



Agenda Report

Fullerton City Council

MEETING DATE: NOVEMBER 16, 2021

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: STEVE DANLEY, ACTING CITY MANAGER

PREPARED BY: GREG PFOST, INTERIM DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT
KELLEE FRITZAL, DEPUTY DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT

SUBJECT: AMERICAN RESCUE PLAN ACT – POTENTIAL NAVIGATION CENTER FUNDING

SUMMARY

Council Members Jung and Silva request City Council consideration of using American Rescue Plan Act (ARPA) monies for funding of shelter beds at the Fullerton Navigation Center.

RECOMMENDATION

1. Determine whether to utilize ARPA funds for the Navigation Center.
2. If determined, approve Use of ARPA funds to support homelessness services at the Navigation Center within allowable US Treasury guidelines.
3. If determined, approve a specific appropriation amount and any necessary budget adjustments of ARPA funds in an amount as specified by the City Council.
4. Authorize the City Manager or designee to execute any agreements associated with such actions.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Infrastructure and City Assets
- Public Safety.

FISCAL IMPACT

The City will receive a total \$32,665,301 in American Rescue Plan Act (ARPA) federal funding. The City has received the first \$16,332,650.50 installment. If City Council elects to fund the Navigation Center with ARPA monies, it will then reduce the amount for City Council to allocate to other projects and program areas allowable under US Treasury guidelines, as well as for revenue replacement of budgeted services.

DISCUSSION

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (H.R. 1319) into law. The \$1.9 trillion package, based on President Biden's American Rescue Plan, combats the COVID-19 pandemic, including the public health and economic impacts and assists local agencies in its fiscal recovery. The City will receive \$32,665,301 in American Rescue Plan Act funds. The City has received the first allocation of these funds.

ARPA funds provide financial relief and economic flexibility to allow each government to meet local needs in combatting the negative impacts of COVID-19: including support for households, small businesses, impacted industries, essential workers and the communities hardest hit by the crisis. The City can also use these funds to make necessary investments and improvements in water, sewer and broadband infrastructure. In general, the City can use funds for the following:

- To respond to and actively address the public health emergency or its negative economic impacts with respect to the COVID-19 disease
- To respond to essential workers with premium pay that work during COVID-19
- To provide for revenue reduction or loss due to COVID-19
- To invest in water, sewer or broadband infrastructure improvements.

In July 2019, the Illumination Foundation (IF) approached the City regarding an opportunity for IF to lease a building at 3535 West Commonwealth Avenue for use as a recuperative care and navigation center that supports the City's homelessness sheltering needs. As required, City Council approved an Operational Agreement for the recuperative care / navigation center on July 21, 2019, which provides for a \$40 "Host City" fee for each shelter bed per night. The City is only responsible for the clients specifically placed by the City and verified as City of Fullerton residents. The Host City fee includes food, bed, transportation and case management which includes housing navigation assistance. The Navigation Center also includes a full medical and dental clinic that clients may access.

The shelter operated using COVID relief funds at the initial opening of the shelter. The County of Orange funded the Fullerton Navigation Center (all 150 beds) through January 31, 2021. On January 19, 2021, the Fullerton City Council approved use of the CDBG-CV funds to provide shelter beds to Fullerton's homeless residents. The CDBG funds have now exhausted and, consequently, the City cannot utilize the Fullerton Navigation Center beds. However, the City continues to have access to and utilizes both the Placentia and Buena Park shelters where both shelters have limited available beds.

As a point of information, Fullerton has averaged between 20 and 30 homeless clients per night in a shelter, with stays ranging from five days to 30 days. Staff has previously included the Navigation Center as a Tier I request for ARPA funds. Staff requested \$1,272,000 to provide the estimated funding for Fullerton homeless residents for approximately 6 months.

ATTACHMENTS:

- Attachment 1 - ARPA Funding Project / Program Requests as of July 30, 2021