



Fremont City Council

3300 Capitol Avenue
Fremont, CA 94538

SCHEDULED

Meeting: 09/10/19 05:30 PM
Div/Dept: City Manager's Office
Category: Agreements and Contracts

STAFF REPORT (ID # 3878)

Sponsors:
DOC ID: 3878

FREMONT HOUSING NAVIGATION CENTER – (1) Receive Additional Information On a Possible Housing Navigation Center at Either the City Hall Site or Decoto Site including Cost Analysis; Site Design/Preparation; Public Safety Considerations; Center Operations; Summary of Community Outreach Efforts; and Zoning/CEQA Considerations; and (2) Approve or Provide Further Direction on Whether Council Desires to Proceed With a Housing Navigation Center; and; if a Site is Approved, for Council to Appropriate the Funds Required and Approve Other Related Actions To Implement the Housing Navigation Center.

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Executive Summary: As part of its strategy for addressing homelessness, in July 2019 the City Council selected two sites—the City Hall Parking Lot and the Decoto Surplus Property—as possible locations for a Housing Navigation Center (HNC). In order to inform its decision on the final site, Council directed staff to conduct community outreach and also to provide more detailed site designs and construction cost estimates for each location. Staff conducted community outreach that included three well-attended workshops. Opponents of the HNC outnumbered those supporting the HNC, although both viewpoints were represented. Opponents of the Decoto location were the most numerous. Questions raised by community members focused on public safety and HNC operations. Staff also developed more detailed site designs for each location, with construction costs estimated at \$2,374,000 for the City Hall site and \$2,276,000 for the Decoto site.

Staff recommends that Council select a final site for the HNC, appropriate funds, and authorize the City Manager to enter into a contract with Bay Area Community Services (BACS) for operation of the HNC; or alternately, that Council provide further direction to staff regarding site selection.

REPORT OVERVIEW AND ITEMS FOR DISCUSSION/APPROVAL:

This report includes the results from the community outreach process as well as detailed site plans and cost estimates for developing an HNC at each of the two identified sites. Because the two major areas of concern identified during the public outreach process were site operations and public safety, this report also includes a detailed description of the proposed HNCs operations plan and an in-depth discussion of public safety considerations.

The report also discusses zoning compliance considerations at both sites in the context of recently-adopted State legislation related to HNCs, and provides analysis regarding both construction and operational costs for the HNC.

Staff recommends that City Council either:

1. Select one of the two sites for development of the HNC and authorize the City Manager to move forward with needed appropriations, contractual services and other actions necessary to implement the HNC;
- <OR>
2. Provide further direction to staff on the project, including whether to further proceed with the site selection process.

BACKGROUND: Fremont has a long history of addressing the homeless crisis, beginning in the early 1990's with the construction of Sunrise Village, a state-of-the-art homeless shelter created in partnership with Abode Services, that is still successfully operating today and is located on Brown Road (1.2 miles from Warm Springs Elementary school, and adjacent to residential properties). The City has also help finance a number of affordable housing developments and offer housing assistance, and more recently has held multiple work sessions and discussions over the past two years regarding the growing problem of homelessness. A summary of the meetings is provided below.

- April 17, 2018: Identified scope and urgency of homelessness in Fremont and potential strategies for consideration one of which was a temporary shelter/navigation center concept
- July 17, 2018: Formal update was provided on potential strategies to address Fremont's homelessness crisis – City Council directed staff to pursue a multi-prong approach including the development of a temporary shelter/navigation center
- September 18, 2018: "Shelter Crisis" declared in Fremont and other actions taken to allow for more short-term and temporary places for homeless residents to sleep safely
- April 16, 2019: Authorization provided to the City Manager to implement Fremont's HNC for the homeless and take immediate and emergency actions to implement the program
- June 18, 2019: Update provided on City's homeless mitigation and prevention efforts; established criteria for the HNC development site selection process
- July 9, 2019: Council directed staff to further evaluate two City-owned properties, the City Hall site and Decoto site, as potential locations for the HNC development.

The homeless crisis is not solely a Fremont problem, but expands throughout the region and the state of California. According to the most recent Fremont specific homeless count data, homelessness in Fremont increased 27% since 2017. Of the 608 homeless in Fremont, 80% are without shelter and 64% have been homeless for a year or longer. Additional information about Fremont's 2019 Point-in-Time Count data is attached as Informational 1.

In September 2018, based on the growing magnitude of the problem, the City Council declared a "shelter emergency," allowing the City to access State funding and to utilize streamlined processes for implementing various strategies for addressing the growing homeless population, which included the approval of alternative minimum building and life safety standards for temporary homeless shelters. Earlier this year, the City Council authorized delegation of authority to the City Manager to take emergency actions to implement the HNC, including authority to enter into contracts above his existing signing

authority but not exceeding the amount of total funding allocated by City Council for the HNC. The City Council then directed staff to pursue the establishment of a temporary HNC (a detailed description of the proposed HNC is included later in this report).

On June 18, 2019, City Council held a work session and special meeting to verify the City Council's interest in pursuing an HNC as part of its homeless strategy and to discuss the site selection process and criteria for a temporary HNC in Fremont. Council affirmatively directed staff to continue to pursue siting an HNC and provided staff with feedback on the criteria to consider when evaluating a property for its suitability as a location for the HNC. Using these criteria, City staff returned on July 9, 2019, for a second work session and special meeting to present 11 potential locations that met Council's criteria. (The staff reports for both the June 18, 2019 and July 9, 2019 work sessions are included as Informational 2 and 3, respectively, to this report.)

