



County of Monterey

Item No.16

Board Report

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

Legistar File Number: 25-683

October 07, 2025

Introduced: 9/23/2025

Current Status: General Government -
Consent

Version: 1

Matter Type: General Agenda Item

- a. Approve and authorize the County Administrative Officer or designee, to execute Amendment No. 1 to the Development Management Agreement #A-17471 with DignityMoves, a California non-profit corporation, to add \$1,088,075 towards construction costs of a 34-unit Low Barrier Navigation Center to be located at 118 First Street in the City of Watsonville, that will provide temporary living facilities to individuals experiencing homelessness in the Pajaro River area, for a revised agreement amount not to exceed \$6,122,666 with no change to the contract term ending of June 30, 2026; and,
- b. Approve and authorize the County Administrative Officer or designee, to sign up to two (2) future amendments to this agreement where amendments do not exceed 10% (\$612,266) and do not significantly alter the scope of services as determined by the Director of Homeless Services 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 Amendment No. 1 to the Development Management Agreement #A-17471 with DignityMoves, a California non-profit corporation, to add \$1,088,075 towards construction costs of a 34-unit Low Barrier Navigation Center to be located at 118 First Street in the City of Watsonville, that will provide temporary living facilities to individuals experiencing homelessness in the Pajaro River area, for a revised agreement amount not to exceed \$6,122,666 with no change to the contract term ending of June 30, 2026; and,
- b. Approve and authorize the County Administrative Officer or designee, to sign up to two (2) future amendments to this agreement where amendments do not exceed 10% (\$612,266) and do not significantly alter the scope of services as determined by the Director of Homeless Services and subject to approval by County Counsel.

SUMMARY/DISCUSSION:

This Amendment No. 1 to Agreement No. 17471 ("Agreement") with DignityMoves adds \$1,088,075 in funding to cover additional construction costs of a 34-bed Low Barrier Navigation Center ("LBNC") to be located at 118 First Street in the City of Watsonville, for a revised agreement amount not to exceed \$6,122,666 with no change to the contract term ending of June 30, 2026.

Construction of the LBNC began on July 21, 2025, with an original construction budget of \$5,034,591. However, due to extended permitting delays and unforeseen requirements imposed by the City of Watsonville, a funding gap of \$1,088,075 has been identified, bringing the estimated total construction budget to \$6,122,666.

On September 17, 2025, the County received a housing fund award of \$1,228,961 from the Central California Alliance for Health (CCAH) to address this budget shortfall in the amount of \$1,088,075. The remaining balance of the CCAH award in the amount of \$140,886, after covering the construction gap, will be used to furnish the LBNC. Furnishings will be procured through an amendment to the service provider contract with Community Action Board of Santa Cruz, Inc. (“CAB”), under a subrecipient agreement between the County and the Coalition of Homeless Services Providers (“CHSP”).

Construction of the LBNC is anticipated to be completed by December 2025. Upon opening, the 34-bed LBNC will provide not only safe shelter but also access to supportive services, housing navigation, and recuperative or short-term post-hospitalization care, all to be delivered by CAB.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel-Risk Management, and the Auditor-Controller’s office have approved the proposed Amendment No. 1 to Agreement No. 17471 as to form, insurance, and fiscal provisions, respectively.

FINANCING:

There will be no impact on the General Fund from approval of this action. If approved, this Amendment No. 1 will be financed with a housing funding grant in the amount of \$1,088,075 awarded to the County by the Central California Alliance for Health. Sufficient appropriations and estimated revenues are included in the County Administrative Office’s Fiscal Year Adopted Budget 2025-2026 for the Homelessness Strategies and Initiatives Division (001-1050-CAO004-8598).

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This initiative supports the County of Monterey’s Adopted 2025-2026 Strategic Goals and Key Objectives through the construction of interim sheltering for the purpose of transitioning residents out of homelessness into permanent and/or other housing opportunities.

Mark a check to the related Board of Supervisors Strategic Plan Goals

- ☒ Well-Being and Quality of Life
- ☒ Sustainable Infrastructure for Present and Future
- ☐ Safe Resilient Communities
- ☐ Diverse and Thriving Economy

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Reviewed by: Roxanne Wilson, CAO-HSI Division, ext 5445

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

Attachments:

Amendment No. 1

Board Order

Agreement

Proposed Amendment No. 1 is on file with Clerk of the Board as an attachment to this Board Report.