



Homeless Services Initiatives Update

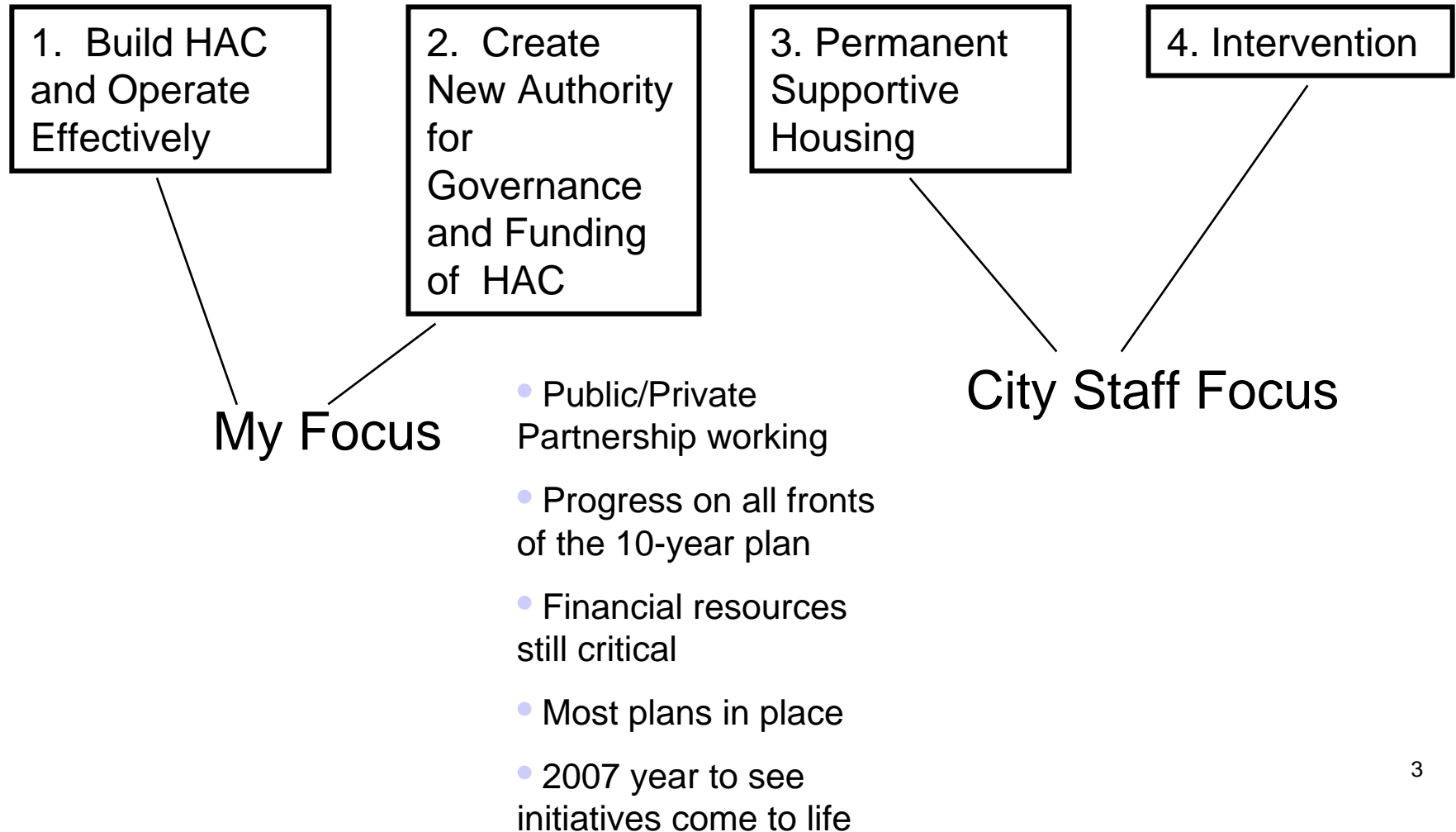
Presented
To
Neighborhood Quality of Life
January 22, 2007



Purpose

- Update on Homeless Assistance Center (HAC)
- Update on governance
- Discuss housing strategies
- Provide an update/status on homeless activities

