

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: Community Services Agency

BOARD AGENDA: 8.3
AGENDA DATE: September 30, 2025

SUBJECT:

Accept an Update on the Access Center and Emergency Shelter Operational Plan for Fiscal Year 2026; Direct County Staff to Pursue Any Available Non-General Fund Sources to Fill the Anticipated Funding Gap; Explore Program Changes in Collaboration with Access Center and Emergency Shelter Partners to Ensure a Sustainable Operational Model at the Site Located at 320 Ninth Street, Modesto, CA; and Related Actions

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2025-0510

On motion of Supervisor Withrow Seconded by Supervisor Grewal
and approved by the following vote,

Ayes: Supervisors: Chiesa, Withrow, Grewal, C. Condit, and Chairman B. Condit

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

*Please note that the ACES Operations Funding History, attached to this item, contained a clerical error and was corrected to reflect the correct funding history as of September 24, 2025.



ATTEST: NOEMI LEON, Interim Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Community Services Agency

BOARD AGENDA:8.3

AGENDA DATE: September 30, 2025

CONSENT ☐

CEO CONCURRENCE: YES

4/5 Vote Required: No

SUBJECT:

Accept an Update on the Access Center and Emergency Shelter Operational Plan for Fiscal Year 2026; Direct County Staff to Pursue Any Available Non-General Fund Sources to Fill the Anticipated Funding Gap; Explore Program Changes in Collaboration with Access Center and Emergency Shelter Partners to Ensure a Sustainable Operational Model at the Site Located at 320 Ninth Street, Modesto, CA; and Related Actions

STAFF RECOMMENDATION:

1. Accept a comprehensive update on the operations plan for Fiscal Year 2026 for the Access Center and Emergency Shelter (ACES) located at 320 Ninth Street, Modesto, CA.
2. Direct County staff from the Chief Executive Office, Community Services Agency, Behavioral Health and Recovery Services, and Planning and Community Development, in collaboration with the City of Modesto and the Salvation Army, to pursue all available non-general fund sources appropriate to fill the anticipated funding gap in the current fiscal year and explore necessary program changes to ensure shelter services offered at the site are provided within available funding.
3. Direct County staff to return to the Board of Supervisors with an update no later than January 2026 on the status of work to ensure a sustainable operations model for ACES.

DISCUSSION:

The Community Services Agency (CSA) builds community by cultivating safety, stability, and resiliency – strengthening the foundation for all. CSA operates and has oversight of various social welfare programs that provide cash assistance, social services, and supports for the benefit of the community. CSA strives to serve, aid, and protect needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence.

History

A September 2018 federal ruling by the Ninth Circuit Court of Appeals determined that cities were not allowed to prosecute people for sleeping on public property if there is no shelter space available. On December 11, 2018, the Board of Supervisors adopted a resolution to declare a shelter crisis in the unincorporated areas of Stanislaus County and affirmed the Stanislaus County Community System of Care's (CSOCs) designation of CSA as the administrative entity for the County to accept and administer \$7.2 million

in Homeless Emergency Aid Program (HEAP) funding (Board Resolution 2018-0618) to provide immediate emergency assistance to people experiencing homelessness or those at risk of homelessness.

On February 26, 2019, the Board of Supervisors (BOS) authorized the Chief Executive Officer (CEO) to negotiate and execute a five-year Memorandum of Understanding (MOU) with The Salvation Army (SA) and the City of Modesto to formalize the collaboration on the development of a long-term plan to create a sustainable system of care for people experiencing homelessness in Stanislaus County (Board Resolution 2019-0115). The Board also declared an emergency in accordance with Public Contract Code Sections 20134 and 22050 for emergency repair and replacement work needed at 330 9th Street, Modesto, and 301 10th Street, Modesto, and on the adjacent City of Modesto parcel to mitigate the Stanislaus County shelter crisis. Work at the sites included a tenant improvement project to construct a new 180-bed emergency shelter, place the County's Permanent Access Center, and required site work. The Board also issued a Notice of Intent (NOI) to purchase SA's Community Center and parking lots located at 625 I Street for future transitional housing, and the replacement and relocation of SA's administrative functions from 625 I Street to prefabricated facilities at 330 9th Street. The capital project and funding plan approved by the Board is outlined in the table below:

180-Bed Shelter	\$ 2,400,000
Lease Cost for Shelter	\$ 324,000
Permanent Access Center	\$ 1,020,000
Salvation Army Administrative Facilities	\$ 1,375,000
Project Administration	\$ 100,000
Total Capital Project Cost	\$ 5,219,000
Homeless Emergency Aid Program (HEAP) Funding	\$ 4,100,000
California State General Fund Budget Allocation	\$ 1,119,000
Total Capital Project Funding	\$ 5,219,000

On April 2, 2019, the Board authorized the Chief Operations Officer to negotiate and execute a real property purchase agreement with SA for the purchase of 625 I Street, Modesto, for a purchase price of \$1,250,000, using County General Fund to do so (Board Resolution 2019-0186). Escrow closed on June 21, 2019.

On October 1, 2019, the BOS authorized the CEO to negotiate and execute an agreement with SA to operate the Access Center and Emergency Shelter (ACES) located at 320 9th Street, Modesto, for a term of one year with options for four consecutive one-year terms (Board Resolution 2019-0620). Construction of the shelter, with a final configuration of 182 emergency and low-barrier beds, was completed on October 10, 2019, and furnishings and acoustical panel installation were finished on November 8, 2019. ACES celebrated its grand opening on November 18, 2019, and SA has operated it for the past five years. The Access Center modular facility opened to customers on February 3, 2020, and SA modular facilities were completed in April 2020.

