



Casa Esperanza Homeless Center

offering hope and help every day!

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September 19, 2013

Sue Gray
City of Santa Barbara
630 Garden Street
Santa Barbara, CA 93101

Dear Sue and Human Services Commissioners:

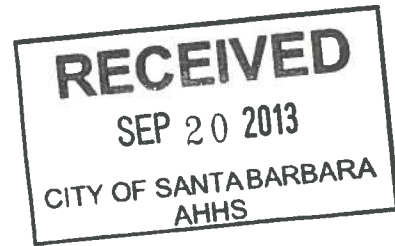
Over the past year, Casa Esperanza has taken a hard look at best practices in homeless services and the stark reality of financial shortfalls: Federal homeless services funding has shifted to support housing first rather than drop-in day services. 24% of Casa Esperanza's budget comes through the County and 13% through the City. 75% of this funding is pass-through from the federal and state government. 9% of our overall budget is derived from purely local government funding. And our experience has been that private philanthropy for homeless services has been and is likely to remain inadequate to meet the cost of the broad array of services that we have historically provided year-over-year. Casa Esperanza's previous approach for providing comprehensive services to the homeless – our: "Under One Roof" model – resulted in unsustainable deficits and borrowing that is unsustainable.

Over the past six months, we developed a sobriety-based residential model that would help us become eligible to secure new sources of funding previously unavailable. As we shared with you in the spring, we put together a fundraising campaign to support this new effort, raise capital and reduce debt. However, as we progressed, it became clear that even if the fundraising effort was successful, there would still be parts of our programming mix that simply could not be sustained year-over-year.

Unable to move forward with a major campaign, we were confronted with the real possibility that we could not meet our immediate cash needs so we stopped and made the very difficult programming changes that were necessary – drop-in services could no longer be sustained and our drop-in lunch service would need to be suspended.

Given our limited resources, it became clear that a sobriety-based shelter-care program was the best and most important priority and nearly everyone we consulted with agreed. When properly implemented, it would help us demonstrate better success rates, since individuals willing to move to sobriety have a greater chance of attaining living independence. And, a sobriety-based program would make us eligible for grant funding that had previously been unavailable to us.

So – our budget and programming mix was built from the ground up. Our priority was to provide the best possible sobriety shelter program – a program that would be open to participants 24 hours per day unlike other shelters in the region – and we created a model that meets this emerging best practice. We developed a breakeven \$1,611,000 budget that brings about



significant reductions. This budget only includes grants and contracts that we have already secured and philanthropic donations are limited to the amount which we secured last year and no more, despite the great need. The sobriety-based, 24-hour shelter program is fully funded and other activities were discontinued.

Our experience tells us that when the homeless move into a shelter and have expressed a strong desire to move into permanent housing, that leaving the culture of the streets behind is an important transition if they are to be successful. As remarkably important as our drop-in services have been, having up to 150 people who are not committed to moving to greater independence in the shelter every day diminishes our effort to build an environment where those seeking a hand up can move to a life of greater independence. We believe mixing populations of those willing to commit to sobriety with those who are not so committed is not the best way for us to move forward.

Subject to available funding, we plan to provide 30 medical respite beds with direct intakes from Cottage Hospital and for the sick and injured living on the streets. We will have 170 winter shelter beds, 72 transitional beds for mental health, social services and homeless people capable of transitioning from the streets during non-winter months. 6 beds for families, nursing care, case management, job development and job club, 3 meals per day and housing assistance. And in the next few weeks, we will launch a new volunteer-based "Homeless Services Navigator" program with existing resources.

In essence, most of the services previously provided to any person regardless of condition will now be available only to those living in the shelter – up to 200 people per day and in the winter months and up to 100 people per day in the non-winter months.

Casa Esperanza is requesting that the money we received through the City of Santa Barbara continue. This will allow Casa Esperanza to provide a case manager during day time hours and to provide a cook, which will allow us to provide all of the existing Community Kitchen functions, absent free lunch to those not living at the shelter. (Note: Should the community rally support for the free lunch effort, Casa Esperanza would provide this service once again if sustainable funding can be secured. (See attachments for the revised program objectives and budgets for The Day Center and Community Kitchen grants.)

