




## MEMORANDUM

**TO:** Mayor and City Council

**FROM:** Sara Hensley, Interim Assistant City Manager 

**DATE:** October 5, 2018

**SUBJECT:** Recommendations on Fiscal Year 2018-2019 Funding for Homelessness Efforts

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### Background

On top of the approximately \$26M of homelessness-related funding already included in the budget, City Council increased funding for homelessness efforts in the FY 2018-19 budget by \$3.5M. Council also added \$1.2M in the FY 2017-18 budget for a new Pay for Success model, which remains available. One million dollars of the new FY 2018-19 amount was earmarked by Council with direction that staff make recommendations regarding its use following additional analysis and conversations with stakeholders.

As mentioned in the August 10, 2018 memo update to Council<sup>1</sup>, staff are developing recommendations for the potential use of Waller Creek Tax Increment Reinvestment Zone (TIRZ) No. 17 funds, which would have **two key constraints: the funds would be strictly for capital purchases and would have to directly benefit the TIRZ area.**<sup>2</sup> There are a few investment concepts that are being considered for the potential TIRZ dollars: day navigation centers, respite care facilities, additional emergency shelter spaces, and additional transitional and permanent supportive housing beds. We continue to work with City staff across the organization and with key community stakeholders on applying impact and proposal criteria to these options, as well as developing specific budget estimates. In the meantime, the following recommendations for use of the earmarked FY 2018-19 budget funds may help to prove out concepts through piloting and analyzing the ideas on a smaller scale until the full project plan proposal for the TIRZ is ready for Council consideration.

### Key Considerations and Goals

A critical factor driving the timeliness of these recommendations is the adjustment of the scope of operations of the downtown Austin Resource Center for the Homeless (ARCH). This facility was originally designed to operate as a temporary emergency shelter facility, but has become a long-term stay option for many clients. Many clients are staying at the ARCH for extended periods of time, and the illegal activity that sometimes occurs outside of the facility contributes to many people experiencing homelessness

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<sup>1</sup> <http://www.ci.austin.tx.us/edims/pio/document.cfm?id=303465>

<sup>2</sup> Please reference the [response](#) to FY19 Council budget question #206 for more detail.

expressing no interest to go to the ARCH for shelter and services. Austin Public Health staff released a solicitation in September for the next multi-year contract for an operator of the facility. That solicitation included changes to the operations of the facility as recommended by the National Alliance to End Homelessness<sup>3</sup>, including reducing the number of clients staying overnight, limiting daytime access to clients only, and ensuring all clients receive some level of case management. These changes are scheduled to be implemented in April 2019, which necessitates action to ensure places for people to go, including access to resources for daily needs as well as a place to sleep overnight.

One of the key goals of this recommendation is system alignment and increased effectiveness of our current investments at the ARCH. Aligning City investments to ensure the success of the ARCH model transition, and protecting our significant ongoing investment into the ARCH, can enable it to function as originally intended; a short-term emergency shelter where people can gain access to services.

Another key goal, as articulated by City Council during budget discussions, is to put the new funding to work in an expedited fashion in order to have an immediate impact. The following recommendations include funds to quickly pilot concepts discussed by the community to enhance service delivery.

#### **Recommended Use of FY 2018-19 New Funding for Quick Impact**

The adopted budget includes \$2.5M of new funding for homelessness initiatives. Staff is moving forward with the application of funding as proposed. The following details the recommendations for supplementing those investments utilizing the additional \$1.0 million of funding set aside by Council.

Rapid re-housing (\$261,000) – A critical bottleneck in the effectiveness of our investments is the lack of money to quickly house people experiencing homelessness. The City has increased the amount of funding dedicated to rapid re-housing in FY 2018-19. Staff suggest adding **\$261,000** from the earmarked funds to supplement this amount.

This total amount of new funding for rapid re-housing (\$721,000) would allow staff to accomplish two priorities. First, APH staff will utilize the most recent solicitation for rapid re-housing dollars and establish a new contract quickly to specifically serve the clients at the ARCH, instead of beginning a new solicitation process that could take longer. The new contract would serve individuals with proven barriers to transitioning out of homelessness on their own. The second priority ensures that people engaged outside of the downtown area (with the new positions recommended below) would have funding to assist in housing application fees, rental assistance, utilities, paying arrears, and other rapid re-housing activities. This would be completed in conjunction with a coordinated assessment and analyzing appropriateness for this housing option.

- Addresses the Austin Action Plan to End Homelessness “Outreach and Shelter” Objective 1.2 and “Housing and Support Services” Objective 1.1

Navigation and outreach outside of the downtown core (\$377,000) – Staff recommend adding **\$30,000** from the earmarked funds to the funds in the adopted budget to realize two full-time navigation specialists in a new contract with a social service provider to serve north and south Austin. Services provided would include client assessments, coordination of applications for city, state, and federal assistance, identifying housing, basic coordination of medical care, and employment assistance among others.

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<sup>3</sup> <http://www.ci.austin.tx.us/edims/pio/document.cfm?id=301886>

In addition, Council provided direction to expand services similar to HOST outside of the downtown core, particularly to address known hot spots in north and south Austin. Staff proposes utilizing **\$347,000** from the earmarked funds to add a Community Health Paramedic position (and associated equipment along with a one-time vehicle purchase) and a case manager. In addition, this funding will provide access to services for the new clients. The Austin Police Department (APD) would assist in some capacity with APD District Representatives participating as needed, and when available, for initial engagements with known hot spots as they know the population and areas well.

