



## Capital Funding Proposal to Wake County October 7, 2019

### COMMUNITY NEED

Wake County has been a long-term funder of Healing Transitions and plays a critical and essential role in the health and wellbeing of Wake County citizens.

One of the most critical practices at Healing Transitions is providing services immediately. Upholding this practice is becoming increasingly challenging. The original designed capacity for both campuses was 254 beds (165 Men's Campus and 89 Women's Campus). Since opening, we've increased the capacity to 300 beds (180 Men's Campus and 120 Women's Campus).<sup>1</sup> Not included in these numbers are the White Flag mats at both campuses. We have been using them year round to accommodate the demand.

Year	Average Daily Census	Change from previous year	High for year	
2017	276.97	↑8.04%	295.44	Nov.
2018	305.27	↑10.22%	321.97	Oct.
2019*	315.03	↑3.20%	327.46	Sept.

\*Through September

There are a number of factors that we believe have contributed to this increase:

1. Wake County's population growth (63% increase since 2001)<sup>2</sup>
2. The opioid crisis<sup>3</sup>
3. Losing beds in Wake County for single women who are homeless

Confronted with overcrowding, the dilemma is to turn people away or to burden our staff, facilities, and participants with the stress and strain of inadequate space. The increase of individuals accessing our recovery program has directly impacted our ability to provide emergency shelter beds. Lastly, the stress of overcrowding can negatively impact staff and participants, making it more difficult to deliver services and to engage in recovery.

With the dramatic rise in unintentional opioid overdoses and the current third wave of the opioid epidemic (fentanyl), turning people away from services due to overcrowding could cost someone their life. Additionally, turning people away will burden first responders and increase public health and public safety risks.

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<sup>1</sup> 20 beds were added at the Women's Campus in July 2017, increasing the total capacity from 280 to 300.

<sup>2</sup> Wake County population 2001 = 659,127; 2018 = 1,092,305

<sup>3</sup> Wake County opioid overdose deaths have increased from 54 (2012) to 131 (2016). Through August 2018, opioid overdose admissions to Wake County emergency departments has increased from 146 to 174 during the same time period in 2017.



### EXPANSION DETAILS

Healing Transitions has embarked on an \$11.75 million capital campaign to expand both the Men's and Women's campuses.

Men's Campus	Women's Campus
<ul style="list-style-type: none"><li>• \$7 million<ul style="list-style-type: none"><li>○ Adds capacity for 110 additional beds<ul style="list-style-type: none"><li>▪ Total capacity = 290 beds</li></ul></li><li>○ Enlarges kitchen and dining</li><li>○ New vocational skills and training building (current sheds will be displaced through shelter expansion)</li><li>○ New classroom (we lost use of Dix Chapel where we have been holding classes since 2001)</li><li>○ This is a partial expansion. Full expansion needs include administrative space, enlarged community room, and beds for individuals in the transitional stage of the program.</li></ul></li></ul>	<ul style="list-style-type: none"><li>• \$4.75 million<ul style="list-style-type: none"><li>○ Adds capacity for 90 additional beds<ul style="list-style-type: none"><li>▪ Total capacity = 210 beds</li></ul></li><li>○ Renovated and expanded bathing and laundry spaces</li><li>○ Enlarges kitchen and dining</li><li>○ New administrative and community building allowing for greater separation and privacy between program participants, staff, and community visitors</li></ul></li></ul>

### Targeted Sources of Support

A significant gift from the County would inspire donors at all levels to have confidence in making their gifts. Over the summer of 2019, we engaged with nearly all of the Raleigh City Council candidates (incumbent and running) along with the leading Mayoral candidates. There has been strong support from those who have visited that indicate a desire to help in a financial capacity.

We have also contracted with McGuireWoods Consulting who will be doing pro-bono lobbying work on our behalf as we seek State funding for the project as well. A gift from the State to TROSA (a rehab facility in Durham) serves as precedent for such a gift and we know there are sources of support on both sides of the aisle for addressing the opioid epidemic.

### Funding Request of Wake County

Healing Transitions respectfully requests a gift of \$6,000,000 in support of its \$11.75M capital campaign to continue supporting the people in need in Wake County. Healing Transitions is open to money payable over a multi-year period or an alternative amount proposed by the County.

While this campaign began as an \$11.75M campaign, we have experienced growing concern over rising construction costs and are not certain we will be able to get the project done at the cost that was quoted in 2018.



## RECOVERY CAN'T WAIT

a capital campaign for Healing Transitions

Additionally, as you may remember, the women's campus is getting a full expansion, but our Board of Directors felt they could only approve a partial expansion of our men's campus due to budget restraints. In order to include the rest of the desired expansion projects at our men's campus, we would expect to need an additional \$6M - \$9M, bringing the full expansion goal to \$17M (2018 cost estimate). If the City and State would come on board to the project in a financially significant way, we may be able to cover the full expansion cost at the men's campus.

To date, Healing Transitions has raised approximately \$4.1M in pledged support of the capital campaign. This does include the \$500,000 initially granted from the County as part of their Capital Grant Process in 2017-2018. As detailed in the following chart, you will see we have pending and potential funding from a variety of private entities.

### Current & Pending Funding Prospects

Prospect	Amount	Status
Early Commitments	\$3,600,000	Already received pledges in hand
Wake County	\$500,000	From the Capital Grant Process in 2017-2018
WakeMed	\$500,000	Challenge Grant Approved by WakeMed, working on the match
Other area hospitals and behavioral health facilities*	\$1,000,000	Goal as a result of the WakeMed Challenge Grant Have meeting set with Duke Leadership, and have a soft commitment from UNC Rex
BlueCross BlueShield NC*	\$750,000	Pending – Notification in October/November 2019
Joy M. Pope Memorial Grant*	\$100,000	Pending – Notification in January 2020
Individuals, Corporations, Foundations on our prospect lists*	\$2,790,000	The asks for these prospects totals \$9.3M, if we assume a 30% conversion rate, we will have raised \$2.79M
State of NC*	\$5,000,000	Not much movement. Will restart our efforts in the spring
City of Raleigh*	\$2,000,000	Not much movement. Hoping new leadership will see the value in this investment
Wake County*	\$6,000,000	
<b>TOTAL</b>	<b>\$22,240,00</b>	

\*These sources are not pledged and committed dollar amounts. They are all pending requests and we do not expect to receive 100% of all funding

### Expansion Timeline

- January 2018 – Fall 2019: Preparing the groundwork for the campaign, identifying lead gifts, initial expenses are incurred.
- Fall 2019: City Council will vote in November to approve our lease extension at the men's campus, we have full confidence that the vote will pass.
- Fall 2019: Place priority on completing women's campus designs and engineering.
- April 2020: Commence construction at the women's campus.
  - With support from the County, we could accelerate this timeline.
- 2020: Commence construction at the men's campus