

Memorandum



CITY OF DALLAS

DATE June 14, 2024

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 **Office of Homeless Solutions – Response to Questions and Guidance Regarding
the Temporary and Alternate Housing Best Practices and Recommendation
Presentation**

The following information is provided in response to guidance received at the May 24, 2024, Housing and Homeless Solutions Committee (HHS) in relation to the Temporary and Alternate Housing Best Practices and Recommendation presentation, attached for reference.

Project Overview

Per the feedback given by HHS, multiple program and site criteria will be utilized to select viable locations for a Temporary and Alternate Housing pilot project. These criteria include the following:

Program Criteria:

- The pilot project will run for twenty-four (24) consecutive months
- Priority will be given to those who are chronically unsheltered, with additional specialty groups built in based on the operator's capacity, such as short-term respite, hospice, etc.
- Space will be provided for pet care and well-being
- Space will be provided for couples
- The site will be low barrier.

*Based on system performance data, it is anticipated that individuals will take 5+ months to move from the site into permanent housing.

Site Criteria:

- Establishment in City Council Districts which do not yet have a homelessness service project, i.e. wherein there are no established day, overnight, or emergency homeless shelters.
- Establish sites where there is ready access to resources such as public transportation, community (health and wellness) services, food resources, public infrastructure, etc.
- Locations will have room for:
 - 50 industrialized housing units for temporary use, with the potential for later, permanent uses

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- As requested by HHS, an adjacent safe camping site for individuals who do not wish to be sheltered in an industrialized housing unit
 - Per zoning laws, campgrounds are only allowed in the manufactured home (MH) District (along MH's and RVs). More research is needed by staff
- Similarly, an adjacent parking area was requested by HHS for individuals to both park their vehicles and to safely stay within their vehicles, should they choose not to stay in an industrialized housing unit or the safe camping site
- Expansion from 50 units, should additional industrialized housing units be required
 - Site increase would cap at 100 units

Project Timeline

Once locations are identified by staff, they will be evaluated for feasibility based on the proposed criteria. Staff will then meet with HHS Committee members and appropriate City Councilmembers to receive further input on sites; bringing a proposed list to the HHS Committee meeting for feedback. Next steps will include engaging in community feedback based on City Council direction of approved sites.

Once a location is secured via City Council approval, a Notice of Funding Availability (NOFA) will be issued. Based on the below NOFA timeline, the estimated project timeline for completion of the NOFA process is ten (10) to twelve (12) months.

Base NOFA Process Timeframe

- a. NOFA Application Preparation – 60 days
- b. NOFA Publication/Advertisement – 60 to 90 days
- c. NOFA Eligibility & Evaluation – 45 to 60 days
- d. NOFA Negotiations - 45 days
- e. NOFA Document Preparation – 60 days
- f. NOFA Award going to Council – 30 to 45 days

Through a NOFA process, the project will contain preferred implementation stages:

- Stage One – 50 industrialized dwelling units
- Stage Two – Safe camping site
- Stage Three – Safe parking site

Project Funding

Funding for a project of this nature would come from the following sources:

- OHS Fiscal Year 2024, \$1 million earmark for sanctioned camping, expiring September of 2024
- Proposition I Bond funds, restricted to capital projects

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- Private funding – including funds brought by a developer and/or operator and items such as sponsorship of dwelling units

Additional funding details will be identified via developer and operator responses to the NOFA.

Next Steps

Once potential sites are identified, staff will then engage with relevant City Councilmembers to gather feedback on sites identified in their Districts.

Should you have any questions please reach out to Christine Crossley, Director, Office of Homeless Solutions, at christine.crossley@dallas.gov.

Service First, Now!



