



# county of Santa Cruz

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## HUMAN RESOURCES AGENCY

CECILIA ESPINOLA, ADMINISTRATOR

1000 EMELINE ST., SANTA CRUZ, CA 95060

(408) 454-4130 OR 4544045 FAX: (408) 454-4842

October 13, 1998

Agenda: October 27, 1998

### BOARD OF SUPERVISORS

County of Santa Cruz

701 Ocean Street

Santa Cruz, CA 95060

### **REQUEST FOR EMERGENCY WINTER SHELTER FACILITIES FUNDING**

Dear Members of the Board,

As you know, early this year your Board established the Winter Shelter Advisory Committee for the purpose of developing recommendations to you and other local jurisdictions regarding the provision of emergency winter shelter in our community. On October 1, 1998 your Board was advised of an immediate crisis in funding for emergency winter shelter facilities. Since then the Winter Shelter Advisory Committee has made a formal request for funding for winter shelter facilities included as (Attachment 1). The purpose of this letter is to bring you up to date on the actions taken by the State to abandon support for emergency winter shelter programs operated by local communities, and to propose alternative sources for funding these essential services.

#### Status of State Funding:

For the past ten years National Guard armories have been made available to local communities as winter shelter facilities free of charge. In Santa Cruz County, the two armories along with the church sites have provided sufficient winter shelter capacity to shelter every family and individual in our community who needs shelter during the winter months.

Last year the State informed the County that the armory program would only be renewed through 1999, and that the State would charge local communities \$450 a night rent for the use of the facility. The State also required local communities to provide uniformed security and licensed

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janitorial services at the armories. Not only did this requirement increase the costs of using the armory to \$595 per night, but it also prevented local communities from providing clients with the opportunity to contribute to the program by acting as monitors or as clean-up crew.

Last year, special State funding was available to help local communities pay for the increased costs of using the armories for winter shelter. Santa Cruz County received \$60,000, which provided over half of the funding necessary for winter shelter facilities. This year a similar amount of funding for winter shelter facilities was included in the budget that was sent to the Governor. Unfortunately, although staff and local legislators worked diligently to advocate for the critical need for this funding, all emergency shelter facility funds (including those specifically for on-going winter shelter programs) were deleted from the final budget in July. As a result, this year for the first time, the responsibility for providing funds for emergency winter shelter facilities falls entirely on our community.

Proposed Winter Shelter Program for 1998-1 999

The Winter Shelter Program in Santa Cruz County is operated by the Interfaith Satellite Shelter Program (ISSP). The program coordinates efforts of local churches and homeless service providers and proposes to operate the Winter Shelter Program again this year in sites at local churches, the Watsonville Salvation Army, and the Santa Cruz Armory. A budget of \$111,328 for facilities costs has been prepared (Exhibit 2, Attachment 1). This budget represents a decrease of \$5,419 over last years budget, despite an increase in cost of providing security guards. The budget provides for a minimal number of shelter nights for cold and rainy weather beyond the core period between November 15 and March 15, and significantly reduces funds for the replacement of mats and blankets or facility repairs.

Local Funding for Winter Shelter

Last year the State assisted local communities who are reliant on the use of National Guard armories to provide winter shelter by supplying funds towards the increased costs of using the armories. In addition, in the face of these mounting costs for the use of State facilities, the City of Watsonville identified an alternative site for the South County Shelter. As a result, last year the Interfaith Satellite Shelter Program (ISSP) operated in Watsonville out of an existing building owned by the Salvation Army and local church sites, saving about \$40,000 in winter shelter facilities costs for the entire program. The remaining overall program costs were covered by the City of Santa Cruz and the County, with the City contributing the majority of funding.

Last year, it was broadly recognized that the origin of the people who use the shelter services was a significant factor in distributing the costs of providing the shelter among the jurisdictions. For this reason, last year's funding split reflects an early assumption (based on the information

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available at the time) that most of the clients using shelter services originated from the City of Santa Cruz. However, a survey of clients by the Homeless Community Resources Center revealed that a total of 47% of the clients either last paid rent or had a stable living situation in the unincorporated area of the County. Small percentages of clients also originate from Scotts Valley and Capitola. This study is discussed in greater detail in Attachment 1.

