



# Monterey County

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

## Board Report

Legistar File Number: 18-975

September 25, 2018

**Introduced:** 9/18/2018

**Current Status:** Agenda Ready

**Version:** 2

**Matter Type:** General Agenda Item

1. Consider approval of a memorandum of understanding (MOU) between the County of Monterey and the City of Salinas re: coordination of responsibilities related to establishment of a homeless shelter, permanent supportive/transitional housing and a temporary warming shelter in the City of Salinas.
2. Authorize the Assistant County Administrative Officer - IGLA to sign the MOU on behalf of the County.
3. Authorize the County of Monterey to work with the City of Salinas and Continuum of Care to seek funding from the Homeless Emergency Aid Program (HEAP) for construction and operation of a homeless shelter at 855 East Laurel Drive, Salinas.
4. Authorize the County of Monterey to work with the City of Salinas and Continuum of Care to seek funding from HEAP to continue operation of the temporary warming shelter at 111 West Alisal Street, Salinas until the shelter at 855 East Laurel Drive is operational.
5. Authorize the allocation of \$160,000 from General Fund contingencies to continue operation of the temporary warming shelter until March, 2019.
6. Request that the City of Salinas participate in cost sharing related to operation of the temporary warming shelter and CEQA/Design work necessary to expedite shelter construction at 855 East Laurel Drive, Salinas.
7. Approve and authorize the Auditor-Controller to increase appropriations in the Adopted FY 18/19 Community Programs Budget 001-5010-SOC004-8258 in the amount of \$160,000; financed by a decrease in appropriations in CAO-General Fund Contingencies 001-1050-8034-CAO020 (4/5ths vote required).

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

1. Consider approval of a memorandum of understanding (MOU) between the County of Monterey and the City of Salinas re: coordination of responsibilities related to establishment of a homeless shelter, permanent supportive/transitional housing and a temporary warming shelter in the City of Salinas.
2. Authorize the Assistant County Administrative Officer - IGLA to sign the MOU on behalf of the County.
3. Authorize the County of Monterey to work with the City of Salinas and Continuum of Care to seek funding from the Homeless Emergency Aid Program (HEAP) for construction and operation of a homeless shelter at 855 East Laurel Drive, Salinas.
4. Authorize the County of Monterey to work with the City of Salinas and Continuum of Care to seek funding from HEAP to continue operation of the temporary warming shelter

- at 111 West Alisal Street, Salinas until the shelter at 855 East Laurel Drive is operational.
5. Authorize the allocation of \$160,000 from General Fund contingencies to continue operation of the temporary warming shelter until March, 2019.
  6. Request that the City of Salinas participate in cost sharing related to operation of the temporary warming shelter and CEQA/Design work necessary to expedite shelter construction at 855 East Laurel Drive, Salinas.
  7. Approve and authorize the Auditor-Controller to increase appropriations in the Adopted FY 18/19 Community Programs Budget 001-5010-SOC004-8258 in the amount of \$160,000; financed by a decrease in appropriations in CAO-General Fund Contingencies 001-1050-8034-CAO020 (4/5ths vote required).

SUMMARY:

The recommendations contained in this staff report constitute a plan and City/County staff level agreement to move as expeditiously as possible to seek funding to develop and operate a homeless shelter and permanent supportive/transitional housing in the city of Salinas while continuing to operate a temporary warming shelter until the homeless shelter is operational.

DISCUSSION:

The recently approved budget for the State of California includes significant grant funding to address critical issues related to homelessness. This funding source is the Homeless Emergency Aid Program (HEAP) and includes \$12.5 million to be made available to Monterey and San Benito Counties through the Continuum of CORE (COC) grant application to the State. The County and City intend to request HEAP funds through the COC process.

City and County staff, along with Mayor Gunter, Supervisor Alejo, Supervisor Phillips and Dan Baldwin of the Community Foundation have held several meetings prior to development of the draft MOU which is recommended herein for Board approval.