The CSA, Housing and Homeless Services Division (HHS) has led the effort to monitor the ACES Memorandum of Understanding (MOU) and develop partnerships to ensure the program's long-term financial sustainability. However, securing ongoing and sustainable funding remains a challenge. To support ACES, the County has allocated

funds from various sources to cover operational costs, which include security and lease expenses for the facility. Since program implementation in 2019, the Board of Supervisors has received regular updates and has approved multiple extensions of the ACES program:

Date	Action	Term Through	Contract Increase	Total Contract with Salvation Army for ACES	Board Resolution
October 1, 2019	Approved ACES Agreement	December 31, 2020	\$ -	\$ 2,334,146	2019-0620
March 16, 2021	Approved ESG-CV2 Funding	June 30, 2022	\$ 3,197,138	\$ 5,531,284	2021-0097
November 16, 2021	Approved ESG-CV2 Funding	June 30, 2022	\$ 156,943	\$ 5,688,227	2021-0551
March 28, 2023	Approved 1st Amendment	June 30, 2023	\$ 2,700,000	\$ 8,388,227	2023-0128
June 20, 2023	Approved 2nd Amendment	December 31, 2023	\$ 1,850,000	\$ 10,238,227	2023-0315
December 19, 2023	Approved 3rd Amendment	June 30, 2024	\$ 1,543,855	\$ 11,782,082	2023-0676
June 25, 2024	Approved 4th Amendment	November 30, 2024	\$ 1,286,546	\$ 13,068,628	2024-0342
November 12, 2024	Approved 5th Amendment	December 31, 2024	\$ -	\$ 13,068,628	2024-0666
December 17, 2024	Approved 6th Amendment	June 30, 2025	\$ -	\$ 13,068,628	2024-0739
May 20, 2025	Approved 7th Amendment	June 30, 2025	\$ 792,222	\$ 13,860,850	2025-0256
June 10, 2025	Approved 8th Amendment	June 30, 2026	\$ 2,889,688	\$ 16,750,538	2025-0321

Detailed funding strategies for all extensions are outlined in the respective Board agenda items. On June 10, 2025, the Board also approved a 5-year extension to the lease for the ACES premises located at 320 9th Street, Modesto (Board Resolution 2025-0321). This lease is separate and apart from the County's contract with SA for operations at ACES, the combined total cost for both agreements and site security in FY 2026 is estimated at \$3,295,688.

Services Provided and Clients Served

SA oversees the 182-bed shelter's day-to-day operations and provides direct rehabilitative services to residents, who are allowed to shelter with their partners, pets, and possessions. SA is responsible for providing residents with showers and restrooms, storage, housing for pets, meals (breakfast, lunch, and dinner), hygiene services, and laundry facilities. They also oversee facility safety and sanitation, as well as provide facility maintenance. SA provides housing readiness training for those residents who do not have the skills to live independent and sheltered lives and provides intensive case management with the aim of connecting all residents to essential community supports and rehabilitative services as a pathway towards permanent housing. Each case manager is a resource specialist who has the ability to actively connect residents to specific, appropriate services, including but not limited to:

- Temporary and permanent housing providers
- Employment services
- Health providers (physical and mental)
- Drug and alcohol rehabilitation and recovery services
- Temporary and permanent disability services
- Public benefits such as Medi-Cal, CalFresh, CalWORKs, General Assistance
- Enhanced care management
- Community supports
- Domestic violence services
- Support groups

From its inception in November 2019 to June 30, 2025, ACES housed approximately 2,762 unduplicated/unique clients. Some clients are long-term residents of the shelter, and others have stayed repeatedly over the years.

Access Center and Emergency Shelter	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Clients Served	260	213	416	721	640	512	2,762

Shelter residents come from a variety of backgrounds and situations, and many of them experience challenges with physical or mental health conditions and/or trauma from domestic violence, sexual assault, dating violence, stalking, or human trafficking. Many suffer from multiple conditions and/or repeated/recent trauma. The majority of residents have no source of income, and those who do have a fixed income. The demographic information shown below were collected from residents who stayed at ACES from May 1 to August 1, 2025.

Age	
18-24	4
25-34	32
35-44	45
45-54	65
55-64	95
65	35
Total	276

Race		
Black, African American or African	34	12.3%
Hispanic/Latino	31	11.2%
White	145	52.5%
White & Hispanic/Latino	32	11.6%
Other	34	12.3%
Total	276	100.0%

Physical and Mental Health Conditions		
Mental Health Disorder	134	48.6%
Alcohol Use Disorder	19	6.9%
Drug Disorder	52	18.8%
Both Alcohol and Drug Use Disorder	5	1.8%
Chronic Health Condition	149	54.0%
HIV/AIDS	3	1.1%
Developmental Disability	50	18.1%
Physical Disability	140	50.7%
Total	276	-

Number of Conditions		
None	57	20.7%
1 Condition	51	18.5%
2 Conditions	61	22.1%
3+ Conditions	107	38.8%
Total	276	100.0%

History of Domestic Violence, Sexual Assault, Dating Violence, Stalking or Human Trafficking		
Yes	105	38.0%
No	171	62.0%
Total	276	100.0%

Most Recent Experience of Domestic Violence, Sexual Assault, Dating Violence, Stalking or Human Trafficking		
Within 3 months	16	15.2%
3-6 months ago	8	7.6%
6-12 months ago	1	1.0%
1+ year ago	80	76.2%
Total	105	100.0%

