

# Casa Esperanza Homeless Center

*Offering hope and help every day*



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Joseph Tumbler

March 24, 2015

Honorable Mayor Helene Schneider and City Council  
City of Santa Barbara  
P.O. Box 1990  
Santa Barbara, CA 93102-1990

**CC:** George Buell, Community Development Director  
Paul Casey, City Administrator/Clerk/Treasurer  
Sue Gray, Community Development Business Manager

**Subject:** \$125,000 from City of Santa Barbara General Fund to support Casa Esperanza Homeless Center and subsequently PATH (People Assisting the Homeless) via proposed merger

Dear Honorable Mayor Helene Schneider and the Santa Barbara City Council:

Thank you for your continued support and advocacy of Casa Esperanza Homeless Center over the past years. We have informed you of the proposed merger with PATH (People Assisting the Homeless) in which Casa Esperanza will be merged into PATH, and PATH will assume all of Casa's assets, liabilities, fulfillment of contracts and assumption of operations.

**We respectfully request \$125,000 from the City of Santa Barbara General Fund to support Casa Esperanza** and its life-changing operations that assist our homeless neighbors living in Santa Barbara find housing, improve their health, secure employment, and build their skills and self-esteem so they can become contributing members of the community. We are thankful for discretionary/general funding last year, and are hopeful that it can continue again into the 2015/16 Fiscal Year -- as it is imperative to meet our budget needs.

After the merger with PATH is complete, we will continue to provide the same services and programs now offered by Casa Esperanza, but with greater technical depth and expertise. As part of our merger understanding with PATH, Casa Esperanza's operations must remain self-funding. No reductions in staffing or changes in basic programs are contemplated as part of the merger.

PATH is a nonprofit whose primary mission is to end homelessness for individuals, families, and communities. PATH has been working toward this mission since 1984, and now provides housing and supportive services in 22 locations from San Diego to San Luis Obispo ([www.epath.org](http://www.epath.org)).



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## Casa Esperanza's Fiscal Outlook:

As you now, Casa has made significant strides in improving its financial situation. FYTD through January 31, 2015, we reported operating revenues in excess of expenses in the amount of \$1,137,902 -- which was \$64,000 ahead of budget. This includes \$1 million of mortgage debt forgiveness by the City and County – in accordance with original contract terms. Casa has also reduced its long-term debt by \$2,194,000 over the past 7 months; we have refinanced our mortgage at 4.5% from 7%.

Prior to merger discussions with PATH, Casa had a two-pronged strategy to further strengthen its financial position: to approach foundations not currently funding us to obtaining their support; and negotiating more adequate cost reimbursements from organizations for which we provide services. These efforts have been successful; however, continued support from each funding agent is critical for our operations to continue.

**Our budget for 2015-16 is essentially “break-even” and includes the maintenance of \$125,000 from the City of Santa Barbara General Fund (and \$120,000 County funding).** We expect that our merger with PATH will bring access to more funding sources in the future. Our costs have increased from our 2014-15 budget in important areas:

- We will have a Managing Director for a full year (an essential cost for Casa to remain viable without a pro bono Interim Executive Director)
- Necessary security personnel costs and Winter shelter staffing were aggressively reduced during our budget cutbacks and the current budget returns them to necessary staffing levels
- Certified Nursing staffing now reflects levels contemplated in our new agreement with Cottage Hospital
- An employment navigator (which has been recommended for funding via the County Human Services Commission, is included in the budget
- Workers' compensation costs have increased 1.8%, the result of prior experience, and not the current year's favorable experience

The City's continuing support from the General Fund for Casa Esperanza/PATH in the amount of \$125,000 provides critical needed housing and services for this community. Thank you for your consideration.

Sincerely,

Joe Tumbler  
Interim Executive Director  
Casa Esperanza Homeless Center

Jessica Wishan  
Managing Director  
Casa Esperanza Homeless Center