



STAFF REPORT

DATE: June 4, 2019
TO: Mayor and City Council
FROM: Ronald L. Olson, City Manager
SUBJECT: Families in Crisis Funding Request

BACKGROUND AND FINDINGS:

During FY 13-14 budget process, Families in Crisis, Inc. was allocated \$510,564 of Community Development Block Grant (CDBG) funding and \$250,000 from the FY 13-14 Annual Budget and Plan of Municipal Services to be used for renovations to approximately 7,400 square feet of an existing building owned by Families in Crisis Inc. to become a shelter (Friends in Crisis) for persons experiencing homelessness. The construction project was awarded to A&L Sanchez for \$1,139,963.00. Renovations were completed and the shelter opened on December 23, 2015.

Since that time, the shelter has provided overnight shelter to approximately 800 persons per year. The shelter can accommodate 78 persons and most nights the shelter has operated at capacity. Beginning in 2016, the City (has through CDBG funding) provided funding for personnel to provide case management for clients at the shelter. That funding since 2016 to present is \$53,262.00.

On May 18, 2019, the shelter suspended services at the Friends in Crisis shelter due funding shortfalls. While this is hopefully a short term setback, the board is requesting financial assistance from the City and other organizations. The board of Families in Crisis has submitted a request for \$10,000.00 monthly and the waiver of water, sewer and garbage fees. Their charges for these City utilities totaled \$12,673 in 2018.

CONFORMITY TO CITY POLICY:

City policy requires that all service priorities be considered during the annual budget process and that subsequent expenditures be authorized in the budget. This request does not comply with city policy because it is out of sequence with the budget process.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The board of Families in Crisis has requested support in the amount of \$10,000 per month, or \$120,000 per year. In addition, the board is requesting assistance with utility bills that total approximately \$12,673 per year; however, the City's Financial Governance Policy (Section VIII(B)(3)) states "Free services will be provided to no one." Removing utility bill assistance from the board's requested support leaves an annual amount of \$120,000.

Is this a one-time or recurring expenditure?

The \$120,000 in support is being requested on a recurring basis.

Is this expenditure budgeted?

No

If not, where will the money come from?

A budget amendment would be needed to appropriate money from the fund balance in the General Fund.

Is there a sufficient amount in the budgeted line-item for this expenditure?

No

RECOMMENDATION

Recommend this request be considered with all outside agencies during the budget process.

ATTACHED SUPPORTING DOCUMENTS:

Families in Crisis Funding Request
Funding to Date