Type of Income		
Earned Income	13	4.7%
Other Income	102	37.0%
No Income	161	58.3%
Total	276	100.0%

Income Sources		
Earned Income	13	9.6%
Unemployment Insurance	6	4.4%
Supplemental Security Income (SSI)	60	44.4%
Social Security Disability Insurance (SSDI)	29	21.5%
VA Disability Pension	1	0.7%
General Assistance	4	3.0%
Retirement Income from Social Security	12	8.9%
Pension or Retirement Income from a Former Job	4	3.0%
Other Source	6	4.4%
Total	135	100.0%

As can be seen in the table below, a significant number of residents have stayed at the shelter for over a year:

Length of Stay at ACES		
30 Days or Less	83	30.1%
1-2 Months	36	13.0%
2-3 Months	13	4.7%
3-6 Months	44	15.9%
6-12 Months	51	18.5%
1-2 Years	35	12.7%
2-3 Years	9	3.3%
3-4 Years	4	1.4%
4-5 Years	1	0.4%
Total	276	100.0%

There are complex, overlapping challenges that make it difficult for residents to transition quickly into stable housing or other long-term solutions, such as:

- Severe housing shortages and long waitlists for subsidized housing
- Lack of affordable housing vouchers
- Inability to afford rent
- Individuals may need time to stabilize mental health conditions or engage in treatment before moving to independent settings
- Survivors of violence may need to stay longer for safety planning or legal proceedings
- Lack of identification, immigration documents, or criminal record expungement can delay access to housing programs or employment
- Individuals with physical disabilities or chronic illnesses may require accessible housing or medical stabilization before transitioning out
- Systemic barriers:
 - Discrimination based on race, gender identity, criminal history, etc., can make it harder to secure housing
 - Youth aging out of foster care or people exiting incarceration may lack support networks or life skills
- Housing systems are difficult to navigate

Despite the challenges noted above, over the past six years, ACES has produced positive outcomes for many shelter residents, which can be seen in Attachment 1.

Initial Funding Plan for FY 2026

The table below outlines the estimated cost and initial funding plan that was developed to support ACES operations in FY 2026:

ACES	FY 2026 Initial Budget
Salvation Army Oversight and Operator Services	\$ 2,889,688
Lease of 320 9th Street, Modesto	\$ 162,000
Security Services	\$ 244,000
Total Estimated Cost	\$ 3,295,688
County HHAP Round 5 (2nd Disbursement)	\$ 428,996
County HHAP Round 6 (1st Disbursement)	\$ 1,053,683
County HHAP Round 6 (2nd Disbursement)	\$ 812,292
County PLHA	\$ 600,000
County PLHA Redistribution	\$ 50,000
Total Funding Available	\$ 2,944,971
Funding Excess/(Shortfall)	\$ (350,717)

Appropriations and estimated revenues in the amount of \$3,295,688 to support the agreement with SA for oversight and operations of ACES through June 30, 2026, were included in CSA's 2026 Adopted Budget.

Current Challenges

California counties have advocated for consistent State funding for homeless services, including emergency shelters. The counties have been fortunate to receive annual allocations for programs like ACES, despite changes to the rules on how to access the funds. The most immediate concern is that no additional homeless funding was provided in the California Budget Act of 2025, and the State has indicated the following year's allocation will be reduced in half.

Since the inception of ACES, a patchwork of funding allocations has been used to cover ACES' operational costs, as shown in the attached ACES Operations Funding History table.

ACES has most recently been funded with the California Housing and Community Development (HCD) Homeless Housing Assistance and Prevention (HHAP) Stanislaus County allocation. HHAP has been issued in rounds since its inception in FY 2021, and HHAP Rounds 1 and 2 funds were advanced to counties. Beginning with HHAP Round 3, California legislation changed how HHAP funding was distributed to counties and created criteria that counties needed to meet to access the first and second disbursements. In June 2025, HCD announced changes to the criteria counties need to meet to access the second disbursement of Round 5, as follows:

Existing Criteria

1. Obligate 75% and expend 50% of the first disbursement
2. Update of the Regionally Coordinated Homeless Action Plan

Added Criteria

1. Demonstrate progress in at least three system performance measures

In March 2025, HCD released the Notice of Funding Availability (NOFA) for HHAP Round 6. CSA submitted the County and CSOC joint application to HCD on August 29, 2025. CSA anticipates not being able to receive the first disbursement of HHAP Round

6 until January 2026. To receive the second disbursement of HHAP Round 6, the following criteria must be met:

1. Be in compliance with the County's Housing Element;
2. Obligate 75% and expend 50% of the initial disbursement;
3. Demonstrate progress in at least four system performance measures;
4. Update of the Regionally Coordinated Homeless Action Plan

Due to the requirement to demonstrate progress in performance measures, the second disbursements of Rounds 5 and 6 are now at risk. The performance metrics chosen and implemented by the State are not specific to programs, activities, or services funded by HHAP; the metrics are overall community performance measures that the County does not have sole control over. Stanislaus County is currently meeting one performance measure: the average length of time (in days) that people experience homelessness while accessing services. The County would need to meet two to three more metrics to access the second disbursements for Rounds 5 and 6. The seven performance measures are:

- 1a. Number of people experiencing homelessness who are accessing services;
- 1b. Number of people experiencing unsheltered homelessness according to the unsheltered Point-In-Time Count;
2. Number of people experiencing homelessness who are accessing services for the first time (in two years);
3. Number of people exiting homelessness into permanent housing;
4. Average length of time (days) that people experience homelessness while accessing services;
5. Percent of people who return to homelessness within 6 months of exiting the homelessness response system to permanent housing; and
6. Number of people successfully placed (into shelter, interim, or permanent housing) from street outreach.

