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County of Santa Cruz

COUNTY ADMINISTRATIVE OFFICE

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SUSAN MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

August 10, 2015

AGENDA: August 18, 2015

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

REPORT BACK ON HOMELESS SERVICES CENTER

Dear Members of the Board:

During budget hearings the County Administrative Office was directed to meet with the Homeless Services Center (HSC), relevant County staff, and the City, and return today with a report on the status of HSC services and funding. The purpose of this letter is to provide your board with an update on HSC as well as steps taken to address the funding challenges facing HSC.

Background

In May 2015 the Homeless Services Center announced that they would not receive anticipated funding from a \$350,000 U.S. Housing and Urban Development (HUD) Emergency Solutions Grant (ESG). Combined with rising costs for existing staff and services, the funding shortfall necessitated immediate programmatic and staffing cuts. HSC announced it would be closing the 50-bed Paul Lee Loft and the majority of its Essential Day Services program, as well as eliminating \$150,000 in funding for the countywide 180/2020 housing initiative. Further, the 100-bed winter shelter program, including daily meals and showers, would likely cease.

The Homeless Action Partnership (HAP) Executive Committee, comprised of City Managers, County departments, and the Housing Authority of Santa Cruz County called an emergency meeting to come up with a strategy to prevent the loss of these programs. It was determined that it was essential to both sustain Winter Shelter and to keep the Paul Lee Loft (PLL) open. It was noted that the elimination of these services could put at risk the HAP's ability to compete successfully for the McKinney-Vento funds. In addition, the beds at Paul Lee Loft are integral to many other of the County's programs including AB 109, BLC-PACT, and the 180/2020 initiative.

The Winter Shelter program, while providing actual overnight shelter beds at the Armory, utilizes the Paul Lee Loft as a place for Winter Shelter clients to assemble, check-in, and obtain necessary meals and showers prior to being transported to the Armory. Without Paul Lee Loft, the Winter Shelter program lacks the supporting operational framework which was in place.

Supporting HSC

The HAP Executive Committee's exploration of alternative sources of funding revealed that the Human Services Department (HSD) would be receiving unanticipated CalWORKS revenue and recommended allocating it for support of family stabilization services at Rebele Family Shelter. The additional CalWORKS allocation, as unanimously approved by your Board, freed up discretionary funds in HSC's budget that was able to be reallocated to the Paul Lee Loft, thereby providing adequate funds to keep it operating for the first six months of the 2015-16 fiscal year. Elsewhere on today's agenda is an HSD board item detailing numerous CalWORKS family stabilization contracts including one with HSC for the CalWORKS Housing Assistance and Move-in Program (CHAMP) and the CalWORKS Emergency Housing Program (CEHP).

While the HAP and County were successful at preventing immediate closure of the Paul Lee Loft, the funding to support it is only sufficient to keep it in operation through December 31, 2015. Beyond that point, the program faces closure if the remaining funding gap is not filled.

The HAP Executive Committee also approved providing funding to HSC for technical assistance to support the organization's competitiveness for future ESG program funding. The technical assistance will begin when the Notice of Funding Availability is issued.

At the request of the HAP Executive Committee, staff reviewed HSC's budget to ensure that jurisdictional funding was aligned with the programs for which it was granted. Additionally, staff facilitated a meeting between HSC and the Community Foundation to explore grant funding opportunities for technical assistance to provide for a Certified Public Accountant to implement a new accounting system. HSC has also indicated a need for technical assistance with establishing a robust accounting system which allows them to accurately map expenses to specific programs and funding streams. Other elements of their technical assistance request include preparing for an audit, setting up cash flow tracking systems, developing appropriate allocation formulas for general costs, and ongoing support for a limited period of time. Two consulting firms have submitted proposals to HSC and at this time HSC is awaiting news of potential funding from both the Community Foundation and Packard. A clearer picture of HSC's financial health will emerge after they have implemented the new accounting system and have completed their audit, both anticipated by October, 2015.

The most recently identified funding shortfall to keep Paul Lee Loft open through FY 2015-16 and keep Winter Shelter operating through the full season is approximately \$187,000. Jannan Thomas, Executive Director of HSC, has indicated that she recently hired a new Director of Development, and they are working hard to raise the necessary funds. HSC's most recent direct mail fundraising campaign has brought in \$32,000 in donations, closing the funding gap to \$155,000. Additionally, she is meeting twice monthly with the faith based community to jointly plan a targeted fund-raising campaign, possibly utilizing crowdfunding. HSC continues to seek philanthropic support from private parties and remains hopeful that they can raise the remaining funds.

In order to develop a contingency plan to keep Paul Lee Loft open and Winter Shelter in operation should HSC fall short of their goal, the HAP Executive Committee will be meeting on September 14, 2015 and will consider options to address shortfalls.

Current funding from the Cities and County totaling \$1,210,346 is provided in Attachment A. A preliminary summary is provided below in Table 1.

Table 1

| | Day Essential Services Center (DESC) | Paige Smith | Paul Lee Loft | Rebele Family Shelter | Winter Shelter | Other/Admin /Operations | Total |
|--------------------------------------|--------------------------------------|------------------|-------------------|-----------------------|-------------------|-------------------------|--------------------|
| City of Capitola - General Fund | \$ - | \$ - | \$ 2,619 | \$ - | \$ 8,000 | \$ - | \$ 13,238 |
| City of Santa Cruz | | | | | | | |
| Other Funds | \$ 15,000 | | | | | | \$ 15,000 |
| General Fund | \$ 41,410 | \$ 70,700 | \$ 11,110 | \$ 45,450 | \$ 43,239 | \$ - | \$ 211,909 |
| City of Santa Cruz - Subtotal | \$ 56,410 | \$ 70,700 | \$ 11,110 | \$ 45,450 | \$ 43,239 | \$ - | \$ 226,909 |
| City of Scotts Valley | | | | | \$ 8,881 | | \$ 8,881 |
| City of Watsonville | | | | | \$ 17,481 | | \$ 17,481 |
| County of Santa Cruz | | | | | | | |
| Other Funds | \$ 126,278 | * | \$ 90,000 | \$ 441,544 | \$ 84,661 | \$ 52,956 | \$ 795,439 |
| General Fund | \$ 33,160 | \$ - | \$ 92,371 | \$ 22,867 | \$ - | \$ - | \$ 148,398 |
| County Subtotal | \$ 159,438 | \$ - | \$ 182,371 | \$464,411 | \$ 84,661 | \$ 52,956 | \$ 943,837 |
| Total | \$ 215,848 | \$ 70,700 | \$ 196,100 | \$509,861 | \$ 162,262 | \$ 52,956 | \$1,210,346 |

* The County Health Services Agency will be funding approximately \$17,000 for the Recuperative Care Center sited at Paige Smith Community House

Status of Services at HSC

Paul Lee Loft, while open, is only providing shelter services to clients who have an identified pathway to housing. There are no true emergency shelter beds being provided to homeless persons who are not engaged with case management or a housing search. The Day Essential Services Center, while *not closed*, has been significantly scaled back in operation. Day services are now only available to *residents* of HSC shelter programs including Rebele Family Shelter, Paige Smith Community House, and Paul Lee Loft. The 180/2020 program, which has permanently housed 340 chronically homeless people since July 2012 has lost funding for the director position which will remain unfilled until designated funding can be obtained. Services at Rebele, Paige Smith, and the Recuperative Care Center have experienced no cuts or loss of funding. A summary of services at HSC is provided in Attachment B. A map of the campus is provided as Attachment C.