Of the 11 potential locations presented to City Council, three sites stood out as meeting most of the criteria outlined by City Council:

- Decoto Surplus Property (unleased property next to Regan Nursery)
- Former RDA Parcel (adjacent to Niles Town Plaza)
- Parking Lot at City Hall (rear area)

After receiving public comment and discussion from staff and the City Council, staff was directed to further evaluate the Decoto Surplus Property and the Parking Lot at City Hall as potential sites for the temporary HNC. City Council directed staff to conduct community outreach to obtain community feedback and comments on the two finalist sites selected, as well as develop a more thorough analysis and cost estimate for implementation of the HNC at each of the two potential locations.

Community Outreach

After City Council directed staff at the July 9 City Council meeting, an unprecedented amount of community outreach was conducted. The amount of public involvement and staff resources directed towards community outreach was unprecedented and extensive for a single project in recent years. Outreach included both provision of information to the community and solicitation of community input. Regular project updates were shared with the community through a project-specific webpage (www.fremont.gov/navigationcenter), a regularly updated FAQ handout, social media posts, a front-page story about the project in the summer edition of City News, and news briefs. Staff also developed a topic-specific newsletter (Informational 4), *Focusing on Homelessness in Fremont*, that informed the public about the state of homelessness in Fremont and the steps the City is taking to address the challenge. The newsletter was published in July 2019 (included as an attachment to this report). In addition to the newsletter, the City produced a short series of video vignettes regarding the homeless in Fremont and information regarding the HNC model proposed by Bay Area Community Services (BACS), the selected operator for the proposed HNC. Feedback was received through a designated project email (HNC@Fremont.gov), the online forum Fremont Open City Hall, and three community workshops. All feedback received through email, postal mail, Fremont Open City Hall, and the community workshops is attached to this report (Informational 5).

Highlights of the outreach efforts are provided below.

Fremont Open City Hall:

Fremont Open City Hall, the City's online forum, allowed participants to complete a survey providing feedback regarding the temporary HNC. There were a total of 2173 responses – 1523 registered and 650 unregistered. Those who registered provided their first and last name, a physical address, and a verifiable email address. The survey is used as a form of information gathering and should not be construed as a form of voting. Users provided self-identified information and were not required to validate their residential addresses.

The survey included questions and concerns about Fremont's temporary HNC as well what the public hoped the outcomes would be from the City making this investment. Participants were also asked what type of services provided at the temporary HNC are most important; if they would be interested in volunteering to serve the homeless; their thoughts on each location; and which of the two locations was their preference for locating the HNC development. Feedback received by the participants can be used to proactively address concerns during the design and operation of the HNC as well as set goals for measuring success.

The most frequent concerns received about Fremont's temporary HNC included "criminal activity increasing around a Navigation Center" (61.6%), "the use of drugs and alcohol by those living at a Navigation Center" (55.6%), and "the safety of children attending school in the neighborhood" where a HNC is located (52.6%). The most frequent desires from making this investment included "more accessible health and social services to those experiencing homelessness" (54.9%), "prevent individuals from experiencing reoccurring homelessness" (52.1%), "reduce the number of unsheltered homeless in Fremont" (50.8%).

Additional feedback received through Fremont Open City Hall includes concern regarding safety of those who would be living near the temporary HNC, the cost of construction and operating the facility, negative impacts on property values, and whether a HNC is the best use of funds in serving the homeless.

A full list of the questions and results is found in Informational 5.

Abutting Property Owner Meetings:

City staff reached out to the property owners of both the Decoto and City Hall site who shared access to the two potential locations, and City staff met with abutting property owners twice. These meetings provided an opportunity to share information about the temporary HNC, answer questions, and receive feedback on both the project and site design. Feedback from these meetings as well as the community workshops was considered in the final site plan.

Community Workshops:

City staff held three community workshops:

- Wednesday, August 14, from 5:30 – 9:30 p.m.
- Saturday, August 24, from 10:00 a.m. – 1:00 p.m.
- Monday, August 26, from 5:00 – 9:00 p.m.

Both the August 14 and August 24 meeting were held at Harbor Light Church, 4760 Thornton Ave., which is one of the largest indoor venues in Fremont with a capacity of 1800 people. The August 26 workshop was held at the Fremont Teen Center, 39770 Paseo Padre Pkwy., and had a capacity of 257 people indoor and 198 outside in overflow seating. The third workshop was in response to community concerns about separation of church and state. Selecting the Teen Center, while a smaller venue, provided an inclusive opportunity for those who may not have felt comfortable attending Harbor Light Church.

The goals of the workshop were to provide information to the community about Fremont's temporary HNC while also receiving community feedback. Providing sufficient feedback opportunities, both written and verbal, was an important consideration when creating the agenda. City staff tried to strike a balance between providing information, answering questions, and allowing the opportunity for the community to provide verbal comments. Throughout the workshop, participants were encouraged to provide feedback in writing on comment cards that have been included in this report (Informational 5). These comment cards correlated with questions participants were asked to respond to as part of the feedback activities at each workshop.

Workshop Agenda

- Feedback activities (initial 30 minutes and ongoing throughout the workshop)
- Staff Presentation (45 minutes)
- Q&A with Staff (30 minutes)
- Verbal Feedback (1 hour, 15 minutes)

Participants who chose to provide verbal feedback were given 65 seconds each to speak. Most workshops extended past the set end-time by approximately 1 hour to allow all attendees to speak. Approximately 60 City staff were required to execute each community workshop.

