



Council Agenda Report

From: Ty Lewis, City Manager

Subject: Council Consideration of a Revised Memorandum of Understanding with El Camino Homeless Organization (ECHO) and Dissolution of ECHO Ad Hoc Committee

Date: August 16, 2022

Facts

1. On February 16, 2022, the City received a request from the El Camino Homeless Organization (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 voted to:
 - a. Form an ad hoc committee comprised of Mayor Pro Tem John Hamon and Councilmember Steve Gregory to review ECHO’s funding request.
 - b. Direct the ad hoc committee members to return to the City Council with a report of findings and recommendations to modify an existing MOU between ECHO and the City.
 - c. Recommend that the revised MOU with ECHO include provisions for ECHO to improve unhoused service offerings, provide comprehensive and consistent statistical reporting, and address any other areas of significance identified by the ad hoc committee.
 - d. Reconsider ECHO’s funding request for \$444,000 based on the input garnered from meetings of the ad hoc committee and the recommendation from committee members.
3. The ad hoc committee held three public meetings throughout the month of April 2022 reviewing additional information about ECHO Paso Robles’s operations, finances, and metrics. Members of the public and City staff also provided input.
4. On May 17, 2022, the ECHO Ad Hoc Committee reported its [findings](#) to City Council; Council directed staff to:
 - a. Work with ECHO to incorporate the comments stated in the ECHO Ad Hoc Committee report and from the dais at the May 17, 2022, meeting.
 - b. Bring back a formal resolution and revised MOU to Council to fund ECHO a total of \$444,000 over the City’s two-year budget cycle for Fiscal Year (FY) 2022-23 and FY 2023-24 and to require ECHO to provide quarterly accounting reports to the City.
 - c. Extend the service of the ECHO Ad Hoc Committee until the item is returned to Council and a final decision is made.
5. Staff revised the existing MOU with ECHO, incorporating the recommendations of the Ad Hoc Committee and City Council.

Options

1. Take no action;
2. Approve a revised MOU with ECHO and disband the ECHO Ad Hoc Committee;
3. Provide alternative direction to staff.

Analysis and Conclusions

ECHO Paso Robles has provided homeless services at 1134 Black Oak Drive since December 2020. ECHO services include fulfilling obligations outlined in a 2020 City MOU with ECHO, People’s Self-Help Housing (PSHH), and the Housing Authority of San Luis Obispo (HASLO). The MOU was a prerequisite for reallocation of HEAP grant funding from the City of Paso Robles to HASLO for the purchase of the former Motel 6 on Black Oak Drive to serve as emergency and transitional housing. Although the MOU stipulated that ECHO, PSHH, and HASLO would demonstrate financial self-sufficiency for the first five years of operation, ECHO submitted a funding request of \$444,000 to the City fourteen months after initiating service in Paso Robles.

In response to ECHO's funding request, City Council formed an Ad Hoc Committee comprised of Mayor Pro Tem John Hamon and Councilmember Steve Gregory for the purpose of gathering and analyzing information about ECHO Paso Robles' operations before making a recommendation whether to approve ECHO's funding request. Three public meetings of the ad hoc committee were held in April, and ad hoc committee members reported their findings and recommendations at the May 17, 2022, City Council meeting. City Council voted to fully fund ECHO's request for \$444,000 in the FY 2022-23 and FY 2023-24 budget cycle pending ECHO's agreeing to a revised MOU containing more specific stipulations to include the following:

- Mitigate client departure impacts in the early morning and potential negative impacts of guests from the ECHO Paso Robles facility.
- Offer at least four hours of programming each day, Monday through Friday to engage clients in productive activities.
- Provide detailed quarterly financial, expense, and operations reports to the City.
- Form a Community Stakeholder Committee to meet at least quarterly.
- Make available a 24-hour per day telephone line with calls to said line to be answered within 60 minutes.
- Document continued efforts to increase the frequency of visits and number of onsite mental health counselors.
- Provide local preference for shelter occupancy, subject to applicable laws.
- Continue to seek all relevant grants and other outside funding opportunities.

Final approval of the Supplemental Funding MOU will complete the business of the ECHO Ad Hoc Committee, enabling City Council to disband this committee.

Fiscal Impact

City Council approved a \$444,000 grant request from ECHO in the FY 2022-23 and FY 2023-24 budget process. Payment is pending an approved revised MOU with ECHO and will require quarterly accounting reports from ECHO to the City. Payments are proposed to 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. There are no additional impacts associated with approval of the revised MOU with ECHO.

