



Agenda Report

Fullerton City Council

MEETING DATE: DECEMBER 2, 2025

TO: CITY COUNCIL

SUBMITTED BY: DAISY PEREZ, DEPUTY CITY MANAGER

PREPARED BY: DAISY PEREZ, DEPUTY CITY MANAGER
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SUBJECT: CITY OF FULLERTON HOMELESSNESS RESPONSE
SYSTEM COMPREHENSIVE REVIEW

SUMMARY

An overview of the City homelessness response system, outlining current strategies, progress to date and areas where evolving needs and limited resources continue to impact service capacity. The report highlights City achievements and identifies ongoing challenges that require policy direction and sustained investment.

PROPOSED MOTION

Receive and file.

ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Provide alternative direction to staff
- Other options brought by City Council.

STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

CITY MANAGER REMARKS

None.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability

- Public Safety
- Infrastructure and City Assets.

FISCAL IMPACT

The combined City homelessness response - encompassing North SPA (Service Planning Area) Navigation Center obligations, local Fullerton Navigation Center operations, motel voucher programming, outreach and behavioral health initiatives and enforcement support, exceed available restricted funding sources, including Senate Bill 2 (SB 2) Permanent Local Housing Allocation (PLHA) and National Opioid Settlement (NOS) funds.

The City faces an approximately \$1.2 million to \$1.4 million annual structural deficit for the North SPA operating costs. The projected City funding deficit should exceed \$4 million through FY 2030–31.

Local Fullerton Navigation Center operations add an additional \$783,712 net annual cost to the City, representing another significant ongoing General Fund obligation. Staff will present funding options to address these deficits during the FY 2026-27 budget process.

BACKGROUND AND DISCUSSION

Homelessness in Fullerton continues to reflect a broader regional crisis shaped by rising housing costs, behavioral health needs and structural limitations within county and state care systems. The impacts are highly visible locally while key drivers, such as the affordable housing shortage, behavioral health and substance-use treatment gaps and statewide economic pressures, extend well beyond municipal authority. As a result, the City must balance neighborhood quality-of-life concerns with legal requirements, limited fiscal resources and the need to align regional systems of care led by the County of Orange. The 2024 Point in Time Count illustrates the regional scale of these pressures, identifying 7,322 individuals experiencing homelessness countywide and 434 within Fullerton, reflecting increased demand for housing stability services, shelter access, outreach and behavioral health support.

The City of Fullerton continues to expand its homelessness response infrastructure through a combination of strategic investments, regional partnerships and targeted programming. The City organized this framework around four core pillars - prevention, intervention, coordination and funding - each designed to address a different dimension of the crisis. Preserving housing stability, expanding emergency shelter capacity, enhancing street-level outreach, improving data systems, strengthening interdepartmental coordination and investing in behavioral health partnerships form the Fullerton comprehensive approach. Homelessness remains a highly visible and challenging issue throughout the city. These investments demonstrate a commitment to legally compliant solutions grounded in evidence-based practices while also acknowledging the limitations of municipal authority within a broader regional system.

City Council established the Fullerton Homeless Plan Committee (FHPC) in 2019, comprised of nonprofit providers, faith-based partners, business, neighborhood groups,

and housing and behavioral health subject-matter experts to provide a coordinated, community-informed strategy to address homelessness at a time of increasing regional pressures and evolving legal requirements. The Committee examined local data, reviewed best practices and developed a long-term policy roadmap, culminating in the 2020 Strategic Plan for Addressing Homelessness, which established goals for emergency shelter, permanent housing, prevention and diversion, public safety and outreach and regional collaboration.

Prevention

Prevention focuses on strategies that reduce the number of households entering homelessness. The City used Community Development Block Grant funding to partner with four local non-profit organizations providing services to those at risk of homelessness. The City also substantially expanded its Tenant Based Rental Assistance (TBRA) program, broadening the program initially limited to senior residents living in mobile home parks, to serve eligible individuals and families citywide who pay more than 30% of gross monthly income toward rent. Consequently, TBRA funding has increased from \$400,000 to \$1.2 million over two years.

