



# 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
<b>City of Santa Cruz - Subtotal</b>	<b>\$ 56,410</b>	<b>\$ 70,700</b>	<b>\$ 11,110</b>	<b>\$ 45,450</b>	<b>\$ 43,239</b>	<b>\$ -</b>	<b>\$ 226,909</b>
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
<b>County Subtotal</b>	<b>\$ 159,438</b>	<b>\$ -</b>	<b>\$ 182,371</b>	<b>\$464,411</b>	<b>\$ 84,661</b>	<b>\$ 52,956</b>	<b>\$ 943,837</b>
<b>Total</b>	<b>\$ 215,848</b>	<b>\$ 70,700</b>	<b>\$ 196,100</b>	<b>\$509,861</b>	<b>\$ 162,262</b>	<b>\$ 52,956</b>	<b>\$1,210,346</b>

\* 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

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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
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"> <li>• 3 Month's Housing Stability for 85% of Post-CHAMP Participants</li> <li>• 6 Month's Housing Stability for 70% of Post-CHAMP Participants</li> </ul>
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"> <li>• 80% Exit into Permanent Housing</li> <li>• 50% Increase Monthly Family Income</li> <li>• 70% Increased Family Well-Being</li> </ul>
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"> <li>• 110,000 meals served</li> <li>• 19,000 units of laundry and shower services</li> <li>• 500 DESC participants assessed for public benefit programs</li> <li>• 100 participants have access to on-site empowerment computer center</li> </ul>
County of Santa Cruz			\$ 92,371				\$ 92,371	<ol style="list-style-type: none"> <li>1. 100 PLLS residents will have access to housing-focused Case Management with the goal of moving toward permanent housing;</li> <li>2. 50 residents will access onsite empowerment computer center;</li> <li>3. 100 PLLS clients will be assessed for public benefit programs</li> </ol>	<ul style="list-style-type: none"> <li>• 90% of PLLS residents who have a case manager will see a reduction in their SPDAT score at the end of 9 months.</li> <li>• 25% of PLLS residents will move into permanent housing when they exit from the shelter</li> <li>• 100% of Empowerment Center users will have increased access to employment &amp; housing opportunities</li> <li>• 50% of clients without benefits will increase their income by receiving newly attained public benefits</li> </ul>

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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"> <li>25,000 person shelter days per year</li> <li>140 parents and children will receive case management and help obtaining benefits</li> <li>35,000 nutritious meals per year</li> <li>50 adults at RFS will be assessed for public benefit programs</li> </ol>	<ul style="list-style-type: none"> <li>90% of residents who receive CM services will see a reduction in their SPDAT score at 9 months after program entry</li> <li>80% of families exit the shelter to permanent housing</li> <li>90% of families who exit to permanent housing will remain stably housed at 6 months after exit</li> <li>100% of families improve their nutritional intake while staying at RFS</li> <li>50% of clients who were not receiving benefits will increase their income by being approved for benefits</li> </ul>
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	
<b>Total</b>	<b>\$ 215,848</b>	<b>\$ 70,700</b>	<b>\$ 196,100</b>	<b>\$ 509,861</b>	<b>\$ 162,262</b>	<b>\$ 52,956</b>	<b>\$ 1,207,727</b>		

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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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