Impacts of Closures/Cutbacks

The change to programming (residents only) for Day Essential Services has significantly impacted the homeless population. In addition to having no shelter they also have no access to basic human needs including meals, personal hygiene, and access to essential health services.

On-campus impacts of the funding cuts and programming changes include:

- No meals for non-residents of HSC.
- No showers for non-residents of HSC.
- No laundry services for non-residents of HSC.



- No neighborhood rounds in the “no impact zone” which is the neighborhood immediately surrounding HSC and which HSC seeks to reduce impacts on (see map, Attachment D).
- Reduced staffing at the campus gate resulting in reduced hours and limited access.
- No emergency shelter at Paul Lee Loft.
- No Director for the 180/2020 Initiative.
- Reduced ability for HPHP clinic staff to outreach to vulnerable non-residents on campus.
- No ability for non-residents to access the drop-in HPHP clinic.

The City noted, in their August 11, 2015 Information Report (see Attachment E) that *“the loss of day services including 2 meals a day and use of the Hygiene Center is expected to have significant impact on the City of Santa Cruz, most notably in the downtown and its public bathrooms.”* City staff indicate that notable impacts are being experienced at Laurel Street Park and the Loudon Nelson Center, and have necessitated full-time security.

County Health Services Agency (HSA) Public Health staff have noted that since the July 1, 2015 discontinuation of day services for non-residents of HSC shelters, the homeless population is experiencing significant increases in the incidence of certain kinds of health problems. Public Health staff report a greater incidence of both cellulitis and problems with foot health resulting from no access to showers, and generally being “moved along” with nowhere to settle down. They are seeing an increase in scabies and head lice as a result of no laundry services.

Staff has also noted that since July 1, there has been a 9% drop in homeless persons accessing necessary health services at the Homeless Persons Health Project (HPHP) clinic on the HSC campus. Staff anticipates a loss of revenue commensurate with the reduction in clients served. They attribute this to clients not coming to the campus to get meals, showers, or do laundry, and therefore not accessing health services while there. Non-residents, even if not trying to obtain a meal or a shower, cannot pass through the campus gate. Due to a recent flood at the HPHP clinic, and necessary relocation to another area of the campus, there is no direct client entrance to the HPHP Clinic. The drop-in clinic, therefore, is currently inaccessible to clients who may wish to seek treatment, counseling, or other assistance. It's anticipated that the clinic will relocate back to its usual site in 3-4 months. Staff's past practice has been to outreach to vulnerable persons on campus who may hesitate to seek health services; outreach on campus is no longer possible for non-residents in need of treatment or services. HSA staff are in the process of gathering information on health and systems impacts including utilization of HPHP, the Crisis Stabilization Unit, and Dominican's Emergency Room.

The River Street Shelter (RSS), operated by Encompass Community Services, has reported that due to the funding cuts HSC has reduced staffing at the campus gate; whereas clients used to be able to come on campus and check on their waiting list status any time between 3pm and 7pm, they can now only access the RSS between 3pm and 4pm. The RSS director indicates that, at present, from 4pm to 7pm there is no staffing at the gate and their waiting-list clients have no access.

HSC Strategic Plan

The HSC Strategic Plan as established by the HSC Governing Board in January 2015, are provided in Attachment F. At the time the HSC Board adopted this plan, the loss of the ESG funding was not known. Significant cutbacks that weren't, at that time, envisioned have been necessary. The HSC Board, which has the responsibility for setting policies and determining the



strategic direction of the organization, is set to meet August 20. It's anticipated they will revisit the strategic plan, possibly making adjustments or adapting the plan to the new financial realities.

County's Investment in Services for the Homeless

In addition to information about the Homeless Services Center, the Board requested information on the County's investment in services for the homeless. The County provides a wide array of homeless services through contracts with other providers and through direct benefits to eligible persons who are either homeless or at risk of becoming homeless. In 2013, staff created an inventory of County-funded programs and services using actual expenditures from FY 2012-13, provided here as Attachment G. Funding of programs and services provided by the County and serving the homeless or those at risk for homelessness totals \$24.3 million from all sources including Federal, State, Local and other. The majority of the expenditures are federally and State mandated health services and entitlement benefits for the homeless including HPHP, CalWORKS and CalFresh.

It is therefore RECOMMENDED that your Board accept and file this report on the Homeless Services Center and direct the County Administrative Office to return in November 2015 with a further report on the funding shortfall at the Homeless Services Center.

Very truly yours,

SUSAN A. MAURIELLO
County Administrative Officer

SAM:rkm

- Attachment A: FY 2015-16 HSC Approved Jurisdictional Funding
- Attachment B: Summary of Services at HSC
- Attachment C: Map of HSC Campus
- Attachment D: Map of "No Impact Zone" around HSC
- Attachment E: City of Santa Cruz Homeless Services Center Information Report
- Attachment F: HSC Strategic Plan
- Attachment G: FY 2012-13 Funding of Homeless Services in County (Fed/State/Local/Other)

- cc:
- Executive Director, Homeless Services Center
 - Executive Director, Encompass Community Services
 - City Manager, City of Santa Cruz
 - Director, County Planning Department
 - Director, Health Services Agency
 - Director, Human Services Agency
 - Chief Probation Officer