Four Part Plan for Success



1. Build HAC and Operate Effectively

- Bruce Buchanan is Interim Operator
 - Making key operational decisions
- All land purchased in December
- Contractor chosen and ready to break ground
 - City Council to approve on January 24
- Satterfield and Pontikes (selected out of 5 proposals)
 - 3 of the 5 proposals received were within 2% of each other
 - Satterfield and Pontikes has significant amount of experience with projects this size and magnitude
 - Corporate office is in Houston but has had a thriving office in Dallas for the past 6 years
 - Currently completing the baggage wing at Dallas Love Field
 - Final contract price is within budget
- Ceremonial groundbreaking February 15th
- Final HAC Operations Plan to be ready by July 2007

2. Create New Authority

- Finalized all organizational issues with Metro Dallas Homeless Alliance (MDHA)
- MDHA is ready to take authority for our homeless initiatives
 - Including HAC
- New board created of leaders in business, homeless issues, foundations and public sector
- New CEO hired and approved – Mike Faenza
 - First class experience and community backing
- Small staff in place – continuing its current focus of raising federal money
- Private Sector has given \$1 million to fund new organization
 - Key “Bell Cow” gifts for the future
 - Highland Park United Methodist, Simmons Foundations, Baron and Blue, and Meadows Foundation







Proposed Governance

- MDHA will be charged to prepare an integrated action plan to actualize tactics in the 10-year plan.
- 3 key elements to be addressed
 - HAC Operations
 - Masterplan for Housing
 - Mental Health/Substance Abuse Plan
 - The City will assign a staff member to serve as contract monitor and liaison to MDHA and all city departments.



Proposed Governance (cont'd)

- MDHA will develop operational strategies, policies and procedures for operations, fundraising, service development for the HAC.
- Implement strategies for incorporating agencies in the HAC to provide necessary services
 - Partnerships with other governmental entities
 - RFP's with service providers



Proposed Governance (cont'd)

- MDHA will develop a local collaborative with a recognized university to produce a detailed picture of homelessness in Dallas to include:
 - Percent of homeless native to Dallas
 - Detailed needs of homeless to secure stability
 - More accurate picture of mentally ill and other special need populations
- MDHA will develop a master plan on permanent supportive housing

3. Permanent Supportive Housing

- Current Single Room Occupancy (SRO) status
- Supportive Housing Model
 - Timelines
 - Financials

Current SRO Projects Status



Dallas Urban League

- 120 units for homeless veterans
- Partnered with the VA and Dallas MetroCare Services
- Bond Funds - \$1,000,000
- Located in District 5
- Application submitted for state tax credits
- Project completion expected in 2008

Current SRO Projects Status

Central Dallas Ministries

- Building Acquisition: Acquisition of 511 N. Akard was completed on November 13, 2006.
- Architects Engaged: A contract to provide architectural services for CityWalk@Akard was executed with WKMC Architects on December 16, 2006.
- Historic Tax Credits: The State Historical Commission approved Part I of the application for historic tax credits on November 22, 2006 and National Park Service approved Part I on December 22, 2006. Part II is scheduled to be submitted on January 19, 2007.
- Project Management: Brent Brown of Brown Architects was hired as project manager on December 26, 2006.
- Construction Manager: Requests for Qualifications for the construction manager were issued during the week of January 8-12, 2007.
- Financing: Central Dallas CDC is in negotiations with Enterprise to act as the tax credit syndicator for CityWalk@Akard and with Green Park Financial to provide the permanent financing.



SRO Supportive Housing Model

- Developed by the Corporation for Supportive Housing (CSH)
- Assessed the environment for creating permanent supportive housing
- Conducted an analysis of potential sources of funds

Summary and Timeline: SRO Development

Table 1: Production Program Summary			
TOTAL NUMBER OF UNITS:	700	TIME FRAME IN YEARS:	7

Table 2: Overview of Unit Production Plans by Unit Type, Unit Size, and Year									
	Total Units	Unit Production by Year							
		2007	2008	2009	2010	2011	2012	2013	Total by Unit Size
		0 BR	0 BR	0 BR	0 BR	0 BR	0 BR	0 BR	0 BR
Supportive Housing Units:	700	75	105	104	104	104	104	104	700
Affordable Housing Units:	0	0	0	0	0	0	0	0	0
TOTAL UNITS:	700	75	105	104	104	104	104	104	700

