



CITY COUNCIL AGENDA REPORT

MEETING DATE: JANUARY 21, 2020

ITEM NUMBER: NB-9

SUBJECT: DISCUSSION AND POTENTIAL ACTION ON FAIRVIEW DEVELOPMENTAL CENTER AD HOC COMMITTEE UPDATE AND RECOMMENDATIONS

DATE: JANUARY 16, 2020

**FROM: FAIRVIEW DEVELOPMENTAL CENTER AD HOC COMMITTEE:
MAYOR KATRINA FOLEY
MAYOR PRO TEM JOHN STEPHENS
COUNCIL MEMBER ANDREA MARR**

PRESENTATION BY: CONNOR A. LOCK, CHIEF OF STAFF

FOR FURTHER INFORMATION CONTACT: CONNOR LOCK AT (714) 754-5192

RECOMMENDATION:

The Fairview Developmental Center Ad Hoc Committee recommends that the City Council approve a high level housing-first, solutions-oriented framework for the Fairview Developmental Center site to discuss with the Governor's Office, State Department of General Services, and state legislators. The Committee further requests that the City Council provide direction as to the proposed recommendation to the Ad Hoc Committee for meetings with state officials, stakeholder groups, and legislators.

BACKGROUND:

Fairview Developmental Center is now in a warm shutdown, with approximately six clients and 200 staff remaining onsite, and the remaining clients transitioning out by the end of January. The comprehensive infrastructure and site assessment, which is the necessary first step before future uses may be decided, should be complete in late 2020.

Governor Newsom included the following language in the Fiscal Year 2019-20 adopted State budget, regarding the closure of Fairview Developmental Center, which was passed by the Legislature in June 2019 (Attachment 1).

"The Budget includes a \$2.2 million one-time General Fund appropriation to complete a site evaluation of disposition options for the Fairview Developmental Center... To facilitate the timely disposition of the property after the Department of Developmental Services ceases operation of the facility, the Department of General Services will hire a consultant to assist with the evaluation of appropriate

reuse options. In January, the Governor issued Executive Order N-06-19, which directed state departments to prioritize development of housing on excess state properties, working in partnership with local government. **Accordingly, the Fairview evaluation will include identifying constraints and opportunities, working with the City of Costa Mesa and Orange County to identify local stakeholder interest in the reuse of the property, particularly related to meeting housing and homelessness needs, and identifying options that will generate the greatest benefit to the state.**¹ Concurrently, the Department of General Services will explore options to immediately enter into a lease with a local jurisdiction to provide housing and supportive services for up to 200 individuals with cognitive disabilities who are currently homeless.”

Most recently, on January 8, 2020, Governor Newsom issued Executive Order N-23-20 (Attachment 2) which updates certain items from Executive Order N-06-19 (Attachment 3) from January 15, 2019 with regards to the Department of General Services and CalTrans identifying state properties that may be utilized for housing. N-23-20 directs the State departments to accomplish the following by January 31, 2020:

- a. *“The Department of General Services shall identify all properties from the digitized inventory of excess state land created by EO N-06-19 that can be used by local partners, including tribal governments, counties, cities, or non-profit agencies, on a short-term emergency basis to provide shelter for individuals who are homeless, so long as such usage will not delay affordable housing development on those properties.”*
- d. *“The Office of Statewide Health Planning and Development shall work with local jurisdictions, tribal communities, and private entities to conduct an initial assessment of the appropriateness and availability of vacant and decommissioned state hospitals and health care facilities for use by local partners on a short-term emergency basis to provide shelter for individuals who are homeless.”*

Finally, Governor Newsom released his proposed Budget on January 10, 2020, which includes the following section regarding Fairview Developmental Center (Attachment 4):

Warm Shutdown of Fairview Developmental Center—The Budget includes \$11.9 million General Fund to extend the warm shutdown period at Fairview Developmental Center through 2020-21 until a site assessment is completed to inform the disposition of the property.

The aforementioned site assessment is expected to be completed in late 2020.

