

# Homeless Assistance Center

Follow up to August 3, 2005 Briefing

BRIEFING TO CITY COUNCIL  
AUGUST 17, 2005



# Purposes of Briefing

1. Address issues and /or concerns from August 3, 2003 Briefing
2. Provide Council with additional site acquisition information
3. Provide additional financial information for proposed bond sale
4. Bond Proposition Schedule

# 1. Issues/Concerns from August 3, 2005 Briefing

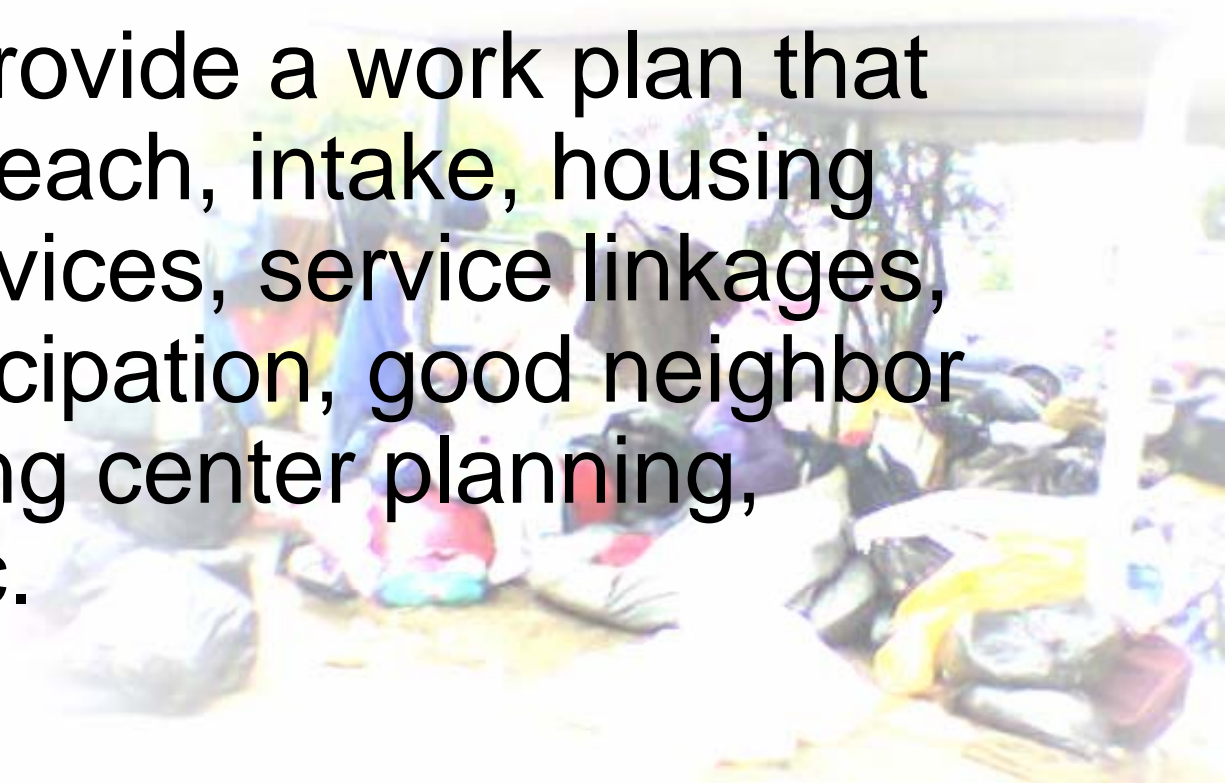


# Zoning concerns

- Typically, property zoning is addressed after the purchase of land and /or bond sale
  - Application for zoning changes, i.e. SUP or PD, requires a developed design to address site use and neighborhood adjacencies
  - Each project has unique zoning issues
- Zoning process
  - Develop documents for zoning application
  - Submit application, public hearing, staff review – can be done in 6 weeks
  - Council Action on recommendation – can be done in 4 weeks
- Wherever the HAC goes, zoning issues will exist

# HAC Operator

- Currently soliciting proposals from entities to provide operation of the HAC
- These entities include both for-profit and non-profit organizations, such as the Salvation Army
- Entities must provide a work plan that addresses outreach, intake, housing operations, services, service linkages, consumer participation, good neighbor policies, ongoing center planning, fundraising, etc.





# HAC Operator

- The selected operator will participate in the planning and design phases to insure that the facility meets the need the needs of the homeless.
- The selected operator will be required to provide cost sharing or matching funds during the operation
  - May be cash or in-kind
- Timeline:
  - RFCSP advertisements on August 11 and August 18, 2005
  - Pre-proposal Conference August 22, 2005
  - Proposals due October 7, 2005
  - Contract Award November 2005



# Single Room Occupancy (SRO)

- What are SRO's?
  - One room housing for one person
  - May contain food preparation or sanitary facilities in the room or centrally located
- How do they work?
  - For SRO projects funded by HUD
    - HUD enters into agreements with the local public housing authority (or other entities) in connection with moderate rehabilitation of residential properties
    - Public Housing Authority makes Section 8 rental assistance payments to participating owners on behalf of the homeless individuals

# Single Room Occupancy (SRO)

- Rental assistance payment covers the difference between a portion of the tenant's income and the unit's rent
- An owner is entitled to a specified rent for assisted units
- Payment from HUD for the assisted units cover the costs of owning, operating and maintaining a project and compensates the owner for the eligible rehabilitation performed
- Based on the City's pro rata share and current funding project trends, availability of funding through HUD for Dallas for new projects will be exhausted in 2-3 years.
- Developers may also fund SRO's through private funding and/ or tax credits as with any other housing development

