



County of Santa Cruz

HUMAN RESOURCES AGENCY

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 CECILIA ESPINOLA, ADMINISTRATOR

March 28, 2002

Agenda: April 9, 2002

BOARD OF SUPERVISORS

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

Draft Community Programs Facility Study

Dear Members of the Board:

As you will recall, on March 27, 2001 your Board adopted a Facility and Infrastructure Work Plan to address long-term needs for community based organizations which receive Community Program funds, and authorized the Human Resources Agency (HRA) to hire an independent consultant to conduct a study as provided in the Work Plan. The consultant, San Francisco based MacDougall and Company, has now completed the Work Plan and has produced the draft Community Programs Facility Study ("Facility Study"), which includes a long-term plan for addressing Community Programs space needs. The purpose of this letter is to present the draft study to your Board for review and refer the draft document to the Human Care Alliance for review.

Facility Study Methodology

In compiling the Facility Study, the consultant has gathered and reviewed existing data and information on the status of Community Programs space needs. In order to collect current information, a survey was created and sent out to all Community Programs, and the survey results, representing information from 53 respondent programs, has been collected, summarized and is included in the final document. Based on this information, the consultant has suggested prioritized geographic areas of the County for self-identified clustered groups of Community Programs to consider co-location. The Facility Study details the common aspects of any effort to co-locate non-profit services, and discusses the pros and cons of various co-location options for site ownership, management and governance. The study also includes information on current market conditions for vacant commercial space, office space which both for sale and for lease, and provide models for public financing which might support a joint venture of Community Programs for co-location.

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Key Findings

The draft Community Programs Facility Study, on file with the Clerk of the Board, with copies distributed to each Supervisor, the CAO and the Auditor-Controller, offers key findings and conclusions suggesting co-location strategies would benefit many Community Program agencies and the clients they serve. Some of the more notable findings are as follows:

- **67%** of the Community Programs that responded to the survey report that their existing space is inadequate for current demand for services.
- **74%** of the reporting Community Programs are interested in exploring co-location.
- **77%** of the reporting community Programs interested in co-location indicate that their current space cannot accommodate any increase in programmatic activity over the next 3-5 years.

Based on these and the additional findings, the draft Facility Study draws a number of conclusions regarding co-location opportunities for Community Programs, including the following:

- There are multiple opportunities for co-location project throughout Santa Cruz County to secure property to assure below-market occupancy costs for social service non-profits, and a number of clear clusters of services that might be suitable co-tenants.
- All evidence suggests that nonprofits social service agencies will experience continued pressure to supply increased levels of service to their target populations.
- The current state of the real estate market cannot be a determining factor in moving forward with co-location projects, and is too uncertain to provide direction, at least in the near term.
- All responding Community Programs identified Watsonville, Mid-County, Santa Cruz and the San Lorenzo Valley as preferred locations for co-located services, and the relatively low cost of lease and sales of commercial property, and the anticipated increased demand for services, suggest the place most suitable for immediate action is Watsonville.

These findings and conclusions indicate that Community Programs interest in co-location is high, and market conditions are appropriate to seriously explore opportunities for co-located services.

Recommended Next Steps

The data and information contained in the draft Facility Study is invaluable because it offers a guide for Community Programs to collectively consider co-location strategies, and suggests self-

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identified groups of programs that might be interested in co-locating in specific geographic areas of the County. As a possible approach to pursuing Community Programs co-location strategies, the study includes a suggested Facility Plan, with an implementation schedule which begins this year, and continues through 2005. The plan provides a timetable to quickly obtain more specific details about individual program interest in co-location. Based on demographics showing where there are the greatest concentrations of low-income residents in the County, and survey responses of the Community Programs prioritizing geographic areas of the greatest need, the Facility Study Plan suggests that the process focus first on the co-location opportunities in South and Mid-County.

While the Facility Plan offers a structured and logical approach to addressing co-location strategies, before the draft Facility Study and Plan are adopted, it is recommended that your Board refer the draft for community comment and input. As your Board will recall, when we embarked on this project we discussed the need for the Human Care Alliance (HCA) to review the final plan prior to adoption by your. It is therefore recommended that your Board refer the draft Facility Study to the HCA for comments, and that the Facility Study return to your agenda in September for final review and other action as may be appropriate.

In conclusion, the draft Community Programs Facility Study reflects the continuing efforts on the part of your Board to assist County nonprofit agencies to provide services where they are most needed, and to stabilize overhead costs in order to preserve precious resources for services to the low-income individuals and families. As the County Administrative Office reported to your Board on January 23, 2001 the County has assisted in a number of site acquisitions to assure community access to essential health and social services. Successful examples of these acquired facilities include the North County Elderday Program, and the Front Street Residential Board and Care Facility for chronically mentally disabled adults. These efforts have resulted in providing long term stable, cost-effective programs that provide a high level of service to the community. These efforts continue, with the Health Service Agency staff currently working to develop a South County Elderday facility in Watsonville, and your Board's authorization for the County Administrative Officer to work with the Real Property Division on an ongoing basis to identify potential sites in South County for the purpose of accommodating County funded non-profit organizations. These ongoing efforts, and co-location strategies suggested in the draft Facility Study may provide critical support to Community Programs as they adapt to a period of limited financial resources resulting from the current economic conditions.

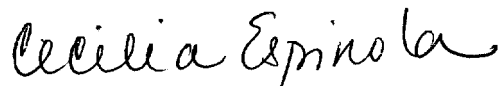
IT IS THEREFORE RECOMMENDED that your Board:

1. Accept and file this status report on draft Community Programs Facility Study; and
2. Direct the Human Resources Agency to refer the draft Community Programs Facility Study to the Human Care Alliance for review and comment; and

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3. Direct the Human Resources Agency to return to your Board on or before September 24, 2002 for a final adoption of Community Programs Facility Study with further recommendations consistent with the study.

Very truly yours,



CECILIA ESPINOLA
Director

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RECOMMENDED:



Susan A. Mauriello
County Administrative Officer

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cc: County Administrative Officer
Health Service Agency
Human Care Alliance
Contractor