



Legislation Details (With Text)

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On agenda: 8/23/2022 **Final action:**

Title: Chief Administrative Office, Facilities Division, and Health and Human Services Agency recommending the Board:
 1) Approve and authorize the Chair to sign a budget transfer increasing appropriations in the Accumulative Capital Outlay (ACO) Fund by \$4,159,011 for the Homeless Navigation Center at Perks Court (4/5 vote required);
 2) Approve the use of up to \$500,000 of County American Rescue Plan Act (ARPA) funding for potential road improvements or unforeseen project conditions at Perks Court, reducing the amount available for an audit reserve;
 3) Approve the attached revised ACO Fiscal Year 2022-23 Workplan, which includes the addition of the Homeless Navigation Center Project at Perks Court; and
 4) Direct the Chief Administrative Office to return to the Board by September 27, 2022, with a plan for compensating the Traffic Impact Fee Program for the use of the Perks Court property.

FUNDING: 64% Homeless Housing, Assistance, and Prevention Program; 5% Permanent Local Housing Allocation Program; 3% Homeless Emergency Assistance Program; 10% County Public Health ARPA funding, 7% City of Placerville ARPA funding, 12% County ARPA funding. (Cont. 7/28/22, Item 2)

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - Budget Transfer for Nav Center to ACO, 2. B - Revised ACO Workplan FY 2022-23, 3. Public Comment Rcvd 8-23-2022 BOS 8-23-2022, 4. Public Comment BOS Rcvd. 8-23-2022, 5. Public Comment BOS Rcvd. 8-22-2022, 6. Public Comment BOS Rcvd 8-19-2022, 7. Public Comment BOS Rcvd. 7-28-2022, 8. Public Comment BOS Rcvd. 7-27-2022

Date	Ver.	Action By	Action	Result
8/23/2022	2	Board of Supervisors	Failed	Pass
7/28/2022	1	Board of Supervisors	Continued	Pass

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DISCUSSION / BACKGROUND

On April 19, 2022, with Legistar item 22-0630, the Board directed staff to pursue Perks Court for a short-term congregate shelter site. The Health and Human Services Agency (HHSA) returned to the Board on May 24, 2022, with Legistar item 22-0893, for approval of Agreement 6586 with G&G Builders Inc. for the first phase of a two-phase approach to the shorter-term Navigation Center project. The first phase of the project has concluded and with a separate agenda item (22-1279), on July 26, 2022, the Board was considering approval of Agreement 6755 with G&G Builders, Inc. for the second phase of the project, the design and construction of the Navigation Center at Perks Court. This item was continued to this special meeting, held on July 28, 2022, for the Board to amend the budget and ACO Workplan to include the Navigation Center Project.

The proposed budget transfer increases Fixed Assets Building and Improvements in the ACO fund by \$4,159,011. Of this amount \$3,659,011 is for the G&G Builders, Inc. Agreement 6755 and \$500,000 is for anticipated road improvements on Perks Court and other unforeseen circumstances impacting the project. The sources of funding for the project are as follows:

- a) \$2,654,796 in Homeless Housing, Assistance, and Prevention Program funds
- b) \$200,000 in Permanent Local Housing Allocation funds
- c) \$116,715 in Homeless Emergency Assistance Program funds
- d) \$287,500 in City of Placerville ARPA funding as approved by the City Council at their July 25, 2022, Special Meeting.
- e) \$400,000 in County ARPA funding that was allocated by the Board to Public Health for pandemic response. The Navigation Center is anticipated to have a profound impact on ensuring homeless residents have access to a range of 'whole person' services that will help prevent the spread of infectious disease including coronavirus.
- f) \$500,000 of County ARPA funding for road improvements to Perks Court or other unforeseen circumstances impacting the project. This will lower the amount of the ARPA audit reserve to just over \$2.5 million. The County established an audit reserve to cover any ARPA expenditures that are deemed ineligible after the funds have been expended. This audit reserve was established through the ARPA final rule that allows local governments a 'standard allowance' of up to \$10 million to spend on government services through the ARPA period of performance. This means that the County can use up to \$10 million of ARPA funding for government services in lieu of needing to calculate a revenue loss. The final rule allows for a wide array of government services including infrastructure projects, public safety services, and health and educational services. The ARPA audit reserve of just over \$3 million was created through this 'standard allowance' of \$10 million for government services. This allows for a broader scope of allowable expenses that can be covered by ARPA funding, offsetting other discretionary revenues. The use of this 'standard allowance' for government services, up to \$10 million, will reduce the reporting requirements of the County and free up funding for other uses including the Homeless Navigation Center.