Financing Commitments and Expenditures

Table 3: Financing Commitments Required for the Production of the Units (By Year)

	Total Costs	Financing Commitments by Year							
		2007	2008	2009	2010	2011	2012	2013	2014
Capital Financing Commitments:	\$61,637,500	\$75,000	\$10,342,500	\$10,244,000	\$10,244,000	\$10,244,000	\$10,244,000	\$10,244,000	
Operating Financing Commitments:	\$24,923,700	\$688,500	\$1,652,400	\$2,607,120	\$3,561,840	\$4,516,560	\$5,471,280	\$6,426,000	
Services Financing Commitments:	\$22,320,000	\$600,000	\$600,000	\$1,440,000	\$2,272,000	\$3,104,000	\$3,936,000	\$4,768,000	\$5,600,000
TOTAL FINANCING COMMITMENTS:	\$108,881,200	\$1,363,500	\$12,594,900	\$14,291,120	\$16,077,840	\$17,864,560	\$19,651,280	\$21,438,000	\$5,600,000

Note: Expenditures typically occur one budget year after a funding commitment is secured, as reflected in Table 4.

Financing Commitments and Expenditures

(cont'd)

Table 4: Financing Expenditures Required for the Production of the Units (By Year)

	Total Costs	Financing Expenditures by Year							
		2007	2008	2009	2010	2011	2012	2013	2014
Capital Financing Expenditures:	\$61,637,500	\$75,000	\$0	\$10,342,500	\$10,244,000	\$10,244,000	\$10,244,000	\$10,244,000	\$10,244,000
Operating Financing Expenditures:	\$25,612,200	\$688,500	\$688,500	\$1,652,400	\$2,607,120	\$3,561,840	\$4,516,560	\$5,471,280	\$6,426,000
Services Financing Expenditures:	\$17,320,000	\$600,000	\$600,000	\$600,000	\$1,440,000	\$2,272,000	\$3,104,000	\$3,936,000	\$4,768,000
TOTAL FINANCING EXPENDITURES:	\$104,569,700	\$1,363,500	\$1,288,500	\$12,594,900	\$14,291,120	\$16,077,840	\$17,864,560	\$19,651,280	\$21,438,000

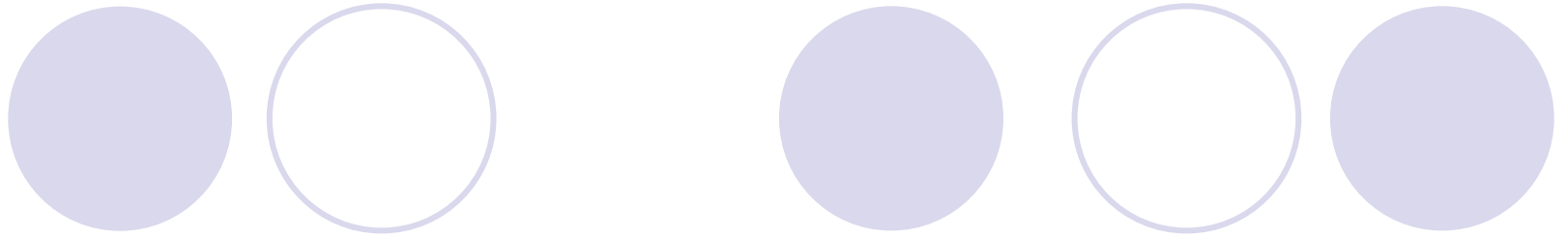
Capital Sources

Total Number of Units Planned for New Construction of Rehabilitation:	700
Total Development Costs for New Construction and Rehabilitation Units:	\$61,562,500

Table 1: Sources of Capital Financing and Amounts Required for New Construction and Rehabilitation Units

Note: The following information is based upon assumptions regarding the portion of the total development costs that each source will cover based upon the typical structuring of such projects.

