



# CITY OF SANTA BARBARA

## FINANCE COMMITTEE AGENDA REPORT

**AGENDA DATE:** May 17, 2016

**TO:** Finance Committee

**FROM:** Administration Division, Finance Department

**SUBJECT:** Finance Committee Review Of The Fiscal Year 2017 Recommended Budget

### RECOMMENDATION:

That the Finance Committee hear a report from staff regarding the following topics:

1. Proposed fee changes by Enterprise Funds (excluding utility rates) which would take effect on July 1, 2016.
2. Funding requests from community organizations.

### DISCUSSION:

On April 26, 2016 the Finance Committee approved a schedule for their review of certain elements of the Fiscal Year 2017 Recommended Budget. The Finance Committee review schedule is included as an attachment to this report.

At this meeting, staff will be discussing proposed changes to fees for services charged by Enterprise Funds (excluding utility rates) and funding requests from community organizations.

- ATTACHMENTS:**
1. Finance Committee Review Schedule
  2. Summary of Funding Requests from Outside Organizations
  3. Letter from Coalition Against Gun Violence
  4. Letter from Visit Santa Barbara
  5. Letter from County of Santa Barbara – 211 Helpline
  6. Letter from Downtown Santa Barbara
  7. Letter from PATH
  8. Letter from Landlord Liaison Partnership
  9. Letter from BEACON

**PREPARED BY:** Robert Samario, Finance Director

**SUBMITTED BY:** Robert Samario, Finance Director

**APPROVED BY:** City Administrator's Office

**CITY OF SANTA BARBARA**  
**Finance Committee Review Schedule**  
**Mid-Cycle Budget for Fiscal Year 2017**

*Please Note: Meeting dates and times are subject to change on short notice*

Meeting Date and Time	Department
<b>Tuesday, April 26, 2016</b> 12:00 p.m. – 1:45 p.m.	<ul style="list-style-type: none"> <li>➤ Proposed Finance Committee Budget Review Schedule</li> <li>➤ Additional Topics for Review Identified by the Committee</li> <li>➤ March 31<sup>st</sup> Quarterly Investment Report (Non-Budget Item)</li> <li>➤ Streets Fund Budget Considerations (Non-Budget Item)</li> </ul>
<b>Tuesday, May 3, 2016</b> 12:30 p.m. – 1:45 p.m.	<ul style="list-style-type: none"> <li>➤ General Fund non-departmental revenues and assumptions</li> <li>➤ General Fund Multi-Year Forecast</li> </ul>
<b>Tuesday, May 10, 2016</b> 12:00 p.m. – 1:45 p.m.	<ul style="list-style-type: none"> <li>➤ General Fund departmental proposed fee changes</li> <li>➤ General Fund and Streets Unfunded Infrastructure Needs (Non-Budget Item)</li> </ul>
<b>Tuesday, May 17, 2016</b> 12:30 p.m. – 1:45 p.m.	<ul style="list-style-type: none"> <li>➤ Enterprise Fund proposed fee changes (excluding utility rates)</li> <li>➤ Funding Requests from Community Organizations</li> </ul>
<b>Tuesday, May 24, 2016</b> 12:00 p.m. – 1:45 p.m.	<ul style="list-style-type: none"> <li>➤ Follow up on items requested by Finance Committee</li> <li>➤ Staff recommended adjustments to recommended budget</li> <li>➤ Pension Information</li> <li>➤ Finance Committee Decisions for Recommendation to Council</li> <li>➤ FY 2016 Third Quarter Review (Non-Budget Item)</li> </ul>

Note: No Finance Committee meeting on May 31, 2016.

## FY 2017 Funding Requests from Community Organizations

	FY 2017 Request	Request Type
<b>Requests for General Fund Funding</b>		
Coalition Against Gun Violence - 2016 Santa Barbara Gun Buyback	\$ 25,000	one-time
Visit Santa Barbara - ongoing services	150,000	ongoing
County of Santa Barbara - 211 Helpline	22,186	ongoing
Downtown Santa Barbara - in support of Plaza maintenance services	33,700	one-time
PATH (Casa Esperanza) - Request for Ongoing Funding	125,000	ongoing
Landlord Liaison Partnership (Transition House program)	50,000	one-time
<b>Sub-total General Fund Funding Requests</b>	<b>\$ 405,886</b>	

### **Requests for Funding Outside the General Fund**

Beach Erosion Authority, Clean Ocean & Nourishment (BEACON) - 30% increase to annual dues (current dues paid by Waterfront)	4,500	ongoing
<b>Sub-Total Funding Requests Outside the General Fund</b>	<b>\$ 4,500</b>	

<b>TOTAL FUNDING REQUESTS</b>	<b>\$ 410,386</b>
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# COALITION AGAINST GUN VIOLENCE

• A Santa Barbara County Coalition •

January 2016

## Funding Needed for 2016 Santa Barbara Gun Buyback

Dear Mayor Schneider, City Council Members, Paul Casey, Chief Sanchez, and Sergeant Harwood,

The Coalition Against Gun Violence would like to inform you that **we are unable to fund a gun buyback in 2016**. CAGV undertook this task for the past two years but we do not have the fundraising capabilities to continue with this.