Alina Ciocan
Assistant City Manager

[Attachments]

c: Kimberly Bizer Tolbert, City Manager (I)
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety (I)
Majed A. Al-Ghafry, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager

Donzell Gipson, Assistant City Manager (I)
Robin Bentley, Assistant City Manager (I)
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)
Directors and Assistant Directors

Temporary and Alternate Housing Best Practices and Recommendation

Housing and Homeless Solutions Committee
May 24, 2024

Christine Crossley, Director
Office of Homeless Solutions

Cynthia Rogers-Ellickson, Interim Director
Housing and Neighborhood Revitalization

Andreea Udrea, PhD, AICP, Assistant Director
Planning and Urban Design

Megan Wimer, AICP, CBO, Manager
Planning and Urban Design

City Attorneys Office



City of Dallas

Presentation Overview



- Temporary and Permanent Supportive Housing Codes
- Product Types and Examples of Use
 - Industrialized Housing
 - Manufactured Housing
- Combined Cost Analysis
- Path to Housing
- Policy Considerations
- Items To Consider
- Staff Recommendation
- Next Steps





Dwelling Units are defined by the 2021 International Residential Code (IRC) as "a single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation"

Permanent Housing

Industrialized housing

1. Has a permanent foundation
2. Qualifies as SFR, duplex, or multifamily

Tiny Homes: must:

1. Be connected to sewage, water, and electricity
2. Be installed on an engineered foundation
3. Permitted, reviewed, and inspected
4. Permitted in conjunction with all other construction trades, zoning, fire, energy, and engineering requirements
5. Undergo all other Development Services processes

Temporary Housing

Manufactured housing:

1. Only allowed in a manufactured housing district





Product Types and Examples of Use





Product Types and Examples of Use: Industrialized Housing Continued



Product Type:

- Can vary in size and type
 - Can be stick built or modular
 - Can include bathrooms and kitchens (considered permanent housing by HUD if included)
 - Are often mobile but can have permanent foundation



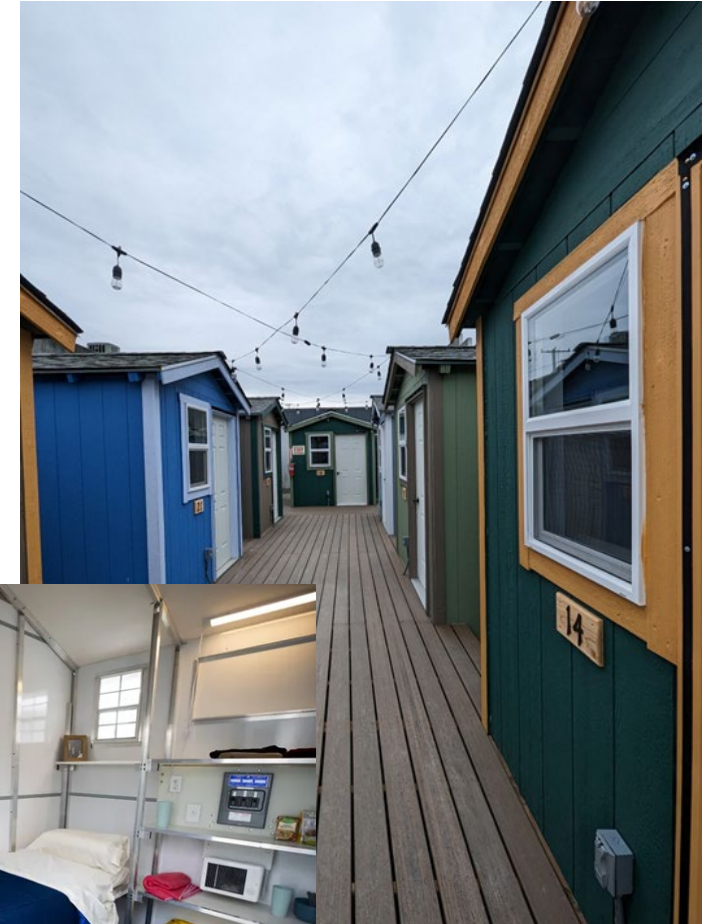


Product Types and Examples of Use: Industrialized Housing



Use Case: Tiny House Villages Seattle

- Stick built
- 8'x12' weatherproof, insulated structures
- Electricity, overhead light, A/C
- 15-75 units per village
- Shared kitchen, hygiene trailers (shower/toilet/laundry), storage
- On-site offices for case managers and security





