



Transitional Supportive Housing for Homeless Families

A Growing Concern

Families with children are the fastest-growing homeless population both nationally and in Austin/Travis County, where they make up 43% of the homeless population.¹

- On any given day in Austin/Travis County there are over 1700 homeless individuals in families with children.²
- Over 930 of these are children, who make up 23% of the total homeless population.³
- More than 20% of children attending AISD schools are living below the federal poverty line, at risk of becoming homeless.

Lack of housing stability has devastating impacts on children. Homeless children have extremely high rates of poor health and nutrition, emotional and behavioral problems, and delayed development. Within a single year, 40% of homeless children attend 2 different schools and 28% attend 3 or more, leading to academic setbacks and frequently repeated grades.⁴

Austin is Behind

Experts recommend that stable, affordable housing and economic asset building are the best ways help homeless families or families at risk⁵, and though over 70% of Austin voters surveyed in February 2005 agreed that “city government has a responsibility to take action to make sure housing is more affordable for lower- and moderate-income people”⁶, the City of Austin is behind.

- 53% of the need or demand for transitional housing for persons in families with children was unmet in Austin. That figure was only 26% in Dallas, and 12% in Seattle, a comparable-sized city with a much larger homeless population.⁷
- The city of Seattle, together with the Bill and Melinda Gates Foundation, has had success with Sound Families, a public/private partnership that integrates social

¹ Community Action Network. *Community Assessment - Homelessness*. October 2001.

² Community Partnership for the Homeless. *Homeless Needs, Services and Characteristics*. 2001.

³ Community Action Network.

⁴ The National Center on Family Homelessness. *Homeless Children: America's New Outcasts fact sheet*.

⁵ The National Center on Family Homelessness.

⁶ Opinion Analysts, Inc. *Austin City Voter Survey*. February 2005.

⁷ Austin/Travis County Health and Human Services Department. *A Comparison of Homeless Services Among Five Cities Utilizing Existing Data: Austin, Dallas, Houston, San Antonio, and Seattle*. May 2005.

services and affordable housing. Preliminary results show that 66% of families exiting the program enter permanent housing.⁸

The Children's HOME Initiative

Foundation Communities can help Austin meet its transitional housing needs with the Children's HOME Initiative, a program that combines affordable housing and case management for homeless families and those at risk of homelessness. Grants from NeighborWorks and the Michael and Susan Dell Foundation have made it possible to permanently fund 38 units and to provide case management for families in those units.

FC currently needs \$2,000,000 to reduce mortgage debt, making it possible to permanently set aside 25 more units of transitional supportive housing at steeply discounted rates for homeless and extremely low-income families with children. This amount would also fund case management services to help families set goals and work towards self-sufficiency.

Since inception of the Children's HOME Initiative program in 2003, 76% of participating families remained stable or improved their housing conditions. Participating families have experienced other positive outcomes as well:

- 38% of families increased their income after 1 year.
- 57% have completed Financial Literacy training.
- 93% of the children in the program are insured.

⁸ www.soundfamilies.org



Rental Assistance for the Chronically Homeless

The Issue in Austin

Chronically homeless people are single individuals with disabling conditions, including mental health and substance abuse problems, who have been continuously homeless for at least a year or who have experienced four or more episodes of homelessness over the past three years.¹

- On any given day Austin/Travis County is home to an estimated 600 chronically homeless individuals.²
- These chronically homeless individuals represent half of the total homeless population on any given night, but only 10-15% over the course of a year, as others experiencing short periods of homelessness find housing.³
- Single adults comprise the majority of homeless persons in Austin/Travis County.⁴

Ending Chronic Homelessness

The National Alliance to End Homelessness advocates a “housing first” approach that stresses first providing permanent housing, then addressing other needs with ongoing home-based supportive services. A study done in New York showed that providing housing and supportive services for homeless costs little more than the public services used by those living on the street, such as shelters, emergency rooms, and psychiatric institutions.⁵ This year Dallas reported a 26 % reduction in its chronically homeless population using a “housing first” strategy⁶.

The Plan to End Chronic Homelessness in Austin/Travis County, developed by the Community Action Network’s Homeless Task Force, recommends the provision of affordable housing with supportive services as a way to “open the back door”, helping people exit homelessness. The plan considers adding to the stock of permanent supportive housing the “most effective homeless prevention strategy available”.

