

August 17, 2021

Utah Homelessness Council



Dear State Homelessness Council Members and Mr. Niederhauser:

I write on behalf of the Salt Lake Valley Coalition to End Homelessness (SLVCEH) in support of the project proposal put forth by Volunteers of America, Utah and Shelter the Homeless to expand overflow beds in our community. Additionally, the SLVCEH supports the recommendation by the Office of Homeless Services to use \$3,000,000 from the Homeless to Housing Reform Restricted Account for the purchase of the Volunteers of America, Utah's detoxification center at 252 W. Brooklyn Avenue in Salt Lake City, to be used for this purpose. The facility will be an important component in the homeless services system to meet future and ongoing emergency shelter overflow needs.

The SLVCEH has identified deeply affordable housing as the greatest need for our community. At the same time, we recognize the immediate need for flexible overflow beds as housing projects are being developed. This detoxification facility will have the capacity to accommodate between 80 – 100 people with minimal rehabilitation, which is a significant contribution toward our goal of adding at least 300 additional overflow beds to meet current needs.

Volunteers of America, Utah plans to move the detoxification and withdrawal services to a new and larger facility with expanded beds when it is ready in the winter of 2022, ensuring this critical community service is available to Salt Lake County residents, the majority of which are individuals experiencing homelessness. Strong collaboration exists among the homeless services providers and other partner organizations throughout Salt Lake County, and this project will accommodate multiple needs throughout the homeless system.

SLVCEH supports this proposed overflow bed project and funding for the acquisition of the building, which is a plan that will help individuals experiencing homelessness connect with much needed basic services. As strong collaborating partner, we look forward to a continuation of cooperation as we identify needs that ensure the health of our community.

Sincerely,

Rob Wesemann, CMHC  
Co-Chair, SLVCEH  
Executive Director, NAMI Utah

Volunteers of America, Utah  
Plan for 80 to 100 beds for shelter and 50 beds for detox  
August 13, 2021

### Salt Lake County Needs

1. 300 additional overflow beds for homeless people in winter 2021
  - Similar need for overflow expected for the next several years
  - Overflow beds needed until adequate affordable housing is developed
  - Different types of facilities (congregate and non-congregate) needed to provide flexibility and meet needs of target populations including those living on the streets
  - Having a permanent location to rely on each year helps stabilize planning efforts
2. More Detox/Sub Acute Withdrawal Beds for Adults; Demand exceeds capacity
  - Close to 70% of people in detox are also homeless
  - Having more detox beds allows for longer stays so people can be moved directly into treatment. Treatment providers offer programs that promote safety, continuous recovery, and options for community housing.
  - With U of U's Mental Health Crisis Center planned to open in 2023, more demand for detox beds is anticipated to meet the requests for placements.

A priority for the Salt Lake Valley Coalition to End Homelessness is to identify overflow and crisis shelter facilities. It is also important to improve access to mental health and substance addiction services.

### VOA and Community Opportunity

Two Community Needs Addressed in this one Deal – add 80 to 100 shelter beds and 50 detox beds

Sell existing detox center to the homeless system – zoned correctly, ready to use as is

Cost to purchase Detox and utilize as a shelter is reasonable and lower than most all other options

Maintain an existing residential program asset

The sale of Detox makes the purchase of the larger VOA facility possible. Detox will move and be expanded in the new building with other VOA services, which will help homeless system as well.

### Request to State Dept of Workforce Services:

Provide \$3M from the HB440 funding for Shelter the Homeless to purchase Volunteers of America's Detox Center to be used as a congregate facility for overflow beginning in the winter of 2022. Shelter the Homeless would be the owner and Volunteers of America, Utah is the proposed operator.

Funds for remodel, start up and operations will also be required.



Volunteers of America, Utah  
432 West Bearcat Drive, Salt Lake City, UT 84115 • 801.363.9414 • TTY 7-1-1 • voaut.org  
Helping America's most vulnerable®



## **Volunteers of America, Utah (VOA)**

### **Background Information**

#### Admin/Cornerstone Counseling Center

VOA needs to relocate their admin offices and Cornerstone Counseling Center because the business park, where they are currently leasing, has been sold and the lease will not be renewed. The brokers have identified a building on Redwood Road that is a good value, larger than our targeted square footage, and could also accommodate expanded detoxification services as well as admin and Cornerstone. It's an opportunity for us to consolidate services and create internal efficiencies while also meeting more community needs.

#### Detox Services

Volunteers of America, Utah began operations in Salt Lake County with the opening of a Detox Center in 1986, and has been the primary provider of Social Detox Services in Salt Lake County for 35 years. In 1999, VOA opened a second Detox Center for Women and their young dependent children. A remodel and expansion of the original Detox occurred in 2013.