Recommendation (Option 2)

Approve the revised Memorandum of Understanding with the El Camino Homeless Organization and disband the ECHO Ad Hoc Committee.

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1. Revised Memorandum of Understanding between the City of Paso Robles and the El Camino Homeless Organization, the Housing Authority of San Luis Obispo, and People's Self-Help Housing to own, Operate, and Maintain an Emergency Shelter and Low-Cost Housing Center at 1134 Black Oak Drive

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**SUPPLEMENTAL FUNDING MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE CITY OF EL PASO DE ROBLES AND EL CAMINO HOMELESS ORGANIZATION**

This Supplemental Funding Memorandum of Understanding (“SMOU”) by and between the City of El Paso de Robles (the CITY), and El Camino Homeless Organization (ECHO), is entered into as of August __ 2022.

RECITALS

- A. The City, ECHO, Peoples Self Help Housing and the Housing Authority of San Luis Obispo entered into a Memorandum of Understanding, dated December __, 2020 (the “MOU”) to fund certain efforts related to homeless services and the opening of a Project Homekey facility in the City; and
- B. ECHO has been operating shelter services for approximately 18 months; and
- C. ECHO has requested additional funding from the City to address certain funding shortfalls ECHO anticipates incurring in Fiscal Year 2022/23 and 2023/24; and
- D. City desires to provide additional funding to ECHO under certain terms and conditions as provided for in this SMOU.

NOW, THEREFORE, in consideration of the foregoing recitals, mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. Incorporation of Recitals. The Recitals of facts set forth above are true and correct and are incorporated into this SMOU in their entirety by this reference.
- 2. Effective Date of this SMOU: This SMOU shall become effective on the first date upon which all of the following have occurred (“Effective Date”): (a) execution of this SMOU by ECHO; and (b) formal approval of this SMOU by the City.
- 3. ECHO Obligations. Prior to the first quarterly payment of funds by the City to ECHO:
 - a. ECHO will continue to provide not less than 50 temporary shelter beds for the homeless population, as well as case management services and life-skill classes.
 - b. In recognition of the potential challenges to neighboring businesses associated with feeding and sheltering large numbers of individuals, ECHO shall 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.
 - c. ECHO shall 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.

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- d. ECHO shall provide detailed quarterly financial and expense reports to the City for the Paso Robles facility.
 - e. ECHO shall provide quarterly operations reports to the City, 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.
 - f. ECHO shall 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. ECHO shall host and oversee CSC meetings on a quarterly basis or more frequently as requested by the City, ECHO, and/or stakeholders to report on operations, provide statistical information, discuss community concerns, and work on strategies for the future of ECHO and addressing homelessness in Paso Robles.
 - g. ECHO shall 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.
 - h. ECHO shall communicate with clients daily about proper community behavior; specifically addressing potential negative behaviors impacting neighboring businesses.
 - i. ECHO shall document its 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.
 - j. ECHO shall maintain its agreement with HASLO for ownership and operation of temporary housing.
 - k. 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.
 - l. In recognition that the City only anticipates providing a one-time funding allocation to ECHO during the 2022-2024 budget cycle, 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.
4. City Obligations.

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- a. Upon satisfaction of ECHO Obligations, above, in City's reasonable discretion, City will provide \$_____ in quarterly payments for a total contribution of \$___ in fiscal year 2022-2023. If all conditions precedent have been satisfied payments shall be made on _____.
 - b. Provided ECHO has continued to satisfy the ECHO Obligations, above, to City's reasonable satisfaction, City will provide \$_____ in quarterly payments for a total contribution of \$__ in fiscal year 2023-2024. If all conditions precedent have been satisfied payments shall be made on _____.
5. Conflicts between this SMOU and the MOU. ECHO acknowledges and agrees that there is overlap between the obligations under this SMOU and the MOU. ECHO shall at all times be in compliance with both documents. To the extent that there is conflict between the obligations in this SMOU and the MOU, ECHO shall perform and comply with the more restrictive or onerous requirements. If ECHO is unsure of their obligations, ECHO shall immediately contact City for clarification.
6. Principal Contacts. The Principal Contacts for each one of the organizations is:

City: Ty Lewis
City Manager
City of Paso Robles
1000 Spring Street, Paso Robles, CA 93446
tlewis@prcity.com
Office (805) 237-3888

ECHO: Wendy Lewis, President and CEO
El Camino Homeless Organization
6370 Atascadero Avenue
Atascadero, CA 93422
Office (805) 792-0090

Such Principal Contacts may be changed in writing from time to time by each Party.

