



MEMORANDUM

TO: Mayor and Council Members

FROM: Kellee Coleman, Interim Chief Equity Officer *Kellee Coleman*

THROUGH: Jason Alexander, Chief of Staff

DATE: August 1, 2022

SUBJECT: **Update on Guaranteed Income Pilot Program (Resolution No. 20210603-073)**

At its regular meeting on May 5, 2022, City Council authorized the City Manager to negotiate and execute a contract with UpTogether (contractor) to develop and administer the City's Guaranteed Income Pilot Program. As part of this authorization, City Council directed the City Manager to report back in three months, six months, and upon completion of the pilot. This memo serves as the requested 3-month update with a focus on: pilot eligibility criteria and selection process, timeline, and additional information on philanthropic participation.

Eligibility Criteria and Selection Process

In partnership with representatives from Austin Public Health, the Innovation Office, and the City's Homelessness Strategy Office, the Equity Office and contractor have developed the following eligibility criteria for participants in the pilot:

- Live within the City of Austin and Travis County limits;
- Have a household income that is at or below 60% of the Area Median Family Income (\$66,180 for a household of 4);
- Did not receive funding through UpTogether's previous 12-month pilot from March 2021-March 2022;
- Meet at least one of the following:
 - Moving from homelessness toward permanent housing;
 - Have a filed eviction;
 - Household has been behind on rent for 2 or more months over the past year; and/or
 - Household has received a verbal or written notice of intent to evict OR a threat to vacate by landlord or property manager at any time within the past 3 months due to nonpayment of rent; and
- Applicant is at least 18 years of age.

Drawing from the experience and best practices of the Relief in a State of Emergency (RISE) disbursements, households will be selected by community-based organizations who have relationships and are in the community with individuals and families meeting the above criteria. Currently, the

contractor is in the process of obtaining signed Memorandums of Agreement with each partner organization.

Timeline

The contractor anticipates finalizing and onboarding the partner organizations in early August. This would allow participants to be identified and enrolled in the pilot throughout the rest of August, with households receiving first payment in September.

Findings from the Previous Pilot and Philanthropic Participation

From March 2021 to March 2022, the contractor piloted a program to measure the impact of this strengths-based approach in Austin, particularly in housing stabilization. One hundred and seventy-three households participated, receiving \$1,000 per month, and the [final report](#) has just been released. Major insights of this report include:

- 100% of members used the funds on basic necessities like rent or mortgage payments, utilities, food, clothing, household items, and transportation.
- 48% of respondents decreased debt. Among these respondents, 53% lowered their debt by 75% or more; 37% paid down their debt completely and are now debt free. Average debt was reduced across different categories, including medical debts, student loans, and rent or utility debt. In dollars, the median debt decreased by about \$14,000 per member.
- 39% of members increased their savings, with the median savings per member increasing by about \$3,000.
- Members increased workforce participation, especially jobs that provided benefits, and income - providing them with resources to ensure housing stability. The employment rate increased from 56% to 67%, and 73% of members increased their annual income between March 2021 and March 2022

Considering these results, we are excited to share that the St. David's Foundation, who supported the first pilot, has committed to fund an additional 50 families in the City of Austin pilot. This brings the total Austin pilot participation to 135 families.

Staff will continue to work with the contractor to ensure the program meets all direction provided by Council. For further information please contact Kellee Coleman, Interim Chief Equity Officer at Kellee.Coleman@austintexas.gov.

cc: Spencer Cronk, City Manager
Anne Morgan, Acting City Manager
Stephanie Hayden-Howard, Assistant City Manager