CSA has requested technical assistance from HCD to improve performance measure data, including assistance with data entry and tracking mechanisms. CSA attends regularly scheduled monthly meetings with HCD and individually met with HCD on August 28, 2025, to alert them of the potential ramifications to the ACES program if Stanislaus County is not able to receive the second disbursement of Round 5.

Alternative Funding Sources and Options Explored

Over the past several years, to ensure the continued operation of the ACES program, the CEO, CSA, Behavioral Health and Recovery Services (BHRS), and Planning and Community Development (Planning) have collaborated with the City of Modesto and SA to explore various options for a sustainable operational structure, including service enhancements that would replace or leverage existing funding. The County also explored other emergency shelter providers and has been unsuccessful in identifying an alternative provider.

The County and City of Modesto have been meeting weekly for the past two months to identify revenue that could be used for ACES. The following opportunities have been identified:

- Request funding from CSOC HHAP Round 6, first disbursement. The request was made at the CSOC meeting on September 18, 2025, and ACES was awarded \$600,187;
- Approximately \$70,000 from County Permanent Local Housing Allocation (PLHA) funds is pending redistribution (awaiting HCD approval);
- County HHAP Round 5, Second Disbursement total \$930,334; and
- California's Advancing and Innovating Medi-Cal (CalAIM) Medi-Cal billable services to be provided by SA. Amount is unknown at this time.

Currently, there is \$1,525,702 in funding sources for FY 2026, which will provide for six months of operations. If all the funding sources come to fruition, the table below outlines the updated funding plan totaling \$2,526,036, leaving a \$769,652 shortfall in funding to support operations for the entirety of FY 2026:

ACES	FY 2026 Revised Budget
Salvation Army Oversight and Operator Services	\$ 2,889,688
Lease of 320 9th Street, Modesto	\$ 162,000
Security Services	\$ 244,000
Total Estimated Cost	\$ 3,295,688
County HHAP Round 6 (1st Disbursement)	\$ 314,828
CSOC HHAP Round 4	\$ 10,687
CSOC HHAP Round 6 (1st Disbursement)	\$ 600,187
County PLHA	\$ 600,000
Subtotal Funding Currently Available	\$ 1,525,702
County HHAP Round 5 (2nd Disbursement)	\$ 930,334
County PLHA Redistribution	\$ 70,000
Subtotal Funding Potentially Available	\$ 1,000,334
Total Funding	\$ 2,526,036
Funding Excess/(Shortfall)	\$ (769,652)

In the table above, the funding sources highlighted in green reflect a change from the initial funding plan. The funding sources highlighted in yellow represent funding that should be available this fiscal year but has not been approved yet. Potential funding from CalAIM was not included, since information is not yet known.

The City of Modesto, SA, and the County meet regularly to review operations at the ACES facility. Most recently, the City of Modesto, SA, and the County have met to discuss and identify a path forward for ACES due to the current funding constraints. Different models are being explored, and the feasibility of each is being assessed. On September 25, 2025, the Purchasing Agent sent the attached letter to SA to terminate the lease agreement, citing the current funding challenges and the need to provide 180 days' notice. The letter additionally mentions that the 30-day notice for the operations agreement will only be considered if the funding challenges are not resolved.

CSA is committed to continuing to collaborate with the City of Modesto, BHRS, Planning, and SA to pursue all available non-General Fund sources appropriate to fill the anticipated funding gap in the current fiscal year and explore necessary funding

changes to ensure shelter services offered at the site are provided within available funding. Staff will return to the Board of Supervisors with an update during a regular meeting no later than January 2026 to report on any progress made to identify additional funding secured or discuss other operational strategies or models to employ to sustain operations at ACES in the current year and beyond. Additionally, staff will work with the County's state lobbyist to advocate and resolve issues with the California Department of Housing and Community Development pertaining to Stanislaus County's allocation of Homeless Housing, Assistance, and Prevention program funding.

POLICY ISSUE:

ACES operations shall rely solely on non-General Fund sources, and program service delivery shall align with available funding.

FISCAL IMPACT:

Over the years, funding in the amount of \$18.1 million from a variety of sources has been used to support the operational costs of ACES. The attached ACES Operations Funding History table outlines the sources of funding and the fiscal year in which the funding was utilized. The table illustrates the various funding sources that have been required over the years to sustain operations. The final two columns showing the difference between the initial budget and the currently identified funding demonstrate the work that has been done in every year of the program to piece together the funding needed for the program.

Staff will continue the work of trying to identify funding for the program to close out the fiscal year, but there are no known funding sources to fund the operation of the program beyond the current fiscal year.

There is no impact on the General Fund associated with the recommendations included in this report.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Board of Supervisors' priorities of *Supporting a Healthy Community* and *Supporting a Strong and Safe Community* by improving the lives of homeless individuals in the community.

STAFFING IMPACT:

Existing CSA staff will continue to monitor services provided under the ACES MOU and collaborate on funding. There is no additional staffing impact associated with the recommendations included in this report.

