoring City of Austin council meetings, Travis County Commissioners Court and the Texas Legislature.

Additionally, I am a member of the Downtown Cluster of Congregations and Social Services Agencies and a community volunteer on the City of Austin's Independent Review Team, which reads, scores and ranks Housing and Urban Development applications.

The elimination of drainage fee diversion for faith-based properties would defund the Religious Coalition to Assist the Homeless, leaving 18 agencies with shortfalls in their funding strategies. Some agencies would be forced to close operations while others would be left scrambling to recover.

For Mary House Catholic Worker, which shelters the sick and the dying with love, care and dignity, RCAH provides the bulk of the program's funding. For Vision Luke 4:18, which guides formerly incarcerated women -- often the most service-resistant -- along pathways to self-sufficiency, RCAH helps fund beds for this very vulnerable and severely underserved population.

Agencies like Green Doors, Front Steps and Caritas use some of their Coalition funding as the cash match needed to attract critical HUD funds to build more permanent supportive housing, a type of housing Austin desperately needs.

I hope I provided the information needed, and I am always available to answer any further questions or concerns you or your staff might have.

Sincerely,

Susan Morris
Fund Administrator
Religious Coalition to Assist the Homeless

POST OFFICE BOX 5493 AUSTIN TEXAS 78763 512-494-4031



"Everyone deserves a safe place to call Home."

July 20, 2015

Victoria Li, Director
Watershed Protection Department, City of Austin
505 Barton Springs Road, 12th floor
Austin, Texas 78704

Dear Ms. Li,

Front Steps receives much needed funding from the Religious Coalition to Assist the Homeless. This year, Front Steps received \$120,180 to help support our Recuperative Care Program, Permanent Supportive Housing Program and Emergency Shelter Program. Without these funds, Front Steps would have to reduce the number of clients it could serve, putting the burden back on the taxpaying members of the community.

The Recuperative Care Program cares for homeless individuals who have been discharged from the hospital who are well enough to not need acute care, but are too ill to return to the street or the shelter. Front Steps admits them into beds in a nursing home where they receive medical care and case management until they are able to care for themselves. Most clients move directly into housing, but some are not quite ready to be on their own. They move into a transitional house Front Steps leases and supports with a residential case manager. Without the \$55,000 RCAH funds:

- 20 individuals per year would not have a place to medically recover from hospitalization
- Medically frail/recently discharged homeless individuals would re-enter the emergency hospital system at a rate of 8 times more often
- The transitional house would close
- Additional emergency room and EMS costs will burden the community
- The \$55,000 leverages \$400,000 in Central Health Care dollars which are returned to the community via the 1115 Waiver Program. This would be lost.

The City of Austin's Emergency Shelter/Day Resource Center, the Austin Resource Center for the Homeless (ARCH), is managed by Front Steps and is the first point of entry into social services for many of Austin's adults experiencing homelessness. Front Steps assesses client needs, provides information on accessing a myriad of services, and meets basic safety net needs at the ARCH. The ARCH houses eight co-located agencies so clients can access support for many needs in one place.

The ARCH dormitory sleeps homeless people, day and night. The Day Resource Center offers other basic needs: bathrooms, showers, hygiene items, laundry, lockers, phones, mail, etc.- accommodating 174,807 visits last year. The ARCH has been transformed by Front Steps from a day drop-in center into a 24/7 operation. Without the \$37,950 RCAH funds:

174,807 visits last year. The ARCH has been transformed by Front Steps from a day drop-in center into a 24/7 operation. Without the \$37,950 RCAH funds:

- 1,050 case managed beds would be lost per year
- 1,050 people would be turned away from shelter each year
- The \$37,950 leverages \$3M in local and State funds, and \$200K in gifts in kind. This would be lost.

Front Steps' Permanent Supportive Housing Program (PSH) focuses on chronically homeless, highly vulnerable clients who are frequent users of public systems. Some of these clients are veterans, and persons with disabling conditions. Program participants are primarily identified through coordinated assessment which prioritizes 'most vulnerable' as the primary target. The assessment incorporates prioritization of frequent users of public systems, and once housed, saves Austin-Travis County tax dollars on medical and judicial costs. Without the \$27,230 RCAH funds:

- 18 permanent supportive housing beds would be eliminated
- 15% of the budget for the most vulnerable homeless would be cut
- A federal match for housing of 3 to 1 would be lost which amounts to \$81,690.00 coming into the community to house the most vulnerable
- The \$27,230 leverages \$5.5M in Federal HUD dollars annually to our community and some \$300K in local funds and gifts in kind. This would be lost.

