

MOTION SHEET

American Rescue Plan Act funding related to homelessness

WHEREAS,

In 2020, an estimated **1,879** individuals experiencing homelessness were housed through the combined efforts of the City of Austin, nonprofits, and other housing partners. The City of Austin alone allocated nearly **\$69 million** in Fiscal Year 2021 for social service contracts, housing vouchers, and other programs related to homelessness, and with additional investments related in large part to hotel acquisitions, the estimated total for 2020-2021 is **\$92.5 million**. In addition, the COVID pandemic necessitated additional public health intervention measures including food distribution and leases for non-congregate space and associated services for an estimated total expenditure that exceeded **\$17 million** by May 2021.

WHEREAS,

This Spring several organizations (Downtown Austin Alliance, the Greater Austin Chamber of Commerce, and the Ending Community Homelessness Coalition, and others) convened a group that included individuals with lived experience, social justice advocates, social service providers, representatives from the business sector, and selected other community members and city staff to participate in focused conversations related to homelessness. “The Summit to Address Unsheltered Homelessness in Austin,” resulted in the ambitious goal of housing an additional 3,000 individuals over the next three years, building on the existing community investments in homelessness and providing a path to ending homelessness in Austin.

WHEREAS,

The Summit work estimates costs associated with expanding the permanent housing system necessary to house an additional 3,000 individuals within three years at **\$515.1 million**. (Note this figure does not appear to include funding for additional shelter, crisis beds, or designated camping areas.) Based on an understanding that **\$222.1 million** of additional funding has already been committed or is anticipated, Summit leadership have set a goal of identifying public funding and raising philanthropic dollars for a total increased investment of **\$300 million**.

BE IT RESOLVED BY THE CITY OF AUSTIN CITY COUNCIL:

The Council affirms its intent to identify **\$106.7 million** within the American Rescue Plan Act allocation to expand housing and services for individuals experiencing homelessness. With the exception of the funding for Emergency Shelter (**\$4.2 million**), Capacity Building (**\$5 million**), Workforce: Homelessness (**\$2 million**), HOME (**\$11.4 million**), and an additional **\$5 million** from the general homelessness fund, the American Rescue Plan Act allocation for Fiscal Year 2021 shall remain in a reserve fund designated for this purpose, in a manner similar to the Council creation of the Pay for Success Reserve Fund Operating Budget, until completion of the process described below.

The City’s allocation will be contingent on external partners committing or securing funding of at least \$200 million to match this more than \$100 million investment.

BE IT FURTHER RESOLVED:

Council signals its intent to **review and affirm or revise** this framework as appropriate and necessary, including making funding shifts in response to factors that include the following:

- external funding commitments
- other budgetary and funding processes
- availability of other possible sources of more restrictive funding (such as the Waller Creek TIRZ)

In addition, Council will review and affirm or revise this framework prior to receiving the American Rescue Plan Act allocation for Year 2.

BE IT FURTHER RESOLVED:

While the Summit proposal is based on an in-depth financial model as well as considerable expert research (including from the City of Austin's Homeless Strategy Officer), the information presented publicly does not yet include that level of detail. The City Manager is directed to engage the following process so that City Council, the public, and potential funding entities can clearly identify and support the proposed investments and intended outcomes.

Funding Plan

At the earliest possible date but no later than the August 24, 2021, work session – and prior to proposing contracts in excess of a cumulative **\$10 million** -- the City Manager shall do the following:

Designate appropriate city staff from Financial Services, Austin Public Health, and the Homeless Strategy Office to review the information created within the Summit to affirm or revise financial assumptions, funding recommendations, and other related information.

Using the Summit work as appropriate, on that same date the City Manager shall present a detailed funding plan to house an additional 3,000 individuals over three years. This Funding Plan shall build on the existing City investment of approximately \$70 million annually and the current public/nonprofit achievements of housing approximately nearly 2,000 individuals each year.

At a minimum, this Funding Plan shall:

- describe new or expanded investments proposed within the general categories of Crisis Services, Core Housing Programs, Other Services, System Capacity Building, and Capital Investment
- explain the assumptions that form the basis for the financial model
- include expected numbers of individuals served within each subcategory
- explore other eligible sources of city available funding to meet these needs
- identify a process and timeline for measuring results and sharing them with the public

This Funding Plan shall also:

- detail existing city financial investments
- include expected numbers of individuals served within each category and contract

Council Member Tovo

Amendments to #77

June 10, 2021

- provide contracted dates of service
- identify current funding source

Fundraising Plan

The City Manager shall request that Summit partners provide the following:

- a development plan with fundraising goals for private, public, foundation, and individual contributors and a draft timeline for meeting those goals
- names of individuals who will continue to serve in positions of Summit leadership and a description of the group's decision-making process

BE IT FURTHER RESOLVED:

Public meetings

Prior to September 1, 2021, or to proposed spending totaling more than \$10 million from the general homelessness ARPA fund, the City Manager shall create a SpeakUp Austin! page and shall hold a minimum of two City of Austin community meetings to discuss the overall plan and intended American Rescue Plan Act investments and to solicit public feedback.

The City Manager shall use this feedback to inform recommendations and, as soon as feasible, the Manager shall return to Council with any recommended revisions to the Spending Plan.

BE IT FURTHER RESOLVED:

Spending authority

The City Council affirms its intent to review and retain its authority to deliberate and make final decisions on all contracts proposed to be funded from the American Rescue Plan Act and in excess of the City Manager's spending authority. As noted above, Council also affirms its intent to revise this Spending Plan as needed to respond and to accommodate newly identified needs.

BE IT FURTHER RESOLVED:

Local Government Corporation

Resolution 20190808-077 called for the creation of a Local Government Corporation to assist in raising private philanthropic dollars for homelessness housing and services. The resolution defined the LGC's scope of work as that which would support the City's Action Plan to End Homelessness; directed the City Manager to engage stakeholders in clarifying the scope, exploring the feasibility of classifying the LGC as a 501(c)(3), and filing the required documents with the City Clerk by November 1, 2019; and directed that a representative from the Continuum of Care consortium, a private business sector representative, and a representative from the Downtown Austin Alliance be among the members of the initial board. This LGC has not yet been established, though the City Manager has the Council direction he needs to engage in conversations with stakeholders about such an LGC's recommended scope and purpose. The City Council would retain the authority to affirm such an LGC's scope and responsibilities and to designate appointees.

The City Manager shall provide regular updates to the Public Health Committee (via memo if necessary) about the current and expanded investments toward ending homelessness in Austin.