CONTACT PERSON:

Christine Huber, MSW
Director, Community Services Agency

209-558-2500

ATTACHMENT(S):

1. Attachment 1
2. ACES Operations Funding History
3. Lease Termination Letter

Attachment 1

Access Center and Emergency Shelter	FY 2020		FY 2021		FY 2022		FY 2023		FY 2024		FY 2025	
Client Exited to Treatment Facility	0	0.0%	6	2.8%	9	2.2%	25	3.5%	21	3.3%	19	3.7%
Client Exited to Temporary Housing	2	0.8%	7	3.3%	3	0.7%	8	1.1%	14	2.2%	5	1.0%
Client Exited to Permanent Housing	2	0.8%	18	8.5%	20	4.8%	17	2.4%	23	3.6%	14	2.7%
Total Clients Exiting Shelter with Positive Outcome	4	1.5%	31	14.6%	32	7.7%	50	6.9%	58	9.1%	38	7.4%
Total Clients Served	260		213		416		721		640		512	

ACES Operational Funding Including Lease and Security	Fiscal Year 2020 Actuals	Fiscal Year 2021 Actuals	Fiscal Year 2022 Actuals	Fiscal Year 2023 Actuals	Fiscal Year 2024 Actuals	Fiscal Year 2025 Actuals	Total Actuals	Fiscal Year 2026 Budget	Fiscal Year 2026 Available Funding
Housing, Homeless, Assistance and Prevention (HHAP) Round 1		\$ 1,173,089		\$ 57,661			\$ 1,230,750		
HHAP Round 2				\$ 737,283			\$ 737,283		
HHAP Round 3				\$ 2,197,959	\$ 219,676		\$ 2,417,635		
HHAP Round 4					\$ 1,947,774	\$ 136,596	\$ 2,084,370		
HHAP Round 5 (1st Disbursement)						\$ 1,464,045	\$ 1,464,045		
HHAP Round 5 (2nd Disbursement) - Pending							\$ -	\$ 428,996	\$ 930,334
HHAP Round 6 (1st Disbursement)						\$ 757,862	\$ 757,862	\$ 1,053,683	\$ 295,821
HHAP Round 6 (2nd Disbursement) - Pending							\$ -	\$ 812,292	
CSOC HHAP Round 3					\$ 180,000		\$ 180,000		
CSOC HHAP Round 4						\$ 402,166	\$ 402,166		\$ 10,687
CSOC HHAP Round 6							\$ -		\$ 600,187
CSA Emergency Solutions Grant (ESG-CV2)			\$ 614,022	\$ 57,283			\$ 671,305		
County Planning ESG-CV2			\$ 2,759,644	\$ 593,800	\$ 992,120		\$ 4,345,564		
COVID-19 Emergency Funding		\$ 106,889					\$ 106,889		
Kaiser Contribution	\$ 90,000				\$ 100,000	\$ 100,000	\$ 290,000		
Sutter Contribution					\$ 100,000		\$ 100,000		
Behavioral Health and Recovery Services (MHSA Funds)	\$ 809,888	\$ 313,043					\$ 1,122,931		
County Planning PLHA							\$ -	\$ 600,000	\$ 600,000
County PLHA Redistribution (Tentative Amount - Pending)							\$ -	\$ 50,000	\$ 70,000
City of Modesto Community Development Block Grant (CDBG)		\$ 100,000					\$ 100,000		
City of Modesto ESG		\$ 27,821					\$ 27,821		
City of Modesto ESG-CV2		\$ 630,000					\$ 630,000		
Homeless Emergency Aid Program (HEAP)	\$ 121,500	\$ 504,044					\$ 625,544		
State Housing and Community Development Funds ¹	\$ 792,370				\$ 123,307		\$ 915,677		
TOTAL	\$ 1,813,758	\$ 2,854,886	\$ 3,373,666	\$ 3,643,986	\$ 3,662,877	\$ 2,860,669	\$ 18,209,842	\$ 2,944,971	\$ 2,507,029

¹ Adam Gray Homelessness funding from Fiscal Year 2017-2018 (Assembly Bill 97)

Estimated Fiscal Year 2026 Costs **3,295,688**
Unmet Need (350,717) (788,659)

ACES Operational Funding Including Lease and Security	Fiscal Year 2020 Actuals	Fiscal Year 2021 Actuals	Fiscal Year 2022 Actuals	Fiscal Year 2023 Actuals	Fiscal Year 2024 Actuals	Fiscal Year 2025 Actuals	Total Actuals	Fiscal Year 2026 Budget	Fiscal Year 2026 Available Funding
Housing, Homeless, Assistance and Prevention (HHAP) Round 1		\$ 1,173,089		\$ 57,661			\$ 1,230,750		
HHAP Round 2				\$ 737,283			\$ 737,283		
HHAP Round 3				\$ 2,197,959	\$ 219,676		\$ 2,417,635		
HHAP Round 4					\$ 1,928,767	\$ 155,603	\$ 2,084,370		
HHAP Round 5 (1st Disbursement)						\$ 1,464,045	\$ 1,464,045		
HHAP Round 5 (2nd Disbursement) - Pending							\$ -	\$ 428,996	\$ 930,334
HHAP Round 6 (1st Disbursement)						\$ 738,855	\$ 738,855	\$ 1,053,683	\$ 314,828
HHAP Round 6 (2nd Disbursement) - Pending							\$ -	\$ 812,292	
CSOC HHAP Round 3					\$ 180,000		\$ 180,000		
CSOC HHAP Round 4						\$ 402,166	\$ 402,166		\$ 10,687
CSOC HHAP Round 6							\$ -		\$ 600,187
CSA Emergency Solutions Grant (ESG-CV2)			\$ 614,022	\$ 57,283			\$ 671,305		
County Planning ESG-CV2			\$ 2,759,644	\$ 593,800	\$ 992,120		\$ 4,345,564		
COVID-19 Emergency Funding		\$ 79,088					\$ 79,088		
Kaiser Contribution	\$ 90,000				\$ 100,000	\$ 100,000	\$ 290,000		
Sutter Contribution					\$ 100,000		\$ 100,000		
Behavioral Health and Recovery Services (MHSA Funds)	\$ 809,888	\$ 304,319					\$ 1,114,207		
County Planning PLHA							\$ -	\$ 600,000	\$ 600,000
County PLHA Redistribution (Tenative Amount - Pending)							\$ -	\$ 50,000	\$ 70,000
City of Modesto Community Development Block Grant (CDBG)		\$ 100,000					\$ 100,000		
City of Modesto ESG		\$ 27,821					\$ 27,821		
City of Modesto ESG-CV2		\$ 630,000					\$ 630,000		
Homeless Emergency Aid Program (HEAP)	\$ 121,500	\$ 483,788					\$ 605,288		
State Housing and Community Development Funds*	\$ 792,370				\$ 123,307		\$ 915,677		
TOTAL	\$ 1,813,758	\$ 2,798,105	\$ 3,373,666	\$ 3,643,986	\$ 3,643,870	\$ 2,860,669	\$ 18,134,054	\$ 2,944,971	\$ 2,526,036