Product Types and Examples of Use: Industrialized Housing Continued



Cost Analysis

| Project | # Units | Capital | Annual Operating* | Cost to Exit**: • 1 vs. 2 people per year served • \$25,184 per client | | Total year 1*** |
|--|---------|--------------|-------------------|--|----------------|--|
| Tiny Home Village: TC Spirit Seattle, WA | 24 | \$350,000 | \$464,000 | \$604,416 | \$1.2 million | \$1.4 million • \$59,100 per unit |
| Community First Village Austin, TX | 225 | \$18 million | \$4.8 million | \$5.7 million | \$11.3 million | \$28.5 million • \$126,517 per unit |

*Operating expenses include items such as: security, upkeep, food, medical services, behavioral health service, etc...

**Case Management & Housing Navigation

***Includes capital + operating+ cost to exit 1 person per year per unit



Product Types and Examples of Use: Manufactured Housing



Product Type: Pallet Homes S2 Sleeper

The 70 – 120 sq. ft.



Standard Features

- 1 Residential windows with advanced Low-E insulated glass
- 2 Integrated customizable wire shelving system
- 3 120V convenience plugs
- 4 Interior LED lighting
- 5 Smoke/CO detector combo unit
- 6 Pedestal leveling system
- 7 Heater and A/C units

Optional

- Freestanding Twin XL bed frame and mattress with bedbug-resistant cover
- Freestanding desk
- Programmable digital keypad entry