This year, the Winter Shelter Advisory Committee used the results of the client origin study to develop a cost share proposal for local communities. The proposal also considers the benefit to each jurisdiction from the provision of winter shelter, and historical funding contributions. The Advisory Committee's recommended cost share formula is explained in detail in Exhibit 3 of Attachment 1. In order to fill the funding gap created by the State's withdrawal of support for basic homeless services, contributions from the County and the cities of Scotts Valley, Capitola and Watsonville will increase significantly. The City of Santa Cruz will also contribute additional funds, and their total contribution remains higher than would be justified by the the proportion of clients originating from the City.

The following chart outlines past and proposed financing for the Winter Shelter Program.

<b>FUNDING SOURCE</b>	<b>1997-1998</b>	<b>1998-1999</b>	<b>CHANGE</b>
<b>State of California</b>	<b>\$60,000</b>	<b>0</b>	<b>(\$60,000)</b>
<b>Local</b>			
<b>City of Santa Cruz</b>	<b>\$40,747</b>	<b>\$42,784</b>	<b>\$2,037</b>
<b>City of Scotts Valley</b>	<b>0</b>	<b>\$530</b>	<b>\$530</b>
<b>City of Capitola</b>	<b>0</b>	<b>\$3,673</b>	<b>\$3,673</b>
<b>City of Watsonville</b>	cost reduction	<b>\$16,774</b>	<b>\$16,774</b>
<b>County of Santa Cruz</b>			
<b>General Fund</b>	<b>\$16,044</b>	<b>\$15,000</b>	<b>(\$1,044)</b>
<b>Housing Funds</b>		<b>\$32,567</b>	<b>\$32,567</b>
<b>TOTAL</b>	<b>\$116,747</b>	<b>\$111,328</b>	<b>(\$5,419)</b>

This cost share proposal has been presented to the City Councils of Santa Cruz, Scotts Valley and Capitola. All of these jurisdictions have unanimously approved their share of the Winter Shelter Program costs, contingent upon approval by the remaining jurisdictions. The next critical step is, thus, to secure the County's share of the funding for this program.

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Proposed Sources of County Funding; and Related Actions

According to the cost share formula recommended by the Winter Shelter Advisory Committee, the total contribution requested from the County is \$47,567. These funds are proposed to come from two sources: 1) both the Human Resources Agency and the Health Services Agency will provide \$7,500 each from within their existing budgets, for a total of \$15,000; and 2) the remaining \$32,567 will come from one-time expenditure savings within the CDBG Housing Fund, which is restricted to use for the housing needs of low and very low income individuals and families. The use of these funds this year will provide for winter shelter facilities while the the Advisory Committee continues to pursue alternative sites and funding for subsequent years. These funds are administered by the Redevelopment Agency and a separate letter on today's agenda recommends the transfer of the necessary funds to the Human Resources Agency.

In order to use the Santa Cruz Armory for winter shelter this year, the National Guard requires the County to execute a license agreement with the National Guard to cover the entire project costs, even though a portion of these costs are paid by other jurisdictions. It will also be necessary to execute a contract with the ISSP for the provision of winter shelter in the amount of the County's share of the program costs.

Conclusion and Recommendations

Our community can be justifiably proud of the fact that, through the collaborative efforts of the cities and County, no homeless adult, family, child, senior citizen or disabled person has ever been turned away from shelter in the winter. In addition, only when basic needs like shelter and food are addressed, can homeless families and individuals make the best use of the programs and services that will make a permanent change in their lives. Winter shelter provides a fundamental humanitarian service, and is the first stepping stone in the path out of homelessness. The loss of State funds for emergency winter shelter facilities means that it is now necessary for the County and all of the local cities to provide funding support to maintain emergency winter shelter facilities.

