



## REPORT TO TOWN BOARD

**FROM:** Andrew J. Quarnstrom, Township Supervisor

**DATE:** August 16<sup>th</sup>, 2022

**SUBJECT:** Explanation of Township Resolution 2022-0803

**A. Introduction:** The purpose of this Resolution is to approve a subrecipient agreement between the City of Champaign Township and the City of Champaign for creation of a year-round, low-barrier emergency shelter in an amount not to exceed \$3.9 million.

**B. Recommended Action:** The Township Administration recommends approval of this Resolution.

### C. Summary:

- Council allocated City funding to the City of Champaign Township in support of housing solutions: \$3.1 million for a low-barrier, year-round emergency shelter and an additional \$200,000 for rent assistance to prevent homelessness. Separately, Council also allocated \$3 million for other shelter or permanent housing units and for housing navigation case management services, which will involve a competitive Request for Proposals (RFP) process.
- The City of Champaign Township will operate a low-barrier, year-round shelter for 50 men and 10 women starting on November 1, 2022, for a two-year period. The City will fund the construction or acquisition of the shelter as well as its operating costs using \$3.9 million of American Rescue Plan Act (ARPA) funds.
- Shelter expenses were higher than originally estimated but are in line for providing this level of service.

### D. Background:

**1. Shelter and Housing Security Study Session.** On April 26, 2022, City staff sought direction from Council during a Study Session [\[SS 2022-011\]](#) to provide up to \$5.1 million for housing solutions for people without an address through a combination of intergovernmental agreements (IGAs) and a competitive Request for Proposals (RFP) process. City Council directed staff to provide funding for the following initiatives:

- \$3.9 million in funding for the creation of low-barrier, year-round shelter;
- \$3 million for permanent housing solutions and case management services, which will be accomplished using a competitive RFP process; and
- \$200,000 in additional funding for rental assistance.

This increased the total funds to be allocated for housing and shelter priorities to \$6.3 million. With this direction, City staff began preparation of a new subrecipient agreement with the City of Champaign Township to provide ARPA funding for the creation and operation of the low-barrier shelter, as well as

an amendment to an existing IGA with the Township to provide additional rental assistance through June 30, 2024.

**2. Creation of Low-Barrier, Year-Round Shelter Agreement.** This resolution would approve the execution of a new subrecipient agreement with the City of Champaign to allow the Township to receive ARPA funding for the creation and operation of the shelter. In addition to this report, the Township Supervisor will present shelter information at the Town Board meeting on August 16, 2022.

Funding will support costs related to the operation of the shelter, including but not limited to salaries, overhead, rent/mortgage payments, utilities, and supplies. The total estimated budget is \$3,897,058. Table 1 provides the estimated shelter expenses over the two-year agreement period.

**Table 1: Shelter Expenses**

| Category                  | Year One           | Year Two           |
|---------------------------|--------------------|--------------------|
| Equipment/Capital Repairs | \$45,000           | \$45,000           |
| Operations                | \$469,400          | \$397,320          |
| Staffing                  | \$1,492,600        | \$1,537,738        |
| <b>Total</b>              | <b>\$1,962,000</b> | <b>\$1,935,058</b> |

Creating and operating the shelter was originally estimated to cost \$3.1 million for a two-year period. After further research, it has been realized that the true cost to operate for two years will be \$3.9 million, which is an increase of \$400,000 per year. City staff evaluated the proposed budget from the Township and compared it to the budget of C-U at Home’s Low-Barrier Winter Shelter, which operated for 4 months for 12 hours a day at a cost of \$438,011. This would equal \$7 million if equalized to 12 months and 24 hours a day for two years. The Township will pursue other funding sources for long term operation.

Staffing positions for the shelter include a Program Director (1 FTE), Outreach Coordinator (1 FTE), Case Manager (12 FTE) and Security (8 FTE). All staff will be employees of the Township. Staffing will cover three shifts over the 24-hour period and employees will be hired in October 2022. Training for staff will include foundations of harm reduction, First Aid/CPR, Narcan/Naloxone, and de-escalation/creating safe spaces. Adequate staffing is the highest expense but is essential to the success and safety of the people using the shelter services and the staff. The shelter will partner with local medical, mental health and substance abuse providers to create a collaborative support network for people staying at the shelter with some services being available onsite.

The Township will begin serving people without an address on November 1, 2022, at a building near downtown. The building will be leased for a two-year period and pursuant to the terms of the subrecipient agreement, the Township will be required to obtain City approval of the site location prior to the Township entering into a lease agreement. A downtown or midtown location is critical to be near public transportation and meal services at Daily Bread Soup Kitchen, which is the meal source for the shelter.

Shelter capacity will be 50 men and 10 women. The shelter will provide a safe place that is low barrier and is open 24/7/365. Low barrier signifies the lack of requirements, specifically regarding sobriety, that are typically required to enter and utilize shelter services. By operating around the clock and year-round, not only will the number of people living outdoors be reduced but people without an address will not be required to “pack up” and leave each morning until the doors reopen each evening, creating numerous challenges. Policies will be based on the lessons learned from the 2022 C-U at Home low-barrier emergency shelter model. Based on Council and public comment at the April 26, 2022, Study Session, the shelter will provide feminine hygiene products at no cost to menstruating people and a storage option for people to keep their belongings.

The Township and City staff will come back to Council and the Town Board after 12 months of operations to share data and progress updates. At that time, the best approach to a long-term location, including whether leasing or building is a better option, and the size of the building needed (how many people will need service), will be evaluated. Along with the new shelter program to be offered, the Township will continue its rental assistance program.

**E. Alternatives:**

1. Approve Resolution 2022-0803, a Resolution allowing the Township to enter into a subrecipient agreement with the City of Champaign for the purposes of funding the operation of a low barrier shelter.
2. Do not approve Resolution 2022-0803, a Resolution allowing the Township to enter into a subrecipient agreement with the City of Champaign and provide staff with alternative direction.

**F. Discussion of Alternatives:**

**Alternative 1** approves Resolution 2022-0803 and allows the Township to enter into a subrecipient agreement for the purposes of funding the operation of a low barrier shelter. The term of the agreement is two years, and the amount of the agreement is not to exceed \$3.9 million.

**a. Advantages**

- Approving Resolution 2022-0803 will allow the Township to begin operations of a low barrier shelter in the City of Champaign no later than November 1, 2022.

**b. Disadvantages**

-Approving Resolution 2022-0803 will provide for the operations of emergency low barrier shelter for men and women for the next two years. Additional funding will need to be found to continue operation past the two-year mark. The City of Champaign Township has full intentions to continue operating the low barrier shelter indefinitely.

**Alternative 2** Do not approve Resolution 2022-0803.

**a. Advantages**

-None.

**b. Disadvantages**

- Not approving this resolution will prevent the Township from operating a low barrier shelter and will continue to significant resource gap the community has for emergency low barrier shelter.

**G. Community Input:** Input can be given during the public comments section of the meeting at which this item is considered. In addition, public input was received at the April 26, 2022 City Council meeting.

**H. Budget Impact:** The creation and operation of the low barrier shelter will have have significant budget impact over the next two years as well as moving forward. Additional staff, operational costs, and a permanent location will all be costs that the Township will incur. Staff is currently working on funding options for the time period after the subrecipient agreement expires and will bring additional reports to the Town Board on this topic in the future.

**I. Staffing Impact:** Approximately 200 hours of staff time have gone into preparations for this agreement as well as planning for a November 1<sup>st</sup> opening of the low barrier shelter.

Prepared by:

Andrew Quarnstrom  
Township Supervisor