

**Question: How much will it cost to operate the Navigation Center?**

In its response to the City’s Request for Information (RFI), Bay Area Community Services proposed a total HNC annual operating budget of \$2,306,033 per year.

**BACS Proposed Budget**

| <b>Category</b>                      | <b>Amount</b>      | <b>% of Costs</b> |
|--------------------------------------|--------------------|-------------------|
| Staff (18.20 FTE)                    | \$1,136,694        | 49%               |
| Flex funds and Housing Subsidies     | \$630,000          | 27%               |
| Meals (45 meals/day @ \$4 meal)      | \$65,700           | 3%                |
| Furniture                            | \$50,000           | 2%                |
| Maintenance, Utilities and Insurance | \$264,000          | 11%               |
| Administrative Overhead Costs        | \$209,639          | 9%                |
| <b>Total</b>                         | <b>\$2,306,033</b> | <b>100%</b>       |

**Staffing:** BACS is committed to providing 24-hour support and supervision for the HNC. Therefore, approximately 49% of the budget (\$1.14 million) is dedicated to 18.20 FTE staff. This includes 1.5 FTE Program Managers, 4 FTE Housing Navigators to address clients housing navigation and case management needs, 2 FTE Outreach Coordinators, and 10 FTE Peer Site Managers, in addition to a 0.5 FTE Property Manager. The average cost per staff person is approximately \$62,000 a year, including salary and benefits.

**Flex Funds:** The primary purpose of the HNC is for participants to successfully achieve permanent housing. To assist in this goal, approximately 27% of the budget (\$630,000) is reserved for flex funding, which supports a range of housing and social service needs for approximately 90 individuals per year. Some clients will need a significant portion of flex funds for rental applications, first and last month’s rent assistance with rent on a titrated basis as well as funding for furnishings and basic household items. Others will need minimal flex funds for items such as bus passes, securing identification or credit reports etc.

**Meals:** BACS will provide one meal, made fresh daily and pre-packaged, at an annual cost of \$65,700.

**Furniture:** \$50,000 includes beds with storage drawers, mattresses and linens.

**Maintenance, Utilities and Insurance Costs:** \$264,000 including IT, facilities and operations, mileage, utilities, and insurance.

**Administrative Overhead Expenses:** 2019 indirect costs total \$209,639, based on a simplified method calculated from audited financial statements. This covers Executive Leadership, Finance and Accounting, Human Resources, General Administration costs.