



**Verde Valley Homeless Coalition**

**Project Concept for Community Development Block Grant Application**

**April 2021**

## **Background**

VVHC is well into its third year of operation as a 501 (c) (3) non-profit focused on assisting the homeless population in the Verde Valley. Our current location is a leased property at 654 N. Main St., Cottonwood, Arizona. We operate three primary programs:

- A daytime drop in center open from 1 PM to 5 PM five days per week. We serve a mid-day meal and distribute dry and canned food, toiletries, clothing, bedding and tents/tarps on an as needed basis.
- A 20 bed overnight emergency shelter, open from 6 PM to 8 AM. This had been open only on cold nights, but will soon open full time, with an Emergency Shelter Grant from the State of Arizona and a revised City of Cottonwood Conditional Use Permit that included a requirement for an installed sprinkler system. We serve an evening meal and a light self-serve breakfast.
- “Case management”. Through our contact with the homeless population we are able to identify personal needs. One element of this is helping individuals access services. The most frequent is access to physical and mental health services through Spectrum Healthcare; we have built a very close relationship with the Spectrum outreach team. Through Spectrum we help in referrals to Steps to Recovery Homes for addiction treatment; we refer to The Verde Valley Sanctuary and Northland Family Help Center for domestic violence. We focus where possible on helping individuals escape homeless through employment and housing, referring qualified individuals to Catholic Charities and the VA for permanent housing, and assisting in job searches and resume preparation. We work closely with the Cottonwood Police Department to solve problems, where possible, without arrest, and are part of the multi-agency Cottonwood Homeless Outreach program.

We have succeeded in reaching out to the significant homeless population in the Verde Valley. We had over 5,100 contacts events with homeless individuals in 2020, and saw 178 new first time individuals accessing the center/shelter. They are men and women from all age groups and ethnicities.

VVHC has a strong Board that includes the Mayor of Cottonwood, a Commander from the Cottonwood Police Department, the President of the Chamber of Commerce, a CPA who serves as Treasurer, a newspaper publisher, a pastor active in a Cottonwood interfaith group, and several individuals with past and present experience in the delivery of social services and organizational management. VVHC has broad community support through donations and volunteers, and has received support from a number of foundations and from State of Arizona contracts.

VVHC benefits both the homeless population and the community. We play a key role in improving the physical and mental health of the homeless, and in reducing the social isolation of individuals. But Cottonwood and surrounding communities, focused on tourism, benefit as well: a homeless individual in the center is not on the street; an individual in the shelter is not sleeping in a park. A recent court ruling ruled that individuals sleeping in parks could only be moved if there was a place to go to; VVHC is that space.

VVHC seeks a transformation Community Development Block Grant (CDBG) to purchase the site it now leases and to develop transitional housing to help those capable to escape homelessness. The intended beneficiaries are both the homeless population in the Verde Valley and the greater community.

**The CDBG Grant**

VVHC is applying for a CDBG grant from the State of Arizona Department of Housing for two projects, a net amount of \$1.64 million plus an estimated \$36,000 in administrative expenses for NACOG (Northern Arizona Council of Governments) and the City of Cottonwood (through whom CDBG grants flow to VVHC). The first project is acquisition of the property on which we now operate, 654 N. Main St. in Cottonwood, and the adjacent parcel, 660 N. Main St. The second is development of a new transitional housing facility.

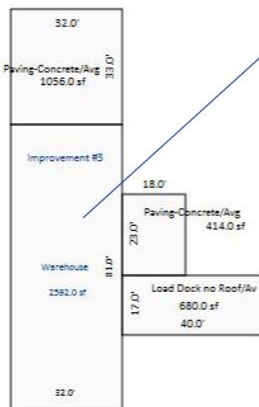
**Project 1: Acquisition and Minor Renovations to the Currently Used Building**

The aerial photo shows the two properties to be acquired, outlined in red.

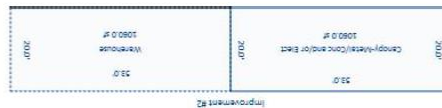


PARCEL AERIAL

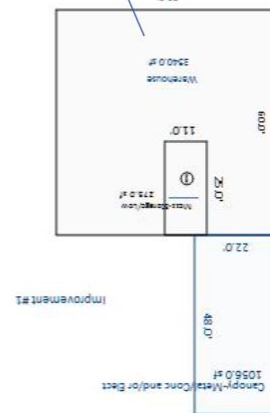
**West Building (W)**



**South Building (S)**



**North Building (N)**



Friendship Missions, the owner, used to operate a food bank from this location. It has been supportive of VVHC, but intends to sell the properties; VVHC wants to retain these for its work with the homeless. Friendship Missions will sell the two properties to VVHC for \$1 million, below appraised value.

