



## Council Agenda Report

From: Angelica Fortin, Community Services Director

Subject: Third Quarter Report: El Camino Homeless Organization (ECHO) Memorandum of Understanding

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

Date: July 18, 2023

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### Facts

1. On February 16, 2022, the City received a request from 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 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. The City Council has received two quarterly reports and approved the disbursement of two quarterly payments to date.
7. In May 2023, ECHO completed its third quarter under the revised MOU.

### Options

1. Take no action;
2. Receive and file ECHO’s third quarter report and direct staff to disburse the third payment in the amount of \$55,500;
3. Receive and file ECHO’s third quarter report, direct staff to disburse the third payment in the amount of \$55,500, and reconvene the ad hoc committee to reconsider ECHO’s funding request in light of the change in service model;
4. Provide alternative direction to staff.

## Analysis and Conclusions

In accordance with the August 16, 2022 MOU between ECHO and the City, ECHO has completed its third quarter of services and has provided the City with the updates, data and financial reports as 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 March and May 2023.

Using the information provided by ECHO, the statuses of the requirements outlined in item 3 of the MOU are summarized in the following table:

Obligation as Outlined in MOU	Third Quarter Progress
Provide not less than 50 temporary shelter beds for the homeless population, as well as case management services and life-skill classes.	ECHO is transitioning into a 90-day program and is planning to discontinue the nightly emergency shelter program. At the end of the reporting period, 45 of the 50 beds available were dedicated to the 90-day program. Life skills classes are incorporated into case management. <i>Attachment 1, Page 4-6</i>
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.	Good Neighbor Program with weekly neighborhood trash pickups. Incorporated messaging into case management, dinner service and nightly guest visits. <i>Attachment 1, Page 8-9</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. Raising a Reader story times established. Weekly neighborhood trash pickups. Daytime programs available 8-5 pm. <i>Attachment 1, Page 6, 8-9</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 available Monday and Tuesday: 9 am to 5 pm <i>Attachment 1, Page 4-5, 7</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, 2023 Meeting 3: April 27, 2023 <i>Attachment 1, Page 9</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)	Phone Line Established: Call log reflected no calls received during the third quarter. <i>Attachment 3</i>

minutes. All calls are to be logged as to issue and resolution and logs shall be included in quarterly reports.	
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 9</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.	Approximately 85% of occupants live or work in Paso Robles.
ECHO shall seek all relevant grants and funding opportunities in support of ECHO Paso Robles, documenting these efforts and all funding streams in quarterly reports to the City.	Grant information included in financial report. <i>Attachment 2</i>

ECHO’s financial report provides expenditures and revenue streams for the ECHO Paso Robles location. Program expenses include direct aid which consists 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 are detailed in a separate line item. Revenue streams include funds received through fundraising events, community donations, and grants, specifically; State and Federal Emergency Solutions Grants (ESG) and the Permanent and Local Housing Allocation (PLHA).

During this reporting period, ECHO began transitioning the Paso Robles facility to a 90-day shelter program, similar to the service model at the ECHO Atascadero location. In May 2023, ECHO reported that 45 of the 50 shelter beds available at the Paso Robles location were assigned to the 90-day program. In the same month, 168 individuals were reported as not having been able to secure a bed at the facility. ECHO has indicated they will continue to phase out the nightly emergency shelter program, which will leave Paso Robles and the North County without any nightly emergency options for homeless individuals. ECHO staff has indicated that the transition away from providing a nightly emergency shelter program is based on participant housing success rates of its 90-day program. The 90-day program provides a guaranteed bed and comprehensive case management services to assist residents in securing a job and finding permanent and sustainable housing within three months of entering the shelter program. According to ECHO, 50 percent of individuals enrolled in the 90-day program successfully get back into permanent housing compared to 10 percent of those using the nightly shelter model.

When the City Council initially approved the current MOU and funding allocations with ECHO, it was under the assumption that nightly emergency shelter type beds would be readily available at the facility. At the

time the MOU was approved, ECHO offered 12 nightly emergency shelter beds. This number has fluctuated since that time based on the needs of clients at the shelter. However, at no time has there not been nightly emergency shelter beds available.

The transition to exclusively a 90-day program considerably changes the shelter options within the North County. This change has the potential to impact how the City's Community Action Team can engage with and compel homeless individuals to seek nightly shelter services. To further evaluate how the change in service models aligns with the City's existing MOU with ECHO, staff are recommending the City Council reestablish the Homeless Ad Hoc Committee to discuss this matter. This recommendation is not intended to impact payment for services rendered in the third quarter, however it is proposed to ensure transparency moving forward with the services being rendered that are subject to the MOU.

#### **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 third quarterly payment.

#### **CEQA**

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

#### **Recommendation (Option 3)**

Receive and file ECHO's third quarter report, direct staff to disburse the third payment in the amount of \$55,500 and reconvene the ad hoc committee to reconsider ECHO's funding request in light of the change in service model.

#### **Attachments**

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