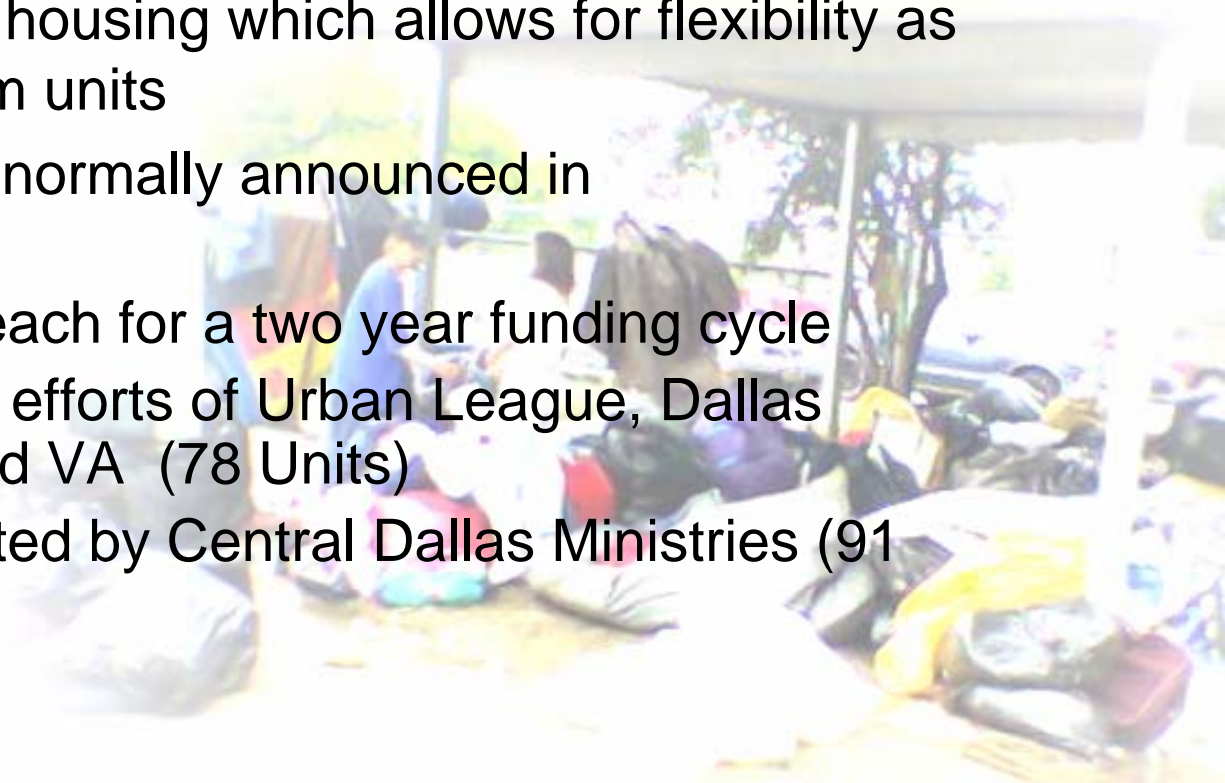


# SRO Status

- 10 Year Plan to End Chronic Homelessness approved by council in 2004 called for the creation of a task force to establish goals for an SRO program
  - Gap in permanent housing of 700 units
  - Gap in transitional housing of 300 units
- Met the goals of annually increasing housing units
  - Goal: 30 transitional units, 70 permanent housing
  - Actual from the 2004 application: 32 transitional units, 75 permanent
  - Requested in 2005 application: 32 transitional, 179 permanent
- Dallas currently has under 200 SRO units
  - As an example, Houston has more than 500 SRO units
- 40 SRO's could be added to the HAC Masterplan for approximately \$2.5M

# SRO Status (cont'd)

- Two projects were included in the July 2005 Continuum of Care application to U.S. Department of Housing and Urban Development (HUD)
  - Applied as Permanent housing which allows for flexibility as SRO's or zero bedroom units
  - Funding decisions are normally announced in December/January
  - Requested \$1 million each for a two year funding cycle
  - 1<sup>st</sup> project is combined efforts of Urban League, Dallas Metrocare Services and VA (78 Units)
  - 2<sup>nd</sup> project to be operated by Central Dallas Ministries (91 units)

