

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM
3.16
(ID # 4325)**

MEETING DATE:

Tuesday, June 13, 2017

FROM : PUBLIC SOCIAL SERVICES:

SUBJECT: PUBLIC SOCIAL SERVICES: Funding for Homeless Emergency Shelters and Modification of Allocation to Coachella Valley Association of Governments and Coachella Valley Rescue Mission. [All Districts]; [FY17/18 \$1,218,576, total cost \$2,437,152 - 100% County]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve a \$450,000 reduction in total funding for homeless emergency shelters and modify allocations for the Coachella Valley Association of Governments to \$359,711 and the Coachella Valley Rescue Mission to \$130,000.
2. Authorize the Director of Department of Public Social Services (DPSS) to administer the contracts.
3. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to exercise renewal options and sign amendments that do not change the substantive terms of the agreements, including amendments to the compensation provision that do not exceed a 10% contingency, based on the availability of funds for required services and approved to form by County Counsel.

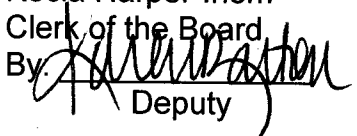
ACTION: Policy


Susan Von Zabern, Director of Public Social Services 5/17/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: June 13, 2017
xc: DPSS, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 1,218,576	\$ 1,218,576	\$ 2,437,152	\$
NET COUNTY COST	\$ 1,218,576	\$ 1,218,576	\$ 2,437,152	\$
SOURCE OF FUNDS: COUNTY FUNDING 100%			Budget Adjustment:	No
			For Fiscal Year:	17/18

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

For several years, a portion of the annual funding supporting the homeless emergency shelters came from one-time reserves, technically an accumulation of prior years' unspent county general funds. The Homeless program is operated from a special revenue fund, so unspent contributions do not revert to the general fund at year-end.

In preparing the FY 17/18 proposed budget, it was determined that maintaining the existing funding level would fully deplete the one-time reserves, creating a funding shortfall in FY 18/19 that is expected to grow as the budget is required to absorb increases in the cost of doing business.

In recognition of the limited county general funds available, and in an effort to create a sustainable level of funding for the next several years, it is recommended the allocation to the homeless emergency shelters, currently in the amount of \$1,668,576, be reduced by \$450,000, to \$1,218,576, effective July 1, 2017. This reduction will leave a sufficient amount of one-time reserves to sustain the new recommended funding level through FY 19/20. The following table illustrates the change in funding and use of fund balance:

Homeless Budget	FY 17/18 Without Reduction	FY 17/18 With Reduction	FY 18/19	FY 19/20
Expenditures	\$3,895,039	\$3,445,039	\$3,550,357	\$3,661,467
Revenue	3,438,285	3,438,285	3,438,285	3,438,285
Surplus/(Deficit)	(456,754)	(6,754)	(112,072)	(223,182)
Projected Use of Fund Balance	456,754	450,000	337,928	114,746

An analysis was conducted on alternatives for applying the funding reduction. The planned closure of Roy's Desert Resource Center (DRC) and development of an alternative service model, as well as a recent request for additional funding from the Coachella Valley Rescue Mission (CVRM), further necessitated a re-evaluation of the county's contribution to all of the homeless emergency shelters.

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These services are delivered under contract by several non-profit organizations. Normally, contracts would be executed prior to the beginning of the fiscal year to ensure continuity of services and adequate notice to the agencies regarding the approved funding level. However, given the potential reduction in the total funding available, DPSS is seeking Board approval in advance of the scheduled budget hearings to ensure that agreements are finalized in time for the new fiscal year.

Following is the FY 16/17 funding allocation:

DISTRICT	EMERGENCY SHELTER PROGRAM	FY 16/17 ALLOCATION	PERCENT OF ALLOCATION
4	CVAG – Roy’s Desert Resource Center	\$849,711	51%
4	Coachella Valley Rescue Mission	\$90,000	5%
3	Valley Restart Shelter	\$200,000	12%
1,2	Path of Life Ministries – Family Shelter	\$400,000	24%
1,2	Path of Life Ministries – Emergency Cold Weather Shelter	\$128,865	8%
	TOTAL	\$1,668,576	100%

To update the distribution of funding, data was reviewed on: unsheltered homeless individuals counted during the 2016 and 2017 Point in Time Counts, unduplicated sheltered homeless individuals in 2016, number of shelter beds occupied over the past year and the average bed occupancy nights by shelter. The disadvantage of using the data for unduplicated sheltered individuals, beds occupied and the average beds per night is that not all districts have a shelter and for those that do, there are not an equal number of beds available. As a result, the data reflects use not balanced with need.

