



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers

168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 25-139

September 23, 2025

Introduced: 9/17/2025

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

- a. Approve and authorize the County Administrative Officer or designee, to accept a maximum award of \$1,228,961 from the Central California Alliance for Health in partial support of the construction and site development of the 34-bed low barrier navigation center to be located at 118 First Street, Watsonville, California 95076, that will provide temporary living facilities to individuals experiencing homelessness in the Pajaro River area; and
- b. Approval and authorize the County Administrative Officer or designee to execute a non-standard Agreement in the amount of \$1,228,961 with the Central California Alliance for Health for partial support of the construction and development a 34-bed low barrier navigation center, for the term effective upon execution and expiring 39 months thereafter; and
- c. Approve the recommendation of the County Administrative Officer to accept all non-standard provisions in the Agreement; and
- d. Adopt a resolution to authorize and direct the Auditor-Controller to increase appropriations and estimated revenues by \$1,228,961, to amend the Fiscal Year 2025-26 Adopted Budget for the County Administrative Office Homelessness Strategies and Initiatives Division (001-1050-CAO004-8598) financed by grant revenues from the Central California Alliance for Health to provide partial payment towards the construction and site development of a 34-bed non-congregate, low barrier navigation center located in Watsonville, California (4/5th vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the County Administrative Officer or designee, to accept a maximum award of \$1,228,961 from the Central California Alliance for Health in partial support of the construction and site development of the 34-bed low barrier navigation center to be located at 118 First Street, Watsonville, California 95076, that will provide temporary living facilities to individuals experiencing homelessness in the Pajaro River area; and
- b. Approval and authorize the County Administrative Officer or designee to execute a non-standard Agreement in the amount of \$1,228,961 with the Central California Alliance for Health for partial support of the construction and development a 34-bed low barrier navigation center, for the term effective upon execution and expiring 39 months thereafter; and
- c. Approve the recommendation of the County Administrative Officer to accept all non-standard provisions in the Agreement; and
- d. Adopt a resolution to authorize and direct the Auditor-Controller to increase appropriations and estimated revenues by \$1,228,961, to amend the Fiscal Year 2025-26 Adopted Budget for the

County Administrative Office Homelessness Strategies and Initiatives Division (001-1050-CAO004-8598) financed by grant revenues from the Central California Alliance for Health to provide partial payment towards the construction and site development of a 34-bed non-congregate, low barrier navigation center located in Watsonville, California (4/5th vote required).

SUMMARY/DISCUSSION:

On September 17, 2025, the County Administrative Office Homelessness Strategies and Initiatives Division (“County”) was awarded \$1,228,961 from the Central California Alliance for Health (“Alliance”) Housing Fund to address a budget shortfall for the County’s development of a 34-bed low-barrier navigation center (“LBNC”) located at 118 First Street, Watsonville, California 95076.

The LBNC is a key component of a multi-jurisdictional partnership established through a Memorandum of Understanding between the County and the County of Santa Cruz. Once construction is completed, the LBNC will provide 34 units of interim shelter for individuals or couples with recent history of experiencing unsheltered homelessness along Pajaro River.

In addition to safe shelter, participants will have access to supportive services, housing navigation, and recuperative and/or short-term post-hospitalization care provided by the selected community-based services organization, Community Action Board of Santa Cruz County Inc. (“CAB”) via a subrecipient agreement between the County and the Coalition of Homeless Services Providers (“CHSP”).

Construction of the LBNC commenced on July 21, 2025, through a subrecipient agreement with DignityMoves, and is primarily funded through an Encampment Resolution Funding Grant (“ERF”) awarded to the County by the California Department of Housing and Community Development in June 2023. However, permitting delays and unforeseen requirements imposed by the City of Watsonville resulted in an increased project cost of \$1.2 million for a total construction budget of \$6,122,666.

To bridge this funding gap and ensure the continuation of construction for this critically needed project, the County recommends the Board of Supervisors approve a non-standard Letter of Agreement (“Agreement”) with the Alliance to accept the Housing Fund award in the amount of \$1,228,961. This Agreement shall be effective upon the date of the last signature (“Effective Date”) and shall automatically expire thirty-nine (39) months after the Effective Date.

Per the terms of the Alliance’s Letter of Agreement, the useful life of this project is anticipated to be 10 years from the time of construction and is a requirement for the acceptance of this much needed Housing Fund award. However, the Alliance included language in the Agreement that allows the owner of the LBNC, whether it be the County of Monterey or County of Santa Cruz, to meet and confer in instances of extenuating circumstances when the 10-year usable life is unachievable. The LBNC will operate 365 days per year and will be staffed 24 hours per day through the subrecipient contract with CAB and CHSP. The County will work with the Alliance, County of Santa Cruz, CHSP, and CAB to establish a process for prioritizing Medi-Cal eligible individuals for placement, as required by the Agreement.

The Alliance is a local public agency that administers the Medi-Cal health plan for eligible residents in Mariposa, Merced, Monterey, San Benito, and Santa Cruz counties. Its mission is to promote

prevention, early detection, and effective treatment while improving access to quality health care across the region. The Housing Fund was established by the Alliance to support local projects focused on building, purchasing, renovating, and/or furnishing housing units that offer permanent housing, interim shelter, recuperative care, and/or short-term post-hospitalization services.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel has reviewed and approved the proposed Agreement as to form, respectfully. Due to the urgency of funding, the Budget Committee Chair supported a request to go to the full Board and not the Budget Committee

FINANCING:

There will be no impact on the General Fund from approval of this action. Partial payment of the LBNC construction and furnishings is funded by the Alliance's Housing Funding Award in the amount of \$1,228,961.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This initiative supports the County of Monterey's Strategic Goals and Key Objectives through the sustainability of interim sheltering and services programs for the purpose of transitioning eligible residents into permanent housing and the provision of exceptional facilities and health programs to support quality of life for residents.

Mark a check to the related Board of Supervisors Adopted 2025-26 Strategic Plan Goals

☒ Well-Being and Quality of Life
☒ Sustainable Infrastructure for Present and Future
☐ Safe Resilient Communities
☐ Diverse and Thriving Economy

Prepared by: Sarah Federico, Management Analyst II, CAO-HSI Division, ext 5341

Reviewed by: Roxanne Wilson, CAO-HSI Division, ext 5445

Approved by: Deborah Paolinelli, Assistant County Administrative Officer, ext 5309

Attachments: Resolution
Agreement
CCAH Award Letter

Proposed Agreement is on file with Clerk of the Board as an attachment to this Board Report.