The successful buybacks in 2014 and 2015 resulted in the removal of 444 firearms from our communities, any of which could have caused a suicide, homicide, accidental death or injury. CAGV and the SBPD have proven that gun buybacks get results and help educate the community. These events were lauded in the community as great examples of community activists and city police working together to improve our safety. See the KEYT news report [here](#).

Unfortunately CAGV does not have the financial capability to continue funding this event. We would very much like to see this important community service event continue and CAGV would be happy to coordinate and publicize an annual gun buyback for this June. But we cannot provide the funding.

From our experience, the funding required for a gun buyback is approximately \$25,000 (\$5,000 for publicity and \$20,000 for the grocery store gift cards given out in exchange for working firearms). We hope that between the City and the Santa Barbara Police Department, you will be able to provide the necessary funds for this event in 2016.

Please let us know your thoughts on this as soon as possible. We very much hope to assist on another successful gun buyback in 2016.

Sincerely,

*Toni Wellen*, Chair  
Coalition Against Gun Violence



March 10, 2016

Mr. Paul Casey  
City Administrator  
City of Santa Barbara  
P.O. Box 1990  
Santa Barbara, CA 93102-1990

Dear Paul,

Thank you for your ongoing support of Visit Santa Barbara and the tourism industry. We appreciate and benefit from our partnership.

The role of Visit Santa Barbara has evolved in the last five years. While our primary responsibility is to market Santa Barbara, it is equally important that our customers have a positive experience during their travels here. As such, some of our funding is now spent on events and developing or supporting tourism-related infrastructure. While these activities boost our tourism marketing efforts, they are equally valuable to the community at large. With those goals in mind, we are respectfully requesting an additional \$150,000 in funds for the coming fiscal year, bringing the total to \$1,530,000.

In support of this request we would like to point out the following:

**Proportion of VSB Funding to TOT Collections**

As you are aware, the City of Santa Barbara has been generating significant increases in TOT revenues since 2010. In that year, the funding to Visit Santa Barbara was 10.9% of the total TOT collections. Yet, while TOT revenues climbed, the percentage of our funding proportional to the collections has consistently declined. In the last two years, we have only been receiving 6.6% of the total TOT collections.

**Evolving Role of VSB**

As referenced previously, Visit Santa has frequently been asked to fund programs outside of our traditional advertising campaigns. Here are some examples:

1. **Marketing commitments for airlines servicing Santa Barbara**

We are committing \$25K, this spring and another \$25K next fiscal year to promote the new Dallas service to SB to ensure that it remains successful and long term. Obviously this will benefit the whole community as well as our hospitality industry.

2. **Guaranteed Revenue Funds**

Visit Santa Barbara has stepped up and lead efforts to build an air service revenue guarantee fund, which will be used as a resource to pitch new air service to Santa Barbara. At this time, VSB has committed \$75K.

3. **Research**

Several years ago, Visit Santa Barbara funded a research campaign to demonstrate the benefits of the cruise ship industry. This research has been used by city staff to help communicate the benefits of the cruise ship industry to the local community. We plan to renew that study again this year.

4. **Events**

Visit Santa Barbara has sponsored numerous events in concert with other local organizations, including the Amgen TOC which is well received by the cycling community here and elsewhere.

5. **Visitor Services**

Visit Santa Barbara sponsors a wide range of visitor services programs such as the Downtown Host programs, weekly transportation to the Santa Ynez Valley, Visitor Centers, and our *I Am Santa Barbara* training program.

**Visitor Research**

We would not be submitting a funding increase request unless we knew that our marketing is effective and generates additional tax dollars for the city of Santa Barbara. In 2015, Visit Santa Barbara contracted a research company, Destination Analysts, to develop an understanding of the efficiency of our programs. The research objectives were two fold. First, to evaluate the advertising's reach and second, to calculate the return on investment.

We are happy to report that the results were more impactful than we initially expected them to be:

- \$94.7M in visitor spending was generated by our advertising campaigns
- The ROI per dollar invested was 83.8 : 1
- \$4.4M in taxes were generated by our advertising
- 71.9% report advertising is effective at portraying an attractive destination
- 45% of the advertising respondents were more likely to visit SB in the next 12 months as a result of advertising.

**Competition**

To maintain or even increase business and ultimately TOT and sales tax revenues, we must remain competitive. Currently, our major competitors have larger marketing budgets than we do.

- Palm Springs: \$13.1M (receives \$1.4 from various cities)
- Santa Monica: \$7M (receives \$2.6M from the City of Santa Monica)
- Newport Beach: \$6.9M (receives 18% of the total TOT collections which amounted to \$4.2M this year from the City of Newport Beach)
- Monterey \$6.9 (receives \$2.78M from local jurisdictions)

In closing, our \$1.5B tourism industry is still doing well, but there are always opportunities for improvement and new marketing avenues for us to pursue. Enhancing our marketing efforts now is more important than ever as travel economy trends begin to flatten and numerous new hotels are being developed in our community. Our added efforts today will help to stabilize and hopefully improve Santa Barbara's RevPAR and TOT growth over the upcoming years. We appreciate your consideration of our request and for your continued investment in Santa Barbara's economy.

