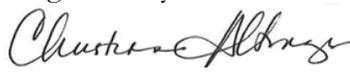


**Agenda Item 8**
March 4, 2015

DATE: February 20, 2015

TO: Children and Families Commission of Orange County

FROM: Christina Altmayer, Executive Director 

SUBJECT: Emergency Shelter Presentation

ACTION: Receive presentation on the emergency shelter catalytic investment and adopt resolutions authorizing agreements with Colette's Children's Home and Mercy House for homeless shelters.

SUMMARY:

In February 2012, the Children and Families Commission approved \$6,250,000 of catalytic funding to support the construction and operation of emergency shelter projects focused on the unique needs of families with children ages 0-5. HomeAid Orange County is the administrative lead for this catalytic investment. Scott Larson, Executive Director for HomeAid Orange County will present progress updates on the three projects that have been allocated catalytic funding, present two additional projects for Commission consideration, and discuss next steps on the remaining two potential projects.

DISCUSSION:

The Catalytic Investment approved by the Commission focused on reducing the ongoing demand on the Commission's budget from the Family Redirection Program, which provides alternative shelter to families with young children seeking shelter at the armories. The annual cost for the Family Redirection program is approximately \$350,000. The Catalytic Investment targets the development and initial operating support of 80 units at emergency shelters disbursed throughout the county for families with children ages 0-5.

HomeAid Orange County is the recipient of the catalytic investment and began the process of identifying and providing technical assistance to shelter providers looking to expand into Emergency Shelters. HomeAid launched a Request for Applications (RFA) process in July 2013 and received seven responses. Projects were reviewed and prioritized based on their ability to provide leveraged funding, timeline for development, and site control. Based on the criteria, the Commission authorized funding actions for three projects that were ready to begin development. The three projects include:

1. Pathways of Hope which is completing renovation and is planning to open in April 2015.
2. Colette's Children's Home which is starting renovations with an anticipated opening in mid-summer 2015.
3. Illumination Foundation is under design review by the City of Stanton with plan approvals anticipated in fall 2015 and then construction will begin.

These projects represent a combined 29 unit increase to the county's emergency shelter system anticipated to serve 116 families annually. The total Commission investment is just over \$2,150,000.

The Request for Application (RFA) yielded seven potential projects. Three have authorized agreements with the Commission for funding. HomeAid has continued to provide technical assistance, particularly focused on identifying appropriate sites and construction or rehabilitation planning on the remaining four projects. HomeAid is recommending two additional projects for contract authorization. The attached term sheets (Attachment 2 and 4) provide a detailed description of each project including: the funding, Commission security provisions, and conditions that need to be met prior to release of funding. A brief summary of each project is included below:

- **Colette's Children's Home** - proposing a second eight-unit project in the City of Placentia, with a total budget of \$2.177 million and a Commission contribution of \$564,000 which will support the purchase of the property. Colette's estimates that it will annually provide emergency shelter to 32 families with young children.
- **Mercy House** - proposing a seven-unit project in the City of Santa Ana, with a total budget of \$922,500 and a Commission contribution of \$496,000 which will support the operations of the property. Mercy House estimates that the project will annually provide emergency shelter to 42 families with young children.

These projects represent a combined 15 unit increase to the county's emergency shelter system for families. HomeAid and Commission staff will continue to work with each of these providers to satisfy the conditions of award and to develop a comprehensive business plan that focuses on sustainability and integration with other county homeless service providers.

HomeAid will continue to provide due diligence and technical assistance on the two remaining projects with the final determination of viability being made by June 2015. Should either of these projects not be ready for contract authorization, HomeAid will release a new RFP for the remaining funding. This new RFP will seek new proposals for projects placing a priority on those that will serve south Orange County.

STRATEGIC PLAN & FISCAL SUMMARY:

The information presented in this staff report has been reviewed in relation to the Commission's Strategic Plan and are consistent with Strong Families goals and outcomes.