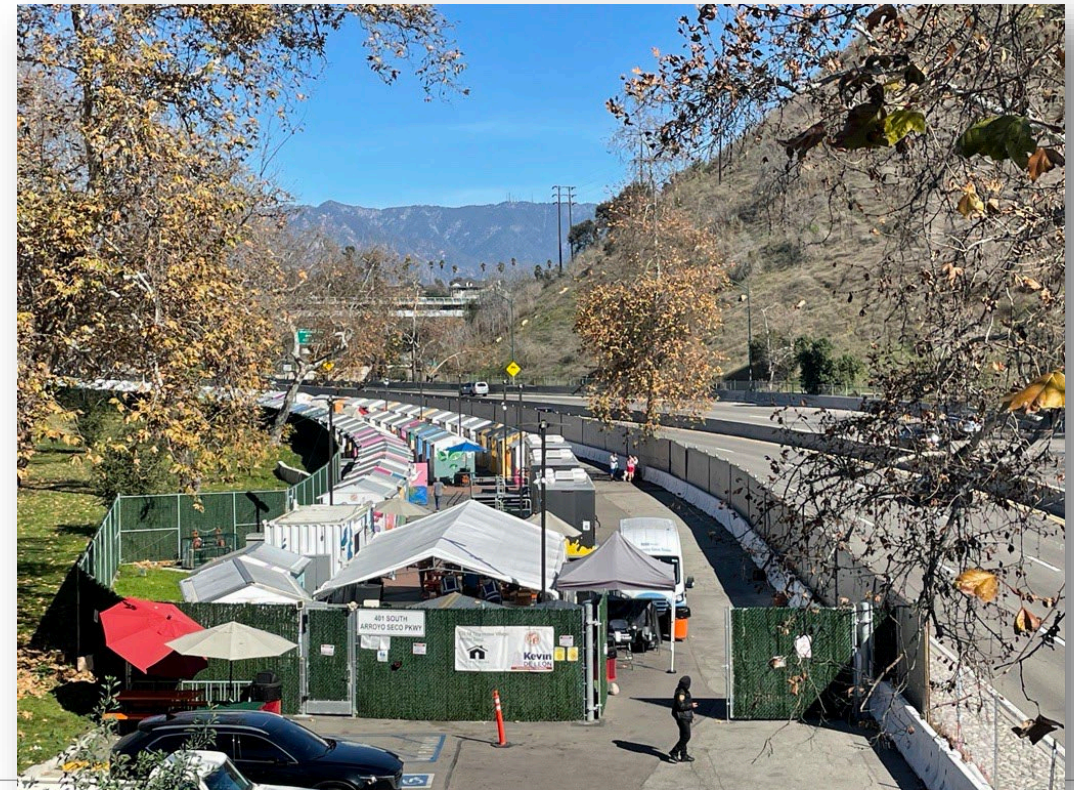


Product Types and Examples of Use: Manufactured Housing Continued



Use Case: Los Angeles, CA: Arroyo Seco

- Site previously been used as a 6.8-acre parking lot
- 123 units, older S1 models, 117 at 64 Sq Ft and 6 at 100 Sq Ft
- ~\$9k per unit: Initial cost for 123 units: \$1,115,000 for units, shipping, tax (site preparation not included)





Product Types and Examples of Use: Manufactured Housing Continued



Cost Analysis

The overall cost for Pallet Shelters is harder to estimate. The per shelter cost is roughly \$10,000 per but does not factor in the building of bathrooms, communal spaces, construction costs (electrical and sewage), installation, case management, and funding an operator to run the pallet village.

For the purpose of this comparison, we are considering 3 separate case studies:

| Project | # Units | Capital | Annual Operating* | Cost to Exit** | | Total year 1*** |
|---|---------|-------------|----------------------------|---|---------------|---------------------------------------|
| | | | | <ul style="list-style-type: none"> • 1 vs. 2 people per year served • \$25,184 per client | | |
| Pallet shelters Columbia, SC | 50 | \$800,000, | \$3 million | \$1.3 million | \$2.4 million | \$5.1 million • \$102,000/per unit |
| Pallet shelters, Baldwin Park, CA | 25 | \$530,000 | \$770,000 | \$629,600 | \$1.3 million | \$2 million • \$77,184/per unit |
| Pallet shelters Denver, CO | 200 | \$7 million | \$9 million (estimated) | \$5 million | \$10 million | \$21 million • \$105,000/per unit |

*Operating expenses include items such as: security, upkeep, food, medical services, behavioral health service, etc...

Case Management, Housing Navigation, **12 Months Rental Assistance

***Includes capital + operating+ cost to exit 1 person per year per unit



Product Types and Examples of Use: Manufactured Housing Continued



Product Type: Shipping Containers

\$126 per unit

2 units per shipping container



Product Types and Examples of Use: Manufactured Housing Continued



Use Case: Atlanta, GA: The Melody

- Site previously used as a parking lot for city vehicles
- \$5 million: 20 containers
 - 40 studio apartments built with a bedroom, kitchenette, and bathroom (32 are ADA accessible)



Product Types and Examples of Use: Manufactured Housing Continued



Cost Analysis

- Initial Cost: \$5 million: 20 containers
 - 40 studio apartments built with a bedroom, kitchenette, and bathroom (32 are ADA accessible)
 - Able to utilize HUD vouchers because units are permanent, reducing the operating expenses
- Annual Operating Cost: Underwritten by housing vouchers attached to units
- Transitional Plan Cost: Not applicable
- Half of the studios were repurposed shipping containers donated by the Georgia Emergency Management Agency, with the other half prefabricated to match
- Community building for offices, a kitchenette, and laundry facilities



Combined Cost Analysis



| Housing Type (Average of case studies) | # Units | Capital | Annual Operating* | Cost to Exit** | Total year 1*** |
|---|---------|---------------|---------------------------------|----------------|-----------------|
| Industrialized: Tiny Homes | 50 | \$3.7 million | \$1.1 million | \$1.3 million | \$6.1 million |
| Manufactured: Pallet Shelter | 50 | \$1.5 million | \$2.3 million | \$1.3 million | \$5.1 million |
| Manufactured: Permanent Shipping Containers | 50 | \$6.3 million | \$0 (federal funding) | \$0 | \$6.3 million |
| Permanent Units (private market) | 50 | \$0 | \$1.3 million (federal funding) | \$0 | \$1.3 million |

*Operating expenses include items such as: security, upkeep, food, medical services, behavioral health service, etc...

