

Unwelcome mat out for project to house chronically homeless

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One in an occasional series By KIM HORNER / The Dallas Morning News
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Developer Larry Hamilton has been working for months to turn the empty [Plaza Hotel](#) south of downtown Dallas into homes for the homeless. But it's been much tougher than he imagined.

Hamilton and other developers complain of roadblocks even as they try to carry out the city's goal of opening 700 apartments for the homeless by 2014. The housing, which would come with mental health and addiction services, is considered the most effective way to clear the streets of the hard-core homeless.

But Dallas has lagged behind other major cities in creating the units. Public financing, neighborhood cooperation and political will are all in short supply in a city that has been able to raise millions for arts projects, a convention center hotel and Calatrava bridges over the Trinity River.

"They have this aspiration to do 700 units, but I think it's going to be hard to do any," Hamilton said. "I don't see how it's going to get done."

The apartments that Hamilton and others want to build are called permanent supportive housing. They are intended for the chronically homeless, the portion of the homeless population that has been on the streets for years and has disabilities such as mental illness as well as addictions. They are the most visible of the homeless because they panhandle, sleep on sidewalks and commit crimes such as theft.

On any given night, there are 600 to 1,000 chronically homeless people in Dallas County. They cycle in and out of jails and hospitals at a huge cost to taxpayers. Many gather downtown, and business leaders have expressed concern about their impact on Dallas' quality of life as well as its image.

Hamilton, who typically has developed high-end housing and hotel projects downtown, was among the loudest of those voices.

The chief executive of Hamilton Properties led an unsuccessful fight against a \$23.8 million bond proposal in 2005 to build Dallas' homeless assistance center and fund some permanent supportive housing.

After losing that battle, Hamilton sought some of the bond money for the Plaza renovation. He said he now believes that housing is the solution to moving the chronically homeless off the streets.

"They have some really deep mental problems or substance-abuse problems and there's nothing really to address those things," Hamilton said. "We need to come up with some alternative that isn't incarceration."

Dallas currently has about 900 units of permanent supportive housing, most of which has opened since the City Council approved a Ten Year Plan to End Chronic Homelessness in 2004. Most are single apartments at various complexes, funded through federal rent subsidies and residents' rent.

Many of those complexes screen out people with serious criminal records, leaving some of the most difficult cases still on the streets. Officials say much of the remaining housing should be new construction or renovations run by nonprofits that can set their own admission criteria and care for dozens of people at one site.

"It's halftime," said Mike Rawlings, Dallas' homeless czar. "And the second half is going to be harder than the first half."

Housing saves money

Studies around the country have found that besides helping the homeless, permanent supportive housing can save taxpayers money by ending costly cycling through hospitals and jails.

A study published in the *Journal of the [American Medical Association](#)* this year found that Seattle saved \$4 million in hospital, jail and other public services after 95 homeless people moved into one housing project. The residents' repeated visits to hospitals and jails had cost taxpayers nearly \$8.2 million a year before moving into the project.

Experts say the housing works because residents become more stable and are more likely to take medications that help keep them out of trouble. The Seattle study found that the chronically homeless cost taxpayers an average of \$86,000 a year at institutions, while caring for them in housing cost \$13,440 per person a year. Dallas officials estimate it will cost an average of \$8,000 to \$10,000 a year here.

In Dallas, the jail, hospitals and the city drunk tank spend at least \$50 million a year caring for the homeless. Most of that is spent on the chronically homeless.

"If we don't come up with pragmatic solutions, you and I are going to pay for these things," Mayor [Tom Leppert](#) said.

Also looking for savings is Dallas County Commissioner [John Wiley Price](#), who recently set up a task force to examine the region's mental health system.

Dallas County spends more than \$15 million a year providing health care to the homeless at Parkland Memorial Hospital. The county spends nearly \$11 million a year jailing an average of 523 homeless people a night, and that doesn't include their medical care. Price said that investing in housing and mental health care can save taxpayers money.

"You've got to get people to understand that if you don't, it'll cost you. It's like the old adage of 'pay now or pay more later,' " Price said.

Question of priorities

Dallas has been slow to shift the millions going into jails and hospitals into housing. It's behind metropolitan areas such as New York and Seattle, which have far more permanent supportive housing.

The most ambitious cities have created special funds for the projects, such as a voter-approved housing levy added to the property tax in Seattle that costs the average homeowner \$79 a year.

Dallas designated \$2.5 million from bond funds for permanent supportive housing, but that will not go far.

The city has provided \$1.5 million to help Central Dallas Ministries develop 50 units for the homeless at a development that also includes other affordable housing and market rate condos. The rest was slated for a 120-unit project in South Dallas that got shelved because of neighborhood opposition.

[Larry James](#), president and chief executive of Central Dallas Ministries, said more city money is needed.

"We don't place a high enough priority on what I would call the art of caring for humans," James said. "Caring for our poorest and our weakest is also an expression of our community's soul. That should be the new arts project."

Leppert said the city is considering some housing funding through a future bond program. He also said private donations can be important funding sources.

For now, the major source of public funding for the projects comes from state-issued tax credits. Low-income housing developers apply for the tax credits, which they can sell to investors to raise money for their projects.

Neighborhood balks

One of the criteria for getting the state tax credits – neighborhood support – has knocked Hamilton and other local developers out of the running. A project can lose significant points in a rating system because of neighborhood opposition.