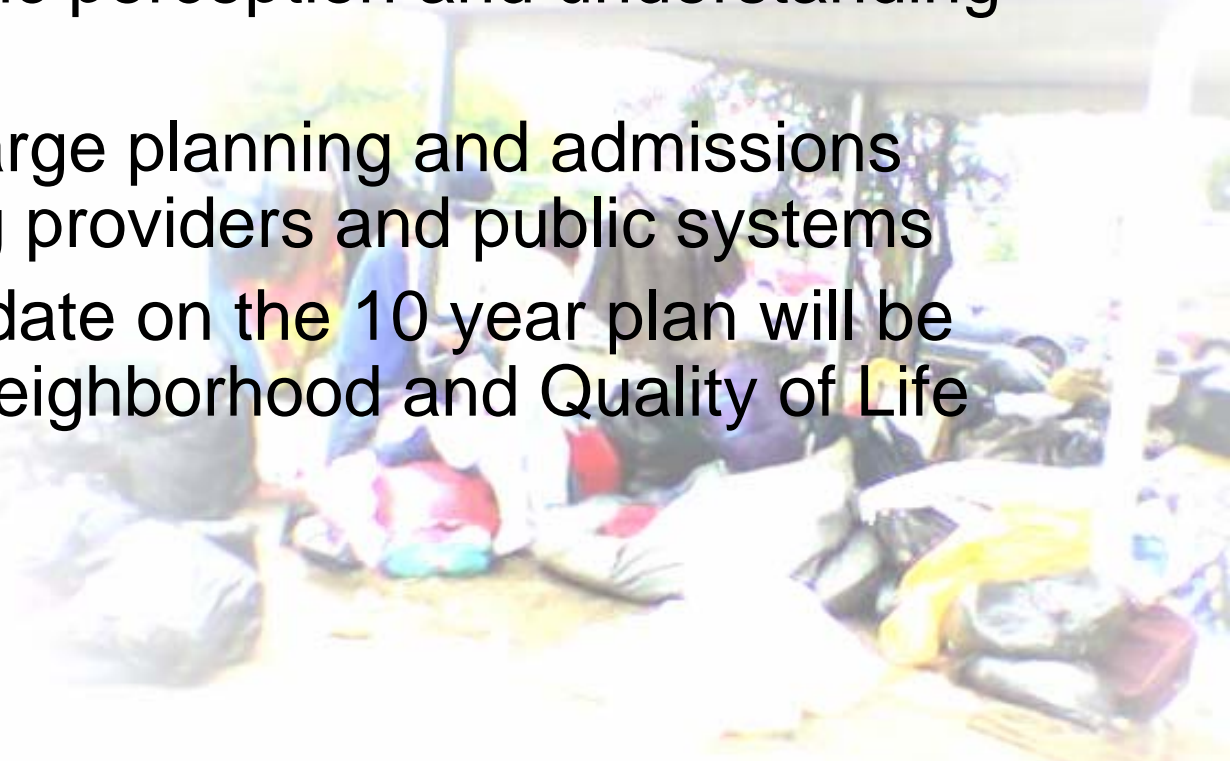


# Next Steps in the 10-Year Plan

- Over the next 12 months the following issues will be addressed for further implementation of the 10-year plan
  - Continued prioritization of projects for funding under the Continuum of Care
  - Review of discharge planning and admissions between housing providers and public systems
  - Review of level of services needed to maintain chronic homeless in “housing first” type models of care
  - Strengthening evidence-based and promising practices of support services and service providers

# Next Steps in the 10-Year Plan (cont'd)

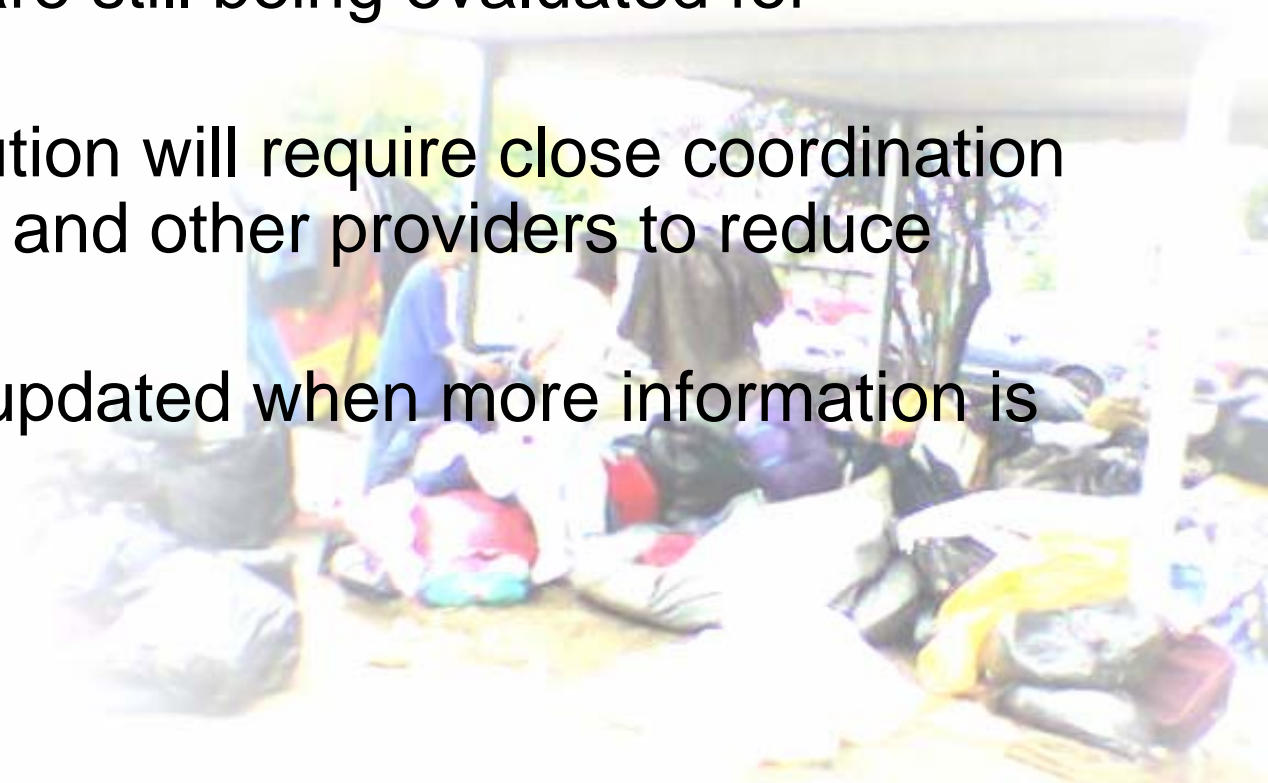
- Continued development of agency capacity through technical assistance and training
- Continued development of crisis response strategy
- Development of a public information campaign dealing with public perception and understanding of homelessness
- Review of discharge planning and admissions between housing providers and public systems
- A more in-depth update on the 10 year plan will be scheduled for the Neighborhood and Quality of Life committee





