



## Council Agenda Report

From: Angelica Fortin, Community Services Director

Subject: Fiscal Year 2023-24 First 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: January 16, 2024

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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 Fiscal Year (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, then Councilmember, and now Mayor, 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 Memorandum of Understanding (MOU) that would fund ECHO a total of \$444,000 over the City’s two-year budget cycle for 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 four quarterly reports for FY 22-23 and approved the disbursement of four quarterly payments to date.
7. On [July 18, 2023](#), City Council directed staff to re-convene the ECHO Ad Hoc committee to reconsider ECHO’s funding request in light of a change in service model. The committee met on August 1, 2023 and October 10, 2023.
8. In November 2023, ECHO completed its FY 23-24 first quarter under the revised MOU.

### Options

1. Take no action; or
2. Receive and file ECHO’s FY 23-24 first quarter report and direct staff to disburse payment in the amount of \$55,500; approve the first amendment to the ECHO supplemental MOU; and disband the temporary ECHO Ad Hoc Committee; or

3. Provide alternative direction to staff.

### Analysis and Conclusions

In accordance with the August 16, 2022, MOU between ECHO and the City, ECHO completed its FY 23-24 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, stakeholder meeting minutes, and submission of a phone log that details activity taking place between September 2023 and November 2023. 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	FY 23-24 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.	45 90-Day Program Beds; 5 Nightly Shelter Beds. Life skills classes incorporated into case management. <i>Attachment 1, Page 3, 8, 9</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 10, 18</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. Weekly neighborhood trash pickups. Daytime programs available 8-5 pm. <i>Attachment 1, Page 8, 9, 18</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 Monday and Tuesday: 9 am to 5 pm <i>Attachment 1, Page 3, 4, 6</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: Mayor John Hamon and Councilman Steve Gregory. <i>Attachment 1, Page 10, 13-16</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	Phone Line Established: Call log reflected no calls received. <i>Attachment 1, Page 17</i>

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.
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 were detailed in a separate line item. Revenue streams include funds received through fundraising events, community donations, and grants. During this quarter, ECHO reported a budget deficit totaling \$96,286.62. This is due to the reimbursable nature of their funding streams which causes their budget to appear as having a surplus or deficit throughout the year.

During the third quarter of FY 22-23, ECHO began transitioning the Paso Robles facility to a 90-day shelter program, similar to the service model at the ECHO Atascadero location, with 45 of the 50 shelter beds available at the Paso Robles location assigned to the 90-day program. Because the transition to an exclusively 90-day program considerably changes the shelter options within the North County and has the potential to impact how the City’s Community Action Team can engage with and compel homeless individuals to seek nightly shelter services, City Council reconvened the ECHO Ad Hoc Committee to discuss the matter. The Ad Hoc Committee, led by Mayor John Hamon and Councilman Steve Gregory, met on August 1<sup>st</sup> and October 10<sup>th</sup> to make recommendations for clarifications to the MOU.

During the ECHO Ad Hoc Committee meetings, the committee discussed ECHO’s current program and emergency bed offerings as well as the terms “temporary shelter beds” and “emergency beds” which were used in the MOU and supplemental MOU. It was determined that clarification differentiating between nightly lottery program beds and 90-day temporary shelter beds needed to be provided in the agreement. Acknowledging the benefits of the 90-day program which has been successful in providing a pathway towards permanent housing, and the constraints of minimizing night by night shelter options to

the Community Action Team, ECHO and City staff came to a consensus. The resulting recommendations are presented in the First Amendment to the ECHO Supplemental MOU and summarized here:

- ECHO will maintain 5 nightly lottery beds and 45 90-day temporary shelter program beds.
- ECHO will provide 1 nightly single occupancy crisis room available exclusively for placement by the Paso Robles Police Department or Paso Robles Emergency Services (Fire Department).
- Placement must be made by midnight and individuals must meet behavior standards.
- The placement of couples or families is not guaranteed but shall be contingent upon what is required of ECHO by its insurance as well as the availability of additional ECHO staff, if applicable.

In addition, due to low attendance, it was recommended that ECHO reduce its quarterly stakeholder meetings to take place only twice a year. ECHO will instead provide surrounding stakeholders with a monthly newsletter to report on operations, provide statistical information, discuss community concerns and strategies for the future of ECHO and address homelessness in Paso Robles. That monthly newsletter must include, in a conspicuous place, ECHO contact information for stakeholders to report concerns.

### **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 approving the first amendment to the ECHO MOU and directing staff to disburse the FY 23-24 first quarter 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 2)**

It is recommended that the City Council receive and file ECHO's FY 23-24 first quarter report and direct staff to disburse payment in the amount of \$55,500; approve the first amendment to the ECHO Supplemental MOU; and disband the temporary ECHO AD Hoc Committee.

### **Attachments**

1. ECHO Fourth Quarter Report Presentation
2. ECHO Fourth Quarter Financial Report
3. Supplemental MOU- City of Paso Robles and El Camino Homeless Organization
4. ECHO Ad Hoc Committee Meeting Minutes
5. First Amendment SMOU-City of Paso Robles and El Camino Homeless Organization