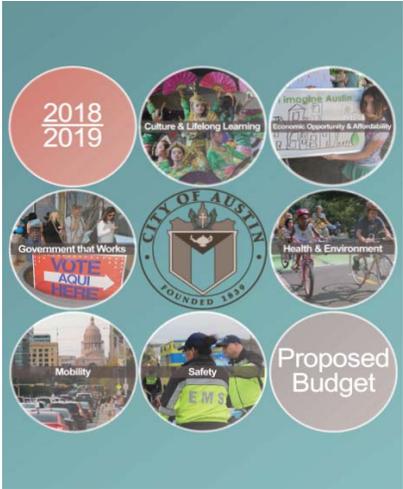


FY 2018-19 Budget Work Session



September 6, 2018

Budget Adoption Timeline

- Discussion of Budget Adoption Process
- Presentations: Homelessness, Parks & Recreation, artist space, senior exemption
- Preliminary discussion of potential Council budget amendments

- Revisit budget adoption scenarios
- Discussion of “growing consensus” items: EMCOT, homelessness, senior exemption, increase tax rate
- Continued discussion of potential Council budget amendments

August 6
City Manager
Presents
Proposed
Budget

August 15
1st Budget
Work Session

August 22
First Budget
and Tax Rate
Public
Hearings
(1:00 PM)

August 29
2nd Budget
Work Session

August 30
Second Budget
and Tax Rate
Public
Hearings
(4:00 PM)

September 6
3rd Budget
Work Session

September 11
Budget
Adoption

- Presentations: Budget highlights, Development Services, deferred maintenance, cultural centers, PARD development review fee
- Budget adoption scenarios
- Continued discussion of potential Council budget amendments

Budget Scenarios

Scenario 1:

- Adopt the budget as proposed at a 4.9% tax rate increase

Smallest property tax increase of the three scenarios

Significant investments across outcome indicators prioritized by Council

Scenario 2:

- Increase property tax rate
- Allocate any additional funds from increase to one-time needs or reserves

Best position if Legislature enacts lower tax rate cap

Funding in reserves available to address pending Council resolutions and audit recommendations

One-time funding commitment maintains more flexibility in future years

Scenario 3:

- Increase property tax rate
- Increase senior exemption from \$85,500
- Ongoing funding for EMCOT & homelessness
- Allocate any remaining funds to one-time needs, reserves, or other priorities

Softens property tax impact on senior and disabled homeowners

Ongoing funding available for highest-priority new Council initiatives



Government That Works

Property Tax Rate

- Increase tax rate from proposed amount of 4.9%
 - Increase to 5.0% generates an additional \$590,000
 - Increase to 5.5% generates an additional \$2.9 million
 - Increase to 5.9% generates an additional \$4.7 million
 - Increase to 6.0% generates an additional \$5.2 million
 - Reserves will need to increase to maintain 12% level

"Typical" Residential Ratepayer Impact Reflects Austin Energy Update and 6% Tax Rate

Service or Fee	Fiscal Year 2017-18 Yearly Rate	Fiscal Year 2018-19 Proposed Rate	Annual Dollar Change	Typical Ratepayer Defined as:
Austin Energy	\$1,044.00	\$1,040.64	(\$3.36)	Residential customer usage of 860 Kwh.
Austin Water	\$970.92	\$969.48	(\$1.44)	Residential customer usage of 5,800 gallons of water and 4,000 gallons of wastewater
Austin Resource Recovery	\$291.60	\$291.60	\$0.00	Residential customer using a 64-gallon cart
Clean Community Fee	\$107.40	\$107.40	\$0.00	Per single-family home
Transportation User Fee	\$138.24	\$153.48	\$15.24	Per single-family home
Drainage Utility Fee	\$141.60	\$141.60	\$0.00	Residential customer with 3,100 sq. ft./37% of impervious cover
Property Tax Bill	\$1,250.20	\$1,322.15	\$71.95	FY 2019 median non-senior homestead assessed value of \$332,366; homestead exemption increase from 8% to 10%; tax rate 6.0% above effective M&O
TOTAL YEARLY IMPACT	\$3,943.96	\$4,026.35	\$82.39	Combined projected increase of 2.1%



Government That Works

Senior Exemption

- Increase senior exemption from current level of \$85,500
 - \$4,500 increase to \$90,000 reduces revenue by \$770,000 (at 6% tax rate increase)
 - \$2,500 increase to \$88,000 reduces revenue by \$430,000 (at 6% tax rate increase)



Economic Opportunity & Affordability

Homelessness Services

- Increased funding for homelessness services
 - Report back from Council sub-quorum meeting



Health and the Environment

Expanded Mobile Crisis Outreach Team (EMCOT)

