

RESOLUTION NO.

WHEREAS, Social Impact Financing is a mechanism designed to raise private-sector capital to expand effective social service programs based on the concept of Pay for Success (PFS) contracts which allow governments to pay only for results; and

WHEREAS, Social Impact Financing is a promising multi-stakeholder method of financing, being adopted by cities and states, in which philanthropic and private risk capital are used to fund preventive programs that have been proven to produce real results, while also reducing the financial and societal costs associated with addressing the problem; and

WHEREAS, Social Impact Financing has been noted as a way to foster innovation in social services by reducing the risk to taxpayers that they will be funding ineffective programs, and also by encouraging collaboration to deliver on successful outcomes to multi-faceted problems; and

WHEREAS, the deep community need to fund basic social services and address social problems has placed constraints on the funding of promising preventative programs that could otherwise expand; and

WHEREAS, Social Impact Financing programs have varied from New York City's efforts to address prisoner rehabilitation to Denver's efforts to deliver housing-first permanent supportive housing to address homelessness; and

WHEREAS, currently there are no cities in Texas with a Social Impact Financing program and applicable state law needs to be reviewed to determine if this financing can be lawfully used in Texas; and

WHEREAS, The United Way of Greater Austin and Greenlights are developing a grant application to study the feasibility of PFS financing in Austin and Travis County; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is directed to study the feasibility of "Social Impact" or "Pay For Success" Financing, which is financing that is paid when a program has documented community benefits, including all applicable legal requirements, and provide a report on possible program focus areas, potential partners and recommended steps to accomplish an initial pilot project.

BE IT FURTHER RESOLVED:

The City Manager is directed to explore technical assistance and grant funding opportunities that may be available for the City to consider, and also

consider coordinating with Travis County, the United Way of Greater Austin, and Greenlights for Non-Profit Success on a current application for consultant services to explore the feasibility of social impact financing for community projects.

ADOPTED: _____, 2014 **ATTEST:** _____
Jannette S. Goodall
City Clerk