**Case Management & Housing Navigation to exit one individual per year

***Includes capital + operating+ cost to exit 1 person per year per unit



Path To Housing



Current pathway to housing (8 week cycle)

Coordinated Outreach connects with individuals in Encampments and Hotspots

- **Already funded by system through outreach providers**



Housing Navigation Team works with outreach to house individuals & transition to housing readiness case manager

- **Already funded by system: \$25,184 per individual**



Individuals Housed with appropriate subsidy & tailored case management

- **Already funded by system: 12-24 months rent or Voucher subsidy**

Altered pathway to housing including temporary or alternate housing (5+ month cycle)

Street Outreach drop off individuals to temporary or alternate site, based on referral criteria

- **Already funded by system through outreach providers**



New organization operates temporary or alternate site & case manage individuals on site

- **New Funding Needed: \$33,816 - \$101,333* per individual**



Housing Navigation Team works with site case managers to house individuals & transition to housing readiness case manager

- **Already funded by system: \$25,184 per individual**



Individuals Housed with appropriate subsidy & tailored case management

- **Already funded by system: 12-24 months rent or Voucher subsidy**



*Lowest to highest per-unit cost, minus Housing Navigation + Case Management Cost

Policy Considerations



What is/are the preferred use case(s)?

What should the pilot timeline be?

- 12-months

How many units should the pilot contain?

- 50 units with room to expand

How should location(s) be identified?

- Staff works with to develop criteria to determine feasible locations for potential sites in partnership with City Councilmembers

How will the pilot be funded?

- Capital Expenses: \$1M one-time FY24 GF* for sanctioned encampment partnership and 2024 Bond funding
- Sustainable Operating Funds: \$0, Would need to be brought in by outside partners

How does this fit into existing, funded pathway(s) to housing?



*Expires September 30, 2024

Items to consider



Any prefabricated or manufactured structured must be approved by the State prior to use (State-licensed)

Could permanent housing structures be utilized for temporary and permanent uses?

Cost:

- Dictated by the use case and available site conditions
- Lack of sustainable annual operating funds

Use case:

- If short-term housing spaces – What is the planned life span of each site and the project in total?
- Can the units be upcycled into a longer-term use once the project ends?



Staff Recommendation: Industrialized Housing



- **Cost Comparison:** The housing types are relatively similar in expense, ranging from \$59k - \$126k, with cost determined largely by the site preparation needs and planned scale
- **Zoning Comparison:** The zoning of each type will dictate the speed with which a project can be accomplished

Proposed Product Type:

Industrialized Housing with a permanent foundation

Why:

The development code allows industrialized housing as single family, duplex, or multifamily (with special conditions) in several districts, while manufactured housing is only allowed in the MH(A) district and is difficult to zone.

The product type can still have multiple use cases



Next Steps



Project Timeline

Incorporate City Councilmember Feedback

Develop criteria for feasible locations

Meet with City Councilmembers for use case and location feedback

Utilize a NOFA process to identify a developer and operating partner

Cost, Development, and Operations

- Capital Expenses: \$1M one-time FY24 GF* for sanctioned encampment partnership and 2024 Bond funding
- Sustainable Operating Funds: \$0, Would need to be brought in by outside partners
- Project Development and Management: Would need to be developed and operated by a third party, identified via the NOFA

*Expires September 30, 2024



Temporary and Alternate Housing Best Practices and Recommendation

Housing and Homeless Solutions Committee
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