The cost share proposal recommended by the Winter 'Shelter Advisory Committee provides for an equitable distribution of winter shelter facilities costs among local jurisdictions. The City Councils of Santa Cruz, Capitola and Scotts Valley have unanimously approved funding their cost share. The City of Watsonville will also be considering the funding request from the Advisory Committee on October 27. **IT IS THEREFORE RECOMMENDED** that your Board take the following actions:

1. Approve a total of \$47,567 for winter shelter facility costs as described in this letter;

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2. Approve the AUD-60 (included as Attachment 2) accepting \$32,567 from the CDBG Fund (Index 135436) and transferring these funds to the Human Resources Agency;
3. Authorize the Human Resources Agency Administrator to execute a contract with the Interfaith Satellite Program for the provision of winter shelter facilities for 1998- 1999 in an amount not to exceed \$47,567; and
4. Authorize the Human Resources Administrator to execute a license agreement with the National Guard for use of the Santa Cruz Armory in an amount not to exceed \$80,000, and take any other necessary actions related to the provision of emergency winter shelter in the 1998- 1999 fiscal year.

Very truly yours,



CECILIA ESPINOLA  
Human Resources Agency Administrator

Attachment 1: Letter of the Winter Shelter Advisory Committee  
Attachment 2: AUD-60

CE:SG:sg:wntsrshel98.bos

RECOMMENDED




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Susan A. Mauriello  
County Administrative Officer

cc. Auditor-Controller  
Health Services Agency  
Winter Shelter Advisory Committee



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# County of Santa Cruz

## WINTER SHELTER ADVISORY COMMITTEE

(408) 454-4062  
FAX (408) 454-4642  
1000 Emeline St., Santa Cruz, CA 95060

October 1, 1998

Board of Supervisors  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

Dear Members of the Board,

The Winter Shelter Advisory Committee was formed early this year for the purposes of developing recommendations to the Board of Supervisors and local City Councils regarding the provision of winter shelter in our community, as well as, investigating alternative solutions to use of the National Guard Armories for winter shelter (a list of members is included as Exhibit 1). The purpose of this letter is to advise you of an immediate crisis in winter shelter funding, and to request your help to maintain emergency winter shelter facilities this winter.

### **Background**

For the last decade, the State has made National Guard armories available free of charge for winter shelter. In Santa Cruz County, historically both the Watsonville and Santa Cruz armories have been used as a part of the emergency winter shelter program operated by the Interfaith Satellite Shelter Program (ISSP). All of the other program costs (staff, transportation) have been provided by ISSP through its budget from various funding sources. The ISSP Program provides the vast majority of the emergency shelter beds in the County, and is the only emergency shelter that is open to all homeless people regardless of gender, age or family status.

The availability of the armories and resulting capacity of the winter shelter program has meant that our community has not turned anyone away from shelter in the winter months. Emergency winter shelter is also part of a wide range for the homeless offered in our community including transitional housing, job placement and training, individual and family counseling, rental assistance, basic health care and services designed to address special needs including substance abuse, mental illness, and domestic violence. The ISSP emergency shelter program is usually the first step in connecting the homeless with these services, which are a part of the solution to the individual and community problem of homelessness. In addition, the ISSP program continues to provide a safety net until permanent housing is found.

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September 28, 1998  
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### **State Funding for Winter Shelter Facilities**

Although the use of the armories as emergency shelter was intended to be temporary, the State has continued to renew the program because of the difficulty of establishing permanent emergency shelters. Last year the state renewed the armory program through 1999, but now requires the shelter program to pay \$450 per night in rent, and to provide uniformed security and licensed janitorial service for each armory used. The total cost to use an armory for winter shelter is \$595 per night.

Over half of the funding for the winter shelter facilities last year was provided through a special allocation of State funds to address increased armory costs. This year a similar special allocation to assist Counties that rely on armories for winter shelter locations was proposed and approved by the legislature. Unfortunately all of the funds specifically earmarked for winter shelter were unexpectedly cut from the final budget by the Governor. Other State funds that can be used for emergency shelter have also been reduced this year, and are not available anyway until next spring. The Committee has asked County staff to pursue all possible sources for private grant funds to meet the winter shelter facility costs for this year, but responses to these applications will not be received before it is time to open the winter shelters this year.