Overall, each of the three community workshops were well attended by the public with a significant amount of feedback received.

Meeting Date	Total Public Attendees	Total Comment Cards	Total Question Cards	Total Verbal Speakers
August 14	788	895	278	95
August 24	582	1152	293	113
August 26	227	688	89	79

Overall takeaways from Community Feedback:

Overall, the community members who have provided feedback disagree about where Fremont's temporary HNC should be located, or if a temporary HNC should be built. Many community members who live near a potential site are supportive of the concept, but disapprove of the temporary HNC being located near their residency or business. Opponents of the Decoto site were the most numerous. There were also a number of residents who oppose the HNC all together and feel the resources can be better spent elsewhere. Less vocal, but present in the feedback received, are the community members who are supportive of the temporary HNC regardless of location. Registered responses received through Open City Hall were concentrated near the two proposed sites.

Major concerns from those who have provided feedback primarily revolve around the safety of those living, working, and attending school in the neighborhood of the temporary HNC. Community members are concerned that those who reside at the temporary HNC will commit crimes in the surrounding neighborhoods, and draw in additional homeless. There is also a concern that the temporary HNC would decrease property value or discourage economic investments in the hosting neighborhood.

Throughout the outreach process there were also questions regarding the funding sources and costs of the temporary HNC, as well as the admission and operation of the temporary HNC. Community members regularly asked questions about the low-barrier requirements of the temporary HNC. There were also many questions about the services that would be provided onsite versus the services a client would need to leave the HNC to receive. There were also questions about the types of permanent housing obtained through HNCs and the success rate of the temporary HNC model.

Residents that are supportive of the temporary HNC are hopeful that through making this investment the City is able to provide more accessible health and social services to those experiencing homelessness and prevent individuals from experiencing reoccurring homelessness. Residents who support the temporary HNC also feel it provides services that are not yet provided in Fremont and is an important tool in addressing the growing homeless crisis.

Participants were asked to provide feedback on each site of what concerned them and what they liked for each site. Frequent responses included:

City Hall (rear parking lot)

What residents like about the City Hall site	What concerns residents about the City Hall site
<ul style="list-style-type: none"> • Within walking distance to social and health services • Multiple food source options • Near where calls for service are concentrated 	<ul style="list-style-type: none"> • Discourage economic investments in the Downtown • Proximity to schools and residents • Dense population in Downtown expected as residential units become available

Decoto (surplus property)

What residents like about the Decoto site	What concerns residents about the Decoto site
<ul style="list-style-type: none"> • Quiet and removes clients from busyness/agitation of a business district • More greenery and softscape • Separates participants from existing cluster of homeless individuals in Downtown 	<ul style="list-style-type: none"> • Less transportation and food options compared to the Downtown site • Proximity to schools and residents and distance from health services • Lack of pedestrian and bicycle infrastructure in the neighborhood

Additional feedback received including a summary of dot board results, comment cards, and question cards are attached as Informational 5.

Addressing Public Safety Concerns

The most frequent concerns heard both through the Open City Hall platform and at the community meetings regarded public safety in the vicinity of the temporary HNC. Staff heard concerns that there may be an increase in criminal activity around the HNC, impacting the safety of residential neighborhoods where children were present. Staff also heard concerns that the "Low Barrier" model would increase the use of drugs and alcohol by residents of the HNC within residential neighborhoods.

Over the last decade, as homelessness has increased in Fremont, Police Department (PD) calls for service related to the homeless have also increased. During the first six months of 2019, the PD responded to over 1600 calls for service involving negative interactions between the homeless and general population. These calls impact everyone's quality of life and the PD's ability to provide other law enforcement services. The PD's highest priority is the safety of the Fremont community for both housed and unhoused persons, and potential crime related to a temporary HNC has been residents' primary topic of concern.

To better understand crime in Fremont associated with the homeless community, PD staff conducted a limited examination of recent calls for service and arrest data. The data shows approximately 10% of PD's calls for service involve the homeless. The majority of these calls are for trespassing disturbances, which do not result in an arrest. The majority of the homeless community members move along when asked and no additional PD resources are required. PD's arrest data shows homeless community members are often involved in crimes associated with living on the streets. These categories include trespassing, drugs, petty theft and public intoxication. The examination did not compare crimes based on population nor did it take into account recidivism. In 2018, Fremont experienced a 6% decrease in [Part I Crimes](#) and a 6% increase in [Part II crimes](#). Ranked as America's 7th safest city in January 2019 by SafeAsset and 4th safest in California by WalletHub in December 2018, Fremont remains a very safe place to live and work.

As a stakeholder, the PD has a vested interest in the success of the program. The PD has and will continue to actively partner with staff from across the City and BACS to help ensure safety concerns are addressed. HNC participants will be held to a standard of conduct while engaged in the program. BACS, Human Services, and the PD will work closely together to ensure minimal impact or disruption to surrounding neighborhoods and businesses. The PD's Mobile Evaluation Team (MET), which provides mental health interventions and resources to community members, will be the PD's primary liaison to BACS. Members from our Community Engagement Team will work with residents and businesses in the adjacent areas and BACS staff to ensure open lines of communication and facilitate neighborhood/business crime watch programs to help promote the success of the program.