SUMMARY OF MOU:

In summary, the draft MOU does the following:

- 1) Identifies County property at 855 E. Laurel Drive as the site for construction of a homeless shelter.
- 2) Identifies County property at 1220 Natividad as the site for development of permanent supportive/transitional housing.
- 3) Continues operation of the current warming shelter at 101 West Alisal until the shelter at 855 E. Laurel Drive is constructed and open for business, estimated to be April 2020.
- 4) Authorizes the City, on behalf of the County, to prepare and conduct an RFP process to select a developer and operator for the shelter and the permanent supportive/transitional housing, subject to County approval.
- 5) Designates the County to be the Lead Agency under CEQA with the City as a Responsible Agency.
- 6) Stipulates that the County would continue to own the properties in question unless or until the County conveys ownership to another entity.
- 7) Stipulates that the City and County would share in the cost for the operation of the permanent shelter, the permanent supportive/transitional housing and the warming shelter.

- 8) Requires that a community engagement strategy be developed and implemented by the City with concurrence from the County.

TIMING FOR “HEAP” PROCESS:

The COC is currently soliciting proposals for use of HEAP funds and expects to have a single, coordinated application submitted to the State within the next few months. It is staff’s understanding that grant awards will be announced in January 2019. HEAP requires that 50% of the funds awarded in Round 1 must be contracted for use by January 2020 and expended by January 2021. There may be a subsequent round of funding subject to fund availability.

NEXT STEPS

Because of the compressed time schedule to complete work should a HEAP grant be awarded, staff strongly urges that the City and County identify funding sources to begin the CEQA and design process for the shelter at 855 E. Laurel Drive, estimated by RMA to be approximately \$300,000. Funds spent in advance of the grant award are not reimbursable, but staff believe that it is critical that time not be lost between now and a potential January 2019 grant award, so staff recommends proceeding as soon as a CEQA/design funding source is identified.

In addition, a funding source must be identified by both the City and the County for continued operation of the warming shelter at 111 West Alisal Street until the permanent shelter is open for business. Cost to operate the warming shelter is \$80,000 per month. Staff believes that HEAP funding may be able to be used to pay these costs but funds would not realistically be awarded and transferred to the County until approximately March 2019. The current warming shelter funds allocated by the Board of Supervisors fund operation only through October 2018. Therefore, approximately \$320,000 would be needed to keep the warming shelter operational from November 2018 through February 2019. As an initial step, staff recommends an allocation from General Fund contingencies of \$160,000 to continue warming shelter operations.

Staff also recommends that the City of Salinas be requested to participate in sharing of the CEQA and design costs as well as the interim operation of the warming shelter.

OTHER AGENCY INVOLVEMENT:

The concepts embodied in this report and the attached MOU are the product of collaboration between City of Salinas and County. County departments include CAO-IGLA, DSS, RMA and County Counsel. Discussions on this matter have also been held with representatives of the Community Foundation and the Coalition of Homeless Service Providers (COC). On September 17, 2018, the City Council Finance Committee (Mayor Gunter, Councilmember Davis and Councilmember Barerra) discussed the draft concept plan and MOU. The City Council is scheduled to consider the MOU in October 2018.

FINANCING:

There is no impact to the General Fund as result of approval of the subject MOU.

Approval of recommendation #5 in this report would authorize use of \$160,000 from General Fund contingencies for short term operation of the temporary warming shelter.

Near term costs will be approximately \$300,000 for CEQA and design work and \$320,000 for interim operation (Nov. 2018 - Feb. 2019) of the warming shelter until HEAP funding is available. Further City/County discussion and agreement is needed regarding the distribution of these costs and funding alternatives. It is anticipated that HEAP funds will be used for construction of the homeless shelter, estimated to cost approximately \$3million. Staff also intends to submit a request for HEAP funds for initial shelter operation, approximately \$1M in year one. Funding sources for ongoing shelter operation and development of permanent supportive/transitional housing have yet to be identified.

Mark a check to the related Board of Supervisors Strategic Initiatives

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

Prepared by: Nicholas E. Chiulos, Assistant CAO-IGLA

---

Nicholas E. Chiulos, Assistant County Administrative Officer

---

Date

cc: Ray Corpuz, City of Salinas  
Megan Hunter, City of Salinas  
Anastasia Wyatt, City of Salinas  
Carl Holm, Director of RMA  
Henry Espinosa, Director of Social Services  
Anne Brereton, Deputy County Counsel  
Rosemary Soto, Management Analyst III  
Katerhine Thoeni, Coalition of Homeless Services

Attachments:  
Board Report  
Draft MOU

Attachments on file with the Clerk of the Board.