The President of the United States signed the American Rescue Plan (ARP) in March 2021 which included a significant allocation for homelessness. Specifically, the city received \$1,954,354 to support individuals experiencing homelessness, at risk of homelessness, fleeing or attempting to flee domestic violence and other populations where supportive services or assistance can prevent housing instability. This allocation authorized a range of activities including affordable rental housing, which encompasses existing rental units rehabilitation and non-residential building conversion into housing, tenant based rental assistance (TBRA), providing support for rent, security deposits, utilities and providing supportive services. The City can issue a Request for Proposal (RFP) to engage developers specializing in Permanent Supportive Housing. This strategy could potentially significantly expand City housing interventions by leveraging a proven model that combines long-term housing with comprehensive supportive services.

The City works closely with a network of public and private agencies to provide supportive services promoting long-term housing stability. Fullerton collaborates with behavioral health and shelter providers to ensure individuals exiting these systems receive appropriate housing referrals and support services. This integrated prevention strategy aims to:

- reduce the number of individuals becoming homeless for the first time
- provide low-income households with access to financial assistance and legal protections to remain housed
- coordinate housing stability efforts with regional system of care partners to maximize impact and reduce duplication
- provide access to supportive services.

These efforts align with the U.S. Department of Housing and Urban Development high priority homelessness goals and reflect the City commitment to a housing-first and

equity-driven response that responds to homelessness and prevents it whenever possible.

Intervention

A. Regional Shelter Obligations

Fullerton is a member of the North Service Planning Area (North SPA), a 13-city consortium established under a federal settlement requiring 250 regional low-barrier shelter beds. The Buena Park Navigation Center provides 150 beds and Placentia Navigation Center offers 100 beds. The Fullerton financial obligations derive from a cost-sharing formula that includes SB 2 / PLHA allocations and a population-based contribution.

North SPA financial projections indicate the Fullerton share of operating costs for the two regional Navigation Centers continues to exceed the City's available restricted housing revenues, creating an ongoing structural funding gap. Permanent Local Housing Allocation (PLHA) funding remains steady at approximately \$500,000 annually but the City projects the proportional share of North SPA operating costs to exceed \$1.7 million per year, increasing by two percent annually, resulting in an estimated \$6.9 million cumulative deficit through FY 2030–31 or \$4.1 million after applying eligible opioid settlement funds. Staff estimates the cost for Fullerton to exit the agreement, based on the terms of the North SPA Memorandum of Understanding for required repayment of capital contributions and related obligations, would exceed \$5.2 million.

B. Fullerton Navigation Center Operations

Fullerton entered a long-term agreement with the Illumination Foundation in March 2024 to operate the Fullerton Navigation Center which includes 40 emergency shelter beds dedicated to Fullerton residents and a 110-bed recuperative care program. The City pays \$80 per bed, per night for the local shelter beds at a \$1,168,000 annual cost offset by a \$384,288 annual rent credit, for a total \$783,712 net annual cost.

The Illumination Foundation provides day-to-day operations, security, staffing, case management, compliance and coordination with regional service partners. The 40 Fullerton-dedicated beds support compliance with federal mandates tied to anti-camping and infrastructure protection ordinances.

C. Inclement Weather Motel Voucher Program

The City maintains a seasonal winter motel voucher program through a Memorandum of Understanding with Willow Tree Lodge. The program supports unsheltered residents during severe weather events, with priority given to seniors over the age of 62 and individuals with medical vulnerabilities. The program supplements regional shelter capacity during inclement weather conditions and demand exceed available beds.

D. Outreach, Behavioral Health Integration and Case Management

Fullerton developed a multi-tiered outreach model with a full-time Community Outreach Specialist, the HOPE Center regional mobile outreach program, County of Orange mental health clinicians, contracted clinical social workers and the Police Department Homeless Liaison Officer (HLO) Unit.

The City Social Worker Pilot Program, funded through a \$1 million Fourth District Discretionary Grant, embeds licensed clinical social workers in the Police Department to respond jointly to behavioral health crises, conduct field mental health assessments and provide service linkage for individuals with complex needs. The clinicians undergo specialized training related to police operations and behavioral health interventions.

The HLO Unit performs daily outreach, assists with shelter placement, coordinates with mental health clinicians and documents interactions through the regional Outreach Grid system, supporting individualized case planning and long-term stabilization.

