PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: December 4, 2018 Department		[]	Consent Ordinance	[X]	Regular Public Hearing
Submitted By: Submitted For:	Community Ser Division of Hum	vices an and V	eteran Services	<u> </u>	

I. EXECUTIVE BRIEF

Motion and Title: Staff Requests Board Direction:

A) on the inclusion of new operating expenses, currently estimated at \$5,296,181 annually, associated with the second Homeless Resource Center (HRC2) beginning in FY 2022; and

B) on the allocation of additional capital funding in the amount of \$1,100,000, estimated to occur in FY 2020, to accommodate the concurrent build-out of Phase 1 and Phase 2 of the HRC2.

Summary: In November 2016, Palm Beach County voters approved a referendum to raise the sales tax rate by one penny to address backlogged infrastructure renewal, replacement, and construction, for a ten year period. The Infrastructure Surtax (IST) Project Plan, approved by the Board on April 4, 2017, allocates \$5,700,000 in FY 2019 toward the construction of an HRC2 to supplement the County's Senator Philip D. Lewis Center (Lewis Center), as well as \$1,200,000 for a PBSO satellite office facility to be located in the western Lake Worth area. Unlike most IST projects, which are renewal/replacement in nature, this new facility will require the allocation of approximately \$3,966,484 in new annual programmatic, operating and rapid re-housing expenses beginning in FY 2022 in Phase 1 and an additional annual expense of \$1,329,697 for Phase 2. Staff estimates a total annual programmatic and operating expense of \$5,296,181 for Phases 1 and 2 and is requesting Board direction as to whether it should be added to the five (5) year operating budget projections beginning in FY 2022. During the development of the facility, staff will continue to develop strategies to create new non-County funding streams from private and public sources, including the municipalities. If the BCC directs staff to include the additional annual operating funding in its budget projections, then development of the HRC2 can commence. The Phase 1 facility consists of an approximately 16,245 square foot building to support: 16 beds for adult men and 10 beds for adult women; 14 Law Enforcement/recuperative care beds; guest support facilities; staff and clinic support offices; a reception area; dedicated offices for use by PBSO field personnel; and a multi-purpose room for facility and community use, in addition to ancillary site improvements. Phase 1 can be fully completed within the allocated IST funding. Phase 2 would add 10 beds each for male and female youth and 14 adult male beds for an additional \$1,100,000. In order to provide the needed beds for homeless youth at the earliest time possible and to reduce costs for Phase 2 construction, staff recommends concurrent construction of Phase 1 and Phase 2 and an additional allocation of capital funding in the amount of \$1,100,000 in FY 2020 to complete Phase 1 and 2 concurrently at a total cost of \$8,000,000. (Division of Human and Veteran Services) Countywide

Background and Policy Issues: On September 23, 2008, the Board formally adopted the Ten-Year Plan to end homelessness in Palm Beach County. A goal of the Ten-Year-Plan is to increase the number of interim housing beds and services for homeless individuals and families. Specifically, the plan states to develop regionally located Homeless Resource Centers (HRCs) throughout the County, which will be equipped with interim beds for homeless individuals. The facility with beds will be accessible 24-hours a day. Due to the economic downturn, the expansion of the regional HRCs was suspended. In November 2016, Palm Beach County voters approved a referendum to raise the sales tax rate by one penny. The revenue generated from the penny tax was allotted to build a HRC2 and renovate run-down hotels/motels for use as temporary housing for the homeless. (Continued on Page 3)

Attachments: None	
Recommended by:	11-19-18
Approved by: Manage & Balton	Date
Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2018	2019	2020	2021	2022
Capital Expenditures					2022
Operating Costs					
External Revenue					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	*				
# ADDITIONAL FTE POSITIONS (Cumulative)					
Is Item Included In Prop Does this item include t Budget Account No.: Fund 0001. Dept. 148. Ur	he use of f	ederal fun			No
B. Recommended So This item has no fur additional funding a outlined in this item	inding impa allocations.	ct. howeve	r depending	on direction or	ovided, equired as
C. Departmental Fisc	cal Review:		e, Director of F	inancial and Su	upport Services
	<u>III.</u>	REVIEW (COMMENTS		
A. OFMB Fiscal and/	or Contrac	t Developr	ment and Cor	ntrol Commer	ıts:
OFMB APAD 11/20	ા ડ્રિલ્ફેસ્ટ	\$11/200	Contract Deve	Jeroba Jopment and C	1136/18 Control
B. Legal Sufficiency: Assistant County At		<u>l-27-18</u>			
C. Other Department	Review:				
Department Directo	or				

This summary is not to be used as a basis for payment.