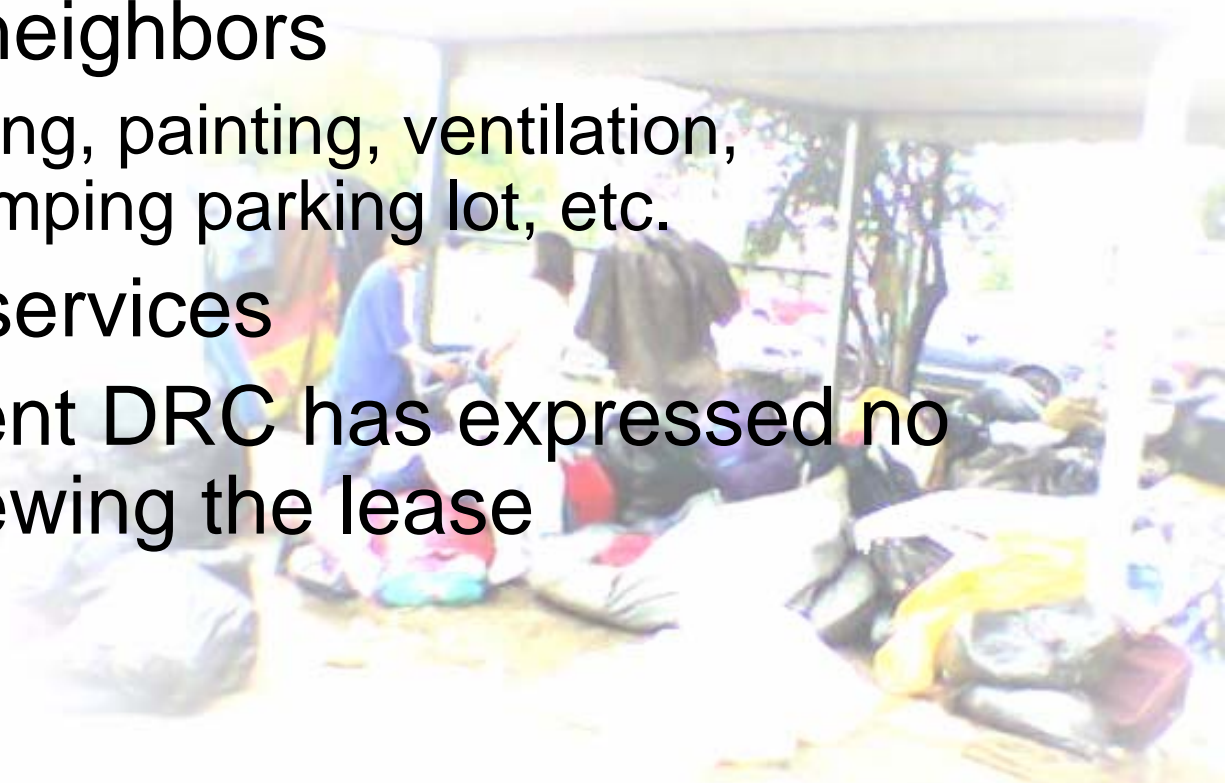
# Interim Solutions for the Day Resource Center

- The following options are for Council information on options under consideration.
  - Information does not contain cost data and impacts which are still being evaluated for feasibility
  - Any interim solution will require close coordination with community and other providers to reduce impact
  - Council will be updated when more information is available



# Interim Solutions for the Day Resource Center (cont'd)

- Option 1- Extend Current Lease of Day Resource Center
  - Facility modifications to enhance palatability to neighbors
    - update plumbing, painting, ventilation, repaving/revamping parking lot, etc.
  - No change in services
  - Owner of current DRC has expressed no interest in renewing the lease



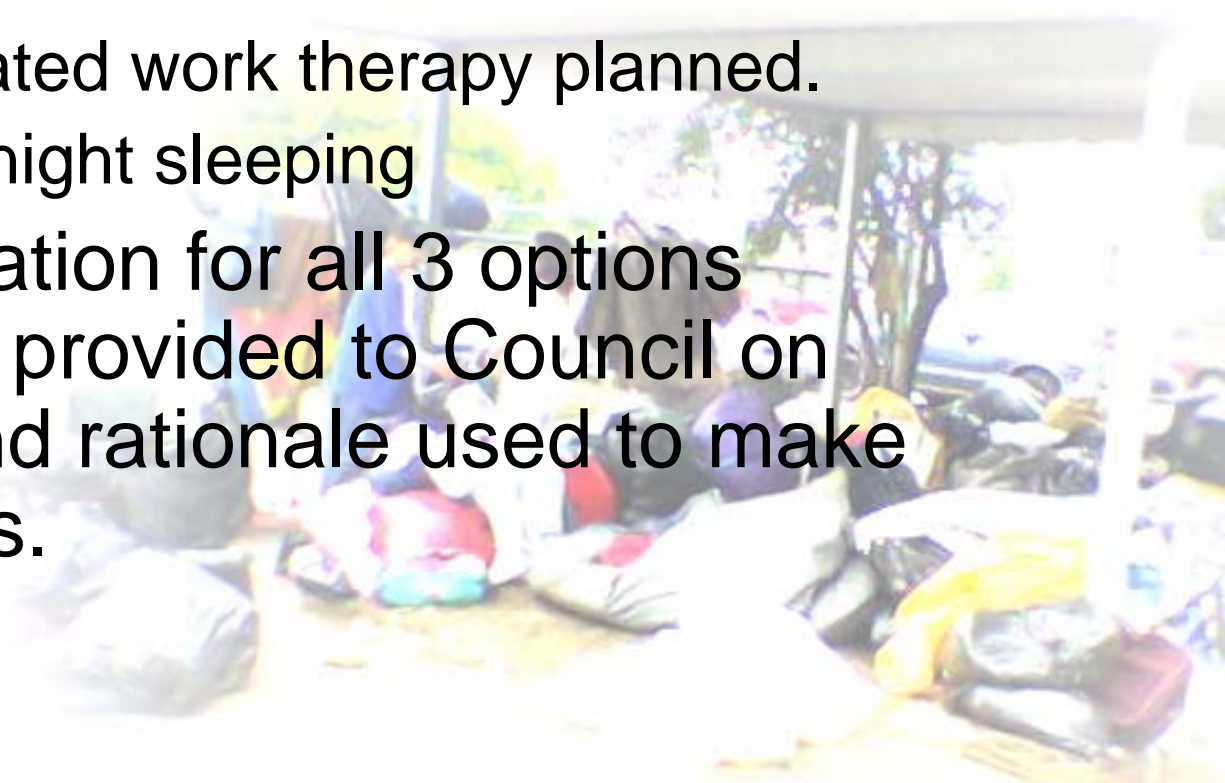
# Interim Solutions for the Day Resource Center (cont'd)

- Option 2 – Relocate services to St. Louis site
  - Operate as intake/referral site
    - overnight sleeping
    - outside contract for laundry
  - Installation of additional portables (possibly on abandoned St. Louis Street)
    - 2 portables shown on Aug. 3<sup>rd</sup> briefing
    - Delivery of social and medical services
    - Showers and restrooms
  - No compensated work therapy



# Interim Solutions for the Day Resource Center (cont'd)

- Option 3 - Rent another facility
  - Several properties under review
  - Seeking property of similar size
  - Could change services offered.
  - No VA compensated work therapy planned.
  - Possibly no overnight sleeping
- Additional information for all 3 options presented will be provided to Council on costs, impacts and rationale used to make recommendations.





