



City of Austin

Permanent Supportive Housing Strategy

September 30th, 2010

City of Austin
Neighborhood Housing & Community Development
Health and Human Services

Prepared by:
Corporation for Supportive Housing



Executive Summary

On March 25th, 2010, the Austin City Council passed a resolution¹ directing the City Manager to give priority to the funding of permanent supportive housing, and to develop a comprehensive strategy for the construction and operation of 350 permanent supportive housing units over the next four years. The council directed the City Manager's Office to present the plan to Council by October 1st, 2010, and to develop the strategy in coordination with governmental and private-sector stakeholders. The present report is intended to respond to the City Council's direction.

The City of Austin's program definition of permanent supportive housing (PSH) is:

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 consisting 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; and
- Managed through a working partnership that includes ongoing communication between service providers, property owners/managers, and subsidy programs.

City of Austin-funded PSH will serve individuals or families headed by individuals that are:

1. Chronically homeless as established in the HEARTH Act²,
2. Households that would otherwise meet the HUD definition 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,
3. Unaccompanied youth or families with children defined as homeless under other federal statutes that demonstrate housing instability and have other barriers that will likely lead to continued instability, as detailed in the plan.
4. Youth aging-out of state systems, whether homeless or at-risk of homelessness.

Among those served, priority will be given to

- At least 225 households identified as frequent users of public systems, and
- At least 75 households identified using a method linked to 'vulnerability,' as described in the plan.

Additionally, the City has a goal of serving the following subpopulations, which may be represented in either of the above priority screening methods (note that categories will overlap and will not total to 350):

- At least 270 single adults
- At least 30 families
- At least 10 unaccompanied youth
- 300 Individuals with severe and persistent mental illness, including 150 with co-occurring disorders
- 20 "youth aging out" of foster care and/or juvenile justice systems (10 single adults/10 families)
- 70 veterans
- 50 single women

¹ See Appendices for full resolution.

² Homeless Emergency Assistance and Rapid Transition to Housing Act, enacted on May 20, 2009.

Under the financing model proposed, a \$9M City of Austin investment through FY2014 would leverage an additional \$34M in federal, state, and local funds over the four years. Once all units are in service, ongoing operations and maintenance of the units are projected to total \$7.3M per year, with approximately \$775,000 annually coming from City funding, primarily for services.

In order to achieve the objectives related to the PSH strategy, capital funding will be implemented through a new programmatic structure, with a total of at least \$6M anticipated to be funded via Neighborhood Housing Community Development over the next four years, including \$1,775,000 in FY2011. Elements of the program design may include the set-aside of specific funding for PSH units, with deeper per-unit subsidies than otherwise available (since PSH units cannot typically carry hard debt), the creation of scoring preferences or set asides to support the achievement of subpopulation targets, and direct or indirect linkage of capital funding to operating and service funding sources.

Health and Human Services will utilize \$100,000 in the FY2011 budget to support PSH efforts, and will incorporate the PSH goals into its planning for FY2012-2015 social service contracts. The plan contemplates a City investment of \$625,000 per year in services at full occupancy in 2014.

Providers will be asked to track shared outcome measures, with a focus on housing stability, and an independent evaluation of cost avoidance among PSH tenants will be conducted.

Systems Redesign

The City is engaging in the present PSH strategy as part of an intentional effort to redesign the delivery of homeless services to explicitly achieve the goal of markedly reducing long-term homelessness in Austin. As such, the plan includes a number of ancillary activities that will serve to improve or mature the system overall, particularly as it relates to the ability to effectively create and operate permanent supportive housing. Throughout its efforts, the City will seek to repurpose, where appropriate, existing resources to support PSH production.

The City of Austin will take a leadership role in convening partners to achieve the PSH goal, including, but not limited to, Travis County, Central Health, local Public Housing Authorities, Veterans Affairs, Austin/Travis County Integral Care, local hospitals, and various State of Texas agencies. To that end, the City will invite potential partners to participate in a PSH leadership group, for the purposes of identifying and coordinating necessary funding, as well as monitoring the pipeline of PSH units.

The City will engage with ECHO and other community partners to assess the role that Austin Resource Center for the Homeless can play in this arena, and will collaborate with community partners to develop frequent user and vulnerability screening tools that may be used to prioritize tenants. To support its community partners as they enhance their existing expertise in PSH, the plan contemplates funding capacity building for both developers and service providers.

In addition, the City will investigate the creation of a dedicated tax or fee for homeless services, while working with the philanthropic community to identify potential vehicles for private contributions. Special attention will be paid to leveraging Medicaid under the current funding structure as well as under upcoming healthcare reform, and the City will support efforts that increase PSH funding at the State and Federal levels.