Total male beds is now 80 and female beds 30.

It is common that individuals need to wait hours, and sometimes days to get a bed at the male Detox. On any given day, there can be as many as 10 refusals, meaning there was not a bed immediately available for a person who was asking for one or a hospital that was trying to facilitate a discharge or the police that were trying to divert a person from jail. A larger facility with more beds is needed.

#### Homeless Services

VOA also entered the homeless services arena in 1995 with the Homeless Outreach team, funded by HUD in 1995. A few years later, VOA took over operations of homeless youth services. A capital campaign resulted in a Youth Resource Center in 2016 with 30 emergency shelter beds, meals, clothes and case managers to help youth move to community housing.

VOA has been involved in the transition to the three new resource centers and is the operator of one of the three, the Geraldine E. King Women's Resource Center which shelters and provides case management to 200 women and collaborates to provide meals, medical services, coordinated entry and on-site security.

Many of the people living on the streets have substance use issues and it would be helpful if more detox beds were available so that when they say yes, an immediate transport and placement into the Detox Center can be facilitated.

## **Overflow Bed Plan Fall through Spring 2021-2022**

The Salt Lake Valley Coalition to End Homelessness (SLVCEH) recognizes that the homeless services system requires additional, innovative options to address emergency shelter gaps and provide connections to deeply affordable housing. In addition, winter overflow is a SLVCEH priority that must be addressed in a comprehensive, on-going, and long-term approach to avoid the resource inefficiencies of the seasonal approach. This plan addresses the expansion of homeless services for emergency shelter beyond the Homeless Resource Center (HRC) model to fill the gaps.

### **Strategic Goals**

- Identify **300 additional overflow beds**, available for use beginning October 15, 2021
  - Acquisitions of Motels/Hotels using ARPA dollars could fulfill the need for additional beds
  - Immediate placement for unsheltered campers
  - Plan includes medical respite beds and rooms for the elderly to support clients with high needs
  - Operational funding needed for these beds to provide basic staffing and services
  
- Plan **flexible options** so facilities can accommodate multiple needs throughout the homeless system and allow for the transition of overflow facilities to permanent housing in subsequent years as needs change in our community.

### **Target Populations**

- Non-Congregate Facility – acquire motel or former assisted living facility
  - For high needs individuals
  - Address the acute needs of individuals who are medically frail or in need of recuperative care and those who are aging and vulnerable and in need of a non-congregate setting to take shelter
  
- Congregate Facility – expand existing resources or acquire new facility
  - For unsheltered population camping on streets, individuals resistant to HRCs
  - Lower-barrier shelter with connection to basic services
  - Flexible space to provide additional immediate and nightly beds, which are particularly important seasonally because of more extreme temperatures
  
- Street to Housing – acquire motels for conversion to housing or existing facilities for rehabilitation
  - For unsheltered population camping on streets, individuals with income
  - Support outreach efforts to connect this population with rooms
  - Partner with agencies inside and outside Salt Lake Valley to address challenges and share creative solutions statewide.

### **Challenges and Gaps**

- Accessibility – protection during extreme weather and access to basic needs
  - Individuals experiencing homelessness seek emergency shelter and services at a higher rate than milder weather times so resources must meet the need of the seasonal surge so there are easier to access options.
  - Outreach teams have identified that unsheltered individuals, especially those in encampments, tend to request lower-barrier shelter, such as an overnight stay with very basic services of a bed, restrooms, meals – services to meet their immediate needs. Supports those new to system and shelter averse.
  
- Capacity – limited beds are available in permanent shelter and beds are needed to address the most vulnerable

- The 1,000 beds in permanent emergency shelter are at over 90% bed utilization rate on average, with 10-25 beds available and turning over nightly at each HRC, which indicates the need for increased options.
- Individuals experiencing homelessness who are in poor health or too frail to recover from a physical illness or injury on the streets but are not ill enough to be in a hospital need added shelter options. Some individuals have multiple chronic conditions that make it difficult to manage an acute illness on the street or in an emergency shelter.

### Project Description

A stock of 300+ overflow beds for individuals experiencing homelessness who have one or more of the following needs: vulnerable individuals due to age, medical or other higher needs; people looking for nightly, low barrier beds; and individuals seeking deeply affordable rooms. As more deeply affordable housing focused on alleviating homelessness comes on-line in the longer-term, the capacity in the HRCs should increase and the need for overflow beds should diminish.

