MEMORANDUM

TO: Mayor and Council Members

FROM: Peter Valdez, Court Administrator, Downtown Austin Community Court
Dianna Grey, Homeless Strategy Officer

DATE: February 16, 2022

SUBJECT: Update regarding Fiscal Year 2021/22 Budget Rider related to Satellite Homeless Services, the ARPA Funding Plan, and DACC's Long-Term Facility

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The purpose of this memorandum is to provide an updated response to the Fiscal Year 2021/22 Tovo Budget Rider 2 (Ordinance 20210811-001) which gave direction, in part, to:

- Explore the creation of storage options and satellite Downtown Austin Community Court (DACC) facilities to serve individuals in areas which currently have few facilities serving individuals experiencing homelessness.
- Prioritize the unmet HOST and DACC needs in the April 16, 2021 memorandum (Memo) in the forthcoming Funding Plan directed in the Council resolution regarding the American Rescue Plan Act (ARPA) framework.
- Identify and confirm the DACC's permanent location by September 15, 2021. Further, if the site requires renovation or new construction, this work should begin by January 1, 2022, with a projected end date no later than May 2023.

This response includes the following sections:

- Satellite DACC Triage Case Management
- Satellite Storage
- ARPA Background
- Prioritizing HOST and DACC Unmet Needs
- DACC Facility Update

Satellite DACC Triage Case Management

The anticipated cost per additional DACC triage case manager, which includes salary, benefits, and necessary equipment, licenses, and software is approximately $99,080 annually. This cost would be the same for each additional staff member at any location, but there could be additional facility costs depending on where triage case managers are located.

As was noted in the Memo, DACC and Terrazas Branch Library staff have discussed how collaboration to serve individuals experiencing homelessness could continue after DACC was no longer located at that facility. There is interest in having a DACC triage case manager remain onsite, and space is available for that to happen without impeding other Library resources and

services. Given the demand for DACC services, DACC could only accommodate this request if a new FTE was hired to fill this role.

Having a satellite location for DACC triage services is likely to increase the demand for ongoing Intensive Case Management services. Any expansion of triage, regardless of location, should include analysis of the impact after the first year of services to determine how many ongoing resources will be needed for Intensive Case Management staff and funding for additional social service dollars.

Satellite Storage

DACC currently operates the Violet KeepSafe Storage Program (VKS), which is a free service that enables individuals experiencing homelessness to safely store vital documents, family memories, clothing, bedding, and more. Annual staffing cost to support VKS is $148,000 for the temporary staff, in addition to nominal general operating costs covered by DACC and storage bins provided through Austin Resource Recovery.

The annual staffing level provides workforce opportunities for five individuals with lived experience with homelessness and is necessary for VKS to operate from 7:00am-7:00pm, 7 days a week. It is anticipated that any satellite storage location would have similar annual operational expenses if the program is located at a City-owned location or with a community partner that does not have costs associated with leasing space. Any additional program costs would need to be evaluated on a location-by-location basis.

Austin Public Health (APH) is in the process of releasing a series of solicitations incorporating City General Funds, American Rescue Act Plan – State and Local Fiscal Relief Funds, and Federal funds for an array of services across the Homelessness Response System. On January 31, 2022, APH released the first solicitation for $53 million focused on housing stabilization programs; including, Permanent Supportive Housing and Rapid Rehousing. APH's second solicitation will be for crisis services within the Homelessness Response System. This solicitation will fund up to approximately $12 million and is expected to be released in March 2022. Walk-in case management, resource navigation, and storage services will be eligible activities under APH's crisis services solicitation. Therefore, the need for additional DACC triage case management and storage services will be partially dependent on the awards APH makes from the crisis services solicitation.

ARPA Background

City Council has allocated $106.7M in American Rescue Plan Act (ARPA) funds to help put the City on a pathway to make homelessness rare, brief, and nonrecurring. The City's ARPA commitment towards homelessness will catalyze investments across our community's Homelessness Response System, including $55 million for permanent housing programs, $26 million to build deeply affordable housing units, $10 million for crisis services, $9 million for system and organizational capacity building, and $7 million for support services such as behavioral and mental health and employment services. The vast majority of the City's ARPA funds will be deployed via the following three City departments: $79 million from Austin Public Health, $19 million from Housing & Planning Department, and $7.3 million from the Downtown Austin Community Court (DACC). The Homeless Strategy Division's February 1, 2022 briefing to City Council provides additional details.

Prioritizing HOST and DACC Unmet Needs

The Budget Rider also gave direction to prioritize the unmet HOST and DACC needs in the Memo in the forthcoming Funding Plan directed in the Council resolution regarding the American Rescue Plan Act (ARPA) framework. Working in close partnership with DACC leadership and staff, the Homeless Strategy Division (HSD) has allocated $7.3M in ARPA funding to fund DACC's Intensive Case Management services and expand services for individuals engaged by HOST.

DACC used federal Emergency Solutions Grants – CARES Act, which expires at the end of Fiscal Year 2021/22, to fund five case managers, one case manager supervisor, housing expenses, and other operational costs to serve individuals at City-run Protective Lodging facilities and prevent their return to homelessness. Of the $7.3 million allocated to DACC, $6.7 million will be used to sustain the staff hired through ESG funds to continue providing case management and connection to long-term housing solutions for three additional years, through Fiscal Year 2024/25. The continued funding for these staff will allow DACC to serve 15 people at a time per case manager and connect approximately 50 individuals experiencing homelessness to long-term housing solutions annually.

Expanding HOST as proposed in Section 1c of the Memo would cost approximately $0.7 million annually. There are limited resources for homeless outreach services, with only $2.0 million of the City's ARPA funds allocated for this purpose. Given those limitations, and the fact that there are currently over 200 individuals experiencing homelessness on a waitlist seeking case management services, HSD is allocating approximately $0.6 million of ARPA funding to expand case management services that will serve individuals engaged through HOST for two years, through the end of 2023. Specifically, this funding will allow DACC to expand Integral Care's contract for the Homeless Health and Wellness Center Program to hire three additional case managers, which would meet a critical unmet need by providing person-centered and housing-focused case management services to individuals experiencing homelessness engaged by HOST and will better address the current DACC waitlist.

HSD and DACC will reassess HOST needs at the end of Fiscal Year 2022, at which point Austin Public Health will have solicited $79 million for services across the Homelessness Response System and the outstanding needs and gaps for outreach services will be better known. DACC and HSD look forward to ongoing collaboration moving forward as plans to address homelessness for our community continue to be developed.

DACC Facility Update

DACC and the Office of Real Estate Services have continued to work toward locating and securing a long-term facility for DACC. If approved, Items 12, 13, and 18 on the February 17, 2022 City Council agenda would authorize the funding and contracting needed for renovations at the 8th Street Municipal Court Building, which would then serve as DACC's long-term location. As needed, DACC and the Office of Real Estate Services will continue to collaborate with City leadership and community stakeholders to ensure seamless continuation of DACC services and a smooth transition to a new facility.

Should you need more information, please contact Peter Valdez at Pete.Valdez@austintexas.gov.

CC: Spencer Cronk, City Manager
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Michael Gates, Director, Office of Real Estate Services
Adrienne Sturrup, Interim Director, Austin Public Health