



CITY OF POMONA COUNCIL REPORT

March 16, 2026

To: Honorable Mayor and Members of the City Council

From: Anita D. Scott, City Manager

Submitted By: Beverly Johnson, Neighborhood Services Director

SUBJECT: APPROVE A SOLE-SOURCE PURCHASE WITH LIFEARK SPC IN THE AMOUNT OF \$2,245,001 FOR THE ACQUISITION OF PREFABRICATED MODULAR HOUSING UNITS FOR THE DEVELOPMENT OF PERMANENT SUPPORTIVE HOUSING

RECOMMENDATION:

It is recommended that the City Council take the following action:

- 1) **APPROVE A SOLE-SOURCE PURCHASE WITH LIFE ARK SPC IN THE AMOUNT OF \$2,245,001 FOR THE ACQUISITION OF PREFABRICATED MODULAR HOUSING UNITS FOR THE DEVELOPMENT OF PERMANENT SUPPORTIVE HOUSING**

EXECUTIVE SUMMARY:

Action on this item will approve a sole-source purchase of prefabricated modular housing units to support the development of permanent supportive housing. The project will create sixteen units at the City-owned property at 2040 N. Garey Avenue in Pomona. Approval of the sole-source purchase from LifeArk SPC (Life Ark) will allow the City to acquire modular units for the rapid delivery of high-quality, sustainable, and cost-effective housing for residents experiencing homelessness.

SB1439/GOVERNMENT CODE §84308 APPLICABILITY:

When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Councilmembers are reminded to check their campaign contributions and determine whether they have received a campaign contribution of \$500 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of \$500 or more made 1) by any person or entity who is identified in the agenda report as the applicant or proposer or 2) on behalf of the applicant or participant, including a parent, subsidiary or otherwise

related business entity, or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

FISCAL IMPACT:

Funding to account for this purchase will come from the Miscellaneous Grants Budget FD215, Miscellaneous Grants | CC1791, Neighborhood Service Programs | Grant -State | GR58821, Tri-City Mental Health Authority, in the amount of \$2,767,800. Sufficient funds are available in these worktags.

Funding sources for this purchase are from Tri-City Mental Health Services Authority (Tri-City). No impact on the City's General Fund is anticipated.

PREVIOUS RELATED ACTION:

On November 3, 2025, the City Council accepted funding from Tri-City Mental Health for the creation of permanent supportive housing projects within the City of Pomona.

DISCUSSION:

In May of 2025, Tri-City requested proposals from the cities of Pomona, La Verne, and Claremont for projects meeting specific criteria focused on housing creation. As part of the City's ongoing innovative efforts to address homelessness and expand permanent supportive housing opportunities, the City of Pomona submitted a proposal to develop sixteen (16) modular units of affordable housing designed to serve individuals and families experiencing homelessness.

The original proposal planned to install the units at two alternative sites. However, further evaluation determined that installing the units at 2040 N. Garey Avenue made more sense, as this location is the current site of the City of Pomona's Family Stabilization Hub ("The HUB"). Co-locating the modular units at the HUB will ensure residents have direct access to comprehensive wraparound services, case management, and supportive resources that promote family resilience and long-term housing stability.

On June 18, 2025, Tri-City awarded Pomona \$4,448,850 to fund the creation of this affordable housing project. On September 10, 2025, Tri-City issued a commitment letter, and the City Council formally accepted the funds on November 3, 2025. Following acceptance, staff then began working with LifeArk to develop prefabricated, modular building systems tailored to permanent supportive housing for Pomona residents.

LifeArk is a Los Angeles-based manufacturer that produces modular structures made from post-consumer recycled plastic. These structures are approved by the California Department of Housing and Community Development (HCD) for use as shelter, interim housing, or permanent housing. Each 8-foot-by-8-foot module can function as an individual living unit, or multiple modules can be combined to create larger living, community, or meeting spaces. LifeArk utilizes a design-build approach with a proprietary manufactured "kit-of-parts" system, enabling rapid production and delivery while allowing site preparation and manufacturing to occur concurrently, significantly reducing construction timelines and costs compared to traditional site-built projects.

LifeArk units are approved as Factory-Built Housing and are fully compliant with the California Building Code. Each unit carries the HCD approval insignia, simplifying plan checks and inspections for local agencies. Built for quick assembly, the units are well-suited for emergency and supportive housing deployment and include integrated safety features such as automatic sprinkler systems and code-compliant egress windows. Constructed of high-density polyethylene, this prefabricated material resists fading, moisture intrusion, and splintering, requires minimal maintenance, and allows for easy component replacement and surface repairs. The modular units can also be disassembled and relocated as site needs change, providing long-term flexibility and a durable lifespan of 20–30 years or longer.

City of Pomona Purchasing Code Section 2-994 requires City Council approval for sole-source requests over \$100,000. Requests must be approved by the Procurement Officer, Finance Director, and City Manager after review. Purchasing concurs with the sole source justification. The justification is based on a letter from LifeArk confirming they are the sole designer and manufacturer of the LifeArk Modular System (Attachment No. 2 – LifeArk Proprietary Letter). The total estimated cost for the purchase and installation of the modulars at 2040 N. Garey, Pomona is \$4,696,033. This results in an estimated per-unit cost of \$293,502 (Attachment No. 2).

A report, sponsored by the United Way of Greater Los Angeles’s Home for Good Funders Collaborative and USC’s Homeless Policy Institute, analyzed development costs for 28 permanent supportive housing projects in the Los Angeles region. The findings demonstrate the strong cost competitiveness of the Life Ark model:

- LifeArk project in the City of El Monte had the lowest cost per unit at \$189,294.
- The median cost per unit across all projects studied was \$466,760.
- The highest cost per unit was \$774,457.

These findings underscore the fiscal responsibility of utilizing LifeArk’s modular system. The proposed project maximizes the impact of Tri-City funding while delivering high-quality permanent supportive housing at a substantially lower cost per unit than traditional construction methods.

Installation and all required site improvements, including foundations, utility connections, accessibility improvements, and related infrastructure, will be completed once the modular units are manufactured and after procurement of a qualified building contractor in accordance with City purchasing policies. This phased approach ensures proper coordination between manufacturing, site readiness, and final installation while maintaining compliance with all applicable codes and procurement requirements.

Staff recommends a sole-source purchase from LifeArk. Approval of this item will authorize the sole-source purchase of the modular units for the development of permanent supportive housing.

COUNCIL PRIORITIES & GOALS:

This item supports the 2021-2022 City Council Priority 3: Increased Opportunity and Housing Stability – Goal J: Encourage the development and maintenance of quality housing opportunities for all.

Prepared by:

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Attachment No. 1 – Modular Quote
Attachment No. 2 – LifeArk Proprietary Letter