- Funding for Expanded Mobile Crisis Outreach Team
 - 60% of total requested funds = \$1,140,000
 - Match Travis County funding of \$760,000



Amendments with No General Fund Impact

- Two small business ombudspersons in Development Services Department
 - Paid from development fees
- PARD development review fee
 - Staff is working with consultant and will return to Council after budget adoption
 - Increase in General Fund revenue
- Recycling at City parks (potential)
 - Staff exploring use of debt and parkland dedication fees
- Gun buyback program (potential)
 - Staff reviewing eligibility
- Carver Master Plan (potential)
 - Staff exploring other CIP funding sources in the event 2018 Bond does not pass



Next Steps

- Discussion of Council budget amendment process



Appendix

- **Homeless Services Strategies**
- **Increase to Senior Exemption**

Homeless Services Strategies



**Stephanie Y. Hayden, LMSW, Director
Austin Public Health**



Alignment with Strategic Priorities

Economic Opportunity & Affordability: *Having economic opportunities and resources that enable us to thrive in our community*

Indicator: Homelessness

- Number and percentage of persons who successfully exit from homelessness

Reported Program Performance: October 2016 – September 2017

- 3,055 Unduplicated clients served in emergency shelters, rapid rehousing and permanent supportive housing services
- 77.4% Case-managed households transitioned from homelessness into housing
- 83.4% Households at-risk of homelessness that maintained housing



Homeless Services Portfolio

➤ Outreach and Navigation

- ECHO: *Housing Navigation Program*
- *New - Integral Care: *Peer Support Specialists for HOST Team*

➤ Emergency Shelter

- Front Steps: *Austin Resource Center for the Homeless (ARCH)*
- Salvation Army: *Austin Shelter for Women & Children*
- Salvation Army: *Pathways & Partnerships Emergency Shelter*
- The SAFE Alliance: *SafePlace & Children's Shelter*
- Casa Marianella: *Shelter and Re-housing*
- Foundation for the Homeless: *Shelter and Re-housing*
- LifeWorks: *Youth Shelter, Street Outreach, Housing Programs*
- Easter Seals: *Downtown Workers Pilot*



Homeless Services Portfolio

➤ Rapid Re-Housing/Housing Placement Services

- Caritas + 11 Partner Agencies: *Best Single Source Plus (BSS+)*
- Front Steps, Downtown Community Court, & Communicable Disease Unit: *federal Emergency Solutions Grant (ESG)*
- *New - Family Eldercare, Casa Marianella and LifeWorks Rapid Rehousing Programs
- AIDS Services of Austin: *Housing for People with AIDS (HOPWA)*

➤ Permanent Supportive Housing (PSH) Services

- Integral Care & Foundation Communities: *PSH 1115 Waiver*
- Front Steps: *Front Steps PSH*
- Foundation Communities: *Arbor Terrace PSH and Supported Employment*
- Integral Care: *Oak Springs PSH*
- Caritas: *Behavioral Health Services for PSH*
- VinCare: *Saint Louise House Supportive Housing*



Homeless Services Portfolio

➤ Homelessness Prevention

- Caritas + 11 partner agencies: *Best Single Source Plus (BSS+)*
- Catholic Charities of Central Texas: *Financial Stability Program*
- Texas Rio Grande Legal Aid: *Housing Rights & Resident Advocacy*
- Austin Tenants Council: *Housing Stability*
- AIDS Services of Austin (ASA): *Housing Opportunities for People with AIDS (HOPWA)*

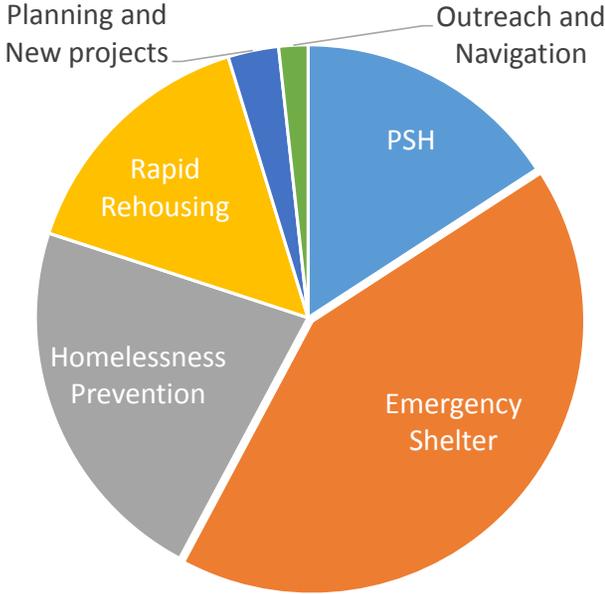
➤ Community Planning

- ECHO: *Coordinated Assessment, Homeless Management Information System (HMIS), Continuum of Care Lead Agency*