As the HNC dialogue has progressed, the Chief of Police has made several recommendations to lend the PD's support to the program. They include:

- MET will be assigned as a liaison to BACS and the HNC.
- PD officers will be able to make direct referrals to BACS outreach workers for placement in the HNC as they encounter homeless persons on the street and in encampments.
- Outreach workers will accompany city crews (which often include the PD officers) to encampments as they are abated to identify potential HNC participants.

- To help ensure the safety of the residents living at the HNC, the PD will perform a CPTED (Crime Prevention Through Environmental Design) site assessment of the HNC development plans to ensure lighting, landscaping, and other safety measures are in place, such as video surveillance directed to areas outside of the HNC, consistent with those installed at apartment complexes and private residences.
- BACS will review the State of California Megan's Law database as part of the intake process.
- BACS will have direct access to PD's MET team officer liaisons to further inquire and investigate an individual's history and city of origin.
- PD patrol officers assigned to the area of the HNC will familiarize themselves with the center and BACS staff.
- PD patrol officers will conduct routine patrols of the areas surrounding the HNC
- Encampments in the adjacent area of the center will be prioritized and abated.

The PD does not believe an HNC will decrease public safety. The PD believes the residents living in the temporary HNC will be more stable due to the substantial on-site resources and intensive services provided, which will allow them to focus on overcoming their individual challenges and preparing for re-entry into a long-term housing. Helping people out of homelessness makes the entire community safer.

PROJECT DESCRIPTION:

Proposed HNC Program:

The proposed HNC will be operated, through a contractual agreement between the City and BACS. BACS has extensive experience providing navigation services for persons experiencing homelessness, operating two centers in Oakland and the STAIR Center in Berkeley, after which the Fremont center will be modeled. BACS has also been selected as the City of Hayward's partner to implement their housing navigation center.

Since 1974, the City has had a long-standing working relationship with BACS, which has operated the South County Wellness Center as a drop-in site for adults living with behavioral health challenges and housing insecurity. The existing wellness center is currently operating as a drop-in day program for the homeless.

The proposed HNC will house up to 45 homeless participants at a time for up to 6 months, serving approximately 90 homeless persons or more per year. BACS current success rate of placing persons into permanent stable housing (with leases) at the Berkeley STAIR Center is 82%, BACS has also had similar success at their Oakland navigation centers (Informational 6). It is anticipated a similar rate of success will be achieved for Fremont's proposed HNC. Participants at the Berkeley STAIR Center have been placed in a variety of housing arrangements which include: permanent supportive housing, an apartment on their own or shared with others, renting a room in a house, re-uniting with family or friends with a lease agreement and payment into the household, placement in a group home or board and care facility, and placement in a treatment program.

Below is a chart of the type of housing participants have exited into since BACS started operating navigation centers in 2013. This is aggregate data of both the Berkeley and Oakland housing navigation centers.

Type	Percentage
Living with family, permanent tenure, with lease	24%
Rental by client, permanent tenure, with lease	15%
Living with friends, roommates, or other unrelated individuals, permanent tenure, with lease	51%
Permanent supportive housing, lifetime subsidy, with lease	10%

*** 65% enter into permanent housing with no ongoing subsidy**

BACS utilizes "Housing First" principles, which the Interagency Council on Homelessness identifies as a best practice for ending chronic homelessness. Accordingly, the program moves homeless persons off the street without setting a number of pre-conditions for entry. This means that persons who have substance use or mental health challenges may be admitted and a harm reduction approach is taken rather than making abstinence a requirement of program entry. Participants are not permitted to use drugs or alcohol on site, and they are supported in their commitment to recovery and provided with connections to mental health and treatment services. Additional barriers to program entry, often found in more traditional shelters, are also eliminated: participants may enter with their partners, with their pets as well as with their possessions with ample storage provided so belongings may be locked and safely stored.

The HNC is not a drop in center and persons enter the program either through referrals from BACS street outreach workers and/or from a list of the most vulnerable homeless in the Tri-City area, who have received a housing assessment. The Police Department's MET will also make direct participant referrals to BACS outreach workers. BAC's intake process involves multiple conversations/interviews with a participant, designed to both collect information and to build trust. A potential participant shares information about housing history and BACS checks Alameda County's Housing Management Information System (HMIS) to confirm a participant's affiliation with Fremont. A potential participant also shares information about disabilities, needs, strengths and challenges. Participants are also asked to sign a "release of information" if more information is needed about a particular aspect of their history.

Not all homeless persons are appropriate for a HNC and not all will be accepted. An important consideration is the participant's willingness and ability to live in a group situation, with dormitory style sleeping and shared common areas. At intake and during the participant's stay at the temporary HNC, BACS housing coordinators and peer counselors will identify whether a client is connected to or needs behavioral health services. If participants need substance use services, BACS will coordinate through the Centerpoint Portal to provide access and connection. If they need mental health services, BACS will look at the need and refer to either a BACS program or through ACCESS if they need a different level of care. Through their existing wellness center in Fremont, BACS provides: wellness groups and classes, including clinical and life skills groups, peer mental health support, harm reduction support to reduce substance use, psychiatry and individualized placement and supported employment.

Once admitted to the HNC, each individual works with a BACS Housing Specialist on a housing assessment and action plan that helps address barriers to housing. Concurrently, Housing Specialists immediately start to look for individualized permanent housing options. During the time the participant is living at the HNC the staff is working on benefits access, employment needs (if possible), health and wellness needs (including connecting with primary and behavioral health providers), social and recreational needs, and skill-building support. The participant is also readjusting from life on the street in preparation to return to housing and a life in a residential setting. Staff does not wait for skills to develop, for behaviors to change, or for the perfect housing to open up. Staff and participants work with what they have, and inventory what they do not have, and then create practical plans to bridge gaps.

