

Meeting Date: 11/17/2015

Report Type: Staff/Discussion

Report ID: 2015-00977

Title: Funding for the Expansion of the St. John's Program for Real Change

Location: [REDACTED] District 6

Recommendation: Pass a Resolution conditionally committing \$600,000 from FY2014/15 General Fund year-end results for the expansion of the St. John's Program for Real Change.

Contact: Emily Halcon, Homeless Services Coordinator, (916) 808-7896, Office of the City Manager

Presenter: Emily Halcon, Homeless Services Coordinator, (916) 808-7896, Office of the City Manager

Department: City Manager

Division: Executive Office

Dept ID:

Attachments:

1-Description/Analysis

2-Resolution

City Attorney Review

Approved as to Form

Michael Benner

11/10/2015 11:25:39 AM

Approvals/Acknowledgements

Department Director or Designee: Howard Chan - 10/30/2015 11:19:36 AM

Description/Analysis

Issue Detail: St. John's Program for Real Change (St. John's) has reached out to members of the City Council asking for financial assistance for a planned program expansion. This report is in response to the Council's request to bring that proposal forward for consideration. St. John's is seeking a \$600,000 investment from the City to purchase and convert a building adjacent to their existing facility at [REDACTED], in order to add 30 transitional housing units to their existing program. St. John's program currently serves up to 180 women and children through their transitional and permanent housing programs, providing intensive supportive services and shelter to impoverished households. The expansion of their [REDACTED] facility will add capacity in their transitional housing program, where women and children live and receive services for up to 18 months. St. John's has secured a \$900,000 forgivable loan from the Federal Home Loan Bank to support the \$3 million project, and is actively campaigning for the remaining \$1.5 million to fully fund the project.

Policy Considerations: The expansion of St. John's will add capacity to an existing transitional housing program that has a strong history of pulling women and children out of poverty and reducing dependency on governmental programs. St. John's serves women and children in crisis who are precariously housed or homeless, providing intensive support services to help participants both find stable, permanent housing and become self-sufficient. Expanded capacity at St. John's should reduce the number of households with children who are homeless and depend on the emergency shelter system of the homeless continuum of care.

Economic Impacts: Not applicable.

Environmental Considerations: Project is exempt from CEQA guidelines under Section 15303 which allows for converting an existing structure into another use.

Sustainability: Repurposing an unused structure through rehabilitation rather than constructing a new building is consistent with the City's sustainability goals.

Commission/Committee Action: None.

Rationale for Recommendation: St. John's started as a small emergency shelter in 1985, growing to serve over 180 women and children annually in various programs. Over the course of thirty years, St. John's has also transitioned from a crisis shelter into a program offering a full complement of services to help women become self-sufficient. Within their programs St. John's provides shelter, child care, education, employment training, addiction recovery support, mental health services, and much more with the goal of helping women transition from poverty and dependence to self-sufficiency. St. John's holds the women in their programs accountable to maintain sobriety, attend various classes and counseling and to education and employment requirements.

While some of the women in the St. John's program come from homeless situations (living on the streets, in a car, or an emergency shelter), it is not a requirement for admittance to the program. However, all of the women at St. John's come from situations of instability and poverty and many come to St. John's with a history of abuse, addiction and/or mental health challenges. While St.

John's program serves a different population than is targeted by more traditional homeless programs, the women they serve graduate with the skills and support to be self-sufficient. It is expected that but for the services at St. John's, more women and children would eventually come to the front door of the homeless continuum of care administered by Sacramento Steps Forward, potentially in a deeper crisis state than when they arrived at St. John's.

The City's investment in St. John's is complimentary to its support of the homeless continuum of care in that St. John's programs will effectively reduce the need for crisis shelter and housing support for homeless women and children. As a partner in the homeless continuum of care, St. John's has agreed to coordinate in two meaningful ways:

- 1) All households accepted into St. John's will be assessed within 72 business hours of entry using the homeless continuum of care common assessment tool (the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT)). If while in the transitional shelter portion of the program (within the first four months of their stay), the household decides that St. John's is not the best fit, it will already be on the community queue for other appropriate housing and shelter options.
- 2) St. John's will provide Sacramento Steps Forward (SSF) on a weekly basis the names and contact information for all the households on their wait list. For those on the wait list who are literally homeless (sheltered or unsheltered), SSF will have an outreach navigator assess them for other services, either while they wait for a spot at St. John's or as an alternative to St. John's. For those on the St. John's wait list who are housed, SSF will work to connect them to diversion programs and support to help them maintain their current housing situation or re-house themselves without ever entering a homeless shelter.