S:\BOARD\2015 Board Letters\Homeless Services Center 8-18-15\BOS Letter

FY 2015-16 Homeless Services Center Approved Jurisdictional Funding

| | Day Essential Services Center | Paige Smith | Paul Lee Loft | Rebele Family Shelter | Winter Shelter | Other/ Admin/ Operations | Total | Detailed Description | Measurable Outcomes |
|-----------------------|-------------------------------|-------------|---------------|-----------------------|----------------|--------------------------|------------|--|--|
| City of Capitola | | | \$ 2,619 | | | | \$ 2,619 | | |
| City of Capitola | | | | \$ 8,000 | | | \$ 8,000 | Jurisdictional share of No. Co. WS Services @ HSC | |
| City of Santa Cruz | \$ 41,410 | | | | | | \$ 41,410 | | |
| City of Santa Cruz | | \$ 70,700 | | | | | \$ 70,700 | | |
| City of Santa Cruz | | | \$ 11,110 | | | | \$ 11,110 | | |
| City of Santa Cruz | | | | \$ 45,450 | | | \$ 45,450 | | |
| City of Santa Cruz | \$ 15,000 | | | | | | \$ 15,000 | | |
| City of Santa Cruz | | | | \$ 43,239 | | | \$ 43,239 | Jurisdictional share of No. Co. WS Services @ HSC | |
| City of Scotts Valley | | | | \$ 8,881 | | | \$ 8,881 | Jurisdictional share of No. Co. WS Services @ HSC | |
| City of Watsonville | | | | \$ 17,481 | | | \$ 17,481 | Jurisdictional share of No. Co. WS Services @ HSC | |
| County of Santa Cruz | | | | \$ 155,544 | | | \$ 155,544 | CalWORKS Housing Assistance and Move-in Program (CHAMP) serving a minimum of 60 eligible homeless CalWORKS Welfare to Work (WtW) families | <ul style="list-style-type: none"> • 3 Month's Housing Stability for 85% of Post-CHAMP Participants • 6 Month's Housing Stability for 70% of Post-CHAMP Participants |
| County of Santa Cruz | | | | \$ 286,000 | | | \$ 286,000 | CalWORKS Emergency Housing Program (CEHP) serving 55 eligible and approved CalWORKS participating families at Rebele Family Shelter | <ul style="list-style-type: none"> • 80% Exit into Permanent Housing • 50% Increase Monthly Family Income • 70% Increased Family Well-Being |
| County of Santa Cruz | \$ 126,278 | | | | | | \$ 126,278 | CalFresh Employment and Training (CFET) Program to enhance opportunities for sustainable employment and careers for CalFresh participants experiencing homelessness. | |
| County of Santa Cruz | \$ 33,160 | | | | | | \$ 33,160 | Day Services | <ul style="list-style-type: none"> • 110,000 meals served • 19,000 units of laundry and shower services • 500 DESC participants assessed for public benefit programs • 100 participants have access to on-site empowerment computer center |
| County of Santa Cruz | | | \$ 92,371 | | | | \$ 92,371 | <ol style="list-style-type: none"> 1. 100 PLLS residents will have access to housing-focused Case Management with the goal of moving toward permanent housing; 2. 50 residents will access onsite empowerment computer center; 3. 100 PLLS clients will be assessed for public benefit programs | <ul style="list-style-type: none"> • 90% of PLLS residents who have a case manager will see a reduction in their SPDAT score at the end of 9 months. • 25% of PLLS residents will move into permanent housing when they exit from the shelter • 100% of Empowerment Center users will have increased access to employment & housing opportunities • 50% of clients without benefits will increase their income by receiving newly attained public benefits |

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FY 2015-16 Homeless Services Center Approved Jurisdictional Funding

| | Day Essential Services Center | Paige Smith | Paul Lee Loft | Rebele Family Shelter | Winter Shelter | Other/ Admin/ Operations | Total | Detailed Description | Measurable Outcomes |
|----------------------|-------------------------------|------------------|-------------------|-----------------------|-------------------|--------------------------|---------------------|---|---|
| County of Santa Cruz | | | | \$ 22,867 | | | \$ 22,867 | <ol style="list-style-type: none"> 25,000 person shelter days per year 140 parents and children will receive case management and help obtaining benefits 35,000 nutritious meals per year 50 adults at RFS will be assessed for public benefit programs | <ul style="list-style-type: none"> 90% of residents who receive CM services will see a reduction in their SPDAT score at 9 months after program entry 80% of families exit the shelter to permanent housing 90% of families who exit to permanent housing will remain stably housed at 6 months after exit 100% of families improve their nutritional intake while staying at RFS 50% of clients who were not receiving benefits will increase their income by being approved for benefits |
| County of Santa Cruz | | | | | | \$ 17,016 | \$ 17,016 | Lease payment for HPHP facility | |
| County of Santa Cruz | | | | | | \$ 35,940 | \$ 35,940 | Lease payment for HPHP facility | |
| County of Santa Cruz | | | \$ 90,000 | | | | \$ 90,000 | Responsive, high dosage housing support and related services to homeless, or at risk of homelessness, members of the AB 109 population in SC Co. including emergency shelter beds and transitional housing units. | |
| County of Santa Cruz | | | | | \$ 84,661 | | \$ 84,661 | Jurisdictional share of No. Co. WS Services @ HSC | |
| Total | \$ 215,848 | \$ 70,700 | \$ 196,100 | \$ 509,861 | \$ 162,262 | \$ 52,956 | \$ 1,207,727 | | |

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Summary of Services at Homeless Services Center August 2015

Daytime Essential Services Center – Scaled Back in Operation – NOT Closed Providing:

1. Meals for all residents. Approximately 60,000 per year.
2. Showers & Laundry for all residents
3. Computer Lab – Available for all residents and participants in the employment program for job and housing search.
4. Employment and Benefits assistance – HSC has an Employment Specialist on staff that provides assistance to both residents and client referrals from the county for assistance in looking for employment and signing up for benefits.
5. Workforce Development Program – In the late fall, HSC will have our pilot class of students working in our kitchen to gain culinary skills and working with the employment specialist on life skills and employment search.
6. Mailroom – Any person in need of a mailing address is able to sign up for mailroom services and get mail at HSC.
7. Kiosk staffing for entrance to campus and safety coordination on campus.

Not Providing:

1. Meals for non-residents (approximately 100 people per day)
2. Showers for non-residents
3. Regular neighborhood rounds in the “no impact zone” (see map, attached)

Paul Lee Loft Shelter – Scaled Back; Only funded through December 31, 2015 Providing

1. Shelter for up to 50 individuals. Must have an identified pathway to housing to enter shelter. This includes
 - a. Being eligible for a DMV voucher and having an identified case manager.
 - b. Being enrolled in any housing program in the county (SSVF, Match, etc.) and needing shelter while looking for housing.
 - c. Scoring low enough on the SPDAT assessment tool that case management is not necessary to achieve housing stability (ex. can get a job using employment specialist assistance and move out of shelter when the deposit is saved up).
 - d. Individuals utilizing the Homeward Bound program and needing shelter while travel arrangements are made for them to return to family.