In summary, there are no State or other funds available for winter shelter facilities this year and thus, the entire cost to provide emergency winter shelter facilities must be covered by our community.

### **Winter Shelter Program for 1998-1999**

The Advisory Committee has identified several possible alternatives to the armory in North County, but none of the alternatives could be leased or acquired and opened in time for this winter season. The Salvation Army has been identified as a feasible alternative to use of the Watsonville armory in South County. The Winter Shelter Program thus proposes to operate again this year in mobile sites at local churches, the Salvation Army and the Santa Cruz Armory.

An estimated budget of \$106,027 for the Salvation Army and Armory facility costs has been prepared by ISSP (Exhibit 2). This budget represents a minimum amount to safely and humanely provide emergency winter shelter, and decreases overall facility expenditures by \$10,966 compared to last year. This reduction was mainly achieved by only providing shelter for 12 1 nights from November 15 to March 15. Historically the winter shelter program has provided shelter between November 1 and April 30 when the weather is rainy and cold. Last year due to inclement weather, shelter was provided for 13 1 nights. In addition, the budget does not include any contingency funds for replacement of mats and blankets, or repair of facilities if necessary.

Winter Shelter Advisory Committee  
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### **Basis for Local Cost Sharing to Fund Winter Shelter Facilities**

In the past, the City of Santa Cruz has provided the majority of local funds for emergency winter shelter facilities, partly because there was a common perception that most of the shelter clients originated from the City. A recent survey of homeless people as a part of case management activities by the Homeless Community Resources Center indicates the following proportional locations where homeless people who use North County shelter services either last paid rent or last had a stable living situation:

<b>Unincorporated area of the County</b>	47%
<b>San Lorenzo Valley</b>	<b>35%</b>
<b>Live Oak</b>	<b>10%</b>
<b>Other</b>	2%
<b>Out of the County</b>	22%
<b>City of Santa Cruz</b>	<b>21%</b>
<b>City of Capitola</b>	7%
<b>City of Watsonville</b>	2%
<b>City of Scotts Valley</b>	<b>1%</b>

Preliminary estimates for South County indicate that very few winter shelter clients originate from out of the County, the majority of clients originate from the City of Watsonville, and the remainder of the clients come from the unincorporated area of the County.

### **Proposed Cost Share Formula**

The Advisory Committee has proposed a cost share formula that considers the origin of winter shelter clients, the benefit to each jurisdiction from the provision of winter shelter, and historical funding contributions. The proposed cost share distributes the costs for the North County shelter facility between the County and cities of Santa Cruz, Capitola, and Scotts Valley. South County shelter facility costs will be shared by the County and City of Watsonville. All of the jurisdictions contribute to the administrative and equipment costs of the program proportionally. Finally, the Advisory Committee is requesting that each jurisdiction set aside an additional 5% of their base cost share to be used for additional shelter nights if the weather is rainy and cold. The weather contingency fund would only be used when all of the jurisdictions have contributed their baseline cost share. Any funds from other sources will also be applied to this weather contingency fund.

The proposed cost share formula is explained in detail in Exhibit 3. According to this proposal the total winter shelter facility share for the County of Santa Cruz is \$47,567.



Winter Shelter Advisory Committee  
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**Summary and Request**

Our community can be justifiably proud of the fact that no homeless adult, family, child, senior citizen or disabled person has ever been turned away from shelter in the winter. In addition, only when basic needs like shelter and food are addressed, can homeless families and individuals make the best use of the programs and services that will make a permanent change in their lives. Winter shelter provides a fundamental humanitarian service, and is the first stepping stone in the path out of homelessness. The loss of State funds for emergency winter shelter facilities means that it is now necessary for the County and all of the local cities to provide fiscal support to the Winter Shelter Program.

