



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 25-977

Agenda Date: 9/17/2025

Agenda #: 14.

DATE: September 17, 2025

TO: Honorable Mayor and City Councilmembers

FROM: Housing and Neighborhood Services Department

TITLE: PROFESSIONAL SERVICES AGREEMENTS FOR THE CONTINUATION OF SERVICES FOR THE BUENA CREEK ENCAMPMENT RESOLUTION FUND (ERF) PROJECT

RECOMMENDATION

Staff recommends that the City Council:

1. Approve a Professional Services Agreement (PSA) with Interfaith Community Services (ICS), in the amount of \$1,175,000, for Fiscal Year 2025-26, supporting continued provision of outreach, case management, and stabilization services along the State Route 78 corridor;
2. Approve a Professional Services Agreement with ICS, in the amount of \$1,125,330, for FY 2025-26 for continuation of the Rapid Rehousing Program Services targeting high-acuity unsheltered individuals;
3. Approve Amendment 1 to the Professional Services Agreement with the Regional Task Force on Homelessness (RTFH), in the amount of \$143,000, to continue Strategic Planning, Implementation, and Technical Support through Impact Group Consultants; and,
4. Authorize the City Manager, or designee, to execute all necessary contracts, and related documents, subject to approval as to form by the City Attorney.

BACKGROUND AND ANALYSIS

The City of Oceanside, serving as the fiscal and program lead in collaboration with the City of Carlsbad, was awarded \$11.4 million in Encampment Resolution Fund Round 3 (ERF-3-R) resources by the California Interagency Council on Homelessness in April 2024. This regional initiative is dedicated to addressing encampments along the State Route 78 (SR-78) corridor, spanning from Buena Vista Lagoon and along the bordering city limits.

The Encampment Resolution Program employs a multi-disciplinary, zone-based strategy that integrates outreach, case management, peer support, mental health, street medicine, and housing navigation. The model includes both interim housing placements and rapid rehousing pathways leading to permanent housing.

Since its implementation in April 2025 and as of August 2025, the project has achieved the following notable accomplishments:

- Permanent Housing: 54 individuals residing in encampments have transitioned into permanent housing, demonstrating a 100% housing retention rate.
- Coordinated Outreach and Stabilization: 76 residents have received comprehensive outreach, stabilization, and housing navigation services.
- Closure and Maintenance of Zone 1: In July 2025, Zone 1 was successfully closed, resulting in the clearance of encampments and the removal of 30 tons of debris from sensitive ecological areas. The area remains clear and staff is closely monitoring the area to discourage the re-establishment of encampments within this zone.

ICS continues to provide core outreach and stabilization services, deploying Homeless Outreach Specialists, Peer Support Specialists, and Substance Use Disorder Services. The continued funding for ICS would maintain the staffing levels required to continue consistent engagement and transition of clients as subsequent ERF zones are addressed.

The original ERF-3-R application assumed Housing Choice Vouchers (HCVs) from the Oceanside Housing Authority (OHA) and partner public housing authorities would supplement rapid rehousing as part of the permanent housing solutions. However, in April 2025, Housing and Urban Development (HUD) notified the OHA of funding reductions. As a result, HUD required the OHA to implement cost-saving measures, including pausing new voucher issuance until at least CY 2026. Therefore, Rapid Rehousing subsidies have been the primary source for housing placements and reached capacity after the Zone 1 implementation and permanent placement coordination. Without the availability of the HCV allocation and supplementing Rapid Rehousing subsidies for permanent housing, the ERF Project risks a slowdown in housing placements. To address this gap, staff recommends entering into a Public Service Agreement with ICS to expand Rapid Rehousing Services. ICS is already a grant-funded partner with the experience and capacity to implement a rental subsidies program as they operate the Tennent-Based Rental Assistance Program. It would also allow for the continuity of services with minimal impact on the operations of the Encampment Resolution Project.

In addition, the City has converted positions within the Interfaith contract into dedicated Stabilization Case Managers to provide ongoing housing-focused case management once households are placed. This ensures participants receive continued support in maintaining tenancies, navigating landlord relationships with ongoing support services even once the participant is leased up. By combining the Rapid Rehousing Services with the sustained stabilization services, Oceanside can continue permanent housing placements without interruption despite the impacts due to the HCV program shortfall.

The City will continue to contract services through the RTFH for ongoing technical assistance, planning, and implementation support for the ERF project. Consultant services were instrumental in developing the Project strategy, on the ground implementation, and continued refinement in the implementation of the Project for effectiveness. Amendment 1 extends these services until the grant's expiration on June 30, 2027, ensuring the project's continuity as the City progresses to subsequent ERF zones.

The staff recommended actions will ensure the continuity of the City's encampment resolution strategy by sustaining outreach operations, expanding housing placement capacity, and strengthening long-term stabilization supports. Given that the HCV program will remain unavailable until at least CY 2026 due to federal funding restrictions, these agreements provide the necessary resources to maintain placement momentum, prevent delays in housing transitions, and uphold Oceanside's commitment to reducing unsheltered homelessness along the encampment area.

FISCAL IMPACT

The total cost of the three agreements is \$ 2,443,330. The Encampment Resolution Grant account 836195124272 has a current available balance of \$4.67 million, therefore, sufficient funds are available.

Description	Account No.	Amount
Interfaith Community Services (ICS) PSA Outreach	836195124272.5395	\$1,175,000
Interfaith Community Services (ICS) PSA Rapid Rehousing	836195124272.5395	1,125,330
RTFH Amendment No. 1	836195124272.5395	143,000
Total Amount	836195124272.5395	\$2,443,330

COMMISSION OR COMMITTEE REPORT

On August 26, 2025, the Housing Commission approved by motion, on a vote of 5-0-1 (abstention), a recommendation to the City Council to approve the subject Professional Service Agreements for the Encampment Resolution Fund Program.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Salvador Roman, Senior Management Analyst

Reviewed by: Leilani Hines, Director of Housing & Neighborhood Services

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Staff Report
2. PSA with Interfaith for Outreach, Case Management, and Stabilization Services
3. PSA with Interfaith for Rapid Rehousing Program Services
4. Amendment with RTFH for Strategic Planning, Implementation, and Technical Support