



# County of Monterey

## Item No.8

### Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: BC 24-027**

**February 28, 2024**

**Introduced:** 2/14/2024

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** Budget Committee

Support authorizing the Auditor-Controller to amend the Fiscal Year 2023-24 Adopted Budget to increase appropriations and estimated revenues by \$3,486,354 to Budget Unit 8054-FUND 001- Appropriation Unit CAO004, financed by a grant award from the California Interagency Council on Homelessness.

**RECOMMENDATION:**

It is recommended that the Budget Committee support authorizing the Auditor-Controller to amend the Fiscal Year 2023-24 Adopted Budget to increase appropriations and estimated revenues by \$3,486,354 to Budget Unit 8054-FUND 001- Appropriation Unit CAO004, financed by a grant award from the California Interagency Council on Homelessness.

**SUMMARY/DISCUSSION:**

The Encampment Resolution Funding (ERF) grant program, under the authority of Chapter 7 of Part 1 of Division 31 of the California Health and Safety Code (sections 50250 et seq.), was established in 2022 to increase collaboration between the California Interagency Council on Homelessness, local jurisdictions, and continuums of care (CoCs) to accomplish the following: 1) Assist local jurisdictions in ensuring the safety and wellness of people experiencing homelessness in encampments; 2) Provide grants to local jurisdictions and CoCs to resolve critical encampment concerns and transition individuals into safe and stable housing; and, 3) Encourage a data-informed, coordinated approach to address encampment issues and needs.

On February 14, 2023, the Board of Supervisors (BOS) authorized the CAO-HS in partnership with the County of Santa Cruz (COSC), to apply for Encampment Resolution Funding (Attachment A & B) in the amount of \$7,986,354 to provide the funding to establish a low -barrier navigation center program, hereinafter referred to as “Recurso de Fuerza Village” for the public purpose of providing interim housing to individuals experiencing homelessness in the Pajaro River area within the jurisdictional boundaries of the Counties of Monterey and Santa Cruz and the City of Watsonville.

The ERF for the Recurso de Fuerza Village project (Project) will fully fund the development of 34 modular sleeping units, dining room, outdoor seating area, offices, showers, and restrooms and for the Recurso de Fuerza program (Program) will provide enough funding for 24-hour daily operations support, housing navigation and supportive services to the residents of the Recurso de Fuerza Village until June 30, 2026.

In June 2023, the CAO-HS received a notice of award from the State for the ERF grant in the amount of \$7,986,354 and subsequently executed an agreement with the State (Attachment C) where grant funds must be fully expended by June 30, 2026. On January 9, 2024, BOS adopted a Resolution to authorize the Auditor-Controller to amend the Fiscal Year 2023-24 Adopted Budget for the CAO-HS to increase appropriations and estimated revenues by \$4,500,000, financed by ERF from the State to provide the initial funding required for the Project and Program. However, due to grant obligation and expenditure timelines, where 50% of ERF must be expended and 100% obligated by June 30, 2026, we are requesting support to appropriate all remaining ERF grant funds received by CAL ICH in the amount of \$3,486,354.

The Project will be outsourced by agreement between CAO-HS and DignityMoves, a California non-profit corporation, upon approval by the Board of Supervisors, for an amount not to exceed \$4,034,591. A non-standard agreement with DignityMoves will be presented to the Board of Supervisors in March 2024, for the development of the Recurso de Fuerza Village (Attachment D). An estimated budget of the ERF award is provided in the Estimated Cost Analysis (Attachment E).

The remaining ERF award in the amount of \$3,571,460, will provide the Program funding to deliver 24-hour daily operations support, housing navigation and supportive services to the residents of the Recurso de Fuerza Village. To meet the ERF grant timelines to expend 50% of funds as outlined in the State agreement with the County, the CAO-HS will utilize an existing agreement between the Department of Social Services (DSS) with the Coalition of Homeless Service Providers, Monterey and San Benito Counties Continuum of Care lead agency (CHSP) in an amount not to exceed \$3,571,460. DSS has agreed to amend their agreement (Attachment F) to add this additional funding for CHSP to administer the services portion of the grant, as a subrecipient, by contracting a homeless services provider to run the Program. An amended agreement with CHSP- will be presented to the Board of Supervisors for approval on March 12, 2024.

Therefore, the CAO-HS requests your support to authorize the Auditor-Controller to amend the Fiscal Year 2023-24 Adopted Budget to increase appropriations and estimated revenues by \$3,486,354 to provide the additional necessary funding to outsource the administration of the program portion of the Encampment Resolution Funding in an amount not to exceed \$3,571,460.

OTHER AGENCY INVOLVEMENT:

The County of Monterey will enter into a Memorandum of Understanding with the County of Santa Cruz to establish and operate a low barrier navigation center program in Watsonville, California to be presented to the Board of Supervisors on February 27, 2024 or March 12, 2024 (Attachment G). Additional collaboration will involve the Department of Social Services, County Counsel, the Coalition of Homeless Services Providers, the City of Watsonville, and may also include the Pajaro Flood Management Agency, CSUMB's Community Health Engagement, and the Sheriff's Office to determine eligibility and process referrals.

FINANCING:

This action does not impact the General Fund. The increase of appropriations by \$3,486,354 to Budget Unit 8054- FUND 001- Appropriation Unit CAO004 is fully financed by the California Interagency Council on Homelessness and will include 5% administrative fees. Upon conclusion of the Encampment Resolution Funding grant period (June 30, 2026), the County and the County of Santa Cruz will work with the service provider to identify sustainable funds to support the Program. Both Counties are currently in conversations with the Managed Care Plan provider to identify additional funds to support the two-county program.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This initiative correlates to the Health & Human Services Strategic Initiative adopted by the Board of Supervisors by working collaboratively to address and develop a plan for ending homelessness.

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments:

Attachment A - Completed Board Order No. 23-143

Attachment B - ERF Round 2 Application

Attachment C - Executed State of California Agreement for ERF Grant Funding

Attachment D - Proposed DignityMoves Agreement

Attachment E - ERF Award Estimated Cost Analysis

Attachment F - Executed Agreement between DSS and CHSP

Attachment G - Proposed MOU Between County and County of Santa Cruz