Best,

Kathy Janega-Dykes  
President & CEO  
Visit Santa Barbara

**SALUD CARBAJAL**  
First District

**JANET WOLF**  
Second District

**DOREEN FARR**  
Third District, Vice Chair

**PETER ADAM**  
Fourth District, Chair

**STEVE LAVAGNINO**  
Fifth District



**COUNTY OF SANTA BARBARA**

**BOARD OF SUPERVISORS**  
County Administration Building  
105 East Anapamu Street  
Santa Barbara, CA 93101  
Telephone: (805) 568-2190  
[www.countyofsb.org](http://www.countyofsb.org)

March 3, 2016

Mayor Helene Schneider  
City of Santa Barbara  
735 Anacapa Street  
Santa Barbara, California 93101

Email: [hschneider@santabarbaraca.gov](mailto:hschneider@santabarbaraca.gov)

Dear Mayor Schneider,

I am writing to update you on the 211 Helpline and to request critical ongoing financial support from the City of Santa Barbara, for Fiscal Year 16-17, in the amount of \$22,186.00.

The 211 Helpline Service provides an easily accessible phone number and website where anyone can obtain free confidential information and referral to health and human services, 24-hours a day, 7-days a week in over 100 languages. Since November 2014, the Community Action Commission (CAC) has operated 211 countywide via a contract with the County of Santa Barbara. Since that time and based on feedback from cities regarding concerns with accurate information and internet accessibility, CAC has addressed all issues raised and has also made many exciting improvements to the 211 Helpline such as:

**Database Enhancement**

- A complete "data scrub" of the database occurred. All information in the management system was vetted for accuracy and comprehension.
- The number of providers in the database was increased by 22% representing 283 agencies and over 2,400 programs countywide.

**Website Development**

- A user friendly website was developed and now updates automatically as changes are made in the 211 information system.
- The website is available in multiple languages through the use of Google translate.
- Three other counties are designing their website after the Santa Barbara County model.
- The website address is [www.211sbco.org](http://www.211sbco.org).

**Service Usage**

- Over 5,200 residents called and received information (Santa Barbara 1,593 or 36.16% of all city calls).
- Over 3,500 people used the website for information countywide.
- 303 residents in crisis called and had a warm transfer call for suicide, mental health, sexual assault, disaster, and non-mental health emergency (211 Call Specialist remained on the line until the caller was connected to the crisis resource).

**Post Emergency Information**

- Provided post emergency information on local incidents to include fire(s), 101 closure, and sand bag distribution.

**Professional Coordination**

- Joined 211 California.
- Joined the National Alliance on Information and Referral Services (AIRS).
- Established the Central Coast Partners (Santa Barbara, Ventura, San Luis Obispo, and Monterey).
- Participated in a data alignment project with several California counties.

**Texting**

- One-way Texting of information provided by the 211 call center will be launched in February 2016.

The 211 Hotline and website is a vital service for our residents. There is no other place where this comprehensive and ever changing information is kept up to date for the benefit of all within our region. It has also provided a venue for people to get the most updated emergency information such as in a recent fire and preparation for El Nino. In addition multiple peace officers have stated that having 211 has made their job in the field easier by streamlining the referral process for people to much needed services.

The following is the budget to maintain the 211 Helpline and website services. Santa Barbara County staff is proposing that the County fund \$147,640 or 71% of the total program costs in fiscal year 16-17. This level of funding will be recommended to the Board of Supervisors in the development of the fiscal year 16-17 proposed budget.

**Revenues**

SB County Human Services	\$ 30,000.00
SB County Alcohol, Drug & Mental Health	\$ 18,400.00
SB County First 5	\$ 28,440.00
SB County Social Services	\$ 11,100.00
SB County Public Health	\$ 10,000.00
SB County General Fund	\$ 49,700.00

**Total Revenues**

\$147,640.00

**Expenses**

Salaries & Benefits	\$ 64,908.00
Operating Costs	\$ 50,612.00
Call Center Sub-Contractor	\$ 75,000.00
Indirect Costs	\$ 18,480.00

**Total Expenses**

\$209,000.00

**Total Shortfall**

\$(61,360.00)

I am requesting that your city contribute a proportional amount of the ongoing remaining \$61,360, I based on the number of serviced calls completed for each city in the year of 2015. The request of the City of Santa Barbara is \$22,186.00. The calculation is based on calls however, 3,500 residents county-wide also used the recently developed 211 website. Attached, you will find statistical information for your City and a summary of the funding request.

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Members of County staff and the Community Action Commission welcome the opportunity to provide a presentation to your City Council regarding improvements and advancements in the 211 services locally. I urge you and your fellow councilmembers to fund this critical program in the amount of \$22,186.00 during your upcoming budget deliberations. Please contact Terri Nisich at (805) 568-3400 to answer any questions you may have.

Thank you for your support.

