



County of Monterey

Item No.

Board Report

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

Legistar File Number: 24-110

February 27, 2024

Introduced: 2/14/2024

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Approve and authorize the County Administrative Officer, or designee, to execute a Memorandum of Understanding (MOU) for a Five Year Term with the County of Santa Cruz (COSC) to collaborate on the establishment and implementation of a housing first, low-barrier navigation center program that provides temporary living facilities to individuals experiencing homelessness in the Pajaro River area and to establish the conditions for the purchase and transfer of Units to COSC by June 30, 2026.
- b. Approve and authorize the County Administrative Officer or designee, to sign up to three (3) future amendments to this MOU where amendments do not significantly alter the purposes and goals of the MOU subject to review as to form by the Office of the County Counsel.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the County Administrative Officer or designee, to execute a Memorandum of Understanding (MOU) for a Five Year Term with the County of Santa Cruz (COSC) to collaborate on the establishment and implementation of a housing first, low-barrier navigation center program that provides temporary living facilities to individuals experiencing homelessness in the Pajaro River area and to establish the conditions for the purchase and transfer of Units to COSC by June 30, 2026.
- b. Approve and authorize the County Administrative Officer or designee, to sign up to three (3) future amendments to this MOU where amendments do not significantly alter the purposes and goals of the MOU subject to review as to form by the Office of the County Counsel.

SUMMARY/DISCUSSION:

The County Administrative Office, Homeless Services Program (CAO-HS) recommends the Board of Supervisors (BOS) approve a five-year term MOU with the County of Monterey (COM) and the County of Santa Cruz (COSC), collectively referred to as the “parties”, to establish a low-barrier navigation center program, hereinafter referred to as “Recurso de Fuerza Village,” located in Watsonville, California for the public purpose of providing interim housing to individuals experiencing homelessness in the Pajaro River area within the jurisdictional boundaries of the Counties of Santa Cruz and Monterey and the City of Watsonville.

The proposed MOU will identify the roles and responsibilities between the Counties of Monterey and Santa Cruz for the development of 34-individual non-congregate, low barrier service rich shelter beds (Units) to provide housing navigation and supportive services to people living along the Pajaro River and establish the conditions for transferring ownership of the Units for \$1.00 per unit from the COM to COSC by June 30, 2026 when the Encampment Resolution Funding (ERF) grant term ends. Prior to the conclusion of the ERF grant period, COSC will commit to identifying ongoing sustainable funds to continue the operations of the Recurso de Fuerza Village program until March 2029.

The term of the proposed MOU shall start from the date (Effective Date) this MOU is fully signed by the parties and shall terminate five years from the Effective Date. The Units are expected to be completed by the end of the first quarter of Fiscal Year (FY) 2024-2025.

The ERF grant program, under the authority of Chapter 7 of Part 1 of Division 31 of the California Health and Safety Code (sections 50250 et seq.), was established in 2022 to increase collaboration between the California Interagency Council on Homelessness, local jurisdictions, and continuums of care (CoCs) to accomplish the following: 1) Assist local jurisdictions in ensuring the safety and wellness of people experiencing homelessness in encampments; 2) Provide grants to local jurisdictions and CoCs to resolve critical encampment concerns and transition individuals into safe and stable housing; and, 3) Encourage a data-informed, coordinated approach to address encampment issues and needs.

On February 14, 2023, the BOS gave the CAO-HS permission to apply for the ERF grant round two funding (Attachment A) and were given a presentation of the proposed Recurso de Fuerza Village project (Attachment B). The COM and the COSC have partnered on the Encampment Resolution Funding Application (Attachment C) to serve people living along the Pajaro River.

In June 2023, COM received a notice of award from the State of California for the ERF grant in the requested amount of \$7,986,354 to provide funding for the Recurso de Fuerza Village program. The COM has executed an agreement for the grant terms of the ERF with the State of California (Attachment D) which provides that grant funds must be fully expended by June 30, 2026. The estimated cost analysis of the ERF grant award is provided in Attachment E.

COM will use the ERF grant award for the Recurso de Fuerza Village program to enter into contracts with DignityMoves, a non-profit development management corporation to build the Units for interim housing (Project) and with the Coalition of Homeless Service Providers, Monterey and San Benito Counties Continuum of Care lead agency, to sub-contract the program's daily operations, housing navigation and supportive services (Program) to a non-profit service provider located in Santa Cruz County. The agreement with DignityMoves for the Project will be presented to the BOS for approval once this MOU is fully signed by all parties. To meet the ERF grant

Legistar File Number: 24-110

timelines and expend 50% of funds as outlined in the State agreement with COM, CAO-HS will utilize an existing agreement between the Department of Social Services and CHSP for funding the Program’s service provider of the Recurso de Fuerza Village (Attachment F).

The Recurso de Fuerza Village will include the development of 34 modular sleeping units, dining room, outdoor seating area, offices, showers, and restrooms, operational funding for the Program, and 5% administrative costs for the COM. Recurso de Fuerza Village will be located at Westview Presbyterian Church in Watsonville, California. The modular units will be purchased by the COM and ownership of the Units will be transferred to the COSC for \$1.00 per unit at the conclusion of the grant period to ensure sustainability of the program.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel has approved the proposed MOU as to legal form, Risk Management has approved as to insurance and indemnification provisions and the Auditor Controller’s Office has approved the fiscal provisions. Additionally, the County of Santa Cruz’s County Counsel, Human Services Department, and Risk Management have approved the MOU as to legal form.

FINANCING:

This action does not impact the General Fund. The Units will be transferred to COSC for \$1.00 per unit not to exceed \$50.00 on or before June 30, 2026.

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

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

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

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Legistar File Number: 24-110

Attachments:

Attachment A - Completed Board Order No. 23-143

Attachment B - ERF Presentation

Attachment C - ERF Round 2 Application

Attachment D - Executed Agreement with the State of California

Attachment E - ERF Estimated Cost Analysis

Attachment F - Executed Agreement DSS-CHSP

Attachment G - Proposed MOU Between County of Monterey and County of Santa Cruz

The proposed MOU is on file with the Clerk of the Board as an attachment to this Board report.