

City of Austin Permanent Supportive Housing Strategy

City Council Briefing
September 30th, 2010

Agenda

- Why We're Here
- Public Process
- PSH Strategy
- Implementation Steps

Why Are We Here?

- **Historically**
 - Managing homelessness with prevention and emergency intervention
 - Short-term strategies applied to long-term homeless population
- **2009 - Council research on alternative models**
 - Miami
 - Phoenix
 - San Antonio

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Permanent Supportive Housing Leverages Results



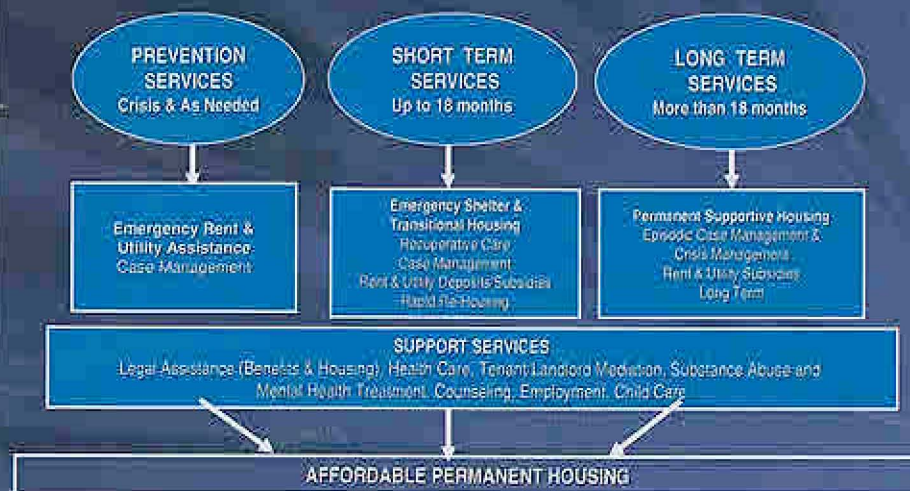
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Supportive Housing: It Works

- More than 80% of tenants stay housed for at least one year
- Incarceration rate down 50%
- ER visits down 57%
- Stable or increasing property values
- Typically cost neutral

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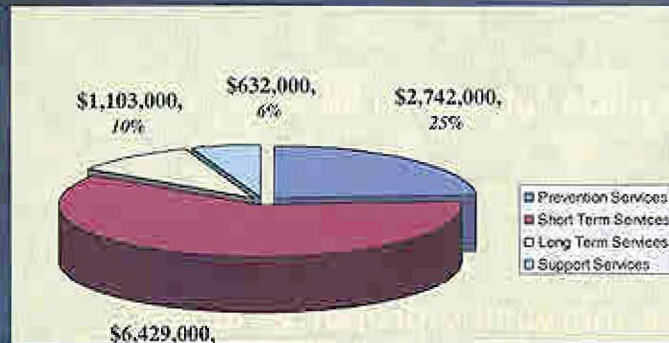
Homeless Services Continuum



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Homeless Services Continuum Funding \$11,152,000

Funds Managed by the Health & Human Services Dept.



February 2010 PSH Program and Financial Model Corporation for Supportive Housing

- Overall Need
 - 1889 Units
 - Based on analysis of literally homeless only
- Recommended goal of 350 units by 2014
- Primarily targeted to chronically homeless singles

City Council Resolution #20100325 – 053: March 25, 2010

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The city manager is directed to give priority to funding for permanent supportive housing that targets the most vulnerable populations: those residents with annual incomes at or below 30 percent MFI, but continue to fund affordable home ownership, home repair, and rental projects.

BE IT FURTHER RESOLVED:

The city manager is directed to work with the Director of Neighborhood Housing and Community Development, the Director of Health and Human Services, and community stakeholders to develop a comprehensive strategy, based on information gathered on best practices in other cities, that will include both the construction and operation of 350 permanent supportive housing units over the next four years.

Community stakeholders should include both governmental and private-sector entities.

The city manager shall present the comprehensive strategy for the permanent supportive housing units to Council before October 1, 2010 and report annually on the status.

