

## **Equity Reinvestment in Community Working Group Reimagining Public Safety Task Force**

**Goal:** Identify and create upstream mechanisms that prevent the need for policing and invest in impacted communities to address long standing inequities.

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### **Background & Context**

“Criminality” and violence stem from systemic failures to support community wellbeing in a universal and nondiscriminatory way. We recognize that violence occurs not only interpersonally but also from structural neglect and oppression, as we have all observed during the global pandemic, the recent winter storm, and regularly in the City’s lack of low-cost housing, adequate intervention to protect flood prone property, and response to loss of wages. We call for the City

to halt investment in the violent and oppressive practices of policing and to pivot those dedicated resources to reimagined services designed to meet the needs of our communities.

By grounding ourselves in the history of policing in the US and in Austin, we can better understand the historical role of law enforcement as a mechanism to protect property and wealth through the use of violence. The US became the wealthiest country in the world via intentional policies and practices of exploitation and genocide. The current racial wealth divide (see “The Economic Impact of Closing the Racial Wealth Gap,” 2019, McKinsey & Co.) in our country is not by accident. The system of racial capitalism has cemented a racial hierarchy in all markers of life, including health, income and wealth, with white communities at the top, Black communities at the bottom, and other communities of color in between. Today in Austin, Black and Brown communities have the highest rates of poverty, unemployment and housing insecurity. Related historical practices such as redlining and housing discrimination have resulted in geographic concentrations of poverty that are disproportionately communities of color in Austin. Our recommendations focus on these geographic communities.

### **Recommendations**

The Community Equity Reinvestment Working Group of the Reimagining Public Safety Task Force makes the following recommendations to the Austin City Council and Quality of Life Commissions for divestment from policing and investment in community wellbeing, stability, growth and safety.

There is both a need for **immediate, direct economic support** for Austin residents who have been made the most vulnerable and are facing critical needs as well as **long-term and sustainable investment** in community equity. We recommend the following actions:

1. **The City invest at least \$11 million from the current fiscal year budget** to be used to address the needs of 10 neighborhoods that have high concentrations of poverty, high unemployment, limited access to health insurance, high concentrations of COVID cases and/or a high level of need for basic-needs assistance based on calls to 2-1-1.  
See: <https://coh-tx.maps.arcgis.com/apps/webappviewer/index.html?id=8d9051e9503d4338b6469c7a343881a1>
2. **The City invest \$44.8 million annually starting in FY 2021-22 to support long-term and sustainable investment in community equity.**
  - a. The City will develop **strategically located neighborhood “hubs” managed by local grassroots organizations and administered by the City’s Equity Office in collaboration with Austin Public Health** to:

- i. Oversee the implementation and distribution of a **guaranteed income pilot program** for residents in the hubs' jurisdiction in the form of direct **recurring cash payments. Total \$12 million annually.**
- ii. **Direct new and existing city resources** to the neighborhood hubs to distribute in accordance with short-term priorities established via a community-driven process that includes meaningful involvement by residents.
- iii. With a commitment from the City to **invest an additional \$6.5 million annually per hub (total \$32.5 million)**, work with residents to identify longer-term needs for their communities and prioritize how funds are spent.

### **Use of Funds from Current-Year Budget**

The city must work with local community members to identify the communities that would benefit most from immediate community equity investment and that have a history of experiencing structural violence. The data are very clear. There are a number of Austin neighborhoods that are suffering simultaneously from over-policing and under-investment. **We recommend the following datasets be used to identify and prioritize** the neighborhood areas that have the greatest number of cross-sector challenges be prioritized:

