

## **2024-2025 Proposed Budget BUDGET DOCUMENT COST ESTIMATE REQUEST**

To request a Budget Document (BD) cost estimate, please complete the first page of this form (use as much space as required) and submit it to Kate Handford in the City Manager's Budget Office starting April 22nd, 2024 and by no later than May 8th, 2024.

City staff will return the form with the cost estimate provided on the second page of the form by May 17, 2024. The BDs with the cost estimates are due to the Mayor's Office by **May 23, 2024**.

Please note that the number of budget document cost estimate requests is limited to **five requests per City Council District**. Additionally, all Budget Documents that recommend a City-provided service or project must be based on a Cost Estimate Response.

### **TO BE COMPLETED BY COUNCILMEMBER:**

Councilmember: Bien Doan

Council District: 7

### **BD PROPOSAL:**

City Department (if known): Public Works and/or Housing

Program/Project Title: Pre-Engineered Congregate Shelter

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

Over the last five years, San José's homeless population has increased by 44% according to the annual Point in Time counts, and only 30% of the City's homeless population is sheltered.

Pre-engineered congregate housing is widely acknowledged as a successful and viable option; structures can be made and assembled in as little as two weeks and have been used as gymnasiums, homeless shelters, hospitals, schools, dormitories, convention centers and more. In fact, the south hall of the San José Convention center is a prefabricated building that has been used for business, entertainment, and emergency needs. During the COVID-19 pandemic, our south hall was used as a shelter to house our homeless neighbors.

Recently, the city of Reno, NV constructed a shelter campus for over 1,000 people in just 60 days. The SJ LUV pilot model which Councilmember Batra and I brought to the Rules Committee earlier this year is based upon the Reno model, which is acknowledged as the "most affordable mass shelter on the West Coast."

This Cost Estimate is related to the Rules Committee Direction from March 6, 2024 which was tasked with identifying all methods of shelter and housing available to assess our unsheltered crisis. Specifically this Cost Estimate asks staff to detail and layout all costs associated with building and running a pre-engineered shelter in the City of San Jose, similar to or the same as the Sprung Structure technology, for 200, 500, and 1,000 persons, not including the cost of land acquisition. Operations should be broken down by contracting the work out to a local nonprofit and/or third-party housing expert.

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Construction should be presented as the most affordable options as possible, even if those options go against city requirements, to a 100% constructed project by our Public Works Department. I would like to see five cost models from least expensive to most expensive and why the projections differ in price.

Position Changes (include classifications, if known): unknown

Estimated Amount of City Funding Change (to be validated by the cost estimate): \$500K - \$2.2M

Fund(s) Impacted (e.g. General Fund, C&C Tax Funds, etc.): unknown

Ongoing or One-Time: One-Time and On-going

**BD PROPOSAL OFFSET/FUNDING SOURCE (identify the offsetting action to fund the BD proposal identified above):**

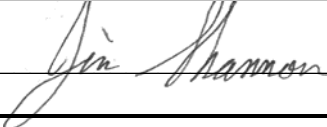
Essential Services Reserve:

Other (Program/Project/Fund): TBD

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Cost Estimate #: 23

**TO BE COMPLETED BY CITY MANAGER'S OFFICE:**

Cost Estimate Approved By  Date 5/20/2024

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**CITY DEPARTMENT:** Housing Department

Staff Person Completing Cost Estimate: Multiple Date: 5/17/24

Department Approval of Cost Estimate: Erik Solivan, Housing Director  
Matt Loesch, Public Works Director

Date: 5/17/24

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**BD PROPOSAL:**

**BD Cost Estimate:** Pre-Engineered Congregate Shelter City Staffing and Non-Personal/Equipment

The Housing Department and Public Works analyzed the costs for congregate shelter for 100, 200, 500 and 1,000 individuals. The analysis examines two scenarios, first using an already paved parcel and the second scenario using an undeveloped property. Both scenarios assume the use of a structure made from tensioned fabric on an industrial-grade aluminum or steel frame. The structure is built in sections, making it customizable and sized according to the desired space. The cost estimate for 500 and 1,000 individuals requires multiple structures – approximately two structures will accommodate 500 individuals and four structures are needed to accommodate 1,000 people.