Staff are proposing to prototype additional day navigation centers and respite care (see below). The new paramedic and case manager would spend some time doing active outreach in the field and be available to provide services at specific navigation locations at other times. While the current HOST team utilizes a contract with Integral Care for their support during outreach efforts, the benefit of adding a City case manager allows for flexibility in where they work and the clients they serve, as well as direct access to the full continuum of contracts and support that already exist to serve the homeless population.<sup>4</sup>

- Addresses the Austin Action Plan to End Homelessness “Outreach and Shelter” Objective 1.1 and “Housing and Support Services” Objective 1.5

ARCH revitalization and safety (\$232,000) – A Downtown Strategies work group comprised of multiple City departments and various partner organizations are developing plans to address people’s needs and safety around the ARCH. Staff are developing a proposal for streetscape improvements in front of the ARCH (**\$44,500**), in conjunction with the Great Streets Development Program’s planned replacement of exterior lighting. Once these improvements are constructed, funding for a dedicated presence of police officers, through overtime, will help maintain the outside area as a safe place for clients of the ARCH (**\$187,500**). More significant building renovations are likely to be considered for capital investments within the TIRZ recommendations and/or future capital budgets.

- Addresses the Austin Action Plan to End Homelessness “Outreach and Shelter” Objective 1.4

Pilot – Respite Care (\$50,000) – Through discussions with medical providers and interested stakeholders, we understand there is an established need for at least 40 medical respite beds in our community. The respite care model for people experiencing homelessness (~80 communities across the U.S.A. have a similar program) is one way to intervene in the cycle of homelessness and the provision of medical services typically done through emergency services after the client leaves the hospital.

Staff proposes setting aside some funding, and potentially using space at a City facility, to work with community partners to pilot a medical-social respite care model based on what has been successful in other communities. By working with potential partners to define the criteria for clients to include in the pilot, we can divert people (especially long-term ARCH clients and frequent users of Austin Travis County Emergency Medical Services and Downtown Austin Community Court services) from the hospital when they clearly have a continued need for medical assistance. While in respite care, they will receive active case management and connections to services and housing. This pilot would be developed with partners such as UT’s Dell Medical School, the Community Care Collaborative, Central Health’s CommUnityCare, and Dell Seton Medical Center. Through conversations over the past year, a working group has developed a draft budget and identified in-kind donations of resources as well as potential outside funding sources to cover the remaining balance of the pilot budget. Should it seem likely that the pilot will not occur within this fiscal year, these dollars will be reallocated to an existing contract for services.

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<sup>4</sup> Should Council desire to add an Integral Care professional in the field, as is done with the current HOST team, the cost would be \$96,205 per year for one licensed social worker and associated costs.

Pilot - Day navigation centers (\$50,000) - The Innovation Office Bloomberg i-team is continuing their work on how to address daily, immediate needs for unsheltered individuals based on design research and input from their Homeless Advisory Council, comprised of people experiencing homelessness. One concept for a day resource center integrates basic needs (restroom facilities), humanitarian needs (medical treatment), and space for case management (coordinated entry), making navigation, outreach, and coordinated assessment more effective and efficient. This could be done by converting space within an existing City Facility, or it could be done in a mobile fashion. A multi-departmental team would determine the best use of the pilot funds to try a couple of approaches and the i-team would spend time testing, synthesizing, and analyzing data and feedback from staff and clients. The team would provide a final report on critical findings as we finalize the TIRZ recommendations.

- Addresses the Austin Action Plan to End Homelessness “Outreach and Shelter” Objective 1.3

### Summary of FY 2018-19 New Homelessness Funding

	FY19 Adopted Budget - New funding	FY19 Homelessness Earmarked Funds - Recommendations	FY19 Increase to Homelessness TOTAL
Rapid Rehousing (including LifeWorks youth homelessness grant match)	\$460,000	\$261,000	\$721,000
Navigation/Outreach (including new Community Health Paramedic and Case Manager)	\$100,000	\$377,000	\$477,000
ARCH Revitalization and Safety		\$232,000	\$232,000
Pilot – Respite Care		\$50,000	\$50,000
Pilot – Day Navigation Centers		\$50,000	\$50,000
Other FY19 investments: enhance current HOST team, camp cleanups, alternatives to panhandling, prevention efforts, City homelessness coordination, APL wraparound services	\$1,943,000	\$30,000 (to enhance primary coordinator position)	\$1,973,000
<b>TOTAL</b>	<b>\$2,503,000</b>	<b>\$1,000,000</b>	<b>\$3,503,000</b>

**Next Steps**

This recommendation of the additional earmarked funds will be submitted for Council's consideration and approval as a budget amendment on the October 18 City Council agenda. Staff continues to work across City departments and with community stakeholders to develop recommendations on the potential use of Waller Creek TIRZ No. 17 funds for capital investments, and we plan to report back to Council in early November with that recommendation. In addition, by that time we will know the election results of the 2018 Bond proposition for affordable housing funds, some portion of which could provide funding toward new permanent supportive housing units.

Feel free to contact me if you have thoughts or questions.

cc:     Spencer Cronk, City Manager  
          Elaine Hart, Deputy City Manager  
          Robert D. Goode, P.E., Assistant City Manager  
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