Rules for the HNC are based on the premise that participants and staff treat each other with dignity and respect. Violence is not tolerated, and the Police Department will be called if any dispute should escalate, which happens infrequently at the Berkeley and Oakland navigation centers that BACS operates. Drugs and alcohol use is not permitted at the HNC. If there is a mental health crisis on site, BACS staff is trained in crisis response and de-escalation and if needed will call for emergency support. Participants develop their own bonds as a community and support each other; they also help to self-regulate any inappropriate behaviors within their community. Participants set many of their own rules related to living together (i.e., when lights are out for bedtime, visitor hours etc.)

Persons may come and go freely from the HNC. Participants may have visitors at the HNC, (generally friends or family) within agreed upon visiting hours. Visitors are only permitted in the outdoor sitting areas and the community room of the HNC but are not allowed in the sleeping bungalows. The HNC provides participants at least one microwaveable meal a day as well as shower and laundry facilities. Several faith communities have already expressed interest in providing additional food options for participants.

In order to obtain affordable housing opportunities, a number of participants will have to relocate to areas outside of Fremont, so learning to use public transit to navigate to food stores and to service agencies is an important life skill. Participants' time will also be spent with Case Managers and Housing Navigators looking at various housing options. Some participants may be working and off-site most of the day; however, the HNC is focused first on finding housing, and secondarily on finding employment. Employment near the HNC is not important as it is best to know where a participant is going to live before they look for a job.

When a participant receives a housing placement, BACS case management staff continues to provide assistance to help ensure the transition is a smooth and successful one and that more permanent natural community supports are in place so the housing can be maintained.

BACS is committed to being a good neighbor, keeping the proposed HNC and outside surrounding area clean and free of garbage or debris. Understanding the community is concerned with the temporary HNC attracting additional homeless to the area, the City is committed to closely monitoring the area surrounding the Navigation Center to help ensure it is not an attraction point for homeless encampments or increased criminal activity. In BACS' experience in operating navigations centers, an increase in homeless around the

navigation center is not a concern. The goal is to ensure the safety and well-being of both the homeless and the surrounding neighborhood residents/businesses.

HNC Development Scope (for either site): The HNC development consists of 11 pre-fabricated mobile modular buildings, which include:

- 2 sleeping units (double-wide portables 24' by 60') to accommodate 45 beds
- 1 community room with tables, chairs, microwaves, and a refrigerator
- 1 office unit
- 3 hygiene units with a total of 6 toilets and 6 showers
- 1 laundry unit with 3 washers and 3 dryers
- 3 storage containers (for participants personal property)

The proposed HNC development plan for both potential sites have been developed by Public Works in close coordination with BACS, and the Police, Fire, Human Services, Environmental Services, and Community Development Departments. The HNC development at either site will include three to four outdoor seating areas with picnic tables, sunshades, and bench seating placed on artificial turf or compacted, decomposed granite. The HNC development at either site will be completely secured along the perimeter by a high-quality eight-foot tall chain link fence with slats. The design of the HNC development will meet all current applicable fire life and safety, building code and accessibility code requirements for habitable residential use as required by the Fremont Fire and Building Departments, including installed fire sprinkler suppression systems within all habitable portables.

Specific proposed site development improvements for the City Hall and Decoto sites differ and are discussed below.

City Hall Site at 3300 Capitol Avenue (developed parking lot) – Exhibit "A"

Existing Conditions: The approximately 0.6-acre site is part of the rear parking lot behind City Hall. The site has multiple access points from Capitol Avenue, Liberty Street, Paseo Padre Parkway and Walnut Avenue via shared pedestrian and vehicular aisles. It is surrounded by a mix of City administration buildings, commercial office and retail uses. Developed as surface parking, it is currently being used for staff parking, occasional Fire Department trainings, and as a staging area for Meals on Wheels. The site is not environmentally impacted by a flood zone, fault trace zone, earthquake induced hazard zone, or fire hazard zone. It is already paved with existing improvements as a surface parking lot. Utility connections to water and sewer are available at Liberty Street and Capitol Avenue. The closest FUSD school, Washington High, is located 0.60 miles (3,150 feet) away. The site is approximately 0.40 miles from Fremont BART and within close proximity of three bus stops: the Mowry/Hastings bus stop (0.2 miles), the Walnut/Liberty bus stop (0.3 miles), and the Paseo Padre Parkway/Mowry Avenue bus stop (0.3 miles). The site is within a half-mile of a number of food services, including Smart & Final grocery which is adjacent to the site and 0.20 miles away in walking distance and Raley's on Paseo Padre Parkway. There are striped bike lanes and sidewalks between the site, the grocery, and other downtown restaurants. In addition, it is adjacent to other social services, including the Fremont Family Resource Center and Alameda County Veterans Services and is in walking proximity to Social Security, Tri-City Health Center, Kaiser, and Washington Hospital.