654 N. Main St., the east of the two properties, has two significant buildings, labelled W and N; the structure marked S is primarily a covered parking area. All VVHC programming takes place in the building marked W. This property is ideal for the center/shelter in that building W is behind a screened fence and has a large fenced central open area, which means that the homeless do not impact neighbors once they are on site. Properties to the immediate east of the center/shelter are commercial (not retail), and the property to the west would be owned by VVHC. The site is close to resources, including Spectrum Healthcare, the Arizona Department of Economic Security, Steps to Recovery Homes, Catholic Charities, and the Old Town Mission. As discussed below, the building marked N, currently used for storage, is available for alternate use without impacting VVHC's programming. VVHC would do minor renovations to building W to reflect its year round use as a shelter, including removal of two large freezers that would expand the potential bed capacity from 20 to 24 beds.

*Budget for Project One*

Purchase price net to vendor	\$1,000,000
Closing costs	\$30,000
Renovations	
Installation of a second bathroom	\$45,000
Construction of a new office	\$20,000
Expansion of the kitchen (pantry)space	\$10,000
Removal of food bank freezers	<u>\$5,000</u>
 Total	 \$1,110,000

Acquisition of the properties would reduce VVHC operating costs by \$2,000 per month, the current lease payment to Friendship Missions.

***Project 2: Transitional Housing at 660 N. Main St.***

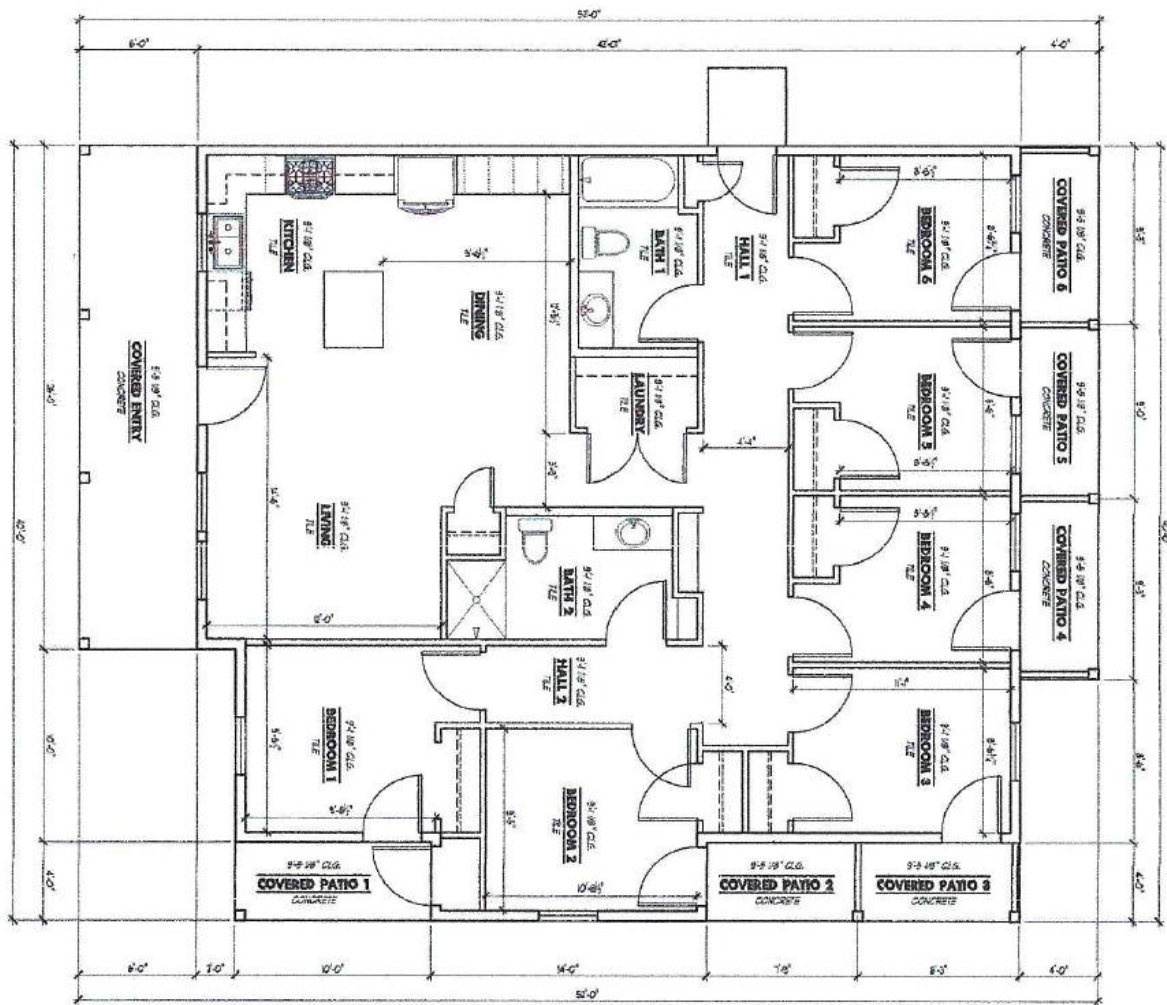
A key focus of VVHC has been to help those capable to escape homelessness and return to being a contributing member of the community. We have helped individuals find employment and permanent housing. But a key problem for a homeless individual who finds work is the challenge of accumulating the funds necessary to secure permanent housing: damage and utility deposits and supplies. Transitional housing is temporary shelter with shared kitchen and bath, typically for three to six months, while a newly employed individual accumulates funds. A typical arrangement for transitional housing is a modest rent, say \$500 per month, with a portion of that rent being held in reserve to be returned to the individual at the time of moving into permanent housing. VVHC would net \$300 per occupant to cover expenses. Transitional housing is strictly aimed at those who have the potential to move away from homelessness and are capable of paying rent; it is the companion service to the adjacent shelter.

