

Date: March 24, 2021

To: Thomas B. Modica, City Manager 

From: John Keisler, Director of Economic Development 

For: Mayor and Members of the City Council

Subject: **Acquisition of 1725 Long Beach Boulevard for Project Homekey**

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At its February 16, 2021 meeting, the City Council, through [agenda item R-13](#), adopted Specifications No. RFP HE21-019 and awarded 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 acquired through the State of California Department of Housing and Community Development (HCD) Project Homekey Program. As part of the discussion, City Council directed the City Manager to report back on worker retention efforts during the City's acquisition of 1725 Long Beach Boulevard.

### **Background**

On July 16, 2020, HCD released a Notice of Funding Availability (NOFA) for approximately \$600 million in grants as part of the Homekey Program (Homekey). The program was a statewide effort to rapidly sustain and expand housing for people experiencing homelessness and impacted by the COVID-19 pandemic by partnering with local entities to acquire and rehabilitate a variety of housing types, including, but not limited to, hotels, motels, vacant apartment buildings, and residential care facilities.

On October 20, 2020, the City Council adopted a Resolution to accept and expend grant funding from the HCD, in an amount not to exceed \$36,000,000 for the acquisition and operation of an existing hotel and conversion into interim housing options for people experiencing homelessness. Additional funding to support acquisition efforts were identified from other grant programs including the Homeless Emergency Aid Program (HEAP), the Federal Emergency Solutions Grant (ESG), Community Development Block Grant (CDBG), and the State's Coronavirus Aid, Relief, and Economic Security (CARES) Act allocation.

On November 17, 2020, the City Council approved the acquisition of 1725 Long Beach Boulevard, known as the Best Western of Long Beach, as a potential site for Homeless Services Housing. The acquisition would begin to fill a crucial gap in the City's Homeless Services as the 102 units represent 6.4 percent of the unsheltered population identified in the Long Beach 2020 point-in-time homeless count and will ensure more effective transitions into permanent housing. Effective March 15, 2021, the City has been moving in residents from temporary housing sites that were set up during the pandemic and will continue to stagger occupancy to allow both new residents and the operator to acclimate.

Given that the facility is now functioning as a temporary housing and homeless service center, an operator with staff specifically trained to support people experiencing homeless has been identified to assume operations, maintenance, and security of the facility. Although the facility will

no longer function as a hotel, the City has taken several actions to support hotel workers impacted by the property sale and conversion to its new use. The following section provides a summary of activities both completed and ongoing to assist impacted hotel workers with resources, benefits, and job placement services.

### **Supporting Impacted Workers**

Before the property sale was complete, the City's Workforce Development Bureau, Pacific Gateway, conducted an in-person Rapid Response and Worker Resources Session in both English and Spanish at the Best Western property on November 17, 2020. At the event, staff provided in-person service to 16 attendees. The event included details about the State of California Employment Development Department, how to access Unemployment Insurance, how to access healthcare and health insurance for those losing benefits and most importantly, a detailed overview of the many services, retraining grants, career counseling services and many other social services including food assistance, technology upgrades and even rental assistance programs provided through the Pacific Gateway WorkPlace job and training center. Immediately following the event, City staff contacted workers individually but did not receive any interest in supportive services from workers still employed with the hotel.

Over the past month, City staff have continued to conduct additional individual outreach to impacted workers. Two former hotel workers expressed an interest in returning to work at the location acquired by the City; however, management for the new operator notified City staff that all available positions were filled with internal candidates relocated from other homeless services and housing support facilities they operate. Although the new operator is not able to accommodate former staff at the new facility, Pacific Gateway has assigned a one-on-one Career Specialist to continue efforts to engage and connect all impacted workers with resources they are interested in and eligible to receive. This one-on-one support will continue as long as the displaced worker needs or accepts assistance from the City.

In addition to workforce assistance, the City has also provided housing relocation assistance to hotel workers living onsite as part of their employment with the former hotel. As part of the acquisition and in conjunction with workforce support services, two employees were eligible for relocation benefits as they had resided at the site as part of their employment. In compliance with California law, the City prepared and circulated a Relocation Plan demonstrating the needs and characteristics of the displaced population, the available relocation resources, and the City's program to assist each affected displaced party. While both employees have relocated as of March 24, 2021, adoption of the Relocation Plan will be considered by the City Council on April 6, 2021, to complete the City's acquisition process.

### **Conclusion**

City support for impacted workers will continue until they find new employment opportunities. Pacific Gateway staff will continue outreach and support for workers impacted by the change of operators and who have expressed an interest in returning to work or retraining possibilities.

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For any questions regarding these matters, please contact John Keisler, Economic Development Director, at [john.keisler@longbeach.gov](mailto:john.keisler@longbeach.gov) or (562) 570-5282.

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