Type of Financing / Financing Source	Terms of Financing	Amount of Financing Per Unit	Total Amount of Financing
9% Low Income Housing Tax Credits:	Equity	\$49,250	\$30,781,250
City of Dallas Housing Resources: CDBG	0%, 30 Year	\$4,925	\$3,078,125
City of Dallas Housing Resources: General Fund	0%, 30 Year	\$32,480	\$20,300,000
HUD's Supportive Housing Program:	Grant	\$3,840	\$2,400,000
Federal Home Loan Bank Affordable Housing Program:	0%, 30 Year	\$8,000	\$5,000,000
[Other Source]:	TBD	\$0	\$0
[Other Source]:	TBD	\$0	\$0
TOTAL CAPITAL FINANCING:			\$61,559,375
TOTAL DEVELOPMENT COSTS FOR NEW CONSTRUCTION AND REHABILITATION UNITS (FROM WORKSHEET #3):			61,562,500
GAP IN CAPITAL FINANCING SOURCES:			\$3,125



Examples of Successful SROs

South Loop Apartments Chicago, IL



Lakefront SRO developed the South Loop Apartments at 1521 South Wabash in Chicago. The 207-unit, new construction building provides housing and on-site supportive services for a range of low-income individuals. Each unit has a private bath, a kitchen and central air conditioning. The building also includes a tenant lounge, laundry, 24-hour front desk coverage and a rooftop garden. On the first floor of the building is the USG Job Training and Employment Center, also operated by Lakefront SRO, which provides a full range of employment and job readiness training. Case managers work with tenants to establish goals and connect to various outside services and agencies.

The South Loop Apartments was the recipient of the 2002 Fannie Mae Foundation's Maxwell Award of Excellence.

Sources of Financing

FINANCING

CAPITAL

City of Chicago Department of Housing HOME	\$ 7,397,998
Illinois Housing Development Authority Trust Fund	\$ 500,000
Illinois Housing Development Authority Financial Adjustment Fund	\$ 500,000
McKinney Housing Opportunities for People with AIDS	\$ 500,000
Tax Increment Financing (TIF) Proceeds	\$ 580,500
Federal Home Loan Bank Affordable Housing Program	\$ 300,000
Illinois Department of Commerce and Community Affairs Grant	\$ 161,302
Lakefront SRO Capital Campaign	\$ 264,100
City of Chicago CD Float Loan	\$ 5,815,177
City of Chicago CD Float Interest (paid by L.P. Equity)	\$ 367,112
Other L.P. Equity	\$ 185,000
Deferred Developer Fee	\$ 425,000
Total Development Cost	\$16,996,189
Per unit	\$ 82,107

OPERATING

Equity Funded Long-Term Operating reserve	\$ 3,652,717
Chicago Low Income Housing Trust Fund	\$ 79,620 (annual)
Per unit	\$ 4,241 (annual)

SERVICES

HUD McKinney-Vento SHP (60 units)	\$ 773,013 (3 years)
Illinois Department of Human Services in Supportive Housing	\$ 153,750 (annual)
Chicago Department of Human Services	\$ 34,000 (annual)
Per unit	\$ 4,641 (annual)

Wentworth Commons Chicago, IL

Wentworth Commons



Project Description

Wentworth Commons, Chicago, IL

Wentworth Commons is Mercy Housing Lakefront's tenth supportive housing project and their second project to serve both families and single individuals who have been homeless. This attractive building provides more than a roof to its tenants: supportive services—case management, employment training, and leadership development - provides tenants with the tools, skills, and inspiration necessary to restake their claim in society. Wentworth Commons has 51 apartments. Twenty-four of the apartments are efficiency units for single individuals. Twenty-seven are family units (nine two-bedroom apartments, 15 three-bedroom, and three four-bedroom apartments).

Office spaces on the first floor allow case managers and property managers to meet privately with tenants. A family resource center, community kitchen and large multi-purpose room on this same floor encourage fellowship among tenants. A computer center is supported by a Digital Divide grant. The apartments are on the top three floors with a mix of unit types on each floor. Each residential floor has a laundry room and lounge for tenants while the basement includes tenant storage areas. A garden and playground offer green space for tenants. Supportive services staff includes a senior case manager, two case managers, and a part-time case management services manager, vocational counselor, and leadership organizer. Twenty-four hour desk clerks monitor the entrance to the building.

