



Monterey County

Item No.

Board Report

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

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June 22, 2021

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- a. Ratify the 2018 Memorandum of Understanding, Amendment No. 1, between County and the City of Salinas, executed in October 2019, which defined cost sharing and reimbursements of up to \$125,000 by the City for County's costs associated with predevelopment of the shelter and future housing, of which \$100,000 was allocated to the shelter; and
- b. Approve new Memorandum of Understanding (2021 MOU) between the County of Monterey and the City of Salinas to clarify the roles and responsibilities for continued administration and operation of the Salinas Housing Advancement, Resources and Education Center (SHARE Center) and development of affordable housing at 845 East Laurel Drive, Salinas to replace the prior MOU dated September 25, 2018; and
- c. Approve 2021 Memorandum of Understanding, Amendment No. 1, which further commits the City of Salinas to reimburse County for predevelopment costs up to \$125,000 associated with predevelopment of the shelter and future housing, of which \$100,000 is allocated to the shelter; and
- d. Authorize the Assistant County Administrative Officer-Intergovernmental and Legislative Affairs to sign the updated MOU and Amendment No. 1 on behalf of the County and future amendments that do not significantly alter the scope of work or terms of the Memorandum of Agreement, subject to review and approval by County Counsel.

RECOMMENDATION

It is recommended that the Board of Supervisors:

- a. Ratify the 2018 Memorandum of Understanding, Amendment No. 1, between County and the City of Salinas, executed in October 2019, which defined cost sharing and reimbursements of up to \$125,000 by the City for County's costs associated with predevelopment of the shelter and future housing, of which \$100,000 was allocated to the shelter; and
- b. Approve new Memorandum of Understanding (2021 MOU) between the County of Monterey and the City of Salinas to clarify the roles and responsibilities for continued administration and operation of the Salinas Housing Advancement, Resources and Education Center (SHARE Center) and development of affordable housing at 845 East Laurel Drive, Salinas to replace the prior MOU dated September 25, 2018; and
- c. Approve 2021 Memorandum of Understanding, Amendment No. 1, which further commits the City of Salinas to reimburse County for predevelopment costs up to \$125,000 associated with predevelopment of the shelter and future housing, of which \$100,000 is allocated to the shelter; and
- d. Authorize the Assistant County Administrative Officer-Intergovernmental and Legislative Affairs to sign the updated MOU and Amendment No. 1 on behalf of the County and future amendments that do not significantly alter the scope of work or terms of the Memorandum of Agreement, subject to review and approval by County Counsel.

SUMMARY

On September 25, 2018, the County of Monterey (County) and the City of Salinas (City) entered into a Memorandum of Understanding (2018 MOU) to coordinate responsibilities related to establishment of a Shelter, Housing, and Warming Shelter (Attachment A). To facilitate construction of the SHARE Center, the City authorized up to \$100,000 to fund the County's pre-development costs related to the SHARE Center, which resulted in the need for Amendment No. 1 to the 2018 MOU (Attachment B) to be ratified by the Board of Supervisors.

The SHARE Center opened its doors to clients on May 31, 2021, and the County and City will continue to coordinate to provide services and fund operations of the SHARE Center. Additionally, staff identified that the preferred location for affordable housing is at 845 East Laurel Street in Salinas, at the same location as the SHARE Center. Staff determined it was best to develop a new, updated MOU Re: Coordination of Responsibilities Related to the Operation of the SHARE Center and Development of Affordable Housing at 845 East Laurel Drive in Salinas, California by and between the County and City (2021 MOU) (Attachment C).

Concurrently with developing the proposed 2021 MOU, the County and City also coordinated on providing for the City to provide a second installment of up to \$100,000 to reimburse County for predevelopment costs incurred during the SHARE Center Project which is provided for in Amendment No 1 to the 2021 MOU. The Salinas City Council has approved the proposed 2021 MOU however, the City Council has not approved the proposed amendment. The 2021 MOU is needed with some urgency to facilitate fund seeking for the development of the affordable housing, so to avoid having to return to the City Council first, staff is processing the proposed 2021 MOU with Amendment No. 1 separately.

Staff requests that the Board of Supervisors approve the actions to ratify the terms of Amendment No. 1 to the 2018 MOU, approve the new 2021 MOU, approve Amendment No. 1 to the 2021 MOU and authorize the Assistant County Administrative Officer-Intergovernmental and Legislative Affairs to execute Amendment No. 1 and future amendments to the 2021 MOU on behalf of the County.

DISCUSSION:

On September 25, 2018, the Board of Supervisors committed County of Monterey (County) staff, under the terms of a Memorandum of Understanding (2018 MOU), to coordinate with City of Salinas (City) to establish a homeless shelter, permanent supportive/transitional housing and funding for operation of a warming shelter in the city of Salinas. Additionally, it was agreed that the County and City of Salinas would coordinate efforts to expedite the development of Shelter and Housing that began with issuance of a Request for Proposal (RFP) to select an operator for the Shelter.

