

Statesman

Austin eyes a city corporation to fight homelessness

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Add another idea to the list to Austin's possible homelessness solutions: a local government corporation that could act as a city-affiliated nonprofit.

City Council members will vote next week on the proposal from Council Member Kathie Tovo directing staff members to create such a corporation dedicated to homelessness. The aim is to create an entity through which the city can receive private donations.

"From time to time, we've been asked from individuals how they can help, how they can contribute, and this would be a place for that to happen," Tovo said Wednesday. "We need that fundraising piece."

Austin has been in the throes of intense community debate over homelessness and how to respond to it. In June, council members rescinded an ordinance banning camping in most public places, a move that prompted fierce disagreement. Council members also have moved forward on building new shelters, saying they will eventually put one in each council district, and instructing staff members to look broadly at other ideas.

Council members, who have been on a summer break since June 20, have said they will further refine city laws related to homelessness when they return in August.

State law grants Texas cities the ability to create local government corporations, which are nonprofits empowered to act on behalf of the city for any governmental purpose. A local government corporation also has the ability to take out loans and issue bonds separate from other city debt and not backed by property taxes.

One such local government corporation in Dallas, the Dallas Area Partnership to End and Prevent Homelessness, was created two years ago and helps generate ideas to combat homelessness. Tovo said she would expect an Austin version to be more limited in scope, focusing mainly on fundraising.

A board of at least three members would include, initially, one member each from the Downtown Austin Alliance, the Continuum of Care consortium and the private business sector, according to a draft resolution. The resolution asks staff members to draft articles of incorporation and bylaws to file by Nov. 1.

“As city staff note, the (corporation) structure allows it to ‘operate with the flexibility and speed required to capitalize on a range of market driven development opportunities,’” the draft resolution says.

It’s unclear whether a governmental corporation would affect any of the existing private nonprofits that deal with homeless issues or their relationships with the city. Tovo said she did not believe it would, saying it would only increase the funding pie.

Greg McCormack, executive director of Front Steps, which manages the Austin Resource Center for the Homeless, said he knows very little about the proposal but hoped the city wouldn’t be competing with private nonprofits for resources.

Ed McHorse, an Ending Community Homelessness Coalition board member, said he likes the idea of the corporation overall.

“If it can help fund services in the homelessness arena ... some of these things do require a quick response,” he said. “The devil will be in the details of how it’s implemented.”

Council Member Ann Kitchen, who is a co-sponsor of the resolution, called a corporation a way for the public to better participate in an issue that has drawn vocal community discussion.

“We needed something yesterday that’s a vehicle for people to contribute,” she said.

Tovo added that such private involvement in the homeless issue is more important now that the city will be operating under stricter state limitations on how much it can raise property taxes, and thus a tighter budget.

“In a time of diminishing resources with the tax cap, we’re going to be looking for resources,”

she said.