PRIOR COMMISSION ACTIONS:

- May 2014 – Approved Term Sheets for Pathways of Hope, Colette's Children's Home and Illumination Foundation
- March 2014 – Received Catalytic Investment Progress Report
- December 2013 – Status Report on Round 1 and Round 2 Catalytic Projects
- September 2013 – Status Report on Round 1 and Round 2 Catalytic Projects
- February and May 2013 – Update and implementing actions for Round 1 and 2 Catalytic Investments
- October 2012 – Received Catalytic Investment Progress Report
- February 2012 – Approved Catalytic Investment

RECOMMENDED ACTIONS:

1. Receive presentation on Emergency Shelter Catalytic Investment
2. Adopt resolution (Attachment 3) authorizing the Executive Director or designee and Commission Counsel to prepare and negotiate Agreement FCI-HA-04 with Colette's Children's Home and Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., for term of 20 years in an amount not to exceed \$564,000.
3. Adopt resolution (Attachment 5) authorizing the Executive Director or designee and Commission Counsel to prepare and negotiate Agreement FCI-HA-05 with Mercy House and Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., for term of 20 years in an amount not to exceed \$496,000.

ATTACHMENTS:

1. Year-Round Emergency Shelter Catalytic Investment Presentation
2. Term Sheet for Colette's Children's Home Project #2
3. Resolution for Colette's Children's Home Project #2
4. Term Sheet for Mercy House
5. Resolution for Mercy House

Contact: Kim Goll

*Year-Round Emergency Shelter
Catalytic Investment*

Commission's Catalytic Investment

Objective- Create sustainable emergency shelter for families with young children that will decrease the annual demand on Commission's budget to provide temporary emergency shelter

- Support the development of 80 Emergency shelter units for families with children aged 0 -5
- Funding can support both construction and initial operation for up to 5 years
- Multiple locations throughout the County

Terms of Funding

– CFCOC Financial Contribution

- \$6.25 million for acquisition/construction (capital improvements) and operational support
- Equitable allocation will be determined based upon development and operational needs and leveraging of other resources
- Security – Letter of credit or 1st trust deed

– Service Payback

- In lieu of financial payment, shelters will pay off their obligations by delivering services on average over 5-10 years

– Leverage

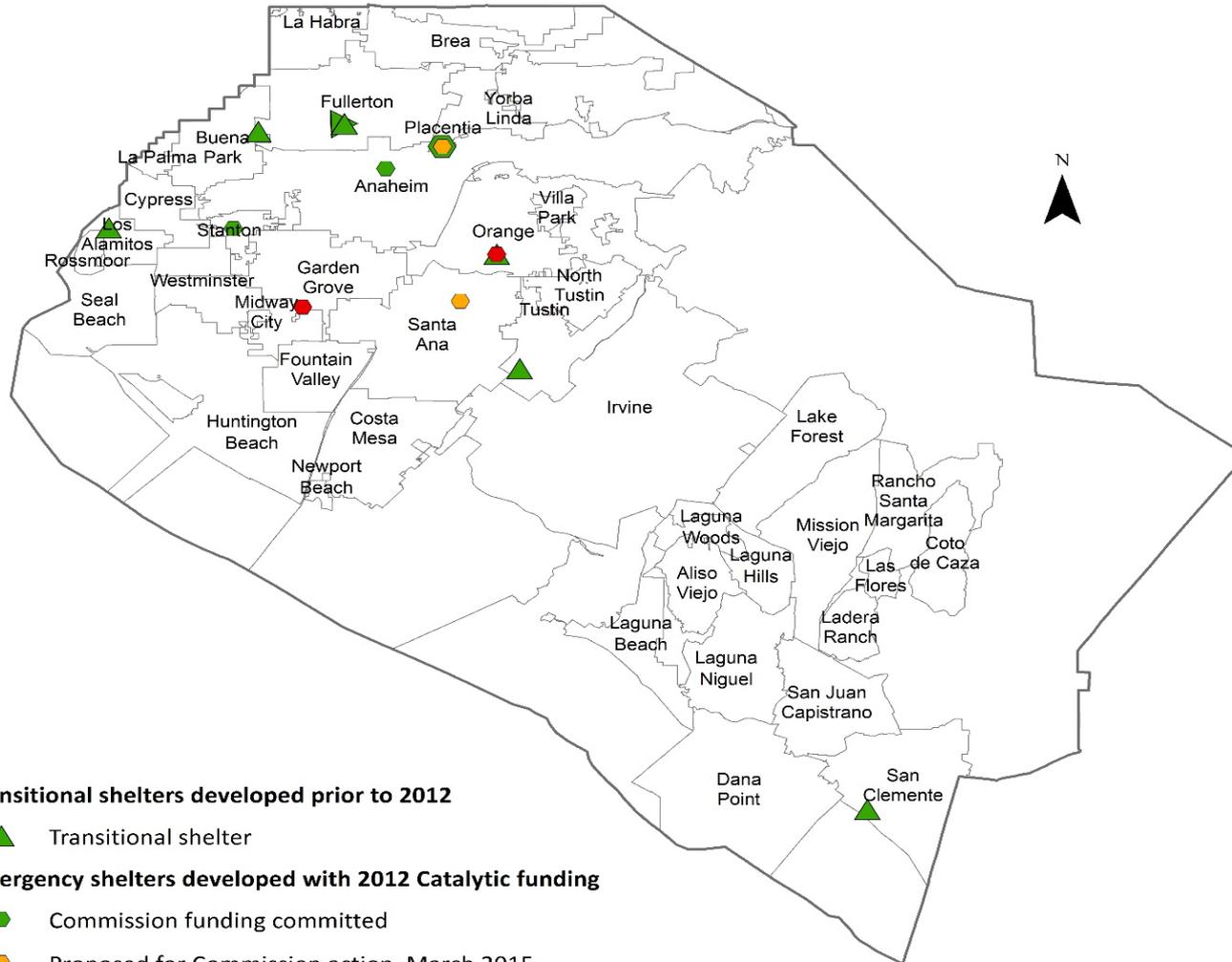
- Shelter Operator to bring additional resources and support