Not Providing

1. True emergency shelter for people who are not engaged with case management or a housing search.

2. Services beyond December 31, 2015 unless an additional \$200,000 of funding can be secured and allocated to keep Paul Lee Loft Shelter and Winter Shelter operating for the rest of the year. To date, HSC has received \$32,000 from individual donors, closing the gap to \$168K. HSC is actively working to increase individual donations and is also working with the faith community to conduct a targeted fundraiser.

Winter Shelter – At risk unless funds can be identified to keep Paul Lee Loft operating through FY 2015-16.

Providing

1. Meals and showers at Paul Lee Loft for Winter Shelter clients through December 31, 2015.

Not Providing

1. The funding gap identified for Paul Lee Loft affects Winter Shelter. Funds from the County and City of Santa Cruz cover HSC's expenses at the Armory, but do not cover meals and showers offered on the HSC campus beyond December 31, 2015. Provided the Paul Lee Loft operations continue, Winter Shelter services provided on the HSC campus will remain in place.

180/2020 Initiative – Scaled Back

Providing

1. One AmeriCorps position, training, office space, and miscellaneous operating costs at HSC are funded through \$45,500 of designated giving for the 180/2020 Initiative from individuals and businesses. These funds are insufficient to hire a new Director to replace Phil Kramer.

Not Providing

1. HSC will not be able to hire a new director until designated funding for 180/2020 is raised. The funding shortfall is approximately \$50,000. HSC cannot continue to allocate undesignated funding to this position due to budget constraints.

There have been no reductions to any of the following HSC programs:

1. Rebele Family Shelter – Shelter for 27 families
2. Page Smith Community House – Transitional Housing (18-month) for 40 individuals
 - HUD Transitional Housing Grant - \$142,307
3. Rapid Rehousing Programs – Houses 100+ people per year
 - CHAMP - \$155,544
 - HUD Rapid-re housing – \$86,653
 - Supportive Services for Veteran Families (SSVF) - \$270,826

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4. Permanent Supportive Housing Programs – Will house approximately 30 chronically homeless this FY
 - HUD Bonus Project - \$277,463
 - 180/2020 – 2 Case Managers - \$92,371 from County Community Programs.
5. Recuperative Care Center Shelter – 12 beds
 - \$260,800 from Health Care Partners

Other Programs/Services on Campus:

1. River Street Emergency Shelter – Operated by Encompass Community Services
 - 32-bed emergency shelter for homeless adult men and women.
2. Homeless Persons Health Project – Operated by County of Santa Cruz Health Services Agency
 - Information & Referrals
 - Benefits Advocacy
 - Access to Medical Care
 - Medical Care and Treatment

Client Eligibility

- Those eligible for the above services include youth, adults and families in Santa Cruz County who are:
 - Living without shelter
 - Living in substandard structures, threatening to health or safety shelter, under crowded conditions
 - Staying in a shelter or transitional housing program
 - Housed in a residential alcohol and drug treatment program with no stable housing to go to upon program completion

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RSS/HSC
Garden

Trash
Compactor

Page Smith Community
House

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River
Street
Shelter

Homeless
Services
Center
Campus
Map

| | | |
|---------------------------------|--|---------------|
| W A L K W A Y | Paul Lee Loft Shelter & Hygiene Bay | |
| | Locker Area | |
| | Telephone Lobby | Clothing Room |
| | Mail Room | |
| | Empowerment Center (2nd fl) | |
| | Dining Hall And Kitchen | |
| Day Services Offices | | |

River Street

| | |
|--------------------------|--|
| Rebele Family Shelter | Handicap |
| | Accessible |
| | Parking |
| | Area |
| HSC Admin. Office | Homeless Persons Health Project |



Coral Street

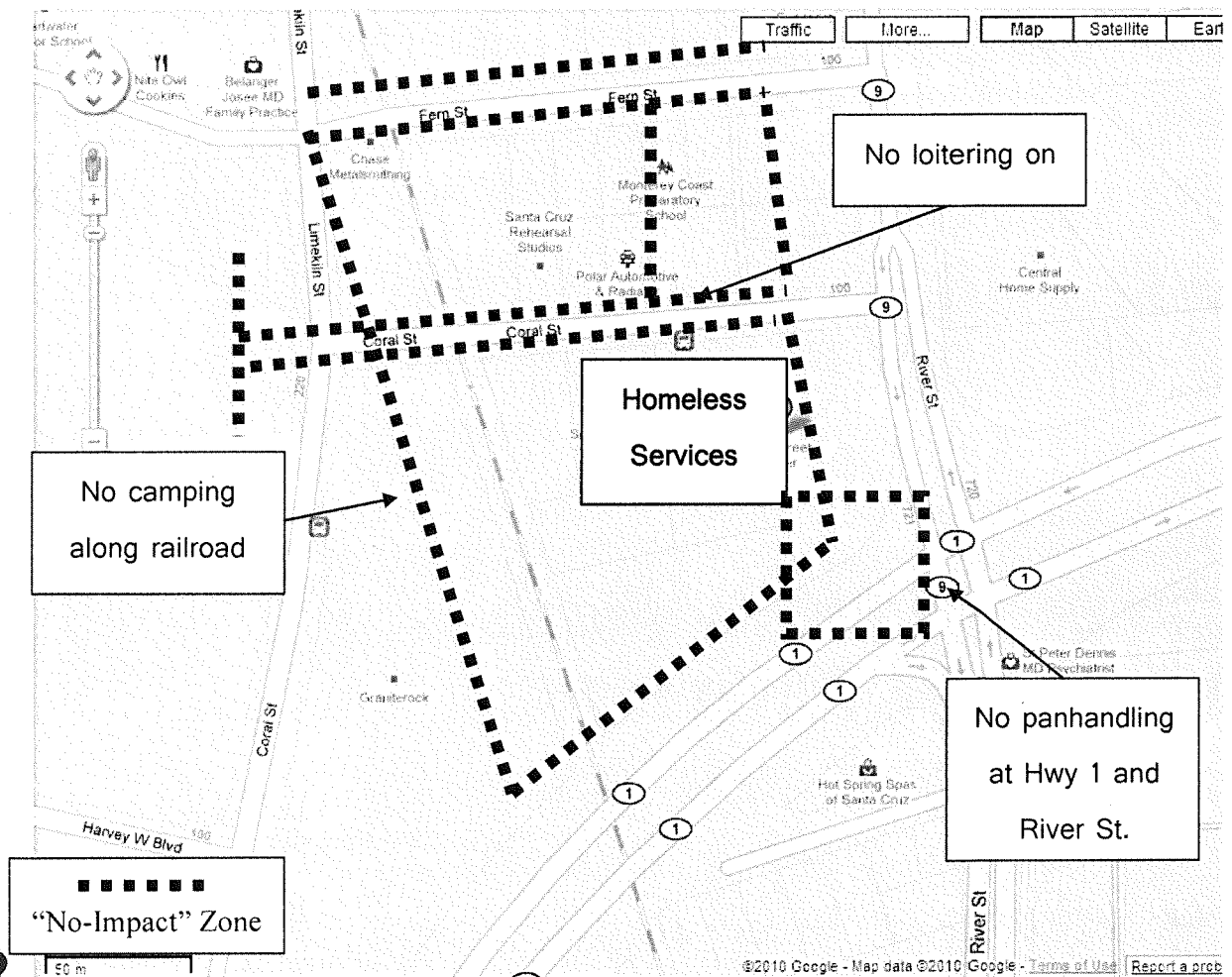
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Please respect our "No-Impact" Zones

