

## MOTION

## BUDGET &amp; FINANCE

On October 21, 2022, the City Council and Mayor approved the hotel located at 7047 W. Franklin Avenue in Council District 4, also known as Highland Gardens Hotel, for an interim housing site (C.F. 22-0756-S2). This site opened on December 27, 2022, and continues to be operational, providing 143 beds to people experiencing homelessness and currently counts toward the City's Alliance Settlement obligations. The current service provider on site, People Assisting the Homeless (PATH), holds a lease agreement with the hotel owner, Baklayan and Baklayan Family Trust, and previously requested that the City pay lease payments directly to the hotel owner for the remainder of the lease term.

On June 18, 2024, the City Council and Mayor approved recommendations in the City Administrative Officer (CAO) report dated May 31, 2024 (23-1022-S3). The CAO report included funding for Fiscal Year 2024-25 leasing and operating costs at the Highland Gardens Hotel, in addition to the authority for the City to pay leasing costs beginning July 1, 2024. On June 28, 2024, the City Council approved the Motion (C.F. 22-0756-S3) which authorized the General Services Department (GSD) to enter into a new agreement or amend an existing agreement between PATH and the owner of the Highland Gardens Hotel.

To ensure lease payments made by the City to the hotel owner coincide with the City's responsibilities under the amended lease agreement, the lease payment terms in the amended agreement between PATH, the hotel owner, and GSD will be backdated with an effective date of July 1, 2024, and will be submitted for approval by the Municipal Facilities Committee, Council, and Mayor. Under the amended agreement, the City will be responsible for making lease payments directly to the hotel owner, which has not received any lease payments for the months of July, August, September, and October of the current fiscal year. Lease payments are due on the first of the month, so the November lease payment should be paid now as well.

I THEREFORE MOVE that the City Council:

1. APPROVE \$1,872,118 of General Fund Leasing funds to support the lease costs for the months of July 2024, August 2024, September 2024, October 2024, and November 2024 for the continued operations of the occupied interim housing site located at 7047 Franklin Avenue in Council District 4, also known as Highland Gardens Hotel;

2. AUTHORIZE the General Services Department to pay the owners of Highland Gardens Hotel \$1,872,118 from Fund No. 100/63, Account No. 000024, General Fund Leasing for the lease costs of July 2024, August 2024, September 2024, October 2024, and November 2024 for the continued operations of the occupied interim housing site located at 7047 Franklin Avenue in Council District 4, also known as Highland Gardens Hotel.

OCT 23 2024



PRESENTED BY:

Nithya Raman  
NITHYA RAMAN

Councilwoman, 4th District

Seconded by:

[Signature]

ORIGINAL