Front Steps' performance in maintaining the continual, substantial and wide-ranging emergency service at the ARCH has been impeccable. The agency does not stop with addressing immediate needs, and makes strides to end homelessness each and every year. A few metrics to illustrate these accomplishments:

- 6,165 unique individuals were served by Front Steps last year.
- In the same time period, there were 174,807 visits to the Day Resource Center.
- Combined, Front Steps Programs and Services housed a total of 510 people last year.
- The Recuperative Care Program placed 92% of the homeless individuals following nursing care treatment in safe and stable housing.
- Front Steps overall housing retention rate is 80%.

Every dollar of support provided by the Religious Coalition to Assist the Homeless is leveraged to its fullest extent at Front Steps. Loss of these funds would directly contribute to homelessness by putting more medically vulnerable people on the streets and displace those who are stably housed. Allowing area churches to continue their missions by utilizing their funds in this way will best serve the community.

Thank you,



Mitchell Gibbs
Executive Director, Front Steps

From: Kathleen_Ridings@uss.salvationarmy.org
To: [Li, Victoria J](#)
Cc: [Bell, Craig](#); Henry_Gonzalez@uss.salvationarmy.org; Dorris_Gonzalez@uss.salvationarmy.org
Subject: City of Austin Drainage Fee and RCAH
Date: Friday, July 24, 2015 3:43:59 PM

Dear Ms. Li,

I am writing to express support from The Salvation Army for the continued funding of the Religious Coalition to Assist the Homeless. It is our understanding that proposed changes to the current practice of providing exemptions to religious organizations for the City of Austin Drainage Fee might result in discontinued funding for the RCAH. This, in our opinion, would be very detrimental to our local continuum of services to homeless individuals and families, most of which are already severely underfunded. Historically, the RCAH has played a key role in filling the gaps in services that many federal, state and local government grants can not fund. They focus on the most critically needed services that produce real outcomes in terms of persons housed.

The Salvation Army receives \$56,755 currently for two high priority programs---the Passages Collaboration, (which primarily serves homeless families with children transitioning out of shelters operated by The Salvation Army, SafePlace and Foundation for the Homeless) and the SafeSleep Project which targets chronically homeless single women who would otherwise be sleeping on the street. Without these funds, Passages would not be able to provide transitional and rapid rehousing to as many homeless families as we currently do. Nearly 60% of the 700 to 800 persons served by this program per year are homeless children. SafeSleep would also have to be reduced in terms of the numbers of women, many of whom are disabled, who could be sheltered and case managed. Over 600 women per year currently utilize this critically needs service which was implemented in response to the increased number of violent incidents in the downtown area victimizing homeless women.

In closing, we would just like to reiterate that homelessness can be a life threatening situation for women, children and others who may be vulnerable due to disabilities. 74% of those served by The Salvation Army are currently women and children. Without the funding offered by RCAH, there would undoubtedly be greater risk to this population.

Thank you for the opportunity to contribute our input. If there is additional information that we may provide in support of this worthwhile effort, please do not hesitate to call upon us.

Kathleen Ridings
Director of Social Services
The Salvation Army
Austin Metropolitan Area Command
(512) 634-5916



Doug's House
residential hospice

Roosevelt Gardens
supportive housing

Highland Terrace
independent living

Community Housing
scattered-site housing

Top Drawer Thrift
thrift store

July 28, 2015

Ms. Victoria Li, Director
Watershed Protection Department, City of Austin
505 Barton Springs Road, 12th floor
Austin, Texas 78704

Dear Ms. Li:

Re: Religious Coalition to Assist the Homeless

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The impact of the Religious Coalition to Assist the Homeless loss of funding resulting from the discontinuation of a drainage fee exemption would be devastating on Project Transitions ability to provide (low and no-cost) services for an increasing under-served population (HIV+ homeless persons). The number of people living with HIV in the Austin-Travis County area has increased more than 40 percent since 2006 (Travis Medical Society Journal); having a disproportionate negative impact on minorities, low-income and homeless persons. Affordable housing in Austin is a significant problem and for HIV+ persons living below the federal poverty level with limited financial resources this often means chronic homelessness and no or limited medical care. A Healthy People 2020 research study found, stable housing is a social determinant of a person's health; homelessness has a negative impact on a person's ability to obtain and maintain health and wellness.