There are three buildings on 660 N. Main St, an unoccupied single family residence, labelled SFR in the aerial photo. There is a usable two car garage. Not labelled, to the south of the garage, is a four bedroom two bathroom manufactured home in excellent condition, equipped with sprinklers.

Subject to a Conditional Use Permit from the City of Cottonwood, in a first phase, VVHC would work with the occupant of the manufactured home to relocate to a more supportive seniors residence, and thereafter to use the manufactured home as transitional housing for four individuals; no renovations would be required. Full time supervision at the adjacent center at 654 N. Main St. would be available to address any problems in the transitional facility. There is no incremental annual net operating cost; the budget for the four unit transitional housing is

Rental income net of client holdback	\$13,500
Less: Utilities, trash	\$3,500
Custodial	\$4,000
Supplies	\$1,500
Maintenance reserve/contingency	<u>\$4,000</u>
	<u>\$13,000</u>

In a second phase, again subject to a City of Cottonwood Conditional Use Permit, VVHC would build a second building on site specifically designed for transitional housing, as shown in the floor plan.



The house is designed to meet the needs of transitional housing: each bedroom has a separate outside entrance and a lockable door into the main shared areas: two bathrooms and a common kitchen/sitting area. The construction budget is:

Permits and approvals	\$20,000
Site access, clearing and levelling	\$30,000
Parking	\$40,000
Structure	<u>\$440,000</u>
Total	\$530,000

When fully developed, VVHC would operate ten units of transitional housing, with net rental income (less the holdback retained to be returned to the occupant) covering operating costs. The operating budget for a ten unit transitional housing facility is:

Rental income net of client holdback	\$34,200
Less: Utilities, trash	\$6,000
Custodial	\$12,000
Supplies	\$4,000
Maintenance reserve/contingency	<u>\$12,000</u>
	\$34,000

### **Cottonwood Arts and Entertainment District**

All of Main St. from Old Town to S.R. 89A has been designated by Cottonwood as an arts and entertainment area. If VVHC is successful in purchasing the properties it will support this designation. Referring to the aerial photo, at 654 N. Main St., the east property, the building marked W in the photo is the one used by VVHC for its operation as a daytime drop in center and overnight emergency shelter. As noted above, this building is behind a fence that runs to the south side of the building market N in the photo. The fencing includes screening so that our operation is not visible from the street. There is a large parking area north of the fence and west of the building marked N.

Building N is currently used for storage and a small laundry facility. VVHC can easily relocate the storage elsewhere on the property and make the building available for other uses. The building has access from Main St., and could be used for a variety of purposes, such as an artist studio, gallery, wine tasting room or brew pub. Parking is available both on street and in the area west of the building. VVHC's activities would be segregated behind the fenced area. VVHC would make Building N available for lease to a use compatible with the Cottonwood Arts and Entertainment District.

Similarly, at 660 N. Main St., VVHC has no plans for using the single family residence, and again, would make this available for lease to a use compatible with the Cottonwood Entertainment Area, such as an artist studio or gallery. VVHC supports any use of these structures that front on Main St. that is supportive of the Cottonwood Arts and Entertainment District.