



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 24-387

Agenda Date: 11/6/2024

Agenda #: 13.

DATE: November 6, 2024

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

TITLE: AMENDMENT NO. 3 TO PROPERTY USE AGREEMENT WITH SAN DIEGO RESCUE MISSION FOR THE OCEANSIDE NAVIGATION CENTER

RECOMMENDATION

Staff recommends that the City Council approve Amendment No. 3 to the Property Use Agreement with the San Diego Rescue Mission to lease the Oceanside Navigation Center shelter located at 3131 Oceanside Boulevard, extending the term for one-year, for the purpose of operating a 50-bed facility for the unsheltered; and authorize the City Manager to execute the amendment upon receipt of all supporting documents.

BACKGROUND AND ANALYSIS

On November 17, 2021, the City Council approved a Property Use Agreement ("Agreement") with San Diego Rescue Mission ("SDRM") for the use and operation of the 50-bed Oceanside Navigation Center to address the housing needs of individuals and families experiencing homelessness in Oceanside, located at 3131 Oceanside Boulevard. ("Facility"). The original term of the Agreement was for a period of three years from the signing date of the Agreement, from November 17, 2021 through November 16, 2024, with no rental fee for the use of the Facility. The Agreement was amended by Amendment No. 1 on December 7, 2022, and by Amendment No. 2 on June 21, 2023, both of which increased the project budget for tenant improvements due to an increase in development and construction costs and required changes to the scope of work. These unanticipated changes in the scope of work and shortages of material, equipment and labor resulted in the delay of completion of the Facility. The Facility opened for operation in August 2023. The Agreement includes a termination provision that allows either party to terminate the Agreement for any reason by providing 90-day advanced written notice.

At this time, SDRM has requested to enter into a one-year extension to the Agreement with the City, to provide the same programs and services to the unhoused individuals in Oceanside, extending the Agreement from November 17, 2024 to November 16, 2025, including a proposed change in the operational name of the Facility to the North County Lighthouse. The Agreement provides for one remaining extension for a one-year term. The proposed Amendment also includes the usage of a temporary parking lot located adjacent to the Facility and designated for the non-exclusive use by SDRM and its occupants.

The existing Property Use Agreement sets forth the terms and conditions for not only the use of the Facility, but also governs the operations of the services provided by SDRM. With the Facility in operation now for just over a year, staff recommends separating the Property Use Agreement from the Operating Agreement. Therefore, staff intends to bring forward to a new stand-alone Facility Operating Agreement for City Council consideration in January 2025, along with a corresponding Amendment to the current Property Use Agreement eliminating provisions for operations and service delivery.

Since opening, the Facility has been an important and successful tool towards addressing the needs of those who are unsheltered within the community. In approximately one year, the Facility has had 508 people in its care, with 282 experiencing positive exits, meaning they exited into an appropriate support program or permanent housing. The Facility has provided services to some of the most vulnerable unsheltered, including over 44 veterans, 41 children, and 58 victims of domestic violence. The success of the program is due in part to the collaboration with community service providers who are on campus every week and over 200 volunteers who serve on campus.

The Facility is a critical entry point to the homeless response system and necessary to facilitate appropriate housing placements. SDRM has committed to providing a safe, low-barrier shelter, as well as stabilization and supportive services, to connect persons experiencing homelessness to income, public benefits, and health services.

The shelter is intended to be a short-term solution to assist individuals in transitioning to permanent housing resources or other appropriate housing or program solutions available in the community. All services provided by the Facility are focused on supporting an individual to access permanent or other appropriate housing as quickly as possible.

FISCAL IMPACT

The City considers the programs provided by SDRM as valuable consideration in lieu of a lease payment. These services, estimated at over \$1million annually, shall constitute payment by SDRM for the use of the Facility during the one-year term of the proposed Amendment.

The City assumes full responsibility for all costs incurred as it relates to the maintenance and utilities of the Facility. The estimated costs incurred for maintenance per fiscal year is approximately \$374,833 to be charged to multipurpose building maintenance account 630642851 which has a programmed budget of \$411,027 in FY24/25; therefore, sufficient funds are available.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

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

Prepared by: Candice Diaz, Property Agent I

Reviewed by: Hamid Bahadori, Public Works Director

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Staff Report
2. Amendment 3