



Sunnyvale Community Services

725 Kifer Road, Sunnyvale, CA 94086 408.738.4321

Working to Prevent Homelessness and Hunger

June 27, 2019

To: Trudi Ryan, Director of Community Development, City of Sunnyvale
From: Marie Bernard, Executive Director, Sunnyvale Community Services
Re: CDBG Loan Forgiveness Request for Additional Information

I am writing to further document our letter dated May 1, 2019 (attached), requesting forgiveness of the current \$400,000.00 CDBG loan to Sunnyvale Community Services.

It is our intention that if the loan is forgiven, the savings will be utilized to secure a new larger building, with the goal to maintain and eventually expand the services that Sunnyvale Community Services (SCS) provides to the community. Our services will continue to be administered within the boundaries of the City of Sunnyvale.

Since 1970, the mission of Sunnyvale Community Services (SCS) has been to prevent homelessness and hunger in our local community. Sunnyvale Community Services is designated as the Emergency Assistance Network (EAN) agency for financial aid in all Sunnyvale zip codes.

Since our move to 725 Kifer Road in 2003, the need for SCS services has grown dramatically. Our budget has quadrupled from \$2.2M to \$8.6M, and staff has grown from 9 to 34. The number of volunteers has tripled to over 3,000 this year. The number of days we distribute food has increased from 4 days to 22 days/month. Our client base continues to expand as the cost of housing continues to grow exponentially faster than wages. Over 9,000 individuals will be helped with one or more services in 2019. Today, the 12,000 sq. foot Kifer building can no longer accommodate our established programs.

Our current building limits the services we can offer to our clients. For example, we have borrowed off-site storage space and parking from corporate neighbors, and we spend hours each day moving pallets of food and program materials from one space to another.

In response to our current space demands and in anticipation of the growing need in the next two decades, SCS has identified a Sunnyvale-based facility that is 3 times the size of our current building, 1160 Kern Avenue. The cost is \$14,000,000. This facility has been used as a non-profit center since 2007 and is predominately warehouse space. The building remains classified for Industrial use. We have submitted our Use Permit to City Planning, requesting the ability to change usage to match that of our current location on Kifer Road.

In addition to the cost of the building, the new facility will require development of new offices, meeting rooms, ADA bathrooms, HVAC upgrades, the addition of industrial refrigeration and freezer units, and pavement work, as a start. We are currently conducting inspections that are

likely to result in other updates that could be a significant cost. We also know our operational costs will be growing with the larger facility. We are including an operational endowment in our capital campaign to assure ongoing operational costs are not impacted by the move to a new location.

Considerations for relief of the \$400,000 CDBG loan include the following:

- We do anticipate selling the Kifer facility, which is currently valued between \$5-7 million. We have already launched a Capital Campaign, but we will not receive cash before the closing date. Since the seller of the new Kern building requires full payment at closing, and we have not yet sold our current building, we forecast needing capital campaign bridge loans up to \$10,000,000 to purchase the building. The sale of the Kifer facility will likely trail six to eight months after our Kern purchase. Our financial plan assumes every dollar of the Kifer building sale would immediately be applied to any outstanding loans, reducing the amount of interest being paid on the building loan. The CDBG requirement that we immediately repay the loan with the sale of the building on Kifer adds \$400,000 to our already-stretched capital campaign.
- Having a \$400,000 liability when we apply for loans to purchase Kern will limit our ability to obtain sufficient loans to assist in purchasing the new building.
- Today, SCS applies 87% of every dollar to provide services to our Sunnyvale community; this is considered best-in-class in the non-profit sector, and this is a key factor donors consider when investing in a non-profit institution. We strive to maintain this income-to-expense ratio, and we thank the City of Sunnyvale for moving the \$400,000 loan to a balloon payment due in 2036, however this liability, combined with increasing needs for our services, requires that we continue to reserve funds that could otherwise be put to immediate use for providing services to our expanding Sunnyvale client base.
- The new facility will enable SCS to serve the growing number of low-income residents in Sunnyvale who are at risk of homelessness and hunger.
- Our client base grew by 31% in the past four years alone, from 6,873 in 2015 to over 9,000 in 2019. We forecast that the number of people we will serve will continue to increase by at least 5% per year for the next four years, resulting in over 11,000 unduplicated individuals.
- In addition to the thousands of clients we helped stay housed, we served 605 homeless individuals, an increase of 71% in just two years.
- In the new facility, we will continue to provide similar services to those offered at our Kifer Road facility today. We will be improving the client experience, following our commitment to treat each client with compassion, dignity and respect: client-specific bathrooms located closer to the reception area/client intake; larger areas for client Pantry Plus shopping; expanded office space for SCS client advisors, assuring every client and their family have enough room to bring their strollers when visiting SCS, for example; improved access to public transit from our existing location; and more parking for clients.