## 2. Site Acquisition Option

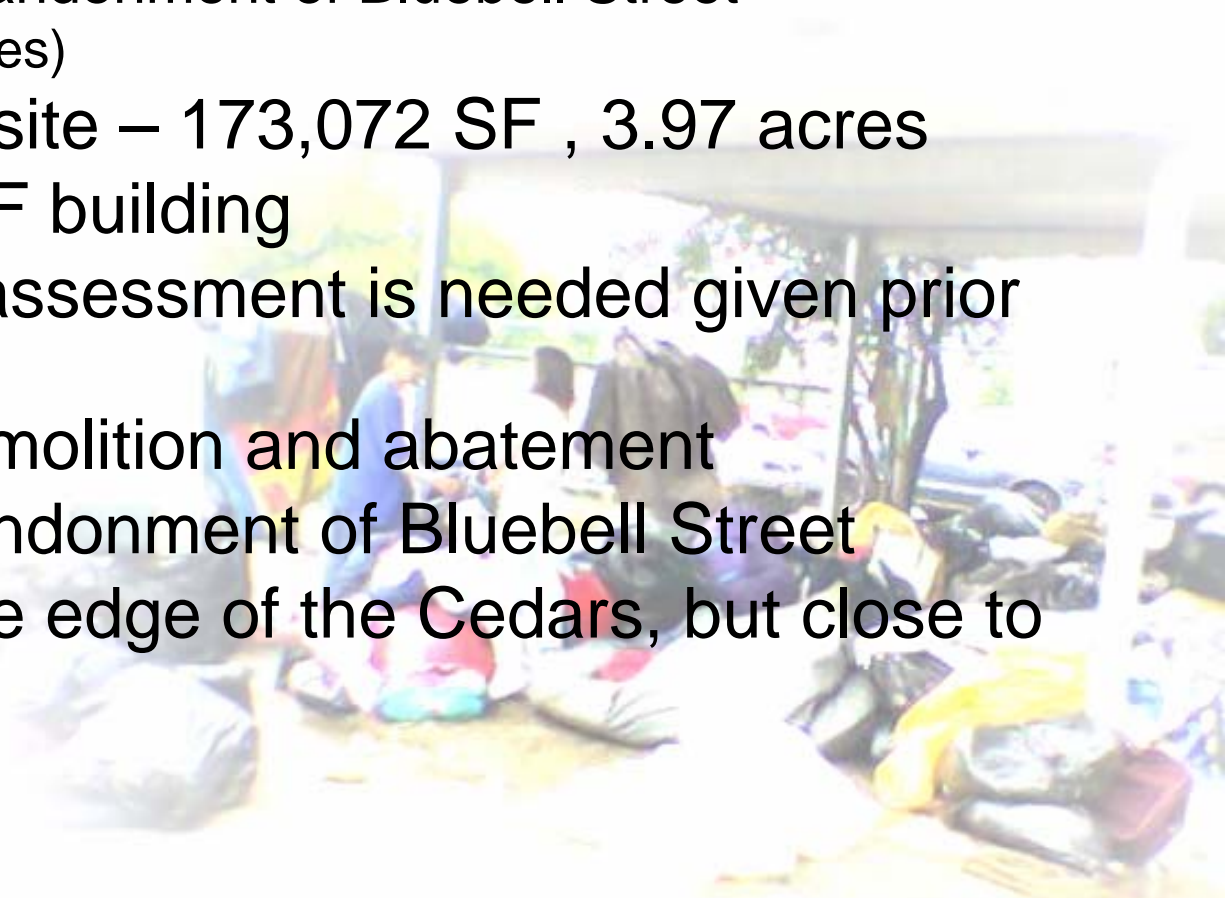


# Site Option A

- Proceed to purchase TXU site based on TXU willingness to sell at a negotiated price based on fair market value
- Land area – 100,056 SF (2.3 acres)
  - Does not include recently purchased parcel
    - 21,440 SF (.49 acre) w/ 9,000 SF building
  - or abandonment of St. Louis Street
    - 24,375 SF (.56 acres)
- Total land area this site – 145,871 SF, 3.35 acres
- Phase 1 Environmental Site Assessment report indicates one underground storage tank . Requires Phase II assessment to determine impact.

# Site Option B

- Appraisal has not been obtained for Bluebell site
- Land area – 161,180 SF (3.7 acres)
  - Does not include abandonment of Bluebell Street
    - 11,892 SF (.27 acres)
- Total land area this site – 173,072 SF , 3.97 acres
- Site has a 32,556 SF building
- Environmental site assessment is needed given prior use for printing.
- Site may require demolition and abatement
- Site will require abandonment of Bluebell Street
- Site is located on the edge of the Cedars, but close to Old City Park.