* Adam Gray Homelessness funding from Fiscal Year 2017-2018 (Assembly Bill 97)

Estimated Fiscal Year 2026 Costs \$ 3,295,688
Unmet Need \$ (350,717) \$ (769,652)



GENERAL SERVICES AGENCY

ANDREW JOHNSON

DIRECTOR/PURCHASING AGENT

AL VALENCIA

ASSISTANT DIRECTOR

BRAD DIEMER

PURCHASING MANAGER

CARA KIELY, CPA

FISCAL MANAGER

CODY NELSON

REAL ESTATE PROGRAM MANAGER

September 25, 2025

Major Darren Stratton
The Salvation Army
320 9th Street
Modesto, CA 95351

Thank you for your commitment and partnership to provide critical services to our homeless population at the Access Center Emergency Shelter (ACES). Based on funding challenges in the current operating year, I've received policy direction from the Chief Executive Office to issue a 180-day notice of termination from October 1, 2025, per Stanislaus County's current facility lease agreement with the Salvation Army for the facility (Facility Lease, The Salvation Army and County of Stanislaus, 34.1 Early Termination due to Funding Issues).

This is a necessary step in the event we are not successful in securing all funding through the end of the fiscal year and to allow an earlier pivot if needed. As mentioned at recent meetings with County and City executives, transitioning to a new model is likely inevitable and it will be critical that efforts continue to explore operational changes for swift implementation and take advantage of additional revenue opportunities through Medi-Cal Managed Care plans, behavioral health services, State grants and other revenue sources. The Salvation Army's recent request and approval of additional funding for the ACES facility from the Stanislaus Community System of Care is appreciated and a step in the right direction and we are optimistic that other efforts to close the funding gap will materialize favorably.

The County is committed to being engaged in these conversations over the upcoming weeks to be better positioned for any transition ahead. We recognize that the companion operating agreement with the Salvation Army (Oversight and Operator Services Agreement, The Salvation Army and County of Stanislaus), requires a 30-day notice of termination. The Chief Executive Office will consider that option at a later date only if necessary.

Please let me know if you have any questions regarding any of the information contained in this letter.

Respectfully,

A handwritten signature in black ink, appearing to be 'A. Johnson', with a large, stylized loop at the end.

Andy Johnson

General Services Agency Director/Purchasing Agent

cc: Jody L. Hayes, Chief Executive Officer
Raul L. Mendez, Assistant Executive Officer
Christine Huber, Community Services Agency Director
Joe Lopez, Modesto City Manager
Major Michael Zielinski, District Director/Salvation Army

Accept an Update on the Access Center and Emergency Shelter Operational Plan for Fiscal Year 2026;

Direct County Staff to Pursue Any Available Non-General Fund Sources to Fill the Anticipated Funding Gap; Explore Program Changes in Collaboration with Access Center and Emergency Shelter Partners to Ensure a Sustainable Operational Model at the Site Located at 320 Ninth Street, Modesto, CA; and Related Actions

COMMUNITY SERVICES AGENCY

Christine Huber – Director

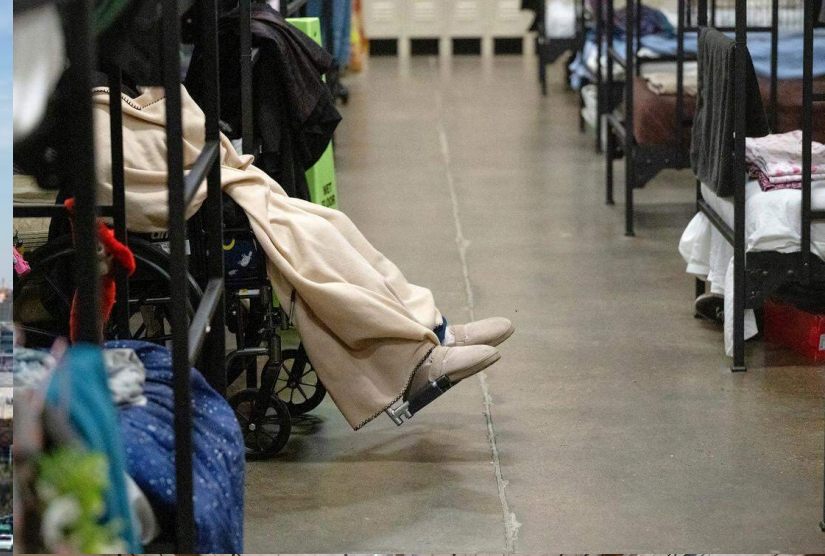
La Tosha Walden – Assistant Director Housing & Homeless Services Division

