

Cameron / Beach Site

Establishing An Operational 174-Bed Shelter Facility By November 2020

City Council Meeting

August 3, 2020



Discussion Items

- Project background / context
- Execution of a homeless shelter operator contract with Mercy House
- Authorization of expenditures for a 174-bed shelter / site improvements
- Execution of a ground lease for accelerated use of 17642 Beach Blvd.
- Allocation of funds to complete acquisition of 17642 Beach Blvd.



City Has Been Refining Our Homeless Response Since Late 2013

- **In late 2013, the City began to seriously assess homeless related issues in HB**
 - At the time, the Police Department identified 130-150 homeless persons in the City in October 2013
- **2014/15 saw the creation of our initial homeless response team**
 - An ancillary team of officers was put together to address homeless related issues, including the provision of services to those in need
 - As part of that effort, the City developed relationships with several non-profit organizations, including Coast-to-Coast, to assist in our homeless response
 - In September 2015, the City assigned Officer Ricci as our first full-time officer dedicated to homeless response
 - A second full-time officer was added to the homeless response team in January 2016, with the appointment of Officer Schloss to the role



Effort Has Continued With Additional Resources Allocated Over The Years

- **The City has invested in adding case managers to our team to provide enhanced social services support**
 - In November 2015, the City hired Catherine Lukehart as our first homeless services coordinator to bolster our ability to provide services and connect homeless individuals with available resources
 - In November 2016, the City hired our first homeless outreach case manager
 - In 2018, the City added resources to hire two additional homeless outreach case managers
- **Today, the City has 6 staff fully dedicated as our Homeless Outreach Team / Task Force**
 - Ian MacLeith, Police Officer
 - Urian Mungle, Police Officer
 - Catherine Lukehart, Homeless Outreach Coordinator
 - Kristy Conway, Homeless Outreach Case Manager
 - Lisa Roberts, Homeless Outreach Case Manager
 - Hayley Yantorn, Homeless Outreach Case Manager

Homeless Situation Has Become More Acute Throughout OC In Recent Years

- **Orange County is broken up into 3 Service Planning Areas (SPAs) for homeless coordination purposes**
 - Per the 2019 Point-in-Time (PIT) count, there are 6,860 total homeless individuals in Orange County
 - > North SPA: 2,765 persons
 - > Central SPA: 3,332 persons
 - > South SPA: 763 persons
- **HB is located in the Central SPA, which includes 8 other cities + the County**
 - As of the 2019 Point-in-Time Count, there are 3,332 homeless individuals in the Central SPA
 - Huntington Beach was identified to have 289 unsheltered homeless individuals
 - This constitutes a 143% increase over the 199 unsheltered homeless individuals that were counted in 2017

2017 Results - Unsheltered	2019 Results - Unsheltered
<ul style="list-style-type: none">• 119 individuals were counted as unsheltered / homeless in Huntington Beach in 2017<ul style="list-style-type: none">• 97% were over the age of 24	<ul style="list-style-type: none">• 289 individuals were counted as unsheltered / homeless in Huntington Beach in 2019<ul style="list-style-type: none">• This constitutes a 143% increase in our unsheltered / homeless population in 2-years

Without A Shelter, Legal Issues Preclude Us From Enforcing Quality Of Life Rules

- In recent years, the State and the courts have enacted rules which make addressing homelessness challenging
 - Our goal at the City is always to first offer help to those experiencing homelessness
 - However, for those that don't want help, the City's intention is to be able to enforce our local anti-camping / anti-loitering rules and regulations
- Rules regarding enforcement have been outlined via the 9th Circuit Court case *Martin v. City of Boise*, and through determinations made by Orange County Federal Judge David O. Carter



LEGAL ISSUES COMPLICATE CITY RESPONSE

Two major legal issues complicate how Huntington Beach can respond to this challenge

- *Martin v. City of Boise* "Court: Cities can't prosecute people for sleeping on streets" (AP – Sept 4, 2018)
 - U.S. Federal Court rules that cities have limited ability to enforce anti-camping laws unless they are able to offer nighttime beds for vulnerable citizens.
- Orange County Federal Judge David O. Carter
 - Established the requirements under the *Martin v. Boise* case for Orange County. Said cities must have available shelter beds for 60% of their homeless population – as many as 174 beds per night in HB – before they can enforce anti-camping and anti-vagrancy ordinances.

