



# County of Monterey

**Item No.**

## Board Report

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

**Legistar File Number: A 25-037**

**February 25, 2025**

**Introduced:** 2/10/2025

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Agreement

- a. Approve and authorize the County Administrative Officer or designee to execute a non-standard agreement (“Funding Agreement”) between the County of Monterey and the Housing Authority of the County of Monterey (“HACM”) in the amount of \$5,585,597 for the development and provision of permanent supportive housing at the Days Inn Motel located at 1130 Broadway Street, King City California 93930, for Monterey County residents experiencing chronic homelessness for the term February 25, 2025 to April 15, 2029; and
- b. Authorize and direct the Auditor-Controller to issue an advance payment to the HACM upon execution of the Funding Agreement and certified invoice, in the amount of \$3,000,000 to provide a portion of the Days Inn property motel conversion costs; and
- c. Approve and authorize the County Administrative Officer or designee to execute up to 3 future amendments to the Funding Agreement with the HACM that may change the Funding Agreement contract amount up to and not to exceed 10% (\$558,560) and do not significantly alter the scope of the Funding Agreement as determined by the Director of the Homelessness Strategies and Initiatives Division and subject to approval by County Counsel.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the County Administrative Officer or designee to execute a non-standard agreement (“Funding Agreement”) between the County of Monterey and the Housing Authority of the County of Monterey (“HACM”) in the amount of \$5,585,597 for the development and provision of permanent supportive housing at the Days Inn Motel located at 1130 Broadway Street, King City California 93930, for Monterey County residents experiencing chronic homelessness for the term February 25, 2025 to April 15, 2029; and
- b. Authorize and direct the Auditor-Controller to issue an advance payment to the HACM upon execution of the Funding Agreement and certified invoice, in the amount of \$3,000,000 to provide a portion of the Days Inn property motel conversion costs; and
- c. Approve and authorize the County Administrative Officer or designee to execute up to 3 future amendments to the Funding Agreement with the HACM that may change the Funding Agreement contract amount up to and not to exceed 10% (\$558,560) and do not significantly alter the scope of the Funding Agreement as determined by the Director of the Homelessness Strategies and

Initiatives Division and subject to approval by County Counsel.

SUMMARY/DISCUSSION:

This request seeks Board approval for the County Administrative Office Homelessness Strategies and Initiatives Division (“CAO”) to provide a funding contribution to the Housing Authority of the County of Monterey (“HACM”) to support the development and provision of permanent supportive housing (“PSH”) at the Days Inn Motel, located at 1130 Broadway Street, King City California 93930 (“Property”). This Property, formerly known as the Homekey Project (King City), will provide forty-five (45) studio units of PSH to Monterey County residents experiencing homelessness with mental illness and/or other health conditions.

HACM is a quasi-governmental agency supported by the U.S. Department of Housing and Urban Development and State of California housing programs that provides rental assistance to low-and moderate-income residents, ensuring long-term housing solutions for vulnerable Monterey County residents. HACM is in the process of executing a sales agreement for the Property and other funding agreements in partnership with the City of King, State Department of Housing and Community Development, Central California Alliance for Health, and Coalition of Homeless Services Providers for the renovations of the Property. These investments and efforts will preserve one of the four foreclosed HomeKey projects within Monterey County and expands permanent supportive housing and homeless services that are critically needed in South Monterey County.

This agreement contains the County’s standard thirty (30) day “no cause” provision in Sections 11.0 and 12.0 of the agreement, including defunding provisions for immediate termination upon fourteen (14) days’ written notice for any violation of the terms of the agreement including ineligible use of ERF-3-R funds and/or activities, a breach of services, or failure to comply with the performance outcomes and milestones set forth in the proposed agreement. The agreement also contains instructions for HACM to return any unused or inappropriately used funding within fourteen (14) days written notice of County’s specified termination date.

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.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel-Risk Management have approved the proposed Funding Agreement as to form, insurance and indemnification. The Auditor-Controller has reviewed the proposed Funding Agreement but does not agree to the non-standard payment provisions. The CAO Budget and Analyst Division concurs with the Auditor-Controller and has reviewed the proposed Funding Agreement but does not agree to the non-standard payment provisions.

FINANCING:

The Funding Agreement is funded by an Encampment Resolution Funding Grant in the amount of \$5,285,596.50 and County General Funds in the amount of \$300,000. Sufficient appropriations and estimated revenues are included in the County Administrative Office FY Adopted Budget 2024-2025 for the Homelessness Strategy and Initiatives Division (001-1050-CAO004-8598-ERFG3KC) and the Department of Health FY Adopted Budget 2024-2025 for the Administration Bureau

(023-4000-8473-HEA017).

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.

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

Prepared by: Sarah Federico, Management Analyst II, ext. 5341

Reviewed by: Roxanne Wilson, County Homeless Services Director, ext. 5445

Approved by: Deborah Paolinelli, Assistant County Administrative Officer, ext. 5309

Attachments:

Proposed Agreement with Exhibits