A core hub for safety net services in Sunnyvale:

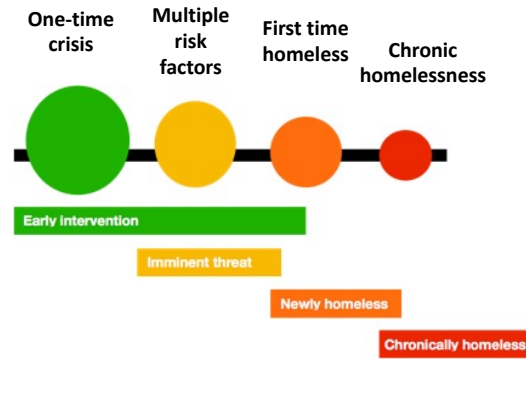
SCS follows a “housing first” model in our services and programs. SCS is a member of the Santa Clara County CoC (Continuum of Care). The CoC is a broad group of stakeholders dedicated to ending and preventing homelessness in Santa Clara County. The key CoC responsibilities are ensuring community-wide implementation of efforts to end homelessness, as well as ensuring programmatic and systemic effectiveness. As we advocate for housing solutions, Sunnyvale

Community Services will continue to be the first door for people in Sunnyvale to come for financial aid, food, referrals, and case management.

Our Theory of Change

Sunnyvale Community Services believes that **early intervention** is the *most effective way* to prevent and address homelessness and hunger. **We do this by:**

- **Stabilizing** families with financial aid and food assistance
- **Connecting** people to benefits and services
- **Building skills** to increase resiliency and grow local leaders
- **Advocating** for policies and resources to improve lives



A Proven Model

Our latest survey showed that 100% of 124 families reported that they were still housed 90 days after receiving financial assistance from Sunnyvale Community Services. However, 5% reported that they felt they were at risk of eviction, so we know it is a fragile system of support. We are constantly innovating, partnering, improving our programs and services, and growing our support.

Our philosophy is that housing means health. That is why our Theory of Change stresses early financial assistance to keep people housed. In addition, our year-round food assistance offers food valued at \$462/month for a family of four, giving people needed nutrition and also helping them stretch their incomes for rent and other bills. We concentrate on stabilizing the most vulnerable families experiencing a housing crisis by adopting an approach similar to an emergency room triage system.

In 2012, in response to the rise in homeless persons coming to our doors, we received funding from the City of Sunnyvale to launch the WorkFirst Sunnyvale program with Downtown Streets Team. This nationally praised job training program helps homeless persons move into employment and housing. We are the primary contractor on this City contract, helping 50+ individuals each year with job training, housing assistance, and wrap-around services.

In 2013, our data showed that a growing number of vulnerable clients needed more than short-term financial aid or food assistance. Thanks to an ongoing grant from the El Camino Healthcare District, we now have an Intensive Case Management program for medically fragile clients who

need wrap-around assistance for basic needs.



In 2015, thanks to funding from the City of Sunnyvale, we added our first Housing Case Manager to help people facing housing crises. We quickly built connections to landlords and property managers. For three years in a row, we have honored landlords who have rented to low-income families, veterans, and seniors, with our mayor and other dignitaries attending the receptions. Our results in helping newly as well as chronically homeless persons move into housing has proven the efficacy of this team approach to move people into housing and keep people housed. Several days each month, we celebrate when clients move into housing. A few months ago, we had the honor of helping a brave young mother with two small children who were fleeing domestic violence. Our current

Housing Case Manager, Elisha St. Laurent (pictured), worked to help them find a safe new home and presented them with our SCS move-in kit, valued at \$450.

We have always assisted low-income veterans and their families who are homeless or at risk of homelessness. From 2015–2018, our agency was granted a contract from the Veterans Administration to address the epidemic of veteran homelessness across the nation. We assisted 75 veteran families who were homeless or at risk of homelessness, with over 80% of the families retaining housing after 90 days.