Project Management & Oversight

- Project selection
 - Conducted RFA and Prioritized Potential Projects
 - Technical Assistance on Potential Projects
 - Prepare project for Commission actions
- Pre-Construction and Construction
 - Develop construction and operation budgets
 - Solicit for in kind services and donated supplies
 - On-site monitoring
- Operation
 - Participation in data reporting systems and countywide planning efforts
 - Annual outcomes based upon approved business plan
 - Site visits

Children and Families Commission Transitional and Emergency Shelter





Projects In Development

Project	Pathways of Hope	Collette's Children's Home	Illumination Foundation
Number of Units	13	8	8
Estimated number of Families Served	36	32	32
Commission Investment	\$929,000	\$580,000	\$642,500
Total Cost of Project	\$3,100,000	\$2,286,500	\$1,250,00
Location	Anaheim	Placentia	Stanton
Status	Estimated opening April 2015	Estimated opening mid summer 2015	Estimated start of construction Fall 2015



Projects Recommended for Funding

Mercy House- Regina House Project

- Proposed Emergency Family Units: 7
- Estimated number of Families Served: 42 annually
- Location: Santa Ana
- Estimated Total Project Cost: \$922,500
- Potential CFC investment \$496,000
- Anticipated Opening: July 1, 2015
- Proposed project was in partnership with County of Orange, project has been unable to move forward. Mercy House proposed alternative project to repurpose Regina House.



Projects Recommended for Funding

Collette's Children's Home – Project #2

- Proposed Emergency Family Units: 8
- Estimated Number of Families Served: 32 annually
- Location: Placentia
- Estimated Total Project Cost: \$2,177,000
- Potential CFC investment: \$564,000
- Anticipated Opening: Fall 2015
- Four Plex in escrow estimated close on or before June 30, 2015. Property is adjacent to project #1 funded by Commission in May of 2014.



Projects Remaining

Islamic Society of OC

- Proposed Units: 15
- Location: Garden Grove
- Estimated Total Project Cost: \$4,000,000
- Potential CFC investment \$975,000 to \$1.2 million
- Two potential sites located adjacent to ISOC
- Well funded by private donors

Casa Teresa

- Proposed Units: 14
- Location: Orange
- Estimated Total Project Cost: \$5,400,000
- Potential CFC investment \$900,000 to \$1.2 million
- Project to expand existing Emergency Shelter campus funded by CFC

Next Steps

Funded Projects

- Complete projects under contract/development
- Site control and Path to Entitlements
- Confirm leveraged Funding
- Design Development
- Operational plan

Return to the Commission with specific project details
and for authorization of new RFP in June 2015