On May 24, 2019, Mayor Foley and Assembly Member Cottie Petrie-Norris convened a meeting with County staff, stakeholders, and non-profit housing and homeless advocates to discuss the future of Fairview Developmental Center.

As a result of the May meeting, on July 22, 2019, Mayor Foley, Mayor Pro Tem John Stephens, Council Member Arlis Reynolds, the City Manager, and City of Costa Mesa

¹ Emphasis added.

staff toured Century Villages at Cabrillo alongside representatives from the State Assembly, City of Long Beach Office of the Mayor and City staff, and County of Orange staff. Century Villages at Cabrillo is an internationally recognized successful village model that incorporates community spaces into nearly 1,500 units of veterans housing, permanent supportive housing, and affordable housing opportunities in a campus setting.

On July 26, 2019, Mayor Foley, Mayor Pro Tem John Stephens, Council Member Arlis Reynolds, the City Manager, and City of Costa Mesa staff toured Fairview Developmental Center and met with the Director and staff of the state Department of Developmental Services alongside Assemblywoman Petrie-Norris.

On September 3, 2019, the City of Costa Mesa created the Fairview Developmental Center Ad Hoc Committee to interact with State agencies, as the Center undergoes final client transitions and the Department of General Services conducts the site assessment (Attachment 5).

On November 14, 2019, the City Manager and Chief of Staff met with Department of General Services staff in Sacramento to discuss the timeline for the Fairview Developmental Center site assessment, the Department's goals for the site, and to advocate for a productive working relationship between the City and the Department as the process continues. The Department of General Services leadership had proactively reviewed the City's previous communications and public meetings regarding Fairview Developmental Center, and were highly receptive to a collaborative working relationship between the City and the Department.

ANALYSIS:

The Fairview Developmental Center Ad Hoc Committee presents this report to the full City Council to summarize its strategic engagement in the development of the local vision, priorities and reasoning behind the stated preliminary vision of a solutions-based, housing-first model for the site in order to obtain City Council feedback. The Ad Hoc Committee has met twice, on December 13 and January 10, to review a request from the Department of General Services for the City of Costa Mesa to provide a high-level vision for the future reuse options for the site.

The Fairview Developmental Center Ad Hoc Committee has toured the renowned Villages at Cabrillo in Long Beach and Fairview Developmental Center, and has reviewed all materials released by the State Governor's office. Below are the key components identified within the vision of the Fairview Developmental Center Ad Hoc Committee for development:

- Veterans housing to ensure an End to Veterans Homelessness is sustainable within Orange County
- Permanent Supportive Housing with wrap around services
- Integrated housing opportunities for all income levels, with both rental and homeownership opportunities that prioritize workforce housing

When combined with open space planning and neighborhood amenities that integrate the village housing concept into the broader neighborhoods surrounding the site, these three components address the State's Regional Housing Needs Assessment (RHNA) goals, promote the state's housing-first policy, would create a valuable community asset to ensure the City contributes its fair share to prevent future instances of homelessness, and would on the whole develop a new neighborhood that integrates seamlessly into the broader fabric of the City.

DISCUSSION:

Shelters:

Costa Mesa is one of only 6 out of 34 Cities in the County of Orange that has opened an emergency shelter in the past 24 months, and has done so independent of County or State funding support. Additionally, the City of Costa Mesa's shelter offers wraparound services to assist individuals experiencing homelessness become housed, and the model has successfully housed 43 clients since the shelter opened in April 2019. The creation of nearly 1,600 new shelter beds within the County is significant progress, however, these initial investments have been costly and have curtailed investments in the permanent solution to homelessness, which is housing. The System of Care in Orange County must develop system flow by creating a regionally effective response to street and sheltered homelessness. To maximize the effectiveness of the shelters already built, appropriate housing options are needed.

