



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
January 18, 2022

TOPIC: Third Amendment to Operating Agreement with Illumination Foundation

AGENDA TITLE:

Approve a Third Amendment to Illumination Foundation Agreement to Operate a Temporary Shelter at the Fullerton Recuperative Care Center for up to One Additional Month (Non-General Fund)

RECOMMENDED ACTION

1. Authorize the City Manager to execute a third amendment to the agreement with Illumination Foundation to extend the term to operate a temporary shelter at the Fullerton Recuperative Care Center for up to an additional month through February 28, 2022, at the per diem rate of \$135 per guest for an additional amount not to exceed \$378,000 and a total aggregate amount not to exceed \$2,178,000, subject to non-substantive changes approved by the City Manager and City Attorney.
2. Authorize the City Manager to execute a third amendment to the funding agreement with Illumination Foundation to pay \$135 per diem for up to 100 guests, at an amount not to exceed \$378,000, and a total aggregate amount not to exceed \$2,178,000, of additional ESG-CV funds to extend the operation of the shelter at the Fullerton Recuperative Care Center, subject to non-substantive changes approved by the City Manager and City Attorney.

DISCUSSION

On April 6, 2021, the City Council approved an agreement with Illumination Foundation to operate a temporary shelter for \$230,000 per month for 75 guest and a per diem rate of \$55 per guest in excess of 75, in an amount not to exceed \$1,500,000 from May 1, 2021 through September 30, 2021.

On September 7, 2021, staff recommended that City Council approve an amendment to the agreement with Illumination Foundation to continue to operate a temporary shelter at the Fullerton Recuperative Care Center for up to four more months and add \$600,000 to the contract amount, for an overall not to exceed amount of \$2,100,000. The City Council approved an amendment for only two months, and added only \$300,000 to the contract

amount, for an overall not to exceed amount of \$1,800,000. On November 16, 2021, the City Council approved an amendment to the agreement with Illumination Foundation to extend the term of the contract for up to an additional two months, through January 31, 2022. No additional funds were added at that time because the daily census count of individuals was less than 75, thereby reducing the monthly costs to the City.

Unforeseen circumstances, including COVID-19, the heavy rainstorm over the holidays, and the supply chain crisis, has delayed the opening of the Homeless Navigation Center. An amendment to the Illumination Foundation agreement will provide for the continuity of care for shelter guests to remain at the temporary shelter and to benefit from essential on-site medical services. Once a Temporary Certificate of Occupancy is issued, guests will be transferred to the new site and the City will no longer utilize the Fullerton Recuperative Care Center.

FISCAL IMPACT

Funds in the amount of \$378,000 for the third amendment to the agreement are available in the Emergency Solutions Grant-CV grant, Payment to Subagent account (no. 13518789-69135) for expenditure in the current fiscal year.

EXHIBIT(S)

1. Third Amendment to agreement with Illumination Foundation to operate the Fullerton Recuperative Care Center as the Link temporary shelter.
2. Third Amendment to funding agreement with Illumination Foundation for use of ESG-CV funds to operate the Recuperative Care Center as a temporary shelter.

Submitted By: Steven Mendoza, Assistant City Manager

Approved By: Kristine Ridge, City Manager