Colette's Children's Home Project #2 Catalytic Investment Emergency Shelter Project Terms and Conditions	
Background	<p>Colette's Children's Home (Colette's) submitted two applications to HomeAid's Request for Applications (RFA) in July 2013. The applications were for two adjacent properties in an area of Placentia that Collette's owns existing properties. Collette's separated their project into two separate applications because they involved two different landowners and were likely to have different timelines for acquisition and rehabilitation needs. The Commission approved funding for the first project in May of 2014 and Collette's has met all appropriate conditions of funding on that project.</p> <p>This term sheet includes specifics related to the second property. Through direct outreach to the property owners in the Placentia community, Colette's has entered into a purchase agreement with the private owner of a four-plex for \$895,000, to close June 30, 2015. The property is adjacent to other properties owned by Collette's which will provide economic benefits for program operation and flexibility within Collette's current programs to accommodate families unique needs.</p>
Property Description	<p><i>Structure and Location</i></p> <p>The Property is located in the city of Placentia in the La Jolla area of the city. Colette's currently owns four properties at the end of this cul-de-sac and has been an active participant in the community since 2007. There is also a playground on one of Colette's sites constructed by Kaboom and secured through the efforts of Colette's. The nearest bus stop is located 0.3 miles to the East, a grocery store is located approximately 1 mile to the West, Valencia High School is 1.3 miles away, Valdez Middle School Academy is .5 miles away and Melrose Elementary School is .3 miles away.</p> <p>The Property was built in 1964 and is 4,213 square feet with four (4) apartment units, each with 2 bedrooms and one and a half (1.5) baths, along with four parking garages. The lot size of the Property is approximately 0.15 acres.</p> <p><i>Zoning and Uses</i></p> <p>Per the Placentia Zoning Code, housing homeless families on a temporary basis is allowed by right and does not require a conditional use permit. This is currently how Colette's is operating their existing programs.</p> <p><i>Rehabilitation for Emergency Shelter Use</i></p> <p>The Property is identical in construction and age to the four existing four-unit buildings owned by Colette's in the same cul-de-sac. The Property was recently significantly remodeled by the current owner and appears to be in move-in condition.</p>
Program Overview	<p>Colette's began providing shelter to homeless women with children and homeless single women in May 1999. Since that time, Colette's has housed and provided supportive services to over 3,000 homeless women and children. From 2006 to the present, Colette's has increased the number of properties it owns and operates from 3</p>

shelters to 8 shelters, increasing its bed capacity for women and children by 331%, from 38 beds per night to 186 beds per night. Colette’s operates 8 shelters located in the cities of Huntington Beach (3), Fountain Valley (1), Anaheim (1) and Placentia (3).

Colette’s Emergency Shelter Program is designed to give comprehensive services and shelter to homeless women and homeless mothers with children. The shelter will reduce barriers to access services and the program length of stay is dependent on each household’s individual circumstances but is intended to be less than 90 days.

The targeted outcome for each participant family will be long-term stable housing. At the point of program entry, an assessment is completed to identify every barrier to housing stability. The identified barriers will be addressed through goal setting and accountability under the care and guidance of Colette’s staff. Families that are well-suited for a rapid re-housing approach will be assisted in securing housing as quickly as possible.

Chronic homeless, high-risk, and special needs families that require additional time and services within the structure of a housing program may be transitioned into a longer term program. The intended outcome will remain as placement in independent housing or in some permanent Supportive Housing projects, dependent on household need, financial circumstances and support systems in place, and available housing resources.

Terms of Funding

Financing

Estimated Total Project Costs

Costs		Revenue	
		Leveraged	Commission
Purchase	\$895,000	\$351,000	\$544,000
Rehabilitation	\$50,000	\$50,000	
Operations (5yrs)	\$1,212,000	\$1,212,000	
Program Management	\$20,000*		\$20,000*
TOTAL	\$2,177,000	\$1,613,000	\$564,000

*Project management is not included in per unit cost allocation as it is not paid to the shelter provider but is part of the administrative oversight provided by HomeAid.

Leveraged Funding

Colette’s has secured a private loan to be in a position to execute a quick sale. This loan agreement is for \$895,000, up to five years at 5% interest.

The Colette’s board of directors has agreed to embark on a capital campaign to raise the roughly \$1.6 million needed to complete the purchase, rehabilitation, and 5 years of operating costs. Commission funding will be conditional on Colette’s raising 50% of the remaining budget for purchase, rehabilitation and first year of operating cost (estimated at \$292,400). The Colette’s board of directors is also willing to pledge up to 50% of their current reserves and assets (amounting to over \$700,000) toward meeting this capital campaign goal. Colette’s has already raised \$425,000.00 for the first building for which a term sheet was approved.