### Historical and Projected Overflow Bed Plans

OVERFLOW BEDS and TEMPORARY RESOURCES							
Facility	19/20 Winter Capacity	20/21 Winter Capacity	Average Bed Utilization*	Highest Bed Utilization*	Total Served***	21/22 Winter Capacity Plan	22/23 Winter Capacity Plan
<b>St. Vincent de Paul Winter Overflow</b>							
Salt Lake City - The Road Home	65	60	97%	102	759	58	58
<b>Winter Overflow Motel Program (Women's)</b>							
Salt Lake City - Utah Community Action and Volunteers of America, Utah	80	80	96%	80	153	75	75
<b>Sugar House Temporary Shelter</b>							
Salt Lake City - Various Providers	150	-	-	-	-	-	-
<b>(VP) Stay Home, Stay Safe Hotel/Motel Prog</b>							
Salt Lake City - The Road Home	-	133	93%	134	289	-	-
<b>Millcreek Temporary Winter Housing</b>							
Millcreek - Switchpoint	-	60	80%	67	118	-	-
<b>Salt Lake Temporary Winter Housing</b>							
Salt Lake City - Switchpoint	-	150	86%	220	477	-	-
<b>Overflow Beds Non-Congregate (motel)</b>							
Operator - The Road Home	-					200	180
<b>Medical Beds Non-Congregate (motel)</b>							
Med Services - Fourth Street						40	40
<b>Overflow Beds Congregate</b>							
Operator - Volunteers of America	-					60	80
<b>Totals:</b>	<b>295</b>	<b>483</b>	<b>95%</b>	<b>527**</b> <b>(March 15th)</b> <b>Median: 274</b> <b>Mode: 250</b>	<b>1569****</b>	<b>433</b>	<b>433</b>

\*Beginning October 1st 2020

\*\*Single day with the highest utilization across overflow system

\*\*\*Capacity and utilization calculated from HRC Daily Report provided by the HMIS team

\*\*\*\*Unduplicated guests served

**252 Brooklyn Avenue  
Salt Lake City, Utah**

**State-of-the-Art Residential Care Facility**



**BROKER'S OPINION OF VALUE June 2021**

**PREPARED BY**

**Monica Rafferty, CCIM  
Internet Properties**

**51 East 400 South Suite 210 Salt Lake City, Utah 84111**



**InterNet  
PROPERTIES**



252 West Brooklyn Avenue (1025 South) offers a unique opportunity to any residential service provider.

<ul style="list-style-type: none"> <li>✓ Fully operational Social Model Residential Facility</li> <li>✓ State-of-the-Art Construction</li> <li>✓ Internet and Wi-Fi Capability</li> <li>✓ 10 Minute Walk to Trax</li> <li>✓ 3 Minute Walk to Bus</li> <li>✓ Close to Medical Services</li> </ul>	<ul style="list-style-type: none"> <li>✓ Zoned and Approved for Overnight Detox or Rehabilitation</li> <li>✓ 83 Beds</li> <li>✓ Commensurate Kitchens, Restroom and Recreation facilities</li> <li>✓ Counseling Facilities</li> <li>✓ Back Office</li> </ul>
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**Product Scarcity**

Demand for residential properties of this type in Salt Lake City far exceeds the supply of existing facilities. Therefore, this valuation is based on the assumption that any provider would need to acquire the land, navigate the approval process, and fully construct a similar property.

**Barriers to New Construction**

252 Brooklyn Avenue allows a Residential Resource Center provider to avoid the costs, delays and uncertainties associated with constructing a new facility. Some of the barriers to new construction include:

<ul style="list-style-type: none"> <li>• Declining Availability of Suitable Locations</li> <li>• Lengthy Neighborhood Review Process</li> <li>• Uncertainty of Approvals</li> <li>• Internal Time and Resources to Develop</li> </ul>	<ul style="list-style-type: none"> <li>• Competition from Large Multi-Family Developers</li> <li>• Rising Land Acquisition Costs</li> <li>• Rising Construction Costs</li> <li>• Lack of Construction Personnel</li> </ul>
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As a Specialty Use, we believe that avoidance of these barriers would increase the value of this location above traditional appraisal values.

### Rapidly Changing Location

252 West Brooklyn Avenue is located within the State Street Community Reinvestment Area. It also borders the Central 9<sup>th</sup> Mixed Use RDA. The municipal focus – and support – of improvements in this area is leading to rapidly increasing prices and new development.

As a result, many of the traditional services to low-income residents have been replaced by high-cost apartments and stores. As a result, the population is not being adequately served.

