

STAFF REPORT



ITEM NO. 10
CITY OF OCEANSIDE

DATE: January 21, 2009
TO: Chairman and Members of the Community Development Commission
FROM: Neighborhood Services Department
SUBJECT: **APPROVAL TO APPROPRIATE \$40,000 FROM THE MORTGAGE REVENUE BOND FUND AVAILABLE BALANCE TO HOMELESS SHELTERS FOR NORTH COUNTY SOLUTIONS FOR CHANGE TO SUPPORT THE SOLUTIONS FAMILY CENTER TRANSITIONAL HOUSING PROGRAM**

SYNOPSIS

Staff recommends that the Community Development Commission appropriate \$40,000 from the Mortgage Revenue Bond Fund available balance to the Homeless Shelters account for North County Solutions for Change as an emergency grant to support the Solutions Family Center in Vista.

BACKGROUND

The Solutions Family Center provides transitional housing and supportive services for more than 100 homeless adults and children from North County communities; approximately one-third of the residents list Oceanside as their last home address. The 32,000-sq.-ft. transitional housing complex at 722 West California Street in Vista includes four residential buildings with a total of 32 units and a support center building with administrative space, a kitchen, laundry facilities, classrooms and space for case management. The Solutions Family Center houses the "hard-to-serve" homeless families and helps these families access social and health services, enter job training, and find affordable permanent housing. The overall goal at the Solutions Family Center is to enable these families to end the cycle of homelessness and become independent, self-sufficient members of the community.

The City of Oceanside provided \$300,000 of HOME Investment Partnership Program funds for construction of the Solutions Family Center, which opened in 2004. All other North San Diego County cities also contributed to the construction, enabling the center to open debt-free. The City Council has also allocated Community Development Block Grant (CDBG) funds and, more recently, Emergency Shelter Grants (ESG) Program funds for operation of the transitional housing facility. Other support for operations comes from CDBG grants from other cities, other state and federal grant programs, private foundations, local donors and from Center residents, who pay 30 percent of their income as rent.

ANALYSIS

North County Solutions for Change has submitted an emergency request to the City of Oceanside for \$40,000 to help maintain the level of housing and essential operation services for homeless families in the community. The economic crisis of the past year has severely restricted funding from private sector foundations and corporations due to record losses in investments. The State of California has also restricted funding for many social service programs, including grants to support transitional housing programs. North County Solutions usually receives more than 50 percent of operational funding from the private sector, with most of that coming in the last quarter of each calendar year. In 2008 the level of private funding dropped severely; while North County Solutions has implemented many cost-saving measures, the drop in private funding now threatens basic programs and services at Solutions Family Center transitional housing program. At the same time, the nationwide economic downturn and housing crisis have placed increased demands on all social service agencies and transitional housing programs. The anticipated shortfall of funding is \$200,000.

North County Solutions has submitted the same special funding request to other North County cities for a total of \$165,000. The amount requested each city is based on the usage of Solutions Family Center from each city with Vista, Oceanside and Escondido representing about 25 to 30 percent each and Carlsbad and San Marcos at 10 percent each. The City of Vista has agreed to provide \$40,000; Carlsbad will provide \$25,000; and San Marcos, \$21,000. Escondido has not responded as yet. North County Solutions has engaged in an aggressive year end appeal to new investors and has succeeded in receiving \$47,000 from this appeal. If the City of Oceanside approves the special allocation of \$40,000, the shortfall will be reduced to \$27,000

FISCAL IMPACT

There is currently \$40,000 in the Homeless Shelters account (286.298804.5374) which will be used to fund the Alliance for Regional Solutions – Regional Shelter Program. Staff is requesting an appropriation of \$40,000 from the unallocated balance in the Mortgage Revenue Bond Fund (286.3301) for transfer to the Homeless Shelters account (286.298804.5374) for North County Solutions for Change. The approximate Mortgage Revenue Bond Fund available balance, as of December 31, 2008, is \$513,240.