City Has Considered 35 Different Sites For A Local Shelter

- During the past several years, the City has assessed 35 different sites for locating a shelter, with serious consideration given to 6 properties
 1. April 2019: 5770 Research Drive
 2. May 2019: 15311 Pipeline Lane
 3. July 2019: 17712 Crabb Lane
 4. August 2019: 17881 Beach Boulevard (Al's Woodcraft)
 5. December 2019: 17371 Gothard Street (City Corporation Yard)
 6. **April 2020: 17361 Cameron Lane / 17642 Beach Boulevard**



Cameron & Beach Site

Original Cameron / Beach Shelter Project Overview


- **City entered into an agreement with Orange County to stand up a shelter on just the Cameron site on April 20, 2020**
 - The City has been working to acquire the Cameron site for a permanent supportive housing project, to take place within ~5 years
 - Per the agreement with the County, they would pay to stand up a 75-bed emergency shelter facility
 - After the Governor's COVID-19 Executive Order was lifted, the shelter facility would be turned over to the City for our exclusive use
 - At the time, we thought that the facility could be stood up in approximately 8 - 10 weeks, and that the County would be running the shelter by June / July 2020
- **Several issues have combined to create a delay in getting the Cameron facility up and running**
 - Push by City to have the Cameron shelter be designed and built with longer-term operations in mind
 - Site design analysis, given that COVID-19 homeless services protocols have reduced maximum capacity of the Cameron shelter
 - Ongoing discussions with Judge Carter / OC Catholic Workers regarding requirements for possible Consent Decree protections
 - County construction procurement timelines have extended a bit beyond initial projections
 - Environmental testing / mitigation for the Cameron site
 - A possible expansion of the facility, which would have a larger facility constructed on both the Cameron and Beach parcels

Importance Of Establishing A 174-Bed Shelter In HB

- **In order to enforce local quality of life regulations in HB, free from the pressures of possible external litigation, a 174-bed shelter would be needed**
 - Judge Carter has developed a mechanism whereby jurisdictions with shelter beds for 60% of their unsheltered homeless population have been allowed to begin enforcing their quality of life regulations
 - Local entities that have signed-on to the program include:
 - > Orange County
 - > Anaheim
 - > Santa Ana
 - > Tustin
 - > Costa Mesa
 - > Fullerton
 - > Placentia
 - > Buena Park
 - > Stanton
 - > Bellflower
- **Given that our current official unsheltered population is 289 persons, HB needs 174 beds to meet the 60% threshold**

Importance Of Establishing A 174-Bed Shelter In HB

- *“...I do feel very confident that the suggestion that the existence of +-40 beds would allow enforcement to proceed without immediate and substantial well grounded opposition is unfounded...”*
- *“I don’t have a crystal ball, but I will bet the farm that such action would precipitate an immediate application for a temporary restraining order, which would be granted, thereby halting any enforcement.”*
- *“I sincerely hope that Huntington Beach does not decide to implement such a flawed plan.”*




Thu 7/30/2020 5:00 PM

Jim Smith <jsmith@jamsadr.com>

HB Shelter

To Chi, Oliver

 You forwarded this message on 7/30/2020 7:19 PM.

Oliver:

In our telephone conversation this afternoon you indicated there was some support for a plan whereby the City of Huntington Beach would create +-40 low barrier shelter beds and then be able to commence enforcement of its anti-camping anti-loitering ordinances.

The 2019 PIT count for HB, as I recall, was 289. Boise, literally read, requires at least 1 bed for each homeless person before such enforcement can commence. Judge Carter, based on his experience with other homeless populations, has chosen to interpret Boise so as to allow enforcement when a jurisdiction has available a number of beds not less than 60% of the PIT count, or, in the case of Huntington Beach, not less than 179 beds.