Background and Policy Issues (Continued from Page 1)

Proceeds derived from the one penny infrastructure surtax largely address the financial demands for the construction of a second HRC in Palm Beach County.

Based upon recent homeless counts and operational experience with the Lewis Center, Community Services has identified highest need for interim housing beds to accommodate 30 men, 10 women, 10 youth of each gender, and 14 law enforcement/recuperative beds. Facilities Development & Operations (FD&O) Staff have identified the opportunity to collocate planned PBSO facilities with the HRC to mutually accomplish both programs at a lower cost than if separately delivered and affording the capability to share a large common space for both programmatic functions and community serving purposes. A total of approximately 19,000 building square feet is required to jointly house all required spaces and improvements for both the HRC (Phase 1 and 2) and PBSO.

The facility is intended to be operated in a manner equivalent to the Lewis Center, including 24/7/365 operating hours, limitations on duration of stay in interim housing, service delivery by contracted entities, referrals for entry being arranged through navigation, outreach and law enforcement representatives. Using this model and based upon the years of past experience, Community Services estimates that the total annual expense to operate Phase 1 of the facility will be \$2,886,484 (Facilities cost included of \$649,976) and will house 296 homeless individuals yearly including youth and provide interim housing for 150 families and Rapid Rehousing for 75 families (\$817,500 which is included in the cost). Additional Phase 1 funding in the amount of \$1,080,000 will be used to support 120 individual and youth in rapid re-housing placements. The total cost of Phase 1 funding is \$3,966,484.

Phase 2 funding will add 34 individual beds (204 annually) to the HRC2 at a cost of \$734,697. In addition, Phase 2 will require \$595,000 for Rapid Re-Housing placements. The total cost of Phase 2 funding is \$1,329,697.

The total projected Operating Costs (which include operations, programming and rapid rehousing) of the HRC2 is \$5,296,181 annually. As operations are expected to be funded with Ad Valorem tax proceeds, a commitment to these ongoing costs is required beyond the cost for construction completion alone. Non-County Fundraising efforts may include The Annual Mayor's Ball; The Lewis Center Breakfast; contributions from the operator of the HRC2, commitments of funding from affected municipalities and hospitals and private philanthropic funding.

The total estimated cost to construct the entire 19,000 square foot building including ancillary site improvements is \$8,000,000, or \$1,100,000 greater than the funds allocated through the infrastructure surtax Approved Plan. The cost differential is a result of the \$5,700,000 HRC allocation being based upon an estimate for a smaller site-specific program that ultimately was not advanced. The proposed facility can be sized, designed, constructed and programmed to meet the combined \$6,900,000 FY 2019 construction funding for the HRC and PBSO facilities, such that a future phase to fully deliver the entire HRC program could be deferred until a future year when that additional funding can be committed. The Phase 1 population to be served was based upon the Point in Time Count as well as the data gathered from the HRC navigators and HMIS system. As a result, single males and females, law enforcement and/or medical recuperative beds, with families with children were identified. Phase 2 will provide 20 beds for homeless youth and provide 14 beds for adult males.

Alternatively, if the Board directs that the \$1,100,000 shortfall be allocated at this time construction of the facility could be fully accomplished as a single phase of development. Regardless, all improvements necessary to support the full program, other than the space required to house a portion of the interim housing beds, would be delivered as part of the initial construction to preserve future continuity of operations and for cost efficiency purposes. As a result construction commencement must be timed to and coordinated with funding for operations. Accounting for time to complete public outreach, concluded facility design, obtain all required permits and approvals, procure a Construction Manager and complete construction, Staff anticipates that operations would commence no earlier than FY 2021 regardless of the construction funding approach and assuming an immediate start to further planning and outreach.