

Date: March 16, 2023

To: Thomas B. Modica, City Manager 

From: Kelly Colopy, Director, Health and Human Services Department 

For: Mayor and Members of the City Council

Subject: **Status Update on Modular Non-Congregate Shelter Units**

On February 8, 2022, the City Council requested the City Manager to work with Long Beach Continuum of Care Partners and all appropriate departments to study the feasibility of acquiring land and funds to support the expansion of the Health and Human Services Department's Tiny Home Shelters for individuals experiencing homelessness.

City staff have continued to research best practices, explore potential opportunities, and implement the expansion of housing opportunities through this innovative program. As previously updated, the Health and Human Services Department (Health Department) has engaged the Long Beach Continuum of Care Board, the Homeless Services Advisory Committee, and other subject matter experts for input on modular living units as an opportunity for both interim and permanent housing solutions. The Health Department has also conducted 100 surveys of people experiencing homelessness to understand their preferences in design and programming for modular non-congregate shelters.

Modular Non-Congregate Shelter Units at the Multi-Service Center

Background

On September 9, 2021, the State of California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) for approximately \$1.45 billion in grants as part of the Homekey Program (Homekey) Round 2. The program continues a statewide effort to rapidly sustain and expand housing for persons experiencing homelessness or at risk of homelessness and impacted by COVID-19 by partnering with local entities to acquire and rehabilitate a variety of housing types. Eligible grant activities include acquisition or rehabilitation of motels and hotels in support of those experiencing homelessness.

Upon notification of potential availability of Homekey funds and considering the extensive need for interim and permanent housing opportunities within the City of Long Beach (City), the City's Affordable Housing Workgroup, comprised of representatives from the City Manager's Office and Development Services, Health, and Economic Development Departments, discussed possible opportunities to leverage these funds. The City team identified the modular non-congregate shelter project (sometimes referred to as "Tiny Homes") as a high priority due to the immediate need for interim housing, relatively low cost, synergies with existing homeless services, and the potential to pilot a model for future implementation in other locations.

City staff identified a portion of the parking lot of the Long Beach Multi-Service Center (MSC) as an ideal first location to pilot these shelter units. The property and facility are City owned and operated, with vacant space that requires no acquisition or demolition. The MSC is already a low barrier access center for people experiencing homelessness, providing outreach, intake, and assessment services, case management, referrals to permanent housing, shelters and other social service programs, showers and basic needs, a health clinic, and other service enrollment. The MSC is also accessible by public transit with seven public bus stops within half a mile of the property, and on-site transportation services are provided through the MSC. City staff identified that the location could support between 30 and 35 single occupancy units and proceeded to apply for Homekey funding to support the project.

On April 19, 2022, the City Council authorized an agreement with the California Department of Housing and Community Development (HCD) for the Homekey grant application and award of grant funds for the Tiny Homes project. On June 28, 2022, the City was notified that it had been awarded \$5,616,752 for the modular non-congregate shelter project. Awarded funds are earmarked to cover construction and vendor costs first and any remaining funds will be used to support the service and operational costs of the program over the next three years. It is estimated that the annual cost to operate the program will be \$930,818. The Homekey grant is estimated to cover approximately 40 percent of supportive service and operational costs over the initial three years. To sustain operations after Homekey grant funding is exhausted and the grant term has expired, the City plans to leverage other State grant funds for the program including the HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) and Homeless Housing, Assistance and Prevention (HHAP) Round 3 and 4 Program funds.

After funding was awarded, City staff assembled a site design and delivery team comprised of staff from Public Works, Health, Economic Development, Technology and Innovation, and Fire departments, as well as City contractors providing construction management and architectural services. A Request for Proposals (RFP) HE22-158 was released on October 20, 2022 for a qualified vendor for the design, manufacture, delivery, and installation of 30-35 modular non-congregate shelter units to safely house people experiencing homelessness. Four proposals were submitted by four organizations, which were reviewed by a panel of five individuals from the Development Services, Fire, Health and Human Services, and Public Works departments, and the Long Beach Continuum of Care. Proposals were evaluated based on organizational capacity and experience, method of approach, and reasonableness of cost. After review, the panel selected HOME EC Inc., dba Connect Homes, as the vendor. On February 7, 2023, the City Council approved the contract with HOME EC Inc., dba Connect Homes, to provide the design, manufacturing, delivery, and installation of 30 to 35 modular non-congregate shelter units to provide interim or temporary housing for people experiencing homelessness at the MSC.

Project Scope

The Modular Non-Congregate Shelter Unit Project (Project) encompasses the procurement and installation of 33 single-occupancy/non-congregate modular living units at the Long Beach MSC to for operation as non-congregate interim housing and supportive services for people

experiencing homelessness. The project is located in approximately 15,000 square feet of existing parking lot at the north west end of the MSC property.

This Project will include 33 single-occupancy, non-congregate modular living units, each containing its own bed, storage, refrigerator, microwave, individual bathrooms with sink, toilet, and shower, fire sprinklers, and HVAC (heating, ventilation, and air conditioning) systems. A requirement of receiving Homekey funds stipulated that each unit have its own restroom with the City identifying the preference that each unit include in-unit restrooms with individual showers, running water, electricity, and lighting, as this was a significant theme from feedback from those currently experiencing homelessness, with individual restrooms being the top desired amenity. Connect Homes units are built with an all-steel moment frame for durability and reusability, designed to provide over 50 years of service. City staff also emphasized the fire safety of the units, including fire resistant materials and fire sprinklers in every unit.

Six of the 33 units will be ADA-accessible, ensuring accessibility to those with mobility, sight and hearing disabilities. The units will be laid upon concrete pads and connected to wet and dry utilities (electrical, water, and sewer). The units will be connected by an ADA-accessible elevated boardwalk, surrounded by protective fencing, and have an entry security checkpoint area. The Project will also include the installation of one 10' x 10' structure for a security guard and residential supervisor, new fencing around the project site and the perimeter of the MSC, improved lighting and surveillance camera coverage, an emergency exit, and a gate to control entry. The project will also include Wi-Fi access, outdoor furniture, landscaping, wayfinding signage, and other site improvements to ensure a dignified environment.

Once operational, the Modular Non-Congregate Shelter Program (Program) will provide interim housing, prioritizing chronically homeless individuals, and focusing on stabilizing and connecting individuals with permanent housing resources. All referrals to the program will be through the Coordinated Entry System via the MSC with people experiencing chronic homelessness receiving priority for enrollment. The Health Department will directly operate the Program through City staff and contracted vendors. The City will manage operations and program participant services by providing 24-hour residential supervision and on-site security, food service (three meals a day), custodial services, property maintenance, case management, crisis intervention and conflict resolution, and other supportive services. The Project is expected to complete construction by the end of 2023.

Other Opportunities

City staff continue to be supportive of the modular model for rapidly developing interim and permanent housing. The utilization of modular construction of units allows for a flexibility of approaches. The selected vendor's product has multiple models including units with a kitchenette, allowing for modular units that provide affordable permanent housing in the form of micro-units. These could rapidly deliver permanent housing units at a more cost-effective scale. Units may also be constructed at multiple levels to increase density within a given site.

While moving forward with developing the shelter units at the MSC, City staff are actively exploring other opportunity sites to develop similar projects, including City-owned properties

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and private properties that may be acquired. The Notice of Fund Availability for Round 3 of the Homekey Program is expected to be released in March 2023, which may provide opportunities for the development of additional modular housing units for either interim or permanent housing, should an appropriate site be identified.

If you have any questions, please contact me at (562) 570-4014.

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