The Winter Shelter Advisory Committee is therefore requesting that the City Council take the necessary budgetary and other actions to allocate \$47,567 to the ISSP Winter Shelter Program: \$45,302 for emergency winter shelter facilities and to set aside \$2,265 for weather contingency funds, to be made available upon request.

Thank you for considering this request. Please contact Sue Gilchrist, staff to the Winter Advisory Committee, at 454-4027 if you have any questions about this request or the Winter Shelter Program.

Very Truly Yours,



Cecilia Espinola  
Human Resources Agency Administrator  
Chairperson of the Winter Shelter Advisory Committee

cc. Winter Shelter Advisory Committee Members  
Susan Mauriello, County Administrative Officer

CE:SG:sg

## Exhibit 1

**WINTER SHELTER ADVISORY COMMITTEE MEMBERS****Cecilia Espinola, Chairperson**

Human Resources Agency, County of Santa Cruz

**Scott Kennedy**

Councilperson, City of Santa Cruz

**Stephany Aguilar**

Mayor, City of Scotts Valley

**Rafael Lopez**

City of Watsonville

**Mickey Aluffi**

City of Watsonville Police Department

**Matthew McClanahan**

California National Guard

**Katherine Beiers**

Councilperson, City of Santa Cruz

**Cindy Raymond**

Bank of America, Watsonville

**Wendy Butler**

Interfaith Satellite Shelter Program

**Tim Reynolds**

City of Santa Cruz

**Steven Dawson**

Interfaith Satellite Shelter Program

**Major Joel Santos**

Salvation Army, Watsonville

**Karen Gillette**

Director, Homeless Community Services

**Erik Schapiro**

County Administrative Office

**Stephanie Harlan**

Councilperson, City of Capitola

**Mardi Wormhoudt**

Supervisor, County of Santa Cruz

## Exhibit 2

<b>ESTIMATED BUDGET FOR WINTER SHELTER FACILITIES 1998-1999</b>				
<b>OPERATING BETWEEN NOVEMBER 15-MARCH 15</b>				
<b>121 NIGHTS</b>				
	<b>97-98</b>	<b>PROPOSED</b>	<b>CHANGE</b>	<b>COMMENTS</b>
<b>NORTH COUNTY</b>				
JANITORIAL	5,240	4,840	(400)	\$40/NIGHT
SECURITY	11,790	12,705	915	Increase in charge to \$105/NIGHT
RENT	58,950	54,450	(4,500)	\$450/NIGHT
<b>SUBTOTAL</b>	<b>75,980</b>	<b>71,995</b>	<b>(3,985)</b>	<b>TOTAL \$595/NIGHT</b>
<b>SOUTH COUNTY</b>				
UTILITIES	3,640	2,684	( 956)	
MAINT	1,420	1,210	(210)	
SHOWERS	17,700	10,500	(7,200)	
SECURITY	6,000	9,438	3,438	Addresses city security concerns
<b>SUBTOTAL</b>	<b>28,760</b>	<b>23,832</b>	<b>(4,928)</b>	<b>TOTAL \$197/NIGHT</b>
<b>COUNTY WIDE</b>				
ADMIN	7,303	8,400	1,097	Provides for standard 9% admin costs
MATS/BLANK	4,950	1,800	(3,150)	Mats and blankets purchased last year
<b>SUBTOTAL</b>	<b>12,253</b>	<b>10,200</b>	<b>(2,053)</b>	
<b>TOTAL</b>	<b>116,993</b>	<b>106,027</b>	<b>( 10,966)</b>	

<b>PROPOSED COST SHARE FOR WINTER SHELTER FACILITES 1998-1999</b>							
	98-99 COSTS	STATE FUNDS	CO	SC	W A T S	S V	CAP
<b>NORTH COUNTY SUBTOTAL</b>	71,995	0	31,689	36,667		459	3,180
<b>SOUTH COUNTY SUBTOTAL</b>	23,832	0	9,533		14,299		
<b>ADMINISTRATION/ EQUIPMENT SUBTOTAL</b>	10,200		4,080	4,080	1,676	46	318
<b>BASE SHARE</b>	106,027	0	45,302	40,747	15,975	505	3,498
<b>5% CONTINGENCY</b>	5,301		2,265	2,037	799	25	175
<b>TOTAL SHARE</b>	111,328		47,567	42,784	16,774	530	3,673

