



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: October 6, 2020
TO: Christine Daniel, City Manager
FROM: Charles S. Bryant, Community Development Director
SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Authorizing The City Manager To Execute A Grant Recipient Contract With Emeryville Citizens Assistance Program In The Amount Of \$75,282 To Support Food And Clothing Distribution To Persons Experiencing Homelessness And Those Near-Homelessness For Fiscal Year 2020-2021**

RECOMMENDATION

Staff recommends that the City Council adopt the above-entitled resolution authorizing the City Manager to execute a Grant Recipient Contract with Emeryville Citizens Assistance Program (ECAP) in the amount of \$75,282 to support food and clothing distribution to persons experiencing homelessness and those near-homelessness.

BACKGROUND

ECAP provides support for at-risk families and individuals by providing a daily food give-away, clothing, counseling services, and resource referrals for housing and personal needs from a leased facility at 3610 San Pablo Avenue. The organization has provided these services in Emeryville since 1997, originally under the name "Emeryville Community Action Program".

In the past, the Emeryville Redevelopment Agency provided approximately \$50,000 per year to support the organization's mission. Due to the dissolution of redevelopment, the City began providing direct support to ECAP in Fiscal Year 2012-2013. In the ensuing years, the support amount increased annually due to increases in rent and utility costs. ECAP's lease includes a rent increase on July 1st of each year in the amount of the Consumer Price Index.

The current grant request for Fiscal Year 2020-2021 is \$75,282, an increase of \$1,282 (or 1.7%) over the Fiscal Year 2019-2020 amount of \$74,000, which is roughly one-third the increase seen in prior years. The requested amount consists of \$54,382 for rent and \$20,900 for utility costs, including a \$2,500 contingency to address estimated increases in costs and unexpected expenses. Previous grant amounts and the current request are summarized in the table below:

Year	Award Amount
FY 2012-13	\$50,000
FY 2013-14	\$53,436
FY 2014-15	\$57,700
FY 2015-16	\$57,500
FY 2016-17	\$63,756
FY 2017-18	\$66,885
FY 2018-19	\$70,135
FY 2019-20	\$74,000
Proposed FY 2020-21	\$75,282

According to ECAP staff, ECAP continues to see an increase in need as the increase in homelessness and housing costs affects their low-income clients. ECAP has increased their distribution of food, which now requires pre-packaging and compliance with other COVID-19 related sanitation and social distancing requirements. This is a more staff-intensive process than the more open distribution previously allowed prior to the pandemic. Utility costs have also gone up and will likely remain elevated during the coming year. During Fiscal Year 2020-2021, ECAP will begin working with the City's new homelessness services provider and City staff to coordinate services to people experiencing homelessness.

In December 2019, ECAP's location was purchased by Resources for Community Development ("RCD"), a nonprofit housing developer. RCD intends to develop a mixed-use affordable housing project at the property. The City assisted RCD with the purchase of the property through a loan that, among other things, requires RCD to lease commercial space in RCD's proposed development to ECAP or, if ECAP is unable to enter into a lease with RCD, with another food security services provider. RCD and the City will work with ECAP in the event a location change is required during construction of RCD's proposed affordable housing project.

DISCUSSION

Final Report for FY 2019-2020

The Community Grants Funding Agreement for FY 2019-2020 (the "FY 2019-2020 Funding Agreement") required submittal of a final report for the period July 1, 2019 through June 30, 2020 (the "Final Report"). The FY 2019-2020 Funding Agreement required the Final Report to include the following elements:

- A financial report as specified in Section Six of the FY 2019-2020 Funding Agreement;
- The number of people and households served through all ECAP programs, including but not limited to the food pantry, clothing distribution, holiday drives, emergency shuttle transportation, Project 22, resource referrals, etc.;
- Copies of any promotional materials, newspaper articles, or other publicity;
- The current roster of ECAP's Board of Directors;

- Evidence that ECAP is an active California corporation with valid tax-exempt status.

The Final Report was submitted to staff on August 11, 2020 (Attachment 1).

Funding Request for Fiscal Year 2020-2021

As shown in the Fiscal Year 2020-2021 Grant Application Narrative and Proposed Budget (Attachment 2), ECAP has requested \$75,282 for the upcoming fiscal year. This request is based on their estimate of costs related to rent, utilities (PG&E, AT&T, Verizon and EBMUD), and costs for additional refrigeration and related repair needs. This estimate includes the following assumptions:

- A 3% escalation of rent, elimination of a share of property taxes; a general contingency budget of \$2,500 to provide flexibility in addressing unforeseen cost increases
- 8.7% increase of electrical and gas costs
- 9.2% increase of water costs (EBMUD), which is less than half the increase of the prior year and based on actual costs incurred during the prior grant period (FY 2019-2020).
- 52% increase in internet (AT&T) and cellular phone (Verizon) services due to increased needs associated with the COVID-19 pandemic in addition to regular cost increases.

The proposed Grant Recipient Contract for FY 2020-2021 (the “FY 2020-2021 Funding Agreement”) presented as Exhibit A to the attached Resolution provides for continued support to ECAP for Fiscal Year 2020-2021 in the amount of \$75,232. Funding will be provided in 12 equal monthly installments of \$6,269.33. ECAP is required to submit a Final Report by April 30, 2021.

Tax Exempt Status/Performance Milestones

During the review of ECAP’s FY 2019-2020 application, staff found that ECAP’s tax exempt status had been suspended by the California Secretary of State and Franchise Tax Board because of ECAP’s failure to timely file a required submittal. ECAP worked to reinstate its tax-exempt status and revive it to good standing. While the non-profit status has been renewed and is active at this time, the expiration of ECAP’s non-profit status raised concerns about ECAP’s administrative capacity. Accordingly, the proposed Grant Recipient Contract includes performance milestones intended to ensure that ECAP works towards increasing its administrative capacity. Specifically, ECAP will be required to develop a Strategic Plan and to apply for a minimum of three grants to support ECAP’s operations. These performance milestones are the result of discussions between ECAP, RCD, and the City. RCD has facilitated pro-bono advising support for ECAP from Community Vision, a nonprofit organization that provides consulting support to other nonprofit organizations.

FISCAL IMPACT

Funding for the FY 2020-2021 Funding Agreement is included in the City's Fiscal Year 2019-2020 through 2020-2021 Operating Budget for Non-Departmental Services, Social Services (account 1900-87610).

STAFF COMMUNICATION WITH THE PUBLIC

There was no staff communication with the public.

CONCLUSION

Staff recommends that the City Council adopt the attached resolution authorizing execution of the FY 2020-2021 Grant Recipient Contract with ECAP for continued support of ECAP's food and clothing distribution programs.

PREPARED BY: Emi Thériault, Community and Economic Development Coordinator II

REVIEWED BY: Chadrick Smalley, Economic Development and Housing Manager

APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:



Christine Daniel, City Manager

ATTACHMENTS:

1. Final Report FY 2019-2020
2. ECAP Grant Application Narrative and Proposed Budget FY 2020-2021
3. Draft Resolution including Exhibit A – Grant Recipient Contract