



Council Agenda Report

From: Angelica Fortin, Community Services Director

Subject: Fiscal Year (FY) 2024-25 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: February 18, 2025

Facts

1. On August 16, 2022, City Council approved a Supplemental Memorandum of Understanding (SMOU) with ECHO which provided ECHO with \$444,000 in funding in FY 2022-23 and FY 2023-24. Payments were made on a quarterly basis and did not exceed \$222,000 per fiscal year. ECHO was required to form a Community Stakeholder Committee (CSC) and to provide quarterly accounting and statistical reports to the City prior to the issuance of funds.
2. On January 16, 2024, City Council approved the First Amendment to the SMOU.
3. During the two-year funding period, ECHO completed all required reporting and City Council directed the issuance of all payments under the terms of the SMOU for a total contribution of \$444,000.
4. On June 18, 2024, City Council adopted the City's Operating and Capital Budget for FY 2024-25 and FY 2025-26 which included funding to continue to provide ECHO with support for a total of \$444,000 over the next two-year budget cycle.
5. On July 16, 2024, City Council approved the Second Amendment to the SMOU, formally extending the agreement with ECHO in accordance with the budget adopted on June 18, 2024. Reporting and payments are to 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 2024-25 mid-year report and direct staff to disburse payment in the amount of \$111,000;
3. Provide alternative direction to staff.

Analysis and Conclusions

In accordance with the July 16, 2024, Amended SMOU between ECHO and the City, ECHO completed the first two quarters of the City's fiscal year 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 June 2024 and December 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 24-25 Mid-Year 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; 1 Emergency Resource Room. Life skills classes incorporated into case management. <i>Attachment 1, Pages 3-4, 6, 11, 14-18</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 10, 19-20</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 10-11, 14-20</i>
Provide detailed quarterly financial and expense reports to the City for the Paso Robles facility.	Received. <i>Attachment 1, Pages 26-27</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, 26-27</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, Pages 21-24</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. <i>Attachment 1, Page 25</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>Pages 26-27</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 \$49,923.41. 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.

Fiscal Impact

City Council approved funding for this disbursement on June 18 and July 16, 2024 contingent upon ECHO meeting the requirements of the Second Amendment to the Supplemental SMOU. There are no additional impacts associated with directing staff to disburse the FY 2024-25 mid-year 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)

Receive and file ECHO’s FY 2024-25 mid-year report and direct staff to disburse payment in the amount of \$111,000.

Attachments

1. ECHO FY 2024-25 Mid-Year Report
2. Second Amendment SMOU-City of Paso Robles and El Camino Homeless Organization