



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** JULY 2, 2019

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** KENNETH A. DOMER, CITY MANAGER

**PREPARED BY:** TED WHITE, COMMUNITY DEVELOPMENT DIRECTOR  
REBECCA LIEFKES, HOUSING AND HOMELESS  
RESOURCES MANAGER

**SUBJECT:** HOMELESS UPDATE AND DIRECTION REGARDING  
PROGRAMMATIC RESPONSES

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### **SUMMARY**

At the June 18, 2019 City Council meeting, Mayor Silva requested that staff provide the following: an update on efforts to address homelessness and its effects on the community; an overview of funding sources available to address homelessness, including Homeless Emergency Aid Program (HEAP) funding, a draft resolution for the potential declaration of an emergency shelter crisis and opportunities to provide temporary shelter beds and / or a safe parking pilot program prior to the opening of the two new navigation centers in the North Service Planning Area (North SPA).

### **RECOMMENDATION**

1. Receive and file the report regarding homeless efforts being undertaken by the City and current and potential funding sources, including Homeless Emergency Aid Program (HEAP) funding;
2. Consider Resolution 2019-XX declaring an Emergency Shelter Crisis;
3. Direct staff to solicit proposals for the development of a Safe Parking Pilot Program for consideration by City Council; and
4. Direct staff to establish an Ad Hoc Homelessness Task Force to develop a coordinated response to homelessness and return to City Council with recommendations within five months.

### **PRIORITY POLICY STATEMENT**

This item matches the following Priority Policy Statement/s:

- Infrastructure and City Assets

- Public Safety.

## FISCAL IMPACT

For Fiscal Year 2019-20, the City's General Fund is budgeted to spend \$481,076 in direct costs addressing homelessness. This includes Police and Library Security, but does not include costs associated with increased maintenance costs associated with the impacts of homelessness on City parks, sidewalks and other public assets. In addition, approximately \$129,223 of Community Development Block Grant (CDBG) and \$310,000 from the North Orange County Public Safety Task Force are dedicated to addressing homelessness.

The potential cost, as well as potential sources of funding available to assist in the City's efforts to address homelessness, are further described below and in Attachments 2 and 3 to this report.

## DISCUSSION

Orange County, along with the state and nation, is in the midst of a homelessness crisis, with the number of unsheltered homeless individuals in Fullerton doubling since the 2017 Point in Time Count, which estimated the number of unsheltered homeless at 149 persons. In 2018, City Net completed a Homeless Census that found 233 unsheltered in Fullerton. The most recent Point in Time Count 2019 determined there were 308 unsheltered individuals experiencing homelessness in Fullerton.

The purpose of this item is to provide the following: an update on City efforts to address homelessness; an overview of funding sources available to address homelessness, including Homeless Emergency Aid Program (HEAP) funding, consideration of a draft resolution for the declaration of an emergency shelter crisis and discussion of opportunities to provide temporary shelter beds and / or a safe parking pilot program prior to the opening of the two new navigation centers in the North Service Planning Area (North SPA).

### City Efforts to Address Homelessness and its Effects on the Community:

Over the past few years, the City has taken a number of actions to address homelessness and its effects on the community. These efforts include the creation of a dedicated Housing and Homeless Services Manager position and a part-time Homeless Outreach Consultant position. In addition, the City has dedicated significant time and resources to regional collaboration efforts, including partnering with the 13 cities of the North SPA on a Memorandum of Understanding that will result in the development of two homeless navigation centers with 250 beds serving the North Orange County homeless population as well as a settlement agreement in the Federal Court case involving homeless individuals. The City has also partnered with local non-profits to increase educational and outreach efforts, including participating in seven Homelessness 101 trainings provided by the United Way. A more complete list of City efforts is provided as Attachment 2 to this report.