HISTORY

- On February 26, 2019, the Board of Supervisors (BOS) authorized the Chief Executive Officer (CEO) to negotiate and execute a five-year Memorandum of Understanding (MOU) with The Salvation Army (SA) and the City of Modesto to formalize the collaboration on the development of a long-term plan to create a sustainable system of care for people experiencing homelessness in Stanislaus County (Board Resolution 2019-0115).
- The Board also declared an emergency in accordance with Public Contract code Sections 20134 and 22050 for emergency repair and replacement work needed at 330 9th Street, Modesto and 301 10th Street, Modesto, and on the adjacent City of Modesto parcel to mitigate the Stanislaus County shelter crisis.

ACES Construction Costs

180-Bed Shelter	\$ 2,400,000
Lease Cost for Shelter	\$ 324,000
Permanent Access Shelter	\$ 1,020,000
Salvation Army Administrative Facilities	\$ 1,375,000
Project Administration	\$ 100,000
Total Capital Project Cost	\$ 5,219,000



ACCESS CENTER AND EMERGENCY SHELTER

Inspiration & Hope

ACCESS CENTER AND EMERGENCY SHELTER (ACES)



**SUPPORTIVE
RESOURCES**



**CASE
MANAGEMENT**



**MEDICAL &
MENTAL
HEALTH
SERVICES**



DAY CENTER



**PETS/PARTNERS
& POSSESSIONS**



**MEALS 3X
PER DAY**



**DAILY
NECESSITIES**



**SAFETY AND
SECURITY**

SERVICES PROVIDED & CLIENTS SERVED

- Salvation Army (SA) oversees the 182-bed shelter's day-to-day operations and provides direct rehabilitative services to guests, who are allowed to shelter with their PARTNERS, PETS, and POSSESSIONS.
- SA is responsible for providing residents with showers and restrooms, storage, housing for pets, meals (3x per day) hygiene services, laundry facilities, and case management services.

Access Center and Emergency Shelter	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Clients Served	260	213	416	721	640	512	2,762

DEMOGRAPHICS

Age	
18-24	4
25-34	32
35-44	45
45-54	65
55-64	95
65	35
Total	276

Race		
Black, African American or African	34	12.3%
Hispanic/Latino	31	11.2%
White	145	52.5%
White & Hispanic/Latino	32	11.6%
Other	34	12.3%
Total	276	100.0%

Physical and Mental Health Conditions		
Mental Health Disorder	134	48.6%
Alcohol Use Disorder	19	6.9%
Drug Disorder	52	18.8%
Both Alcohol and Drug Use Disorder	5	1.8%
Chronic Health Condition	149	54.0%
HIV/AIDS	3	1.1%
Developmental Disability	50	18.1%
Physical Disability	140	50.7%
Total	276	-

Number of Conditions		
None	57	20.7%
1 Condition	51	18.5%
2 Conditions	61	22.1%
3+ Conditions	107	38.8%
Total	276	100.0%

DEMOGRAPHICS

History of Domestic Violence, Sexual Assault, Dating Violence, Stalking or Human Trafficking

Yes	105	38.0%
No	171	62.0%
Total	276	100.0%

Most Recent Experience of Domestic Violence, Sexual Assault, Dating Violence, Stalking or Human Trafficking

Within 3 months	16	15.2%
3-6 months ago	8	7.6%
6-12 months ago	1	1.0%
1+ year ago	80	76.2%
Total	105	100.0%

Type of Income

Earned Income	13	4.7%
Other Income	102	37.0%
No Income	161	58.3%
Total	276	100.0%

Type of Income

Earned Income	13	4.7%
Other Income	102	37.0%
No Income	161	58.3%
Total	276	100.0%

Income Sources

Earned Income	13	9.6%
Unemployment Insurance	6	4.4%
Supplemental Security Income (SSI)	60	44.4%
Social Security Disability Insurance (SSDI)	29	21.5%
VA Disability Pension	1	0.7%
General Assistance	4	3.0%
Retirement Income from Social Security	12	8.9%
Pension or Retirement Income from a Former Job	4	3.0%
Other Source	6	4.4%
Total	135	100.0%

DEMOGRAPHICS

Length of Stay at ACES		
30 Days or Less	83	30.1%
1-2 Months	36	13.0%
2-3 Months	13	4.7%
3-6 Months	44	15.9%
6-12 Months	51	18.5%
1-2 Years	35	12.7%
2-3 Years	9	3.3%
3-4 Years	4	1.4%
4-5 Years	1	0.4%
Total	276	100.0%