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Public Process

- **ECHO PSH Services Working Group**
 - Focus on service component, elements, best practices, cost, evaluation
 - 9 meetings, 34 participant organizations, survey
 - Recommendations incorporated, attached to report
- **PSH Public Input Sessions:**
 - Coordinated by Corporation for Supportive Housing
 - Outreach to prospective tenants, providers, neighborhood groups
 - 5 participatory meetings (August/September), 85 participants
 - Focus on Draft Guiding Principles for PSH Strategy
 - Final meeting technical implementation questions
- **Online survey, dedicated email/phone number**
- **Council and Staff Outreach to Partners**
 - Travis County, HACA, Veterans Affairs, Central Health, ATCIC

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PSH Guiding Principles

- **SMART Housing Compliant.** Housing units produced under the City's PSH Strategy should be compliant with the City of Austin's S.M.A.R.T. Housing Program (Safe, Mixed-Income, Accessible, Reasonably-Priced, Transit-Oriented, & Green Building Standards).
- **Based on Demonstrated Results.** The City's PSH Strategy should use evidence-based models and data-driven solutions as a guide, considering applicability to local conditions, as well as other program models with demonstrated results. Evidence-based practices for PSH include Housing First, Harm Reduction, and the use of ACT (Assertive Community Treatment) teams.
- **Strategically Targeted.** The strategy shall address the method or methods to be used to prioritize prospective tenants, including but not limited to models based on serving individuals most costly to public systems while homeless ("frequent users" of public systems), the level of medical vulnerability of the prospective tenant, and the prospective tenant's susceptibility to victimization if homeless.
- **Diverse Development Approach.** The City's PSH Strategy should support an array of approaches across the housing continuum, including new construction, acquisition/rehab, and scattered-site leasing strategies, to create a comprehensive approach to ending long-term homelessness.
- **Real Partnership.** The City's PSH Strategy should promote partnerships across public, private, and nonprofit entities to ensure a coordinated, collaborative strategy supported by sufficient and diverse sources of funding.

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PSH Guiding Principles (cont.)

- **Scalable.** The City's PSH Strategy should provide a scalable model that focuses on achieving early successes and expanding the model for future results.
- **Cost-Focused.** The City's PSH Strategy should offer cost-effective solutions that result in the reduction of costs to public systems and leverages existing public and private resources and investments. Potential cost-benefit should be considered in the scoring of potential projects.
- **Geographic Dispersion.** The City's PSH Strategy should allow for the geographic dispersion of housing units across the city, in areas with amenities suitable to the target population. The strategy should not seek to concentrate PSH units in a single neighborhood.
- **Integrated.** The City's PSH Strategy should promote housing choice and fair housing principles by promoting residential integration through mixed-population and/or mixed-income arrangements.
- **Reducing Barriers.** The City's PSH Strategy should seek to reduce barriers to housing for homeless individuals with criminal records.
- **Commitment to System Transformation.** The City's PSH strategy should demonstrate a commitment to transforming the homeless service delivery system to focus on reducing homelessness, rather than just managing it.

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Summary Rationale

- **Clear Goals:** Discernible reduction in long-term homelessness, its costs, and marked improvement in quality of life
- **Employ Proven Tools:** Permanent Supportive Housing
 - Broadly effective for different populations
 - Under-resourced in Austin's housing continua
 - Resource intensive, but cost neutral or better with right tenants
 - ROI higher with most chronic, costly tenants
- **Acknowledge and Address Constraints**
 - Scarcity of financial resources
 - Focus populations of shared interest with other jurisdictions
 - Deliver early results and demonstrate cost/benefit to build support and create sources of future funding to expand production
- **Strategic Approach:**
 - Focus primarily on long-term homeless, and frequent users of systems
 - Implement PSH Strategy as key part of overall system redesign efforts

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City of Austin Program Definition of PSH

Affordable housing linked to a range of support services that enable tenants, especially the homeless, to live independently and participate in community life. PSH can be offered in diverse housing settings, but usually consists of apartment units that are

- **Targeted** to households earning under 30% of Area Median Income with multiple barriers to housing stability.
- **Deeply affordable.** Rents are subsidized so that the tenant ideally pays no more than 30% of household income towards rent, even where tenants have extremely limited or no income.
- **Lease-based.** Tenancy is based on a legally-enforceable lease or similar form of occupancy agreement, and there are not limits on a person's length of tenancy as long as they abide by the conditions of the lease or agreement.
- **Supported by the availability of a flexible array of comprehensive services, but participation is typically voluntary.** The tenant has access to a flexible array of comprehensive services, including, but not limited to, case management, medical, mental health, substance use treatment, employment, life skills, and tenant advocacy, but a lease will not be terminated solely because a tenant chooses not to participate, &
- **Managed through a working partnership** that includes ongoing communication between service providers, property owners/managers, and subsidy programs.