Sources of Financing

Funding Sources

Capital

Chicago Department of Housing – Low Income Housing Tax Credits	\$5,872,500
Chicago Department of Housing – CDBG	5,973,395
Federal Home Loan Bank	500,000
DCEO Energy Natural Resources Grant	121,568
Clean Energy Community Loan Fund	63,000
HUD SHP Capital	400,000
State of Illinois Donations Tax Credit Proceeds (Chase Bank)	74,000
Donations (Cash and/or Materials)	124,000
Total	\$13,128,463

Operating

Regional Housing Initiative Subsidies on 10 units
Shelter plus Care Subsidies on 20 units
The remaining 21 units are rented at tax credit rents

Services

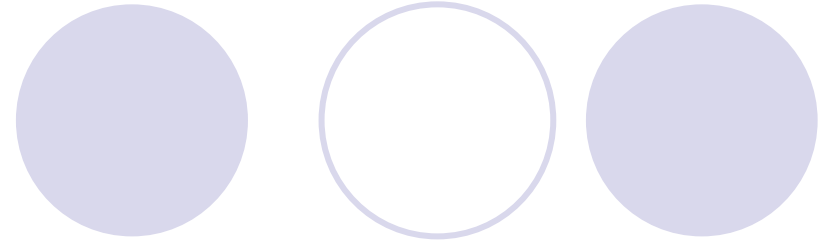
HUD McKinney SHP:	\$150,000 annual
Illinois Department of Human Services:	\$150,000 annual



Recommendations from CSH

- Key players must be at the table (City, MDHA, developers, and sponsors). CSH could also play a role.
- Committed sources of capital, operating, and services dollars are absolutely crucial.
- Think creatively about existing sources of financing.
- Develop a pipeline of projects.
- Encourage partnerships between service providers and developers.

4. Intervention



Day Resource Center (DRC): Program Performance

- Average number of persons served daily:
 - Day Time Average = 300
 - Night Time Average = 126
 - Total Daily Average = 426
- Supportive housing programs
 - 283 persons currently housed and receiving case management.
 - 146 eligible consumers currently on waiting list for housing placement.
 - Over 200 consumers were assessed for housing but found to be ineligible based on HUD guidelines.

Encampment Initiatives

The Crisis Intervention Division's Homeless Outreach Unit is responsible for identifying and assessing homeless encampments citywide.

- Respond to locations where encampments have been reported by citizens, the police, and other city departments.
- Determines whether the encampment is situational or permanent and whether public health issues are evident.
 - Permanent encampments are characterized by the use of tents, tarps, wooden crates or cardboard boxes, and are a priority in terms of intervention.
- Removal of an encampment will be therapeutic in nature
 - Initiated following intense engagements, encouraging the homeless to accept voluntary treatment.
- Partners – City of Dallas' Environmental and Health Services, DPD, Code, Sanitation, City Attorney's Office, Mental Health, Drug Treatment and Housing Service Providers



Encampment Initiatives

The following statistics involved interventions between June 2006 - December 2006:

- Number of homeless encampment interventions: 23 sites
- Number of assessed encounters: 317
- Number of placements (housing/treatment): 34

Encampment Initiatives Outcomes

- During the second week of December 2006 in the midst of a freezing rain and sleet event, crisis outreach workers encountered an unconscious middle-age female wrapped in 3 ice-covered blankets in a field within a major homeless encampment located near a downtown underpass. They notified paramedics who transported the victim to a nearby hospital. It was determined by the outreach workers that the victim had been previously diagnosed with a major mental health disability, but had not been taking her medications.
- In mid-December, crisis outreach workers conducted a major intervention involving more than 17 encampments strung along the Trinity River resulting in the removal of more than 7 tons of debris.



Mental Health Initiatives

Assisted Outpatient Treatment (AOT):

- Involuntary court-ordered compliance with Outpatient Treatment Plan
- Fosters treatment compliance
- Protects the rights & well-being of the Mental Health consumer
- In conjunction with the Mental Health Association (MHA), a committee has been established to study best practices of designing and implementing a pilot project of 23 homeless “frequent flyers” in the Mental Health system.

National Initiatives



- Support of H.R. 1471/S.709 by National Alliance to End Homelessness
 - Services for Ending Long Term Homelessness Act
 - Would provide for the federal funding of social services to assist persons in permanent supportive housing

Next Steps



- January 24, 2007 - HAC construction contract to City Council
- January 25, 2007 - Annual Homeless Census to be conducted
- February 15, 2007 – Ceremonial Groundbreaking for the HAC
- February/March 2007 – Management contract for MDHA to City Council