Help the Homeless Services Center be good neighbors! Your actions will help prevent funding loss and the closure of our programs. Please keep our No-Impact Zones clear of the following:

- Loitering
- Camping and Abandoned Encampments
- Drug and Alcohol Use
- Litter
- Shopping Carts
- Panhandling
- Jaywalking



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AUG 11, 2015



INFORMATION REPORT

TO: City Manager

DEPARTMENT: Economic Development

SUBJECT: Homeless Services Center Update Plus Background Information

DATE: July 21, 2015

APPROVED:

A handwritten signature in cursive script, appearing to read "Tina Seel".

DATE: 7/23/15

In May 2015 the State released its list of recipients for federal Emergency Solutions Grants (ESG). Surprisingly, a number of previously funded grant applications for applicants throughout the Central Coast were not on that list. This included an application for \$350,000 from the Homeless Services Center (HSC) in Santa Cruz. With little notice, the State Department of Housing and Community Development had revised its point system for rating projects emphasizing permanent supportive programs and housing rather than traditional homeless services such as emergency shelters, meals, etc. This new system hurt both funding applications for the Day Essential Services Center (Day Center) programs and the Paul Lee Loft. To add to the resulting financial hardship, HSC had fallen short of their fund raising goal by about \$150,000 and insurance costs went up significantly (about \$75,000).

After learning of the State's ESG grant decisions, HSC announced a July closure date for the majority of its services at the Day Center and the 46 bed Paul Lee Loft shelter. They also indicated that they no longer would have the capacity to operate the 100 bed North County Winter Shelter. The Winter Shelter is open from mid-October to mid-April at the Armory in DeLaveaga Park. Although funding for the Winter Shelter facility (plus transit) is shared by north county cities and the County, (total budget is \$258,485; City's share is \$79,964), HSC had been using its Day Center facilities for staging prior to transporting residents to the shelter.

Despite these closures, there are a number of facilities that will remain open including the Homeless Persons Health Project (HPHP) which is a county program, the Rebele Family Shelter, the Paige Smith Community House (transitional housing), and the new Recuperative Care Program. The 32 bed River Street Shelter also located on the HSC Campus but is operated by Encompass Community Services (Encompass) is not affected.

With the HSC closure announcement Cecilia Espinola, director of the County's Human Services Department, began to look for alternative funding to keep facilities open. She was able to redirect some of the County's CalWORKs funding (\$215,000) to the Rebele Family Shelter which in turn freed up funds to keep the Paul Lee Loft open for at least six months. HSC has indicated that they would need an additional \$187,000 to operate both the Paul Lee Loft and the Winter Shelter for the year. Unfortunately there is very little federal or state funding available

SUBJECT: Homeless Services Center Update Plus Background Information
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for homeless services and shelters. As part of the Homeless Action Partnership (HAP) Executive Committee, City staff will continue to work with the County and other north county jurisdictions to find solutions for the Winter Shelter. Operating the Winter Shelter this year is a priority, especially since this winter is expected to be wetter than average.

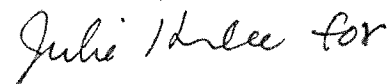
Fortunately the County is providing on-going funding (\$66,000) for mail service at HSC from an Employee Benefit Assistance, Cal Fresh Training Program. Also, to quote Jannan Thomas, HSC's new Executive Director, HSC will "still offer classes onsite to everyone who is in any of our shelters and non-resident participants (about 150-200 people over a year) that are in our employment program. The classes will also be open to anyone who is in our SSVF, CHAMP, and rapid rehousing programs and referrals through partner agencies. As you can see we will still be serving hundreds of people, but we will be more targeted in our outreach and spend more quality time with each recipient of services to ensure better program outcomes." (*Note: CHAMP provides housing assistance for people on Cal Works and SSVF stands for Supportive Services for Veteran Families Program.*) Jannan also noted that the new Dientes clinic chair will be used for patients referred from HPHP once construction of the most recent CDBG funded renovation project is completed.

The changes necessitated staff cuts at HSC as well. This includes two intake case managers who assess homeless persons who come to HSC for assistance. As a part of their work, these case managers identify alternative places for these clients to go other than to shelters thus helping to improve both the clients' situation and reduce impact on already stretched shelter services. Their referral system includes the City's Homeward Bound Program. Loss of these two positions underscores how HSC will no longer serve at the same level in the capacity as a fixed intake location for the homeless. HSC has indicated it would take about \$120,000 to continue with these intake services.

The loss of day services including 2 meals a day and use of the Hygiene Center is expected to have significant impact on the City of Santa Cruz, most notably in the downtown and its public bathrooms. Alternative funding for Day Center services has not been identified and given the funding trends noted above; it is unlikely that either state or federal funds will be available to fill the gap. HSC and the Community will need to find other more sustainable sources of funding in order to reopen these facilities. HSC is actively pursuing fund raising opportunities for these and other services.

Keeping the Paul Lee Loft open was identified by the HAP Executive Committee as the main priority. With strategic changes in the Loft's operation, HSC will likely qualify for future ESG funding for this facility. Since the key reason for not being funded was the low percentage of persons leaving the Paul Lee Loft into permanent housing, HSC will need to target homeless persons for placement in the Loft who are already on track to move into permanent housing. Consequently the population served by the Loft will change significantly.

