



City of Austin

Recommendation for Action

File #: 25-2573, **Agenda Item #:** 60.

12/11/2025

Posting Language

Ratify an amendment to the agreement with Caritas of Austin to provide permanent supportive housing services, to add two 12-month extension options, each in an amount not to exceed \$500,000, for a total agreement amount not to exceed \$3,200,000. Funding: \$500,000 is available in the Fiscal Year 2025-2026 Social Services Budget of Austin Homeless Strategies and Operations. Funding for the remaining years of the agreement is contingent upon available funding in future budgets.

Lead Department

Austin Homeless Strategies and Operations.

Fiscal Note

Funding in the amount of \$500,000 is included in the Fiscal Year 2025-2026 Social Services Budget of Austin Homeless Strategies and Operations. Funding for the remaining years of the agreement is contingent upon available funding in future budgets.

Prior Council Action:

May 8, 2025 - Council approved the amendment and execution of the agreement with Caritas of Austin with two 12-month extension options on an 11-0 vote.

For More Information:

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Additional Backup Information:

This action ratifies Amendment No. 4 to the agreement with Caritas of Austin to provide permanent supportive housing services, originally approved on May 8, 2025, which authorized Austin Homeless Strategies and Operations (AHSO) to include two 12-month extension options with no fiscal impact to the Espero at Rutland Permanent Supportive Housing (PSH) agreement with Caritas. The agreement has been amended to reflect a fiscal impact of \$500,000 for each extension option.

Funding supports the delivery of supportive services at Espero at Rutland, a PSH program that includes 51 units for chronically homeless individuals. The program delivers evidence-based services to help clients achieve and maintain housing stability. Services include outreach and engagement, case management, connection to mental and physical health services, employment readiness and placement, education and skill-building, food access and nutrition, peer support services, and financial assistance.

According to the latest TX-503 Continuum of Care Needs and Gaps Report, nearly one-third of individuals served by the Austin-Travis County Homelessness Response System are chronically homeless. This means they live with a disabling condition such as mental illness, substance use disorder, or a physical disability and have either been homeless continuously for at least a year or experienced four or more episodes of homelessness within the past three years, totaling at least 12 months.

PSH is the most effective, evidence-based solution for this population, combining long-term rental assistance with personalized supportive services such as case management, mental health and substance use treatment, and access to healthcare.

If authorization of ratification of Amendment No. 4 is not approved, it will limit AHSO's ability to provide permanent supportive housing services.

Amendment No.3 modified program exhibits and exercised the second extension option in the amount of \$500,000 for the period of October 1, 2024, to September 30, 2025.

Amendment No.2 exercised the first extension option in the amount of \$500,000 for the period of October 1, 2023, to September 30, 2024.

Amendment No.1 modified program exhibits for the period of June 1, 2021, to September 30, 2023.

The original agreement was approved for a term of 15 months ending on September 30, 2023, for \$1,200,000 with two 12-month extension options for \$500,000 each, for a total agreement amount not to exceed \$2,200,000.