- Over policing, concentrated surveillance, and patrol data
- Calls to 211 by Zip Code & Call Type: <https://coh-tx.maps.arcgis.com/apps/webappviewer/index.html?id=8d9051e9503d4338b6469c7a343881a1>;
- Unemployment and underemployment rates
- Poverty and low-income neighborhoods
- Focus Areas Identified in the Central Health 2020 Demographics Report: [https://centralhealth.net/wp-content/uploads/2020/09/demographic\\_report\\_2020\\_2020\\_09\\_04.pdf](https://centralhealth.net/wp-content/uploads/2020/09/demographic_report_2020_2020_09_04.pdf) which includes data on asthma, behavioral health, COPD, diabetes, heart failure, and hypertension; insurance coverage (MAP/Medicaid/uninsured) and transportation
- Housing insecurity: areas, such as those identified in the Uprooted Report, that are vulnerable to gentrification and displacement
- Areas vulnerable to flooding
- Areas lacking tree canopy coverage
- Neighborhoods near brownfields, landfills, recycling, and wastewater treatment facilities
- Food insecurity: areas that lack access to fresh foods or grocery stores, referenced in recent TX Appleseed reports
- Predatory lender locations (Payday)

- COVID- looking at data re new cases, mortality rates, testing site availability, and vaccine access

The City via the Equity Office will set aside **\$100,000 each for 10 neighborhood areas** that have seen the greatest health and economic impacts from the pandemic. The City, through the Equity Office, must engage community partners (organizations) already engaged with and centering residents, to identify and distribute to residents in need. The City will use the remaining **\$10 million (of a total of \$11 million from current fiscal year funds)** to provide rent assistance to prevent evictions and direct assistance for basic needs to residents of those neighborhoods (including direct cash assistance, assistance for rent, utilities, food, medication, and health care, and assistance for other delayed costs such as DACA and naturalization fees). Community partners will identify community members needing assistance, and program funds will be used to address the needs of individuals identified by community partners for assistance. Community partners will use this outreach as an opportunity to identify individuals who might serve on advisory councils for neighborhood hubs.

The work done between now and the end of the fiscal year will inform and facilitate the selection of **5 or more** neighborhood hubs that will operate on an on-going basis starting in FY 2021-22.

### **Annual Investment of Funds to Support Neighborhood Hubs**

Once at least five neighborhood hub sites have been selected, the City Equity Office will designate **panels of community members** that will select partner organizations to manage and lead the organization of each hub. Screening should be stringent; the panel should demonstrate that selected organizations have an established **history of direct community engagement and outreach with directly impacted communities**, especially non-white communities, marginalized and underserved populations, and other survivors of structural violence. Priority should go to grassroots organizations that demonstrate direct relational practice with the communities they serve. If there are no willing or existing organizations, the City should explore establishing **paid resident councils** composed of directly impacted communities and seek similar organizations that would be willing to house the hub resources and infrastructure.

Once these locations and organizations are identified, the hubs will serve as both **drop-in centers for easy and multilingual access to resources** for residents as well as **bases for funded outreach efforts** to reach residents at their doorstep in order to meet needs and bridge the gap left by poor accessibility and navigation. There are currently city-run Neighborhood Centers in some of these communities, but they are not meeting the needs of community members and many residents do not feel safe accessing them. These neighborhood hubs will be created and staffed by the neighborhoods, and local community members will determine and prioritize both the needs in their community that the hubs should address and what resources are needed. These

hubs can also serve as the “resilience hubs” that City Council Member Kathy Tovo has recommended and should receive support for both emergency and ongoing community needs.

We recommend the addition of **two staff members** to the city’s Equity Office: a Financial Manager and Program Manager, both dedicated to the implementation of the neighborhood hubs. In addition to the supportive program funds partner organizations will receive to make the hubs operational, the City will also provide funds to hubs to hire a **community member to serve as a city liaison** responsible for coordinating between organization staff and the Equity Office staff. The city must be responsive to the city liaison in each hub. The city liaisons will help direct resources to groups in need. **(Total central staffing \$300,000 annually)**

Once established, the hubs will implement the following recommendations of the Community Equity Reinvestment group:

A. Pilot a **Guaranteed Income** project.

a. Why?