	<p>Consistent with HomeAid’s mission, they will seek in-kind contributions and cost reductions for all shelter rehabilitation projects.</p> <p><i>Proposed Commission Contribution</i> HomeAid is proposing an allocation to Colette’s Children’s Home of \$564,000 in funding from the Commission’s Catalytic Emergency Shelter investment. This is consistent with the per unit cost of \$68,000 established by HomeAid to ensure enough leveraging by the partners and to complete the number of units proposed through the RFA. Colette’s will use \$544,000 to pay down the mortgage on the property. An additional \$20,000* is requested for 4 months of project management and 5 years of reporting of outcomes by HomeAid to the Commission.</p>
<p>Security and Service Payback</p>	<p><i>Standard Commission Security for Catalytic Investments</i> Commission catalytic investments are typically secured by means of a Letter of Credit or a Deed of Trust in first position on title. When possible, security instruments are reduced in value annually as service payback is completed. Colette’s anticipates that they will be able to comply with this requirement as described below.</p> <p><i>Security on Commission’s Investment</i> The Commission’s investment will be secured by a first deed of trust on the Property, or another property owned by Colette’s, throughout the construction and service pay back phases. Commission will receive a comprehensive appraisal and title report confirming that the value of the Property, or another property owned by Colette’s to be used as security for the project, is greater than the \$544,000 investment by the Commission.</p> <p><i>Service Payback</i> Colette’s will provide monthly reports detailing the number of 0-5 eligible families and their demographics, the length of stay, services provided while in the shelter, leveraged funding and resulting outcome of service. The agency estimates 8 units each valued at \$550 a month (with a 3% increased assumed annually) will be occupied by an eligible family. At this rate, the service payback will be completed in approximately 10 years.</p> <p><i>Project Management</i> Under the Commission’s Emergency Shelter Catalytic agreement, there is a provision allowing for HomeAid to provide both project management during the construction phase as well as ongoing management for the services provided. Included below is a description of the project management proposed for this shelter.</p> <ul style="list-style-type: none"> • Colette’s will be required to develop and implement a business plan that will be approved by HomeAid. The business plan must include strategies for sustainability and leveraging, ongoing maintenance of the facility, programmatic strategies and outcomes, and linkages to countywide planning and resources. • HomeAid will ensure construction monitoring, project investment oversight and relationship management with corporate donors, trade contractors, suppliers and builder captain/general contractor. • Ongoing monitoring of data reported on project and the development of corrective actions plans if targets are not being met.

Conditions to be met prior to Payment	Colette's and HomeAid agree that prior to the release of Commission funding the following conditions must be met: <ul style="list-style-type: none">• Close of escrow and transfer of ownership of the Property from the current owner to Colette's Children's Home.• All Commission security obligations must be met.• Property is vacant of existing tenants of current owner.• Documentation that \$292,400 or 50% of the needed capital for refinancing the remaining purchase mortgage, renovation, and first year of operating costs has been raised.• Execution of a three-party agreement between HomeAid, Colette's and the Commission setting forth the rights and responsibilities of each party pursuant to the approved terms and conditions for the project.
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CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-15-C&FC

March 4, 2015

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE EXECUTIVE DIRECTOR OR DESIGNEE AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE THE FINAL FORM OF AGREEMENT FCI-HA-04 WITH SHELTER PROVIDERS OF ORANGE COUNTY, INC., DBA HOME AID ORANGE COUNTY, INC. AND COLETTE'S CHILDREN'S HOME FOR EMERGENCY SHELTER SERVICES; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

WHEREAS, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

WHEREAS, the Executive Director and Commission Counsel have prepared a standard Master Agreement for Services ("Master Agreement") which was approved by the Commission; and

WHEREAS, Commission desires to authorize the Executive Director or designee and Commission Counsel to prepare and negotiate Agreement FCI-HA-04 with Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., and Colette's Children's Home, in an amount not to exceed \$564,000 for a period of twenty (20) years as identified in the staff report for the March 4, 2015 Commission meeting to provide emergency shelter services for Orange County's children 0 – 5, on the terms and conditions as described in Attachment 2 therein; and

WHEREAS, Commission has reviewed the staff report for the March 4, 2015 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission's Strategic Plan; and

WHEREAS, Commission desires to authorize the Commission Chair and Commission Clerk to execute Agreement FCI-HA-04 with Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., and Colette's Children's Home, for the term and in the amount and on the conditions as specified in Attachment 2 to the March 4, 2015 staff report for this Agenda Item.

NOW, THEREFORE BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the Executive Director or designee and Commission Counsel to prepare and negotiate the terms, conditions and final form of Agreement FCI-HA-04 with Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., and Colette's Children's Home, in an amount not to exceed \$564,000 for a period of twenty (20) years, to provide emergency shelter services for Orange County's children 0 - 5 consistent with the staff report for this Agenda Item and scope of services referenced therein.

