



Council Agenda Report

From: Angelica Fortin, Community Services Department Director

Subject: First Quarter Report: El Camino Homeless Organization Memorandum of Understanding

CEQA Determination: The City find that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.

Date: January 17, 2023

Facts

1. On February 16, 2022, the City received a request from the El Camino Homeless Organization (ECHO), 1134 Black Oak Drive, for a one-time grant of \$444,000 “to cover the staffing costs that are not paid for by other funders for FY 2022-23.”
2. On [March 15, 2022](#), City Council considered ECHO’s funding request and directed the formation of an ad hoc committee to review the request and to make recommendations to modify ECHO’s existing Memorandum of Understanding (MOU) with the City.
3. Throughout the month of April 2022, Mayor Pro Temp John Hamon and Councilmember Steve Gregory participated in three public ad hoc committee meetings to review ECHO’s funding request.
4. On [May 17, 2022](#), the ECHO Ad Hoc Committee reported its findings to City Council; Council directed staff to incorporate the findings into a revised MOU that would fund ECHO a total of \$444,000 over the City’s two-year budget cycle for Fiscal Year (FY) 2022-2023 and FY 2023-2024.
5. On [August 16, 2022](#), City Council approved the revised MOU with ECHO which required ECHO to form a Community Stakeholder Committee (CSC) and to provide quarterly accounting and statistical reports to the City prior to the funds being issued. Payments will be made on a quarterly basis, not to exceed \$222,000 per fiscal year or \$444,000 in total in FY 2022-23 and FY 2023-24.
6. In November 2022, ECHO completed its first quarter under the revised MOU.

Options

1. Take no action;
2. Receive and file ECHO’s first quarterly report and direct staff to disburse the first payment in the amount of \$55,500;
3. Provide alternative direction to staff.

Analysis and Conclusions

In accordance with the MOU between ECHO and the City, ECHO has completed its first quarter and has provided the City with the updates, data and financial reports required in the agreement. This has been provided in the form of presentation slides, a profit and loss statement and submission of a phone log that details activity taking place between September and November 2022. Using this information, the statuses of the requirements outlined in item 3 of the MOU are summarized in the following table:

Obligation as Outlined in MOU	First Quarter Status
Provide not less than 50 temporary shelter beds for the homeless population, as well as case management services and life-skill classes.	50 beds offered continuously. Life skills classes incorporated into case management. <i>Attachment 1, Page 2, 3</i>

Obligation as Outlined in MOU	First Quarter Status
Establish a pilot program, to run for the duration of this MOU, to mitigate the departure impacts and potential negative activities of guests from the ECHO Paso Robles facility so as not to overwhelm neighboring businesses.	Incorporated into case management, dinner service and nightly guest visits. Weekly neighborhood trash pickups. <i>Attachment 1, Page 2, 6</i>
Offer programs at the Paso Robles facility at least 4-hours per day Monday through Friday, during daytime hours, to engage clients in productive activities that support the facility and encourage positive client behavior and neighbor interactions.	Weekly, bi-weekly, and monthly activities offered. Lending library established. Weekly neighborhood trash pickups. Daytime programs available 8-5 pm. <i>Attachment 1, Page 2, 4, 5, 6</i>
Provide detailed quarterly financial and expense reports to the City for the Paso Robles facility.	Received. <i>Attachment 2</i>
Provide quarterly operations reports, including but not limited to the number of clients receiving meals, nightly shelter, laundry and shower services, direct aid expenses, all professional services such as mental health referrals, case management services, permanent housing placement, and number of unsheltered homeless.	Laundry service paused due to construction; all other data collected. <i>Attachment 1, Page 2</i> <i>Attachment 2</i>
Form a Community Stakeholder Committee (CSC) to include local business owners, Paso Robles Police Department staff, Paso Robles Emergency Services staff, ECHO staff, and City Council liaisons. Meet quarterly.	City Council Liaisons: Steve Gregory and John Hamon. Meeting 1: September 27, 2022 Meeting 2: January 26, 2022 <i>Attachment 1, Page 6</i>
Make available to stakeholders a 24-hour telephone line for reporting of urgent issues that may arise between quarterly meetings. Calls to said line shall be responded to within sixty (60) minutes. All calls are to be logged as to issue and resolution and logs shall be included in quarterly reports.	Phone Line Established: Call log reflected no calls received during the first quarter. <i>Attachment 3</i>
Communicate with clients daily about proper community behavior; specifically addressing potential negative behaviors impacting neighboring businesses.	Incorporated into case management, dinner service and nightly guest visits. <i>Attachment 1, Page 2</i>
Document continued efforts to increase the frequency of visits and number of onsite mental health counselors. Progress in this area shall be included in quarterly reports to the City.	In progress. Actively working with partner agencies to offer additional opportunities.
Maintain its agreement with HASLO for ownership and operation of temporary housing.	Agreement in place and in good standing.
Subject to all applicable laws and consistent with the requirements for funding sources used for development and operations of the Project, ECHO shall give a preference in the occupancy of the temporary units in the Project to eligible households who live or work in the City of Paso Robles, to the extent allowed by law.	In progress.
ECHO shall seek all relevant grants and funding opportunities in support of ECHO Paso Robles,	Grant information included in financial report. <i>Attachment 2</i>

Obligation as Outlined in MOU	First Quarter Status
documenting these efforts and all funding streams in quarterly reports to the City.	

ECHO's financial report provides expenditures and revenue streams for the ECHO Paso Robles location. Program expenses include direct aid which consist of costs for items that are provided directly to clients such as clothing in preparation for interviews, shoes or sleeping bags. Expenses for client gas and bus tickets were detailed in a separate line item. Revenue streams include funds received through fundraising events, community donations, and grants, specifically; Project Home Key, State and Federal Emergency Solutions Grants (ESG), and the Permanent and Local Housing Allocation (PLHA). While the report shows a budget deficit of \$147,829, ECHO expects such deficits and surpluses throughout their fiscal year due to the reimbursable nature of the grants they receive. This is highlighted in the budget narrative provided in the report.

Fiscal Impact

City Council approved funding for this disbursement on August 16, 2022 contingent upon ECHO meeting the requirements of the revised MOU. There are no additional impacts associated with directing staff to disburse the first quarterly payment.

CEQA

Grant funding for ECHO Paso Robles is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

Recommendation

Receive and file ECHO's first quarterly report and direct staff to disburse funds in the amount of \$55,500.

Attachments

1. ECHO First Quarter Report Presentation
2. ECHO First Quarter Financial Report
3. ECHO First Quarter Phone Log