FY 2018 APH Investment

- \$325,000: Outreach/Navigation
- \$7,869,940: Emergency Shelter
- \$2,861,151: Rapid Re-housing
- \$2,971,002: Permanent Supportive Housing
- \$4,163,494: Homelessness Prevention
- \$562,747: Planning & Admin

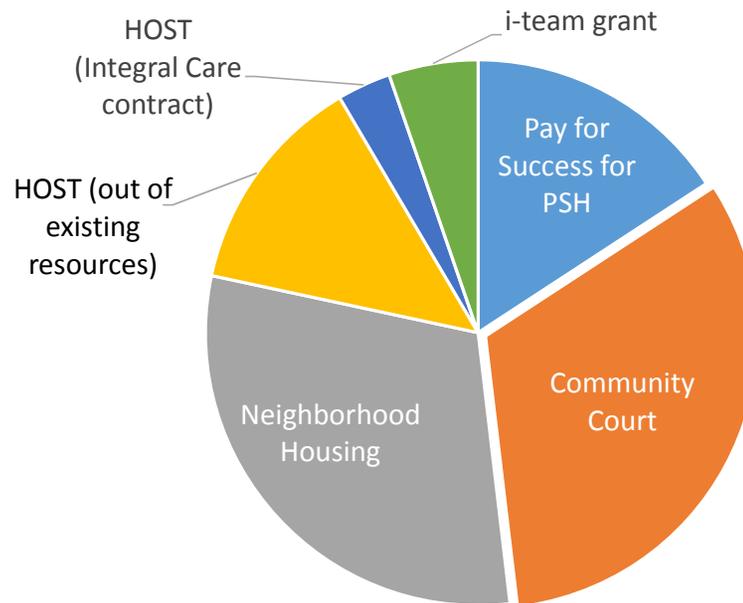
\$18,753,334 – Total Investment,
General Funds & Grant Funds



FY 2018 Other Investments

- \$1,200,000: Pay for Success for PSH
- \$2,455,840: Community Court
- \$2,296,712: Neighborhood Housing
- \$1,000,000: HOST (out of existing resources)
- \$242,000: HOST (Integral Care contract)
- \$402,000: i-team grant

\$7,596,552 – Total Investment,
General Funds & Grant Funds



FY 2019 New Funding for Homelessness

- **\$3.1 million of new funding for homelessness programs**
 - \$600,000 to support alternatives to panhandling and expand community based services (APH)
 - \$315,000 and 3 positions – 1 FTE to coordinate homeless services citywide and 2 FTEs to manage homeless contracts (APH)
 - \$178,000 and 2 positions for wraparound services program (Austin Public Library)
 - \$1.0 million and 5 positions to enhance the Homelessness Outreach Street Team (HOST)
 - \$1.0 million for citywide homeless camp cleanup contract (Watershed Protection)



Second HOST Team

Total of \$1.6 million:

- Police requires 2 police officers, vehicle, equipment, fuel and fleet maintenance: \$313,000
- Downtown Austin Community Court includes 3 Case Managers, rehabilitative services, vehicle, fuel and fleet maintenance: \$884,000
- Emergency Medical Services needs 2 medics, 2 vehicles, equipment, fuel and fleet maintenance: \$387,000



Increase to Senior Exemption



Property Tax Exemptions

Current Exemptions	City of Austin	Travis County	Austin ISD	Austin Com. Col.	Central Health
General Homestead	10%	20%	\$25,000	1%	20%
Senior/Disabled	\$85,500	\$85,500	\$35,000 + Freeze (\$25,000 Disabled)	\$160,000	\$85,500

FY19 Median Homeowner Impact
@ \$0.4420 Tax Rate (6%),
including *current* exemptions

- Non-senior homeowner: **\$71.95**
- Senior/disabled homeowner: **\$77.85**

FY19 General Fund Revenue Impact
@ \$0.4420 Tax Rate (6%),
increasing senior/disabled exemption

- Exemption increase of **\$17,500** required to hold senior/disabled harmless
- FY19 revenue reduction of **\$3.0 million**

Senior/Disabled Tax Exemptions

Exemption Increase	Total Exemption	General Fund Revenue Impact	Annual FY19 Median Property Tax Increase (Decrease)
\$2,500	\$88,000	(\$0.4M)	\$67
\$5,000	\$90,500	(\$0.9M)	\$56
\$7,500	\$93,000	(\$1.3M)	\$45
\$10,000	\$95,500	(\$1.7M)	\$34
\$12,500	\$98,000	(\$2.1M)	\$23
\$15,000	\$100,500	(\$2.6M)	\$12
\$17,500	\$103,000	(\$3.0M)	\$0
\$20,000	\$105,500	(\$3.4M)	(\$11)