



Connections Housing Operational Budget Narrative And Phased Approach

February 14, 2011

Overview

The annual Phase One operational budget is \$3.72 million and consists of six components:

- Permanent Supportive Housing (73 PSH units plus 2 manager units)
- Case Management for Permanent Supportive Housing
- Interim Housing (150 total beds: 134 crisis beds and 16 special needs beds)
- PATH Depot Multi-Service Center (Supports residents in the building and participants of the community street outreach program)
- Family Health Centers of San Diego Health Clinic
- Community Street Outreach (Case management on the streets, community mobilization)

Budget Expenses Comparison

	<u>Full Budget</u>	<u>Phase One Budget</u>
Permanent Supportive Housing	\$615,000	\$599,667
Case Management for PSH	\$131,250	\$ 35,915
Interim Housing	\$742,337	\$471,310
Depot Multi-Service Center	\$1,209,900	\$837,765
Family Health Centers Clinic	\$1,700,000	\$1,700,000
Community Street Outreach	\$125,000	\$125,000
<i>Total Expenses</i>	<i>\$4,523,487</i>	<i>\$3,729,657</i>

Budget Revenue Comparison

	<u>Full Budget</u>	<u>Phase One Budget</u>
<i>Total Revenue</i>	<i>\$3,490,337</i>	<i>\$3,729,657</i>

Budget Revisions

The operational budget has been revised into two phases: (1) Phase One Budget and (2) Full Operating Budget. A Phase One budget for the first two years of operations provides time to garner additional revenue.

Explanation of Phase One Budget Reductions:

Permanent Supportive Housing – This component will remain the same.

Case Management for PSH – Case management in the PSH units has been reduced. Originally, Connections Housing was going to obtain state Multi-Family Housing Program (MHP) funding that required three additional case managers. The current capital strategy does not include this capital funding, so the operating budget no longer needs to fund these three case managers.

Interim Housing – The number of interim housing beds remain the same. The reduction in this operating budget occurs through:

- Cuts in non-programming staffing and expenses
- Use of Depot Case Managers to provide counseling
- Reduced frequency of counseling sessions
- Increased ratio of counselor to resident
- A volunteer food program where a portion of food is donated (\$59,000 per year). PATH will guarantee the food cost, should the volunteer program fall short of goal.

Depot Multi-Service Center – The Depot will continue to provide integrated services for the 223 residents in the building and to support the outreach services for people on the streets surrounding the building. The Depot program partners will continue to be recruited. The reduction in this operating budget occurs through:

- Cuts in non-programming staffing and expenses (finance and operations staff)
- Case manager paid through Health Resources and Services Administration Healthcare for the Homeless (HRSAH) grant
- Case manager paid through the County Mental Health Services Act (MHSA) funding
- Moved Community Street Outreach out of this budget

Family Health Centers Clinic - This component will remain the same.

Community Street Outreach - This component will remain the same.

Revenue Increase: Increase in VA Per Diem Shelter Funds, HRSAH, and HUD Rental Subsidies. The revenue increase is almost \$300,000.

Future Funding and Resources Needs

A program operated with a Full Budget will allow Connections Housing to:

- Increase its case management ratios and frequency of support for residents
- Provide a stronger administrative team to access future funding and resources
- Provide a second Community Street Outreach team to work with more people living on the streets

Additional resources needed to enhance and increase services:

- Additional County indigent services to enhance existing residential services and to increase the number of people served
- Additional County assistance through its Mental Health Services
- Since many people on the streets currently access County Emergency Services, providing such services in the Depot will save County resources
- Additional County assistance through its Alcohol and Drug Services
- Additional assistance through Veterans Services

Overview of Services and Security

There will be 223 residents in the permanent and interim housing programs. The number of staff that will directly support the residents and program participants are 15 full-time staff that include: 3 PSH case managers, 2 Depot case managers, 8 Guest Services support staff, and 2 outreach case managers.

There will be five full-time security staff plus an off-site security staff on-call, all employed by a licensed security company. Two security guards will cover 16 hours per day, and one guard will cover 8 hours during the overnight shift. (During the weekends when the service center is closed there will be one less guard on one shift.)

Funding Revenue

There are four types of funding revenue:

- **Traditional Homeless Services Sources.** PATH has more than 26 years experience garnering government revenue sources listed in the budget.
- **Rental Subsidies.** Rental assistance commitments.
- **Winter Shelter.** The justification for using funds currently supporting the Winter Shelter program is that Connections Housing will provide 223 year-round housing with significant wrap-around services, rather than temporary shelter for four months of the year. The existing Winter Shelter operator (Alpha Project) would transition their program to Connections Housing. This funding is the only operating funds from the city.
- **Operating Reserves.** Revenue from the capital budget.

Future Revenue

During the two years of development and the first two years of operation, Connections Housing will be creating new sources of revenue for its programs:

- **Additional Government Funding** – Federal, State, County, and Local
- **Bid Contracts** – Ask contractors and their subs to support the program
- **Income Generating Ventures** – Business ventures that provide employment training and income
- **Private Foundations** – Solicit the philanthropy community in the region
- **Private Sector** – Develop a robust volunteer and support program within the community

Partners for Depot and Housing Services

Connections Housing is designed around multiple service partners operating in the same building. As the center opening gets closer (it is scheduled to open in late 2012), more partnership agreements will be secured. Connections Housing is currently speaking to numerous local service providers.

- Depot Multi-Service Center Operations: PATH
- Primary Health and Mental Health Care: Family Health Centers of San Diego
- Mental Health Care: In negotiations with two county-funded mental health providers that already receive MSHA funding
- Interim Housing: Alpha Project
- Mental Health and SSI advocacy: In negotiations with a local community-based service provider
- Work Development: In negotiations with a California foundation to fund a local San Diego provider
- Veterans Services: In negotiations with a local university to provide coordination, volunteers, and staff to support homeless veterans
- Veterans Services: The Veterans Administration of San Diego has verbally committed to providing services
- Volunteers and Food Programs: In negotiations with a faith-based organization to mobilize faith groups in support of these programs
- Beds and Bedding: A Good Night's Sleep Foundation will provide all beds and bedding
- Public Benefits and Legal Services: In negotiations with a local legal aid agency
- Beauty/Personal Care Center: Reaching out to local schools
- Homeward Bound program (that helps out-of-town homeless persons return to their hometowns): In negotiations with Traveler's Aid Society that provides these services across the country
- Senior Services: Reaching out to local agencies
- Homeless Court: In discussions with appropriate parties
- Continuing Education: In negotiations with a local university
- Homeless Families: Reaching out to local agencies for referral services
- Evaluation: Talking with a California Foundation to fund a formal evaluation of the program, to show cost savings between people living on the streets and people being served in the building