Proposed Site Improvements:

If City Hall is selected as the location for the HNC development, staff recommends that it be located and configured adjacent to the existing center drive aisle behind City Hall that provides shared access with adjoining commercial properties. The layout of the HNC development as shown in Exhibit "A" was revised in response to comments received from Downtown businesses. This configuration helps to address privacy and setback concerns from neighboring uses to the extent practical. The dimensions of the area would be approximately 75 feet by 293 feet, with buildings arranged in a linear pattern. Sleeping units and outdoor passive areas enclosed by an eight-foot fence and would be partially shaded by existing trees. In addition, the location is farther from Smart & Final's loading dock than initially planned, providing better nighttime ambient noise levels for the participants living at the HNC. The waiting area for in-take of participants will be inside the HNC grounds and 9 parking spaces would be designated for the HNC staff, participants, and visitors. Entrance to the HNC will be from the north corner of the proposed development site via an accessible path to the designated parking, as well as to the sidewalk on Capitol Avenue.

The HNC development at the existing rear parking lot of City hall will result in additional costs related to utilities (especially sewer & electric) since the area identified is located approximately 550 - 600 feet away from the closest public street utility connection points. A new electrical transformer must be installed since the existing transformer and current power supply for City Hall is inadequate to serve the additional electrical load required to serve the proposed HNC development. Additionally, most of the new utility trenching to serve the HNC will be under existing pavement. Approximately 56 parking spaces would be displaced by a HNC development at the existing rear parking lot, which is analyzed in greater detail in attachment Exhibit "C" of this report. Lastly, if City Council chooses to develop the City Hall site with the HNC, it could preclude the opportunity of providing seasonal placemaking activities on-site. However, Capitol Avenue would continue to be available for short-term placemaking activities.

Estimated Development Cost: Based on the current site design and layout, staff's estimate is that the HNC at the City Hall Parking Lot site would cost approximately \$2.37 million to develop. A more detailed description of estimated costs is included in the "Summary of Development Costs" section of this report.

Decoto Site at 4178 Decoto Road (vacant lot) – Exhibit "B"

Existing Conditions: The approximately 1.3-acre vacant site has access from Decoto Road and was previously developed with residential structures that have since been removed by the City. It is adjacent to a vacant, uninhabitable home and a commercial strip mall to the north, and the Regan Nursery abuts to the east and south surrounding the site. The site is separated from adjacent residential development to the west by a 125-foot wide, five-lane major arterial, Decoto Road. Beyond the eight acres of nursery at the property, the site is further separated from residential development by a 100-foot wide flood channel owned by the Alameda County Flood Control. The closest FUSD school, Warwick Elementary, is located 0.70 miles (3,700 feet) away in walking distance.

The site has access to food services and bus service. There are two full-service grocery stores located approximately 0.70 miles from the site: a Lucky and a 99 Ranch Market.

There are six unique bus routes that stop within a half-mile of this site. A bus stop located in front of Regan Nursery, 0.06 miles from the site, serves the AC Transit 200 bus and the Dumbarton Express.

This site is generally flat and has relatively few physical or environmental conditions, except that it is located within an earthquake-induced liquefaction zone. There are existing water and sewer connection points adjacent to the site and electricity is available through connection to existing overhead wires. Heavy vegetation including shrubs and trees line the perimeter of the site and provide natural screening

Proposed Site Improvements:

If the Decoto site is selected for the HNC development, staff recommends the conceptual layout as shown in Exhibit "B." The siting of the portables is setback a distance of 20 feet from the Decoto Road right-of-way, which will increase the separation from the closest residential use to 145 feet. The dimensions of the area would be approximately 140 feet by 250 feet, with buildings arranged around a center courtyard. The proposed configuration reutilizes the existing remnant asphalt pavement at the site for parking and access. A total of nine parking spaces would be provided, along with adequate turnaround in the form of a completed cul-de-sac. The site will be enclosed by an eight-foot perimeter fence and existing trees should provide for natural shading of outdoor areas.

The HNC development at the Decoto site will require additional costs related to site preparation work, including: installing additional pavement for parking and fire access turnaround; grading the site for modular buildings; removing some existing trees and shrubs; installing piped drainage to collect and convey storm water runoff; and constructing a safe accessible pathway to connect the site to the nearest public sidewalk located to the northeast on Decoto Road. The site will also require a more robust foundation system (supports & braces) for all the modular buildings since the site is within a designated Earthquake Induced Liquefaction Zone. If a tree removal is necessary within the interior of the site and qualifies as a regulated tree by City Ordinance, it will be mitigated with a 24-inch box tree in accordance with the Ordinance.

Estimated Development Cost: Based on the current site design and layout, staff's estimate is that the HNC at the Decoto site would cost approximately \$2.28 million to develop. A more detailed description of estimated costs is included in the "Summary of Development Costs" section of this report.

APPROVALS, ZONING COMPLIANCE (City Hall and Decoto Sites):

Council's Proprietary Approvals: In determining whether or not to approve a HNC development at either the Decoto or the Downtown site, the City Council is acting in its proprietary role as the property owner in deciding whether to encumber city-owned land for this project, enter into contracts to construct and manage the HNC, and allocate HEAP funding and other financial assistance to the project. Therefore, even though the HNC is a "use by right" under AB 101 and does not require any discretionary permits, the City Council as property owner may choose whether to approve the HNC development at either site or to provide staff with further direction.

Assembly Bill 101 (AB101): State law defines "Low Barrier Navigation Center" as a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. "Low Barrier" means best practices to reduce barriers to entry, such as:

- (1) The presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth;
- (2) Pets;
- (3) The storage of possessions; and
- (4) Privacy, such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms.