### Funding Sources:

The following funds are dedicated to addressing homelessness as part of the City's FY 2019-20 Budget:

Type	Amount	Use
General Fund	\$481,076 *	Homeless Liaison Officers and Library Security.
CDBG Funds Public Service Agency Funds up to 15% total allocation for services.	\$129,223	Homelessness and Prevention: Social Services, Life Skills Training, Housing Navigation, Operating costs for Bridges
CDBG Funds-Public Service Agency Funds	\$78,550	Youth, Senior and Special Needs Activities
CDBG Funds - Economic Development	\$43,106	Job Creation for Transitional Aged Previously Foster Youth
HOME Funds - Development	\$1,674,852	3 to 5 affordable units for Extremely Low-, Very Low-, and Low-Income Renters.
North OC Public Safety Task Force	\$310,000	Outreach and Engagement City Net and HLOs, and Outreach Grid
Prior Redevelopment LMIHAF	\$110,000	Administration and Resource Training: Homeless Resources Manager and Homeless Resources Consultant Additional \$40,000 undedicated

\* Note: These are direct costs only and do not include the cost of Fire Department personnel related to emergency medical responses, fires associated with homelessness, or Public Works Department costs associated with additional required maintenance of parks and other public assets.

#### Potential for HEAP Funding:

With the State Budget for the current Fiscal Year 2018-19, the Governor signed a budget trailer bill which funded the Homeless Emergency Aid Program (HEAP). This one-time funding derived from surplus State revenues was \$500 million split between the 11 largest cities and 43 Continuum of Care Boards.

Since 1998 the County of Orange has coordinated a comprehensive regional Continuum of Care strategy that includes the participation of all thirty-four cities in Orange County, County Agencies, the County's homeless housing and service providers and other community groups (including non-profits, local governmental agencies, faith-based organizations, the homeless and formerly homeless, interested business leaders, schools and many other stakeholders) to identify the gaps and unmet needs of the County's homeless. Continuum of Care Boards oversee primarily federal funding from the US Department of Housing and Urban Development.

HEAP funds for Fiscal Year 2018-19 were distributed in the following manner:

- \$250 million to Continuums of Care based on 2017 homeless point in time count
- \$150 million direct allocation to a city or city that is also a county with a population of 330,000 or more as of January 1, 2018
- \$100 million to Continuums of Care based on their percentage of the statewide 2017 homeless population.

In Orange County, both Anaheim and Santa Ana received direct allocations and the County of Orange Continuum of Care received \$15,568,716.65 for emergency services,

rental assistance or subsidies and capital improvements (shelters). The North SPA applied for funding through the cities of Buena Park and Placentia and received approximately \$12.1 million for the two navigation shelters. The North SPA was awarded these funds due to their readiness and movement to develop the new shelter capacity. Fullerton could have attempted to secure HEAP funds on our own. However, in our review of available properties for a potential navigation center site, no property met the criteria or was available. Additionally, even with the use of one-time State funding to acquire and develop a site, the ongoing operational costs for a 300 bed shelter (assuming it was designed to meet the Point in Time Count) would be approximately \$5 million a year. For a 200 bed shelter, the annual operating costs would be approximately \$3.4 million. The City does not have the dedicated funds nor the General Funds to support those costs and therefore the participation with the North SPA for a regional approach to homelessness made the best sense.

As of the writing of this Agenda Report, the State Budget and its trailer bills have not been signed by the Governor. The proposed amount of HEAP funds for the Fiscal Year 2019-20 is \$650 million and it is understood that \$275 million is going to the 11 largest cities, \$125 million is going to Counties and \$250 million is allocated to Continuum of Care Boards. There is conflicting information also on whether the requirement for a jurisdiction to declare a shelter crisis will remain with the final implementation of the funding. Regardless, the HEAP funds are again a one-time funding source to be used primarily for acquisition and development of a shelter site. The need for ongoing operation costs remains a huge barrier for an individual city without other available revenue sources.

#### Declaration of Shelter Crisis:

Declaring a shelter crisis is provided for under Government Code Section 8698 and as defined, means “the duly proclaimed existence of a situation in which a significant number of persons are without the ability to obtain shelter, resulting in a threat to their health and safety.”

After declaring a shelter crisis, a political subdivision (that is, a city, county, school district, special district or other public agency) can obtain immunity from liability for ordinary negligence in the provision of emergency housing pursuant to Section 8698.2 of the code. The law states that the limitation of liability shall apply only to “conditions, acts, or omissions directly related to, and which would not occur but for, the provision of emergency housing. This section does not limit liability for grossly negligent, reckless, or intentional conduct which causes injury.” Additionally, the law states that, “The provisions of any state or local regulatory statute, regulation, or ordinance prescribing standards of housing, health, or safety shall be suspended to the extent that strict compliance would in any way prevent, hinder, or delay the mitigation of the effects of the shelter crisis.” If enacted, a city could put in place reasonable standards consistent with ensuring “minimal public health and safety” for those public facilities open to the homeless.

