City of Austin MEMO

P.O. Box 1088, Austin, TX 78767-1088
www.austintexas.gov/housing

Date: March 25, 2013

To: Mayor and Council

From: Betsy Spencer, Director, Neighborhood Housing and Community Development
Carlos Rivera, Director, Health and Human Services Department

Subject: Update on Permanent Supportive Housing Strategy and Goal

This memorandum provides an update on the City of Austin's Permanent Supportive Housing (PSH) Strategy, and in particular an update on the community progress towards the 350-unit goal laid out in Council Resolution 20100325-053. The Strategy can be found at: *www.austintexas.gov/housing*

Background

The Resolution approved by the Austin City Council March 25, 2010, directs staff in both the Neighborhood Housing and Community Development Office and the Health and Human Services Department to develop a comprehensive strategy to construct and operate 350 units of permanent supportive housing (PSH) over four years. In addition, the resolution directs City staff to prioritize funding for PSH that targets the most vulnerable populations, specifically those residents with annual incomes at or below 30 percent median family income (MFI) who are dealing with chronic homelessness and disabilities, while also continuing to fund affordable home ownership, home repair and rental projects.

Update on units in the Pipeline

The partnership with the Ending Community Homelessness Coalition (ECHO) continues to strengthen the City's efforts to address the needs of PSH in Austin. In April 2012, the Leadership Committee on PSH Finance presented to Council an update on the community effort to produce 350 new units of Permanent Supportive Housing by the end of 2014.

The group identified a model for how the units could be funded, including outstanding needs for capital, operational and social services funding. This model included participation by organizations and agencies such as: The City of Austin, Travis County, Veterans Affairs Commission, Central Health, Austin/Travis County Integral Care, U.S. Department of Housing and Urban Development Continuum of Care recipients, the Housing Authority of the City of Austin and the Travis County Housing Authority.

The model also included proposed funding that would have been made possible if Proposition 15 was approved by voters in November 2012. Although the $78 million was not approved by voters, staff continues to recalibrate its Strategy to meet the 350-unit goal, recognizing it will require a multiple-pronged financial approach with the support of local, state and federal funds as well as through the support of agencies including those referenced in this memorandum.

The City of Austin is committed to compliance with the American with Disabilities Act and will provide reasonable modifications and equal access to communications upon request.

As of January 2013, **279** units have been identified, with **170** units operational and occupied as reflected in Exhibit 1:

