



Meeting Date: March 4, 2008

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input checked="" type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Will Reed Agenda Item No. 0-2
 (A. Holmberg) *AH*
 Reviewed By: City Manager *[Signature]* City Attorney _____ Finance SW Other (Specify) N/A

DATE: February 25, 2008

TO: City Council

FROM: Sal Gonzalez, Housing Director
Housing Department

[Signature]

SUBJECT: Residential Treatment Center Proposal for 1450 Rose Avenue (formerly the Rainbow House site)

RECOMMENDATION

That the City Council authorize the Housing Director to execute a three (3) year lease with Lighthouse Women & Children’s Mission for the purpose of providing residential treatment for women with alcohol and chemical dependency issues at 1450 South Rose Avenue.

SUMMARY

This report is a follow-up to the staff reports and prior Lease negotiations that have been provided to City Council by way of the City Attorney’s Office relating to the occupancy of the site at 1450 South Rose Avenue.

DISCUSSION

At its June 12, 2007 meeting, the Department presented its staff report to City Council from the RFP process regarding the proposed use of 1450 South Rose Avenue. At the conclusion of the hearing, City Council instructed the Department to enter into Lease Negotiations with each of the respondents and return with a recommendation. The respondents were as follows:

1. Lighthouse Women & Children’s Mission
104 & 150 North Hayes Street
Oxnard, CA 93031
2. Miracle Recovery Centers
1997 East Main Street
Ventura, CA 93001

3. Services United, Inc.
1300 West Gonzalez Road, Suite 102A
Oxnard, CA 93030

On July 6, 2007, the Lease Negotiations were held for Lighthouse Women's and Children's Mission and Services United, and the process for Miracle Recovery Centers was completed on July 12, 2007.

After awarding and entering into a three (3) year Lease Agreement with Miracle Recovery, we received an official notification from its Board of Directors on December 17, 2007 that the agency would not be occupying the site and would like to terminate the Lease Agreement based upon the fact that it did not want to comply with the requirements set forth by the U.S. Department of Housing and Urban Development (HUD). In January, staff met with the Board of Directors to attempt to reopen the discussion of occupancy of the facility, but its Board expressed no interest in continuing any further discussion.

Staff discussed these occupancy issues with the HUD Los Angeles Field Office. The federal agency could at this point have required the City to return the \$380,000 grant awarded for the acquisition and rehabilitation of the property. After a site visit by HUD Staff, it was agreed that a significant investment had been made by the City to improve and prepare the premises for operation of a facility for homeless women with alcohol and chemical dependencies, and also that there was a great need for this type of facility in Oxnard. It was after this visit that HUD made a determination to give the City until March 15, 2008 to find another service provider.

Upon receiving this final extension, Housing Staff contacted the other respondents to the original Request for Proposal, while also receiving inquiries from other service providers that had learned of Miracle Recovery's unwillingness to occupy the property. Of all of these agencies, the Lighthouse prepared a revised program proposal that included a monthly lease payment of \$1,000. While this Lease is half of what Miracle Recovery proposed, the updated proposal from the Lighthouse demonstrates its willingness to modify its program religious requirements that had originally excluded the organization from the process. Lighthouse is offering less because it has entered into another commitment which has required it to make monthly payments that it was not making at the time of the submission of its initial proposal.

However, if the City Council's direction is to not enter into this Lease Agreement with the Lighthouse Women & Children's Mission, the City will have to refund the original grant award in the amount of \$380,000 to HUD.

Lease Negotiation Results

Lighthouse Women & Children's Mission will pay the City of Oxnard the sum of \$1,000 per month for the duration of the three (3) year Lease Agreement. The Lighthouse has also demonstrated that it will modify its religious requirements to the degree that the attendance of some form of religious worship services is not mandatory as a condition for participation of the program. Additionally, this is an Oxnard based provider and it will be moving clients from its existing Oxnard program into the facility, whereas Miracle Recovery was planning on moving existing clients from Ventura to the facility and begin transitioning Oxnard residents into the program.

Monitoring/Accountability

Staff has worked with the Commission on Homelessness to develop and implement a Homeless Programs Compliance & Performance Monitoring Tool, which went into effect in December 2007. A similar tool is currently being used by the San Diego County and recommended by HUD's Los Angeles Field Office for all Supportive Housing Program awardees. The process calls for quarterly monitoring of all Supportive Housing Program and Emergency Shelter Grant recipients. These quarterly progress reports will be presented to City Council, and if necessary, providers will be asked to speak before City Council regarding specific issues.

FINANCIAL IMPACT

If the Housing Department's request to enter into a Lease Agreement with Lighthouse Women & Children's Mission is granted, there will be revenues of \$12,000 annually received by the Housing Department and placed into a designated account for future uses at 1450 South Rose Avenue, as directed by HUD.