Sincerely,



Doreen Farr

Vice Chair, Santa Barbara County Board of Supervisors

cc: Paul Casey, City Administrator

Attachments:

1. 211 Program Budget
2. Proposed Funding
3. City Statistics

**211 Program Budget**

**Direct Expenses**

Salaries & Benefits

Program Coordinator	\$39,925.00
Program Director	\$ 7,048.00
Administrative Assistant	\$ 579.00
Fringe Benefits @36.5%	<u>\$17,356.00</u>

Total Salaries & Benefits \$64,908.00

Operating Costs

Postage	\$ 100.00
Travel Expenses	\$ 6,200.00
Training	\$ 3,652.00
Telephone	\$ 900.00
Office Supplies	\$ 1,200.00
Equipment Lease	\$ 1,500.00
Reproduction	\$ 4,000.00
Printing	\$ 200.00
Intern Stipends	\$ 5,000.00
Miscellaneous	\$ 500.00
Marketing	\$11,000.00
Office Space Costs	\$ 3,480.00
General Liability Insurance	\$ 180.00
AIRS & 211 Dues	\$ 3,000.00
Website Hosting	\$ 5,200.00
I-Carol Subscription	<u>\$ 4,500.00</u>

Total Operating Costs \$50,612.00

Sub-contractor Costs

Call Center Sub-Contractor	<u>\$75,000.00</u>
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Total Sub-Contractor Costs \$75,000.00

**Total Direct Expenses \$190,520.00**

**Indirect Costs**

*Indirect Cost	<u>\$18,480.00</u>
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**Total Indirect Costs \$ 18,480.00**

**Total 211 Program Costs \$209,000.00**

*\*Federally approved indirect cost rate (overhead) of 9.7%. This includes all the administrative costs such as required insurance coverage, Worker's Compensation insurance, independent annual auditing costs, and fiscal and human resource functions.*

Proposed Funding

2-1-1 I & R 2015	Calls per City				Total	Percent of Calls	Amount Requested	FY14-15 City Contribution	FY15-16 City Contribution
	Jan-March 2015	April-June 2015	July-Sept 2015	Oct-Dec 2015					
Buellton	1	3	6	4	14	0.32%	\$ 195		
Carpinteria	35	23	23	30	111	2.52%	\$ 1,547	\$ 1,200	
Goleta	69	60	84	57	270	6.13%	\$ 3,763		
Guadalupe	7	10	22	11	50	1.14%	\$ 697		
Lompoc	190	139	184	184	697	15.83%	\$ 9,713		
Santa Barbara	483	332	392	385	1593	36.16%	\$ 22,186	\$ 20,000	\$ 16,000
Santa Maria	390	261	499	485	1635	37.13%	\$ 22,785		
Solvang	13	7	8	6	34	0.77%	\$ 474		
*County Only Other Cities/Non Stated	73	285	237	212	807		\$ 147,640		
					5210	100.00%	\$ 209,000	\$ 21,200	\$ 16,000

\* Other Cities/Non Stated numbers are not part of the percentage calculation per city.



A PRIVATE NONPROFIT

# Santa Barbara

## 2015



### Calls and Website Activity

Month	Calls	Sessions (Web)	New Users (Web)
January	165	-	-
February	170	-	-
March	149	-	-
April	99	-	-
May	89	-	-
June	144	-	-
July	111	405	328
August	131	765	637
September	150	571	437
October	132	456	354
November	118	687	509
December	135	705	577
<b>Total:</b>	<b>1,593</b>	<b>3,589</b>	<b>2,842</b>

Note: web sessions are countywide

#### First Time Calling 2-1-1 Santa Barbara\*

First Time Caller 457

#### Calling on the behalf of

83% Calling for self

7% Calling For Family Member

6% Professional calling

4% Calling for a friend /Neighbor

#### Of the 1593 calls, the following were crisis calls

104 Crisis – Mental Health / Suicidal

9 Domestic Violence

5 Medical (Not Mental Health)

4 Crisis- Sexual Assault

4 Disaster



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# Santa Barbara

## 2015



### Top 3 Overall City Needs:

Housing

Mental Health / Addictions

Legal Consumer and Public Safety Services \*\*

### Age of person in need\*

3% 18 Years and Younger

13% 19-29

46% 30-54

15% 55-61

23% 62+

### Income (does not account for family size \*)

2% Above Moderate Income (\$55K+)

5% Moderate (\$35 - \$55K)

13% Low Income (\$26K-\$35K)

80% Very low (below \$26K)

### Ethnicity\*

53%Caucasian

33%Hispanic/ Latino

6%African American/ Black

6%Multi Ethnicity

2%Native American

&gt;1% Asian under

### Language\*

92% English

8% Spanish

### Gender\*

70% Female

30%Male

\*Demographics not obtained on all callers as it is voluntary and demographics are not asked on crisis calls.

