



Church at the Park: Micro-Shelter Community Review

- I. **Purpose:** After a year of operating the Village of Hope (VOH) Micro-Shelter Community and 7 months of operating the Catholic Community Services (CCS) Micro-Shelter Community, Church at the Park (C@P) has conducted a review of our program, outcomes, and financial position to see how we can continue to improve our service delivery to unsheltered households in Salem. This report details some of our findings.
- II. **Definitions:**
- **Low Barrier:** do not require any of the following for a guest to stay at the shelter: (i) criminal background checks, (ii) credit checks or income verification, (iii) program participation, (iv) sobriety, or (v) identification.
 - **Housing Focused Shelter:** C@P's goal in operating shelter is to connect guests with housing as quickly as possible. We strive to inform our program on the principles outlined in this [Housing Focused Shelter Guide](#).
 - **Positive Exit Destinations:** C@P defines positive exit destinations as anything that signifies a guest taking a step further toward their own stability. Examples include: permanent housing, transitional or residential housing, substance use treatment facility, shelters with more support services or programming.
 - **HUD Permanent Exit Destinations:** HUD defines permanent housing as a subsidized or unsubsidized rental housing, staying or living with a friend or family with permanent tenure, long-term care facility, or home ownership.
- III. **Program Design and Outcomes** Both Micro-Shelter Communities operate as low barrier, housing focused shelters. Entry to both shelters is prioritized based on vulnerability using factors such as chronic health conditions and length of time homeless.

Village of Hope (VOH):

Existing Annual Budget: \$1600 / bed X 80 beds = \$1,536,000 annually

Target Population: Adults over 18

Number of beds: 80

Total number of people served in 1 year of operation: 196

Length of Stay: 65% stay for 90 days or less; 82% stay for 6 months or less.

On-site services include: 24/7 staff, one meal daily, access to grab and go food and liquid, case management, DPSST licensed safety team support, medical and behavioral health support 2x / week, connections to public benefits and documents (i.e. food stamps, TANF, SSI/SSDI, ID, birth certificates etc.)

Percentage of Positive Exit Destinations: 45%

Percentage of Permanent Housing Destinations: 16%

Catholic Community Services (CCS):

Existing Annual Budget: \$1600 / bed X 132 beds = \$2,534,400 annually

Target Population: Families (person with custody of a minor)

Number of beds: 133

Total number of people served in 7 months of operation:

Average Length of Stay: 71% stay for 90 days or less; 90% stay for 6 months or less

On-site services include: 24/7 staff, one meal daily, access to grab and go food and liquid, case management, DPSST licensed safety team support, medical and behavioral health support 2x / week, connections to public benefits and documents (i.e. food stamps, TANF, SSI/SSDI, ID, birth certificates etc.)

Percentage of Positive Exit Destinations: 58%

Percentage of Permanent Housing Destinations: 18%

IV. **Comparable Program Models:** As we have looked into the program model for other shelters and navigation centers, we see some similarities and differences to what C@P is doing.

1. **Emergency Shelter Model & Cost Examples:**

Traditional shelter models often provide night by night service for a lot of people at once, but are often not able to be open 24/7 or provide ample on-site services.

In 2021, [the National Low Income Housing Coalition](#) estimated that the modal cost nationally per emergency shelter bed is \$16,000 annually or \$1,333.33 / bed per month or **\$1,413.33 / bed per month in today's dollars.**

C@P similarities to standard emergency shelter:

- Large shelter capacity: currently able to shelter 213 individuals
- Many positive exit destinations, fewer exits to permanent destinations
- Comparable price / bed / month
- Comparable average length of stay (6 months or less)

2. Navigation Center Model & Examples:

Conversely, Navigation centers are designed to support fewer people at one time, with the specific focus of intensive on-site service and exits to permanent housing. Below are two examples of navigation centers:

- **City of Salem Navigation Center:** The City website describes the navigation center as a “center [that] connects people to public benefits, health services, and permanent housing using a low- barrier, walk- in model. It also provides public toilets and a place to rest and recuperate from living outdoors.” *Assuming the City proposed 1.5M annual operating budget, with 40 beds, and the proposed 200 people served annually, the cost per bed available, per month is \$3,125*
- **[City of Fremont](#) navigation center (from 2019).** The City of Fremont opened a navigation center in 2019. The outcomes are stunning for the other navigation center they operate: Bay Area Community Services (BACS) has served a total of 1,317 people and housed 1,090 (83% exits to permanent housing).

