



# City of Oceanside

300 North Coast Highway,  
Oceanside, California 92054

## Staff Report

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**File #:** 25-912

**Agenda Date:** 8/6/2025

**Agenda #:** 23.

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**DATE:** August 6, 2025

**TO:** Honorable Mayor and City Councilmembers

**FROM:** City Manager's Office

**TITLE: SELECTION OF SHELTER OPERATOR FOR THE OCEANSIDE NAVIGATION CENTER AND PROPERTY USE AGREEMENT WITH INTERFAITH COMMUNITY SERVICES, INC.**

### **RECOMMENDATION**

Staff recommends that the City Council approve the selection of Interfaith Community Services, Inc. (ICS) to operate the Oceanside Navigation Center, located at 3131 Oceanside Boulevard; approve a Professional Services and Operating Agreement with ICS, in an amount not to exceed \$2,055,762 annually, for an initial 21-month term to commence on October 1, 2025, with two optional one-year extensions for the operation of the Navigation Center for Fiscal Years 2025-2027; approve a Property Use Agreement with ICS to authorize use of the City-owned property for an initial 21-month term to commence on October 1, 2025, with two optional one-year extensions; and authorize the City Manager or designee to execute the agreements upon receipt of all supporting documents.

### **BACKGROUND AND ANALYSIS**

To strengthen its response to homelessness, the City of Oceanside has taken a phased and strategic approach to expanding housing and supportive services. Building upon foundational efforts, the City adopted its first Homeless Action Plan in 2019, which established a framework centered on outreach, prevention, interim housing, and long-term solutions. In the years since, Oceanside has leveraged Measure X funding and expanded partnerships with nonprofit service providers to enhance system capacity.

As part of these ongoing efforts, the City Council held a public workshop on February 12, 2025, titled Strategic Planning for Effective and Sustainable Solutions to Reduce Homelessness. The session included a review of local data from the 2024 Point-in-Time Count and Homeless Management Information System (HMIS), and resulted in Council direction to advance key priorities, including expanding low-barrier shelter options and revisiting the operational agreement associated with the Oceanside Navigation Center ("Navigation Center") to ensure operations align with the City's future goals and priorities related to the provision of homeless services. The Navigation Center is currently operated by the San Diego Rescue Mission ("SDRM") under an Agreement approved by City Council on November 17, 2021 and subsequently amended (Amendment No. 1 dated December 7, 2022, Amendment No. 2 dated June 21, 2023, and Amendment No. 3 dated November 6, 2024). On July 14, 2025, SDRM provided a 90-day notice of its intent to terminate the current agreement, which had

been set to expire on November 16, 2025. Therefore, pursuant to the notice, the SDRM agreement will now terminate on October 14, 2025.

In response to prior Council direction, the Housing and Neighborhood Services Department issued a Request for Proposals (RFP) on March 14, 2025, to solicit proposals for the operation of the Navigation Center located at 3131 Oceanside Boulevard, with targeted operational commencement coinciding with the termination of the existing operational Agreement with SDRM. The RFP closed on May 12, 2025, and six proposals were received from the following organizations:

- San Diego Rescue Mission
- Interfaith Community Services
- Equitable Social Solutions
- Hope the Mission
- Brother Benno Foundation
- Father Joe's Villages

A multidisciplinary evaluation panel, comprised of City staff, external stakeholders and local subject matter experts, reviewed all submissions based on organizational qualifications, program design, staffing, financial feasibility, and alignment with the City's Homelessness Action Plan and Housing First principles. Following a comprehensive evaluation process, Interfaith Community Services, Inc. (ICS) was selected as the recommended provider.

ICS brings extensive experience operating trauma-informed, housing-focused, and low-barrier shelters across North San Diego County, including its successful operation of the Escondido Navigation Center. Its proposal demonstrated strong alignment with the City's strategic goals, emphasizing behavioral health integration, diversion pathways, comprehensive case management, and real-time data tracking. ICS also demonstrated operational readiness, sound financial planning, and the ability to pursue California Advancing and Innovating Medi-Cal (CalAIM) reimbursement through Enhanced Care Management (ECM), further strengthening their proposal. This service model represents a significant enhancement to the existing level of support currently offered to shelter clients.

While the Oceanside Navigation Center will primarily serve single adults, ICS's infrastructure supports referrals and coordination for families experiencing homelessness, ensuring broader service continuity. Its regional partnerships, proven service delivery, and programmatic expertise position them to successfully operate the Navigation Center in support of Oceanside's long-term homelessness response strategy. At this time, based on the results of the RFP, and City's further review, staff is recommending selection of ICS to operate the Navigation Center by entering into a Professional Services and Operating Agreement (PSA) for an initial 21-month term commencing October 1, 2025 and terminating on June 30, 2027, with two optional one-year extension options that may be authorized by the City Manager.

In conjunction with the PSA, staff recommends entering into a Property Use Agreement (PUA) with ICS specifying the terms and conditions for use of the Navigation Center property. The initial 21-month term of the PUA shall be coterminous with the PSA and therefore, commences on October 1,

2025 and terminates on June 30, 2027. The PUA also provides for two additional one-year extension terms, subject to approval by the City Manager; no further Council action would be required. Consistent with the PSA, the PUA provides that either party may terminate the agreement for any reason with 90 days' written notice. Under the proposed PUA, maintenance responsibilities will be shared: The Permittee will be responsible for routine daily cleaning of all areas, while the City will maintain and repair major systems including plumbing, HVAC, roofing, parking lots, and landscaping. The City will also cover utility expenses during the term, including electricity, gas, water, sewer, trash, recycling, and routine pest control service as defined in the PUA, while the Permittee will assume responsibility for internet, cable, and telephone services. It is intentional that the PSA and the PUA both commence on October 1, 2025, prior to the departure of the existing operator, SDRM, in order to provide ICS with a transitional period to become familiar with the existing operations of the Navigation Center and the facility.

### **FISCAL IMPACT**

The proposed agreement for Navigation Center Operator Services will be funded through Measure X. The Fiscal Year 2025-26 spending plan includes an allocation of \$1,250,000 under the Navigation Center Operations Account 900574103.5395. This funding is reflected in the City's adopted FY 2025-26 budget. In addition, the City will assume full responsibility for facility maintenance and utilities associated with the Navigation Center premises.

Estimated maintenance costs for FY 2025-26 is projected at \$284,464, which will be charged to the multi-purpose building maintenance account 630642851. This account has a programmed budget of \$358,340, indicating that sufficient funds are available to support the facility's upkeep.

Interfaith Community Services has submitted a proposal totaling \$2,055,762 annually for full operation of the Oceanside Navigation Center. This amount includes staffing, 24/7 facility operations, case management, security, and behavioral health support (ICS Proposal, pp. 22-23). For the remainder of FY 2025-26, Interfaith will operate within the City's existing \$1.25 million Navigation Center budget, using a phased implementation approach. This strategy allows for a gradual ramp-up of services while maintaining alignment with current funding levels and ensuring operational readiness.

The final agreement amount may be adjusted based on the selected provider's service model, actual operational costs, and ability to leverage external resources. Notably, Interfaith has indicated its intent to pursue CalAIM reimbursement through its Enhanced Care Management (ECM) and Community Supports provider status. These reimbursements could offset eligible program costs and reduce the City's long-term financial obligation (ICS Proposal, p. 12).

### **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: Tameka Tate, Homeless Services Manager

Reviewed by: Michael Gossman, Assistant City Manager

Submitted by: Jonathan Borrego, City Manager

**ATTACHMENTS:**

1. Staff Report
2. Operations Agreement
3. Property Use Agreement