



Council Agenda Report

From: Angelica Fortin, Community Services Director

Subject: Fiscal Year 2023-24 Second Quarter Report: El Camino Homeless Organization (ECHO) Memorandum of Understanding and Direction to Staff to Disburse Payment Pursuant to the 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: April 2, 2024

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) 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 five quarterly reports for FY 22-23 and 23-24 and has approved the disbursement of five quarterly payments to date.
7. In February 2024, ECHO completed its FY 23-24 second quarter under the revised MOU.

Options

1. Take no action; or
2. Receive and file ECHO’s FY 23-24 second quarter report and direct staff to disburse payment consistent with the Memorandum of Understanding in the amount of \$55,500; 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 second 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, data regarding additional programs and attendance, stakeholder meeting minutes, a phone log, and a profit and loss statement. 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 Second 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 Shelter Bed Program; 5 Night by Night; 1 Crisis Emergency Resource Room	65 90-Day Program Beds; 5 Night by Night Shelter Beds. 1 Emergency Resource Room. Life skills classes incorporated into case management. <i>Attachment 1, Page 3-5, 10-11</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, 17</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 10-12, 15-17</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 9, 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 twice a year.	City Council Liaisons: Mayor John Hamon and Councilman Steve Gregory. <i>Attachment 1, Page 18-21</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 22</i>

Obligation as Outlined in MOU	FY 23-24 Second Quarter Status
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. Attachment 1, Page 15-16
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. Attachment 2

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 surplus 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 this quarter, section 3 (a) of the Mou between ECHO and the City was amended to define the types of shelter beds to be provided as a condition of funding. This includes maintaining 45 90-day shelter beds, 5 night by night shelter beds, and the addition of a dedicated crisis emergency resource room for exclusive use by the Paso Robles Polics and Emergency Services (Fire) Departments. The room was activated in February and was activated 3 times during the quarter.

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 FY 23-24 second 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 second quarter report and direct staff to disburse payment in the amount of \$55,500.

Attachments

1. ECHO FY 23-24 Second Quarter Report Presentation
2. ECHO FY 23-24 Second Quarter Financial Report