Section 3 The form of Agreement FCI-HA-04 with Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., and Colette's Children's Home, shall be substantially similar to the form of the standard Master Agreement, subject to minor, non-substantive revisions as reviewed and approved by the Executive Director. The approval by the Executive Director of Agreement FCI-HA-04 shall be conclusively evidenced by the execution and delivery of the Agreement by the Commission Chair to the Commission Clerk.

Section 4 Commission hereby approves Agreement FCI-HA-04 with Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., and Colette's Children's Home, to provide emergency shelter services for Orange County's children 0 - 5 as specified in the March 4, 2015 staff report for this Agenda Item.

Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreement on behalf of the Commission.

Section 6 A copy of the final Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Section 2 above, the Executive Director (or his designee) is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement, (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement, and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on March 4, 2015 to wit:

AYES Commissioners: _____

NOES: Commissioner(s): _____

EXCUSED: Commissioner(s): _____

ABSTAINED: Commissioner(s) _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, _____, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

Clerk of the Commission, Children and Families Commission of
Orange County, County of Orange, State of California

Resolution No: __-14-C&FC

Agenda Date: March 4, 2015

Item No.



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

_____, Clerk of the Commission

By: _____
Deputy

EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy of final executed Agreement FCI-HA-04 with Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., and Colette's Children's Home)

Mercy House – Regina House Catalytic Investment Emergency Shelter Project Terms and Conditions	
Background	<p>Mercy House Living Centers (Mercy House) submitted a response to HomeAid’s Request for Applications (RFA) in July 2013. Their request was for an allocation of Catalytic Emergency Shelter funding to serve homeless families in an emergency shelter in the Santa Ana vicinity. Mercy House is proposing to repurpose an existing Mercy House owned facility, The Regina House, which has historically been a transitional shelter program. The Commission’s catalytic investment in conjunction with leveraged funding will allow for modest renovation and intensive program redesign. The repurposing of this facility will provide 7 units emergency shelter and provide services to an estimated 42 families annually.</p>
Property Description	<p><i>Structure and Location</i> The Property is located in the city of Santa Ana in the French Park neighborhood. Mercy House owns three properties in the same neighborhood and has been an active participant in the community since 1990. A grocery store and Garfield elementary school are both located within walking distance.</p> <p>The Property is actually comprised of three buildings; the first building was built in 1909 and is 1,452 square feet with 4 bedrooms and 2 bathrooms. The lot size of the Property is approximately .15 acres. The second and third buildings were built in 1911 and are together 4,134 square feet with 5 bedrooms and 3 bathrooms. The lot size of these Properties are approximately .15 acres.</p> <p><i>Zoning and Uses</i> Mercy House is currently has a Conditional Use Permit that allows the housing of homeless women and children.</p> <p><i>Rehabilitation for Emergency Shelter Use</i> Upon initial purchase Mercy House along with HomeAid Orange County and Fieldstone Homes undertook extensive renovations to prepare for use of the property as a shelter. Recently Mercy House undertook needed renovations/upgrades to prepare the property for use as an emergency shelter. The property could benefit from some additional minor repairs, but is in good condition and is ready to immediately serve single mothers and children.</p>
Program Overview	<p>The Regina House Emergency Shelter Program will be designed to give comprehensive services and shelter to homeless mothers with children. The shelter will reduce barriers and program length of stay is dependent on each household’s individual circumstances but is intended to be less than 90 days.</p> <p>The targeted outcome for each participant family will be long-term stable housing. At the point of program entry, an assessment is completed to identify every barrier to housing stability. The identified barriers will be addressed through goal setting and accountability under the care and guidance of Mercy House’s staff. Families that are well-suited for a rapid re-housing approach will be assisted in securing housing as quickly as possible.</p>