\$500,000 is a high estimate of the cost of possible road improvements for the project. If the funding is not used for road improvements, it may be needed to meet other unforeseen costs impacting the project. This funding will be used last when drawing down the funding sources. It is anticipated that this full amount will not be needed however, with continuing cost increases for materials and services, it may be necessary to use the full \$500,000 of funding for the project. Staff will update the Board once the scope and estimated cost of the road improvements is identified and if this funding is

needed for other unforeseen costs of the project.

Staff are recommending that the Board approve the addition of the Perks Court Navigation Center Project to the ACO workplan. Attachment B is the revised workplan with the addition of the Navigation Center Project as the only change from the workplan approved by the Board with the Fiscal Year 2022-23 Recommended Budget (Legistar 22-0973).

Lastly, the Perks Court property was purchased by the County using Traffic Impact Fees (TIF) as part of the U.S. 50/Missouri Flat Road Exchange Project. In order to use the Perks Court property for the Navigation Center, the County may need to reimburse the TIF fund for non-road related use of the Perks Court property. The County was reimbursed by local nonprofit organizations who used the land for homeless service provisions, as outlined in Legistar items 14-1122 and 09-1286. Staff will work with the Department of Transportation to bring a plan back to the Board for reimbursement by September 27, 2022, possibly through the Adopted Budget process.

ALTERNATIVES

The Board may choose not to approve the budget transfer and revised workplan, however, doing so would not allow a Navigation Center project to be developed. The Board could provide staff direction to return to the Board with a revised budget transfer or ACO workplan with alternate funding sources for the project.

PRIOR BOARD ACTION

See above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

This item should be considered by the Board in conjunction with Legistar item 22-1279. The amendment of the budget and ACO workplan are required for completion of the work outlined under Agreement 6775.

The recommendations are consistent with prior Board direction and essential to move forward with the implementation of a congregate Navigation Center. However, the Board should note the project costs currently identified exceed the amount of available Homeless Grant Funding, as well as City ARPA contributions, requiring additional contributions from other funding sources in the amount of \$500,000, all of which are for a project that at this time is considered a short-term project. Recognizing the Board's priority in establishing a congregate Navigation Center and due to higher than anticipated costs that exceed available Homeless Grant funding, the Board should consider if this is still the best use of funds.

FINANCIAL IMPACT

As described above, funding for the proposed project is generated through various homeless grant programs, including but may not be limited to the Homeless Housing, Assistance, and Prevention Program; Homeless Emergency Assistance Program; and Permanent Local Housing Allocation. In addition, the project will be funded with ARPA funding from the County and City of Placerville. HHSA will continue to explore all funding sources and update the Board if additional funding becomes available.

The cost of this project will utilize nearly all County grant funding for homelessness, as well as the majority of El Dorado Opportunity Knocks (EDOK) Continuum of Care grant allocations. All other available homeless grant funding that remains cannot be utilized for a longer-term navigation center project as an eligible activity. The remaining funds are also earmarked for other year-one activities within the EDOK 5-Year Strategic Plan on Homelessness. As such, by developing this project as presented, the County and EDOK would not have any funding in-hand for pursuing a longer-term site as a navigation center at an alternate location. Perks Court is currently being presented as a shorter-term solution, as there is funding available to operate it for approximately two years. Given the described dynamics, should the Board decide within two years that an alternate site will be necessary for a longer-term navigation center, state grants or other revenues will need to be pursued and considered by the County and EDOK in order to fund any additional effort at an alternate location.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Obtain the Chair's signature on the budget transfer form and return it to the Chief Administrative Office for processing.

STRATEGIC PLAN COMPONENT

County Strategic Plan:

- 1) Goal #1 - "Public Safety: Protects the community, prevents crime, enforces the law, administers justice, provides rehabilitative services, and promptly responds to emergency and calls for service;" and
- 2) Goal #5 - "Healthy Communities: Improved health, well-being and self-sufficiency of El Dorado County communities, residents and visitors."

CONTACT

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