In 2016, as one of the seven EAN agencies, SCS joined the Homelessness Prevention Services (HPS) pilot funded by Destination Home. Our agency took the early lead in training our staff on the county-wide vulnerability index for homelessness prevention (PR-VISPDAT), and our staff has trained several partner agencies on our Intensive Case Management practices.

For the past seven years, SCS has been part of the Coalition Against Predatory Payday Lending, and we inform all financial assistance recipients on alternatives to high-interest payday loans. In 2018, we added new capacity for financial education and budget coaching with a new grant from Silicon Valley Community Foundation. Internal staff and volunteers are teaching families new budgeting skills and helping them improve their credit scores and banking acumen.

SCS is the leading referral agency to the North County homeless shelter in Sunnyvale, located at 999 Hamlin Court. Our staff is onsite at the shelter each week for outreach, and we receive daily referrals and requests for program assistance from the staff and the County. At any time, there may be 10-15 families at the shelter—including up to 40 children—out of the 140 shelter beds (soon to be 175 beds). These families are facing multiple challenges, including domestic violence, severe disabilities, and under-employment.

Our staff regularly works with our partners at Downtown Streets Team and Sunnyvale Public Safety to do outreach at local parking lots and encampments to assist homeless persons and vehicle dwellers- connecting them to services.

The Core Safety Net in Sunnyvale

In our role as the Emergency Assistance Network (EAN) agency in Sunnyvale, our services include:

- Emergency financial assistance, helping low-income Sunnyvale residents with rent, rental deposits, utilities, medical care, prescriptions, and other critical bills. Each family receiving financial aid receives budget counseling and a three-month budget to help them remain stably housed.
- Year-round food, providing over two million pounds of healthy food at our onsite pantry, at five low-income Sunnyvale schools, and through deliveries to homebound Sunnyvale residents. A family of four can receive food valued at \$462/month.
- WorkFirst Sunnyvale, offering job-readiness training and job placement services for 50+ homeless individuals annually. This partnership with Downtown Streets Team is funded by the City of Sunnyvale.
- Kids' Head-to-Toe Summer Program, distributing 1,700+ backpacks with school supplies, gift cards for new shoes, and extra healthy food during the summer months for every eligible Sunnyvale student.
- Holiday Center, providing new gifts for 1,900+ low-income Sunnyvale households. Each December, we transform our warehouse into a festive "store" where families can select up to three toys for each child plus a household gift. They also receive two weeks' worth of healthy food. Due to extreme space limitations at our Kifer site, we are actively seeking an alternative location for the 2019 Holiday Center.
- Intensive Case Management, giving seniors and families who are homeless or at risk of eviction and need longer-term assistance. Going beyond emergency financial aid, this program enables SCS to work with clients for three or more months. Our case managers work with these clients to improve their financial situations.
- Community Navigator Program, training local leaders in Sunnyvale to connect low-income residents with services.
- Benefits screening and enrollments. SCS caseworkers can help clients sign up for Medi-Cal, CalFresh, the Santa Clara Valley Family Health Plan, the Low-Income Home Energy Assistance Program (LIHEAP), and other programs. We have on-site enrollment in CalFresh to help clients afford nutritious food, and in Medi-Cal to ensure that they get proper healthcare. We also make referrals to medical, mental health, legal aid, shelter, employment, and education programs, as well as credit and budget counseling.
- Financial literacy classes and credit repair, offering classes and work with some clients one-on-one to help them increase their income, credit score, and assets.
- Hosting partner agencies onsite, including Second Harvest Food Bank for CalFresh (food stamp) applications, Santa Clara County Social Services Agency (SSA) for enrollments in CalFresh and Medi-Cal, and Senior Adult Legal Services (SALA) for counseling one day a week.

- AARP free tax return services. We fund AARP to offer this service at a local church between February and April. (We used to host this service onsite, but no longer have room due to the expansion of our own services.)
- Bus passes and gas vouchers. We have a contract from VTA for distribution of low-cost bus passes.
- Other in-kind assistance, e.g. diapers, refurbished bicycles, household move-in kits.
- Advocacy on policies and programs affecting the most vulnerable.

Summary

Sunnyvale Community Services greatly appreciates the outstanding support we have received over the years from the City of Sunnyvale. We are proud to work with the City to ensure that all our neighbors are properly housed and nutritiously fed. Please do not hesitate to contact us with any questions about our work and how it supports and complements the City's own housing efforts.