Submitted by:



Bonnie Lipscomb
Director of Economic Development

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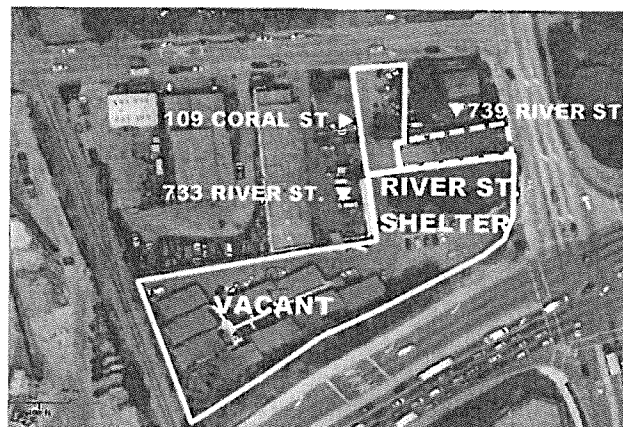
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For new City Council members it may be helpful to understand the evolution of HSC and the HSC Campus along with the City's roll in its creation. The following summary is an updated version of a background report that was provided for a City Council study session on homelessness held on April 30, 2013.

HISTORY OF THE DEVELOPMENT OF 115 CORAL STREET FOR HOMELESS SERVICES

FIRST FACILITY AT HSC – RIVER STREET SHELTER: The Homeless Services Center Campus has evolved at its current location as a result of a number of decisions made by the City over time. The first was in 1986 when UCSC decided to sell two lots at 109 Coral/733 River Street. The City had previously formed a Shelter Committee to find potential locations for a permanent homeless shelter. The property owned by UCSC was ultimately selected. The City and County then joined together to create a permanent shelter facility that is now known as the River Street Shelter. The cost of the property was \$553,000, of which all but \$50,000 appears to be paid from City CDBG funds. This cost was later offset by the sale of a portion of the property. The City continues to own the property and the River Street Shelter today.

Under a City/County "River Street Shelter Joint Operational Plan", costs for the Shelter were to be split about 50/50 with the County being responsible primarily for operations and the City for site acquisition. The shelter was to have 30-35 beds. The Plan specified that breakfast and lunch as well as laundry facilities were to be provided. Maximum stay was to be 30 days with some case-by-case exceptions. The shelter was to be operated between 5:00 PM and 8:00 AM. The underlying premise of the shelter was that the guests who were capable of working would be out of the shelter during the day looking for



1999 Aerial showing 109 Coral St., 733 & 739 River St.

work. The Plan said that these guests must find work within the first two weeks of their stay. In 1989 the Santa Cruz Community Counseling Center, now called Encompass Community Services (Encompass), entered into an agreement with the City replacing the Shelter Project as the operator of the River Street Shelter.

COUNTY SERVICES FROM HPHP ADDED: In 1986, the County purchased 739 River Street, adjacent to River Street Shelter for use by the Homeless Persons Health Project (HPHP) under the County's Health Services Agency (HSA). In 1987, The City entered into an MOU with the County that allowed HSA to also use the River Street Shelter facility during the day to assist mentally disabled homeless persons. HPHP is now located in the Rebele Family Shelter.

PAGE SMITH COMMUNITY HOUSE: In 1987, the City declared the unimproved portion of 733 River Street as surplus and issued a Request for Proposals (RFP) to sell the surplus property. Initially two low bid proposals were received. One was from the adjacent property owner, Granite Rock and the other was from the Citizens Committee for the Homeless (CCH). Neither

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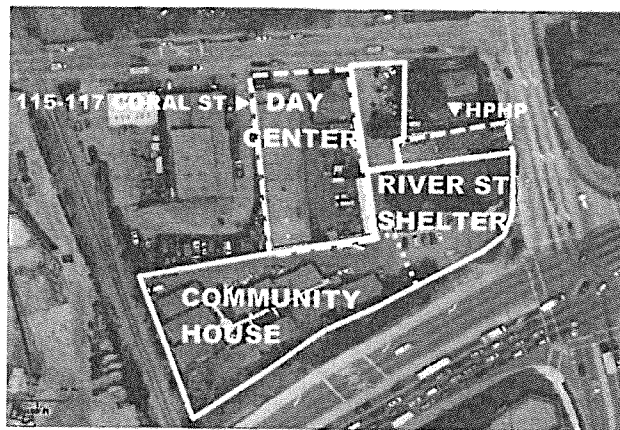
bid was accepted. The initial CCH proposal was to build 30 units of very low-income rental housing. CCH built up significant community support for their proposal and in 1990 successfully entered into a purchase agreement for \$350,000 with the City.

CCH was unable to move forward with their original plans for rental housing and in 1996 they were issued permits to install up to 10 mobile homes for what is now known as Page Smith Community House providing transitional housing. Construction was completed in 1998. The City provided about \$1.06 million in HOME and CDBG funds and \$20,000 in General Funds to help with construction. In 2000 and 2004, an additional \$530,000 in HOME and CDBG funds were used to design and build a sound wall that was required by HUD for noise mitigation. In 2013 HSC redeveloped the site adding two additional mobile homes that now serve as a 12 bed Recuperative Care Center.

INTERIM USES OF THE PROPERTY: In 1988, the City Council approved the first of several temporary permits to allow food to be served to homeless persons at the River Street Shelter location (other than for those staying at the River Street Shelter). In 1989 the City entered into lease agreement with William James Associates to provide food service from 3:45-6:00. This essentially was the first Day Center type of service provided at the site. For a short time beginning in 1994 the City allowed the vacant portion of the site to be used as an open air summer shelter. Use was discontinued in 1996 as plans developed for Community House progressed.

DAY CENTER: In 1992, Housing for Independent People (HIP) encouraged the City and County to create a homeless day facility at 115-117 Coral Street. This concept of a day center had been supported in part by the business community as a means to help reduce impacts on the downtown. (At its April 7, 1998 meeting, the Downtown Commission recommended establishing a day center for this purpose.) As a result, the City and County entered into a Facilities Use Agreement as the foundation for purchasing 115-117 Coral Street.

Under this agreement, which expires in August 2020, the County purchased the site with existing bonds. The City then agreed to make "Use Payments" to the County equivalent to the bond debt service. The amount to be paid was \$830,000. The City had the option to prepay this debt to complete purchase of the property after August 1999. Unlike the River Street Shelter which only pays \$1/year rent, the City has charged rent for use of the Day Center to offset the acquisition costs.