Project Transitions Inc. is the only non-profit in Central Texas that provides low and no-cost residential hospice, recuperative care (health stabilization care) and supportive housing for People Living with HIV/AIDS. In 2014, P.T. provided services to 113 (individuals /families) over 51% were homeless prior to admission, 94% are below the federal poverty level, 73% are people of color and 82% live with co-existing issues such as mental health and substance abuse. As of July, 2015, Project Transitions wait list was at 150 people.

A loss of funding from RCAH would have a negative impact on P.T.'s staffing and program services. Over 70% of Project Transitions funding to address hospice, recuperative care and supportive housing to improve the health outcomes of People Living with HIV/AIDS (PLWHA) comes from private funding sources such as the Religious Coalition to Address the Homeless (RCAH). RCAH funds helps address cost associated with general operation expenses associated with our residential hospice, recuperative care facility and supportive housing programs.



While Project Transitions (PT) receives funding from the City of Austin and Ryan White funds to address hospice care, recuperative care is not an allowable expense. The best, most coordinated medical services are not very effective if the patient's health is continually compromised by street and shelter conditions (Hwang, S.W., Gosisis, C.C., Dunn, J.R., et al.). Without RCAH financial support, P.T. would have to significantly reduce the numbers of recuperative care clients served. For homeless HIV+ clients in need of 24-hour medical care but not ill enough to be hospitalized or homeless and discharged from a hospital with no place to recover it is virtually impossible to follow standard discharge directives to rest, eat well and take prescribed medications thus decreasing one's chances of improved health and a worse outcome, death.

Project Transitions relies on RCAH funding to help provide services that protect, promote and strengthen the health of the entire Austin/Travis county population. Stable housing is the foundation upon which people build their lives, absent a safe, decent, affordable place to live it is next to impossible to achieve good health, positive educational outcomes or reach one's economic potential. As the City Manager stated in 2014 Health and Human Services Report, "As the City of Austin grows, it's essential our commitment to quality of life issues remain strong" - which includes addressing housing and homelessness.

The Religious Coalition to Assist the Homeless is a vital partner in helping to improve the quality of life for Austin/Travis County residents. Project Transitions respectfully request the drainage fee exemption continue for the RCAH; thus allowing Project Transitions the ability to provide hospice, recuperative care and supportive housing for low-income, homeless Austin/Travis County vulnerable populations at our current level; with a goal of increasing the numbers of individuals and families served.

Thank you for consideration of this request.

Sincerely,

Craig Thibodeau
Executive Director

F. Linelle Clark-Brown, PhD
Grants Manager



July 29, 2015

Victoria Li, Director
Watershed Protection Department, City of Austin
505 Barton Springs Road, 12th floor
Austin, Texas 78704

RE: City's Drainage Fees

Ms. Li,

Texas Reach Out, Inc. (TRO) is a 501 c3 non-profit organization that is unique to the Austin area. TRO provides Transitional Aftercare to men and women released from incarceration that are homeless. Through the volunteers and financial support of churches in this area, we provide a structured drug & alcohol free-living environment that promotes spiritual growth, mentoring, bible studies, life skills, employment assistance and housing. TRO currently receives \$68,000 annually from the Religious Coalition to Assist the Homeless (RCAH).

If the exemptions for religious organizations were to be removed and the monies paid to RCAH would cease so would the funding we receive from RCAH. TRO is a small non-profit with a budget of approximately \$290,000 a year, we would lose about one fourth of our funding or 12 of the forty eight beds we operate. Keep in mind the 12 beds represents 20 to 30 persons annually we serve, depending on their need. When the parolee is successful in their reintegration back into our community, the community is also successful.

Please allow us to keep all 48 beds open; with over 200 parolees released into Travis County and surrounding areas monthly we need all 48 beds. TRO has successfully integrated hundreds of formerly incarcerated into the community since 2001. We believe that our community has benefited is successful.

Again, the support RCAH gives TRO is essential to our operation.