COMMISSION OR COMMITTEE REPORT

The Housing Commission at a special meeting on January 13, 2009, recommended that the Community Development Commission appropriate \$40,000 from the Mortgage Revenue Bond Fund available balance to North County Solutions for Change to support the Solutions Family Center transitional housing program.

CITY ATTORNEY'S ANALYSIS

City Attorney analysis does not apply.

RECOMMENDATION

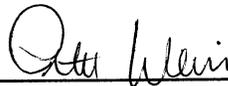
Staff recommends that the Community Development Commission appropriate \$40,000 from the Mortgage Revenue Bond Fund available balance to the Homeless Shelters account for North County Solutions for Change as an emergency grant to support the Solutions Family Center in Vista.

PREPARED BY:



John A. Lundblad,
Management Analyst

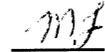
SUBMITTED BY:



Peter A. Weiss,
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager



Margery M. Pierce, Director, Neighborhood Services



Teri Ferro, Director, Financial Services



ATTACHMENTS

1. Letter from North County Solutions for Change
2. Housing Commission Recommendation



North County Solutions for Change

Changing Attitudes Rebuilding Lives

December 11, 2008

Ms. Margery Pierce
City of Oceanside
Oceanside, CA

Subject: Request \$40,000 for emergency housing for homeless families and children

This is an emergency request for \$40,000 to help maintain the level of housing and essential operational services for our community's homeless children and families currently living in the Solutions for Change programs.

Unfavorable market conditions have resulted in deep and unexpected impacts to our private sector foundations, corporations and private donors resulting in a sudden loss of over \$200,000 in expected revenue. As part of the strategic design of this regional public/private sector partnership, local, state and federal government provided most of the capital investment needed, while private sector partners (church, foundation, civic organizations and corporations) provide a large percentage of the annual operational revenue. This strategy has worked well for several years but the recent financial meltdown has crippled our private sector investor's ability to give. This is occurring right at the time of year when Solutions for Change receives 70-80% of the \$306,000 in budgeted private sector revenue (see attached budget) needed to sustain our operations.

Recent support for a regional winter shelter system ensures that the regions homeless will have emergency winter shelter resources. Those emergency shelter programs rely on the regional year round housing and the health, employment and educational centers that Solutions for Change provides for families. Solutions for Change programs allow the winter shelter operators to move families into permanent long term solutions which then free up beds in their short term emergency winter shelters. When the winter shelters close, the Solutions for Change centers work with these programs to transition their families into permanent solutions within our comprehensive year round centers.

The City of Oceanside is one of seven local jurisdictions that invested in a regional public/private partnership to confront and solve the homeless family crisis that hit North County in the early part of this decade. Hailed by officials in Sacramento and D.C. as a regional model for the nation, your investment helped equip our North County community with the physical resources it needed to house and host the educational, family health and employment related resources needed to defeat homelessness for hundreds of families in crisis. Solutions for Change was then tasked to make the other side of the partnership work: reach out and secure the operational and supportive service resources from our private sector community partners.

Armed with the housing and operational resources and bolstered by the community partnerships with dozens of local churches, faith centers, corporations and civic organizations Solutions for Change has quietly went about its work battling and defeating family homelessness for North County families. The public and private sector investments emboldened our efforts to develop new social reengineering strategies to solve community homelessness versus the traditional ways of containing it. As a result of your capital investments, a vision to impact the lives of homeless families and children for today, tomorrow and forever grew legs and a purpose driven approach resulted in model that has defeated family homelessness for 542 families (1368 kids and their moms/dads). 157 of those families lived in the Oceanside community the year prior to entering the Solutions for Change programs.

City of Oceanside families represent about 31% of the total number of families served annually in the Solutions for Change programs. A point in time "snapshot" of Oceanside homeless families living in Solutions for Change programs was taken on December 8, 2008. The percentage at that time was 28%. For the purposes of this request we will use the point in time count which is attached for your reference.

As this economic crisis unfolds we need programs like the one that you have invested in with Solutions for Change to remain strong. Like every other responsible organization out there, Solutions for Change has taken numerous steps to cut costs and find new creative ways to provide the greatest impact possible with the fewest dollars available.

