



Council Agenda Report

From: Angelica Fortin, Community Services Director

Subject: Approval of El Camino Homeless Organization Supplemental Memorandum of Understanding (MOU) Fiscal Year 2023-24 Third Quarter Report and the Second Amendment to the Supplemental MOU for Fiscal Years 2024-25 and 2025-26

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 16, 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 Supplemental Memorandum of Understanding (SMOU) 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 SMOU 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. On [January 16, 2024](#), City Council approved the First Amendment to the SMOU.
7. The City Council has received six quarterly reports for FY 22-23 and 23-24 and has approved the disbursement of five quarterly payments to date.
8. In May 2024, ECHO completed its FY 23-24 third quarter under the revised SMOU and is scheduled to complete the 4th quarter in August of 2024.
9. On [June 18, 2024](#), City Council adopted the City’s Operating and Capital Budget for Fiscal Years 2024-25 and 2025-26 which included funding to continue to provide ECHO with support for a total of \$444,000 over the two-year budget cycle. Payments will be made on a biannual basis, not to exceed \$222,000 per fiscal year or \$444,000 in total in FY 24-25 and FY 25-26.

Options

1. Take no action;
2. Receive and file ECHO’s FY 23-24 third quarter report and direct staff to disburse payment in the amount of \$55,500; direct staff to disburse funds in the amount of \$55,500 upon ECHO’s submission of their final report to staff at the end of the FY 23-24 fourth quarter period; and approve the Second Amendment to the ECHO SMOU extending funding for FY 24-25 and FY 25-26 for a total of \$444,000;
3. Provide alternative direction to staff.

Analysis and Conclusions

In accordance with the August 16, 2022, SMOU and the January 16, 2024, first amendment to the SMOU between ECHO and the City, ECHO completed its FY 23-24 third 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, a programming report, and submission of a phone log that details activity taking place between March 2024 and May 2024. Using this information, the statuses of the requirements outlined in item three of the SMOU are summarized in the following table:

Obligation as Outlined in MOU	FY 23-24 Third 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 Nightly Shelter Beds. Life skills classes incorporated into case management. <i>Attachment 1, Pages 3, 7-10, 13-15</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, Pages 9, 16</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, Pages 8-10, 13-15</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, Pages 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	City Council Liaisons: Mayor John Hamon and Councilman Steve Gregory. <i>Attachment 1, Page 10, 13-16</i>

Services staff, ECHO staff, and City Council liaisons. Meet twice a year.	
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. <i>Attachment 1, Pages 17-22</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.
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.	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 surplus totaling \$59,899.96. 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.

Over the last two fiscal years, ECHO has provided all the reports and documentation required through the SMOU. Through their quarterly City Council reports, ECHO has also provided additional information that has been helpful in understanding the scope of services they provide. Demonstrating the positive impact they have been able to achieve and their alignment with the City’s [Strategic Plan to Address Homelessness](#), ECHO requested consideration for continued funding over the next 2 year budget cycle. At the Council’s direction, this request was included in the Operating and Capital Budget for Fiscal Years 24-25 and 25-26 which was adopted on June 18, 2024. With funding included in the budget, a Second Amendment has been drafted to extend the SMOU. If approved, ECHO will receive \$444,000 over the

next two fiscal years. Payments will be made on a biannual basis, not to exceed \$222,000 per fiscal year or \$444,000 in total in FY 24-25 and FY 25-26. There are no other substantial changes to the SMOU.

Due to the initial SMOU period terminating in August 2024 with a Second Amendment extending funding and establishing new reporting periods, staff is recommending City Council approve the disbursement of fourth quarter funds in the amount of \$55,500 upon the submission of ECHO's final report to staff. Moving forward, ECHO will return to City Council on a biannual basis over fiscal years 24-25 and 25-26 to provide their report.

Fiscal Impact

City Council approved funding for this disbursement on August 16, 2022 contingent upon ECHO meeting the requirements of the revised SMOU. There are no additional impacts associated with directing staff to disburse the FY 23-24 third and fourth quarter payments. City Council approved funding to continue providing ECHO with support over the next two years on June 18, 2024 as part of the Operating and Capital Budget for Fiscal Years 24-25 and 25-26. There are no additional impacts associated with approving the Second Amendment to the ECHO SMOU.

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)

Receive and file ECHO's FY 23-24 third quarter report and direct staff to disburse payment in the amount of \$55,500; direct staff to disburse funds in the amount of \$55,500 upon ECHO's submission of their final report to staff at the end of the FY 23-24 fourth quarter period; and approve the Second Amendment to the ECHO SMOU extending funding for FY 24-25 and FY 25-26 for a total of \$444,000.

Attachments

1. ECHO FY 23-24 Third Quarter Report
2. ECHO FY 23-24 Third Quarter Financial Report
3. Supplemental MOU- City of Paso Robles and El Camino Homeless Organization
4. Second Amendment SMOU-City of Paso Robles and El Camino Homeless Organization