



AGENCY: City Council
MEETING DATE: December 9, 2019
DEPARTMENT: City Manager/CDD
PRESENTED BY: T. Miller/S. Perkins
EMAIL ADDRESS: tmiller@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

Receive Report on Draft Limited Term Permit and Consider Adoption of City Council Resolution Approving a Short-term Bridge Loan to Mendocino Coast Hospitality Center for Initial Opening and Operations of Winter Shelter and Authorizing City Manager to Execute Loan Agreement and Promissory Note

ISSUE:

The Mendocino Coast Hospitality Center (MCHC) applied for a Limited Term Permit to operate a Winter Shelter from December 15, 2019 to April 1, 2020, depending on funding and need. Unlike prior years, the shelter will operate every night and will not be weather dependent as it was in prior years. The Limited Term Permit is processed at the administrative level and is presented here for informational purposes only.

A contract between Mendocino County and MCHC is tentatively scheduled for approval by the County Board of Supervisors on December 10, 2019 in the amount of approximately \$66,516. If approved, the funding will support the Winter Shelter for approximately 90 days. In order for the Winter Shelter to open by December 15, MCHC must expend funds in advance of receiving the County's financial support. MCHC is a nonprofit organization which, like most nonprofits, struggles to support ongoing operations and has very limited cash reserves that can be used to prefund programs. The MCHC Board has requested a short-term bridge loan from the City to provide the cash necessary to set up and operate the Winter Shelter prior to receiving the County funds, which is expected to take 30-45 days.

ANALYSIS:

With the exception of being open continuously from December 15, 2019 up to April 1, 2020, or when funding runs out, the Winter Shelter (WS) will operate much as it has the last two years (see Attachment 4 – Draft Limited Term Permit). Local faith-based organizations will take turns hosting the WS for no more than fourteen (14) consecutive days at a time. Guests will be processed for intake during regular business hours at the MCHC facility at 101 N. Franklin. Eligible guests will check in at the Fort Bragg Food Bank and be transported by van to the hosting shelter between 4:30 and 5:00 PM each afternoon. Guests will be provided an evening meal at the hosting shelter and unlike last year's shelter, will not participate in the meals provided in the late afternoon at the Hospitality House located at 237 N. McPherson St. The next day, guests will be transferred by van from the shelter location to the MCHC property at 101 N. Franklin no later than 8:00 AM.

Families and children will not be housed at the WS but instead will receive motel or camping vouchers. Intake and eligibility requirements must meet the terms provided for in MCHC's contract with the County (see Attachment 5, Definition of Services). In an effort to implement the recommendations of the Marbut Report, the County sets forth certain eligibility

requirements and priorities. Mendocino residents are given priority. Individuals or families not established in Mendocino County may only receive one (1) night of services at the WS, unless they meet additional requirements and then they are limited to receive up to four (4) nights of services.

Although the City, County and MCHC have been discussing this year's Winter Shelter and operations, a contract for funding is not yet in place. It is tentatively scheduled for approval at the County Board of Supervisors' December 10, 2019 meeting. MCHC must provide the cash up front to get the WS up and running but does not expect to receive reimbursement from the County until sometime in January. The MCHC Board has respectfully asked the City for a short-term bridge loan to help them with the cash flow required to initially set up and operate the WS.

Attached is a proposed Loan Agreement and Promissory Note drafted by the City Attorney. If approved by City Council as drafted, it provides for a loan of up to \$25,000, with annualized interest of 3% to be repaid by January 31, 2020 or within a week of MCHC receiving reimbursement, whichever is sooner. The short-term loan is contingent on the County and MCHC executing the Funding Agreement that the Board of Supervisors will review on December 10, 2019.

RECOMMENDED ACTION:

Adopt Resolution approving a short-term bridge loan to Mendocino Coast Hospitality Center for initial opening and operating of a Winter Shelter and authorizing the City Manager to execute the same.

ALTERNATIVE ACTION(S):

1. Do not approve the Resolution, which will not approve the short-term bridge loan to MCHC.
2. Provide additional direction to staff regarding the short-term bridge loan.

FISCAL IMPACT:

The short-term bridge loan will reduce the City's available General Fund cash by up to \$20,000. The City will earn interest at a rate slightly higher than it is currently earning in the Local Agency Investment Fund (LAIF) operated by the California State Treasurer. The LAIF had an average monthly yield in October, 2019 of 2.19%. At 3% interest, the City would earn approximately \$107 if the full \$25,000 loan is outstanding from December 10 to January 31.

GREENHOUSE GAS EMISSIONS IMPACT:

The loan by itself will not impact greenhouse gas emissions but operation of the shelter will add several local van trips each day from the Food Bank to the shelter facility and then from the shelter facility to the MCHC facility at 101 N. Franklin in the morning. This additional traffic could last ninety (90) days or more.

CONSISTENCY:

The current City Council does not have a goal specific to shelters or homelessness but historically the City Council has supported the work of MCHC and the work of the Homelessness Ad Hoc Council Committee.

IMPLEMENTATION/TIMEFRAMES:

MCHC anticipates opening the WS on December 15, 2019 and operating it nightly until March 15, 2020, or longer if funding allows.

ATTACHMENTS:

1. Resolution
2. Proposed Loan Agreement
3. Proposed Note
4. Draft Limited Term Permit for Winter Shelter
5. Proposed Services for Mendocino County and MCHC funding Agreement

NOTIFICATION:

1. Carla Harris Executive Director MCHC
2. Homeless, Notify Me subscriber list