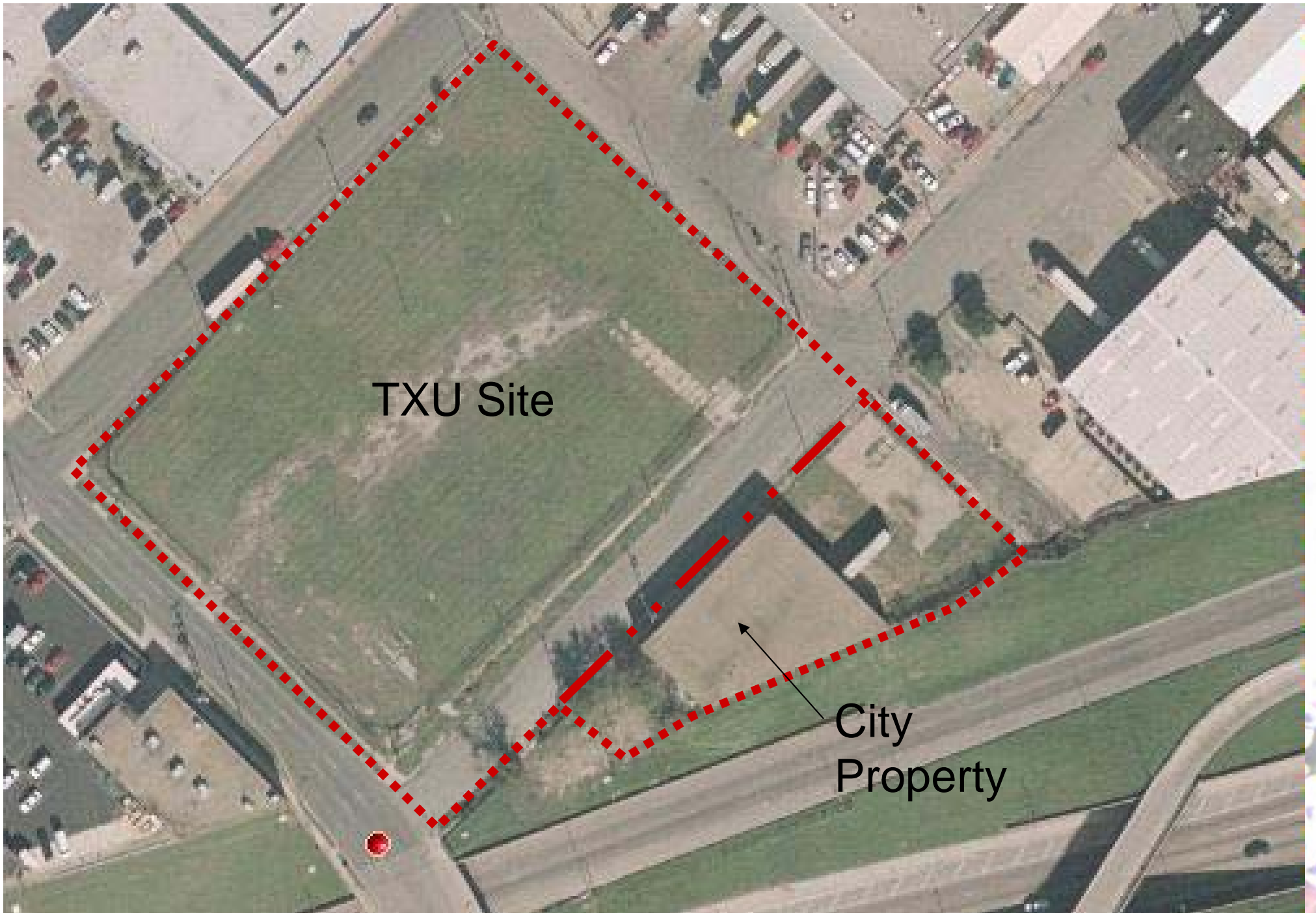
Dallas City Hall

TXU Site

City Owned property



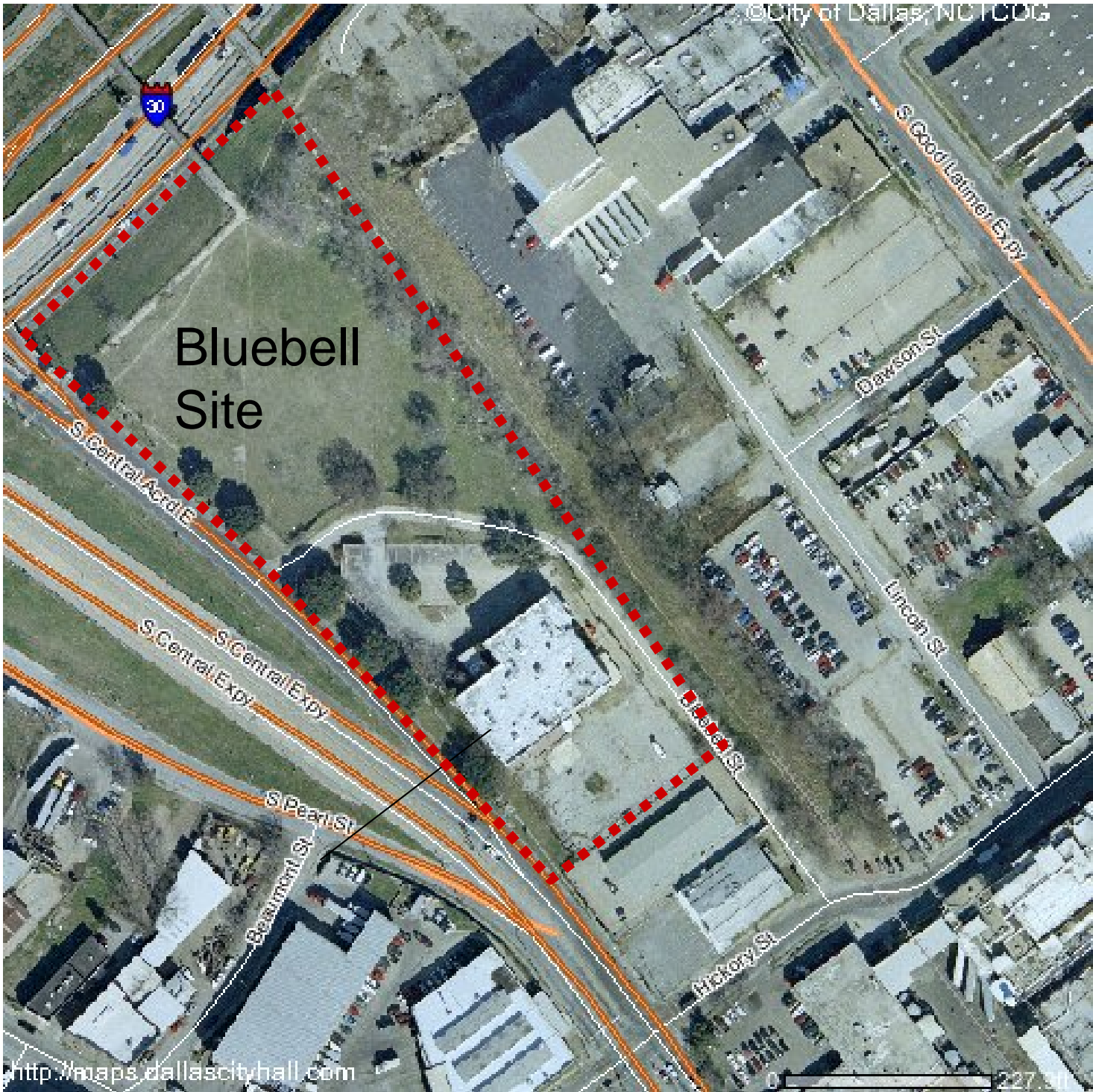






Bluebell Site





### 3. Additional Financial Information





# Financial Assumptions

- FY05 Tax Rate is 71.97¢ per \$100 valuation (GF 54.83 ¢+ Debt Service 17.14¢)
- FY06 City Manager Recommended Budget Tax Rate is 74.67¢ per \$100 valuation (GF 54.93¢ + Debt Service 19.74¢)
- 0.00% Tax Base growth in future years

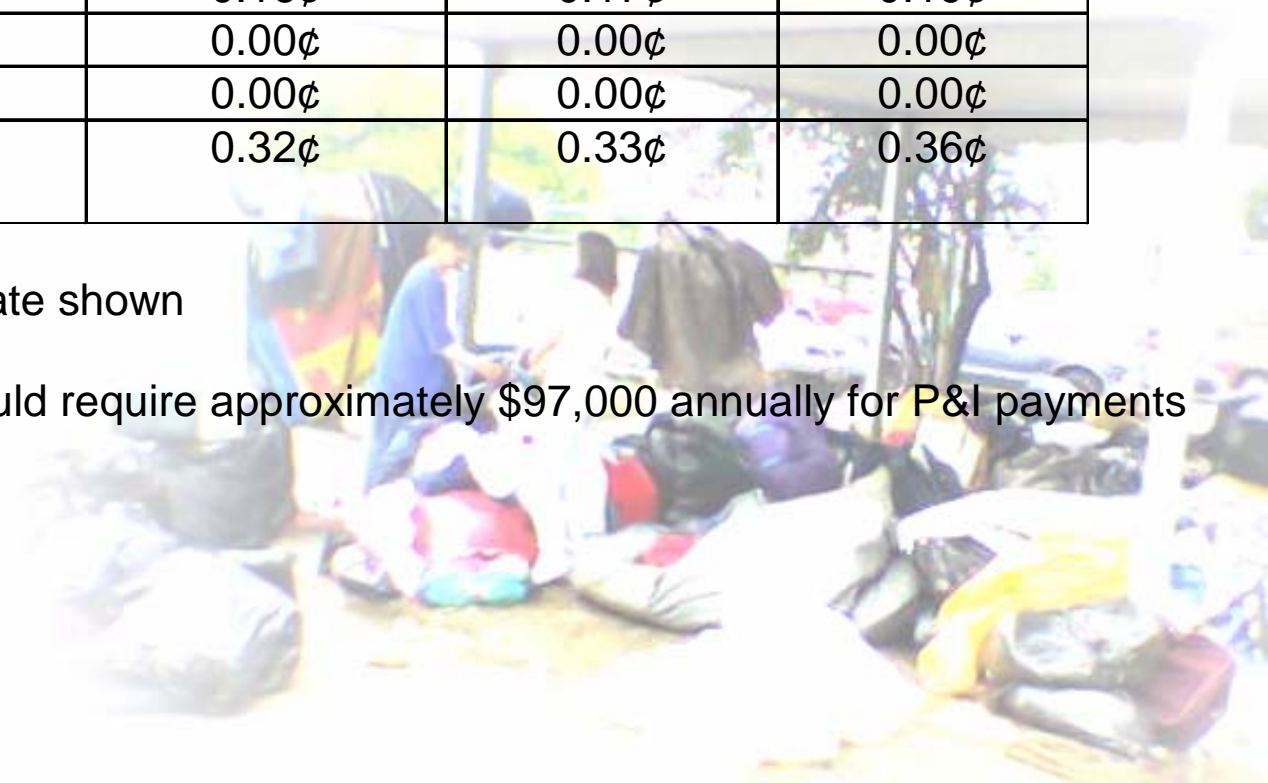


## Tax Rate Increase for 2003 Bond Program and Additional \$ for Homeless Facility

|             | 2003 Bond Program Assumptions August 2004 | \$19.2M Bond Sale November 2006 Election | \$21.3M Bond Sale November 2006 Election | \$21.7M Bond Sale November 2006 Election | \$23.8M Bond Sale November 2006 Election |
|-------------|---|--|--|--|--|
| FY04-05     | 0.00¢                                     | 0.00¢                                    | 0.00¢                                    | 0.00¢                                    | 0.00¢                                    |
| FY05-06     | 2.25¢                                     | 0.00¢                                    | 0.00¢                                    | 0.00¢                                    | 0.00¢                                    |
| FY06-07     | 0.61¢                                     | 0.14¢                                    | 0.16¢                                    | 0.16¢                                    | 0.17¢                                    |
| FY07-08     | 0.64¢                                     | 0.15¢                                    | 0.16¢                                    | 0.17¢                                    | 0.19¢                                    |
| FY08-09     | 1.06¢                                     | 0.00¢                                    | 0.00¢                                    | 0.00¢                                    | 0.00¢                                    |
| FY09-10     | 0.00¢                                     | 0.00¢                                    | 0.00¢                                    | 0.00¢                                    | 0.00¢                                    |
| Total Incr. | 4.56¢                                     | 0.29¢                                    | 0.32¢                                    | 0.33¢                                    | 0.36¢                                    |