7. Dispute Resolution. The Parties hereby agree that, in the event of any dispute between the Parties relating to this MOU, the Parties shall first seek to resolve the dispute through informal discussions. In the event any dispute cannot be resolved informally within sixty (60) calendar and consecutive days, the Parties agree that the dispute will be negotiated between the Parties through mediation with a mediator selected by the Parties. The costs of mediation shall be shared equally by the Parties. No Party waives its legal rights to adjudicate this Agreement in a legal forum if the Parties are unable to agree upon a mediator. The Parties further understand and acknowledge that nothing in this MOU precludes the City from taking any actions

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- necessary to preserve the public health and safety or pursue applicable remedies under State law or the Paso Robles Municipal Code related to the Project.
8. Mutual Cooperation. The Parties hereto agree that they will each cooperate with the other, and shall provide such information and documentation as is reasonably necessary to fulfill the intent of this MOU, and shall make diligent response to inquiries and requests for information from the other Partner. The Parties agree to provide all project-related information and documents as requested by the other Party, the County or HCD, including all Homekey and HEAP related reporting and documentation.
 9. No Third Party Beneficiaries. This MOU is intended solely for the benefit of the Parties hereto and is not intended to and does not confer any benefit to third parties.
 10. No Joint Venture. Nothing in this MOU shall be deemed to create any form of business organization between the Parties, including, without limitation, a joint venture or partnership. Except as expressly provided to the contrary in this MOU, nothing contained in this MOU shall authorize or empower any Party to assume or create any obligation or liability whatsoever, express or implied, on behalf of the other Party or the Project.
 11. Effect of MOU; Entire Agreement. This MOU, including all exhibits and other documents incorporated herein or made applicable by reference, if any, constitutes the entire agreement of the Parties concerning the subject matter hereof and supersedes all prior agreements, understandings and commitments, whether oral or written. Any changes, modifications or addendums to this MOU must be in writing, approved by the Parties. Nothing contained in this MOU shall be construed to require, or have the effect of requiring any Party to take any action inconsistent with any applicable law, rule or regulation which governs the Party's actions.
 12. Assignment And Assumption. No Party shall assign any of their interests or obligations under this MOU to any other party, without the prior written consent of the others.
 13. Effect of Legal Judgements. Should any covenant, condition, or provision herein contained be held to be invalid by final judgment in any court of competent jurisdiction, the invalidity of such covenant, condition, or provision shall not in any way affect any other covenant, condition, or provision herein contained.
 14. Notices. Any notices to be given pursuant to this MOU shall be in writing, and all such notices and any other document to be delivered shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, postage prepaid, and addressed to the Principal Contacts as set forth above.
 15. Governing Law. This MOU shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law or those provisions preempted by federal law. This MOU is made, entered into and

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- executed in San Luis Obispo County, California, and any action filed for the interpretation, enforcement or other action with respect to the terms, conditions or covenants referred to herein shall be filed in the applicable court in San Luis Obispo County, California.
16. Costs. Each Party agrees that it shall not be liable to the other Party for any costs incurred related to the negotiation of this MOU, including attorney fees.
 17. Counterparts. This MOU may be executed in counterparts, each of which shall be deemed to be an original.
 18. Time is of the Essence. Time is of the essence in the performance of each and every obligation of the Parties under this MOU.
 19. Drafting. Each of the Parties hereto agree that this MOU is the product of joint draftsmanship and negotiation and that should any of the terms be determined by a court, or in any type of quasi-judicial or other proceeding, to be vague, ambiguous and/or unintelligible, that the same sentences, phrases, clauses or other wordage or language of any kind shall not be construed against the drafting party in accordance with California Civil Code Section 1654, and that each such Party to this MOU waives the effect of such statute.
 20. Waiver. No failure of a Party hereto to exercise any right or power given it hereunder, or to insist upon strict compliance by another Party of any obligation hereunder, and no custom or practice at variance with the terms hereto, shall constitute a subsequent waiver of the Party's right to demand compliance with the terms hereof..
 21. Headings. The headings used in this MOU are solely for convenience of reference and shall not constitute a part of this MOU, nor shall they affect the meaning, construction or effect of any provision thereof.
 22. Authority. Each of the Parties and its officers executing this MOU represents and warrants to the other Party that they have the requisite legal authority to enter into this MOU.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

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**SUPPLEMENTAL FUNDING MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE CITY OF EL PASO DE ROBLES AND EL CAMINO HOMELESS ORGANIZATION**

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding as of the date first above written.

The City of El Paso de Robles, a municipal corporation

By: _____

Name: Ty Lewis

Its: City Manager

El Camino Homeless Organization

By: _____

Name: _____

Its: _____