E. Enforcement and Public Safety Coordination

The City enforcement strategy complements service delivery, maintains public safety and supports local ordinances compliance. The City adopted a Critical Infrastructure Ordinance in December 2023, establishing a 25-foot no-camping buffer around critical infrastructure such as bridges, stormwater channels, utility corridors, railroad areas, public buildings and transportation facilities. The Fullerton Police Department made 427 arrests for violations of this ordinance since adoption, reflecting both the scope of encampment activity near sensitive facilities and the City commitment to ensuring safety while offering service alternatives.

Operation Clean Streets (OCS), launched in October 2023, remains a core enforcement initiative addressing chronic nuisance activity, narcotics use, trash and debris accumulation and environmental hazards. OCS generated 1,477 enforcement actions and 207 citations since inception, supported by three years of detailed activity:

2023	452 enforcement actions	107 citations
2024	643 enforcement actions	76 citations
2025*	382 enforcement actions	24 citations

**YTD as of November 21, 2025*

Public Works crews support encampment abatement and environmental restoration. The Fullerton Municipal Code (FUMC) enforcement teams issued:

FUMC 2024	16 enforcement actions
FUMC 2025	411 enforcement actions

** YTD as of November 21, 2025*

The City continues to implement a balanced approach integrating compliance, safety and access to shelter and supportive services across all enforcement and service measures.

Coordination

City coordination efforts recognize homelessness is a regional challenge requiring unified action across municipal departments, nonprofit partners and County agencies. The City partners closely with the North SPA HOPE Center which functions as the regional hub for outreach dispatch, case management support, behavioral health coordination and real-time shelter bed availability. This system deploys multidisciplinary teams to locations across the City, ensuring individuals receive timely engagement, crisis support and connections to shelter or treatment services. The Community Outreach Specialists support these efforts by conducting individualized assessments, coordinating service referrals and ensuring accurate data entry into the regional Homeless Management Information System (HMIS) and Coordinated Entry System (CES).

The HOPE Center provides a centralized hub for coordinated case management, service navigation and connection to shelter and treatment. The HOPE Center works in tandem with HLOs and the community outreach specialists to ensure individuals experiencing homelessness receive timely engagement, assessment and access to supportive services. This system uses the Outreach Grid, a real time technology platform that enables real time outreach, dispatch and case management coordination.

2023	1,316 calls for service	153 individuals connected to services
2024	3,373 calls for service	157 individuals connected to services
2025*	2,837 calls for service	128 individuals connected to services

**YTD reflects January–October 2025*

The City outreach specialist completed 553 assessments (interactions) with individuals experiencing homeless during a recent 234-day reporting period. 82 individuals exited to shelters and 27 transitioned to the Navigation Center during these engagements. Notably, 378 of these contacts marked first time encounters, demonstrating continued ability to identify and engage previously unserved or disconnected individuals. 238 calls-focused exclusively on the city, generating 199 documented outreach interactions, with 39 calls resulting in “unable-to-locate” outcomes.

Effective coordination and communication are essential to maintain alignment among all partners and ensure efficient, unified service delivery. The City convenes regular interdepartmental meetings led by the Deputy Manager, bringing together Police Department, Homeless Liaison Officers, Public Works, Parks and Recreation, Code Enforcement and Housing representatives. These meetings provide opportunities to share updates, coordinate case management, analyze emerging trends and patterns and exchange resources, strengthen communication and discuss service approaches. The Housing Division conducts monthly meetings with the Illumination Foundation to review client level data, discuss housing plans and monitor outcomes including successes and program exits. The City is exploring a formal process to support clients receiving grievances, behavioral plans or program discharges by establishing an appeal process. Discussions include creating a mediation structure to ensure clients have an opportunity to be heard and supported.

The Housing Division participates in the Fullerton Collaborative Homeless Task Force, serving as a key partner in the effort to address homelessness and housing stability. The Division contributes expertise in affordable housing, housing policy, helps align city resources and support with the needs of individuals and families experiencing homelessness through the collaboration.