- i. Cities across the country have begun to implement guaranteed income pilot programs. These pilots target particularly vulnerable and underserved communities and provide a steady and reliable income stream that helps recipients respond to needs as they arise and at their own discretion. Nearly half of the US population experiences income fluctuations of 25% or more, and nearly 40% of the population cannot afford an emergency expense of \$400. As income inequality in the US steepens year after year, millions of Americans are living paycheck to paycheck, and we are beginning to see concentrated areas of poverty experience parallel rises in policing and respective declines in residents’ social determinants of health. Cities have begun to stimulate these regions with direct and consistent cash assistance and are seeing complete revitalization of these communities. Previous and ongoing experiments have found the following results for participants: better educational outcomes, substantive improvements in physical and mental health, significant reduction of predatory debt, and greater confidence in having basic necessities met. They have also found no appreciable impacts on the labor market.

In Austin, we have the foundation to make this pilot possible. We have facilitated a few successful initiatives and have the infrastructure needed to launch such a pilot. As a result of the COVID pandemic, the RISE resolution launched programs that have transferred one-time direct cash assistance to residents facing the health and economic impacts of the

pandemic. We now have the mechanisms and expertise needed to launch a more impactful guaranteed income program.

In addition to the multiple RISE programs implemented by the city of Austin, there are innovative pilot programs occurring locally as well as nationally. One example is a recent partnership with local philanthropic funds (\$1.2M) that partnered with 100 families on a 12-month pilot starting in March. This initiative has invested \$12,000 per family over 12 months (\$1,000/month). Research on the impacts is currently underway to learn from the families.

As the City of Austin considers how to reallocate resources for and reimagine approaches to anti-displacement, housing stabilization, and public safety, the Innovation Office, Equity Office, Neighborhood Housing and Community Development, and the Mayor's Office are exploring income transfers and Guaranteed Income programs that adopt a strength-based approach. This approach includes listening to and learning from communities and providing unrestricted capital while allowing families to have choice and control over their initiatives. Guaranteed income programs also serve as a form of repair for the historic and structural economic inequities that Black, indigenous and other communities of color have faced for hundreds of years nationally and locally. A substantial investment from the city of Austin is imperative.

b. How it will work:

- i. **Guaranteed Income Project Pilot: \$1,000 monthly for one year to 200 households per hub x 5 hubs. Total \$12 million annually.**
- ii. Cash grants will go to neighborhood hubs that will directly distribute funds on a recurring basis to eligible residents in the area.
- iii. The project will be targeted to people who are most in need based on established criteria rather than an open lottery.
- iv. The City Equity Office will convene a process that determines eligibility requirements using the equity assessment tool.
- v. The Equity Office staff have offered their support and have stated they are willing to coordinate with staffing and direct cash assistance.
- vi. The Equity Office will support efforts to provide benefit recipients financial counseling services for each potential recipient of guaranteed income funds. These financial counselors will walk each prospective recipient through a personalized explanation and exploration of their benefit services and explain how guaranteed income payments may interfere or impact other benefit payments they are currently receiving.

- vii. The Equity Office will facilitate coordination with Texas Health and Human Services to ensure that guaranteed income payments are not included in benefit-related calculations of income so as to not interfere with essential benefit services that eligible residents may currently be receiving. The Equity Office will take significant measures to meet with other successful guaranteed income pilot projects in order to research and explore methods in which the distribution of guaranteed income payments does not interfere with other benefit payments residents may be receiving.
- viii. The Equity Office will also implement an evaluation process so as to measure and assess performance on an annual basis. This data can inform continued implementation and support consistent improvement in accessibility, feasibility, and reach. It can also be helpful for other similar efforts across the country.

