

May 2, 2016

Board of Supervisors
Santa Barbara County
105 East Anapamu Street
Santa Barbara, CA 93101

TO: Supervisor Salud Carbajal, 1st District
Supervisor Janet Wolf, 2nd District
Supervisor Doreen Farr, Vice Chair, 3rd District
Supervisor Peter Adam, Chair, 4th District
Supervisor Steve Lavagnino, 5th District

RE: \$125,000 from County of Santa Barbara General Fund to support PATH in the operation of the year round shelter, formerly Casa Esperanza

Dear Board of Supervisors:

Thank you for your long-term support of Casa Esperanza Homeless Center – we are grateful that your support has transitioned to PATH since the merger was completed last July.

We respectfully request \$125,000 from the County of Santa Barbara General Fund to support PATH Santa Barbara and its life-changing operations that assist our Santa Barbara homeless neighbors to address their barriers, improve their health, secure employment, and ultimately, make it home into permanent housing. We are thankful for discretionary/general funding last year, and are hopeful that it can continue into the 2016/17 Fiscal Year -- as it is imperative to meet our budget needs.

As you are aware, a critical part of our merger with Casa Esperanza was that the operations in Santa Barbara must remain self-funding. However, in the first 7 months of operating the program, PATH has subsidized Casa with \$118,000 of general operating funding not secured in Santa Barbara, due to projected revenues coming in lower than anticipated. Also, through our assessment since assuming day-to-day operations in July 2015, we have identified numerous critical needs that will require both capital and operating funding, which must be addressed to ensure that the program can run safely and effectively. The key needs are as follows:

- **Staffing:** In attempting to balance the budget over the past several years, Casa Esperanza reduced both operational and case management staffing to levels that PATH does not believe are viable to run a program that meets the needs of the most vulnerable members of our community, and actually help them exit into permanent housing (as opposed to cycling in and out of the shelter indefinitely). For the next fiscal year, we intend to add at least one case management position (\$43,750 including benefits), and have already added several part-time and on call positions to ensure that there are at least 2 staff on each shift to monitor and provide services to the residents (\$66,352 total annually). Over the long term, we would like to add several more case management positions as well.

- **Security:** PATH believes that 24/7 professional security services are an absolute necessity at an interim housing site of the size and population such as the Santa Barbara facility. We are retaining a firm that provides such services; it will cost approximately \$175,000 per year, which was previously not budgeted. This is an expense that we believe is an absolute necessity to ensure the safety of our staff, residents, and neighbors.
- **Professional Cleaning:** Casa Esperanza previously relied on residents to provide daily cleaning of the facility. While PATH believes that chores can help provide residents with meaningful roles and accountability, we do not believe that this is sufficient to maintain the facility, particularly with the high number of medically frail, mobility impaired, or otherwise vulnerable residents who are unable to perform chores. For next year's budget, we have added a full-time Facilities Specialist position (\$38,125 including benefits).
- **Critical Facility Needs:** PATH retained an outside firm to conduct a Physical Needs Assessment (PNA) for the Santa Barbara facility. They estimated that, over the next two years, we need to plan for \$99,518 in capital expenses for the building. Additionally, we identified the following major needs for inside the facility:
 - o Major Appliance Replacements. This includes commercial washers and dryers. Also includes replacing the gas boiler.
 - o General Facility Maintenance. Miscellaneous repairs and maintenance to bathrooms, staff offices, roofing, plumbing, and the residential space.
 - o Kitchen Needs. Replace outdated or broken kitchen equipment and deal with plumbing issues.
 - o Create Additional Office Space. Convert the former family rooms to offices; needed as we continue to add case management staff.
 - o Resident beds. Replace wooden bunk beds that can be susceptible to bed bugs.
 - o Safety and Security. This includes upgrading the surveillance system, updating the fire panel system, and installing fire pipe bracing.
 - o Computers and Technology. Staff are primarily working on old, donated computers that need to be replaced.

All told, these expenses, plus those identified through the PNA, will cost **\$281,468** over the next few years. We have included a significant portion of this as Capitalized Building Maintenance in our budget for this fiscal year.

- **Winter Shelter Operations:** When the number of residents doubles to 200 individuals on any given night, the staffing ratio also needs to increase. PATH has safety concerns, and does not believe we can continue to operate the Winter Shelter Program at the same staff/client ratio without additional funding to increase staffing. Appropriate staffing levels would cost an additional \$86,048 for the four months of Winter Shelter. Additionally, we have calculated a monthly increase of \$10,000 in operating expenses (supplies, food, utilities, etc.), for a total of \$40,000. Therefore, the cost of operating Winter Shelter is **\$126,048**. With all of the other needed investments and lack of sufficient revenues, we are concerned about our ongoing ability to operate the Winter Shelter component at the current funding level.

PATH will continue to aggressively fundraise to meet these needs. As Casa Esperanza described in last year's General Fund request, PATH has continued with two primary strategies of increasing revenue for the organization: private fundraising and seeking mechanisms for increased cost reimbursements from public funders.