As I've indicated on several occasions, I do not speak for the Court, but I do feel very confident that the suggestion that the existence of +-40 beds would allow enforcement to proceed without immediate and substantial well grounded opposition is unfounded in any rational interpretation of the applicable law as announced in Boise.

I don't have a crystal ball, but I will bet the farm that such action would precipitate an immediate application for a temporary restraining order, which would be granted, thereby halting any enforcement. Furthermore, if the City opposed the application for a TRO there would be substantial attorney fees expended in what would be a failed effort.

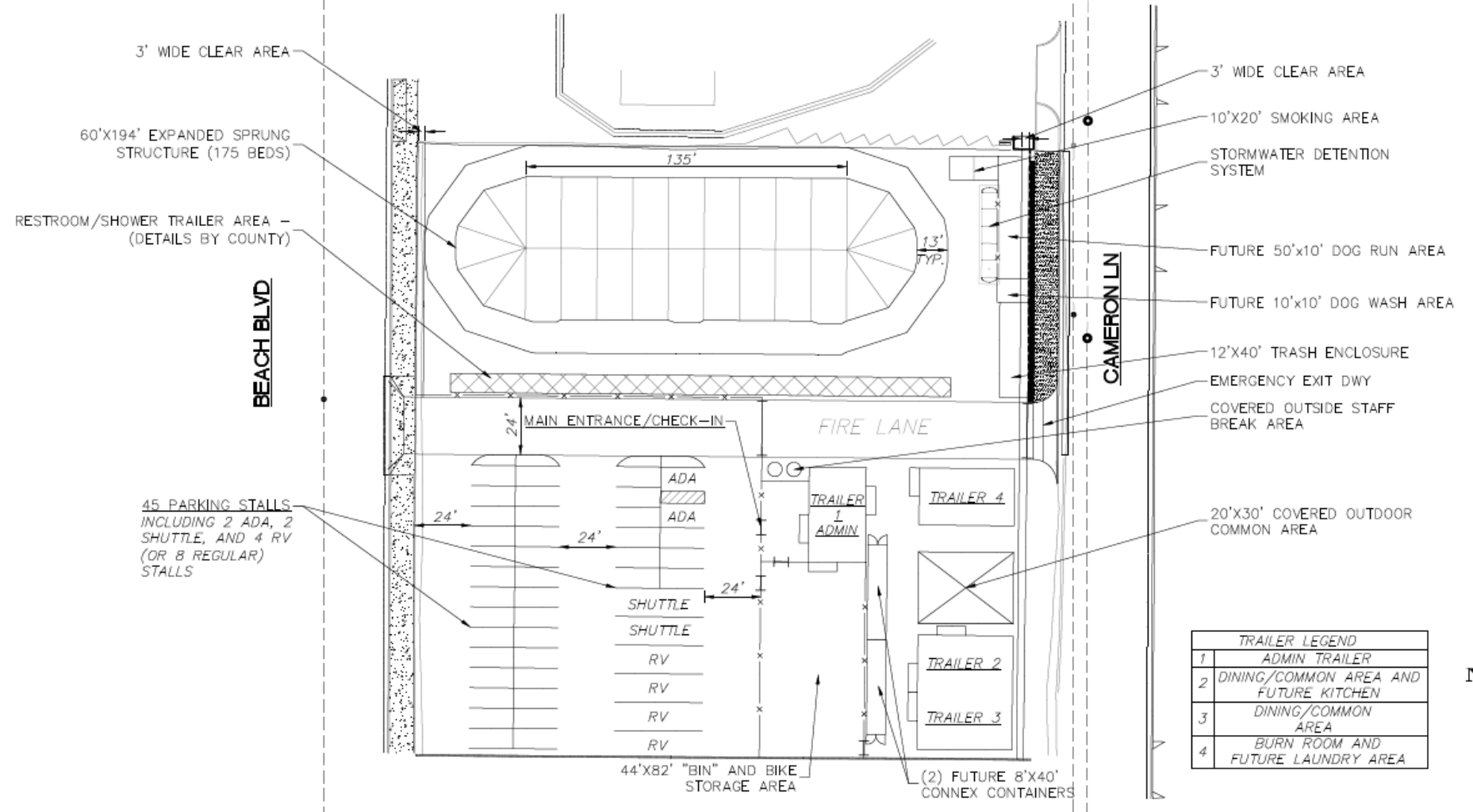
I sincerely hope that Huntington Beach does not decide to implement such a flawed plan. Please let me know if you have any questions.