### Land Acquisition Cost

The combination of the RDA support and increased demand for development land is rapidly increasing the cost of downtown residential land. The following land is just a block away:

**954 S 400 W**

Land - CBD/Periphery Submarket Salt Lake City, UT 84101	<b>\$18.33M</b> Sale Price	<b>\$4,138,200</b> Price/AC
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<a href="#">Summary</a>	<a href="#">Property</a>	<a href="#">Sale Comps</a>	<a href="#">Tenant</a>	<a href="#">Analytics</a>	<a href="#">Public Record</a>
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**For Sale**

Price	\$18,332,226	On Market	0 Days
Price/AC	\$4,138,200	Last Updated	Jun 3, 2021
Price/SF	\$95.00		<a href="#">Update</a>
Sale Type	Investment		
Status	Active		

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**Land**

We believe this asking price is “testing” the market. But, in time, it could be realistic based on recent comparable downtown land prices. Even so, in an effort to be conservative, we have provided a range of actual potential sale values:

Acres	0.38				
SF	16552.8				
Price / SF	\$ 70.00	\$ 75.00	\$ 80.00	\$ 85.00	\$ 90.00
Value	\$ 1,158,696.00	\$ 1,241,460.00	\$ 1,324,224.00	\$ 1,406,988.00	\$ 1,489,752.00

For Purposes of this Estimate, we will use the mid-price value of **\$1,324,224.00**.



## New Construction Costs

Construction Costs are rising daily, making new construction difficult to quantify without active bids. However, Internet Properties is an active Construction Manager working with developers throughout Salt Lake on current projects. They also served as the Construction Management Firm for 252 Brooklyn. Based on their direct, ongoing knowledge of the inputs required, it is estimated that costs to build this property on a new location would be \$230 to \$250 per square foot.

New Construction					
SF	11101				
Price / SF	\$ 230.00	\$ 235.00	\$ 240.00	\$ 245.00	\$ 250.00
Value	\$2,553,230.00	\$2,608,735.00	\$2,664,240.00	\$2,719,745.00	\$ 2,775,250.00

For Purposes of this Estimate, we will use the mid-price value of **\$2,664,420.00**.

## Remodel Costs

It is likely that the buyer of this property will incur some remodeling costs for customization. We will deduct these costs from the new construction value in order to fairly assess this property against new construction.

Remodel Costs					
SF	11101				
Price / SF	\$ 70.00	\$ 75.00	\$ 80.00	\$ 85.00	\$ 90.00
Value	\$ 777,070.00	\$ 832,575.00	\$ 888,080.00	\$ 943,585.00	\$ 999,090.00

For Purposes of this Estimate, we will use the mid-price value of **\$888,080.00**.

## COMBINED VALUE

<b>New Construction Costs</b>	<b>\$2,664,240.00</b>
<b>Remodel</b>	<b>(\$888,080.00)</b>
<b>Land Value</b>	<b>\$1,324,224.00</b>
<b>Total Value</b>	<b>\$3,100,384.00</b>

## SOFT COSTS

Any buyer will evaluate the impact on its business of taking on this project on a ground-up basis.

## PREMIUM

As stated earlier, this product is quite scarce. We believe an appraiser would apply a premium to any purchaser's value.



**State of Utah**

**SPENCER J. COX**  
Governor

**DEIDRE  
HENDERSON**  
Lieutenant Governor

**Office of Homeless Services**

**WAYNE NIEDERHAUSER**  
Homelessness Coordinator

**TRICIA DAVIS**  
Assistant Director

August 2, 2021

*RE: Office of Homeless Services, Funding Recommendation to the Utah Homelessness Council*

Dear Volunteers of America Board of Directors:

On behalf of Utah Office of Homeless Services, I am writing to express support for the purchase of the Volunteers of America, Utah Men's Adult Detoxification Center located at 252 W. Brooklyn Ave. Salt Lake City, UT, 84101.

On August 25, 2021, the Office of Homeless Services will recommend to the Utah Homelessness Council that \$3,000,000 from the Homeless to Housing Reform Restricted Account be used for the purchase of this facility. The funds will allow for Shelter the Homeless to purchase and own the property, and will be used to meet shelter overflow and crisis needs for individuals experiencing homelessness.

Authorization for the use of the Homeless to Housing Restricted Account funding is contingent upon favorable approval from the Utah Homelessness Council.

This recommendation is made with the knowledge and understanding that the Salt Lake Valley Coalition to End Homelessness has been developing a shelter overflow plan. Utilizing this facility will be an important component in the homeless services system to meet future and ongoing shelter overflow needs.

The Office of Homeless Services looks forward to continued collaboration with Volunteers of America as we coordinate funding and vital services for individuals and families experiencing homelessness.

Sincerely,

Wayne Niederhauser  
Utah Homelessness Coordinator