At the time this report was published, the Fremont Navigation Center was planning to serve 45 people at one time, for 2.3M annually, with an average stay of 6 months or less. One key budgetary consideration is that 27% of their budget is used for flexible client funds to support guests to transition to housing (i.e. application fees, birth certificates, IDs, rental deposit, items for helping someone get a job etc.) *For the \$2,306,033 in 2019 (or an estimated 2,607,771 in today's dollars) operating budget, with 45 beds and a proposed 90 people served annually, the cost per bed available, per month \$4,829.21*

C@P similarities to navigation center models:

- Guests have access to the shelter and services 24/7.
- Ample on-site services are offered (health and behavioral health services, case management, food etc.)
- Comparable length of stay (6 months or less)
- Prioritizes openings for the most vulnerable based on chronic health conditions and length of homelessness.

- V. **Financial Realities:** Through this review, we see that C@P is straddling the line between both trying to shelter a lot of people AND provide intensive on-site services to support exits to positive and permanent destinations. Our current model of operation is not financially sustainable and C@P is projected to have a \$450,000 deficit by year end. **Unbudgeted changes in expenses and funding from Spring 2021 to Spring 2022 include:**

- **Maintenance and Repair of City-Owned shelters.** In 7 months of operation, C@P has spent over \$22,000 on the maintenance and repair of the shelters.
- **Inflation.** The US inflation calculator estimates a rate of inflation of 6.7% from last year to this year. We are experiencing this increase of cost across all areas of our shelter program. One example is that our partnering food provider is asking for a \$1 increase in the price / meal. This increase alone will result in an additional \$73,000 / year increase in expenses for the shelters for food alone.
- **Administrative expenses related to managing government funds.** In the last year we have had to separate the work that one business manager completed into three separate positions (two finance and one HR) in order to keep up with the demands of accounting for every dollar spent on the sheltering. This has resulted in a \$162,450 increase in expenses.
- **Cost of recruiting and retaining skilled employees:** With the competitive job market, C@P has had to be creative in its efforts to recruit quality employees including offering higher wages than originally budgeted to attract the talent needed for this work. Additionally, in an effort to retain our employees and reduce costs associated with turnover, we are striving to offer a competitive benefits package and honor time off needed for employees to maintain their mental, emotional, physical, and spiritual health. The cost of covering vacation time and extensive employee absences due to COVID-19 and other illnesses has exceeded what we originally budgeted.
- **Loss of ESG-CV2.** C@P supplemented much of our navigation focused work and shelter staffing at VOH with a \$633,000 ESG CV-2 grant. For the life of the ESG contract, we charged \$35,000 / month of VOH expenses. This loss of \$420,000 of shelter revenue impacts primarily the navigation services and the positions focused on supporting guests exit from shelter to housing.

VI. Program Model Considerations: Due to the above funding realities, C@P needs to make proactive changes in order to maintain the viability of the organization. Below are ways we have brainstormed paths forward.

- **Make reductions to shelter services:** To maintain the average cost per bed of \$1600 / month, C@P would reduce the expense of the daily meal provided.
- **Maintain the current sheltering model:** To continue the support of 180 year round beds and 32 winter warming beds (approximately 460 people sheltered annually) the average cost per bed increases to \$1852 / month.
- **Implement a Navigation Center Model (VOH only):** At \$2300 / bed / month at VOH only, C@P proposes an increase in case management support reducing the case manager to guest ratio from 40:1 to 20:1. Additionally, in this budget is \$90,000 in direct guest funds to assist with expenses related to exiting the shelter to permanent housing. With these program changes, we expect that our exits to permanent housing will more than double. You will notice that we are not

proposing a Navigation Center model for CCS and believe that at least to start, it makes more sense to target individuals with higher acuity for the more intensive service model

Note: all budgetary options include the increased administrative percentage from 10% to 15%, calculated based on the direct costs expended.

VII. Conclusion: C@P is honored to do this work and we feel grateful for the City of Salem's partnership as we have learned, grown, and refined our program model and administrative systems. We are committed to financial stewardship and effective service delivery in order to reduce homelessness locally.