



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**April 5, 2022**

---

**TOPIC:** Fourth Amendment to Operating Agreement with Illumination Foundation

---

**AGENDA TITLE:**

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

**RECOMMENDED ACTION**

1. Authorize the City Manager to execute a fourth 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 four months through June 30, 2022, at the rate of not to exceed \$1,100,000 based upon costs and documentation, and a total aggregate amount not to exceed \$3,278,000, subject to non-substantive changes approved by the City Manager and City Attorney.
2. Authorize the City Manager to execute a fourth amendment to the ESG-CV funding agreement with Illumination Foundation to pay a not-to-exceed amount of \$1,100,000 based upon costs and documentation, and a total aggregate amount not to exceed \$3,278,000, 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**

Due to outstanding litigation related to the work stoppage and other construction delays at the Carnegie Navigation Center, the City is unsure when the site will be open and operational. An amendment to the Illumination Foundation agreement will provide for the continuity of care for shelter guests to remain at the temporary shelter until a Certificate of Occupancy is achieved and shelter guests can be transferred to the new site. The same funds that were anticipated to be used for the operation of the Carnegie Navigation Center will instead be used for the extension of the temporary shelter.

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 the

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 two months only, and added \$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. On January 18, 2022, the City Council approved an amendment to the agreement with Illumination Foundation to extend the term of the contract for up to an additional month at the per diem rate of \$135 for an additional amount not to exceed \$378,000 and a total aggregate amount not to exceed \$2,178,000.

The Fullerton Recuperative Care Center provides beds for men, women and pets, following the City's referral process and no walk-in policy. As the selected operator of the new Navigation Center, staff will transfer along with guests to the new site, without any interruption to services.

#### **FISCAL IMPACT**

Funds in the amount of \$1,100,000 for the fourth 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. Fourth Amendment to agreement with Illumination Foundation to operate the Fullerton Recuperative Care Center as the Link temporary shelter
2. Fourth 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