

STAFF REPORT



ITEM NO. 10
CITY OF OCEANSIDE

DATE: March 4, 2009

TO: Chairman and Members of the Community Development Commission

FROM: Neighborhood Services Department

SUBJECT: **APPROVAL TO APPROPRIATE \$20,000 FROM THE MORTGAGE REVENUE BOND FUND AVAILABLE BALANCE TO THE HOMELESS SHELTERS ACCOUNT, FOR THE BROTHER BENNO FOUNDATION TO SUPPORT THE EMERGENCY RENT AND UTILITY ASSISTANCE PROGRAM**

SYNOPSIS

Staff and the Housing Commission recommend that the City Council appropriate \$20,000 from the Mortgage Revenue Bond Fund available balance to the Homeless Shelters Account, to support the Brother Benno Foundation emergency rent and utility assistance program for needy families in Oceanside.

BACKGROUND

The Brother Benno Foundation was established in 1983 as a nonprofit public benefit corporation. The stated purpose of the Foundation is "to operate a nonprofit organization to provide for the welfare of poor, needy and underprivileged individuals in the State of California." The initial work of the organization was to operate a soup kitchen to provide for the most basic needs of individuals and families; "to feed the hungry" is still the basic work of the organization. The Foundation is staffed by volunteers and "Servants of the Poor" who receive minimum salary. The Foundation operates six transitional housing shelters, which are supported by private donations and by residents, who pay 30 percent of their income as rent. Revenue from a Thrift Store and furniture resale shop pays all the administrative costs of the Foundation.

The Foundation has an emergency rent and utility assistance program to help families remain in their homes; this emergency assistance has been shown to be the most effective way to prevent families from becoming homeless. The Foundation provides employment assistance and distributes clothing and hygiene supplies to needy individuals, infant supplies to families with very young children, and bread and other staples through the City's community resource centers. North County Health Services and the San Diego County Health and Human Services Agency provide access to health screenings and social services. All social and emergency assistance services are provided at the Brother Benno Center located at 3260 Production Avenue in Oceanside.

ANALYSIS

The Brother Benno Foundation has submitted a request to the City for funds to support the Foundation's rent and utility assistance program for families in need. The Foundation receives most of its program funding from the private sector and in 2008 the level of private funding dropped severely. The Foundation is staffed by volunteers and "Servants of the Poor" who receive minimum salary, so there are few cost-cutting measures available. The nationwide economic downturn and housing crisis has increased demand on all social service agencies and emergency assistance programs.

The Brother Benno Foundation provides daily meals and distributes food staples for individuals and families in need. The rent and utility assistance program is designed to keep very low-income families in their homes or apartments by providing one-time, short-term assistance to make rent and utility payments. This assistance is given to families who normally can make rent and utility payments. The Foundation has experienced a significant increase in demand for all services while also seeing a rise in the cost of food. The Board of Directors of the Foundation has determined that they can handle the increase in the cost for food but are not able to respond to the increasing demand for rent and utility assistance. The Foundation assisted 112 households in 2007 with rent or utility assistance at a cost of \$38,880; in 2008 this increased to 218 households at a cost of \$73,321, even though the criteria for assistance was tightened during the last quarter of 2008. The Foundation anticipates an even greater demand for services in 2009. Assistance is provided on a one-time basis to families who can normally pay rent and utility costs. Interfaith Community Services and North County Lifeline report similar increases in demand for emergency services, especially from families dealing with job losses.

The City of Oceanside awarded \$14,148 to the Foundation through the 2008-09 Community Development Block Grant (CDBG) Program; this grant will be renewed for 2009-10. CDBG funds are limited to the food pack program at Brother Benno's. The City does receive Emergency Shelter Grants (ESG) Program funds from the U.S. Department of Housing and Urban Development but the 2009-2010 ESG entitlement funds are already committed to renewal of 2008-09 grants. The only other source of funds for rent assistance for Oceanside residents is through the Federal Emergency Management Agency (FEMA) Emergency Food and Shelter Program (EFSP); Interfaith Community Services manages these funds but the funds will not be available until May of this year. Limited assistance for payment of utilities is available through San Diego Gas and Electric. Additional federal funds for programs to prevent homelessness have been approved by Congress but distribution of these funds has not been announced.

Funding for any emergency assistance would have to come from the Mortgage Revenue Bond (MRB) Fund available balance and be approved by the City Council. The MRB Fund comes from fees levied by the City on the sale of bonds for development of housing in the City; the fund is not derived from taxes and is not part of the General Fund. The MRB Fund available balance may only be used for activities related to affordable housing including support for homeless shelters and programs to prevent homelessness. The Brother Benno Foundation will use the funds exclusively to help Oceanside residents. The Foundation requested \$20,000 to offer the program to eligible families until EFSP funding becomes available in May.

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 \$20,000 from the unallocated balance in the Mortgage Revenue Bond Fund (286.3301) for transfer to the Homeless Shelters account (286.298804.5374) for the Brother Benno Foundation. The approximate Mortgage Revenue Bond Fund available balance, as of December 31, 2008, is \$513,240. The MRB fund may only be used for activities related to providing and/or maintaining affordable housing; the grant to the Brother Benno Foundation will assist low- and very low-income families facing a financial emergency to pay their rent and remain in housing rather than face eviction. This is a one-time grant for MRB funds.

COMMISSION OR COMMITTEE REPORT

The Housing Commission at a regular meeting on February 24, 2009, recommended that the Community Development Commission appropriate \$20,000 from the Mortgage Revenue Bond Fund available balance to the Brother Benno Foundation to support an emergency rent and utility assistance program.

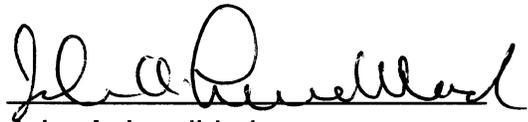
CITY ATTORNEY’S ANALYSIS

City Attorney analysis does not apply.

RECOMMENDATION

Staff and the Housing Commission recommend that the City Council appropriate \$20,000 from the Mortgage Revenue Bond Fund available balance to the Homeless Shelters Account, to support the Brother Benno Foundation emergency rent and utility assistance program for needy families in Oceanside.

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HOUSING COMMISSION REPORT

TO: OCEANSIDE CITY COUNCIL
FROM: HOUSING COMMISSION
DATE: FEBRUARY 24, 2009

THE HOUSING COMMISSION RECOMMENDS THAT THE CITY COUNCIL APPROPRIATE \$20,000 FROM THE MORTGAGE REVENUE BOND FUND TO FUND THE BROTHER BENNO'S FOUNDATION EMERGENCY RENT AND UTILITY ASSISTANCE PROGRAM FOR NEEDY FAMILIES. THIS PROGRAM IS A HOMELESS PREVENTION PROGRAM THAT PROVIDES A ONE-TIME SHROT TERM ASSISTANCE FOR TEMPORARY SITUATIONS.

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

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| ALTERNATE SAIZ | ABSENT |
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