



Agenda Report

Fullerton City Council

MEETING DATE: OCTOBER 8, 2019
TO: CITY COUNCIL / SUCCESSOR AGENCY
SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER
PREPARED BY: KENNETH A. DOMER, CITY MANAGER
SUBJECT: CONSIDERATION OF FINANCIAL ASSISTANCE
RELATED TO THE DEVELOPMENT OF A RECUPERATIVE
CARE / NAVIGATIONAL CENTER FOR HOMELESS WITH
THE ILLUMINATION FOUNDATION

SUMMARY

The City Council declared an emergency shelter crisis on July 2, 2019 and on August 20, 2019 authorized a Letter of Intent to the Illumination Foundation to operate a recuperative care and navigation center for homeless. The City Council is requested to consider initial financial assistance of \$500,000 using Low and Moderate Income Housing Funds (Fund 26) to assist with tenant improvements once a building location is secured.

RECOMMENDATION

Authorize the Mayor to execute a Cooperative Funding Agreement, in a final form approved by the City Attorney, to provide \$500,000 in financial assistance to the Illumination Foundation from the Low and Moderate Income Housing Fund (Housing Fund, Fund 26) for a recuperative care/navigation center, and direct the City Manager to report back on a monthly basis.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement/s:

- Infrastructure and City Assets
- Public Safety.

FISCAL IMPACT

\$500,000 from the Housing Fund (Fund 26) which is the successor to the Low and Moderate Income Housing Fund (LMIHF). Fund 26 has a current fund balance of \$1.2 million.

BACKGROUND

On July 2, 2019, the City Council voted 3-1-1 (Whitaker opposed, Fitzgerald absent) to declare a shelter crisis. The declaration of the crisis found that the number of homeless in the City was significant and that the health and safety of the unsheltered was threatened by the fact of lacking shelter and access to intake and coordinated entry services as offered by shelters and navigation centers. The declaration of a shelter crisis may also assist the City in obtaining State funding.

The City participates with 12 other north Orange County cities in the North Service Planning Area (North SPA) as a means of addressing homelessness on a regional basis. The North SPA agreed through a Memorandum of Understanding to develop two navigation centers to be located in the cities of Buena Park and Placentia. The two navigation centers will contain a total of 250 beds. These beds are in addition to beds located in the City of Anaheim. Recently, the North SPA cities self-selected to enter into a Settlement Agreement in the Federal homeless court case in which the two new centers were a key component of the Agreement. Fullerton, based on a methodology to include the number of homeless individuals, is responsible for 30% of the operational costs for the two navigation shelters and will be using forthcoming Senate Bill 2 funding due to the scarcity of General Fund dollars for such services.

On August 20, 2019, the City Council approved a Letter of Intent to assist the Illumination Foundation with a proposed recuperative care and navigation center that they have proposed to be located in the City of Fullerton.

DISCUSSION

The Illumination Foundation is a non-profit 501(c)(3), which provides targeted, interdisciplinary services for the homeless adults and children in order to break the cycle of homelessness. Their services include emergency housing, health care, child services and post hospital or recuperative care. The Illumination Foundation run the La Mesa Emergency Shelter and another recuperative care facility in the City of Anaheim.

The Illumination Foundation has funding to acquire a property in the City of Fullerton and is seeking a more firm commitment from the City regarding assistance with the required tenant improvements. The projected funding required for the tenant improvements is \$1.9 million; however, at this time the City has identified \$500,000 in Housing Funds in which it can make available to go towards tenant improvements to begin the project.

Under Assembly Bill 346 (Daly) of 2017/18 a city can use up to \$250,000 a year in LMIHF for homeless related activities and services. In order to provide \$500,000, the City would structure a loan from the fund which is then paid back over five years at \$100,000 a year from the same fund. This way, the City can still utilize up to \$150,000 for other purposes within that \$250,000 cap for homeless activities (\$100,000 loan repayment + \$150,000 homeless expenditures = \$250,000 cap). However, the City would also submit an application for Homeless Housing, Assistance, and Prevention Program Funding (HHAPP) which is the new allocation of State surplus funds for homeless assistance. In a conference call with State Housing & Community Development staff on HHAPP funding, they will allow for reimbursements of eligible activities. In this case, the City, if funded, would pay back the LMIHF sooner than later.

The City will continue to look at additional funding opportunities, to include other available City funding, based on the potential for HHAPP funding.

The Cooperative Funding Agreement is based on the City's previous Cooperative Funding Agreement with the County of Orange for the \$500,000 commitment to the Bridges at Kraemer Place navigation center in Anaheim.

Attachments:

- Attachment 1 - Cooperative Funding Agreement (to be provided with Supplemental Communications)

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