The very best way for Casa Esperanza to continue to provide services and rid itself of debt is to secure the sale of our building to one or more 501(c)3 foundations and to lease the building back. We are now in discussions with foundations to try and make this happen. If we are successful, we would be able to retire all of our debt and move forward on a cash-neutral basis.

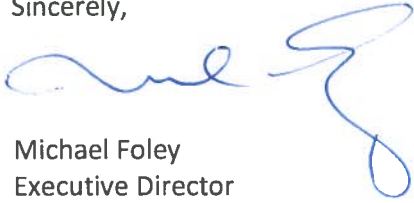
Should this fail to materialize, our current budget funds depreciation, interest on loans and some principle payback. It is likely that we would seek loan forgiveness to reduce some debt and use all or part of annual depreciation funding and interest saving to pay down principle over time.

As it relates to access to entry-level service to the homeless, we have offered C3H and our County partners access to the front portion of our building – the former detox center – for use by the County and/or others to provide many of the drop-in services that we must discontinue. So far, the Public Health Department has agreed to provide a full medical clinic to any homeless person regardless of condition three days per week in this space. We continue to encourage other County Departments and others to use this space as a resource to develop a best-practices homeless access center.

By providing continued funding for Casa Esperanza's 24-hour shelter you are clearing the way for Casa Esperanza to survive today and thrive in the future. While Casa Esperanza may not be providing a huge array of small services to thousands of people, we will be providing more intensified attention to hundreds of homeless people and we anticipate that a higher percentage of those we serve will be able to move from homelessness to housing.

Thank you for your help.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael Foley', with a large, stylized flourish extending from the end of the signature.

Michael Foley
Executive Director

Exhibit "A"
PROGRAM SUMMARY

Program: Casa Esperanza Day Center & Shelter

Agreement No. 24,420

TARGET POPULATION: Any homeless person in need of assistance transitioning back into stable housing.

PROGRAM GOAL: Casa Esperanza seeks to maintain the following goals: 1) 475 persons will enter permanent housing including long-term treatment facilities; 2) 450 persons will obtain employment, benefits and/or entitlements, be reunited with family or receive education benefits; 3) 85,000 persons will make contact (including duplicate visits) with providers such as public health, social services, youth services, legal aid, domestic violence, rape crisis, alcohol and drug services.

PROGRAM OUTPUTS – Number of Persons receiving service, i.e. meals served, clients counseled, meetings held, etc.

Output Goal	Annual Goal #
1. 960 homeless individuals and families will accept shelter care	960
2. 650 residents will access case management and/or medical services and/or social services with professionals and/or para-professionals while residing at Casa Esperanza (service provided during day time hours)	650
3. Click here to enter text.	Click here to enter text.

MEASURABLE OUTCOMES – The expected change or result client will experience from program outputs.

Outcome Measure	% Outcome Achieved
1. 300 out of 650 will move from homelessness to housing or residential treatment	
2. 70% of those housed will remain housed after 12 months	
3. 300 out of 650 will secure a source of revenue (employment/entitlements) or other benefits such as educational benefits, general relief, etc.	%

Exhibit "A"
PROGRAM SUMMARY

Program: Casa Esperanza Day Center & Shelter

Agreement No. 24,420

CLIENT DEMOGRAPHICS (GOALS)

AGE	GOAL	ETHNICITY	GOAL
0-10	0	AFRICAN AMERICAN/BLACK	65
11-18	15	ASIAN/PACIFIC ISLANDER	18
19-62	870	WHITE/CAUCASIAN	637
63+	75	LATINO/HISPANIC	215
AREA		NATIVE AMERICAN	25
CITY OF SANTA BARBARA	960	HOMELESS	
ALL OTHER AREAS	0	HOMELESS INDIVIDUALS (ALL)	0
INCOME*		OF ALL: FAMILIES	0
EX. LOW INCOME (0-30% MFI)	960	OF ALL: CHRONICALLY HOMELESS	0
LOW INCOME (31-50% MFI)	0	GENDER	
MODERATE (51-80% MFI)	0	FEMALE	260
ABOVE MODERATE (81%+MFI)	0	MALE	700
OTHER			
PERSONS WITH DISABILITIES	0		
ANNUAL UNDUPLICATED CLIENTS: 960			

*** Maximum Income for Various Income Categories
2013**

Area Median Income = \$71,000

Category	% of Median	Number of Persons							
		1	2	3	4	5	6	7	8
Median	100%				71,000				
Extremely Low	0 - 30%	16,750	19,150	21,550	23,900	25,850	27,750	29,650	31,550
Low	31 - 50%	27,900	31,850	35,850	39,800	43,000	46,200	49,400	52,550
Moderate	51 - 80%	44,600	51,000	57,350	63,700	68,800	73,900	79,000	84,100

(rounded to nearest \$50.00)

For families above 8 people add 6.5% per additional person.