Residents of the Cedars, the neighborhood surrounding the Plaza, raised strong objections to Hamilton's plans for housing for the homeless earlier this year. They said the plan was being rushed, that more units should be offered at market rates and that developers did not have the experience to run such a large project.

The opposition died down after Hamilton deleted any plans for homes for the homeless. But the state rejected his application for tax credits in March, so the white, 12-story Plaza building off Interstate 30, with its perfect views of the downtown skyline, sits empty.

Leppert created a task force that started meeting in August to figure out how to better work with neighborhoods on housing issues. He said it will be important to spread the projects throughout the city.

"I think we have to be careful. We're not going to solve this on the back of a single neighborhood," he said.

Rawlings, who serves on the task force, said residents' fears of plunging property values are unfounded.

"We just have to do a better job of educating groups," he said.

He pointed to a recent study by New York University's Furman Center for Real Estate & Urban Policy. It found that prices for the buildings closest to housing for the homeless increased over several years. The study of 123 developments found that most projects were built in distressed neighborhoods.

Hamilton said he can relate to residents' concerns about the housing. He originally was very skeptical of CityWalk@Akard, the downtown project that will include 50 units for the formerly homeless. The project is less than a block from a luxury apartment building his company developed, The Mosaic, which has rents as high as \$7,000 a month.

But Hamilton said he changed his mind after visiting examples of successful permanent supportive housing projects in Los Angeles and Seattle.

South Dallas homeowner Alva Baker, who serves on the mayor's task force, says that the city will do a better job of addressing residents' questions.

"I think some of the fears people have can be effectively addressed," Baker said.

"I think as a city we haven't done a good job of telling the story of how people can heal their lives and how that makes a difference for all of us."

'We need to attack this'

Neighborhood opposition can be especially tricky here. Dallas' council district setup – in which council members are elected by smaller districts throughout the city – makes it difficult for elected leaders to go against their constituents.

"They're totally accountable and they take all the grief," Hamilton said.

But questions of where to put permanent supportive housing are moot if there is no money to build or operate it. Ultimately, leaders want to see millions being spent on jails and hospitals shifted into housing.

Doing that, homeless czar Rawlings said, will take more coordination between various governmental agencies, since the money comes from so many different pots.

The county, for example, agreed to give \$1 million to The Bridge for annual operating costs after being convinced that the expenditure would save money by reducing the number of homeless people in jail.

And it has worked – saving the county \$2.7 million in costs of jailing the homeless, said Ron Stretcher, Dallas County's director of criminal justice. The key is having data to make the case that shifting expenses will lower costs somewhere else, he said.

"If the money goes to a proven, evidence-based practice so that it will reduce our expenses in other areas, we're going to support that," Stretcher said. "The jail is not a place for people with mental illness, [diabetes](#) or other serious health issues. We want to make sure we're using the jail for the people who really need to be there."

Rawlings said the Metro Dallas Homeless Alliance, a nonprofit that coordinates homeless services, is working to create an advisory board with local, county and state officials to make the housing a top concern.

"For us to do this, we've got to make it a major political priority," he said, "We need to attack this like we did the convention center hotel."

Developer waits

Despite the many obstacles, Hamilton said he continues to work on a new plan for the Plaza to take back to the neighborhood early next year. The vacant hotel already is zoned for apartments. But he said he does not want to move forward without community involvement. And he needs the City Council's support to apply for tax credits.

For now, the former [Ramada Inn](#) sits vacant, except for a few caretakers living there.

Homeless people sleep in the bushes outside.

UPDATE: PEOPLE FEATURED IN THIS SERIES

A number of chronically homeless people have been featured in *The News'* series on chronic homelessness. One will soon get housing, but the rest remain homeless.

Jonathan Austin

Caseworker Winford Cross cannot find Austin on the path he used to walk daily along Second Avenue in South Dallas. Cross met Austin in January as he drank a beer and pulled a red wagon along the road. He agreed to meet Cross to get help but never showed up.

Robert Ceccarelli

Ceccarelli, who is still addicted to crack cocaine despite 15 times in drug treatment, spent the first half of 2009 in the Dallas County Jail at a cost to taxpayers of more than \$8,000. After that, he lived in a boarding house and tried to stay clean. But the 54-year-old continues to suffer from the effects of schizophrenia and [bipolar disorder](#). He is back in jail on theft charges.

Richard Antwine

The 48-year-old with bipolar disorder and a crack problem has cycled in and out of jails and hospitals for years. He landed back in prison in July because of a parole violation. His projected release date is September 2012.

Dustin Rockett

The dishonorably discharged veteran lived in a tent in the woods near White Rock Lake when Cross, the city caseworker, found him in January. Cross took Rockett to the city's homeless assistance center for help, but he left within a day and has not been seen since.

Tommy Pinson

Pinson, who lived in the woods with Rockett, also went to the center, The Bridge. But within days, he returned to the woods.

Adam P. Smith

The 45-year-old former aerospace engineering major suffers from depression and a history of alcohol abuse. He has bounced between treatment, psychiatric hospitals, shelter and jail. Smith relapsed and is in jail on a forgery charge.

Virgil Wyatt

The Army veteran with bipolar disorder made the Dallas Police Department's list of top offenders downtown earlier this year after being arrested 15 times since 2001 on charges of theft, criminal trespass and assault. Cross is working to move him into an apartment, with assistance from the Veterans Affairs Department.