1999 Aerial showing 115-177 Coral St. (HSC Day Center)

The Day Center was initially to be operated by HIP, but in 1993 HIP was replaced by the Homeless Community Resource Center (HCRC). In 1994 conversion of the existing commercial building now known as the Day Center or the Day Essential Services Center (DESC) began. Under the initial lease agreement, HCRC paid \$2,400/month in rent.

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The City has funded three major improvement projects at the Day Center using CDBG grant funds. Between 1998 and 2000, the City allocated about \$477,000 in CDBG funds for improvements for offices and construction of a professional kitchen and dining area. In 2006, about \$850,000 in CDBG funds was used for improvements to the hygiene center and construction of the 46 bed Paul Lee Loft. In 2012, the City allocated \$216,000 to HSC to renovate the "Locker Bay" area to provide a multi-purpose community room; empowerment center and computer lab; new lockers; and a dentist operatory.

Although initially funded in 2012, completion of the "Locker Bay" project has been delayed. Initially HSC prioritized construction of the Recuperative Care Center first and then installation of the security gate system. Construction of the "Locker Bay" project which began in 2014 has progressed slowly due to a number of construction management issues. It is now expected that the project will be completed before the end of the year.

HSC MASTER PLAN AND THE REBELE FAMILY SHELTER: In 2000, HCRC and its board, Encompass, County HSA, and the City began to work together to develop a Master Plan for the entire corner property at HW-1, Coral and River Streets. The Plan was to provide the framework to coordinate the various programs, consolidate properties and construct a Family Shelter that incorporated HPHP. About \$154,000 in CDBG funds were used for master planning and design of the Rebele Family Shelter. In 2000 the City of Santa Cruz Redevelopment Agency purchased the corner property at 745 River Street for \$240,000 and later sold it to the City. Also during development of the integrated Master Plan, the City acquired the County owned Coral Street property and 739 River Street. In 2004, the City completed lot consolidation of the City owned properties. In 2008, the City property was appraised "as is" at \$6.37 million.

In 2002 HCRC had been renamed as the Homeless Services Center (HSC), and HSC entered into a new ground lease with the City which was amended in 2004 and again in 2005 to reflect consolidation of City owned parcels. (Note: HSC retained ownership of the Page Smith Community House.) HSC pays a fixed rent of \$3,400 per month for the City owned property and sublets a part of the Rebele Family Shelter to the County for HPHP (\$2,625/month rent) and to Encompass for the River Street Shelter (\$1/year rent).



2007 Aerial showing 745 River St. & the Family Shelter

This lease expires on January 31, 2060. The lease only restricts use of the property to be used for "the purpose of conducting homeless services". No restrictions such as hours of operation or other requirements are included in the lease. The lease does include a list of improvements that were anticipated as a part of the Master Plan.

ENTRANCE GATE & ID CARD SYSTEM: In 2013 HSC began to implement an ID Card system. HSC, the City and the County discussed the possibility of installing controlled access gates, which when combined with the new ID card system could help to reduce crime on the

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HSC Campus. As an added benefit, HSC indicated that by controlling access it might be possible for the HSC Campus to remain open during the day which could potentially reduce the number of homeless persons lingering in the downtown along Pacific Avenue or in the Main Library. The City and the County agreed to split costs to have the gates installed and construction was completed in 2015.

SUMMARY OF CITY FUNDING: The following summarizes most of the funding that the City provided for development of facilities at the HSC Campus based on files retained by the Economic Development Department. (Note, this list may not be all inclusive as there may be other City funding documented by files from other City departments.)

| USE OF FUNDS | YEAR | SOURCE OF FUNDS | | | TOTALS |
|--|-----------|------------------|--------------------|------------------|--------------------|
| | | GENERAL FUND | CDBG/HOME | RDA/RED CROSS | |
| RIVERSTREET SHELTER | | | | | \$553,000 |
| 109 Coral/377 River St. Acquisition & Rehab. | 1987 | | \$553,000 | | |
| PAIGE SMITH COMMUNITY HOUSE | | | | | \$1,610,000 |
| Community House Construction | 1996-98 | \$20,000 | \$1,060,000 | | |
| Sound Wall Mitigation | 2000/2004 | | \$530,000 | | |
| DAY CENTER | | | | | \$2,370,000 |
| Acquisition-115-117 Coral St. | 1992-2000 | \$830,000 | | | |
| Day Center Improvements | 1998-2012 | | \$1,540,000 | | |
| MASTER PLAN & FAMILY SHELTER | | | | | \$394,000 |
| 745 River St. Acquisition | 2000 | | | \$240,000 | |
| Master Plan/Family Shelter | 2000-2001 | | \$154,000 | | |
| Entrance Gates | | | | \$71,000 | |
| TOTALS | | \$850,000 | \$3,837,000 | \$351,000 | \$4,927,000 |

OPERATIONAL FUNDING: The City provides both CDBG and General Funding for operations of the four facilities located on the HSC Campus. In addition as part of the Homeless Action Partnership (HAP), the City funds a pro-rata share (based on population) of the expenses for the HAP and the north county Winter Shelter Program which is located at the Armory and has been operated by HSC. The General Fund under the City Manager's Office budget is the funding source. The following Chart shows current funding for HSC Campus Facilities and HAP costs.

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| HSC FACILITY | GENERAL FUND (CP) | CDBG | TOTAL DESC & PLL |
|---|----------------------|-----------------|---------------------|
| Day Essential Services Center (DESC) | \$41,410 | \$15,000 | \$67,520 |
| Paul Lee Loft (PLL) | \$11,110 | | |
| Paige Smith Community House (PSCH) | \$70,700 | | |
| Rebele Family Shelter (RFS) | \$45,450 | | |
| TOTAL HSC | \$168,670 | \$15,000 | |
| OTHER HOMELESS COSTS | | | |
| Encompass- River Street Shelter | \$40,500 | | |
| Winter Shelter | \$79,964 | | |
| Homeless Action Partnership (HAP) Costs | \$16,630 | | |
| TOTAL HOMELESS OPERATIONS | \$305,764 | \$15,000 | |

HOMELESS SHELTERS: The following is a list of Emergency shelter beds in the City of Santa Cruz. Additional shelter beds are provided in south Santa Cruz County.

| Agency | Program Name | Family Beds | Family Units | Individual Beds | Total Year- round beds | Seasonal Beds |
|---------------------------------------|---|----------------|-----------------|--------------------|---------------------------|------------------|
| EMERGENCY SHELTERS | | | | | | |
| HSC | Rebele Family Shelter | 96 | 28 | 0 | 96 | 0 |
| Encompass | River Street Shelter | 0 | 0 | 32 | 32 | 0 |
| Jesus, Mary, & Joseph Home Shelter | Jesus, Mary, and Joseph Home Shelter | 0 | 0 | 14 | 14 | 0 |
| HSC | Paul Lee Loft Shelter | 0 | 0 | 46 | 46 | 0 |
| HAP/HSC | North County Winter Shelter | 0 | 0 | 0 | 0 | 100 |

