County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE
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DAVID E. JANSSEN
Chief Administrative Officer

REVISED

Board of Supervisors
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First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

November 14, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

LOS ANGELES COUNTY HOMELESSNESS PREVENTION INITIATIVE – WEINGART CENTER ASSOCIATION (ALL AFFECTED) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Chief Administrative Office to transfer the remaining balance of $450,000 in Provisional Financing Uses to the Homeless and Housing Program, and make a payment totaling $450,000 to the Weingart Center Association. This payment represents the second $450,000 out of a total of $900,000 funded through one-time County general funds approved by your Board during budget deliberations on June 26, 2006.

PURPOSE / JUSTIFICATION OF RECOMMENDED ACTIONS

On June 26, 2006, on motion introduced by Mayor Antonovich and amended by Supervisor Yaroslavsky, your Board approved one-time funding in the amount of $450,000 for the Weingart Center Association (Center) to ensure ongoing services to homeless individuals on Skid Row. Your Board also indicated their intent to provide an additional $450,000 upon receipt of information concerning the origin of the Center's funding deficit.

On September 12, 2006, your Board delegated authority to my Office to fund the initial $450,000. In addition, your Board requested that this Office provide a report within 30 days on the Center's current and potential future funding sources and the impact of these funding sources on the financial stability of the Center in Fiscal Year (FY) 2007-08.

On October 17, 2006, the Center provided an updated FY 2007-08 Forecast (Attachment I) that identifies a balanced budget. The Center also provided a letter which maps out their fiscal strategies, signed by the Center's Board Chair (Attachment II). The documents demonstrate that the Center has a strategic plan, already in action, to ensure they will not find themselves in the same fiscal crisis next year.

Implementation of Strategic Plan Goals

The recommended action is in compliance with the County Strategic Plan, Goal 3, Organizational Effectiveness: Ensure that service delivery systems are efficient, effective and goal-oriented.

FISCAL IMPACT/FINANCING

The one-time funding for the Center was approved by your Board on June 26, 2006 and is funded by County general funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The most recent Countywide homeless count indicates that approximately 88,000 family members and individuals are homeless in Los Angeles County on any given night. The Center plays a vital role in the County's homeless delivery service.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Center provides 600 transitional housing beds to the homeless and a school and counseling/employment center in the downtown Los Angeles area. This funding will support the Center's operation and afford them the time they need to implement the fiscal strategies that will result in a balanced budget and ensure no future financial intervention will be necessary without interrupting services to the homeless.

CONCLUSION

The Center plays an important role in serving homeless in the Skid Row area. It is the recommendation of this office that the second $450,000 be released to the Center.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:LS
KH:os

Attachments (2)