Cordially,

David Peña, Founder, Executive Director



CARITAS OF AUSTIN

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Executive Director

July 28, 2015

Victoria Li, Director
Watershed Protection Department, City of Austin
505 Barton Springs Road, 12th floor
Austin, Texas 78704

Dear Ms. Li,

As the Executive Director for Caritas of Austin, I am writing to provide you with information regarding the funding we receive from the Religious Coalition to Assist the Homeless (RCAH). The Coalition, an outstanding example of collaboration in our rapidly changing city, has a competitive grants process that is funded through the diversion of city drainage fees from member congregations. In December of 2014, we received a \$50,000 grant from RCAH in support of comprehensive services to some of the city's most vulnerable residents—individuals with disabling conditions and history of long-term homelessness.

After a successful pilot, Caritas of Austin and several of our partners across the city began employing permanent supportive housing (PSH) as part of a spectrum of housing solutions for both individuals and families experiencing poverty. With RCAH's support, we have partnered with nonprofits like Foundation Communities, as well as private landlords to grow the number of PSH units from 20 to 133. With assistance from an interdisciplinary clinical team, including case managers and employment specialists, a professional counselor and psychiatric nurse, and skilled volunteers, the average client successfully exits PSH in about two years.

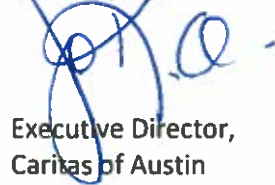
It's not just Caritas clients that benefit from an investment in PSH—the data demonstrate a **29% decrease** in the number of people experiencing homelessness since 2009. Keeping people off the streets not only improves their quality of life, but also reduces the amount of community resources expended through the health care, emergency response, and criminal justice systems. According to the City's department of Neighborhood Housing and Community Development, Austin and Travis County need about 1,900 housing units with supportive services. The comprehensive approach is working, and given the city's shortage of supportive housing units, PSH should be *expanded*, rather than disrupted.

In any given year, a \$50,000 grant would be significant for Caritas' PSH program. Since the program is primarily funded through federal dollars from the U.S. Department of Housing and Urban Development (HUD), RCAH grants serve as *critical match dollars*.

This year's RCAH grant, for example, is enough to meet the required match for *three of our five* PSH sites, and leverages additional resources, such as two full-time AmeriCorps volunteers. For the last 17 years, RCAH has made a financial contribution to this challenging, yet transformative work. The loss of a sustainable, flexible funding source would ultimately force us to close at least one site. The community would lose about **20 units of housing**, and **\$450,000 in federal monies**. As a result, clients who have made progress would likely end up on the streets again, and Caritas would add at least one full-time professional to the unemployment roll.

Our community has worked very hard to significantly reduce chronic homelessness. Other communities have effectively ended long-term homelessness, and Austin can do it, too. However, if financial resources are taken from proven programs, our progress will slow, and eventually, gains will be lost. I appreciate your thoughtful consideration of any proposed legislation that would impede RCAH's ability to focus their resources on programs that directly address the complications of homelessness. At Caritas of Austin, we see the people behind the statistics and know there are solutions.

Respectfully,
Jo Kathryn Quinn



Executive Director,
Caritas of Austin

Mary House Catholic Worker of Austin, Inc.
P.O. Box 684185 Austin, TX 78768-4185
512/447-0963 theeglady@sbcglobal.net
www.catholicworkeraustin.org

Victoria Li, Director
Watershed Protection Department, City of Austin
505 Barton Springs Road, 12th floor
Austin, Texas 78704

CC: Craig Bell
Watershed Protection Department, City of Austin
505 Barton Springs Road, 11th floor
Austin, Texas 78704

Dear Ms. Li:

I am the director of Mary House Catholic Worker. Social Workers in local hospitals tell us that Mary House Catholic Worker of Austin, Inc. provides the **ONLY** free shelter in the entire State of Texas for homeless adults with critical or terminal, physical illnesses; i.e., they could and often would die (sooner) without stable housing.

In fact, I am providing the names and contact information below for two people who work in the medical and psychiatric fields with homeless men and women; they can discuss this need further; brochures also are included in the hard copy.

We are a ministry of willing hands and open hearts, and we rely on monetary and other donations from people of good will who choose to participate in this work. I am the only full-time worker here. (I live here 24/7 without pay, as a member of a spiritual organization that does not provide funding.) You can imagine how intense this work is: i.e., it is difficult for me to raise funds for this work. Mary House neither requests nor uses tax-based monies, ever.

