

# R-13

February 16, 2021

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt Specifications No. RFP HE21-019 and award a contract to The Illumination Foundation, of Orange, CA, to provide site operations and interim housing services at a 102-unit hotel property at 1725 Long Beach Boulevard that will be acquired through the State of California Department of Housing and Community Development (HCD) Project Homekey Program, in an annual amount not to exceed \$2,000,000, for a period of 12 months, with the option to renew for an additional 12-month period, at the discretion of the City Manager; and authorize the City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary amendments; and,

Increase appropriations in the Health Fund Group in the Health and Human Services Department by \$2,265,600, offset by grant revenues from HCD. (District 1)

## DISCUSSION

City Council approval is requested to enter into a contract with The Illumination Foundation to provide site operations and interim housing services for people experiencing homelessness at a City-owned 102-unit hotel property at 1725 Long Beach Boulevard under the State of California Department of Housing and Community Development's (HCD) Homekey Program.

The purpose of the Homekey Program is to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings, and other buildings and convert them into interim or permanent, long-term housing. Awarded funds must be used to provide housing for individuals and families experiencing homelessness or at risk of experiencing homelessness and who are impacted by the COVID-19 pandemic. Through the Homekey Program, projects must work with the Long Beach Coordinated Entry System (CES) to assess the participants' housing barriers and then link participants with the program and supportive services appropriate to the specific household situation to quickly regain their stability into permanent housing.

In July 2020, the State of California (State) announced the availability of \$600 million in grant funding for the Homekey Program to expand the inventory of housing for people experiencing homelessness or at risk of homelessness and impacted by COVID-19. Of this amount, \$550 million were provided from the State's direct allocation from the federal Coronavirus Relief Fund, and \$50 million was allocated from the State's General Fund to supplement the acquisition fund and provide initial operating subsidies for the Homekey Program sites.

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 with the intention of converting it into interim housing for people experiencing homelessness. The City has budgeted additional funds for needed accessibility and life safety upgrades to support operations for two years, after which this property may be converted to permanent supportive housing units. The City funding for services and operations will be contracted through this solicitation and administered through contracts with the Health and Human Services Department's Homeless Services Division. The grant award available through the Homekey Program totals \$17,603,000, of which \$15,337,400 was appropriated for the purchase of the property. The remaining grant award of \$2,265,600 is available for site operations, including the annual contract with The Illumination Foundation.

The Request for Proposals (RFP) was advertised in the Long Beach Press-Telegram on December 23, 2020, and 354 potential proposers specializing in site operations and interim housing services were notified of the RFP opportunity. Of those potential proposers, 19 downloaded the RFP via the City's electronic bid system. The RFP document was made available from the Purchasing Division, located on the sixth floor of City Hall, and the Division's website at [www.longbeach.gov/purchasing](http://www.longbeach.gov/purchasing). An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 35 local, minority-owned, and women-owned business groups. Three proposals were received on January 8, 2021. Of those three proposers, none were Minority-owned Business Enterprises (MBEs), one was a Women-owned Business Enterprise (WBE), two were certified Small Business Enterprises (SBEs), and one was a Long Beach business (Local). The selection committee determined that The Illumination Foundation, of Orange, CA (not a MBE, WBE, SBE, or Local), was the most qualified agency to provide site operations and interim housing services based on the agency's demonstrated competence and ability to meet the project requirements and terms of the RFP, history of successful comparable engagements, subject matter expertise, and reasonableness of cost for providing the necessary services in accordance with the project's timeline.

This matter was reviewed by Deputy City Attorney Taylor M. Anderson on January 29, 2021, Business Services Bureau Manager Tara Yeats on January 27, 2021, and by Revenue Management Officer Geraldine Alejo on February 1, 2021.

#### TIMING CONSIDERATIONS

City Council action to adopt Specifications No. HE-21-019 and award a contract concurrently is requested on February 16, 2021, to provide services expeditiously to minimize interruptions and provide support to people at risk of or experiencing homelessness at the increased vulnerability of COVID-19. The City must begin service operations of the Homekey Program site within 90 days of closing escrow on the property.

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 for COVID-19 exposure by providing interim housing services in a housing first model.

FISCAL IMPACT

The annual contract authority for site operations and interim housing services will not exceed \$2,000,000. Funding will be covered by HCD Homekey Program grant revenues. The total grant award from the HCD Homekey Program is \$17,603,000, of which \$15,337,400 was appropriated in the Health Fund Group in the Health and Human Services Department to acquire the site. An appropriation increase for the balance of \$2,265,600 to support operating costs including this contract is requested in the Health Fund Group in the Health and Human Services Department, offset by grant revenue. The grant has no match requirement or in-kind service mandate. This recommendation has a minimal impact to staff hours beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. The Illumination Foundation will hire 17 new full-time employees to manage this program. The award of this contract may potentially provide continued support to our local economy by assisting in the preservation of employment for up to 17 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