When the reduced funding amount was applied to each type of data, the analysis consistently indicated that Roy’s Desert Resource Center and/or the 4th District would receive a significant reduction, ranging from \$318,000 to \$508,000. The use of sheltered data resulted in the most significant shift in funding among all of the shelters, but as noted earlier, this is a reflection of the different levels of resources rather than need.

If the funding formula is based on the 2017 unsheltered count, the allocation would be more reflective of need and would be allocated by district as follows:

DISTRICT	2017 UNSHELTERED COUNT	% OF 2017 UNSHELTERED	FUNDING ALLOCATION
1	300	18%	\$231,529
2	381	23%	268,087
3	256	16%	194,972
4	528	32%	389,944

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5	173	11%	134,044
TOTAL	1,638	100%	\$1,218,576

Further, if the funding formula referenced above is allocated to existing county funded shelters within each district, and the funding allocation for the 5th District is based on most recent use data, the allocations would change as follows:

DISTRICT	EMERGENCY SHELTER PROGRAM	FY 16/17 ALLOCATION	NEW FUNDING ALLOCATION	DIFFERENCE
4, 5	Roy's & CVRM	\$939,711	\$450,975	(\$488,736)
3, 5	Valley Restart Shelter	200,000	215,940	15,940
1, 2, 5	Path of Life Ministries – Family Shelter & Emergency Cold Weather Shelter	528,865	551,661	22,796
	Total	\$1,668,576	\$1,218,576	(\$450,000)

Based on this analysis, DPSS recommends the reduction of \$450,000 be applied to District 4 and that the allocation to the other shelters remain unchanged for FY 17/18.

With regard to the distribution of funding between CVAG (Coachella Valley Association of Governments) and CVRM, given the analysis-supported CVRM request for additional funding, DPSS further recommends the funding available be distributed between CVAG and CVRM, as follows:

	FY 16/17 ALLOCATION	FY 17/18 ALLOCATION	DIFFERENCE
EMERGENCY SHELTER PROGRAM			
CVAG - ROY'S DRC	\$849,711	\$359,711	(\$490,000)
COACHELLA VALLEY RESCUE MISSION	90,000	130,000	40,000
TOTAL	\$939,711	\$489,711	(\$450,000)

Following is the recommended allocation to each shelter for FY 17/18:

DISTRICT	EMERGENCY SHELTER PROGRAM	FY 17/18 ALLOCATION	PERCENT OF ALLOCATION
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4	CVAG - Roy's DRC	\$359,711	30%
4	Coachella Valley Rescue Mission	130,000	10%
3	Valley Restart Shelter	200,000	16%
1,2	Path of Life Ministries – Family Shelter	400,000	33%
1,2	Path of Life Ministries – Emergency Cold Weather Shelter	128,865	11%
TOTAL		\$1,218,576	100%

Impact on Residents and Businesses

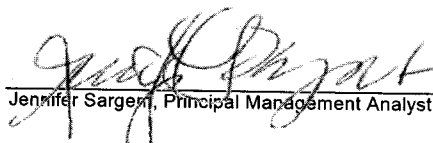
These programs provide vital survival resources for homeless persons in Riverside County who might otherwise have nowhere to go. Shelter partners provide a safe, secure shelter and hot meals.

Contract History and Price Reasonableness

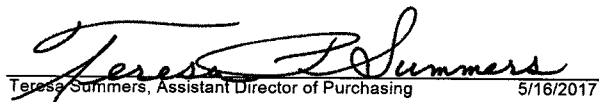
The Department of Public Social Services contracted with Riverside County homeless shelter providers for over ten (10) years. The County has provided these agencies with a minimum level of funding to support their year-round operations. Each agency relies on alternative funding sources to fully-support their operations.

SvZ:cg

Prev.Agn.Ref.: (06/5/14 3.37) (05/10/11 3.24) (07/26/11 3.58) (09/27/11 3.21) (12/16/11 3.28)
(06/26/12 3.25) (06/26/12 3.26) (10/16/12 3.36) (09/24/13 3.11)


Jennifer Sargent, Principal Management Analyst

6/8/2017


Teresa Summers, Assistant Director of Purchasing

5/16/2017