	Chronic homeless, high-risk, and special needs families that require additional time and services within the structure of a housing program may be transitioned into a longer term program. The intended outcome will remain as placement in independent housing or in some permanent Supportive Housing projects, dependent on household need, financial circumstances and support systems in place, and available housing resources.																												
Terms of Funding																													
Financing	<p><i>Estimated Total Project Costs</i></p> <table border="1" data-bbox="358 489 1300 747"> <thead> <tr> <th data-bbox="358 489 716 527">Costs</th> <th data-bbox="716 489 911 527"></th> <th colspan="2" data-bbox="911 489 1300 527">Revenue</th> </tr> <tr> <td data-bbox="358 527 716 564"></td> <td data-bbox="716 527 911 564"></td> <td data-bbox="911 527 1105 564">Leveraged</td> <td data-bbox="1105 527 1300 564">Commission</td> </tr> </thead> <tbody> <tr> <td data-bbox="358 564 716 602">Purchase</td> <td data-bbox="716 564 911 602">N/A</td> <td data-bbox="911 564 1105 602">N/A</td> <td data-bbox="1105 564 1300 602">N/A</td> </tr> <tr> <td data-bbox="358 602 716 640">Rehabilitation</td> <td data-bbox="716 602 911 640">\$50,000</td> <td data-bbox="911 602 1105 640">\$50,000</td> <td data-bbox="1105 602 1300 640">\$0</td> </tr> <tr> <td data-bbox="358 640 716 678">Operations (5yrs)</td> <td data-bbox="716 640 911 678">\$902,500</td> <td data-bbox="911 640 1105 678">\$426,500</td> <td data-bbox="1105 640 1300 678">\$476,00</td> </tr> <tr> <td data-bbox="358 678 716 716">Program Management</td> <td data-bbox="716 678 911 716">\$20,000*</td> <td data-bbox="911 678 1105 716"></td> <td data-bbox="1105 678 1300 716">\$20,000*</td> </tr> <tr> <td data-bbox="358 716 716 747">TOTAL</td> <td data-bbox="716 716 911 747">\$972,500</td> <td data-bbox="911 716 1105 747">\$476,500</td> <td data-bbox="1105 716 1300 747">\$496,000</td> </tr> </tbody> </table> <p data-bbox="358 747 1442 821">*Project management is not included in per unit cost allocation as it is not paid to the shelter provider but is part of the administrative oversight provided by HomeAid.</p> <p data-bbox="358 852 565 890"><i>Leveraged Funding</i></p> <p data-bbox="358 890 1442 995">The Mercy House Board of Directors has committed to raising the additional \$426,500 (\$85,300 annually) of leveraged funding needed to support their initial 5 years of operating costs.</p> <p data-bbox="358 1035 1442 1108">Consistent with HomeAid’s mission, they will seek in-kind contributions and cost reductions for all shelter rehabilitation projects.</p> <p data-bbox="358 1140 737 1178"><i>Proposed Commission Contribution</i></p> <p data-bbox="358 1178 1442 1423">HomeAid is proposing an allocation to Mercy House of \$476,000 in funding from the Commission’s Catalytic Emergency Shelter investment. This is consistent with the per unit cost of \$68,000 established by HomeAid to ensure enough leveraging by the partners and to complete the number of units proposed through the RFA. Mercy House will use \$476,000 to fund operations of the facility. An additional \$20,000 is requested for 2 months of project management and 5 years of reporting of outcomes by HomeAid to the Commission.</p>	Costs		Revenue				Leveraged	Commission	Purchase	N/A	N/A	N/A	Rehabilitation	\$50,000	\$50,000	\$0	Operations (5yrs)	\$902,500	\$426,500	\$476,00	Program Management	\$20,000*		\$20,000*	TOTAL	\$972,500	\$476,500	\$496,000
Costs		Revenue																											
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Program Management	\$20,000*		\$20,000*																										
TOTAL	\$972,500	\$476,500	\$496,000																										
Security and Service Payback	<p data-bbox="358 1499 956 1537"><i>Standard Commission Security for Catalytic Investments</i></p> <p data-bbox="358 1537 1442 1682">Commission catalytic capital investments are typically secured by means of a Letter of Credit or a Deed of Trust in first position on title. When possible, security instruments are reduced in value annually as service payback is completed. Mercy House anticipates that they will be able to comply with this requirement as described below.</p> <p data-bbox="358 1713 760 1751"><i>Security on Rehabilitation Investment</i></p> <p data-bbox="358 1751 1442 1824">The proposed project will not require any security as the Commission funding will be used exclusively for operations.</p> <p data-bbox="358 1856 583 1894"><i>Operational Support</i></p> <p data-bbox="358 1894 1442 1932">The Commission funding will support the shelter operations over a five year period,</p>																												

