



March 14, 2022

Dear Managers White, Jones, Hammersley and Peterson:

IFC is following up our Outside Agencies/Human Services Application with a **request to enter a process for an inter-local agreement to fund our emergency housing programs: HomeStart for women and families and Community House for men**. We are asking that funding for our emergency housing programs be considered separately from the Outside Agencies/Human Services process. We will, however, work through the Outside Agencies/Human Services process for funding for our food security programs.

The emergency housing programs that IFC provides are unique in Orange County. No other organization provides these essential basic human services in our community. Without these vital services, more people would be living outdoors, given the worsening affordable housing crisis.

IFC is requesting \$650,000 annually through an inter-local agreement for our emergency housing programs, which is approximately 20% of our \$3.2 million annual budget and a bit less than half of our shelter costs of \$1.4 million. We request an initial 5-year agreement, indexed for inflation, to be considered for renewal at the end of the initial period.

Currently, funds from the Towns and County only total 12% of our budget, which is extremely low for basic safety net services that would otherwise need to be provided by local governments. The local governments of comparable college towns provide significantly higher percentages of the budget for the essential services provided by nonprofit social service agencies like IFC (see attached chart). The information on the chart is from interviews we conducted with the Executive Director of each organization and verified using public information including IRS 990 returns. We believe the organizations are good comparisons to IFC.

To summarize our findings, the three organizations that we compare ourselves to receive on average of 26.4% of their expenses in county and town funding. This is double the 12.7% that IFC currently receives. The \$650,000 we are requesting would be 20.1% of our expenses.

IFC currently raises 70% of our annual revenue from private sources, including individuals, the faith community, foundations, and businesses. We also leverage significant in-kind support to meet people's basic needs. Community members volunteer almost 15,000 hours of staffing each year, and nearly all the food distributed at the Community Market and served at the Community Kitchen and both shelters is donated. We maintain two reserve funds to draw from in emergencies and for needed capital maintenance on our three buildings (projected at \$110,000 annually, which is 1% of the value of our aging buildings). **Without larger, sustained funding from the local government, we are not able to sustain all our safety net services and face making very difficult decisions.**

IFC's annual operating costs have increased over time due to several factors, including the addition of the new Community House building in 2015, increased requirements from funders and other expenses necessary to keep up with information technology advances, staffing and facility needs. Costs jumped again this past year when we moved the Community Kitchen and Community Market out of the Old Chapel Hill Town Hall, as the Town of Chapel Hill had provided rent, utilities and building maintenance at no charge for 30+ years. Leaving

Old Town Hall was a divestment of \$48,000 per year of in-kind, public support, a cost that IFC has now incurred. Unexpected one-time gifts and bequests have covered our funding gap to date, but we cannot rely on these unexpected funds to continue to materialize.

Orange County has one of the highest income disparities in the state. **When adequately funded, IFC helps to make this community more affordable for low-income residents and workers who make this a diverse and desirable place to live.**

Thank you for your thoughtful consideration and dependable partnership confronting the causes and responding to the effects of poverty in our community. We appreciate the decisions ahead of you.

Sincerely,



Jackie Jenks

President & CEO



Vicky Kim

Board Chair

Cc: Board of County Commissioners, Orange County
Mayor and Council, Town of Chapel Hill
Mayor and Council, Town of Carrboro
Mayor and Council, Town of Hillsborough

Local Government Support for Organizations Providing Shelter Services in Comparable Towns

Community	Organization	Expense Budget	Shelter Expenses of Total	Shelter Capacity	Town & County Support	Percentage of Local Support	Town/County Split	Inter-local Agreement
Chapel Hill/ Carrboro, NC	IFC	\$3,225,531	44%	90	\$410,000	12.7%	40/60	--
Gainesville, FL	Grace Market	\$4,025,584	67%	146	\$1,500,000	37.3%	50/50*	Yes
Ann Arbor, MI	County Shelter Association	\$2,531,583	55%	65	\$640,000	25.3%	40/60	Coordinated Funding
State College, PA	Housing Transitions	\$1,100,000	27%	13	\$183,315	16.7%	15/85	No

*Used to be 50/50. Now county funds a different shelter