Exhibit "B"
PROGRAM BUDGET (Subject to Exhibit "F")

Program: Casa Esperanza Day Center & Shelter

Agreement No. 24,420

Prepared by: Peri & Alvarado CPA's

REVENUE SOURCES	7/1/2013 - 6/30/2014
City of CDBG	\$51,000
Other City Funds -	\$130,575
County Funds-ADMHS \$60K, ESG \$25K, HCD \$30.9K	\$349,100
School District	0
State Funds-	0
Federal Funds-SHP/HUD	0
Foundations/Trusts	\$492,575
Donations	\$405,186
United Way	0
Special Fundraising Events	0
Client Fees (Incl. 3rd Party)	0
Other -	\$5,733
TOTAL PROGRAM REVENUE	\$1,434,169
In-Kind Contributions	

Use of Funds: To assist with the salaries, taxes and benefits for direct-service employees: Residential and day center program staff.

IDENTIFY EXPENSES NEXT PAGE

Exhibit "B"
PROGRAM BUDGET (Subject to Exhibit "F")

EXPENSES	7/1/2013 - 6/30/2014	Use of CDBG Funds
Salaries, Benefits, Payroll Taxes*	\$642,914	\$51,000
Consultants and Contracts	\$87,900	0
Facility, Util., Maint.	\$239,760	0
Telephone, Fax	\$16,200	0
Supplies	\$30,500	0
Postage & Shipping	\$3,000	0
Marketing (Printing, Advert)	\$23,000	0
Travel, Mileage, Training	\$3,656	0
Equipment Rental/Maint./Furniture	\$7,500	0
Insurance	\$91,964	0
Other	\$275,775	0
TOTAL PROGRAM BUDGET	\$1,422,169	\$51,000

*Salaries - (List all staff to whom CDBG funds are allocated):		
Position	Name	CDBG amount
Case Manager	Nicole Menegon	\$46,000
Case Manager	Genevieve Uribe	\$5,000

Project Supervisor _____ Date _____

Community Development _____ Date _____

Exhibit "A"
PROGRAM GOALS AND MEASURABLE OUTCOMES

Program: Community Kitchen

Agreement No. 24,424

TARGET POPULATION: Any person living in Santa Barbara County who is hungry or homeless.

PROGRAM GOAL: To feed those in need without having to turn anyone away hungry, meeting the basic human need of daily nutrition. This year we will serve up to 175,000 meals. Another vital goal is for those experiencing homelessness to access the services that will lead them from homelessness to housing when meal-sharing services have been used.

PROGRAM OUTPUTS – Number of Persons receiving service, i.e. meals served, clients counseled, meetings held, etc.

Output Goal	Annual Goal #
1. 960 unduplicated people will accept at least 90,000 nutritious meals at 816 Cacique Street.	960
2. 200 unduplicated children, seniors and formerly homeless people (housed) will receive up to 13,000 snacks and/or meals outside the shelter.	200
3. 960 homeless people will accept shelter care.	960

MEASURABLE OUTCOMES – The expected *change* or *result* client will experience from program outputs.

Outcome Measure	% Outcome Achieved
1. 650 residents will accept case management and/or medical care and/or social services professionals/para-professionals while residing at Casa Esperanza.	
2. 300 out of 650 will move from homelessness to housing or residential treatment programs.	
3. 70% will remain housed after moving from homelessness to housing.	

Exhibit "A"
PROGRAM GOALS AND MEASURABLE OUTCOMES, Cont.