SHARE Center

The County, on May 29, 2019, received funding in the amount of \$6,018,100.00 through the Homeless Emergency Aid Program (HEAP) by the Continuum of Care for Monterey and San Benito Counties toward the construction of a year-round Shelter. The 2018 MOU also committed County and City to share costs and funding for activities related to the predevelopment, programming and design of an emergency homeless shelter in Salinas which were not covered by the Homeless Emergency Aid Program ("HEAP") or other private funding, with the distribution of costs to be determined later.

As it relates to the SHARE Center, Amendment No. 1 to the 2018 MOU committed \$100,000 by the City to help start the site review and design process ahead of the HEAP funding. The amendment was executed and payment of \$100,000 was received by County in November 2019.

The County and City collaborated to release a Request for Proposal (RFP) on October 28, 2020 to solicit a service provider to operate the SHARE Center, and a thorough review of submittals was conducted by a selected review panel. On February 9, 2021, at a joint meeting between the County Board of Supervisors and the Salinas City Council, Bay Area Community Services (BACS) was formally selected to be the operator of the SHARE Center.

The SHARE Center opened its doors to clients on May 31, 2021, and the City and County will continue to coordinate to provide services and fund operations of the SHARE Center pursuant to the updated 2021 MOU. Amendment No. 1 to the 2021 MOU commits the City to a second installment of up to \$100,000 to reimburse County for predevelopment costs incurred during the SHARE Center Project. The City will remit the payment upon execution of Amendment No. 1.

Affordable Housing

Initially, the site chosen for the affordable housing was 1220 Natividad Road, Salinas. Upon further evaluation, the County and the City of Salinas decided the preferred housing site would be 845 East Laurel Drive since site preparation and utility work have been completed, and that the site is most appropriate for affordable housing with a focus on families. Due to the change in development site location, the desire of the County and the City to expedite development, and the 2018 MOU's need for updating, the parties have chosen to enter into a new 2021 MOU.

The 2021 MOU designates, pending funding, that the County will be Lead Agency for purposes of environmental review. The City will act as lead project manager facilitator during the process for the selection of Housing Developer for the affordable housing project, in coordination with the County. Final selection of the developer will be subject to Board of Supervisors and City Council approval.

OTHER AGENCY INVOLVEMENT:

County and City staff have consulted on the development and implementation of the MOU and its amendments. The Office of the County Counsel has approved the proposed 2021 MOU and Amendment No. 1 as to form. The Salinas City Council authorized entering into the 2021 MOU on April 27, 2021. Due to late submission of this Board Report, the CAO Budget and Analysis Division was not provided adequate time to fully review for potential fiscal, organizational, policy, or other implications to the County of Monterey.

FINANCING:

There is no impact to the General Fund as the result of approval of the subject MOU. Staff time to process this amendment to the MOU is provided in the FY 2020-21 adopted budget for General Fund, Appropriation unit RMA110, Unit 8528 and General Fund, Appropriation Unit RMA013, Unit 8222. Funding to construct the SHARE Center project in the amount of \$6,018,100 has been received through HEAP. The past and pending payments by the City totaling \$200,000 offset County appropriations reflected in the FY2020-2021 adopted budget for the SHARE Center Capital Project Fund 404, RMA015, Unit 8174 for Project 8875.

Funding for SHARE Center operations and rapid rehousing programs is to be split equally between by the City and County. Total Fiscal Year 2021-22 operating costs, including rapid rehousing funds, are estimated to be \$3 million. County’s portion of these costs are proposed to be funded by a variety of federal and state funding sources including the Permanent Local Housing Allocation (PLHA), one-time Homeless Housing Assistance Program (HHAP) Rounds 1, 2, and the HHAP Round 2 Rapid Rehousing (RRH) awarded to the County. Costs not covered by grants or other funding mechanisms will be shared between the County and the City of Salinas in an amount yet to be determined. The Department of Social Services is negotiating the agreement with the SHARE Center operator and leading coordination efforts between the County, City, and operator, and will return to the Board at a later date with a detailed discussion of the SHARE Center operations funding. City and County staff are coordinating to identify funding for the site planning, design, environmental review and permitting of an affordable housing project at the site.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Provision of safe accommodation afforded by a permanent Emergency Shelter correlates to the Infrastructure, Health and Human Services, and Public Safety Strategic Initiatives adopted by the Board of Supervisors by supporting the goals of improving health and quality of life outcomes for individuals and families experiencing homelessness.

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

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Reviewed by: Lindsay Lerable, Chief of Facilities

Melanie Beretti, Housing and Special Programs Services Manager

Approved by: Erik Lundquist, AICP, Director of Housing and Community Development

DocuSigned by:
Erik Lundquist
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The following attachments are on file with the Clerk of the Board:

Attachment A - City County 2018 MOU Shelter and Housing

Attachment B - Amendment No. 1 City County 2018 MOU Shelter and Housing

Attachment C - Draft City County 2021 MOU Shelter and Housing

Attachment D - Amendment No. 1 City County 2021 MOU Shelter and Housing