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Eligible Populations

- **Chronically homeless**, as established in the HEARTH Act,
- **'Would-be' Chronically Homeless** Households that would otherwise meet the HUD definition of chronically homeless as above, but have been in an institution for over 90 days, including a jail, prison, substance abuse facility, mental health treatment facility, hospital or other similar facility,
- **Unaccompanied youth or families** with children defined as homeless under other federal statutes who:
 - have experienced a long term period without living independently in permanent housing;
 - have experienced persistent instability (as measured by frequent moves over such period); and
 - can be expected to continue in such status for an extended period of time because of chronic disability, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.(Consistent with HEARTH Act)
- **Youth aging-out** A single adult or household led by an adult 'aging out' of state custody of the foster care or juvenile justice system, where the head of household is homeless or at-risk of homelessness.

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Prioritizing the PSH Target Population

- **Frequent Users Approach**
 - Primary approach
 - frequent users of multiple systems or extremely frequent users of single systems, such as: emergency rooms, jails, EMS, courts
- **Vulnerability Approach**
 - focuses on risk factors early morbidity or victimization

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Subpopulation Targets

- **Targets by Tenant Selection Method (Total 350)**
 - At least 225 households identified as Frequent Users of public systems
 - At least 75 households identified using a method linked to "vulnerability"
 - An additional 50 units for eligible tenants under any screening method, or meeting other subpopulation goals
- **Targets by Household Composition (Total 350)**
 - At least 270 single adults
 - At least 30 Families Total
 - At least 10 Unaccompanied Youth Total
 - At least 20 "Youth Aging Out" of foster care and/or juvenile probation (target 10 single adults/10 families)
 - 20 units open to any household size
- **Additional Population Targets (Does Not Total to 350)**
 - 300 Individuals with Severe & Persistent Mental Illness
 - 150 Individuals with Co-occurring Disorder
 - 70 Veterans

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Cost Avoidance Vignettes: City of Austin

City of Austin Emergency Medical Services

- 76 homeless individuals, 863 EMS trips, \$594,296.
- 50% decrease in usage
- Cost avoidance of \$297,000 per year

Downtown Austin Community Court

- 50% reduction in arrest rates typical
- Assume 100 most frequent DACC users
- *Court and field booking cost avoidance of at least \$140,000 annually (jail costs excluded)*

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Cost Avoidance Vignettes: Travis County

Travis County Jail

- 800 inmates homeless and mentally ill annually
- 45 most frequent users = \$750,000/ year.
- Average 50% decrease in arrest/days of incarceration.
- 45 in PSH: conservative estimate cost avoidance of \$375,000 per year for those individuals

Other Populations of Interest

- Chronic Inebriates in Project Recovery
- HIV/AIDS
- Veterans
- Specialty Courts

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Cost Avoidance Vignettes: Central Health

Emergency Room and Inpatient Care

- National data indicates reductions in use of 30% - 60%
- Among Homeless MAP-Enrolled Individuals:
- 112 Most Frequent Users: \$3.4M/year ER Charges
- 49 Most Frequent Users: \$5.3M Inpatient Charges
- Average \$77,000 charges per person

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Cost Avoidance Vignettes: Mental Health Systems

Crisis System

- Potential reduction crisis intervention needs
- Crisis Bed Shortage

Inpatient Psychiatric Care:

- 80-95% reductions in national studies
- Typically a state cost
- Impacts Central Health when State Hospital goes to diversion = mentally health crises present in ER

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PSH as Element of System Redesign

- Focus on reducing long-term homelessness versus managing symptoms
- Design system to achieve that goal
- Incorporate PSH as key tool in both housing and services arenas

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City of Austin PSH Strategy Overview

- Capital/Rental Subsidy/Services Cost
- Service and Development Strategies
- Evaluation
- Upcoming Implementation Steps

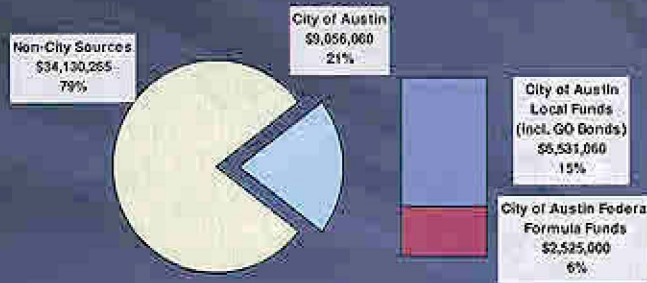
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Financial Overview