\*\***Legal, Consumer and Public Safety Definition:** programs that preserve the conditions that enable individuals to live in a safe and peaceful environment through the enforcement of laws that protect life and property; the operation of all aspects of the justice system; and the provision of public safety prevention and rescue programs. Also programs that protect consumers, and issue licenses, certificates and permits for services that affect the community

April 25, 2016

Mr. Paul Casey, City Administrator  
City of Santa Barbara  
Santa Barbara, CA 93101



Dear Paul:

Thank you for your time to meet with us last week to discuss the needed budget for the Plaza Contract for FY2016-17. We have continued to analyze our expenses associated with this Contract for Services, and have come to recognize that we are exceeding the budgeted costs. We have also identified numerous elements of work and services we are providing on a regular basis that are not included in the contract's scope. We are not in a position to subsidize or underwrite these services, in keeping with our non-profit purpose and legal BID requirements. We also do not recommend any significant reduction of maintenance services, as that would negatively impact the customer and visitor experience, and could ultimately negatively impact the businesses' bottom lines.

**Background:** We have worked diligently through the years to hold our expenses in line with approved budgets. Since significant budget reductions were implemented in 2008-2009, we have received an average 2-3% budget increase from the Parks Department annually. However, over time, this modest increase has not kept up with the costs of providing the Plaza services. For your understanding, we made significant accounting changes in mid-2015, including changing from cash to an accrual accounting basis, and aligning our budget with the City's fiscal year. This was done to better understand our costs and to more accurately recognize our revenues and expenses associated with this contract with the City. After submitting an initial proposed budget for FY 2016-17, I was informed by Parks Department staff that the proposed budget would need to remain the same as last year's budget with a 3% increase, for a total of \$655,902.

**Recommendation:** We recommend and request that the City of Santa Barbara provide additional one-time funding of \$33,700 in support of Plaza maintenance services, for a new proposed budget of \$689,602 for FY 2016-2017. This additional one-time funding will allow us to maintain current levels of service, and we propose to use the next six months to re-look at this contract, including evaluating our service levels, direct and indirect cost allocations, and the overall scope of services to better reflect the needs of the district, going forward. Thank you for your serious consideration and on-going support.

Regards,



Maggie Campbell  
Executive Director

Cc: Members of the City Council  
Jill Zachary, City of Santa Barbara Parks Department

April 3, 2016

The Honorable Mayor Helene Schneider and  
Santa Barbara City Council Members  
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

**RE:** \$125,000 from City of Santa Barbara General Fund to support PATH in the operation of the year round shelter, formerly Casa Esperanza

Dear Mayor Schneider and Council Members:

Thank you for your long-term support of Casa Esperanza Homeless Center – we are grateful that your support has transitioned to PATH since the merger was completed last July.

**We respectfully request \$125,000 from the City of Santa Barbara General Fund to support PATH Santa Barbara** and its life-changing operations that assist our Santa Barbara homeless neighbors to address their barriers, improve their health, secure employment, and ultimately, make it home into permanent housing. We are thankful for discretionary/general funding last year, and are hopeful that it can continue into the 2016/17 Fiscal Year -- as it is imperative to meet our budget needs.

As you are aware, a critical part of our merger with Casa Esperanza was that the operations in Santa Barbara must remain self-funding. However, in the first 7 months of operating the program, PATH has subsidized Casa with \$118,000 of general operating funding not secured in Santa Barbara, due to projected revenues coming in lower than anticipated. Also, through our assessment since assuming day-to-day operations in July 2015, we have identified numerous critical needs that will require both capital and operating funding, which must be addressed to ensure that the program can run safely and effectively. The key needs are as follows:

- **Staffing:** In attempting to balance the budget over the past several years, Casa Esperanza reduced both operational and case management staffing to levels that PATH does not believe are viable to run a program that meets the needs of the most vulnerable members of our community, and actually help them exit into permanent housing (as opposed to cycling in and out of the shelter indefinitely). For the next fiscal year, we intend to add at least one case management position (\$43,750 including benefits), and have already added several part-time and on call positions to ensure that there are at least 2 staff on each shift to monitor and provide services to the residents (\$66,352 total annually). Over the long term, we would like to add several more case management positions as well.
- **Security:** PATH believes that 24/7 professional security services are an absolute necessity at an interim housing site of the size and population such as the Santa Barbara facility. We are retaining a firm that provides such services; it will cost approximately \$175,000 per year, which was previously

not budgeted. This is an expense that we believe is an absolute necessity to ensure the safety of our staff, residents, and neighbors.

- **Professional Cleaning:** Casa Esperanza previously relied on residents to provide daily cleaning of the facility. While PATH believes that chores can help provide residents with meaningful roles and accountability, we do not believe that this is sufficient to maintain the facility, particularly with the high number of medically frail, mobility impaired, or otherwise vulnerable residents who are unable to perform chores. For next year's budget, we have added a full-time Facilities Specialist position (\$38,125 including benefits).
- **Critical Facility Needs:** PATH retained an outside firm to conduct a Physical Needs Assessment (PNA) for the Santa Barbara facility. They estimated that, over the next two years, we need to plan for \$99,518 in capital expenses for the building. Additionally, we identified the following major needs for inside the facility:
  - o Major Appliance Replacements. This includes commercial washers and dryers. Also includes replacing the gas boiler.
  - o General Facility Maintenance. Miscellaneous repairs and maintenance to bathrooms, staff offices, roofing, plumbing, and the residential space.
  - o Kitchen Needs. Replace outdated or broken kitchen equipment and deal with plumbing issues.
  - o Create Additional Office Space. Convert the former family rooms to offices; needed as we continue to add case management staff.
  - o Resident beds. Replace wooden bunk beds that can be susceptible to bed bugs.
  - o Safety and Security. This includes upgrading the surveillance system, updating the fire panel system, and installing fire pipe bracing.
  - o Computers and Technology. Staff are primarily working on old, donated computers that need to be replaced.

