



County of Monterey

Item No.

Board Report

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

Legistar File Number: RES 24-184

November 12, 2024

Introduced: 11/1/2024

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

- a. Approve and authorize the Director of Health Services or designee to transfer funds up to and not to exceed \$2,500,000 to the Housing Authority of the County of Monterey (“HACM”), matched by the City of Salinas, to support the acquisition of the Fairview Inn property located at 1030 Fairview Avenue, Salinas, California 93905, formerly known as the Homekey Project, for permanent supportive housing for Monterey County residents experiencing homelessness with mental illness and/or other health conditions; and
- b. Approve and authorize the Director of Health Services or their designee to sign an agreement (“Funding Agreement”) with the HACM for the transfer of an amount not to exceed \$2,500,000 to support the HACM’s acquisition of the Fairview Inn property for permanent supportive housing for Monterey County residents experiencing homelessness with mental illness, and/or other health conditions, subject to approval by County Counsel, County Risk Manager, and County Auditor-Controller; and
- c. Adopt resolution to support a transfer of funds not to exceed \$2,500,000 to the HACM and a Funding Agreement with the HACM, to assist with the provision of permanent supportive housing for Monterey County residents experiencing homelessness with mental illness and/or other health conditions; and
- d. Approve and authorize the Director of Health Services or designee to execute all necessary additional or future documents, including amendments thereto, necessary or appropriate to carry out this transaction with the HACM or any other related program or agency, subject to approval by County Counsel, County Risk Manager, and County Auditor-Controller; and
- e. Approve and authorize the Director of Health Services or designee to execute up to 3 future amendments to the Agreement with the HACM, that do not change the Funding Agreement contract amount of \$2,500,000; and
- f. Amend the Health Department’s FY 2024-25 Adopted Budget to increase appropriations in the Administration Bureau (023-4000-8473-HEA017) by \$2,500,000 financed by unassigned fund balance (4/5ths vote required); and
- g. Authorize and direct the Auditor-Controller, and the County Administrative Office to incorporate the appropriations changes in the FY 2024-25 Health Department’s Administration Bureau Adopted Budget (023-4000-8473-HEA017).

RECOMMENDATION:

It is recommended that the County of Monterey Board of Supervisors:

- a. Approve and authorize the Director of Health Services or designee to transfer funds up to and not to exceed \$2,500,000 to the Housing Authority of the County of Monterey (“HACM”), matched by the City of Salinas, to support the acquisition of the Fairview Inn property located at 1030 Fairview Avenue, Salinas, California 93905, formerly known as the Homekey Project, for permanent supportive housing for Monterey County residents experiencing homelessness with mental illness and/or other health conditions; and

- b. Approve and authorize the Director of Health Services or their designee to sign an agreement (“Funding Agreement”) with the HACM for the transfer of an amount not to exceed \$2,500,000 to support the HACM’s acquisition of the Fairview Inn property for permanent supportive housing for Monterey County residents experiencing homelessness with mental illness, and/or other health conditions, subject to approval by County Counsel, County Risk Manager, and County Auditor-Controller; and
- c. Adopt resolution to support a transfer of funds not to exceed \$2,500,000 to the HACM and a Funding Agreement with the HACM, to assist with the provision of permanent supportive housing for Monterey County residents experiencing homelessness with mental illness and/or other health conditions; and
- d. Approve and authorize the Director of Health Services or designee to execute all necessary additional or future documents, including amendments thereto, necessary or appropriate to carry out this transaction with the HACM or any other related program or agency, subject to approval by County Counsel, County Risk Manager, and County Auditor-Controller; and
- e. Approve and authorize the Director of Health Services or designee to execute up to 3 future amendments to the Agreement with the HACM, that do not change the Funding Agreement contract amount of \$2,500,000; and
- f. Amend the Health Department’s FY 2024-25 Adopted Budget to increase appropriations in the Administration Bureau (023-4000-8473-HEA017) by \$2,500,000 financed by unassigned fund balance (4/5ths vote required); and
- g. Authorize and direct the Auditor-Controller, and the County Administrative Office to incorporate the appropriations changes in the FY 2024-25 Health Department’s Administration Bureau Adopted Budget (023-4000-8473-HEA017).

SUMMARY/DISCUSSION:

This request seeks Board approval for the County to provide a one-time contribution of \$2.5 million to the Housing Authority of the County of Monterey to support the acquisition of the Fairview property. The City of Salinas will match this contribution. The property, formerly known as the Homekey Project (Salinas Inn), is a strategically important location for expanding permanent supportive housing in Monterey County, with over 45 studio units and a manager’s unit that have been fully renovated and are move-in ready. This acquisition will help sustain the property as permanent supportive housing for residents experiencing homelessness with mental illness and/or other health conditions.

The Housing Authority has expressed strong interest in acquiring the property and has the capacity to assign housing rental assistance vouchers to maintain it. The City of Salinas staff is seeking City Council approval on November 12, 2024 to match the Health Department’s allocation in an amount up to \$2.5 million to support the acquisition of Fairview Inn. The County of Monterey, through its Health Department, has available funds from its success in the Whole Person Care Pilot to contribute to this initiative. The acquisition will preserve a key Homekey Project within the County and ensure long-term housing solutions for vulnerable residents. The Housing Authority is in the process of having the property appraised and is exploring other one-time funding investments to support acquisition of Fairview Inn in partnership with the City of Salinas and County of Monterey.

By supporting this acquisition, a crucial Homekey Project that has defaulted due to Shangri-La’s financial difficulties, will be preserved in our county. This investment not only

secures an important housing resource but also expands permanent supportive housing stock for vulnerable residents in partnership with the City of Salinas and the Housing Authority. It is recommended that the Board approve the transfer of \$2.5 million to the Housing Authority, authorize Elsa Jimenez, Director of Health Services to execute all necessary documents, and permit up to three amendments to the Agreement, as needed, to facilitate the acquisition.

This work supports the following County of Monterey Health Department 2018-2024 Strategic Plan Goals: 1. Empower the Community to Improve Health; 2. Enhance Public Health and Safety through Prevention; 2. Enhance community health and safety through prevention; 3. Ensure Access to Culturally and Linguistically Appropriate, Customer-Friendly, Quality Health Services; and 4. Engage MCHD Workforce and Improve Operational Functions to Meet Current and Developing Population Health Needs. It also supports one of the ten essential public health services, specifically: Inform, educate, and empower people about health issues; 4. Mobilize community partnerships and action to identify and solve health problems; 7. Link people to needed personal health services and assure the provisions of health care when otherwise unavailable.

OTHER AGENCY INVOLVEMENT:

The Offices of County Counsel and the Auditor-Controller have reviewed and approved this Board Report as to form and fiscal provisions, respectively.

FINANCING:

There will be no impact on the General Fund from approval of this action. If approved, the contribution will be financed with Whole Person Care Pilot fund balance (023-8473-HEA017), and the appropriations increase to the FY 2024-25 Adopted Budget will provide the budgetary authority necessary to allow issuance of the contribution.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

? Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

? Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

? Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services, promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

? Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

? Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in

general.

Prepared by: Juanita Sanders, Management Analyst II, 755-5494

Approved by: Elsa Mendoza Jimenez, Director of Health Services, 755-4526

Attachments:

Board Report

Resolution