



City of Emeryville

C A L I F O R N I A

MEMORANDUM

DATE: July 20, 2021

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 (“ECAP”) In The Amount Of \$73,957 To Support Food And Clothing Distribution To Persons Experiencing Homelessness And Those Near Homelessness For Fiscal Year 2021-2022 And To Execute Minor Amendments**

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 \$73,957 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 2012-13. In the ensuing years, the support amount increased annually due to increases in rent and utility costs. Previously, ECAP’s lease included a rent increase on July 1st of each year in the amount of the Consumer Price Index. In December 2019, ECAP’s location was purchased by Resources for Community Development (“RCD”), a nonprofit housing developer. RCD waived the escalator charge this past year but ECAP is now in negotiation for a new lease and is asking for a rent budget mindful that the escalator is likely to be included in the new lease and added back into the monthly cost.

The current grant request for Fiscal Year 2021-2022 is \$73,957, a decrease of \$1,275 as compared to the Fiscal Year 2020-2021 grant amount of \$75,232. Former grant requests have generally increased between 2% and 4% per year. The current overall decrease is associated with a decrease in rent costs but offset by an anticipated slight increase in utility expenses for the coming year. The requested amount consists of \$52,382 for rent (a \$2,000

decrease from last year's request) and \$21,575 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
FY 2020-21	\$75,232
Proposed FY 2021-22	\$73,957

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 2021-2022, ECAP will continue working with the City's homelessness services provider and City staff to coordinate services to people experiencing homelessness.

As noted above, 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, 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. Over the past year, RCD has worked with ECAP to help produce a draft ECAP Strategic Plan 2021-2025, which is currently being reviewed by their Board.

DISCUSSION

Final Report for FY 20-21

The Community Grants Funding Agreement for FY 20-21 (the "FY 20-21 Funding Agreement") required submittal of a final report for the period July 1, 2020, through June 30, 2021 (the "Final Report"). The FY 2020-21 Funding Agreement required the Final Report to include the following elements:

- A financial report as specified in Section Six of the FY 20-21 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

Additional requirements for last year's grant award included:

- Evidence that ECAP attempted to apply for at least three grants to support program administration
- Production and adoption of a Strategic Plan

The Final Report was submitted to staff on May 28, 2021, with additional supporting materials submitted on June 20, 2021. The Final Report is provided as Attachment 1.

Tax Exempt Status/Performance Milestones

During the review of ECAP's FY 19-20 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 revived it to good standing after the expiration of the previous grant agreement. As a consequence, the grant for FY 20-21 was delayed. Following these events, it was determined that the program lacked sufficient administrative staff. Two additional performance criteria noted above were included in the FY 20-21 Funding Agreement to ensure that ECAP worked towards increasing its administrative capacity. RCD has facilitated pro-bono advising support for ECAP from Community Vision, a nonprofit organization that provides consulting support to other nonprofit organizations, resulting in progress toward these performance goals as follows:

Grant Applications

ECAP has provided evidence of having submitted two funding proposals and solicitation of one donation including the following:

- 1) *The Alameda County Emergency Rental Assistance Program (ERAP) Outreach Ambassadors Program*. This request was successful resulting in an award of \$6,000 for ERAP coordination services.
- 2) *The Tarbell Family Foundation*. This request was successful resulting in two awards adding to a total of \$30,000 in grant funds for general use.
- 3) *Wareham Development*. This request for assistance was successful resulting in and awards of \$2,500 in addition to a personal donation by Mr. Richard Robbins for \$2,500 for a total contribution of \$5,000 in support of the ECAP 2020 Thanksgiving Giving Celebration event.

Materials provided for the three funding allocations do not limit the use of related funds to administrative support, but they allow for it. Given that many grantors prefer for their funds not to be used strictly for administration, this is not unexpected. ECAP has confirmed that it is their intent, with implementation of the Strategic Plan (see discussion, below), to hire a part-time office support person next year. Staff is recommending that renewal of the grant award include a requirement for ECAP to demonstrate evidence that new paid or volunteer office staff have been hired on at least a part-time basis and that three grant applications have been made, with evidence of submittals documented in the FY 21-22 Final Report.

Strategic Plan

ECAP has provided evidence of having developed a Strategic Plan. The Plan has not been adopted by their Board yet, but their efforts have shown significant progress toward the performance criterion. Staff would suggest that renewal of the grant award include a requirement for ECAP to demonstrate evidence that the Strategic Plan has been adopted and to provide information regarding how related implementation measures were addressed in the FY 21-22 Final Report.

Funding Request for Fiscal Year 2021-2022

As shown in the Fiscal Year 2021-2022 Grant Application Narrative and Proposed Budget (Attachment 2), ECAP has requested \$73,957 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 ongoing refrigeration and related repair needs. This estimate includes the following assumptions:

- A \$2,000 (1%) decrease in rent costs
- A 1% increase in utility and equipment repair costs
- A general contingency budget of \$2,500 to provide flexibility in addressing unforeseen cost increases

The proposed Grant Recipient Contract for FY 21-22 (the “FY 21-22 Funding Agreement”) presented as Exhibit A to the attached Resolution provides for continued support to ECAP for Fiscal Year 2021-2022 in the amount of \$73,957. Funding will be provided in 12 equal monthly installments of \$6,163.08. ECAP is required to submit a Final Report by April 30, 2022.

FISCAL IMPACT

Funding for the FY 21-22 Funding Agreement is included in the City’s Fiscal Year 2021-2022 Operating Budget for the Community Programs Fund (Fund 203), Community Promotion Grants (Account 87300).

STAFF COMMUNICATION WITH THE PUBLIC

Staff has had no communication with the public on this City Council item.

CONCLUSION

Staff recommends that the City Council adopt the attached resolution authorizing execution of the FY 21-22 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:

- Attachment 1 - ECAP Annual Grant Report FY 20-21
- Attachment 2 - ECAP Grant Application Narrative and Proposed Budget FY 21-22
- Draft Resolution, including Exhibit A, Grant Recipient Contract