Bond sale two months after election date shown

Each additional \$1M in bonds sold would require approximately \$97,000 annually for P&I payments



## \$19.2M Bond Issuance – Tax Bill Increase

| Property Values | No Exemptions | Homestead Exemption | Homestead + Over 65 Exemptions |
|-----------------|---------------|---------------------|--------------------------------|
| \$100,000       |               |                     |                                |
| FY2006-07       | \$1.40        | \$1.12              | \$0.22                         |
| FY2007-08       | \$2.90        | \$2.32              | \$0.46                         |
| \$250,000       |               |                     |                                |
| FY2006-07       | \$3.50        | \$2.80              | \$1.90                         |
| FY2007-08       | \$7.25        | \$5.80              | \$3.94                         |
| \$500,000       |               |                     |                                |
| FY2006-07       | \$7.00        | \$5.60              | \$4.70                         |
| FY2007-08       | \$14.50       | \$11.60             | \$9.74                         |
| \$1,000,000     |               |                     |                                |
| FY2006-07       | \$14.00       | \$11.20             | \$10.30                        |
| FY2007-08       | \$29.00       | \$23.20             | \$21.34                        |
| \$5,000,000     |               |                     |                                |
| FY2006-07       | \$70.00       | \$56.00             | \$55.10                        |
| FY2007-08       | \$145.00      | \$116.00            | \$114.14                       |

Incremental tax increase in FY2006-07, total annual tax bill increase in FY2007-08

## \$21.3M Bond Issuance – Tax Bill Increase

| Property Values | No Exemptions | Homestead Exemption | Homestead + Over 65 Exemptions |
|-----------------|---------------|---------------------|--------------------------------|
| \$100,000       |               |                     |                                |
| FY2006-07       | \$1.60        | \$1.28              | \$0.26                         |
| FY2007-08       | \$3.20        | \$2.56              | \$0.51                         |
| \$250,000       |               |                     |                                |
| FY2006-07       | \$4.00        | \$3.20              | \$2.18                         |
| FY2007-08       | \$8.00        | \$6.40              | \$4.35                         |
| \$500,000       |               |                     |                                |
| FY2006-07       | \$8.00        | \$6.40              | \$5.38                         |
| FY2007-08       | \$16.00       | \$12.80             | \$10.75                        |
| \$1,000,000     |               |                     |                                |
| FY2006-07       | \$16.00       | \$12.80             | \$11.78                        |
| FY2007-08       | \$32.00       | \$25.60             | \$23.55                        |
| \$5,000,000     |               |                     |                                |
| FY2006-07       | \$80.00       | \$64.00             | \$62.98                        |
| FY2007-08       | \$160.00      | \$128.00            | \$125.95                       |



## \$21.7M Bond Issuance – Tax Bill Increase

| Property Values | No Exemptions | Homestead Exemption | Homestead + Over 65 Exemptions |
|-----------------|---------------|---------------------|--------------------------------|
| \$100,000       |               |                     |                                |
| FY2006-07       | \$1.60        | \$1.28              | \$0.26                         |
| FY2007-08       | \$3.30        | \$2.64              | \$0.53                         |
| \$250,000       |               |                     |                                |
| FY2006-07       | \$4.00        | \$3.20              | \$2.18                         |
| FY2007-08       | \$8.25        | \$6.60              | \$4.49                         |
| \$500,000       |               |                     |                                |
| FY2006-07       | \$8.00        | \$6.40              | \$5.38                         |
| FY2007-08       | \$16.50       | \$13.20             | \$11.09                        |
| \$1,000,000     |               |                     |                                |
| FY2006-07       | \$16.00       | \$12.80             | \$11.78                        |
| FY2007-08       | \$33.00       | \$26.40             | \$24.29                        |
| \$5,000,000     |               |                     |                                |
| FY2006-07       | \$80.00       | \$64.00             | \$62.98                        |
| FY2007-08       | \$165.00      | \$132.00            | \$129.89                       |

## \$23.8M Bond Issuance – Tax Bill Increase

| Property Values | No Exemptions | Homestead Exemption | Homestead + Over 65 Exemptions |
|-----------------|---------------|---------------------|--------------------------------|
| \$100,000       |               |                     |                                |
| FY2006-07       | \$1.70        | \$1.36              | \$0.27                         |
| FY2007-08       | \$3.60        | \$2.88              | \$0.58                         |
| \$250,000       |               |                     |                                |
| FY2006-07       | \$4.25        | \$3.40              | \$2.31                         |
| FY2007-08       | \$9.00        | \$7.20              | \$4.90                         |
| \$500,000       |               |                     |                                |
| FY2006-07       | \$8.50        | \$6.80              | \$5.71                         |
| FY2007-08       | \$18.00       | \$14.40             | \$12.10                        |
| \$1,000,000     |               |                     |                                |
| FY2006-07       | \$17.00       | \$13.60             | \$12.51                        |
| FY2007-08       | \$36.00       | \$28.80             | \$26.50                        |
| \$5,000,000     |               |                     |                                |
| FY2006-07       | \$85.00       | \$68.00             | \$66.91                        |
| FY2007-08       | \$180.00      | \$144.00            | \$141.70                       |

# 4. Schedule

- August 24 Call Election\*
- September 9 Justice Department required filing
- November 8 Election day



\*September 7, 2005 is the latest date to call election for November 2005 Bond Sale.