



Legislation Details (With Board Report)

File #: BC 24-073 **Name:** Budget Committee Report ERF3 King City

Type: Budget Committee **Status:** Agenda Ready

File created: 6/5/2024 **In control:** Budget Committee

On agenda: 6/26/2024 **Final action:**

Title: a. Support authorizing the Auditor-Controller to amend the Fiscal Year 2024-25 Adopted Budget to increase appropriations and estimated revenues by \$6,441,326.33 to County Administrative Office Intergovernmental and Legislative Affairs (IGLA) -Homeless Services (001-1050-CAO004-8054), financed by a grant award from the California Interagency Council on Homelessness; and
b. Support authorizing the County Administrative Officer or designee, to execute non-standard agreements, as necessary, in Fiscal Year 2024-2025 and upon approval by the Board of Supervisors, to provide funding for an interim housing program and a 45-unit permanent supportive housing located in the City of King in an amount not to exceed the grant award of \$6,441,326.33.

Sponsors:

Indexes:

Code sections:

Attachments: 1. BC Report, 2. Attachment A- Completed Board Order Item 24-055, 3. Attachment B- ERF3-R King City Project Plan and Application, 4. Attachment C- King City Encampment Location Map, 5. Attachment D- ERF3 King City Award Budget Estimate, 6. Attachment E- ERF3-R Award Letter King City, 7. Attachment F- ERF3 Notice of Intent

Date	Ver.	Action By	Action	Result
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RECOMMENDATION:

It is recommended that the Budget Committee:

a. Support authorizing the Auditor-Controller to amend the Fiscal Year 2024-25 Adopted Budget to increase appropriations and estimated revenues by \$6,441,326.33 to County Administrative Office Intergovernmental and Legislative Affairs (IGLA) -Homeless Services (001-1050-CAO004-8054), financed by a grant award from the California Interagency Council on Homelessness; and
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SUMMARY/DISCUSSION:

In March 2023, Encampment Resolution Funding Round 3 (ERF3-R) was authorized through Senate Bill (SB) 197 (Chapter 70, Statutes of 2022), and enacted under Chapter 7 of Part 1 of Division 31 of the California Health and

Safety Code (HSC) (sections 50250 et seq.), to increase collaboration between the California Interagency Council on Homelessness (Cal ICH), local jurisdictions, and continuums of care (CoC's) to accomplish the following:

- Assist Local Jurisdictions in ensuring the safety and wellness of people experiencing homelessness in encampments.
- Provide grants to Local Jurisdictions and CoCs to resolve critical encampment concerns and transition individuals into safe and stable housing.
- Encourage a data-informed, coordinated approach to address encampment concerns.

On January 30, 2024, the Board of Supervisor's (BOS) approved the County Administrative Office- Homeless Services' (CAOHS) request to apply for an ERF3-R grant, in partnership with the City of King (King City), in the amount of \$6,441,326.33, to address the chronically homeless occupants living along the Salinas River embankments, located in unincorporated areas that overlap King City, public and private lands. This collaborative project will resolve these encampments along the Salinas Riverbed in southern Monterey County, that was home to an estimated 50 people, the majority of whom have already moved to interim housing at the Monarch Inn as an initial step towards transitioning to a planned 45-unit HomeKey permanent housing project at a Days Inn in King City.

On April 18, 2024, CAOHS staff received a notice of award/intent from Cal ICH for the ERF3-R grant for the full amount. The notice informed CAOHS staff that there will be a delay of the execution of Standard Agreement required to receive the funds until July 2024 and as a result are permitted to begin expending eligible costs as of the date of the award letter for the approved ERF3 project plan. Therefore, in preparation for use of these funds, CAOHS staff recommends the Budget Committee's support authorizing the Auditor-Controller to amend our FY 2024-25 budget and increase appropriations and estimated revenues by \$6,441,326.33, for the Cal ICH approved ERF3 project in King City.

Per the grant project proposal, CAOHS intends to provide a portion of the ERF3-R funding to the Housing Authority of the County of Monterey (HACM) through an agreement to purchase/renovate the Days Inn property, with a 50% funding match from the Central California Alliance on Health (CCAH), the Monterey County managed care plan provider. Additional ERF3-R grant funding will be provided through agreements, to King City for interim shelter and other costs, and with our local Continuum of Care (CoC) for HMIS systems support. The remaining 5% of the award will be used for CAOHS staff grant administration and project management through the end of the grant term.

In anticipation of potential tight timelines for the property acquisition of the Days Inn property and for the interim housing operations costs at the Monarch Inn, the CAOHS staff also request Budget Committee support to authorize the County Administrative Officer or designee, to execute non-standard agreements, as necessary, and only upon approval by the BOS, to provide ERF3-R funding in an amount not to exceed the grant award of \$6,441,326.33.

OTHER AGENCY INVOLVEMENT:

The City of King, the Housing Authority of the County of Monterey, the Central California Alliance on Health, and the Coalition of Homeless Services Providers (CoC) are working with the County Administrative Office Homeless Services Program to implement the ERF3 King City project.

FINANCING:

This action does not impact the General Fund. The increase of appropriations by \$6,441,326.33 to Budget Unit 8054 - FUND 001- Appropriation Unit CAO004 (HOMELESS) 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, 2027), the program will utilize housing vouchers, enhanced care management funds and additional sustainable funds to support the King City permanent supportive housing program beyond the life of the grant.

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

Attachments:

- Attachment A - Completed Board Order No. 24-055
- Attachment B - ERF3 King City Project Plan and Application
- Attachment C - ERF3 King City Site Map
- Attachment D - ERF3 King City Award Budget
- Attachment E - ERF-3-R Award Letter
- Attachment F - ERF-3-R Notice of Intent