Several years ago another agency suggested that we apply for funds from the Religious Coalition to Assist the Homeless (RCAH). I was intrigued to learn that *these monies are disbursed by churches which already assist homeless people, and that the money is a rebate for wastewater charges to their own faith communities.*

In subsequent years, Mary House has received \$30,000 p.a. --about 60%-- of our funding from RCAH for our housing program: we serve over 40 people per year with housing, including patients of Hospice Austin. We provide safe, comfortable (and beautiful) housing to men and women who can rest and recover as they eat very, very healthy food and access medical services that continue to improve as agencies (including Mary House) work with Integral Care (formerly MHMR) and the indigent healthcare system to be proactive and responsive sooner than later.

PAGE TWO: MARY HOUSE TO MS. LI

Mary House Catholic Worker of Austin, Inc.
P.O. Box 684185 Austin, TX 78768-4185
512/447-0963 theeglady@sbcglobal.net
www.catholicworkeraustin.org

If RCAH funds were to be made unavailable, Mary House as a shelter for our very sick and dying homeless neighbors might well cease to exist. We could not really pay for medications, adaptive equipment, transportation, clothing, food, and mortgage and utilities at Mary: RCAH pays all the costs of mortgage and utilities, and a good portion of the food expenses here. Individuals and a couple of churches pay for the rest of the food and other amenities.

ALL agencies that provide housing to homeless people are saving tax-payer money, as any medical care provider can attest: people who can rest in safety and relative comfort, and who can eat regular meals just do not get as sick as often as those people who do not live in decent shelter. Such illnesses, and injuries, cost more to remediate in the long term rather than the short term.

I am hopeful that your department and policy-makers can understand that, without beds at Mary House, people could actually die; and without beds in other agencies, many more homeless people will become sick(er) and most definitely could and often would die, usually after costly intervention.

Thanking you for your thoughtfulness and good work on this matter, I am

Very truly yours,

Lynn Goodman-Strauss, Director
Mary House Catholic Worker of Austin, Inc.

References: Dr. Christopher Ziebel, Director
Emergency Department
Brackenridge Hospital
CZiebel@seton.org

David Gomez, Director
ACCESS Integral Care (outreach to homeless psychiatric patients)
Safe Haven (housing for the same)
david.gomez@atcic.org



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Austin, Texas 78701**

Phone: (512) 610-3542

Fax: (512) 610-3510

www.trinitycenteraustin.org

July 28, 2015

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*Trinity Center serves
spiritual, emotional,
and physical needs of
people experiencing
homelessness and
poverty in Austin.*

To: Victoria Li & Craig Bell
Watershed Protection Department
City of Austin
505 Barton Spring Rd.
Austin, TX. 78704

City of Austin's Council Members, via Ms. Li and Mr. Bell

As one of the recipient of fund from The Religious Coalition to Assist the Homeless (RCAH) I, representing Trinity Center, hereby submit to you this letter, pledging to the city of Austin's council members, and to all who has authority over funding RCAH, to continue this financial support. RCAH, in return for your contribution, supports non-profit organizations that serve the homeless men and women in Austin. Together they are responsible for so many people each year who are able, BECAUSE of the services offered, to end their difficult journey of homelessness and achieve a basic human need of shelter, a place to live.

Trinity Center receives \$10,000 per year from RCAH and this grant goes to our Case Management program. Though not providing housing units directly, between 40 to 50 homeless people who are in case management at Trinity Center are housed each year, due to our collaborations with housing providers. This number, on its own, should make it clear that a \$10,000 from the city is a very efficient contribution, and a small one, to get this many out from the streets and into housing. Surely the \$10,000 covers only a part of our Case Management program. Yet, securing funding for homeless related organizations is a difficult task. The issue is not popular, the understanding of the complexity of it is not widely shared yet the harsh judgements are.

Directing the drainage fee from religious organizations (who are supposed to care for the poor, the unsheltered, the hungry, the sick) from the city to organizations that serve this very vulnerable and under-serve women, men, children citizens of our beloved city – the poorest of all – is not only cost effective and good for ALL, it is also the right thing to do.

I hope that this source of support will never dry up. It should not.

I am yours in service.

