

STATUTORY EXEMPTION and BUDGET, FINANCE, AND INNOVATION COMMITTEE REPORT relative to financial transaction to provide funding to the Los Angeles Homeless Services Authority (LAHSA) to contract with an existing shelter/navigation center at 545 South San Pedro Street for those experiencing homelessness and California Environmental Quality Act (CEQA) exemption determination that, the project is statutorily exempt under Government Code Section 65660(b), applicable to City of Los Angeles (City) low barrier navigation centers; Public Resources Code (PRC) Section 21080(b)(4) and State CEQA Guidelines, 14 California Code of Regulations (CCR) Section 15269(c), as specific actions necessary to prevent or mitigate an emergency; and Section 15061(b)(3), and Section 15301; and SB 1361 and SB 1395, applicable to existing facilities; and the Homelessness Emergency Account - General City Purposes Fund 18th Status report as of July 31, 2024; and related matters.

Recommendations for Council action; SUBJECT TO THE APPROVAL OF THE MAYOR:

1. NOTE AND FILE the City Administrative Officer report dated August 22, 2024, attached to Council file No. 22-1545-S21.
2. DETERMINE that the financial transaction to provide funding to the LAHSA to contract with an existing shelter/navigation center at 545 South San Pedro Street for those experiencing homelessness, is statutorily exempt from the CEQA under Government Code Section 65660(b), applicable to City low barrier navigation centers; and PRC Section 21080(b)(4) and State CEQA Guidelines, 14 CCR Section 15269(c), as specific actions necessary to prevent or mitigate an emergency; and Section 15061(b)(3), and Section 15301, applicable to existing facilities, and SB 1361 and SB 1395, as stated in the Bureau of Engineering report dated September 5, 2024, attached to Council file No. 22-1545-S21, and no unusual circumstances or exceptions exist.
3. APPROVE and APPROPRIATE \$8,522,062.30 from Fund No. 100/56, Account No. 000A15, Inside Safe Reserve to the General City Purposes (GCP) Fund No. 100/56, Account No. 000959, Homelessness Emergency Account for Fiscal Year (FY) 2024-25 costs associated with new occupancy.
4. AUTHORIZE the General Manager, Department of General Services (GSD), or designee, to execute new, or amend existing occupancy agreements, for the three motels listed in Table 3, titled "Occupancy Agreements for Contract Extension", contained in the CAO report dated August 22, 2024, attached to the Council file, for a period through August 31, 2027, to meet the terms of the Alliance Settlement bed obligation.
5. APPROVE an up to amount of \$3,014,000 of GCP Homelessness Emergency Account funds for up to 100 beds at the congregate sprung structure shelter site located at 545 South San Pedro Street in Council District 14 through June 30, 2025.
  - a. APPROPRIATE \$753,500 for a 25% advance for the aforementioned congregate sprung structure shelter site in Council District 14.
6. APPROVE and APPROPRIATE an up to amount of \$375,000 of GCP Homelessness Emergency Account funds for furniture, fixtures and equipment cost associated with sleeping modules at the sprung structure shelter site located at 545 South San Pedro Street in Council District 14 through June 30, 2025.
7. REQUEST the LAHSA to execute a new, or amend an existing, sole source contract with Union Rescue Mission for the congregate shelter site located at 545 South San Pedro Street in Council District 14 for a term of September 30, 2024, through September 30, 2027.

8. INSTRUCT and AUTHORIZE the General Manager, Los Angeles Housing Department (LAHD), or designee, to execute a new, or amend the existing City's General Fund contract (Contract No. C-140706), with LAHSA to:
  - a. Reflect the service funding in this report for:
    - i. Congregate sprung structure shelter site with up to 100 beds located at 545 South San Pedro Street in Council District 14 with an associated up to contract amount of \$3,389,000 with an expenditure date through June 30, 2025 as follow:
      1. \$3,014,000 for operating costs for FY 2024-25
      2. \$375,000 for furniture, fixtures and equipment
9. AUTHORIZE the Mayor's Office to accept additional funding in the amount of \$130,000 from Los Angeles County for Joint City-County Inside Safe encampment reimbursements as reflected in the agreement between the City and Los Angeles County for Homeless Emergency Programs and Services (Contract No. AO-23-603) for a contracted total amount of \$1,860,000.
10. AUTHORIZE the CAO to:
  - a. Prepare Controller instructions or make necessary technical adjustments, including to the names of the Special Fund accounts recommended for this report, to implement the intent of these transactions; and, AUTHORIZE the Controller to implement these instructions.
  - b. Prepare any additional Controller instructions to reimburse City Departments for their accrued labor, material or permit costs related to projects in this report, to implement the intent of these transactions; and, AUTHORIZE the Controller to implement these instructions.

Fiscal Impact Statement: The CAO reports that approval of the recommendations in this report will not have an immediate impact on the General Fund given the recommendations use budgeted General Fund. However, as the GCP line items represent one-time allocations of General Fund dollars, there is a potential future General Fund impact in fiscal years 2025-26 through 2027-28 of up to \$21,452,697 in operating expenses, including services and leases. The General Fund supported services are anticipated to be reimbursed from the County through the Alliance Memorandum of Understanding payment.

Financial Policies Statement: The CAO reports that the recommendations in this report comply with the City's Financial Policies in that budgeted funds are being used to fund recommended actions.

Community Impact Statement: None submitted

**(Housing and Homelessness Committee waived consideration of the Bureau of Engineering and CAO reports dated September 5, 2024.)**

## SUMMARY

At the meeting held on September 11, 2024, your Budget, Finance, and Innovation Committee considered CAO and Bureau of Engineering reports relative to financial transaction to provide funding to the Los Angeles Homeless Services Authority (LAHSA) to contract with an existing shelter/navigation center at 545 South San Pedro Street for those experiencing homelessness and California Environmental Quality Act (CEQA) exemption determination that, the project is statutorily exempt under Government Code Section 65660(b), applicable to City of Los Angeles (City) low barrier navigation centers; Public Resources Code (PRC) Section 21080(b)(4) and State CEQA Guidelines, 14 California Code of Regulations (CCR) Section 15269(c), as specific actions necessary to prevent or mitigate an emergency; and Section 15061(b)(3), and Section 15301; and SB 1361 and SB 1395, applicable to existing facilities; and the

Homelessness Emergency Account - General City Purposes Fund 18th Status report as of July 31, 2024; and related matters.

After an opportunity for public comment was held, the Committee recommended to note and file the CAO report dated August 22, 2024, and approve the recommendations contained in the CAO and Bureau of Engineering reports dated September 5, 2024, as detailed above, as amended. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

BUDGET, FINANCE, AND INNOVATION COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
BLUMENFIELD:	YES
RODRIGUEZ:	YES
MCOSKER:	YES
YAROSLAVSKY:	YES
PARK:	YES

LV 9.11.24

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**