Private fundraising from Santa Barbara has come in lower than was projected in the Fiscal Year 15-16 budget developed by Casa Esperanza prior to the merger. In response, we have restructured our Development Department to appoint our Senior Development Director to lead all fundraising activities in Santa Barbara,

and thus anticipate that private revenue will increase in the future. Nonetheless, PATH is a new name in Santa Barbara and we believe that it may take a couple of years to realistically build up to the level at which Casa Esperanza was able to rely on private support for ongoing operations (over half of the annual operating budget).

Because of this, PATH has placed additional emphasis on working to increase public funding mechanisms, including reimbursement rates. We are actively working with the CEO's office and the City Departments that contract for beds at Casa. While some have agreed to pay a higher rate for beds, the total budget that most departments have available remains the same, so PATH will receive the same total dollar amount but will provide fewer beds. Clearly, this does not help the overall operating budget. However, we have been in numerous discussions with the Department of Behavioral Wellness, and because of PATH's significant experience in other communities, they are supporting us in pursuing Medi-Cal certification that will allow us to bill at much higher rates. This is a lengthy process and requires an up-front investment in clinical staffing, but in the long-term, we believe it is a critical step to ensure long-term sustainability of the Santa Barbara program. With this in mind, PATH is recruiting for a Director of Santa Barbara Programs who has the clinical expertise needed to operate such programs.

Through these efforts, over time, we are optimistic that we can significantly increase the revenue coming into Santa Barbara programs. However, we believe that in order to maintain an adequate number of non-dedicated beds that are available to the general homeless population of Santa Barbara (as opposed to program beds for specific populations such as those funded by Medi-Cal), an **ongoing** funding commitment will be needed from both the City and the County that is, at a minimum, level with General Fund allocations for the past two years.

PATH is committed to Santa Barbara, and to continuing to improve the operations of programs so that we can work towards ending homelessness in this community. We are truly grateful for the support of the County and City of Santa Barbara, but the success of our programs relies on the not only the continued, but ultimately *increased*, investment of public resources. Without increased public support, we simply will not be able to sustain our current levels of care.

It has also come to our attention that there may have been a sense that the previous requests were short-term or one-time in nature – we do not believe this to be the case. The interim housing programs are a much needed resource to help address homelessness in Santa Barbara, and we urge you to consider adopting the ongoing support of this resource into the County's annual budget.

The County's continuing support from the General Fund for PATH Santa Barbara in the amount of \$125,000 provides critical needed housing and services for this community. Please contact me at katieh@epath.org or (323) 644-2229 if you have any questions or need further information. Thank you for your consideration.

Sincerely,



Katie Hill
Executive Director
PATH



FY 2016-17 Outside Agency Funding Request Form

Deadline for Submission: Monday, May 2, 2016, 5:00 p.m.

The Board of Supervisors *may* consider funding requests from outside agencies during the **FY 2016-17** budget hearings in June 2016, if funding is available. An allocation of funding to outside agencies is not guaranteed.

Please submit the following by **5:00 p.m., Monday, May 2, 2016, NO EXCEPTIONS, via Email or Hardy Copy (postmarks will not be accepted):**

1. Provide a cover letter explaining your request; and
2. Fill out this application (no more than 2 pages); and
3. Attach the Line Item Budget spreadsheet (no more than 2 pages) for the agency's program request

Hearings are scheduled for June 13, 15, and 17, with Outside Agency Requests considered on one of these days (yet to be determined). The **requesting agency must be represented and present**; please plan accordingly.

Total Request: \$ 125,000

Name of Organization: PATH Santa Babara

Title of Program: General Operating Support New or ongoing program? Ongoing

Location(s) of services delivered: 816 Cacique Street, Santa Barbara, CA 93103

Name of Agency Executive Director: Katie Hill

Phone #: (323)644-2229 Email: katieh@epath.org Website: www.epath.org

1. Briefly summarize the purpose of the program, why the funds are needed, and the benefit to the community:

We respectfully request \$125,000 from the County of Santa Barbara to support PATH Santa Barbara and its life-changing operations that assist our homeless neighbors to address their barriers, improve their health, secure employment, and ultimately, make it home into permanent housing. We believe that providing coordinated housing, services and health care is the most effective approach to comprehensively end homelessness. During the months of December-March, we increase our capacity from 100 beds to 200 beds to accommodate a winter shelter program. As you are aware, a critical part of our merger with Casa Esperanza was that the operations in Santa Barbara must remain self-funding. However, in the first 7 months of operating the program, PATH has subsidized Casa with \$118,000 of general operating funding not secured in Santa Barbara, due to projected revenues coming in lower than anticipated. Also, through our assessment since assuming day-to-day operations in July 2015, we have identified numerous critical needs that will require both capital and operating funding, which must be addressed to ensure that the program can run safely and effectively.

