

RESOLUTION NO.

WHEREAS, Resolution No. 20141211-122 directed the City Manager to deliver a feasibility study for initiating and administering a corporation such as an Economic Development Corporations (EDCs); and

WHEREAS, the Resolution also directed the City Manager to review all other prior recommendations for EDCs from city plans and to analyze community needs that could be supported through the use of an economic development corporation or another corporate structure and to recommend other focus areas and potential sources of funding; and

WHEREAS, Resolution No. 20170216-040 directed the City Manager to bring forward a specific proposal or proposals for creating an entity or entities capable of structuring public-private partnerships to assist in accomplishing the priority projects and goals of the City; and

WHEREAS, Resolution No. 20170831-103 directed the City Manager to recommend options for creating a dedicated funding stream for capital and operating expenditures related to meeting the needs of those experiencing homelessness; and

WHEREAS, Resolution No. 20170928-052 directed the City Manager to complete the work required in Resolution 20170831-103 and to explore additional financial strategies; and

21 **WHEREAS, Resolution No. 20170831-059 directed the City Manager to**
22 **recommend options to engage the community in alternatives to activities such as**
23 **“panhandling,” including means to facilitate contributions to direct assistance to those**
24 **experiencing homelessness; and**

25 **WHEREAS, in March 2018, the Council approved Austin’s Strategic Direction**
26 **2023 plan and identified homelessness as the top priority indicator in the plan; and**

27 **WHEREAS, Resolution No. 20180426-030 endorsed the “Austin Action Plan to**
28 **End Homelessness,” a plan with the goal of launching a public-private partnership to build**
29 **a sustainable system that ends people’s homelessness in Austin, Texas; and**

30 **WHEREAS, Austin’s “Action Plan to End Homelessness” delineates five critical**
31 **methods to effectively end homelessness, including strategies to build community**
32 **commitment from both the public and private sectors; and**

33 **WHEREAS, the City has access to multiple funding sources for land acquisition**
34 **and capital costs for both emergency shelter and permanent supportive housing, such as**
35 **bond dollars, Community Development Block Grant funds, and revenue generated from**
36 **the Waller Creek Tax Increment Reinvestment Zone; however, funds for operating and**
37 **maintaining emergency shelters and other critical ancillary resources, such as emergency**
38 **rental assistance, housing vouchers, landlord risk mitigation funds, case managers, and**
39 **other wraparound services, are much more limited; and**

40 **WHEREAS**, Senate Bill 2, which lowered the multiplier used in the rollback rate
41 calculation from 8 percent to 3.5 percent for cities for nearly every Texas city, will make
42 it more challenging for the City of Austin to fund the aforementioned services and
43 resources; and

44 **WHEREAS**, the May 29, 2019, staff memo in response to Resolutions No.
45 20141211-122 and 20170216-040 states that the Texas Transportation Corporation Act
46 grants municipalities the ability to create local government corporations (LGCs), nonprofit
47 organizations empowered to act on behalf of a municipality to “accomplish any
48 governmental purpose”; and

49 **WHEREAS**, according to the memo, “[t]he City would be able to transfer funds to
50 the LGC through a contract. Among the potential sources of funding are fund transfers,
51 hotel taxes (for allowable uses), TIF funds, that may serve as the backing for bonds and
52 notes”; and

53 **WHEREAS**, LGCs can also take out loans and issue bonds, and bonds not backed
54 by City property taxes would not be considered City property-tax backed debt; and

55 **WHEREAS**, as city staff note, the LGC structure allows it to “operate with the
56 flexibility and speed required to capitalize on a range of market driven development
57 opportunities”; and

58 **WHEREAS**, an LGC’s board must be comprised of at least three members not
59 associated with the city; and

60 **WHEREAS**, the City of Dallas operates an LGC that, among other goals, raises
61 money to support policy goals related to addressing homelessness; and

62 **WHEREAS**, individuals often ask City staff how they can assist in financially
63 supporting efforts related to ending homelessness in Austin; and

64 **WHEREAS**, an LGC could act on behalf of the City to collect and distribute private
65 funds to address homelessness in Austin; **NOW, THEREFORE:**

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

67 The City Council desires to create and incorporate a local government corporation
68 to accomplish the governmental purpose of addressing homelessness in Austin. The City
69 Council desires for this LGC to have and exercise all of the powers prescribed by Chapter
70 22, Texas Business Organizations Code and Chapter 431, Texas Transportation Code; and
71 to accept donations of funds, services, and things of value. The City Council will require
72 Council approval before the LGC can incur debt or acquire land. Additionally, the City
73 Council will require its approval for certain expenditures.

74 **BE IT FURTHER RESOLVED:**

75 The City Council directs the City Manager to file a written application with the City
76 Clerk that requests the City Council to approve and authorize the creation of a public non-
77 profit LGC. The application must include the LGC's proposed articles of incorporation,
78 bylaws, and scope of work. The proposed articles of incorporation must include the City
79 Manager's recommendation on when Council's approval should be required for

80 expenditures. The scope of work must support the City's Action Plan to End
81 Homelessness. The City Council directs the City Manager to file the application on or
82 before November 1, 2019. **BE IT FURTHER RESOLVED:**

83 Before submitting the application to the City Clerk, the City Council directs the
84 City Manager to:

- 85 (1) conduct stakeholder engagement regarding the LGC's scope of work;
86 (2) explore the feasibility of classifying the LGC as a 501(c)(3); and
87 (3) seek out subject matter experts, as needed.

88 **BE IT FURTHER RESOLVED:**

89 As part of the LGC's initial board, the City Council directs the City Manager to
90 include a position for a representative from the Continuum of Care consortium, a private
91 business sector representative, and a representative from the Downtown Austin Alliance.
92 The City Council authorizes the City Manager to recommend additional external members
93 that the City Manager deems appropriate to fulfill the mission of the LGC.

94 **BE IT FURTHER RESOLVED:**

95 Upon Council approval of the composition of the LGC Board, the City Council
96 directs the City Clerk to solicit applications from citizens who are interested in serving as
97 soon as feasible, with the goal of receiving applications by January 1, 2020.

101 The members of the Health and Human Services Committee shall review all
102 applications from citizens interested in serving on the Corporation board and make
103 recommendations to the full City Council at the Council's last meeting in March of 2020.

104 **ADOPTED:** _____, 2019

ATTEST:

Jannette S. Goodall
City Clerk