- B. Identify current area-specific city funds that are designated for communities also selected for hub placement and **designate hubs as the fund managers** for those resource pools.
- a. Additionally, we believe our communities could widely benefit from access to public resources such as city buildings, equipment, police vehicles etc. As demonstrated in our winter storm, there were so many resources available that the city failed to mobilize or make accessible. Buildings went unused that could have been used as shelters from the cold; heavy-duty police vehicles capable of weathering the conditions could have been used to transport stranded and hungry individuals but they remained vacant and unused. Thus, we demand public and community ownership of city equity and property and expect the city to provide access to resources that are either under-utilized or misused.
  - b. Any funding streams devoted to area-specific interventions (Project Connect, Riverside Togetherness) should be redirected to neighborhood hubs for leadership and decision-making capacities, informed and driven by feedback solicited from residents of these areas.
- C. The city will set aside a larger pool of new renewable funds from both the APD budget and other city funds. **Total \$32.8 Million annually.** The City must commit to continuing to redirect funds away from APD. But redirecting funds from APD's budget is insufficient for the deep investments of significant resources that are needed to provide communities with the tools to implement housing and neighborhood stability measures--measures that will assist in preventing crises, rather than simply responding to them. In addition to funds redirected from APD's budget, various other funding sources intended to address housing instability and displacement must be placed in the hands of the communities that are most directly impacted--communities that have been demanding anti-displacement resources from the City for decades. Among those funding sources that

should be overseen by directly impacted communities are: affordable housing bond funds, the housing trust fund, the Mayor’s Strike Fund, Project Connect anti-displacement funds, and general revenue funds (collectively referred to as, “anti-displacement funds”). The city will work with local, directly-impacted community members to **develop longer-term proposals for community reinvestment**, which could include new low-cost housing on city-owned property, anti-displacement measures to maintain existing housing, flood mitigation efforts, expanded direct cash assistance, etc. Decision making will be place-based and will occur through a community planning process developed by community member councils. Resources will be allocated for both the planning process and to implement the projects that are identified. In addition, short-term investment programs will be funded by the City, using funds redirected from APD’s budget, and will be administered by the hubs, to prevent displacement and destabilization of communities. These micro-loan and micro-grant programs are detailed below.

D. Develop and implement a **community-based investment process** to support investments that proactively prevent crises rather than respond to crises, by empowering communities to implement housing and neighborhood stability measures.

a. Why?

i. The impact of housing insecurity is profound. Tenants, whose wages do not keep up with rent, are cost-burdened, experience financial strain and/or displacement have been shown to experience a wide variety of chronic stress-related health impacts. Factors such as poor housing quality, stress of financial and housing instability, and lack of funds for nutritious food and healthcare often lead to poor health outcomes. Disruption of social networks can exacerbate these health challenges.

The city must invest in the assets that these communities already possess, such as social cohesion among community members and neighborhood businesses, and provide resources to prevent some of the economic stressors that impact community residents’ health.

It’s crucial that these communities are provided the resources to determine and develop the appropriate solutions for the various stressors and issues they face.

b. How it will work:

i. With oversight from the **geographically-based neighborhood hubs**, community members will lead the process to manage city-designated funds for area-specific impact. The city should make an initial investment of **\$6 million per hub and commit to an additional annual deposit of \$6 million per hub per year** for the next 10 years to establish a micro-loan program, an emergency micro-grant assistance fund, and a rental micro-grant assistance fund. These are described in more detail, in Section D, below.



- ii. Hubs will develop community member councils who will decide how these neighborhood funds and grants should be administered. The micro-loans will **not replace emergency relief funds or crisis relief funds**; these are purely intended to be used for community development and equity investment.
- iii. These community member councils will also determine how anti-displacement funds should be invested. The use of an equity assessment tool is required to determine how funds will be used. The community member councils will engage in community planning efforts to determine appropriate place-based measures to achieve housing stability. These councils must include renters among their members.