All told, these expenses, plus those identified through the PNA, will cost **\$281,468** over the next few years.

- **Winter Shelter Operations:** When the number of residents doubles to 200 individuals on any given night, the staffing ratio also needs to increase. PATH has safety concerns, and does not believe we can continue to operate the Winter Shelter Program at the same staff/client ratio without additional funding to increase staffing. Appropriate staffing levels would cost an additional \$86,048 for the four months of Winter Shelter. Additionally, we have calculated a monthly increase of \$10,000 in operating expenses (supplies, food, utilities, etc.), for a total of \$40,000. Therefore, the cost of operating Winter Shelter is **\$126,048**. With all of the other needed investments and lack of sufficient revenues, we are concerned about our ongoing ability to operate the Winter Shelter component at the current funding level.

PATH will continue to aggressively fundraise to meet these needs. As Casa Esperanza described in last year's General Fund request, PATH has continued with two primary strategies of increasing revenue for the organization: private fundraising and seeking mechanisms for increased cost reimbursements from public funders.

Private fundraising from Santa Barbara has come in lower than was projected in the Fiscal Year 15-16 budget developed by Casa Esperanza prior to the merger. In response, we have restructured our Development Department to appoint our Senior Development Director to lead all fundraising activities in Santa Barbara, and thus anticipate that private revenue will increase in the future. Nonetheless, PATH is a new name in Santa Barbara and we believe that it may take a couple of years to realistically build up to the level at which Casa Esperanza was able to rely on private support for ongoing operations (over half of the annual operating budget).

Because of this, PATH has placed additional emphasis on working to increase public funding mechanisms, including reimbursement rates. We are actively working with the CEO's office and the County Departments that contract for beds at Casa. While they have agreed to pay a higher rate for beds, the total budget that most departments have available remains the same, so PATH will receive the same total dollar amount but will provide fewer beds. Clearly, this does not help the overall operating budget. However, we have been in numerous discussions with the Department of Behavioral Wellness, and because of PATH's significant experience in other communities, they are supporting us in pursuing Medi-Cal certification that will allow us to bill at much higher rates. This is a lengthy process and requires an up-front investment in clinical staffing, but in the long-term, we believe it is a critical step to ensure long-term sustainability of the Santa Barbara program. With this in mind, PATH is recruiting for a Director of Santa Barbara Programs who has the clinical expertise needed to operate such programs.

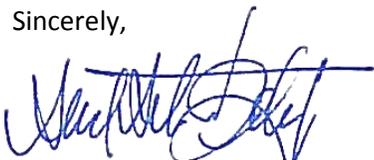
Through these efforts, over time, we are optimistic that we can significantly increase the revenue coming into Santa Barbara programs. However, we believe that in order to maintain an adequate number of non-dedicated beds that are available to the general homeless population of Santa Barbara (as opposed to program beds for specific populations such as those funded by Medi-Cal), an **ongoing** funding commitment will be needed from both the City and the County that is, at a minimum, level with General Fund allocations for the past two years.

PATH is committed to Santa Barbara, and to continuing to improve the operations of programs so that we can work towards ending homelessness in this community. We are truly grateful for the support of the City and County of Santa Barbara, but the success of our programs relies on the not only the continued, but ultimately *increased*, investment of public resources. Without increased public support, we simply will not be able to sustain out current levels of care.

It has also come to our attention that there may have been a sense that the previous requests were short-term or one-time in nature – we do not believe this to be the case. The interim housing programs are a much needed resource to help address homelessness in Santa Barbara, and we urge you to consider adopting the ongoing support of this resource into the City's annual budget.

The City's continuing support from the General Fund for PATH Santa Barbara in the amount of \$125,000 provides critical needed housing and services for this community. Please contact Katie Hill, Chief Operating Officer, at [katieh@epath.org](mailto:katieh@epath.org) or (323)644-2229 if you have any questions or need further information. Thank you for your consideration.

Sincerely,



Joel John Roberts  
Chief Executive Officer  
PATH



**LANDLORD LIAISON**  
PARTNERSHIP

April 21, 2016

Mayor Helene Schneider  
Santa Barbara City Hall  
735 Anacapa Street  
Santa Barbara, CA 93101

**RECEIVED**

APR 25 2016

MAYOR & COUNCIL OFFICE  
SANTA BARBARA

Dear Mayor Schneider,

Per our meeting, this letter requests that the City of Santa Barbara grant the Landlord Liaison Partnership (LLP), a program under the fiscal umbrella of Transition House, \$50,000 from the City of Santa Barbara's fiscal 2017 funds.

