



CITY OF SALINAS COUNCIL STAFF REPORT

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DATE: NOVEMBER 12, 2024

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

THROUGH: VINCENT MONTGOMERY, PLANNING MANAGER

BY: JACQUELINE SMITH, HOMELESS SERVICES MANAGER
FRANCISCO BRAMBILA, MANAGEMENT ANALYST

TITLE: AMENDMENT NO. 1 TO SUBRECIPIENT FUNDING
AGREEMENT WITH COMMUNITY HUMAN SERVICES FOR
SHARE CENTER OPERATIONS

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing:

- 1) the City Manager or designee to execute Amendment No. 1 to the Subrecipient Funding Agreement (No. 24CIP9001-01) with Community Human Services (CHS) to increase the total not to exceed compensation amount to \$2,702,128 for fiscal year 2024-2025; and
- 2) the appropriation of up to \$1,990,000 from American Rescue Plan Act (ARPA) funds with the balance of funds from CIP 9001 – Permanent Homeless Shelter, in an amount not to exceed \$770,000.

EXECUTIVE SUMMARY:

Under a 2018 Memorandum of Understanding (MOU) the City of Salinas (City) and County of Monterey (County) agree to equally contribute to SHARE Center operational costs. During the reconciliation of previous years' financial contributions, it was identified that the County had contributed more than fifty percent of SHARE operational costs between May 2021 and June 2024. As a result, the City needs to increase the total not to exceed compensation amount of the Subrecipient Funding Agreement (No. 24CIP9001-01) with Community Human Services (CHS) for SHARE Center operations in fiscal year 2024-2025 to ensure equity in cost-sharing between the partners.

The proposed Amendment No. 1 to the Subrecipient Funding Agreement with Community Human Services (CHS) for SHARE Center operations will increase the compensation amount by \$1,194,421 for a total amount not to exceed compensation amount of \$2,702,128 for fiscal year 2024-2025, reflecting reconciled expenses and honoring the City's commitment to equal cost-sharing with the County. All other terms of the original agreement, including the established

performance metrics, remain unchanged. Amendment No. 1 will be funded by available appropriations from the CIP 9001 – Permanent Homeless Shelter and American Rescue Plan Act (ARPA).

BACKGROUND:

On September 26, 2017, the City of Salinas (City) and County of Monterey (County) executed a Memorandum of Understanding (MOU) authorizing the opening of a Warming Shelter and committed to collaborate on the future construction and operation of a new year-round shelter, which became the SHARE Center. The MOU was updated on September 25, 2018, to outline the City and County responsibilities for the construction of the shelter and the selection of a future operator.

The City issued a Request for Proposal (RFP) on October 28, 2020, seeking a qualified service provider to operate the SHARE Center. Bay Area Community Services (BACS) was selected and began operations on May 31, 2019. The City's agreement with BACS ended on June 30, 2024, and the County extended their agreement until August 31, 2024. A new RFP was issued by the City and County on April 19, 2024, and through a rating and ranking process Community Human Services (CHS) was selected as the new operator for the period from August 1, 2024, to June 30, 2027.

CHS proposed a budget of \$3,007,415 to operate the SHARE Center for FY 2024-2025. Following the 2018 MOU, the City and County agreed to equally split these operational expenses, with the City's share amounting to \$1,503,707. However, during the reconciliation of previous years' financial contributions, it was identified that the County had contributed more than fifty percent of operational costs between May 2021 and June 2024. As a result, the City will need to increase its contribution in FY 2024-2025 to balance its portion of funding commitment to SHARE Center operations and ensure equity in cost-sharing between the partners moving forward.

The City first entered a Subrecipient Funding Agreement (Agreement) with CHS on August 1, 2024, for an amount of \$1,503,707. The proposed Amendment No. 1 will adjust the compensation amount by \$1,194,421, increasing the total amount not to exceed compensation amount to \$2,702,128. All other terms of the original agreement, including the established performance metrics, remain unchanged. Funding sources for the proposed Amendment will be up to \$1,990,000 from American Rescue Plan Act (ARPA) funds with the balance of funds from CIP 9001 – Permanent Homeless Shelter, in an amount not to exceed \$770,000.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect

physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

Yes.

STRATEGIC PLAN INITIATIVE:

The proposed Amendment No. 1 will advance the City of Salinas Strategic Plan 2022-2025 Goals and Housing/Affordable Housing through continued provision of immediate housing opportunities supported by robust housing navigation leading to permanent housing placements.

DEPARTMENTAL COORDINATION:

This agenda item was prepared by and is administered by the Community Development Department Housing & Community Development Division with contributions from both the City Attorney and Finance Department.

FISCAL AND SUSTAINABILITY IMPACT:

There will be no impact to the General Fund. Amendment No. 1 with Community Human Services for Share Center Operations will be funded by available appropriations from the CIP 9001 – Permanent Homeless Shelter and American Rescue Plan Act (ARPA) funds.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 24-25 Operating Budget Page	Last Budget Action (Date, Resolution)*
5800	30.9001-63.5900	Outside Services Other Professional Services	Approximately \$770,000	Up to \$770,000	Page 20 of CIP Budget	6/11/24; 22980
3911	30.3220-69.1270	Financial Assistance Comm Human Services Project	Approximately \$1,990,000	Up to \$1,990,000	N/A	11/16/21; 22250

ATTACHMENTS:

- A. Resolution
- B. Draft Amendment No. 1
- C. Original Subrecipient Agreement
- D. City and County MOU