Your emergency response of \$40,000 will ensure that our regions homeless families currently living in our housing centers remain housed and safe. We are asking the City of Oceanside to view this request as an emergency. The funds are needed now.

Sincerely,

Chris Megison

Chris Megison
President and Executive Director
Solutions for Change

Encl: (1) North County Solutions for Change Budget
(2) City of Origin report

Budget
North County Solutions for Change
2008

<u>Income</u>	<u>NCSC</u>
Foundation Income	125,000
Fundraising Income	95,000
Private Donations	85,600
Public Funds	497,500
Rent	170,000
Laundry & Vending Revenue	3,000
<u>Total Income</u>	<u>976,100</u>

<u>Expenses</u>	
Advertising	3,700
Bank Service Charge	1,000
Dues/Subscriptions	1,800
Equipment Rental	7,300
Fundraising Expense	6,000
Insurance	66,000
Interest Expense	22,000
Late Fees	2,200
Legal Expense	700
License/Permits & Fees	1,000
Meetings, Training & Workshops	3,000
Payroll Expense	2,600
Payroll Taxes	37,000
Professional fees	30,000
Rent	168,000
Repairs/Maintenance	105,000
Salaries	422,500
Supplies	28,000
Telephone/Communications	13,500
Utilities	38,000
<u>Total Expense</u>	<u>959,300</u>

<u>Other Expenses</u>	
Replacement Reserves	<u>16,800</u>

976,100

North County Solutions for Change
 City of Origin report
 Snapshot as of Dec 8, 2008

<u>City</u>	<u>Persons</u>	<u>Families</u>	<u>Percentage</u>
Oceanside	51	14	28%
Vista	46	15	26%
Escondido	35	9	20%
San Marcos	12	5	7%
Carlsbad	13	5	7%
Encinitas	7	2	4%
County - Unincorporated	5	2	3%
Other North County Cities	6	2	3%
San Diego	4	1	2%
TOTAL	179	55	100%

<u>Capacity</u>	<u>Beds</u>	<u>Units</u>
Solutions Family Center -Transitional	100	28
Solutions IAC - Transtional	40	13
Total Number of Transitional	140	41
Solutions Family Center -Permanent (PSH)	20	4
New Solutions - Permanent (S+C)	30	10
Total Number of Permanent	50	14
Total Capacity	190	55

<u>Current Usage</u>	<u>Persons</u>
Children	123
Adult Women (Mothers)	48
Adult Men (Fathers)	8
Total Currently Served (Daily)	179

11:01 AM
12/11/08
Accrual Basis

**Consolidated NCSC
Profit & Loss Budget Performance
October 2008**

	Jan - Oct 08	YTD Budget	Annual Budget
Ordinary Income/Expense			
Income			
Foundation Income	55,000.00	104,168.00	125,000.00
Fundraising Income	27,545.00	79,168.00	95,000.00
Miscellaneous Income	4,191.21		3,000.00
Private Donations	40,206.92	131,811.00	85,600.00
Public Funds	442,966.58	439,584.00	497,500.00
Rent Revenues	126,698.31	145,460.34	170,000.00
Total Income	696,608.02	900,191.34	976,100.00

TO: COMMUNITY DEVELOPMENT COMMISSION
FROM: OCEANSIDE HOUSING COMMISSION
RE: HOMELESS EMERGENCY FUNDING REQUEST
DATE: JANUARY 13, 2009 – SPECIAL MEETING

THE OCEANSIDE HOUSING COMMISSION RECOMMENDS THAT THE COMMUNITY DEVELOPMENT COMMISSION APPROPRIATE \$40,000 FROM THE MORTGAGE REVENUE BOND FUND TO NORTH COUNTY SOLUTIONS FOR CHANGE AS AN EMERGENCY GRANT TO SUPPORT THE SOLUTIONS FAMILY CENTER IN VISTA.

CAMP	ABSENT
CHRISTY	YES
COOPER	ABSENT
DAVIS	YES
FARMER	YES
HUSKEY	ABSENT
PARKER	YES
SORENSEN	ABSENT

ALTERNATE SAIZ	YES
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