Irit Umani -Executive Director

304 E. 7th Street. Austin, TX 78701

Tel: 512-610-3560

irit@TrinityCenterAustin.org ; www.trinitycenteraustin.org



July 28, 2015

Mr. Bell
Watershed Department
City of Austin

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EXECUTIVE DIRECTOR

Ann Howard
(512) 963-7630
annhoward@austinecho.org

ECHO
100 N. I35, Suite 1003
Austin, TX 78701

The Ending Community Homeless Coalition (ECHO) is fiercely focused on ending homelessness. ECHO is a nonprofit agency serving other organizations and local governmental departments working to end homelessness. As recognized by HUD, ECHO serves as the lead agency for the Continuum of Care responsible for year round planning, evaluation, and monitoring of the systems of care provided to persons at risk of, or experiencing homelessness in Austin and Travis County. ECHO appreciates the City partnership with RCAH to make these funds available to stakeholders working to end homelessness.

ECHO received an award from RCAH in 2015 of \$15,000 to implement a new Diversion Program in conjunction with Coordinated Assessment, which is required by HUD and funded in part by both state and city funding.

ECHO is reshaping the entrance to housing stability services in Austin with use of Coordinated Assessment and Diversion. This initiative focuses efforts on the right and least intensive housing intervention necessary to address successfully the housing stability of each client. A single assessment tool indicates that some clients be diverted from the system, and that others either need a light intervention, rapid rehousing or permanent supportive housing. Diversion is a new, local strategy that prevents homelessness for people seeking shelter by helping them identify immediate alternate housing arrangements and, if necessary, connecting them with services and financial assistance to help them return to permanent housing. Diversion requires flexible funding to meet the diverse needs of clients.

ECHO uses the funding to further develop and implement the diversion program by tracking initial diversion attempts, analyzing the success and modifying the program as needed. Also, as approved by the RCAH Board in October 2014, funding can be used for actual diversion purposes including:

- bus passes
- grocery gift cards
- criminal background checks
- apartment application fees
- employment supports like work boots, uniforms, certification, license fees
- bus tickets with housing confirmed at destination by phone
- money orders for those needing identifying documents like birth certificates, and government issued ID cards

Please contact me if you have any questions.
Sincerely,

Ann Gill Howard
Executive Director

VIA E-MAIL

August 5, 2015

Victoria Li, Director
Victoria.Li@austintexas.gov
Watershed Protection Department, City of Austin
505 Barton Springs Road, 12th floor
Austin, TX 78704
cc: Craig Bell, Watershed Protection Department, City of Austin. craig.bell@austintexas.gov

Dear Ms. Li and Mr. Bell:

Per your 7/24/15 email, SafePlace is writing regarding the grants we have received from the Religious Coalition to Assist the Homeless (RCAH). For 41 years, our agency has provided an array of services to Austin-area adult domestic/sexual violence survivors and their children. Many of those we serve have been homeless due to the abuse and poverty they have endured.

One of our services for homeless battered adults and their children is a 105-bed emergency shelter, the Kelly White Family Shelter. Since 1977, SafePlace has provided shelter every day for the Austin community. We are thankful for the grants we have received from RCAH, most recently \$10,000 for 2015, to support these life-saving and life-changing services for homeless abuse survivors.

The Family Shelter is located at SafePlace's main campus in southeast Austin, which has extensive security to protect our clients from future threats from their batterers. The campus is located near a large H-E-B grocery store, major bus lines, and branches of the Austin Public Library and Austin Community College, among other amenities.

Up to 700 battered adults and their children are served at the Family Shelter each year. Over 90% of adult shelter residents surveyed report exiting the shelter to a safe location. If the RCAH grants for the Family Shelter were no longer available, SafePlace would need to find other funds to help us continue offering the shelter 24/7 to these most-vulnerable families.

These families come to us with very few resources. At the Family Shelter, they receive: food; clothing and personal care items; case management; assistance finding jobs; healthcare; child care; education at a K-12 charter school; therapeutic counseling; skill-building services for youth; and more. The RCAH grants help SafePlace continue providing high-quality, vital services at the Family Shelter so that Austin-area abuse survivors can begin to heal and rebuild their lives.

