

TO: Andrew P. Powers, City Manager

FROM: Jaime Boscarino, Finance Director

DATE: September 12, 2023

SUBJECT: Encampment Resolution Funding Rolling Grant Acceptance

RECOMMENDATION:

1. Authorize acceptance of the Encampment Resolution Funding Rolling Grant from the Business, Consumer Service, and Housing Agency's California Interagency Council on Homelessness in the amount of \$5,828,740.80 for the City's Navigation Center.
2. Approve budget appropriation in the amount of \$1,828,741 from A/C #001-0960-434-9900 (HSNAVI, General Fund State Grant Revenue) to A/C #001-0000-311-1000 (General Fund, Fund Balance).
3. Authorize City Manager to execute any documents required or deemed necessary as proscribed by grant requirements.
4. Authorize expenditure not to exceed \$100,000 from A/C #001-0960-644-5699 to reimburse DignityMoves for preliminary development costs for demonstrated work done for the design concept of the Navigation Center.
5. Find that this action is not a project as defined under the California Environmental Quality Act (CEQA).

FINANCIAL IMPACT:

\$1,828,741 Increase to the Adopted FY 2023-24 General Fund Revenue Budget. \$1,828,741 increase to the Adopted FY 2023-24 General Fund Revenue Budget. \$4,000,000 was included in the Adopted FY 2023-24 General Fund Revenue Budget. \$100,000 expenditure approval requested in order to reimburse DignityMoves for costs incurred during the development phase of the project and prior to the Definitive Agreement being finalized. These costs will be covered by the Encampment Resolution Funding Rolling Grant (ERF).

BACKGROUND:

In 2021, City Council prioritized identifying and advancing solutions for emergency sheltering and permanent supportive housing. An interdepartmental team of City staff examined numerous options to site a shelter based on various factors, including financial investment required, estimated timeline to completion, location, ownership, and other short-term and long-term benefits and trade-offs to the City, its residents, and businesses. The modular home village model emerged as a financially prudent, dignified, and flexible alternative to the existing building acquisition and conversion approach.

On September 27, 2022, City Council authorized staff to issue a Request for Proposals/Qualifications (RFP/Q) for the construction and operation of a Navigation Center at 1205 Lawrence Drive; adopted Resolution No. 2022-049 declaring the Lawrence Drive property as Exempt Surplus Land pursuant to the Surplus Lands Act; and, authorized the Mayor to sign a letter to County of Ventura requesting financial assistance to support the associated capital and operating costs.

On December 6, 2022, City Council approved staff's recommendation to select DignityMoves (DM), Hope the Mission (HM), and Many Mansions (MM) to develop, lease, and operate a Navigation Center. DM is the developer, HM is the operator, and MM is the consultant/leaseholder for the Navigation Center. Collectively they demonstrate expertise and experience in designing, constructing, and operating interim housing.

On February 28, 2023, City Council approved the Exclusive Negotiation Agreement between the City and DM, HM, and MM for the development of the Navigation Center. City Council also authorized the City as a co-applicant on the County of Ventura's grant application for the ERF.

DISCUSSION/ANALYSIS:

The State established the ERF Program to provide one-time, competitive grants to assist local jurisdictions in ensuring individuals experiencing homelessness in encampments are provided services and support that address their physical and mental wellness and lead to safe and stable housing. The City, in conjunction with the County and Thousand Oaks Police Department, submitted an application for the ERF grant to fund the construction and operations of the City's Navigation Center. This would provide individuals currently residing in encampments within the City a place to shelter and supportive services to assist them in obtaining permanent housing.

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In August 2023, the City and County were notified of the award of the ERF Rounding Two grant in the amount of \$5,828,740.80, the full request in the award application. The ERF grant will fund \$4,158,283.00 in construction costs and \$1,670,457.80 in operating costs.

Since preliminary design work is already underway by DM, staff is also requesting expenditure authorization in the amount of \$100,000 from the grant funds to reimburse DM for costs incurred until the Definitive Agreement can be finalized.

The award of the ERF grant is a great financial savings for both the City and County, and in conjunction with the Project Homekey funding, brings over \$32 million in state dollars directly to the City for housing and homelessness efforts in less than two years. This award also helps achieve City Council's Top Priority for FY 2023-24 on Homelessness to "Continue to seek State and Federal funding to support these efforts."

COUNCIL GOAL COMPLIANCE:

Meets the following City Council goals:

C. Operate City government in a fiscally and managerially responsible and prudent manner to ensure that the City of Thousand Oaks remains one of California's most desirable places to live, work, visit, recreate, and raise a family.

J. Implement high quality revitalization projects within Thousand Oaks Boulevard and Newbury Road Areas; Develop a pedestrian-oriented, viable, and self-sustaining "Downtown;" and, continue to support production of long-term affordable housing.