Jim Smith

Expanded 174-Bed Shelter Possible With Both Cameron and Beach Parcels

- **The initial shelter on just the Cameron site could accommodate ~75 shelter beds**
 - In pre-coronavirus times, the structure planned for the Cameron site could have accommodated ~174 shelter beds
- **Staff has worked out arrangements with the County to expand the shelter onto both the Cameron and Beach parcels, to facilitate a 174-bed shelter**
 - County has agreed to size and install all mechanical equipment for the shelter (including HVAC, fire sprinkler system, and foundations) for the larger 174-bed shelter
 - In addition, the County will be performing all of the on-site, utility, shelter installation, and associated development costs for the expanded 174-bed shelter
 - The City would be responsible for purchasing the shelter expansion pieces, off-site improvements, expanded restroom / shower facilities, and FFEs for the facility
 - In total, the County is spending ~\$4 M to get the Cameron shelter developed, and they are now ready to begin construction
- **The County also plans to turn the Cameron facility over to the City as soon as it is constructed**
 - We have discussed an arrangement with the County whereby the City would take over operation of the Cameron Shelter on day 1 with our shelter service provider
 - Based on discussions with Mercy House, we could be operational by the first week of November 2020

174 Bed Shelter @ Cameron & Beach Parcels



Environmental Testing / Mitigation For Cameron Site

- **As part of our due diligence for acquisition of the Cameron site, staff engaged EEC Environmental on March 18, 2020, to prepare a Phase I environmental assessment of the property**
 - Based on the preliminary soil contamination findings, staff had EEC Environmental take additional samples at 6 locations to determine horizontal and vertical delineation of the soil contaminants that were found
- **In addition, given the need to perform environmental remediation, staff worked to involve an oversight agency, which was eventually identified to be the Orange County Health Care Agency (OCHCA)**
 - Under the oversight of OCHCA, additional random soil samples were taken in May on both the Cameron and Beach sites to perform additional testing and analysis
 - Based on those findings, an additional round of soil sampling and testing was performed as further due diligence
- **OCHCA was provided with all of our findings, and the regulatory agency deemed it safe to operate a shelter facility on the Cameron site, so long as an asphalt pavement cover was placed over the soil**
 - Additional testing was performed last week on the Beach site, and based on sample results, the conditions were found to be consistent with, if not lower than, the Cameron property

OCHCA May 22, 2020 Letter Regarding Use of Cameron Lane for Shelter Facility



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ASSISTANT DIRECTOR

REGULATORY/MEDICAL HEALTH
ENVIRONMENTAL HEALTH

Carlos Marquez
May 22, 2020
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May 22, 2020

Carlos Marquez
City of Huntington Beach
200 Main Street
Huntington Beach, CA 92648

Subject: Site Summary and Recommendation

Re: Cameron Ln. Property (APN 16
17631 Cameron Lane
Huntington Beach, CA 92647
OCHCA Case #20IC002

BACKGROUND

The project site (Site) is a 0.79 acre unpaved lot of mixed commercial and residential use that is an unpaved vacant property to the south, Beach east in the City of Huntington Beach, California. The paved lot with a large tent structure to provide homeless, as ordered by the Governor's Executive Order Newsom on March 18, 2020. Investigations of (EEC) in several phases to assess the presence of contaminants of concern found in soil at the Site. On April 22, 2020, Orange County Health Care Agency City of Huntington Beach requesting OCHCA reports. On April 27, 2020 the City of Huntington Beach Agreement with the OCHCA for oversight at the Site. Such, OCHCA has prepared this site summary