c: County Counsel
Weingart Center Association

ATTACHMENT I

WEINGART CENTER ASSOCIATION
FY 2007-2008 FORECAST

Description	ADOPTED FY 06-07 BUDGET	ADOPTED FY 06-07 REVISED BUDGET WITH COUNTY $900,000	FORECAST FY 07-08 BUDGET WITH YES & CDC
REVENUE			
TOTAL HOUSING REVENUE	$ 2,222,704	$ 2,216,034	$ 6,038,312
TOTAL MEALS REVENUE	$ 785,860	$ 782,172	$ 782,172
TOTAL LEASE REVENUE	$ 540,161	$ 565,601	$ 565,601
TOTAL PRIVATE DONATIONS REVENUE	$ 1,214,700	$ 1,338,070	$ 1,380,983
TOTAL GOVT GRANTS REVENUE	$ 2,388,631	$ 3,501,169	$ 2,782,901
TOTAL PRIVATE GRANTS	$ 78,700	$ 80,303	$ 100,303
MISCELLANEOUS	$ 66,200	$ 66,200	$ 66,200
TOTAL REVENUE	$ 7,296,956	$ 8,549,549	$ 11,716,472
EXPENSES			
TOTAL SALARY EXPENSE	$ 4,307,115	$ 4,353,650	$ 5,811,780
TOTAL OVERTIME EXPENSE	$ 56,521	$ 56,521	$ 58,217
TOTAL PAYROLL RELATED TAXES, BENEF	$ 852,352	$ 874,352	$ 1,218,946
TOTAL CONTRACT SERVICES	$ 808,312	$ 865,712	$ 952,633
TOTAL BUILDING RELATED COSTS	$ 538,587	$ 613,489	$ 982,588
TOTAL DIRECT CAFÉ EXPENSE	$ 346,416	$ 346,416	$ 680,217
TOTAL TELEPHONE EXPENSE	$ 84,744	$ 77,312	$ 106,944
TOTAL UTILITIES EXPENSE	$ 373,690	$ 373,690	$ 410,351
TOTAL OTHER EXPENSES	$ 146,006	$ 188,465	$ 324,087
TOTAL HUMAN RESOURCE RELATED	$ 92,190	$ 92,190	$ 111,127
TOTAL CLIENT RELATED EXPENSES	$ 51,305	$ 165,592	$ 486,506
TOTAL DEVELOPMENT RELATED EXPENSE	$ 306,630	$ 306,630	$ 315,829
TOTAL MISCELLANEOUS EXPENSES	$ 233,450	$ 235,530	$ 257,248
TOTAL EXPENSES	$ 8,197,318	$ 8,549,549	$ 11,716,472
NET INCOME OR (LOSS)	$ (900,362)	$ 0	$ (0)

ATTACHMENT II

WEINGART CENTER ASSOCIATION

BREAKING THE CYCLE OF HOMELESSNESS

October 13, 2006

L.A. County Board of Supervisors:

During 2004, the Board of Directors of Weingart Center Association created, in conjunction with the management of the Center, a strategic plan. This plan is reviewed constantly, to see how the center performs. One of the initiatives was to reduce the reliance on government-funded contracts, not by eliminating these contracts, but by increasing the private fund sources to improve our ratio from 75 % government, 25 % private to 50/50. To assist us in this endeavor, we recently hired three new staff members in the Development Department, including a new Vice President of Development and Community Relations and a Senior Director Major Gifts and Planned Giving. Our internal goal for the Department is $2 million for the remainder of the current year.

I stress internal because we do not "fluff" our budget projection by expanding private donation to appear successful. That approach has a way of "coming home to roost."

One other initiative was to identify and develop a second site for WCA clients as low income housing. This venture will generate a positive impact on the cash flow for the Center. We are working closely with the City for assistance in the financing of this project. To date, we have considered two potential sites with full city backing. One was dropped and the second is still in the process. To this end, WCA has formed a wholly owned subsidiary, WCA Development Corporation, to facilitate construction, operation, management and, ultimately, ownership.

We work very closely with management in this process. We have increased the frequency of our regular Board meetings from quarterly to monthly to monitor our progress in correcting our fiscal position.

Needless to say your support by granting us $900,000 will allow us to continue operating while we take these planned strategic moves:

1. Obtain new programs funded on a sound fiscal basis while reviewing those which don't cover current costs with the intent of replacing them when and where possible. To that end, we have 3 new programs in the pipe line. We have internal and external assistance in watching the internet releases of potential programs should we not get the three we are currently pursuing or should we lose one of the ten (10) existing programs we operate.

2. Insure the generation of private funds to supplement government programs. This has been addressed earlier with the addition of new staff and a healthy "internal" goal.

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Long range, we feel the Center will obviously face challenges, but with your funding. we will be able to continue operating while new programs and new private funding are developed. We understand that your support is a one time only grant

We are confident that with your support and the addition of new programs. we can continue operating and serve the very needy population on Skid Row.

Thank you for your commitment to fund the Weingart Center at its own time of need.

David A. Fuhrman

David A. Fuhrman
Board Chair

Date
10-13-06