As discussed, this request is outside the Human Resources budgeting process and we realize that budgets are tight and other requests are many. However, LLP is truly a TRANSFORMATIVE program for Santa Barbara which will be a big step forward in two areas of dire need: homelessness and affordable housing. LLP is a once in a few decades chance to change the metrics of homelessness in Santa Barbara and LLP's model may also be expandable to much broader affordable housing applications.

#### **Background**

The City of Seattle created LLP in 2009 with the input of area landlords. The program provides landlords with a number of services to minimize the risk of housing a homeless tenant: reimbursement for most potential financial losses, guaranteed case management for tenants for at least a year, 24/7 hotline for landlords, mediation and eviction assistance, etc. LLP staffs a housing specialist that connects social service agency's housing ready clients with landlords and gets them housed.

Seattle has housed over 5,000 homeless people with private landlords in the first five years of the program. Oahu, Hawaii, and Santa Barbara are the first communities to fully replicate Seattle's program. Dozens of other communities have implemented portions of LLP.

A number of local organizations participated in the planning for an LLP program in Santa Barbara: Transition House, New Beginnings, PATH/Casa Esperanza, Salvation Army, the Housing Authority of the City of Santa Barbara, C3H, and Social Venture Partners. The 11,000 member Santa Barbara Rental Property Owners Association also provided input and has subsequently helped promote the program with landlords.

LLP was begun in Santa Barbara in late 2015. In just a few months, working with only three social service agencies initially, LLP has helped house 24 homeless people. Our program focuses on veterans and families but other homeless may also be housed. LLP projects to house 30-50 people in the first year and based on Seattle's results, strives to house homeless 300-500 per year in years four and five.

The potential impact of LLP goes far beyond these numbers. First, the average homeless person in Santa Barbara is homeless for over five years. LLP houses individuals and families deemed housing-ready so that they do not languish in the homeless shelter system, which is more costly to both social service and public agencies than successful housing placements with rental subsidy. Second, LLP houses the homeless in privately owned units, not publicly owned units as is mostly the case today. Private units make up 90% of the apartment units in the county. Finally, the LLP approach breaks down multiple barriers for homeless households seeking to rent in the community and presents a fresh approach to affordable housing solutions.

#### **Use of Funds**

The budget for 2016 is \$158,000 (attached). We have funding to last until later this year. The program needs the funding “runway” to prove just how incredibly impactful it can be. Funds will be used for general operations (primarily staff), case management and risk reduction funds for landlords. Current funders include: Housing Authority of the City of Santa Barbara, Ann Jackson Family Foundation, McCune Foundation, Santa Barbara Foundation, Towbes Foundation, Social Venture Partners, the Housing Authority of the County of Santa Barbara, and individuals donors.

#### **Rationale for Funding**

Albert Einstein said “you can never solve a problem on the level that it was created.” Despite some very good work by a lot of people and organizations, serious issues remain regarding homelessness and affordable housing. Using a housing locator model represents a national best practice for addressing the issue of homelessness.

The Landlord Liaison Partnership is out-of-the-box thinking with enormous impact potential. The odds of success are actually quite high based on Seattle’s experience and our own early results. Think of LLP not as just another funding request but as a “moon shot” opportunity for our community. Through LLP we can help change grim problems into one of our proudest achievements.

Thank you so very much for your consideration of this request. Please let us know if you need additional information.

Sincerely,



Glenn Bacheller, Partner  
Social Venture Partners



Susan O'Higgins, Director  
Landlord Liaison Partnership

Enclosure

# Landlord Liaison Partnership ATTACHMENT 8

## 2016 Budget

REVENUE SOURCES	Budget	YTD 03.31.2016
Housing Authority of City of Santa Barbara	\$35,000	\$ -
Social Venture Partners	\$20,000	\$ -
County of Santa Barbara Housing Authority	\$35,000	\$ 35,000.00
Ann Jackson Family Foundation	\$25,000	\$ -
Foundations/Trusts (SB Foundation)	\$33,600	\$ 25,000.00
Individual Donations	\$10,000	\$ -
<b>TOTAL PROGRAM REVENUE</b>	<b>\$158,600</b>	<b>\$ 60,000.00</b>

EXPENSES	Budget	YTD 03.31.2016
Salaries, Benefits, Payroll Taxes (1.5 FTE)	\$ 90,000.00	\$ 21,592.61
Consultants (case management)	\$ 34,000.00	
Landlord Risk Reduction Fund	\$ 6,000.00	\$ -
Marketing and Outreach (including website)	\$ 15,000.00	\$ 2,486.95
Training/Travel/Mileage	\$ 5,000.00	\$ 2,064.00
Administration	\$ 1,000.00	\$ -
Misc. ( supplies, telephone)	\$ 1,600.00	\$ 834.79
Grantwriting	\$6,000.00	
<b>TOTAL PROGRAM EXPENSES</b>	<b>\$158,600</b>	<b>\$ 26,978.35</b>
Net Income	\$ -	\$ 33,021.65
Retained Earnings from 2015		<b>\$ 71,775.55</b>
<b>TOTAL NET INCOME</b>		<b>\$ 104,797.20</b>

April 14th, 2016

BEACON  
800 South Victoria Avenue  
Ventura, CA 93009 - 1540

Subject: BEACON Membership Dues for Fiscal Year 2016/17

Dear BEACON Member Agencies:

BEACON was established in 1986 as a Joint Powers Agency (JPA) to address coastal concerns and beach preservation issues for the Santa Barbara and Ventura Counties and the coastal cities therein. Since BEACON's inception, it has operated on a shoestring budget funded through the annual membership dues and project specific grant funding when available. This strategy has subsequently maintained BEACON and allowed the successfully delivered of a number of beach nourishment capital projects and studies throughout its jurisdiction.