Table 1 – Nature & Degree of Site Contamination

Contaminant	Maximum Site Detection and Sample Identification	Regulatory Screening Level (Residential Scenario)
Lead	101 mg/kg B4-0.5 (removed during excavation)	DTSC Hero Note 3r- 80 mg/kg
Hexavalent Chromium	980 ug/kg B9A-5.0	DTSC Hero Note 3r- 300 ug/kg
4,4 DDE	3,100 ug/kg B7-0.5	RS1r- 2,000 ug/kg
Toxaphene	1,600 ug/kg B7-0.5	DTSC Hero Note 3r- 450 ug/kg

CONCLUSION AND RECOMMENDATION

Several phases of investigation were conducted at the Site, results of which showed the presence of 4,4 DDE, toxaphene and hexavalent chromium in excess of site screening levels and to a lesser extent lead in soil. Based on OCHCA's review of the information noted above, soil impacts located beneath the proposed asphalt cover are not considered to be a threat to the occupants of the temporary tent structure. Soil contamination however, must be addressed if changes to site use occur. Additional site assessment may also be required if changes to site use occur. It is the property owner's responsibility to notify this Agency if there is any change in site use and/or if there are future findings of additional contamination at the Site. Additionally, any excavated soil for tent structure installation must be managed, handled, and disposed of properly, in accordance with all regulatory requirements to minimize exposure to workers and the community.

If you have any questions regarding this matter, please contact me at (714) 433-6011.

Sincerely,

Anthony F. Martinez, CEG #2255
Program Manager
Hazardous Materials Mitigation Section
Environmental Health Division

cc: Health Care Agency
David Ahern, OC Public Works
David Bernier, EEC

Construction Timeline Driving Property Negotiation Process



Cameron Site Acquisition Nearing Completion, Beach Site Ground Lease Being Negotiated

- **Based on current dialogue with the property owners, staff is requesting formal City Council authorizations to secure site control of both the Cameron and Beach lots**
- **We are finalizing negotiations for a credit against the current Cameron site purchase price of \$3.2 M**
 - The property owners are having their consultants analyze the City's assessments
 - While we could close on the Cameron site immediately at full price, negotiations are ongoing and we expect to receive a counter proposal early this week
- **Staff has simultaneously been negotiating a ground lease for use of the Beach site to facilitate the 174-bed shelter**
 - Given the fluid nature of current discussions, staff is requesting authority to spend an amount not to exceed \$120,000 for use towards procuring a ground lease for use of the Beach parcel
 - The ground lease discussions have blended into the property acquisition discussions, and to facilitate the transaction, staff is requesting the additional spending / negotiating authority now
 - Of note, the City has an existing option to purchase the Beach site for \$3.2 M, however, for tax purposes, the property owners do not want to close escrow on the Beach site until 2021 at the earliest
- **Affordable housing dollars (former RDA funds) are being used to purchase both the Cameron and Beach sites**

Funding Overview – COVID-19 Monies Available

- **The City has received \$4.2 M in restricted COVID-19 funds from the State / County for use towards our coronavirus response plans**
 - In addition to homeless response activities, funds are also being reserved for enhanced cleaning operations and non-FEMA reimbursed COVID-19 costs

COVID-19 Funds Expenditure Plan	
174-Bed Shelter Site Development	\$ 2,220,000
Mercy House Operations Contract	\$ 550,000
Beach Site Shelter Ground Lease	\$ 120,000
FEMA Reimbursement Match	\$ 1,185,214
Enhanced Beach Restroom Cleaning	\$ 30,000
Enhanced Central Park Trash Clean-Up	\$ 40,000
Enhanced Park Restroom Cleaning	\$ 36,000
Enhanced Downtown Pressure Washing	\$ 25,000
TOTAL	\$ 4,206,214

Mercy House Operating Contract Expenditures

- Utilizing a combination for restricted dollars received by the City, budgetary allocations to fund the Mercy House operating contract have been developed for consideration
 - Staff is requesting authorization to execute a multi-year service contract with Mercy House to operate our 174-bed shelter facility, with first year costs estimated to run \$2.6 M
 - After extensive negotiations, Mercy House has agreed to begin operations at the City's shelter effective the first week of November 2020