	<p>with an average annual allocation of \$95,200. These payments will be made in arrears consistent with existing Commission standard terms and conditions. Any alterations to this payment structure may require additional security.</p> <p>During this time, Mercy House would be providing reporting quarterly that would detail the number of 0-5 eligible families and their demographics, the length of stay, services provided while in the shelter, leveraged funding and resulting outcome of service (for example transitioned to permanent housing). HomeAid and Commission staff will review and analyze their program data annually.</p> <p><i>Project Management</i></p> <p>Under the Commission's Emergency Shelter Catalytic agreement, there is a provision allowing for HomeAid to provide both project management during the construction phase as well as ongoing management for the services provided. Included below is a description of the project management proposed for this shelter.</p> <ul style="list-style-type: none"> • Mercy House will be required to develop and implement a business plan that will be approved by HomeAid. The business plan must include strategies for sustainability and leveraging, ongoing maintenance of the facility, programmatic strategies and outcomes, and linkages to countywide planning and resources. • HomeAid will ensure construction monitoring, project investment oversight and relationship management with corporate donors, trade contractors, suppliers and builder captain/general contractor. • Ongoing monitoring of data reported on project and the development of corrective actions plans if targets are not being met.
<p>Conditions to be met prior to Payment</p>	<p>Mercy House and HomeAid agree that prior to the release of Commission funding the following conditions must be met:</p> <ul style="list-style-type: none"> • All Commission security obligations must be met. • Mercy House documenting having raised at least 50% of the needed leveraged resources for the first year of operating costs. • Execution of a three-party agreement between HomeAid, Mercy House and the Commission setting forth the rights and responsibilities of each party pursuant to the approved terms and conditions for the project.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-15-C&FC

March 4, 2015

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE EXECUTIVE DIRECTOR OR DESIGNEE AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE THE FINAL FORM OF AGREEMENT FCI-HA-05 WITH SHELTER PROVIDERS OF ORANGE COUNTY, INC., DBA HOME AID ORANGE COUNTY, INC. AND MERCY HOUSE FOR EMERGENCY SHELTER SERVICES; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

WHEREAS, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

WHEREAS, the Executive Director and Commission Counsel have prepared a standard Master Agreement for Services (“Master Agreement”) which was approved by the Commission; and

WHEREAS, Commission desires to authorize the Executive Director or designee and Commission Counsel to prepare and negotiate Agreement FCI-HA-05 with Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., and Mercy House, in an amount not to exceed \$496,000 for a period of twenty (20) years as identified in the staff report for the March 4, 2015 Commission meeting to provide emergency shelter services for Orange County’s children 0 – 5, on the terms and conditions as described in Attachment 4 therein; and

WHEREAS, Commission has reviewed the staff report for the March 4, 2015 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

WHEREAS, Commission desires to authorize the Commission Chair and Commission Clerk to execute Agreement FCI-HA-05 with Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., and Mercy House, for the term and in the amount and on the conditions as specified in Attachment 4 to the March 4, 2015 staff report for this Agenda Item.

NOW, THEREFORE BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the Executive Director or designee and Commission Counsel to prepare and negotiate the terms, conditions and final form of Agreement FCI-HA-05 with Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., and Mercy House, in an amount not to exceed \$496,000 for a period of twenty (20) years, to provide emergency shelter services for Orange County's children 0 - 5 consistent with the staff report for this Agenda Item and scope of services referenced therein.

Section 3 The form of Agreement FCI-HA-05 with Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., and Mercy House, shall be substantially similar to the form of the standard Master Agreement, subject to minor, non-substantive revisions as reviewed and approved by the Executive Director. The approval by the Executive Director of Agreement FCI-HA-05 shall be conclusively evidenced by the execution and delivery of the Agreement by the Commission Chair to the Commission Clerk.

Section 4 Commission hereby approves Agreement FCI-HA-05 with Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., and Mercy House, to provide emergency shelter services for Orange County's children 0 - 5 as specified in the March 4, 2015 staff report for this Agenda Item.

Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreement on behalf of the Commission.

Section 6 A copy of the final Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Section 2 above, the Executive Director (or his designee) is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement, (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement, and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on March 4, 2015 to wit:

AYES Commissioners: _____

NOES: Commissioner(s): _____

EXCUSED: Commissioner(s): _____

ABSTAINED: Commissioner(s) _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, _____, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

Clerk of the Commission, Children and Families Commission of
Orange County, County of Orange, State of California

Resolution No: __-14-C&FC

Agenda Date: March 4, 2015

Item No.



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

_____, Clerk of the Commission

By: _____
Deputy

EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy of final executed Agreement FCI-HA-05 with Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc., and Mercy House)