The loss of State funds means that all of the winter shelter program costs must now be covered locally. The cost share formula in this chart acknowledges the percentage of clients originating from each jurisdiction, and distributes the necessary increase in local contributions proportionally between the County and cities of Watsonville, Capitola and Scotts Valley. This proposal also recognizes that the cities of Santa Cruz and Watsonville benefit more directly than some jurisdictions from the provision of winter shelter in terms of reduced crime and nuisance behavior in downtown areas. The following assumptions were made:

- A) the **City of Santa Cruz** maintains the 1997-98 level of funding which is divided between North County shelter costs, and a contribution of 40% to the overall program administrative costs;
- B) the **County's** contribution increases significantly with a proportional contribution to North County shelter costs, provision of 40% of the South County shelter costs, and a contribution of 40% to the overall program administrative costs;
- C) the **City of Watsonville's** contribution also increases with support of 60% of the South County shelter costs, and a contribution of 16% of overall program administrative costs; and
- D) The cities of **Scotts Valley and Capitola** contribute to winter shelter costs proportionally based on the percentage of clients originating from their jurisdictions.
- E) **Each jurisdiction is requested to set aside an additional 5% contingency** to be used for additional shelter nights based on weather. The weather contingency fund would only be used when all jurisdictions have contributed their base share.

BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. \_\_\_\_\_

On the motion of Supervisor \_\_\_\_\_  
duly seconded by Supervisor \_\_\_\_\_  
the following resolution is adopted:

RESOLUTION ACCEPTING UNANTICIPATED REVENUE

WHEREAS, the County of Santa Cruz is a recipient of funds from CDBG Housing  
Fund - RDA for Emergency Housing & Assistance Program program; and

WHEREAS, the County is recipient of funds in the amount of \$ \_\_\_\_\_  
which are either in excess of **those anticipated** or are not specifically set  
forth in the current fiscal year budget of the County; and

WHEREAS, pursuant to Government Code Section **29130(c)/29064(b)**, such funds  
may be made available for specific appropriation by a four-fifths vote of  
the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa **Cruz** County  
Auditor-Controller accept funds in the amount of \$ 37,567 t o

Department HRA/Homeless Assistance

T/C	Index Number	Revenue Subject Number	Account Name	Amount
001	391200	2367	Contributions from other funds	32,567

and that such funds be and are hereby appropriated as follows:

T/C	Index Number	Expenditure Subject Number	PRJ/UCD	Account Name	Amount
021	391200	4490		FESG- Satellite Shelter	32,567

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been  
researched and that the Revenue(s) (has been) (will be) received within the  
current fiscal year.

By Cecilia Espinoza  
Department Head

Date 10-16-98

COUNTY ADMINISTRATIVE OFFICER

Recommended to Board

Not Recommended to Board

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ by the following vote (requires four-fifths vote for approval):

AYES: SUPERVISORS

NOES: SUPERVISORS

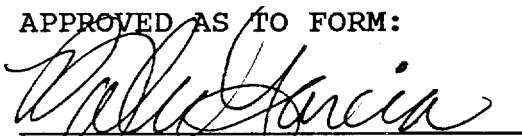
ABSENT: SUPERVISORS

\_\_\_\_\_  
Chairperson of the Board

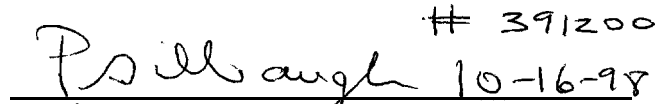
ATTEST:

\_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

  
\_\_\_\_\_  
County Counsel

APPROVED AS TO ACCOUNTING DETAIL:

 # 391200  
\_\_\_\_\_  
Auditor-Controller

Distribution:

- Auditor-Controller
- County Council
- County Administrative Officer
- Originating Department