

**AGENDA**



**Recommendation for Council Action**

Austin City Council	<b>Item ID</b>	11740	<b>Agenda Number</b>	22.
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<b>Meeting Date:</b>	1/12/2012	<b>Department:</b>	Health and Human Services
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**Subject**

Approve an ordinance authorizing acceptance of \$408,235 in grant funds from the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, HOMELESS HOUSING AND SERVICES PROGRAM; and amending the Fiscal Year 2011-2012 Health and Human Services Operating Budget Special Revenue Fund (Ordinance No. 20110912-005) to appropriate \$408,235 for the delivery of homeless services.

**Amount and Source of Funding**

Funding in the amount of \$408,235 is available from the Texas Department of Housing and Community Affairs (TDHCA), Homeless Housing and Services Program (HHSP) Funds. The grant period is September 1, 2011 through August 31, 2012.

**Fiscal Note**

A fiscal note is attached.

<b>Purchasing Language:</b>	
<b>Prior Council Action:</b>	On September 12, 2011, the Council approved the Fiscal Year 2011-2012 Health and Human Services Department Operating Budget (Ordinance No. 20110912-005).
<b>For More Information:</b>	Vince Cobalis, Asst. Director for Human Services, 972-5011; Susan Gehring, Manager Community Based Resources, 972-5026; Chris Crookham, Agenda Coordinator, 972-5010.
<b>Boards and Commission Action:</b>	
<b>MBE / WBE:</b>	
<b>Related Items:</b>	

**Additional Backup Information**

The Homeless Housing and Services Program (HHSP) was initially authorized by the Texas Legislature in the 81st Legislative Session. It was the first program that authorized state funding for homeless services and homelessness prevention. The appropriation was divided among the eight largest cities in Texas according to population with Texas Department of Housing and Community Affairs (TDHCA) assigned as manager. All services ended on August 2011 in accordance with that agreement. On September 28, 2011, Austin was informed that it would receive an additional \$88,598 in funds to amend and extend the initial agreement, and \$408,235 in HHSP funds from the state's Below Market Interest Rate Fund (\$65,060) and Housing Trust Fund (\$343,175) for a new award with a grant period of September 1, 2011 to August 31, 2012.

The Below Market Interest Rate Fund (BMIR) is available for construction and rehabilitation, operations of direct services, case management, housing retention, homelessness prevention, rental assistance or other homeless related activity. BMIR funds allow up to 5% of the allocation (\$3,253) to be utilized for administration costs related to staff performing management, reporting and accounting of program activities and funds.

HHSP funding in FY 2010-2011 was awarded to Front Steps as operators of the Austin Resource Center for the Homeless (ARCH) to expand their case management program. Due to the reduction in HHSP funding in August 2011, Front Steps had an initial funding gap for FY 2011-2012 of \$138,563 in the case management program. Front Steps was awarded \$88,598 in initial HHSP funds for case management. Health and Human Services Department (HHSD) will fund Front Steps with \$49,965 in new HHSP BMIR funds for case management services to fill this gap.

The remaining funding of \$11,842 will be used for case management services at an agency to be determined. The goal will be to serve frequent users of the ARCH and Downtown Community Court.

The Housing Trust Fund (HTF) is available for rental assistance, construction and rehabilitation. HTF funds allow up to 5% of the allocation (\$17,158) to be utilized for administration costs related to staff performing management, reporting and accounting of program activities and funds.

The majority of the HTF funding will be used for construction and rehabilitation of the Salvation Army Women and Children's Shelter (estimated cost of \$261,450). The Women and Children's Shelter operates at maximum capacity with all 60 beds continuously occupied by homeless women and their children. In September, the Public Health and Human Services Subcommittee reviewed recommendations for the rehabilitation of the Women and Children's Shelter including replacement of the air conditioning system, installation of telephones and plumbing repairs. These repairs remain crucial for the shelter to function well and efficiently. A new energy efficient cooling system could generate a 33% reduction in utility costs, and reduce wear and tear on the building.

The remaining funding of \$64,567 will be used for rental assistance at an agency to be determined. The goal will be to serve frequent users of the ARCH and Downtown Community Court.

The General Fund will not be required to contribute to this grant.

All department grant application requests are reviewed by the Budget Office prior to submission to ensure that the grant minimizes the financial impact to the City.

#### PERFORMANCE MEASURES

Related Departmental Goal: Provision: Social Services – Promote and foster increased self-sufficiency, healthy behaviors, and lifestyle among targeted populations.

Performance Measures will be determined after the contract is finalized with TDHCA.