



Agenda Report

Fullerton City Council

MEETING DATE: NOVEMBER 5, 2019
TO: CITY COUNCIL / SUCCESSOR AGENCY
SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER
PREPARED BY: KENNETH A. DOMER, CITY MANAGER
NICOLE BERNARD, ASSISTANT TO THE CITY MANAGER
SUBJECT: FINANCIAL ASSISTANCE RELATED TO THE
DEVELOPMENT OF A RECUPERATIVE CARE /
NAVIGATIONAL CENTER FOR HOMELESS WITH THE
ILLUMINATION FOUNDATION LOCATED AT 3535 WEST
COMMONWEALTH AVENUE

SUMMARY

On October 8, 2019 at a Special City Council meeting, the City Council voted to provide financial assistance to the Illumination Foundation for tenant improvements (TI) at a proposed recuperative care / navigation center for individuals experiencing homelessness and directed Staff to agendize this item for the November 5, 2019 City Council meeting to include the address of the proposed location for the project in the Draft Cooperative Funding Agreement.

RECOMMENDATION

Authorize the Mayor to execute a Cooperative Funding Agreement, in a final form approved by the City Attorney, with the Illumination Foundation to provide \$500,000 of City funded assistance for tenant improvements for a proposed recuperative care / navigation center in Fullerton for individuals experiencing homelessness.

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-GOING CITY EFFORTS TO ADDRESS HOMELESSNESS

Shelter Crisis Declaration

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 lack of 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.

North OC Service Planning Area (North SPA) – Proposed Navigational Centers

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.

The Illumination Foundation – Proposed Recuperative Care Center in Fullerton

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 increase their ability to provide services within Orange County and previously reached out to the City regarding the creation of a recuperative care center within the City. On August 20, 2019, the City Council approved 4-1-0 (Whitaker opposed) a Letter of Intent to assist the Illumination Foundation with a potential recuperative care and navigation center in Fullerton.

At the October 8th special meeting the City Council on a 4 – 0 – 1 (Whitaker absent) vote approved the use of \$500,000 in Housing Funds (Fund 26) for tenant improvements for a recuperative care / navigation center in Fullerton, giving priority to Fullerton and North SPA homeless and directed Staff to agendaize this item for the November 5, 2019 City Council meeting to include the address of the proposed location for the project.

The Illumination Foundation has identified the proposed site in Fullerton as a high caliber candidate for a recuperative care and navigation center. Since the City Council meeting on October 8, 2019, the Illumination Foundation made an offer, negotiated with the property owner at 3535 W. Commonwealth Avenue, and has entered into an escrow period in which to conduct due diligence and finalize their purchase of the property.

DISCUSSION

Cooperative Funding Agreement

As part of this action, a more comprehensive draft Cooperative Funding Agreement, based on the City's previous Cooperative Funding Agreement with the County of Orange for the Bridges at Kraemer Place shelter is attached.

The basic terms of the draft Cooperative Funding Agreement with the Illumination Foundation specify the City's funding assistance is limited to expenses for TI (building renovations) necessary to serve individuals experiencing homelessness at this location and that disbursement of City funds remains contingent upon review and future approval of all applicable code compliance requirements.

The total projected funding required for the TI is projected at \$1.9 million. In addition to providing the first \$500,000 needed for the TI, the City also intends to submit an application for Homeless Housing, Assistance, and Prevention Program Funding (HHAPP) which is the new allocation of State surplus funds for homeless assistance, which can reimburse any prior eligible expenses to help fund the remaining \$1.5M. The City will continue to look at additional funding opportunities, to include other available City funding, based on the potential for HHAPP funding.

The Illumination Foundation is currently conducting due diligence as part of their escrow process with the property owner and is hosting a community forum on Friday, November 1, 2019 from 5:00 p.m. to 6:30 p.m. at the Fullerton Public Library to review details and questions regarding the proposed recuperative care and navigation center at 3535 W. Commonwealth Avenue.

Land Use Considerations

Illumination Foundation has proposed 3535 West Commonwealth Avenue as the location for their recuperative care and navigational center. While this property is not within the current Emergency Shelter Overlay Zone, it is zoned as Commercial-Manufacturing (C-M) and therefore a recuperative care and navigational center is allowable by Conditional Use Permit (CUP) under the definition of Human Service Agency. The Fullerton Municipal Code defines a Human Service Agency as any office or facility on privately held property operated and / or funded by a governmental, quasi-government or nonprofit entity other than the City which provides human services such as counseling, training, rehabilitation, shelter, medication and/or food assistance.

The Illumination Foundation has begun preparation of a CUP application package for the proposed recuperative care and navigational center that will be subject to review and approval by the Planning Commission early next year, within the time frame understood to be accommodating to the plans to open up the facility. Funding would be contingent on successful obtaining of entitlements for the use at the proposed site.

Attachments:

- Draft Cooperative Funding Agreement