Regional Housing Needs and Permanent Supportive Housing:

The City of Costa Mesa, the County and 21 of the other 33 Cities in Orange County have joined in a regional Housing Finance Trust to support regional priorities for affordable housing development. Permanent supportive housing and affordable housing at the lowest income levels are the focus of the Trust. The Regional Housing Needs Assessment allocation for Costa Mesa in the coming cycle could be as high as 11,734 units of housing, dramatically increased without public vetting or transparency from a recent expectation given by Southern California Association of Governments (SCAG) staff of 4,323 units. The recommendation by the Fairview Developmental Center Ad Hoc Committee specifically prioritizes housing for veterans alongside other permanent supportive housing units to address part of the City's RHNA obligation.

Integrated Workforce Housing:

Additionally, families working in the area are finding it increasingly difficult to afford to live here. As such, the Fairview Developmental Center Ad Hoc Committee supports an integrated housing framework, with a priority on workforce housing that stabilizes families in such situations, for this site. Some examples of workforce housing target populations are moderate income individuals and families with careers in fields such as nursing, teaching, and retail.

A mixed housing development for all levels of income is also prioritized, and is a powerful mechanism for preventing homelessness, supporting the economic vitality of our workforce, stabilizing families, and ensuring a balance of both affordable rental and homeownership opportunities. Touring the Villages at Cabrillo in Long Beach, a 27-acre

community where approximately 1,500 units of housing are integrated, provides a solid template for what is possible at Fairview Development Center. The Ad Hoc Committee recommends a mixed housing development as the ideal resource for enhancing the sustainability of our community for future generations.

The City of Costa Mesa is actively developing a meaningful strategy to contribute to regional shelter and housing objectives. The development of rental and home ownership opportunities at all income levels is critical to prevent future instances of homelessness. The City of Costa Mesa is committed to do its part to plan for and assist in developing housing for the workforce, for veterans, and permanent supportive housing for those with disabilities. It is crucial that the City and State partner to develop a balanced mix of housing at all income and ability levels, with on-site supportive services and meaningful public spaces and amenities that integrate new residential communities into the broader community as a whole. Working with the State to design the future of Fairview Development Center is an opportunity to ensure our community is safe, balanced and sustainable while ensuring the quality of life we strive for in Costa Mesa is maintained.

Upcoming Timeline Milestones:

January 27-28, 2020 - Mayor Foley, City Manager Farrell Harrison, and Chief of Staff Lock to travel to Sacramento with the Association of California Cities – Orange County for their Sacramento Legislative Advocacy Trip. Meetings with the Governor’s Office and Department of General Services have been requested.

May 2020 – Governor Newsom to issue May Revise to the FY2020-2021 Budget. This is the next opportunity for the Governor to incorporate changes in spending or programs based on feedback from communities and stakeholders. The May Revise language can be modified in the June release of the Budget.

June 2020 – Adoption of State Budget. The adoption of the Budget sets funding limits, establishes or modifies grant programs, and sets priorities for the state for the following fiscal year. The June budget adoption process is the final opportunity to incorporate changes to language in the Budget.

Late 2020 – Expected completion of the Fairview Developmental Center Site Assessment.

ALTERNATIVES CONSIDERED:

The City Council may provide alternative direction to the Committee and staff on policy positions to use in key meetings with State officials as to the future disposition of Fairview Developmental Center.

FISCAL REVIEW:

No additional resources are anticipated to be required at this time.

LEGAL REVIEW:

The City Attorney's Office has reviewed and approved this report as to form.

CONCLUSION:

The Fairview Developmental Center Ad Hoc Committee recommends that the City Council approve a high level housing-first, solutions-oriented framework for the Fairview Developmental Center site to discuss with the Governor's Office, State Department of General Services, and state legislators. The Committee further requests that the City Council provide direction as to the proposed recommendation to the Ad Hoc Committee for meetings with state officials, stakeholder groups, and legislators.

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- ATTACHMENTS:
- 1 [Excerpt from the California FY19-20 Budget relating to Fairview Developmental Center](#)
 - 2 [Executive Order N-23-20](#)
 - 3 [Executive Order N-06-19](#)
 - 4 [Excerpt from Governor's Proposed FY20-21 Budget relating to Fairview Developmental Center](#)
 - 5 [Agenda Report for creation of Fairview Developmental Center Ad Hoc Committee](#)