Funding

Sustaining comprehensive homelessness response requires navigating increasingly complex fiscal pressures as service demands expand and regional funding sources remain limited. The City invested in shelter capacity, outreach partnerships, behavioral health initiatives and housing stabilization programs. However, the revenue streams supporting this work, such as SB 2 PLHA and National Opioid Settlement funds, are restricted in scope and have not grown at a rate sufficient to meet ongoing operational needs.

These constraints become most apparent in shelter operation funding. The Fullerton cost share of North SPA Navigation Center exceeds the available City PLHA revenue, creating a projected \$6.9 million cumulative deficit through FY 2030–31, or \$4.1 million after applying eligible opioid settlement funds. Additionally, staff estimates exiting the agreement under the North SPA Memorandum of Understanding terms would require repayments exceeding \$5.2 million. Local obligations associated with the Fullerton Navigation Center create further pressure on the General Fund, as the facility lacks a dedicated long-term revenue stream.

These fiscal realities also affect the ability to expand services or address areas where additional resources could enhance outcomes, such as weekend outreach coverage, expanded family shelter capacity or increased motel voucher flexibility. The City continues to maximize existing resources despite these challenges, by pursuing competitive federal and state grants, coordinating regional applications and leveraging the \$1.95 million American Rescue Plan allocation to strengthen housing stability and expand supportive housing opportunities. Staff will present options to stabilize long-term funding and reduce the structural deficit while continuing to support a balanced, coordinated and service-oriented homelessness response as part of the FY 2026–27 budget process.

Strategic Plan for Addressing Homelessness Progress Update

The City has made significant progress across the five strategic FHPC domains since the 2020 Strategic Plan for Addressing Homelessness adoption. Fullerton supports 290 shelter beds, far exceeding the recommended Plan minimum, and implemented a comprehensive Navigation Center model combining emergency shelter, recuperative care and housing navigation services. The City strengthened regional alignment through active participation in the North SPA Navigation Centers and the HOPE Center system, expanded prevention services such as TBRA and enhanced outreach through clinical partnerships and multidisciplinary engagement teams.

The City advanced FHPC goals related to coordination and prevention and developed a formalized interdepartmental coordination structure bringing together Police, Housing, Public Works, Parks, Code Enforcement and management staff to resolve complex

cases and streamline communication with external partners, including Illumination Foundation and county behavioral health services. Preventive efforts expanded through increases in Tenant-Based Rental Assistance funding and collaboration with nonprofit organizations providing legal aid, rental support and case management to households at risk of homelessness. These actions reflect the FHPC emphasis on upstream intervention and recognition that preventing homelessness is both cost-effective and humane.

Finally, the FHPC long-term focus on housing stability continues to shape major City initiatives. Fullerton supports affordable and supportive housing development, including allocating American Rescue Plan funds to housing activities and positioning itself to pursue partnerships with permanent supportive housing developers. Regional housing production challenges persist but City policy environment and interdepartmental alignment reflect the FHPC foundational guidance.

The FHPC establishment, strategic framework and resulting achievements demonstrate the City commitment to a data-informed, coordinated and forward-looking approach to homelessness. The Committee provided a blueprint central to the City response model which guides staff in prioritizing investments, shaping operational practices and aligning local efforts with broader regional systems of care. Several systemwide gaps and future areas of opportunity remain. Demand for year-round emergency interventions, particularly for families with children and individuals fleeing domestic violence, continue to exceed regional capacity. Limited shelter availability for these populations, combined with countywide Permanent Supportive Housing shortages, creates challenges in identifying long-term options for individuals with high service needs. Additionally, the current regional outreach structure primarily operates on weekdays which can create delays in weekend engagement. These challenges are not unique to Fullerton and reflect broader regional and statewide service limitations and continue to influence the ability to fully meet FHPC goals.

Looking forward, Fullerton remains committed to building upon the progress achieved to date by pursuing new funding sources, advocating for additional regional capacity, and exploring opportunities to expand supportive and permanent housing. The City will continue working with regional partners to identify strategies that strengthen the system of care and support continued FHPC long-term vision implementation as state and federal programs evolve, including those tied to housing, behavioral health and long-term supportive services.

Attachments:

- Attachment 1 – Strategic Plan for Addressing Homelessness
- Attachment 2 – NSPA MOU
- Attachment 3 – NSPA Funding Projections

cc: Interim City Manager Eddie Manfro