A Low Barrier Navigation Center development also is a 'use by right' and exempt from all City discretionary approvals except design review of objective standards only if it is located in an area zoned for mixed use or in a nonresidential zone permitting multifamily uses and meets the following requirements:

- (a) It offers services to connect people to permanent housing through a services plan that identifies services staffing;
- (b) It is linked to a coordinated entry system, so that staff in the interim facility or staff who colocate in the facility may conduct assessments and provide services to connect people to permanent housing. "Coordinated entry system" means a centralized or coordinated assessment system developed pursuant to Section 576.400(d) or Section 578.7(a)(8), as applicable, of Title 24 of the Code of Federal Regulations, as those sections read on January 1, 2020, and any related requirements, designed to coordinate program participant intake, assessment, and referrals;
- (c) It complies with Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code; and
- (d) It has a system for entering information regarding client stays, client demographics, client income, and exit destination through the local Homeless Management Information System as defined by Section 578.3 of Title 24 of the Code of Federal Regulations.

Compliance with AB101 and Objective Zoning Standards: In September 2018, City Council adopted Resolution No. 2018-60, which declared a Shelter Crisis in Fremont. Due to the extent of the shelter crisis a second Resolution No. 2019-12 was adopted in April 2019 to allow the City Manager to take immediate and emergency actions to move expeditiously to provide services and housing for the homeless and implement a HNC.

The proposed HNC development at either site will comply with AB101 statutory provisions, as follows:

- (a) The proposed HNC program will offer services to connect people to permanent housing through a services plan that identifies services staffing.
- (b) It is linked to Alameda County's "Coordinated Entry System, so that BACS staff or staff who colocate at the interim facility, may conduct assessments and provide services to connect people to permanent housing in coordination with City staff.
- (c) The proposed HNC program will comply with Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code, including meeting all criteria established for Housing First.
- (d) A system for entering information regarding client stays, client demographics, client income, and exit destination through the local Homeless Management Information System as defined by Section 578.3 of Title 24 of the Code of Federal Regulations will be implemented by City and BACS staff.

Under AB101, "Low Barrier Navigation Center" developments could be subject to design review for *objective* standards only. Therefore, AB101 does not appear to preempt all local development criteria which may have been adopted as objective standards. While relief from such objective standards could be provided under other State laws for emergency shelters, the proposed HNC is designed to meet all applicable objective standards pursuant to Fremont Municipal Code (FMC) Section 18.190.150 [Emergency Shelters.], which provide special provisions that specifically apply to the development and operation of emergency shelters, including:

- shelters must be spatially separated a minimum of 300 feet from each other
- set hours are established for client intake and discharge
- operation is limited to 100 beds
- onsite management provided at all times
- lighting is provided throughout the site for security and safety
- secure areas for personal property are provided
- a minimum of three parking spaces, plus one additional [parking space](#) per 10 beds and one [parking space](#) per 250 square feet for offices, are provided

Staff analysis of the proposed HNC development's compliance to local objective standards, including parking, is attached as Exhibit "C." As explained in Exhibit "C," the HNC development will comply with zoning and other applicable City regulations. The proposed HNC development will also comply with current applicable building, fire and life safety codes and requirements.

SUMMARY OF DEVELOPMENT COSTS:

The preliminary estimated construction cost for the HNC development is approximately \$2.37 million for the City Hall site and approximately \$2.28 million for the Decoto site. In comparison, there is a higher cost for utility connections at the City Hall site but a higher cost for site preparation work, including the construction of a pathway connection to the

existing public sidewalk, at the Decoto site. A summary of the major cost components is summarized below for each site; a more detailed preliminary engineer’s estimate for construction at either site is attached as Informational 7.

Category	City Hall Site	Decoto Site
Site Improvements	\$195,000	\$376,000
Utilities (Sewer, Water, Electricity)	\$752,000	\$456,000
Modular Structures & Components (Purchase)	\$887,000	\$940,000
Exterior Landscaping & Furnishings	\$142,000	\$115,000
Construction Contingency (10%)	\$198,000	\$189,000
Project Administration	\$200,000	\$200,000
Total Estimated Preliminary Construction Cost	\$2,374,000	\$2,276,000

SUMMARY OF OPERATING COSTS:

The proposed annual operating budget for the HNC is \$2,306,033 as summarized below. Roughly 90% of the total operating budget will be used to provide services, support, and amenities for the HNC participants. Approximately 27% of the budget (\$630,000) will be used as flex fund. Flexible funding is important for assisting HNC participants with permanent stable housing placements and may be used to assist with first and last month rental deposits, security deposits; titrated rental assistance; or a bedroom set-up. Funds may also be used for fees to clear records; employment costs such as clothing, tools, or trade schooling; or automobile registration. BACS is committed to providing 24-hour support and supervision for the HNC. Therefore, approximately 49% of the budget (\$1.14 million) is dedicated to 18.20 FTE staff, which includes a Program Manager and .5 FTE Property Manager, as well as 4 FTE Housing Navigators, 2 FTE Outreach Coordinators, and 10 FTE Peer Site Managers. The operating budget is attached as Informational "8."

Summary of BACS Annual Operating Costs

Category	Amount	% of Costs
Staff (18.20 FTE)	\$1,136,694	49%
Flex funds and Housing Subsidies	\$630,000	27%
Meals (45 meals/day @ \$4 meal)	\$65,700	3%
Furniture	\$50,000	2%
Maintenance, Utilities and Insurance	\$264,000	11%
Administrative Overhead Costs	\$209,639	9%
Total	\$2,306,033	100%

Staff is recommending that the City Council authorize the City Manager to enter in a multi-year contract for 3 years, with 2 additional optional years, with BACS for its services.