Exhibit 1

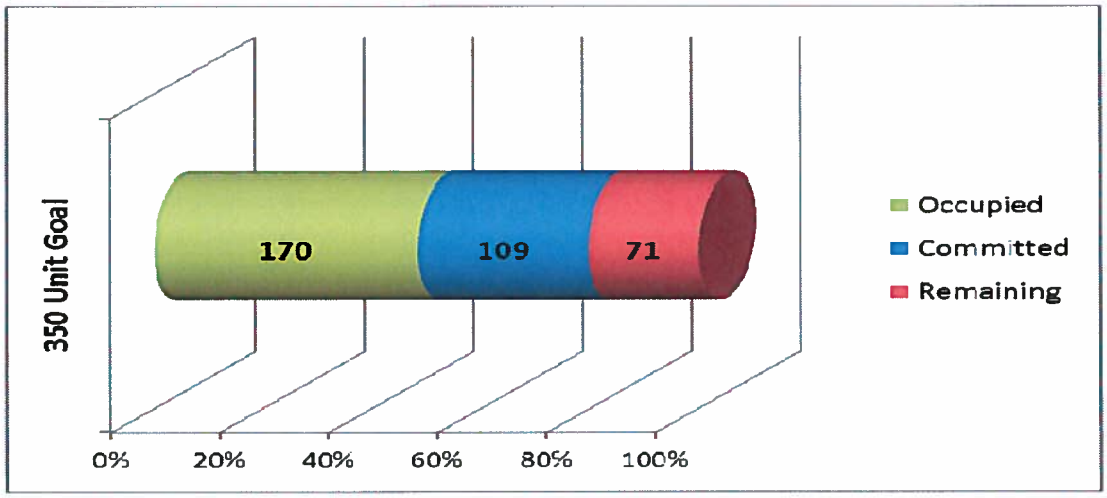
Permanent Supportive Housing Inventory

Primary Service Provider	Housing Provider	Property Name	Occupied Units	Anticipated Units	
Front Steps	Travis County Housing Authority	Scattered Site	17	1	
Front Steps	Green Doors	Pecan Springs Commons I	7	0	
Front Steps	Palms/ Mulholland Group	Palms	12	0	
Front Steps	Scattered	Scattered Site	7	0	
Caritas	Foundation Communities	Spring Terrace	10	0	
Caritas	Foundation Communities	Arbor Terrace	10	0	
Caritas	Foundation Communities	Arbor Terrace	27	13	
Caritas	Summit Housing Partners	Marshall Apartments	1	19	
Veterans Affairs	Green Doors	Pecan Springs Commons I	10	0	
Veterans Affairs	Green Doors	Pecan Springs Commons II	17	0	
Veterans Affairs	Green Doors	Pecan Springs Commons III	20	0	
Veterans Affairs	Green Doors	Treaty Oaks	26	0	
SafePlace	Green Doors	Glen Oaks Corner	6	0	
Lifeworks	Lifeworks	Works at Pleasant Valley	0	20	
TBD	Captuity Investments III	Retreat at North Bluff	0	6	
TBD	Foundation Communities	Capital Studios	0	27	
TBD	Travis County Housing Authority/ Foundation Communities	Spring Terrace/ Skyline Terrace	0	23	
City of Austin Neighborhood Housing and Community Development - last updated 1/ 14/ 13		**Total**	**170**	**109**	**279**

Many of the units referenced in Exhibit 1 are funded through General Obligation Bonds, and until a new dedicated capital funding stream is identified, the investment in capital development could slow significantly compared to the last three years. Community partnerships are also still working to reduce barriers to housing, such as criminal backgrounds and identification requirements, in order to more quickly house those who have been identified for PSH programs.

Work continues in order to identify and connect new sources of funding to current models for PSH in Austin. With nearly 80 percent of the desired units identified and partially funded, the City is on its way to reaching the 350-unit goal. Exhibit 2 reflects progress toward the 350-unit PSH goal.

Exhibit 2



Independent Evaluation

Finally, recognizing that PSH is a resource-intensive intervention, studies have indicated the high public costs of homelessness mean that it costs essentially the same amount of money to house someone in stable, supportive housing as it does to leave that person homeless and cycling through high- cost crisis care and emergency housing. City staff understands the need to bring a data-driven analysis to the community to further enhance the PSH educational campaign "Roof Over Austin" and infuse support for a sustained financial strategy to fund PSH in the long-term.

NHCD identified an unmet need in its Fiscal year 2013 budget for funding to support an Independent Evaluation in order to address the action identified in the PSH Strategy. The Strategy calls on an independent evaluator to assess the effectiveness and cost-benefit comparison of the program overall, indicating study results will be presented to City Council and other funding partners no later than June 30, 2014.

While the study does not call out a specific study design, it does indicate the need to evaluate, at a minimum, the following outcomes, generally assessing individual outcomes at least 12 months previous to and 12 months after placement in housing:

1. Increased number of operational PSH housing units
2. Changes in number of chronically homeless individuals.
3. Reduction in number of days spent incarcerated, and in associated costs
4. Reduction in emergency room visits, and in associated costs.
5. Reduction in EMS transfers, and in associated costs.
6. Reduction in 911 calls, and in associated costs.
7. Reduction in psychiatric hospitalization, and in associated costs.
8. Reduction in primary care hospitalization, and in associated costs.
9. Reduction in court cases, and in associated costs.
10. Reduction in detoxification services, and in associated costs.
11. Impact on utilization of Medicaid, and in associated costs.
12. Impact on health indicators

Overall, the evaluation can determine the extent to which local investment of funds has resulted in avoidance of costs associated with individuals' utilization of specific public systems and public systems as a whole. NHCD and HHSD are exploring how best to pursue the evaluation of PSH.

Next Steps

NHCD and HHSD continue to collaborate with the members of the Leadership Committee on PSH Finance to address the number of items recommended in the 2010 PSH Strategy. NHCD will be issuing a Request for Qualifications (RFQ) in the near future that will fund Permanent Supportive Housing units to assist the hardest to serve chronically homeless individuals in our community.

HHSD has initiated an 1115 Wavier project for PSH that allocates $250,000 for support services. Staff will continue to report progress while working with the numerous community partners required to meet the goals set forth by the Austin City Council and the objectives outlined in the PSH Strategy.

NHCD and HHSD staff is available to provide information as requested.

Thank you.

cc: Marc A. Ott, City Manager
Bert Lumbreras, Assistant City Manager
Ann Howard, Ending Community Homelessness Coalition (ECHO)
Leadership Committee on PSH Finance