¹ Definition from the US Department of Housing and Urban Development

² Community Action Network’s Homeless Task Force. *Plan to End Chronic Homelessness in Austin/Travis County*. September 2004.

³ Ibid.

⁴ Community Action Network. *Community Assessment - Homelessness*. October 2001.

⁵ Culhane, D.P., Metraux, S., & Hadley, T. *Public Service reductions associated with the placement of homeless persons with severe mental illness in supportive housing*. Housing Policy Debate, 13. 2002.

⁶ Eckholm, Erik. *New Campaign Shows Progress for Homeless*. The New York Times. June 7, 2006.

FC's Permanent Supportive Housing

A 2001 study suggested that 73% of the need for supportive housing for single adults goes unmet in Austin.⁷ With the opening of SROs Garden Terrace in 2004 and Spring Terrace later this year, Foundation Communities (FC) has gone a long way towards meeting that need. These communities provide a supportive atmosphere that helps prevent single adults who are managing their mental health or addiction problems from sliding back into homelessness.

FC is seeking \$1 million to use as rental assistance to help those individuals coming out of a chronically homeless situation maintain housing. In order to implement the sort of "housing first" model that has been successful all over the country,⁸ many individuals require significant initial subsidies as they transition out of homelessness. The funds could be used as an operating subsidy to FC's Garden Terrace or Spring Terrace properties, or as financing to a case management agency to help with rental subsidies.

⁷ Community Partnership for the Homeless. *Homeless Needs, Services and Characteristics*. 2001.

⁸ Eckholm, Erik. *New Campaign Shows Progress for Homeless*. The New York Times. June 7, 2006.



Education and Asset Building in Affordable Housing

Providing educational and asset building opportunities on-site in affordable housing communities offers an excellent opportunity to help low-income families overcome traditional barriers to participation, such as lack of transportation or child care. Foundation Communities (FC) currently provides afterschool programs, adult education (such as English as a Second Language and computer skills classes) and matched savings accounts through four Community Learning Centers located on-site at FC properties.

A Safe Place for Kids After School

According to the Afterschool Alliance, juvenile crime triples and youth are at a 7 times greater risk of being the victim of a violent crime in the hours between 3 and 6 pm. Structured afterschool programs keep children safe, provide supervised activities, and have been shown to improve children's school attendance and academic achievement.¹

Though 90% of Americans believe that young people need organized programs and learning opportunities afterschool,² many children do not have a place to go when the school bell rings.

- In Travis County, 70% of school-age youth in surveyed low-income zip codes do not have access to afterschool programming.³
- 50% of afterschool program providers in those zip codes maintain waiting lists.⁴

Afterschool programs available on-site at FC properties are designed around educational and personal development goals and offer structured, well supervised activities that engage, challenge and support the learning of school-aged residents. On a day-to-day basis, the after school programs monitor homework and reading exercises, sponsor craft and computer activities, and provide incentives for respectful behavior and communication. Afterschool program staff also maintain ongoing communication with teachers and administrators at AISD schools to ensure that our programs support and complement children's learning in school.

Children who participate in FC afterschool programs have achieved some impressive outcomes:

- 87% maintained or improved grades
- 94% passed all of their classes in school
- 95% were promoted to the next grade level
- overall grade point average of participants is 3.11

¹ www.afterschoolalliance.org and the Travis County Afterschool Network, www.tcafterschool.org.

² Afterschool Alliance Poll, November 2004.

³ Travis County Afterschool Network. *Out-of-School Opportunities for Low-Income Youth in Travis County*. 2004.

⁴ Ibid.

Helping Families Build Assets

Asset building is an anti-poverty strategy that helps low-income people move toward greater self-sufficiency by accumulating savings and purchasing long-term assets. The theory behind this approach is that helping people purchase an asset, as opposed to simply increasing their income, provides stability that may allow them to escape the cycle of poverty permanently.

In Austin, this problem is visible through gross inequities among Whites, Hispanics, and African-Americans in the numbers of individuals who have attained higher education, purchased a home, or who own a business. (*Source for data below: The Central Texas Sustainability Indicators Project, Annual Report 2004.*)

- **Racial inequity in higher education** - Hispanics and African-Americans make up over 60% of Austin's population with less than a high school degree but less than 20% of those with an Associate's degree or greater.
- **Racial inequity in home ownership** – While the success rate of home loan applications for Whites is 70%, applications by prospective Hispanic or African-American home buyers have a 40% approval rate.
- **Racial inequity in business ownership** – Austin lags behind all comparison regions and the state as a whole in minority business ownership, with just 15% of businesses owned by an ethnic minority—compared with 25% statewide and 40% in nearby San Antonio.

