



American Rescue Plan Act Reallocation Funds - The Moreland, XWings, and Affordable Housing and Homelessness Projects

Request to authorize the City Manager, or his designee, to allocate \$21.2 million in American Rescue Plan Act (ARPA) reallocated funds for The Moreland project, XWing Non-Congregate Shelters, and hotel acquisitions. Funding is available through the City's allocation of the ARPA and will be added to the Affordable Housing and Homelessness Projects programs of the Council-approved strategic plan.

Summary

As presented in the Dec. 8, 2022, General Information Packet, staff is reviewing unused, underspent, and reprioritized ARPA funding. This review resulted in identifying ARPA funds totaling approximately \$21.2 million that can be repurposed. Staff has identified three projects which can address immediate needs for homelessness and affordable housing using these repurposed funds.

The Moreland

Staff requests approval to reallocate \$4 million to fully fund The Moreland project Phase I and add an additional 132 units to the affordable supply in the City of Phoenix. The Housing Department, through gap financing, is using \$6 million of previously allocated ARPA funding to complete The Moreland project Phase I, a City co-development project with Native American Connections. This project will provide 132 units in downtown Phoenix. The current \$6 million allocation does not cover the complete \$10 million financing gap for the first phase of the project, so this \$4 million will close the funding gap for Phase I.

XWing Non-Congregate Shelter Project

Staff requests approval to reallocate \$5.5 million for this project to increase the supply of non-congregate shelter units in the City. A top priority of the City is to find creative solutions to address homelessness as rapidly as possible. Adapting shipping containers to become non-congregate shelter units is a unique, efficient solution and staff recommends installing four refurbished shipping container pods designed in the shape of an 'X' to create private sleeping areas at the city-owned site at 3000 S. 22nd Ave. Each XWing consists of four 40-foot shipping containers that can sleep up to 20 people in a 5 by 8 private space. The site will also contain Sprung Structures that will

be used for congregate shelter, communal spaces, bathrooms and showers, shaded outdoor areas, amenities for pets, storage, laundry, and other amenities.

Hotel Acquisition and Renovation

Staff requests approval to reallocate \$11.7 million for the purchase and renovation of a hotel to support the City's efforts to assist residents experiencing homelessness. The acquisition and renovation of a hotel will provide additional beds and potential affordable housing resources.

Concurrence/Previous Council Action

The City Council previously approved the ARPA Strategic Plan during the June 8, 2021, and June 7, 2022, Policy Sessions.

Responsible Department

This item is submitted by City Manager Jeffrey Barton and the City Manager's Office.



XWing Non-Congregate Shelter - EXC 22-0049 - Request for Award (Ordinance S-49284)

Request to authorize the City Manager, or his designee, to enter into contract with Steel & Spark, LLC., to provide XWing non-congregate shelter units for the Office of Homeless Solutions. Further request to authorize the City Controller to disburse all funds related to this item. The total value of the contract will not exceed \$3 million. Funding is available through the City's allocation of the American Rescue Plan Act (ARPA) and this program will be added to the Affordable Housing and Homelessness section in the ARPA strategic plan. The XWings will be installed at 3000 S. 22nd Ave. in conjunction with planned congregate shelter.

Summary

This contract will provide non-congregate shelter units which provide a unique and efficient solution to address homelessness rapidly. Each XWing consists of four 40-foot pods made from converted shipping containers that can sleep up to 20 people in a private space. The units are sustainable and made of corten steel which eliminates the need for maintenance. The XWings are non-combustible, built with life safety systems, have centralized heat and air conditioning and have a Modular Manufacturer for residential Factory Built Buildings (FBB) through the State of Arizona. The contract will also include the purchase of storage units for belongings.

In accordance with Administrative Regulation 3.10, standard competition was waived as a result of an approved Determination Memo based on the following reason: Special Circumstances Without Competition. As a result of extensive research, Steel & Spark, LLC., was selected for their ability to provide sustainable units, ability to meet project implementation deadline, and being a local vendor.

Contract Term

The contract will begin on or about Dec. 15, 2022 for a one-year term, with a one-year option to extend.

Financial Impact

The aggregate contract value will not exceed \$3 million for the one-year term. Funding is available through the City's allocation of the ARPA.

Location

3000 S. 22nd Ave.
Council District: 7

Responsible Department

This item is submitted by Deputy City Manager Gina Montes and the Office of Homeless Solutions.