**E. Anti-Displacement Funding and Community Assistance Funding**

- a. A portion of the micro-loan program funds--up to 50%--may be used to develop a small business capital fund or small business loan program to support existing community-serving businesses in the area and/or to develop innovative economic security models for vulnerable residents, such as cooperative businesses (e.g., daycares) run by local residents.
- b. **At least 50% of the micro-loan program funds** will be used to provide micro loans for individual and family needs, such as rental assistance, home repair assistance, childcare assistance, car repairs, and other unforeseen needs. The micro-loans will **not replace emergency relief funds or crisis relief funds**,
- c. Separately, funds will be allocated to community hubs to support an emergency assistance micro-grant fund. This micro-grant fund will be used to provide emergency relief for residents facing urgent financial burdens, such as utility assistance, eviction prevention assistance, assistance with medical expenses, etc.
- d. Separately, funds will be allocated to community hubs to support a Rental Assistance or Tenants' Support Program, post-pandemic.
- e. At least 25% of **current and future** affordable housing bond money and affordable housing general fund dollars -- in addition to other funding sources, such as the Mayor's Strike Fund and Project Connect anti-displacement funds -- will be allocated to the community hubs for purposes of implementing place-based anti-displacement measures. These anti-displacement measures may include land acquisition, community land trusts, and other displacement mitigation strategies. Community member councils may also use bond money to oversee the development of housing or other resources on city owned property within the hub's geographical boundaries.
- f. A portion of the above-described anti-displacement funds will be set aside for use by community member councils to develop the capacity of tenants, homeowners,

and other vulnerable populations to organize, strategize, and advocate for policies that protect deeply affordable rental properties and home ownership.

**Current Fiscal Year Costs**

Establish 10 community partnerships (\$100,000/partnership)	\$1 million
Provide financial assistance to meet immediate community needs (\$1,000,000 per area)	\$10 million
<b>Total - Current Fiscal Year Funds</b>	<b>\$11 million</b>

**Annual Investment FY 2021-22 and Beyond**

(Note: The total request reflects the establishment of only 5 neighborhood hubs. If more than 5 hubs are selected, the totals should be adjusted accordingly.)

Staffing, administration, and programming for 5 neighborhood hubs (\$500,000/hub)	\$2.5 million
One city liaison (to neighborhood hubs); two Equity Office hires to provide oversight and support to the program	\$300,000
Guaranteed Income Project Pilot (\$1,000 monthly for one year to 200 households per hub x 5 hubs)	\$12 million
Community Investment Fund  Establish Loan Program to support existing small businesses & entrepreneurship opportunities; half of these funds will be used to fund a micro-loan program for emergency rental assistance, emergency home repair assistance, eviction prevention, and other unforeseen emergencies. (\$4 million per neighborhood hub, total \$20 million)  Establish Emergency Assistance Fund to provide emergency relief for residents: housing assistance; utility assistance; home/car repairs; health expenditures; etc. (\$1 million per hub, total \$5 million)	\$30 million

Continuation of Rental Assistance Program in neighborhood hub areas - post-pandemic. (\$1 million per neighborhood hub, total \$5 million)	
<b>Total - Annual Investment</b>	<b>\$44,800,000</b>

**Secure funds from other city revenue sources to support neighborhood hubs:**

Bond Funding Dedicated for Affordable Housing	Dedicate 25% of funds to mitigate displacement in neighborhood hubs
Annual General Fund Allocations for Affordable Housing	Dedicate 25% of funds to mitigate displacement in neighborhood hubs
Other anti-displacement funds	Community member councils for designated hubs to direct and oversee expenditure of the majority of anti-displacement funds.

**In addition to advancing our goal of equity reinvestment, we support the recommendation from the Public Health Reinvestment working group regarding a Community Health Workers Network and Training Hub.**

As an additional step towards this City’s divestment from policing and investment into community wellbeing, stability, growth and safety, this Working Group supports and calls for the implementation of the Community Health Workforce recommendation set forth by the Public Health Reinvestment working group. We believe the development of a community health worker workforce complements our recommendations in advancing our goal of equity reinvestment. We envision collaboration between our proposed community hubs and the development of a workforce that would create opportunities for many of the people in our communities who have not been given access to or have been able to have stable careers with dignified compensation. For years and years, systemic racism has destabilized our communities and preyed on our poverty and necessity, targeting people of color and feeding them through the pipelines of military enrollment and law enforcement training. Providing new opportunities centered in community care and collaboration, investing in the expertise that lived experiences provide, and prioritizing healing and restoration rather than violence and oppression, is a clear step towards community wellbeing, stability, growth, and safety and we urge Council to adopt this measure.

**Additional Data and Supporting Material (Optional as Needed)**