Emergency Shelter Update

& Next Steps

December 14, 2021

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Key Takeaways

- The City of Asheville is **committed** to an Emergency Shelter as an essential addition to our homeless service system
    - Deeper, more inclusive planning and a long-term funding strategy are needed to ensure success
- **Housing** is the goal for all people experiencing homelessness, and additional Permanent Supportive Housing is also essential for a high-functioning homeless service system
- The need is great in our community
    - We need ***every*** partner and ***new*** partners to help meet the need

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Retrospective: Non-congregate shelter at Ramada

- Since April 19, 2021: 116 people sheltered
- Overview:
  - Non-congregate shelter can safely serve people with complex needs; Growing national evidence that non-congregate, low-barrier shelters have stronger outcomes
  - City entered into contract to purchase the Ramada to create an ongoing non-congregate shelter in May 2021
  - Published Request for Proposals (RFP) in August 2021 to identify Shelter Operator; identified Sunrise Community for Recovery and Wellness as the top candidate based on population experience and proposed operation

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Emergency Shelter Planning Update

- Community and funding partners expressed concerns about cost and project configuration
- Project cost: $24.75M (acquisition, rehab, operations)
    - Concerns about total cost and sustainability of ongoing operational costs (est. $2.5-$3M annually)
    - City not able to bear $24.75M cost alone

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New opportunity: Permanent Supportive Housing

- Independent of shelter initiative at Ramada, City staff had been working with new partners to develop additional units of permanent supportive housing in Asheville
    - Permanent Supportive Housing (PSH) is a proven solution to chronic homelessness, providing long-term housing and supportive services
    - Additional units of PSH are needed in our community, alongside the units being created by local non-profits such as Homeward Bound (200+ people currently chronically homeless)
- Multiple benefits of Ramada location for long-term housing (e.g. proximity to bus line, groceries, employment opportunities, etc.)

Path Forward

- We are at a crossroads with the Ramada property
  - Real estate contract ***expires Dec 15***, must give notice to ***purchase*** or ***withdraw***

- Proposed path forward seeks to accomplish multiple goals:
  - Goal 1 - continue to work with funding partners and the community on a new consultant-led planning process for an emergency shelter
  - Goal 2 - continue / wind-down shelter operations until March 31, 2022 while working on housing solutions for each participant
  - Goal 3 - hand off the Ramada to a private entity / non-profit partnership to re-purpose for Permanent Supportive Housing instead of the shelter use

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Path Forward - Partnership for Emergency Shelter

- Goal 1: **long-term collaborative partnerships** to move the needle on major issues in our region

- Next steps for Emergency Shelter initiative
  - Engage with partners in consultant-led planning process to develop and fund an Emergency Shelter project
  - Future Emergency Shelter funding decisions made at a later date
  - ***New emergency shelter project configuration would include capital and operating costs developed with funding partners***

Path Forward - Partnership for Emergency Shelter

- Goal 2 - continue / wind-down shelter operations until March 31, 2022 while working on **housing solutions for each participant**

- Next steps
  - Transition current shelter operations to preserve stability for 80 occupants
    - 3 months of shelter and services: $556K
    - Partners willing to consider cost share

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Path Forward - Ramada as Permanent Housing

- Goal 3 - hand off the Ramada to a private entity / non-profit partnership to re-purpose for **Permanent Supportive Housing** instead of the shelter use
- Permanent Supportive Housing at Ramada
  - 50+ units of permanent affordable housing for homeless veterans
  - 50+ units of permanent affordable housing for chronically homeless individuals
  - On-site wrap around services to support residents

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Path Forward - Ramada as Permanent Housing

- Partners
  - Shangri-La Industries: for-profit developer and general contractor, who would purchase the hotel, renovate it into housing, and continue to own it
  - Step Up on Second Street: non-profit permanent supportive housing provider contracted by Shangri-La to operate the project and provide supportive services to residents
- Funding model
  - Private capital (Shangri-La) to purchase and renovate
  - Federal housing vouchers to pay the ongoing rent, which covers operational costs
  - Local funding for Step Up to provide supportive services at $500k per year

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Path Forward - Ramada as Permanent Housing

- Process
  - Shangri-La would close on property early 2022 and begin renovations
  - Projected occupancy in late 2022
- Next steps
  - Assign real estate contract to purchase to Shangri-La
  - Seed funding of $1.5M in ARPA funds for supportive services for initial 3 years (Step Up to diversify funding after 3 years)
    - Possible split with funding partners

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Path Forward - Ramada as Permanent Housing

- Opportunity
  - Strategically meet a critical community need for more Permanent Supportive Housing
  - High return on public investment: One time City grant of $1.5M leverages $10M+ private capital to create community asset that ends homelessness for 100+ people
  - Willing to attach a 50-year affordable housing deed restriction on renovated Ramada building
  - Replicable model and proven track record in other communities

Funding Implications

Emergency Shelter at Ramada			**Emergency Shelter Transition**	
Property Acquisition	$9.75M		3 months of shelter and services	$556K
Site improvements	$1.25M		**Permanent Supportive Housing at Ramada**	
Operations - 5 years	$13.75M		Acquisition and rehab	Privately funded
			Supportive services - 3 years	$1.5M ARPA
Total	**$24.75M**		**Total**	**$2.056M**

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Step Up on Second & Shangri-La



Tod Lipka, CEO



Andy Meyers, CEO

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