The emphasis on declaring a shelter crisis currently seems to rely solely on the fact that by doing so a city makes itself eligible for HEAP funding. A concern initially was that if the City declared a shelter crisis but did not receive funding and did not have a suitable place for hosting homeless individuals, could the City be forced to utilize a “public facility” for homeless housing. As defined in the code, a public facility means “any

facility of a political subdivision including parks, schools and vacant or underutilized facilities which are owned, operated, leased, or maintained, or any combination thereof, by the political subdivision through money derived by taxation or assessment.” While it is opined that no other political subdivision of the State nor the State itself could force the City to use a public facility against our will, it is untested whether a Court action could force a city which has declared a shelter crisis but not physically housed homeless persons in a facility.

In the case of Buena Park, Placentia, and Anaheim, facilities were either secured or in the process of being secured when a shelter crises was declared and funding was reasonably expected. At this time, the City of Fullerton does not have a facility secured and it is unknown as to how the HEAP funding will be allocated and the regulations for that allocation. Accordingly, if the City Council chooses to not declare a shelter crisis at this time, the action can be taken at any time in the future when a site is secured or reasonably expected to be secured as a homeless facility.

#### Opportunities for Temporary Shelter Beds and / or a Safe Parking Pilot Program

The City Manager is working with the County of Orange to request the California National Guard (CNG) to re-open the Fullerton Armory as early as September 1, 2019 as an emergency shelter until such time that the two North SPA Navigation Centers in Placentia and Buena Park are open and operational, anticipated in December 2019. The County of Orange, as the operator of the emergency shelter program, sent a letter on June 24<sup>th</sup> to the CNG to officially request this action. The operator of the emergency shelter at the Armory will be the operator of the Buena Park facility (it is important to note that emergency shelters are operated differently than how a navigation center will be operated) and it is expected that many of the individuals seeking shelter at the armory would be the first residents at the navigation center.

The Staff also encourages faith-based and community organizations to use provisions in the Fullerton Municipal Code that allow for campuses to provide shelter for up to twelve individuals. The City amended this development standard last year to provide guidance that any such sheltering should be conducted in a habitable structure, with access to bathrooms and with a management and security plan in order to ensure that individuals using such temporary sheltering are assessed by appropriate personnel and assessed for the coordinate entry system for next available shelter or housing options. This concept requires further development in collaboration with community and faith-based groups.

Staff has also been approached by faith-based and community organizations regarding the potential to develop a safe parking pilot program. At this time, no service provider or location has been identified. However, Staff seeks direction from Council to solicit proposals for the operation of a safe parking pilot program that would be subject to review by City Council. In preparation and support of this concept, Staff has reached out to safe parking providers in San Diego and Santa Barbara counties as well as attended a day long Safe Parking training session. City Staff has also reached out to other regional public entities to seek potential locations or partners for such an effort.

#### Ad Hoc Homelessness Task Force

The causes and solutions to homelessness are complex and evolving. Collaboration between various levels of government; federal, state, regional and local is required.

Partnerships with faith-based communities, homelessness service providers, medical and mental health professionals and housing developers and advocates are also necessary. There are numerous strategies that could be employed to help address homelessness in our community, but none are simple or without potential consequences that need to be considered and evaluated. Strategies that could be considered by a Homelessness Task Force include, but are not limited to:

- Partner with “Built to Zero”, a national non-profit that provides training, partnership models and measurement tools to communities trying to communities addressing homelessness
- Develop Bridge Housing
- Operate CalOptima Mobile Clinics
- Develop a Chrysalis Work Program
- Evaluate the feasibility of a Fullerton-specific emergency shelter (in addition to the North SPA shelters)
- Establish a Daytime Access Center using modular buildings
- Establish temporary shelters using modular buildings
- Explore opportunities for recuperative care facilities
- Provide Remote Safe Storage facilities in conjunction with services and assessments.

Therefore, Staff seeks City Council’s direction regarding the establishment of an Ad Hoc Homelessness Task Force in order to develop a coordinated and collaborative response to homelessness. The task force would be directed to develop recommendations and return to City Council within five months, or earlier, with specific items as the Task Force develops recommendations.

Attachments:

- Attachment 1 – Resolution 2019-XX - Declaration of a Shelter Crisis
- Attachment 2 – List of City Efforts to Address Homelessness
- Attachment 3 – Summary of Funding