Mercy House Funding	
CDBG	\$ 1,500,000
SB2	\$ 550,000
COVID-19 Funds	\$ 550,000
TOTAL	\$ 2,600,000
Mercy House Operating Budget	
Shelter Operations	\$ 1,774,698
Security Cost	\$ 433,333
FF&E	\$ 152,187
Yr. 1 Contingency (10%)	\$ 236,022
TOTAL	\$ 2,596,240

Proposed Shelter Establishment + Ground Lease Expenditures

- **Utilizing the additional COVID-19 funds received by the City, expenditure plans for establishment of the 174-bed shelter, along with a budgetary allocation for the Beach site ground lease, have been developed for consideration**
 - Staff is requesting that the City Council authorize expenditures in an amount not to exceed \$2.22 M for City costs towards establishing the 174-bed shelter
 - In addition, staff is requesting \$120 K for costs associated with negotiating a ground lease for use of the Beach site

174-Bed Shelter Facility Establishment Costs	
SPRUNG Extension	\$ 275,000
Restroom / Shower Facilities	\$ 350,000
Off-Site Improvements	\$ 550,000
Trailers + Refurbishment	\$ 375,000
FFEs	\$ 300,000
Contingency (20%)	\$ 370,000
TOTAL	\$ 2,220,000

Allocation Of LMIHAF Funds For Acquisition Of Beach Parcel In 2021

- The City currently has ~\$5.25 M in Low-Moderate Income Housing Asset Funds (LMIHAF), which are former redevelopment housing dollars that have to be expended towards affordable housing projects
 - If funds are not utilized within certain timeframes, the dollars become classified as excess surplus funds and are subject to being taken back by the State
- Staff is requesting that the City Council allocate \$3.2 M in LMIHAF dollars for use towards acquiring the Beach parcel

Beach Site Acquisition Funds	
LMIHAF Funds Available	\$ 5,250,000
TOTAL AVAILABLE	\$ 5,250,000
Beach Site Acquisition Cost	
Property Acquisition Cost	\$ 3,214,035
MAX TOTAL NEEDED	\$ 3,214,035

Staff Recommendation

Staff recommends that the City Council authorize and direct the City Manager to take the following actions to begin operating an expanded 174-bed shelter facility at the Cameron Lane / Beach Boulevard site effective the week of November 2, 2020:

1. Execute a homeless shelter operator contract with Mercy House with a first year cost of \$2,596,240 (utilizing CDBG, SB2, and COVID-19 response funds); and
2. Allocate and expend an amount not to exceed \$2,220,000 for site work / FF&E costs related to expanding the Cameron Lane / Beach Boulevard shelter (utilizing COVID-19 response funds); and
3. Execute a ground lease agreement in an amount not to exceed \$120,000 for accelerated use of 17642 Beach Boulevard (utilizing COVID-19 response funds); and
4. Allocate \$3,214,035 in housing funds for acquisition of 17642 Beach Boulevard (utilizing Low-Moderate Income Housing Asset Funds).

Staff Has Identified The Cameron / Beach Site As Our Quickest Path Forward

- **Staff has been contemplating if there is a faster way to get a shelter facility established**
 - Site identification: TBD
 - Site development plans: 2 to 4 weeks
 - Procurement timelines: 6 to 8 weeks
 - Install / construction: 4 to 6 weeks
 - Shelter operator service provider: TBD
 - Liability considerations: N/A
- **Based on our assessment, if we had a site identified and agreed upon today, and everything worked perfectly, we might be able to have a separate facility up and running within 12 to 18 weeks**
 - This is assuming we could find a shelter operator to be ready within that timeframe
- **Given the complexities associated with getting a shelter facility up and running, the Cameron / Beach site has been identified as the quickest pathway forward**
 - Current timelines indicate that our current shelter will be operational during the first week of November 2, 2020

Questions?