Multiple structures also require careful thought on the staffing and security needed to maintain safety for program participants and staff. The operations estimate is based on Housing Department analysis of the shelter model in Nevada and current staffing, personnel and supply costs in other Housing Department contracts. The operating cost estimates may change during procurement and contract negotiations based on selected service provider expertise and recommendations. It is important to emphasize that the level of supportive case management services at this scale of congregate sheltering is minimal.

Please note that additional City staffing may also be required once the new facility comes online, including Public Works maintenance staff and programmatic oversight staff within the Housing Department; however, these costs are not included here as additional staffing recommendations would be made in context of the needs of the entire Interim Housing portfolio.

The tables below provide estimates for the capital and operating expenses for a tensioned fabric congregate shelter of various capacities. It is important to note that these are estimates for general planning purposes, and will vary significantly depending on the site selection and level of basic services provided. Additional information on this topic will be provided in a forthcoming Manager's Budget Addendum.

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**COST SCENARIOS**

**Public Works Department Cost Estimates: Construction**

<b>Options :</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
Description:	Pre-Engineered Congregate Shelter at an existing paved parking lot site. Includes site development with laundry/shower				Pre-Engineered Congregate Shelter at an undeveloped site. Includes site development, asphalt paving, with laundry/shower			
Number of Occupants:	100	200	500	1,000	100	200	500	1,000
Site Development	\$2,548,439	\$3,069,181	\$4,363,737	\$6,077,180	\$3,569,066	\$3,751,917	\$4,422,138	\$6,250,993
Structure	\$1,494,788	\$2,776,133	\$6,249,602	\$10,505,297	\$1,494,788	\$2,776,133	\$6,249,602	\$10,505,297
Laundry/Shower	\$2,224,800	\$2,224,800	\$3,337,200	\$4,449,600	\$2,224,800	\$2,224,800	\$3,337,200	\$4,449,600
Total Construction Cost	\$6,268,026	\$8,070,114	\$13,950,539	\$21,032,077	\$7,288,653	\$8,752,850	\$14,008,940	\$21,205,890
Contingency	\$626,803	\$807,011	\$1,395,054	\$2,103,208	\$728,865	\$875,285	\$1,400,894	\$2,120,589
Engineering & Inspection	\$2,555,788	\$3,290,589	\$4,875,713	\$7,350,711	\$2,971,948	\$3,568,975	\$4,896,124	\$7,411,458
<b>TOTAL ESTIMATED PROJECT COST</b>	<b>\$9,450,617</b>	<b>\$12,167,715</b>	<b>\$20,221,306</b>	<b>\$30,485,996</b>	<b>\$10,989,467</b>	<b>\$13,197,109</b>	<b>\$20,305,958</b>	<b>\$30,737,937</b>
Annual Maintenance	\$74,739	\$138,807	\$312,480	\$525,265	\$74,739	\$138,807	\$312,480	\$525,265

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**Housing Department Cost Estimate: Service & Operations Annual Cost**

Options	1	2	3	4	
Description:	Pre-Engineered Congregate Shelter. Includes staff, infrastructure, and client support.				
Number of Occupants:	100	200	500	1,000	
Operator Staffing	\$738,590	\$1,566,790	\$4,698,148	\$5,961,956	Salaries for management and support staff
Associated Staffing Costs	\$273,278	\$611,048	\$1,832,278	\$2,325,163	Payroll taxes, benefits, indirect
Meals	\$109,500	\$214,000	\$580,000	\$1,160,000	3 meals per day
Contracted Services	\$1,413,322	\$2,013,322	\$4,026,643	\$6,253,286	Security, janitorial
Infrastructure	\$208,800	\$417,600	\$1,425,000	\$2,214,400	Utilities & water, dumpster, AED, hotbox, storage
Staff Supplies/Equipment	\$33,750	\$67,500	\$168,750	\$270,000	Computers, phones, uniforms, etc.
Client Support	\$87,950	\$198,850	\$531,550	\$864,250	Flexible funding, program supplies, quarantine hotels, etc.
<b>TOTAL ESTIMATED ANNUAL OPERATIONS COST</b>	<b>\$2,865,190</b>	<b>\$5,089,110</b>	<b>\$13,262,369</b>	<b>\$19,049,055</b>	