May 1, 2025-August 1, 2025

FUNDING STRATEGIES

Date	Action	Term Through	Contract Increase	Total Contract with Salvation Army for ACES	Board Resolution
October 1, 2019	Approved ACES Agreement	December 31, 2020	\$ -	\$ 2,334,146	2019-0620
March 16, 2021	Approved ESG-CV2 Funding	June 30, 2022	\$ 3,197,138	\$ 5,531,284	2021-0097
November 16, 2021	Approved ESG-CV2 Funding	June 30, 2022	\$ 156,943	\$ 5,688,227	2021-0551
March 28, 2023	Approved 1st Amendment	June 30, 2023	\$ 2,700,000	\$ 8,388,227	2023-0128
June 20, 2023	Approved 2nd Amendment	December 31, 2023	\$ 1,850,000	\$ 10,238,227	2023-0315
December 19, 2023	Approved 3rd Amendment	June 30, 2024	\$ 1,543,855	\$ 11,782,082	2023-0676
June 25, 2024	Approved 4th Amendment	November 30, 2024	\$ 1,286,546	\$ 13,068,628	2024-0342
November 12, 2024	Approved 5th Amendment	December 31, 2024	\$ -	\$ 13,068,628	2024-0666
December 17, 2024	Approved 6th Amendment	June 30, 2025	\$ -	\$ 13,068,628	2024-0739
May 20, 2025	Approved 7th Amendment	June 30, 2025	\$ 792,222	\$ 13,860,850	2025-0256
June 10, 2025	Approved 8th Amendment	June 30, 2026	\$ 2,889,688	\$ 16,750,538	2025-0321

FUNDING CHALLENGES



**INCONSISTENCY WITH
FUNDING**



**24 DIFFERENT
FUNDING STREAMS
SINCE INCEPTION IN
FY 2020**



**NO STATE
ALLOCATIONS
SPECIFICALLY FOR
EMERGENCY SHELTERS**

INITIAL FUNDING PLAN FOR FY 2026

ACES	FY 2026 Initial Budget
Salvation Army Oversight and Operator Services	\$ 2,889,688
Lease of 320 9th Street, Modesto	\$ 162,000
Security Services	\$ 244,000
Total Estimated Cost	\$ 3,295,688
County HHAP Round 5 (2nd Disbursement)	\$ 428,996
County HHAP Round 6 (1st Disbursement)	\$ 1,053,683
County HHAP Round 6 (2nd Disbursement)	\$ 812,292
County PLHA	\$ 600,000
County PLHA Redistribution	\$ 50,000
Total Funding Available	\$ 2,944,971
Funding Excess/(Shortfall)	\$ (350,717)

WHAT IS HHAP?



Purpose: HHAP is a state grant program providing flexible block grant funds to some California cities, counties, and Continuums of Care (CoCs).



Goal: To support regional coordination and expand local capacity to address homelessness effectively.



Key Focus: Moving individuals and families into permanent housing and helping them maintain stable housing.

HHAP-R5 FUNDING SECOND DISBURSEMENT CRITERIA

1

**Obligate 75%
and Expend
50% of the first
disbursement.**

2

**Demonstrate
progress in at
least three
system
performance
measures.**

3

**Update of the
Regionally
Coordinated
Homeless
Action Plan.**

HHAP ROUND 6

CSA submitted the County and Continuum of Care (COC) joint application

Expecting the first disbursement after January 2026.

Updated criteria to access the HHAP Round 6, second disbursement

HHAP-R6 FUNDING SECOND DISBURSEMENT CRITERIA

1

**Be in compliance with
the County's Housing
Element.**

2

**Obligate 75% and
expend 50% of the
initial disbursement.**

3

**Demonstrate
progress in at least
four system
performance
measures.**

4

**Update of the
Regionally
Coordinated
Homeless Action
Plan.**

PERFORMANCE MEASURES



**PERFORMANCE METRICS
CHOSEN AND
IMPLEMENTED BY THE
STATE ARE NOT SPECIFIC
TO PROGRAMS,
ACTIVITIES OR SERVICES
FUNDED BY HHAP**



**THEY ARE OVERALL
COMMUNITY
PERFORMANCE
MEASURES THAT THE
COUNTY DOES NOT HAVE
SOLE CONTROL OVER**



**TECHNICAL ASSISTANCE
FROM HCD TO IMPROVE
PERFORMANCE
MEASURE DATA**

ALTERNATIVE FUNDING SOURCES & OPTIONS EXPLORED

ACES	FY 2026 Revised Budget
Salvation Army Oversight and Operator Services	\$ 2,889,688
Lease of 320 9th Street, Modesto	\$ 162,000
Security Services	\$ 244,000
Total Estimated Cost	\$ 3,295,688
County HHAP Round 6 (1st Disbursement)	\$ 314,828
CSOC HHAP Round 4	\$ 10,687
CSOC HHAP Round 6 (1st Disbursement)	\$ 600,187
County PLHA	\$ 600,000
Subtotal Funding Currently Available	\$ 1,525,702
County HHAP Round 5 (2nd Disbursement)	\$ 930,334
County PLHA Redistribution	\$ 70,000
Subtotal Funding Potentially Available	\$ 1,000,334
Total Funding	\$ 2,526,036
Funding Excess/(Shortfall)	\$ (769,652)

What's next for ACES?

Funding Goal Through FY 2026

Collaboration with CEO's Office, City of Modesto, BHRS, Planning & Community Development, and Salvation Army

Transition to Sustainable Service Delivery Model

STAFF RECOMMENDATION

1. Accept a comprehensive update on the operations plan for Fiscal Year 2026 for the Access Center and Emergency Shelter (ACES) located at 320 Ninth Street, Modesto, CA.
2. Direct County staff from the Chief Executive Office, Community Services Agency, Behavioral Health and Recovery Services, and Planning and Community Development, in collaboration with the City of Modesto and the Salvation Army, to pursue all available non-general fund sources appropriate to fill the anticipated funding gap in the current fiscal year and explore necessary program changes to ensure shelter services offered at the site are provided within available funding.
3. Direct County staff to return to the Board of Supervisors with an update no later than January 2026 on the status of work to ensure a sustainable operations model for ACES.