- \$9M City of Austin investment over 4 years
 - Leveraging \$34M in other funds
 - Annual operations/services cost of \$7.3M
 - City of Austin contribution \$600-\$800K
Maximize federal dollars
 - Cost-benefit typically shows break-even or better for annualized costs

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City of Austin Leverage 4:1



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Use of Funds

Distribution of Costs by Use



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Key Strategies - Services

- **Intense Engagement**
 - Low Case Mgmt Ratios or ACT Teams
- **Provide On-Site Services** where feasible
- **Incentivize Best Practices**
 - Housing First, Harm Reduction, Cognitive Behavioral Therapy
- **Leverage Medicaid** = Identify Match
- **ATCIC**
 - explore partnership structures
- **Formalized landlord relationships**
 - memoranda of understanding, written policies

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Unit Financing Strategies: Capital and Operating

- **Unit Mix:** Lease 100 units; Build/Rehab 250 units
- **New site-specific projects** (mixed or single-tenancy)
- **Small PSH Set-asides** in Affordable Housing: New GO bond deals, tax credit developments, preservation deals
- **Equity buy-down** on existing affordable units
- **Public Housing Authority** partnerships: rental subsidies (incl. VASH), portfolio, development and management
- **Engage developers** to identify/assess deals in pipeline, clearly communicate model

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Shared Project Outcome Measures

- Housing stability rates
- Rates of income and employment
- Turnover and Eviction Rates
- Family stability and/or reunification
- Levels of social support and connection

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Accountability: Independent Evaluation

- Overall change in number of chronically homeless
- # PSH Units Operational
- Demographics - Population targets
- Changes in costs related to:

Arrests, jail days	Court Costs	EMS Calls & Transfers
Emergency Room Visits	Primary Hospital Days	Psychiatric Ho-pital Days
Detox Services	Medicaid Use	Health Indicators

- One year pre- and post- placement
- Likely partnership with academic team
- Complemented by qualitative evaluation

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Implementing the Plan Action Items

- **Solidify partnerships** with other local jurisdictions
- **Convene PSH leadership group** to identify specific funding and monitor pipeline
- **Funding Mechanisms**
 - Public: dedicated tax or fee
 - Private: Pooled fund, service endowment
- **Legislative agenda:** state and federal
- **Resources:** Identify opportunities to repurpose resources in support of the initiative

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Implementing the Plan Action Items

- **HHSD: Systems Improvement**
 - Define needed changes to function of Austin Resource Center for the Homeless
 - Determine technology needs to improve or complement HMIS (Homeless Management Information System)
 - Sponsor provider training/technical assistance:
Harm Reduction, Tenant Engagement, Fair Housing
- **HHSD PSH Funding**
 - \$100K set-aside for FY2011
 - Upcoming FY2012-2015 RFP process
- **Targeting:** With ECHO, develop tenant screening and selection tools and processes
- **Evaluation:** identify evaluator, design, cost
- **Policy:** Medicaid/healthcare reform report on PSH

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Implementing the Plan Action Items

- **NHCD: Establish New PSH Program**
 - Set-aside PSH funds (some developers may also access RHDA)
 - Potential Request for Proposals
 - Deeper subsidies on units (no hard debt)
 - Incentivize marketing to and policies for target populations
 - Linkage to Operating and Service Funds
- **Support neighborhood engagement, community education**
- **Coordinate Needed Capacity Building**
 - PSH Development; Property Management; Fair Housing
- **Incorporate revised goals annual HUD Action Plan**

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Synopsis

- Recommend staff move forward with steps outlined in City of Austin PSH Strategy before Council
- Systems Redesign Approach
- 350 Units of PSH: 250 built/rehabbed, 100 leased
- \$9M in total City investment through 2014; leveraging \$34M
- Ongoing City-funded costs of \$600-\$800K (of \$7.3M total)
- Targeted to Most In-Need and Most Costly to Systems
- Establish PSH leadership group
- Establish new NHCD program with guidelines
- Incorporate PSH into HHSD funding processes
- Community: PSH Education and Neighborhood Engagement
- Evaluation: focus on reduction of homelessness and on cost avoidance
- Annual Report and Interim Progress Updates at Council Request

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Full report:

<http://www.cityofaustin.org/housing/psh.htm>

Corporation for Supportive
Housing:

dianna.lewis@csn.org

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