

Memorandum



DATE April 22, 2025

CITY OF DALLAS

Honorable Members of the City Council Housing and Homelessness Solutions
TO Committee: Jesse Moreno (Chair), Cara Mendelsohn (Vice Chair), Zarin D. Gracey,
Chad West, Gay Donnell Willis

SUBJECT **Update on Request for Information for Interim Housing with Supportive Services
for Adults Experiencing Homelessness**

The purpose of this memorandum is to share information about the project requirements and provide a high-level summary of the responses received. For background information and RFI specifications, please see the appendix.

On January 23, 2025, the Office of Homeless Solutions issued a Request for Information (RFI) to receive input for an interim housing community with supportive services for a minimum of 50 adults experiencing homelessness. The RFI was issued solely for informational purposes.

Summary of Responses to the RFI

The following highlights the proposals received:

Category	Response
Responses Received	5
Number of Proposed Units	All respondents proposed 50 units
Average Development Cost	\$8,672,600
Average Cost per Unit	\$173,452
Requested Funding	A majority of respondents ask that the City pay 100% of development costs
Operating Expenditures	Less than half of the respondents request that the City cover 100% of operating costs; Remainder respondents did not clearly identify
Do the Respondents Require Land?	The majority of respondents expect the City to provide the property and bear the cost of acquisition and site preparation
Proposed Projects Eligible for Bond Funds	Less than half of the proposed projects could be eligible for bond funding for construction/renovation
Average Project Timeline	The average time to completion is 31 weeks or 7 months

Summary of RFI Responses

1. When the RFI closed on February 21, 2025, five responses were received with less than half meeting the requirement for bond funding and compliance with the City Code.

2. Less than half of the respondents demonstrated experience working with the unhoused population.
3. All respondents provided a plan to create 50 units with less than half proposing additional units at a later date.
4. While the RFI stated that the City could not pay for management and operation of the community, less than half of the respondents proposed City funding for operations.
 - a. The average annual operating cost is \$1,940,000
 - b. The City does not have funding identified for operating expenditures
5. As stated in the RFI, the City's one-time financial contribution for the project is limited to property acquisition, new construction or renovation of an existing vacant building, with no funding available for management or operations.
 - a. The majority of respondents expect the City to identify a property and bear the cost of the acquisition and site preparation.
6. The development cost for the five proposals ranges from \$2.7 million to \$17.0 million.
 - a. The project at the lowest number in this range does not meet bond funding and/or code requirements.
 - a. The cost estimates provided by some of the respondents include ineligible expenses and do not include site acquisition and preparation costs.
 - b. A majority of proposals require the City to pay 100% of the development costs.
 - c. The range of the average cost per unit is \$53,260 to \$340,000.
 - i. These numbers will be higher if on City-owned land, when factoring in site acquisition and preparation and other costs such as furniture, fixtures, and equipment.
 - ii. The City has up to \$10.5M City Council discretionary funds amount in Prop I Bond Funds
 - b. The annual, proposed operating cost for 50 guests ranges from \$1.0 million to \$3.8 million. Of the five responses received, less than half requested that the City cover all operating expenses.

For benchmarking purposes, OHS compared the development and annual operating costs provided by RFI respondents to St. Jude Center (SJC) Oak Cliff, a 71-unit permanent supportive housing facility scheduled for completion in the Spring of 2026. The development cost for SJC Oak Cliff is \$142,527 per unit. The annual operating budget, exclusive of debt service, is approximately \$700,000.

Conclusion: Gaps, Policy Guidance and Next Steps

Moving forward, any project will need to address the following gaps and needs highlighted by the RFI process:

- Proposers identified the need for a property to be acquired and the site prepared by the City
- Proposers identified the need for operation costs to be provided
- To access the discretionary OHS Bond Funds, each related City Councilmember will need to approve use of their specific allotment

Based on the above high-level needs and gaps overview, staff are seeking policy guidance on whether to pursue this project further. If the project is pursued, next steps will include:

- The City to identify property prior to any NOFA process
- Identify the amount of discretionary Bond funds (Prop I) available to be used for this project
- Prepare and issue a NOFA detailing the land and funding available

Should you have any questions, please reach out to me or Christine Crossley, Director, Office of Homeless Solutions.

Service First, Now!



Alina Ciocan
Assistant City Manager

c: Kimberly Bizer Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)
Directors and Assistant Directors

Appendix

Background

Respondents were asked to provide new and creative solutions to supplement existing shelter and housing options for adults experiencing homelessness by creating a low barrier community with onsite services. The services must facilitate an individual's exit from homelessness to permanent, stable housing within 30 days to two years of arrival.

As stated in the RFI, the City may provide a one-time contribution for property acquisition, new construction or renovation of a vacant building. The source of the one-time funding is the 2024 Bond Program (Proposition I). Accordingly, the RFI stated there is no funding for services or property management.

Specifications

The RFI stressed the importance of creating a community and limiting services to individuals referred for placement at the property. Other requirements are summarized below:

Residential Units

A minimum of 50 private units with capacity to increase to 100 within one to two years of opening.

Preferred Occupancy Start Date

The site must be 100% vacant and the proposal should demonstrate an efficient development timeline with an expedited start date to receive residents.

Code Requirements

The community must be ADA accessible and the property must comply with the City of Dallas Code. Respondents were advised that any zoning amendments that may be needed to allow the uses outlined in the RFI would be the responsibility of the selected operator.

Preferred Amenities

- Community space and meeting rooms
- Office space and private offices for guest services
- In unit kitchenette or community kitchen
- Laundry room, mail center and storage space for residents
- Kennel and outdoor space for canines

Preferred Resident Services

- Medical, wellness and behavioral health
- Case management with minimum staffing ration of 1:20
- Identification reclamation

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- Job training, counseling and placement
- Stable long term housing placement
- Social activities

Respondents were also asked to share their proposed resident demographics and guidelines and a strategy for placing residents in housing between one month and two years of arrival. Plans for ensuring the security of residents and surrounding neighbors and community engagement initiatives were required of all respondents.