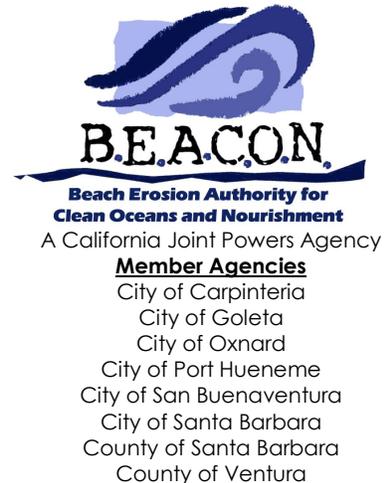
BEACON staff currently consists of:

- Executive Director – unfunded (currently pro-bono).
- Operations Manager/Program Manager – funded: local Consultant.
- Technical Advisor – funded: local Consultant.
- Legal Counsel – funded: Santa Barbara County Counsel's office.
- Financial/Accounting – funded: Ventura County Auditor Controllers Office.
- Administration – funded through reduction in annual dues: City of Ventura.
- Coastal Resilience Planning – funded: Consultant.

The effects of climate change and sea level rise on our coastline are becoming tangible issues for member agencies so BEACON, as a technical and regional planning resource needs to evolve to better serve its membership.

BEACON staff has already begun to increase its focus in this regard, however it requires additional time and technical expertise. The result has been a gradual increase in expenditures while annual revenues have remained the same. This imbalance will result in a 30% deficit in revenues projected for FY 16/17, which has to be made-up through a rapidly diminishing contingency balance. BEACON member agencies should therefore consider a strategy to increase annual membership dues for FY16/17. To this end, the table below reflects the current BEACON annual dues by member agency as well as a 10%, 20% and 30% increase in dues.

As a reminder, the BEACON dues are set in three categories, a County rate, a large city rate for Oxnard, Ventura and Santa Barbara and a small city rate for Carpinteria, Goleta and Port Hueneme. The dues have not been increased since FY 08/09. In addition, in consideration of the economic downturn, the dues were actually decreased for three concurrent years starting FY 09/10 in an amount of up to 15%. The **current** dues were resumed in FY 12/13.



**Santa Barbara Address:**  
105 East Anapamu, Suite 201  
Santa Barbara, CA 93101

**Ventura Address:**  
501 Poli St.  
P.O. Box 99  
Ventura, CA 93001

**Telephone:**  
(805) 662-6890

**Facsimile:**  
(805) 568-2982

**Email:**  
Office@Beacon.ca.gov

**Internet:**  
<http://www.beacon.ca.gov>

<b>BEACON Annual Membership Dues</b>				
Agency	Current Annual Dues	10% Increase	20% Increase	30% Increase
County of Ventura	\$18,000	\$19,800	\$21,600	\$23,400
County of Santa Barbara	\$18,000	\$19,800	\$21,600	\$23,400
City of Santa Barbara	\$15,000	\$16,500	\$18,000	\$19,500
City of Oxnard	\$15,000	\$16,500	\$18,000	\$19,500
City of San Buenaventura	\$10,000*	\$11,000*	\$12,000*	\$13,000*
City of Carpinteria	\$9,000	\$9,900	\$10,800	\$11,700
City of Port Hueneme	\$9,000	\$9,900	\$10,800	\$11,700
City of Goleta	\$9,000	\$9,900	\$10,800	\$11,700
<b>Total</b>	<b>\$103,000</b>	<b>\$113,300</b>	<b>\$123,600</b>	<b>\$133,900</b>

**\* Rate approved by BEACON Board in recognition of administrative resources provided by the City of San Buenaventura.**

As mentioned previously, the Draft BEACON Budget for FY 16/17 depicts a revenue versus expenditures deficit of 30%. This deficit can be attributed to:

- The lack of any dues increase for nine years.
- A deficit in grant funding available for BEACON general overhead.
- Incremental increases in the cost of services over the last nine years.
- The greater relevancy of BEACON in this time of climate change/sea level rise and the resulting need for expanded services to provide coastal resilience planning and additional technical expertise.

Therefore, I strongly urge during annual budget planning that member agencies recommend a 30% increase in the annual dues for BEACON to their councils and boards for FY 16/17. Please free to contact me at (805) 654-2703 or my Program Manager, Gerald Comati at (805) 962-0488 if you have any questions.

Sincerely,

Brian Brennan  
 Executive Director  
 805-654-2703  
 805-746-5999

cc: Janet Wolf, Chair BEACON