FISCAL IMPACT:

Projected Expenses and Funding Sources: Over the next three fiscal years, the City anticipates total development and operating expenses of \$7.7 million. Staff estimates that start-up and operational costs in FY 2019/20 would be approximately \$2.9 million, which includes construction, purchasing of the mobile modular buildings, and some initial operating costs. This total assumes that the HNC development is operational by the summer of next year. Thereafter, operating costs are anticipated to be approximately \$2.4 million in both FY 2020/21 and 2021/22.

Over the same time period, the City anticipates a total of \$7.7 million would be available to implement and operate the HNC, as summarized in the table below. This includes approximately \$3.7 million from the State¹ and \$800,000 in funding that staff will be requesting from the County². City funds of approximately \$3.2 million include the unspent portion of the amount in the General Fund appropriated by the City Council in FY 2017/18, as well as the unallocated balance in the City-Funded Affordable Housing Fund, which the City Council may choose to dedicate to the HNC.

SOURCES

Source of Funding	Amount
1. State funds	\$3.7 million
2. City funds	\$3.2 million
3. County funds	\$0.8 million
Total:	\$7.7 million

Beyond June 2022, additional funding sources will have to be identified. Given the extent of the growing homeless crisis in California, staff anticipates additional funding opportunities from the State. The City could also choose to allocate any uncommitted resources in the City-Funded Affordable Housing Fund to support ongoing HNC operations.

ENVIRONMENTAL REVIEW: AB 101 (Government Code sections 65660 to 65668), which became effective on July 31, 2019, exempts City actions to create a Low Barrier Navigation Center from CEQA, including actions to encumber property and to provide financial assistance to a Center. It further defines a Low Barrier Navigation Center meeting certain requirements as a "use by right" that requires no discretionary approvals except ministerial design review and is not considered a "project" under CEQA. A HNC development at either the City Hall site or the Decoto site would be considered a Low Barrier Navigation Center and so approval of the HNC development and City action to use its property for the HNC and to provide financing would be exempt from CEQA.

¹ State funding sources: Homeless Emergency Aid Program (HEAP), California Emergency Solutions & Housing (CESH), Homeless Housing and Preparation Program (HHAP)

² Alameda County Social Services Agency Bed-night reimbursement rate

ATTACHMENTS:

- Exhibit A - City Hall Site - HNC Development
- Exhibit B - Decoto Site - HNC Development
- Exhibit C - HNC Development Compliance with Objective Zoning Standards
- Informational 1 - City of Fremont 2019 PIT Count Executive Summary
- Informational 2 - June 18 2019 Staff Report
- Informational 3 - July 9 2019 Staff Report
- Informational 4 - Homelessness Newsletter
- Informational 6 - Data Analysis of the Housing Fast Support Network "Navigation to Permanent Housing" Model
- Informational 7 - Preliminary Engineer's Estimate of Probable Construction Costs - City Hall Site and Decoto Site
- Informational 8 - BACS Proposed Operating Budget

Links to Informational 5: Community feedback package

- [Informational 5a: Fremont Open City Hall Responses](#)
- [Informational 5b: Community Workshop Feedback Cards: We would like your feedback regarding the parking lot at City Hall Site](#)
- [Informational 5c: Community Workshop Feedback Cards: We would like your feedback regarding the Decoto surplus property site](#)
- [Informational 5d: Community Workshop Feedback Cards: We would like your feedback about having a temporary Housing Navigation Center in Fremont](#)
- [Informational 5e: Community Workshop Feedback Cards: Crime and Safety Comments](#)
- [Informational 5f: Community Workshop Feedback Cards: Miscellaneous Comments](#)
- [Informational 5g: Community Workshop Feedback Cards: What ideas do you have to help the homeless?](#)
- [Informational 5h: Community Workshop Feedback: Dot Board Summary](#)
- [Informational 5i: Community Workshop Feedback: Question cards](#)
- [Informational 5j: Community Communication Through Email & Postal Mail](#)

RECOMMENDATION:

1. Provide further direction to staff on the implementation of a Housing Navigation Center, including whether to further proceed with a site selection process or proposed project;

<OR>

2. Find that the proposed Housing Navigation Center development at either the City Hall site or Decoto site is a Low Barrier Navigation Center, as defined in Government Code Section 65660(a), based on the findings in the staff report, and so is a "use by

right” and not a “project” under CEQA as provided by Government Code Sections 65660(b) and 65583.2;

3. Find that all actions by the City Council to encumber and facilitate the use of the site for a Low Barrier Navigation Center (i.e., the proposed Housing Navigation Center development) are statutorily exempt from CEQA pursuant to Government Code Section 65660(b);
4. Approve the final site at one of the two sites, City Hall as shown in Exhibit “A” or Decoto as shown in Exhibit “B,” and the proposed project for implementing the Housing Navigation Center based on the information provided in this report and input received at the special meeting, which the City Council finds most favorable and feasible for a Housing Navigation Center in accordance with Resolution No. 2018-60;
5. Appropriate \$1.1 million in the City-Funded Affordable Housing Fund (Fund 112) for Housing Navigation Center development and operations;
6. Authorize the City Manager or his designee to execute a multi-year services and lease agreement with Bay Area Community Services (BACS) for an initial term through June 30, 2022, with the option to extend for two additional one-year terms, in an amount not to exceed approximately \$5.3 million over the initial term of the agreement; and
7. Authorize the City Manager or his designee to take other actions as required and necessary and to expend the appropriated funds to implement the Housing Navigation Center pursuant to Resolution No. 2019-12.