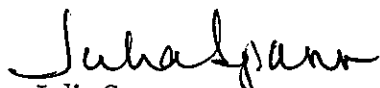
This story of a Family Shelter resident is just one of many whom RCAH grants help us serve. Please note that names and some identifying details have been omitted or changed, in order to protect client confidentiality:

KM came to SafePlace's Family Shelter with the clothes she was wearing and her purse, which didn't have much in it. She had lived with her abuser for about a year after he promised to love and respect her. KM had fled her home country, escaping the sexual and physical abuse of her ex-husband. She had hoped for a new start in a new country, but did not find it with this new relationship. KM called the police after she realized her current boyfriend's controlling behavior and physical abuse would not stop. She feared having to sleep in her car again – or worse – in order to avoid the violence, and was relieved when she learned about SafePlace's shelter.

Once KM was in our shelter, she began to work on healing as much as possible. She worked with her case manager to set goals around finding housing in the community, and they created a plan to help protect her safety. She also received medical services and prescriptions. KM met with the Goodwill Employment Specialist at SafePlace to help find work, and received legal services from American Gateways. After leaving the Family Shelter, she found an affordable apartment in the community, a full-time job, and is saving to visit her family back home. Her resilience, spirit and hope are a model for us all.

RCAH funding has benefitted thousands of homeless individuals and families served by SafePlace and other agencies in Austin, and these grants are greatly needed and appreciated. We are grateful to the City of Austin and RCAH for making these grants available in our community. Please contact Malisa DiGiacomo, Grants Manager, at mdigiacomo@safeplace.org or 512-426-7829 if you have any questions or need additional information regarding the RCAH grants for SafePlace's Family Shelter.

Best regards,



Julia Spann
President

LUKE4:18MINISTRIES

HEAL • RESTORE • TRANSFORM

203 Rolling Green Drive . Austin, Texas . 78734 . 512-261-3091

Watershed Protection Department, City of Austin
505 Barton Springs Road 12th floor
Austin, Texas 78704

Re: RCAH Funding

Ms. Victoria Li, Director:

I appreciate your letter regarding changes in the use of drainage fees by the city that would remove funding for RCAH. This would inhibit funds distributed through RCAH to local organizations.

It would very definitely impact Vision Luke 4:18 Ministries. The funds we are given are used for a grant for a social worker who works almost daily with the 6 previously homeless women at our House of Glory. These funds allow us to seed into their lives so that they can gain life skills and return to productivity, no longer dependent on us or subsidies from other sources.

This includes direction regarding schooling, freedom from all addictions, healing from abuse, all the issues which would have held them in a destructive life style in the past.

We are seeing women move from addiction to being counselors for those with addictions! We are seeing them come from the streets and now holding jobs, being promoted, and families reconciled.

Much of our success is due to the ability to mentor and direct on a one to one basis made possible by the funding from RCAH for the person who is key to seeing this program help women into maturity, restoration, joy and peace. Without the funds, we lose the capability to pay for this type of service which we see has great value.

I pray that those in charge of making this decision would see the value that RCAH funds make to help all those ministries involved provide safe housing and a future to those who are often totally overlooked.

Sincerely,

Barbara Bucklin
President
Vision Luke 4:18 Ministries

cc: Craig Bell



CASA MARIANELLA

821 Gunter Street Austin, TX 78702 office: (512) 385-5571
fax: (512) 385-5575 www.casamarianella.org

July 28, 2015

Victoria Li, Director
Watershed Protection Department, City of Austin
505 Barton Springs Road, 12th floor
Austin, Texas 78704

Dear Ms. Li,

Casa Marianella has been providing shelter for homeless immigrants in Austin since 1986. Over 100 women, men and children sleep in our shelters every night. Some of them come to us from the street, some are released to us from Seton University Medical Center at Brackenridge, others leave violent homes for the safety of our family shelter. Approximately 90% of our residents leave Casa shelters for self-sufficiency, becoming productive, contributing members of Austin society.

One of the reasons we can serve so many people is because of the long-term financial support we receive from the Religious Coalition to Assist the Homeless. In 2015, RCAH has awarded us \$65,138, 10.6% of our \$616,524 annual budget. Casa Marianella's budget is very lean, so we don't have anywhere to cut to pay for the same number of beds with less money. For example, we spend less than 3/10th of 1% on office supplies, less than 1/10th of 1% on postage.