2. Briefly summarize the service to be provided and how many people will be served:

PATH Santa Barbara is addressing homelessness for individuals and the community. Our interim housing facility meets the most immediate need faced by people experiencing homelessness: a safe, supportive place to sleep. All of the programs at PATH Santa Barbara are dedicated to helping homeless individuals access the services they need to improve their health, increase their income, and transition to stable housing – all under one roof. In addition to providing shelter to approximately 600 unduplicated individuals each year, PATH Santa Barbara programs include the following:

- Recovery and community reintegration support for people suffering from substance use disorders and/or exiting the criminal justice system.
- Health and wellness services for people who are medically frail and/or being discharged from the hospital. PATH provides health-focused case management, and has professional EMT and CNA staff to provide support throughout the day. A nurse, dedicated by Cottage Hospital, is onsite 5 days per week.
- Job training and placement through our Employment Center, including a program specifically targeted to homeless veterans.
- Housing placement, move-in support and rental assistance through several programs, including flexible funds to help

3. Detail the timeline for providing the service:

All of the programs at PATH Santa Barbara are fully functional and are already providing services. The services described above will be provided continuously throughout the year. The funding requested will support ongoing operations.

4. Describe key outcomes to be achieved with the funding and how they will be measured:

5. Describe if this is a one-time or ongoing request, and if funded in prior years and amounts:

6. Describe the agency's expertise and capacity to deliver services including fiscal stability:

PATH has provided homeless services since 1984, and is fully dedicated to ending homelessness for individuals, families and communities. PATH operates housing and services in dozens of locations throughout California from San Diego to San Jose, with an annual budget of over \$30 million. Casa Esperanza sought a merger with PATH specifically because of the organization's expertise in homeless services and fiscal stability. Since 2013, PATH has helped more than 6000 individuals, families and veterans move into permanent housing. PATH operates over 500 beds of year-round interim housing, over 1500 units of permanent supportive housing (scattered site and project based) and assists hundreds of people each year through rapid re-housing programs. PATH provides a

7. Agency staff responsible for application: Melissa Khamvongsa, Director of Grants

County Staff Comments Only:

Address submittals to:

Adriana de Bruin
Business Manager, County Executive Office
105 E. Anapamu Street, Room 406
Santa Barbara, CA 93101

Requests can be emailed to: outsideagency@countyofsb.org

Questions: Please contact Adriana de Bruin, Business Manager, County Executive Office, at 568-3400.

PATH SANTA BARBARA - 2016-2017 Program Budget		
REVENUE		
Grant Revenue	Committed	Uncommitted
County of Santa Barbara		\$ 125,000
City General Fund		\$ 202,100
County DCFS		\$ 14,400
Med Respite (St. Francis, Thompson, Outhwaite)		\$ 150,000
City CDBG	\$ 39,000	
City Human Services	\$ 46,000	
City TBRA - F.A. pass thru	\$ 67,500	
County ADMH	\$ 171,900	
County Commun Services	\$ 94,383	
County Public Health	\$ 15,000	
County Probation	\$ 18,000	
County Supported Employm	\$ 80,000	
DOL/HVRP - State of CA	\$ 100,000	
Cottage Health	\$ 200,000	
Other "Restricted" Foundations (Gildea, Other)	\$ -	
Total Grant Revenue	\$ 831,783	\$ 491,500
Other Revenue		
Revenue - Contributions		\$ 1,000,000
Revenue - Support from PATH General Operating	\$ 70,000	
Total Other Revenue	\$ 70,000	
TOTAL REVENUE:	\$ 2,393,283	
EXPENSES		
Salaries & Benefits		
Salaries	\$ 951,452	
Benefits	\$ 207,275	
Winter Shelter - Temp Staffing	\$ 86,048	
Total Salaries & Benefits	\$ 1,244,775	
Operating Expenses		
Building Maintenance - Capitalized	\$ 181,950	
Building Repair and Maintenance	\$ 68,400	
Computer & IT	\$ 61,800	
Depreciation	\$ 142,000	
Equipment Repair and Maintenance	\$ 20,400	
Fees, Permits, and Taxes	\$ 1,500	
Flexible Funds - Client Financial Assistance	\$ 67,500	
HR and Admin	\$ 4,620	
Insurance	\$ 66,000	
Interest Expense	\$ 72,000	
Linens and Laundry	\$ 3,600	
Office Supplies/Printing/Postage	\$ 28,800	

Phone/Fax	\$	30,000	
Security	\$	175,200	
Supplies - Cleaning and Maintenance	\$	22,200	
Supplies - Food & Cooking Supplies	\$	26,400	
Supplies - Other Program Supplies	\$	2,400	
Training & Staff Development	\$	4,800	
Transportation/Bus Tokens	\$	7,200	
Travel/Mileage/Parking	\$	28,800	
Utilities	\$	86,400	
Winter Shelter Expenses	\$	40,000	
Total Operating Expenses:	\$	1,141,970	
TOTAL EXPENSES:	\$	2,386,745	
Excess (Deficit) Revenue over Expenditures	\$	6,539	