Program: Community Kitchen

Agreement No. 24,424

CLIENT DEMOGRAPHICS (GOALS)

AGE	GOAL	ETHNICITY	GOAL
0-10	0	AFRICAN AMERICAN/BLACK	65
11-18	15	ASIAN/PACIFIC ISLANDER	18
19-62	870	WHITE/CAUCASIAN	637
63+	75	LATINO/HISPANIC	215
AREA		NATIVE AMERICAN	25
CITY OF SANTA BARBARA	960	HOMELESS	
ALL OTHER AREAS	0	HOMELESS INDIVIDUALS (ALL)	Click here to enter text.
INCOME*		OF ALL: FAMILIES	Click here to enter text.
EX. LOW INCOME (0-30% MFI)	960	OF ALL: CHRONICALLY HOMELESS	0
LOW INCOME (31-50% MFI)	0	GENDER	
MODERATE (51-80% MFI)	0	FEMALE	260
ABOVE MODERATE (81%+MFI)	0	MALE	700
OTHER			
PERSONS WITH DISABILITIES			
ANNUAL UNDUPLICATED CLIENTS: 960			

*** Maximum Income for Various Income Categories
2013**

Area Median Income = \$71,000

Category	% of Median	Number of Persons							
		1	2	3	4	5	6	7	8
Median	100%				71,000				
Extremely Low	0 - 30%	16,750	19,150	21,550	23,900	25,850	27,750	29,650	31,550
Low	31 - 50%	27,900	31,850	35,850	39,800	43,000	46,200	49,400	52,550
Moderate	51 - 80%	44,600	51,000	57,350	63,700	68,800	73,900	79,000	84,100

(rounded to nearest \$50.00)

For families above 8 people add 6.5% per additional person.

Exhibit "A"
PROGRAM GOALS AND MEASURABLE OUTCOMES, Cont.

Program: Community Kitchen

Agreement No. 24,424

REVENUES

REVENUE SOURCES	7/1/13-6/30/14
City of SB Human Services	\$42,500
Other City Funds (list): Click here to enter text.	Click here to enter text.
County Funds (list): Click here to enter text.	\$42,900
School District (list): Click here to enter text.	Click here to enter text.
State Funds (list): Click here to enter text.	Click here to enter text.
Federal Funds (list): Click here to enter text.	Click here to enter text.
Foundations/Trusts (list): Click here to enter text.	\$43,800
Donations	\$59,900
United Way	Click here to enter text.
Special Fundraising Events	Click here to enter text.
Client Fees (Incl. 3rd Party)	Click here to enter text.
Other (list): Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.
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Click here to enter text.	Click here to enter text.
TOTAL PROGRAM REVENUE	\$189,100
In-Kind Contributions	Click here to enter text.

USE OF FUNDS: To assist with the salaries of cooks, TBD, \$42,500

Exhibit "B"
PROGRAM BUDGET SUMMARY, Cont.

Program: Community Kitchen

Agreement No. 24,424

EXPENSES

EXPENSES	7/1/13-6/30/14	Use of Human Service Funds
Salaries, Benefits, Payroll Taxes*	\$101,400	\$42,500
Consultants and Contracts	Click here to enter text.	\$Click here to enter text.
Facility, Util., Maint.	\$15,000	\$Click here to enter text.
Telephone, Fax	\$1,800	\$Click here to enter text.
Supplies	\$21,000	\$Click here to enter text.
Postage & Shipping	Click here to enter text.	\$Click here to enter text.
Marketing (Printing, Advert)	Click here to enter text.	\$Click here to enter text.
Travel, Mileage, Training	\$4,800	\$Click here to enter text.
Equipment Rental/Maint./Furniture	\$3,000	\$Click here to enter text.
Insurance	Click here to enter text.	\$Click here to enter text.
Other (Food) Click here to enter text.	\$25,000	\$Click here to enter text.
Other Click here to enter text.	Click here to enter text.	\$Click here to enter text.
Other (Agency Wide Expense Allocation)	\$17,100	\$Click here to enter text.
Other Click here to enter text.	Click here to enter text.	\$Click here to enter text.
Other Click here to enter text.	Click here to enter text.	\$Click here to enter text.
TOTAL PROGRAM BUDGET	\$164,100	\$42,500

*Salaries - (List all staff to whom Human Service Funds are allocated):

Position	Name	Human Services Amount
Cooks	TBD	\$42,500.
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