



MEMORANDUM

TO: Mayor and Council Members

FROM: Jesús Garza, Interim City Manager 

DATE: February 13, 2024

SUBJECT: **Update on Comprehensive Review of Homelessness Investments**

I am providing an update regarding the ongoing plans for a comprehensive review to assess the effectiveness of the strategies, programs, and services provided by the City of Austin, Central Health, Travis County, and Integral Care to make homelessness rare, brief, and nonrecurring.

Representatives from the City of Austin, Travis County, Integral Care, and Central Health began planning for this comprehensive review in October 2023. On October 20, 2023, these partners met and came to an understanding that this comprehensive review is essential to ensuring that our combined investments have a more positive, coordinated impact for our homeless population. On October 21, the City shared with all these partners a draft scope of services to use in a solicitation for a vendor to conduct a baseline review and assessment of each of our current programs, services, and outcomes. After receiving feedback from partners on the draft scope of work, the City initiated an informal competitive process for a professional services contract in compliance with state law for a comprehensive review of homelessness strategies, programs, and services. The recommended vendor was based on the company's qualifications and experience as well as their key personnel qualifications and experience. The partners met again on December 18 to explicitly discuss the scope of work with the selected vendor, the interlocal agreements, and address any outstanding concerns. On [January 18, 2024](#), Council approved this contract and the interlocal agreements for the partners' participation in this review. Despite Travis County's decision to not co-fund the review after the City of Austin, Integral Care, and Central Health's governing bodies approved funds, City staff is dedicated to advancing this vital endeavor. We understand the importance of collaboration and coordination in addressing this complex issue, and we will engage all relevant stakeholders to ensure the review's success.

Simply put, the comprehensive review's purpose is to identify both strengths and gaps in services for our homeless community. While there are areas where the City of Austin, Travis County, Integral Care, and Central Health perform admirably, it is crucial to identify and address

opportunities for improvement. Each entity has distinct responsibilities for providing critical services including some health services that are legally required. What's more, the lack of coordination and resource alignment among our entities can result in fragmented services for individuals experiencing homelessness, causing significant challenges in providing comprehensive and integrated support. Recognizing and addressing these gaps is essential as we strive together to build a more cohesive and effective approach to tackling homelessness in our community.

The City is finalizing the contract with McKinsey & Company, Inc. with a budget of \$1,350,000, which reflects the financial commitments from the City of Austin, Integral Care, and Central Health. Central Health has also offered an in-kind contribution of up to \$50,000 in staff time towards this work. The review will yield the same quality deliverables as envisioned in the initial scope and will encompass three key components:

1. Strategy Evaluation: The review will delve into each entity's responsibilities, providing a clear understanding of the specific mandates guiding their contributions to addressing homelessness. Also, the review will incorporate foundational documents such as previous studies, current strategic plans, future projects, and an analysis of investments made by all parties. This step aims to identify existing strengths, weaknesses, and opportunities for improvement within our respective service delivery models.
2. Coordination of Services: The assessment will emphasize collaboration and coordination among the entities, promoting a synergistic approach to providing comprehensive services to the homeless population. By aligning strategies and resources, we aim to bridge gaps and create a more unified and efficient support system.
3. Report and Implementation Plan: The findings from this comprehensive review will be compiled into a comprehensive report. This report will not only highlight the current state of homeless strategies but will also include actionable recommendations for enhancing the design and implementation of future initiatives. Through this methodical approach, we aspire to lay the groundwork for a more effective and sustainable response to homelessness in our community.

The City's financial commitment for the comprehensive review shall remain at \$1 million, which represents less than two percent of the \$80 million that the City has committed to homeless services this fiscal year. The information gleaned from this review will be paramount as Council considers funding allocations for Fiscal Year 2025 and beyond.

City staff will work directly with the other co-funders – Integral Care and Central Health – in a collaborative and cooperative manner throughout the review. The entities will create a workgroup for ongoing partnership, communication with McKinsey, and monitoring of the review. Once the work is completed, our entities intend to use the report as the basis for further work together. Staff from Travis County and The University of Texas at Austin Dell Medical School will have opportunities to provide their expertise, knowledge, and advisory

support for the review, but they will not have direct influence on decision-making processes, priorities, and the review's overall direction.

City staff will proceed with the planning and execution of the review. We believe that the insights gained from this review will be valuable in informing future policy decisions, funding allocations, and initiatives related to homelessness. Importantly, this work is intended to be completed in time for any necessary adjustments in investments to be included in the Fiscal Year 2025 budget process. By fostering collaboration and leveraging the unique strengths of our partner entities, we aim to bridge any existing service gaps and ensure a more holistic and responsive system for those seeking assistance.

I will ensure that the Council remains updated on the progress of this comprehensive review. Thank you for your continued support and commitment to addressing the challenges faced by our homeless population.

cc: CMO Executive Team
David Gray, Homeless Strategy Officer