We own our houses with only a small mortgage, which limits our expenses to utilities, maintenance and other related costs. When our population began changing several years ago to people with intense physical and mental health care needs who needed longer stays, we began renting apartments for shared housing to transition people from shelter to independence and open up shelter beds for new residents. Apartment residents pay part of the costs, so we manage 24 beds at a total cost of about \$29,000/year. [Jennifer, this is actual net cost from our 6 month P&L x 2.] Utilities for all of our shelters cost about \$60,000/year. We pay \$40,000 a year on our mortgage.

Casa's homeless shelters are located in six renovated houses in Austin: dorms for single adults and one bedroom per family in two adult and four family shelter houses. Our rented apartments house two people per bedroom. A loss of 10% of our annual income would mean closing down at least one house, which would result in more homeless adults and children without a place to live as they get back on their feet. In addition to the human cost, the financial cost to the City for medical care, crime, special education, social services and other expenses would escalate. When homeless people are provided with emergency or transitional housing as they get back on their feet, they soon become Austin renters and consumers, contributing many times the cost of their short-term services to the City of Austin directly via fees and taxes and indirectly by supporting

the economy with their purchases and apartment rents. Some become home owners and others start small businesses that support their families and hire other Austinites, all of which contributes to the tax base and overall economy of the City.

Collectively, the Religious Coalition to Assist the Homeless funds provide beds for thousands of vulnerable people during very challenging times in their lives. If this resource is eliminated, the result will be more homeless people living on the streets of Austin. We respectfully request that the City continues to provide this small but well-spent and extremely valuable resource.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jennifer Long".

Jennifer Long, Executive Director

CC: Craig Bell

Attachment 2 B

Letter from Travis County Commissioners Court

Received August 17, 2015



OFFICE OF TRAVIS COUNTY JUDGE SARAH ECKHARDT

Tuesday, August 11, 2015

Ms. Victoria Li
City of Austin, Watershed Protection
505 Barton Springs Rd., 12th Floor
Austin, TX 78704

Dear Ms. Li:

The City of Austin charges a drainage fee on its utility bills. In FY 2016, the drainage fee is expected to raise about \$83 million for the City. The drainage fee is charged only on property inside the City limits, and it is charged only for developed properties. Numerous Travis County properties inside the city limits are subject to this fee. However, state law permits the city to exempt the County from this fee, and the City has traditionally done so.

During its recent revision of the drainage fee ordinance, the City Council discussed a repeal of this longstanding exemption, although no action was taken. We have analyzed the proposed impact of this policy change and appreciate the opportunity to provide you this information as you consider the implications of charging this fee to County taxpayers. Travis County was asked three specific questions with regard to this proposal:

1. How would this impact Travis County and its budget?

Estimated cost - \$250,000

2. Where would the county get the money to pay the fee?

Property Taxes, most of which are paid by residents of the City of Austin.

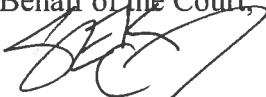
3. What is it about Travis County – what it does and/or its unique situation – that warrants an exemption from the drainage fee?

Most Travis County residents are also City of Austin residents. Travis County and the City of Austin have a long and proud history of collaboration to serve our common residents - interlocal agreements for Health and Human Services, Central Booking and Emergency Medical Services; collaborative roadway improvement agreements; parkland and conservation partnerships such as the Balcones Canyonland Preserve and the Exposition Center on Decker Lake, and so much more. To the extent we serve the same constituency, this user fee becomes a tax on City of Austin residents. To the extent our constituency differs (approximately 20% of Travis County residents live outside of the City of Austin), this user fee has no benefit to those who are paying it – the improvements in drainage redound to City residents only at the expense of Travis County taxpayers living outside the City.

Instead of eliminating this exemption, Travis County and the City of Austin should search out similar situations that warrant exemption because of our shared interests and constituencies. My Court looks forward to working with the Council and City Management on identifying all such opportunities and expanding on our already existing partnerships to achieve the most effective, efficient and fair public services for our residents.

For the reasons above, we respectfully urge the Council to continue the exemption.

On Behalf of the Court,

A handwritten signature in black ink, appearing to read 'SE', is written over the text 'On Behalf of the Court,'.

SARAH ECKHARDT
County Judge

cc: City Manager Ott, The Honorable Steve Adler and Members of the Austin City Council