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HSC Strategic Plan

1. Renew Organization's mission and branding to reflect focus on ending homelessness.
 - Adopt new mission statement and branding to reflect focus on ending homelessness
 - Align collateral and website so the community understands HSC's mission
 - Increase the number of people who support our work to end homelessness by increasing followers, subscribers and the number of people that take up our call to action.
2. Align Existing Programs and develop new programs w/ Renewed Mission
 - Utilize DESC as an outreach and engagement site
 - Implement Coordinated Entry
 - Utilize CTI as the retention case management strategy
 - Exceed national average in moving and retaining clients in permanent housing
 - Convert DESC meal program into a work readiness program
 - Realign program staff to Housing First best practice model on campus
 - Increase number of permanent supportive housing units in Santa Cruz County.
3. Advocate for county wide system change to decrease and end homelessness
 - Increase the number of community members who serve as volunteers on campus
 - Strengthen existing partnerships and develop new partnerships
 - Raise funds needed to achieve Strategic Planning goals
 - Support 180/2020's Strategic Plan
4. Support Organizational Growth and on-going sustainability
 - HSC will develop the necessary infrastructure to meet its mission
 - Strengthen staff knowledge, skills and cohesion.
 - Ensure that resource needs are met so that HSC's staff can make a long term commitment to ending homelessness
 - Achieve CARF accreditation
 - Strengthen Board involvement and investment

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Actual Expenditures, FY 2012-13
Programs/Services Provided by Santa Cruz County
Serving the Homeless Population and Individuals at Risk for Homelessness
(from Federal, State, Local and Other Funding)

| Type of Service Provided | Expenditures |
|---|--------------|
| Admin Services for Rental Assistance | \$ 81,906 |
| Alcohol/Drug Treatment | \$ 40,000 |
| Behavioral health care at Coral St. clinic; approx 1000 visits/year | \$ 173,050 |
| CalWORKS Emergency Support, Cal-SEP (9.79% of total issuances) | \$ 72,189 |
| Cash assistance to eligible disabled/unemployed (34.85% of Total Issuances) | \$ 178,133 |
| CFET Services to homeless CalFresh recipients | \$ 102,521 |
| Client Emergency Lodging | \$ 11,500 |
| Countywide homeless outreach, medical drop-in triage at Coral St., and case management program; approx 16,000 visits/year | \$ 540,868 |
| Emergency Client Lodging | \$ 7,051 |
| Emergency Shelter Beds | \$ 34,454 |
| Emergency shelter for homeless women & families | \$ 12,806 |
| Emergency Winter Shelter | \$ 157,116 |
| Employment Program | \$ 1,663 |
| Extended Housing Assistance | \$ 17,612 |
| Family Emergency Support | \$ 36,181 |
| Family Emergency Support | \$ 151,914 |
| Family Support and Emergency Housing | \$ 14,588 |
| Food benefits for homeless (14.2% of Total Issuances) | \$ 5,875,000 |
| GEMMA Transitional Housing | \$ 336,171 |
| HAP Admin, Biennial Census | \$ 40,486 |
| HOPWA - Hotel/Motel Vouchers | \$ 6,328 |
| Housing and services for homeless families and individuals | \$ 10,504 |
| Housing and Support Services - Homeless HUD Housing Grants (MATCH, Shelter Plus Care), Nuevo Sol Apartments and 180/180 | \$ 787,634 |
| Housing Assistance Program | \$ 39,820 |
| HPHP Money Management, Flex Funds, Project Connect | \$ 42,417 |
| HPHP Partners Project | \$ 48,900 |
| HSP for SET participants | \$ 310,000 |
| Lease payments & Utilities - 115 Coral Street | \$ 52,956 |
| Leased space for Families in Transitions Housing Stabilization | \$ 22,800 |
| Medical care at Coral St. clinic; 20,000 visits/2500 patients per year | \$ 485,478 |
| Medical care visits for uninsured homeless adults and children | \$ 80,000 |
| MH Contract Services | \$ 2,731,463 |
| MH Inpatient Services @ 1400 Emeline | \$ 1,351,900 |
| MH Outpatient Services @ 1400 Emeline | \$ 1,987,106 |
| MOST and Work First Programs | \$ 189,325 |
| Partners Project | \$ 62,955 |
| Permanent Homeless Assistance cash payments | \$ 13,488 |
| Planning Services | \$ 48,258 |
| Pre-Eviction Program Services | \$ 113,047 |
| Project Advance | \$ 344,304 |
| Project Connect - intensive, long-term case management for high utilizers of hospital ED services, approx. 30 clients per year | \$ 265,680 |
| Project Home Base | \$ 64,427 |
| Project Home Base SAMHSA Grant Dual Disorder Treatment in Housing, SA treatment, and case management for 80 clients | \$ 403,448 |

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Actual Expenditures, FY 2012-13
Programs/Services Provided by Santa Cruz County
Serving the Homeless Population and Individuals at Risk for Homelessness
(from Federal, State, Local and Other Funding)

| Type of Service Provided | Expenditures |
|---|----------------------|
| Rent Guarantee Program and Property Tax Postponement | \$ 235,113 |
| Rental Assistance Program | \$ 88,135 |
| Respite House, Money Management, Adult Flex Fund, Community Support Services | \$ 4,228,085 |
| River Street Shelter, SCAP (including housing referrals) | \$ 90,393 |
| Shelter Beds | \$ 102,000 |
| Shelter services and day care services for homeless individuals | \$ 60,922 |
| Support for 180/180 Project | \$ 1,000 |
| Supported Housing | \$ 135,880 |
| Supportive Housing - Willowbrook | \$ 292,108 |
| Temporary cash assistance and employment assistance for low-income families with dependent children (9.79% of Total Issuances) | \$ 1,145,252 |
| Temporary Homeless Assistance cash payments | \$ 90,535 |
| The Shelter Project | \$ 9,837 |
| Transitional Housing Program | \$ 439,992 |
| Transportation assistance - approx 2,775 bus passes | \$ 10,000 |
| transportation assistance - taxi vouchers | \$ 3,165 |
| Winter Shelter Project - Data Entry Svcs | \$ 9,296 |
| Grand Total | \$ 24,289,161 |

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