Financial Considerations: The total estimated project cost is \$3 million, including acquisition, construction and operations for the first two years. St. John's has secured a commitment for a 15-year forgivable loan from the Federal Home Loan Bank of \$900,000 for the project and is working with HomeAid on a commitment of materials and labor to assist with the improvements. The remainder of the anticipated project cost will be raised by St. John's from other public and private sources.

The request for funding from the City is a one-time request for capital costs only. The City's funding will be provided in the form of a 15-year forgivable loan, comparable to the funding from the Federal Home Loan Bank. Operation of the program, including provision of all supportive services will be funded by St. John's. The City funding is from FY2014/15 General Fund year-end results or other eligible source, and final loan documents will need to be formally approved after the completion of the year-end audit and approval of the Midyear Budget Report anticipated to be before the City Council in early February 2016.

Local Business Enterprise (LBE): Not applicable.

RESOLUTION NO. 2015 -

Adopted by the Sacramento City Council

On date of

CONDITIONAL COMMITMENT OF A \$600,000 15-YEAR FORGIVEABLE LOAN FOR THE ST. JOHN'S PROGRAM FOR REAL CHANGE

BACKGROUND

- A. St. John's Program for Real Change (St. John's) has operated in Sacramento for thirty years, providing shelter and services for impoverished women and children.
- B. St. John's currently has capacity for up to 30 households at their transitional housing program, but regularly has a wait list of 300+ people.
- C. St. John's has an option to purchase the building adjacent to their existing space on [REDACTED], which will allow it to add space for an additional 30 households.
- D. St. John's has approval for a \$900,000 forgivable loan from the Federal Home Loan Bank for purchase and rehabilitation of the adjacent building.
- E. St. John's is seeking assistance from the City to assist with the purchase and capital improvements to the adjacent building and will be actively pursuing other public and private funding for the remainder of the cost of the improvements.
- F. St. John's is a partner in the Sacramento homeless continuum of care in that their program serves households who but for their assistance, might fall into homelessness.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council hereby conditionally approves a \$600,000 15-year forgivable loan from FY2014/15 General Fund year-end results or other eligible sources, subject to final approval by City Council through the adoption of the FY2015/16 Midyear Budget.
- Section 2. The conditions precedent for final approval of this commitment and disbursement of these funds are outlined in Exhibit 1, which is a part of this resolution.
- Section 3. The required terms of the loan are outlined in Exhibit 2, which is a part of this resolution.

Attachments:

Exhibit 1 – Funding Conditions for St. John’s Program for Real Change

Exhibit 2 – Required Loan Terms for St. John’s Program for Real Change

Funding Conditions for the St. John's Program for Real Change

The City of Sacramento's final approval of \$600,000 in funding is contingent upon execution of loan documents with St. John's Program for Real Change that include the following conditions. The City of Sacramento will determine in its sole discretion whether a condition has been satisfied. The conditions precedent include:

- 1) There shall be sufficient funds available in the FY2014/15 General Fund year-end results or from another eligible source, evidenced in the adoption of the FY2015/16 Midyear Budget.
- 2) St. John's Program for Real Change shall secure a funding commitment of \$900,000 from the Federal Home Loan Bank for the purchase and rehabilitation of the building adjacent to their current program at [REDACTED].
- 3) St. John's Program for Real Change shall enter into a 15-year forgivable loan agreement with the City of Sacramento.

Required Loan Terms for the St. John's Program for Real Change

- 1) No disbursements of City funding shall be made until funding from the Federal Home Loan Bank has been fully disbursed.
- 2) During the 15-year term of the forgivable loan period, St. John's will provide the following services:
 - a. Within 72 business hours of entering the program, St. John's Program for Real Change will assess all households (in both the existing program and expanded units) using the Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT) and input the household's results into the Homeless Management Information System (HMIS) database in coordination with Sacramento Steps Forward or any successor agency or organization.
 - b. St. John's Program for Real Change will provide a copy of their wait list to Sacramento Steps Forward or any successor agency or organization weekly, including the names, contact information and current housing status of each household.