

February 14, 2023

R-14

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary to amend Contract No. 35863 with The Illumination Foundation, of Orange, CA, for site operations and interim housing services at 1725 Long Beach Boulevard for people experiencing homelessness, to increase the contract amount by \$479,600 for a revised total annual contract amount of \$2,479,600 for the current contract year, and extend the term of the contract for an additional six months in the amount of \$1,252,165 for a revised total contract amount not to exceed \$5,731,765 for the term ending August 18, 2023, with an option to renew for an additional six month period, at the discretion of the City Manager. (District 6)

DISCUSSION

City Council approval is requested to amend Contract No. 35863 with The Illumination Foundation to continue site operations and interim housing services for people experiencing homelessness. The request to extend the contract is imperative to keep the shelter operational while a new Request for Proposals (RFP) is released.

On November 17, 2020, the City Council authorized the City Manager to accept an award from the State's Homekey program to purchase and operate a 102-room hotel property located at 1725 Long Beach Boulevard (Property) with the intention of converting it into interim housing for people experiencing homelessness.

On February 16, 2021, the City Council awarded a contract to The Illumination Foundation as part of its adoption of Request for Proposals (RFP) HE-21-019 for providing site operations and interim housing services for people experiencing homelessness at the Property, under the State of California Department of Housing and Community Development's (HCD) Homekey program, for a period of 12-months, with an option to renew for an additional 12-month period. The total annual contract amount with The Illumination Foundation is \$2,000,000.

Due to the unprecedented rate of increase in prices of various services and goods, including food, security service, and wages used to efficiently run a shelter, among other factors outside of the control of the City of Long Beach (City) or The Illumination Foundation, the total amount of the contract has increased. To keep the shelter operational and keep up with inflation, an increase in the contract amount for the current term is needed in the amount of \$479,600.

Furthermore, City staff from various departments are actively collaborating to start the process of converting the Property into interim housing for people experiencing homelessness.

Significant progress has been made toward implementing the scope of work, including preliminary design and site planning, and selecting a construction project manager and architect to coordinate the project. A design team has also been formed, and design and construction drawings have begun. The design team has also had pre-development meetings with the Department of Development Services. Once designs have been approved and, where necessary, permitted, the City will utilize its bench of job order contractors to execute this project quickly.

City staff are in the process of creating alternate interim housing resources and developing an RFP to convert the facility into permanent supportive housing. These facility upgrades will enhance existing interim housing use and implement initial improvements needed to convert the property into permanent supportive housing.

Given this new framework, additional time is needed to submit a new RFP for the operations at the shelter as permanent supportive housing. As such, a contract extension with The Illumination Foundation for site operations and interim housing services at the property for an additional six-month period in the amount of \$1,252,165 is requested to keep the shelter operational while a new RFP is released.

This matter was reviewed by Deputy City Attorney Anita Lakhani on January 26, 2023, Purchasing Agent Michelle Wilson on January 25, 2023, and by Budget Analysis Officer Greg Sorensen on January 27, 2023.

TIMING CONSIDERATIONS

City Council action to amend Contract No. 35863 is requested on February 14, 2021 to minimize service interruptions and support people experiencing homelessness at increased vulnerability.

EQUITY STATEMENT

The City has incorporated the Equity Toolkit and strategies outlined in the Everyone Home Long Beach Plan into this recommendation as requested by the City Council by increasing the shelter inventory in Long Beach. This recommendation will assist people experiencing homelessness in Long Beach who are at increased vulnerability by providing interim housing services in a housing-first model.

FISCAL IMPACT

This recommendation increases the total contract authority with The Illumination Foundation by \$1,731,765. The annual contract amount increases from \$2,000,000 to \$2,479,600. The contract authority increases for a one-time additional six (6) month period, in the amount of \$1.252.165. The total amount of the contract will not exceed \$5,731,765, offset by HCD Homekey Program grant revenues. Sufficient funding is currently appropriated in the Health Fund Group in the Department of Health and Human Services. This recommendation has a

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minimal impact to staff hours beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. The award of this contract will provide continued support to our local economy by assisting in the preservation of employment for five full-time employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KELLY COLOPY
DIRECTOR
HEALTH AND HUMAN SERVICES

APPROVED:



THOMAS B. MODICA
CITY MANAGER