The Individual Development Account (IDA) Program at Foundation Communities provides up to a 2:1 match for participants' savings and is designed to help families accumulate assets to help in their quest for long-term self-sufficiency. Families who have never had a bank account learn about the benefits and responsibilities associated with saving money (and earning interest) with a legitimate financial institution. Through the required financial literacy classes, account holders improve budgeting skills to make the most of the income they have available and understand their own credit situations and how credit issues might impact their ability to get a mortgage, qualify for student loans or access business capital.

Since 1997, more than 600 families have completed FC's economic education courses and more than 150 families have purchased a home, attended college, or started a business using their IDA Accounts. Account holders have used their IDAs as down payment toward mortgages that total more than \$7.2 million.

Foundation Communities is seeking \$350,000 to help fund on-site educational and asset building programs at FC affordable housing communities. This would include afterschool programs for children and matched savings accounts to help low-income families buy a first home, start a small business or attend college or job training. A city investment would be strongly leveraged with other federal and private funds.



Could the City of Austin use an additional \$30 million in its local economy? The Center for Public Policy Priorities estimates that, for the 2003 tax year, **\$31,511,319** of Earned Income Tax Credits went unclaimed by low-income families in Travis County.

Foundation Communities stepped forward with a solution in 2005—the Community Tax Center program—so that these millions of unclaimed credits, as well as over a million dollars lost in tax preparation fees and refund loans, could be claimed for Austin’s low-income families. Looking to the future, this program has tremendous growth potential for Austin’s economy, but we cannot achieve the necessary growth without public investment.

The Community Tax Center program presents a compelling case for government support based on the impact on the local economy and sales tax receipts. **The City of San Antonio invested over \$400,000 in 2005, and brought \$39 million in refunds to its local economy.** This is a politically popular program in other cities, and an important service for constituents that can be provided at a relatively low cost.

	2004 VITA	2005 CTC	2006 CTC	2007 CTC
# Returns	2,700	7,413	10,205	12,750
% Increase		175%	38%	25%
Refunds	\$5,400,000	\$9,867,776	\$12,979,797	\$16,192,500
1% Sales Tax + multiplier effect	Over \$60,000	Over \$115,000	Over \$150,000	Over \$200,000

A \$100,000 investment in 2006 from the City of Austin will help

- Lift thousands of households and children above the poverty line, reducing the burden on other social services.
- Bring almost **\$30 million** into our local economy and the households of low-income working families in just two years.
- Leverage financial and in-kind support from corporations, charitable foundations, and individuals.
- Provide a return on investment in sales tax receipts to the City that is many times greater than the cost of the program.

The Community Tax Centers cannot achieve this tremendous growth and community impact without an investment by the City.

	City Investment	Returns	Refunds	
San Antonio	\$415,000 \$310,000 (general fund) \$105,000 (CDBG, CSBG, general funds)	24,962	\$39 million	City run and managed.
Chicago	\$900,000 from City's Corporate Budget	21,000	\$28.4 million	\$740,000 supports 2 nonprofits that manage EITC campaign and asset building programs. \$100,000-\$125,000 supports advertising and mass marketing.
Phoenix	\$200,000 \$140,000 (general purpose funds) \$60,000 (CDBG)	7,600	\$7.5 million	City run and managed.
Philadelphia	\$124,900 \$50,000 (CDBG) \$66,500 (Dept. Human Services—TANF \$) \$13,400 (Dept. Licenses, Inspections, Public Property)	11,883	\$19.9 million	Nonprofit coalition with city and state funding since inception.
Tulsa	2005: \$70,000 2006: \$58,800	2005: 16,788 2006: 15,129	\$24 million \$24.2 million	Non-profit
Houston	\$50,000 (CDBG)	8,000	\$9.4 million	Non-profit

The City of San Antonio counts on helping 1,000 families with every \$15,000 it invests in free tax preparation.

The City of Phoenix determined that for each hour of volunteer tax preparation, it generates \$1,800 for poor families.