

0220-05151-0649


TRANSMITTAL

TO The City Council	DATE 03-05-25	COUNCIL FILE NO. 23-1022-S11
FROM Municipal Facilities Committee	COUNCIL DISTRICT 13	

At its meeting held on February 27, 2025, the Municipal Facilities Committee (MFC) approved the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize GSD to negotiate and execute an agreement with GMA - Sierra Vista, LLC and Sierra Vista-Y, LLC 90029 for the operations of a Tiny Home Village (THV) located at 5301 Sierra Vista Avenue in Council District 13. The site will accommodate 51 beds and count towards the City's Alliance Settlement Agreement. The lease term is for 36 months from the Lease Commencement Date with two, one-year options to extend. The rent shall follow the schedule outlined in the term sheet attached to GSD's report, with 3% annual escalations taking effect after February 1, 2027, based on the \$31,000 monthly rent rate.

MFC amended the report to instruct GSD that the THV lease is contingent on the full execution of the Bureau Of Engineering contract with the nonprofit, Dignity Moves, to develop, construct, and build the site.

Fiscal Impact: The recommendation to approve this report will not have an immediate impact on the General Fund through Fiscal Year 2025-26. There is a potential future impact on the General Fund relative to supporting the lease beginning Fiscal Year 2026-27 through the remainder of the lease term.

 Digitally signed by
Edwin Gipson II
Date: 2025.03.05
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Matthew W. Szabo
City Administrative Officer

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



KAREN BASS
MAYOR

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
111 EAST FIRST STREET
LOS ANGELES, CA 90012
(213) 928-9555
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February 27, 2025

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, CA 90012

Attention: Adam Lid, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A
LEASE WITH GMA - SIERRA VISTA, LLC & SIERRA VISTA-Y, LLC
AT 5301 SIERRA VISTA LA, CA 90029 TO OPERATE INTERIM HOUSING**

The Department of General Services (GSD) requests authority to negotiate and execute a lease agreement with GMA - Sierra Vista, LLC and Sierra Vista-Y, LLC 90029 to operate an interim housing site located at 5301 Sierra Vista Avenue in Council District 13 (CD 13).

BACKGROUND

The proposed project is for a tiny home village (THV) site providing emergency interim housing for people experiencing homelessness. A third-party service provider, yet to be determined, will operate the THV.

The proposed project is located between Santa Monica Blvd. and Sierra Vista in CD 13 measures approximately 19,185 square feet (sf) that runs parallel to the 101 N Freeway. The interim housing portion will have 42 standard units and three ADA compliant units including perimeter fencing, sewer lines, utilities, site lighting, and an access road. These will provide 51 beds with a combination of single and double occupancy units. The THV is also anticipated to include six hygiene cabins, two laundry cabins, four offices, one storage unit, one office/meeting room unit, and one community structure. Lastly, the THV will include three parking spaces, including one ADA accessible space.

The Bureau of Engineering (BOE) shall provide project management services only for the project however, the nonprofit, Dignity Moves, will develop, construct and build the site under BOE's direction with an expected projected construction timeline of 18 months. The project is expected to be open by mid-2026.

TERMS AND CONDITIONS

The lease term is for 36 months from the Lease Commencement Date with two, one-year options to extend. From Lease Commencement Date to the first 60 days where the City has a right to test



the site, there shall be no rent. From that period to August 1, 2025, the rent shall be \$2,568.49 per month. The starting rent is \$20,000.00 per month with 3% annual increases. The City has a right to terminate if the Phase I testing soils report provides that the site is not viable for the intended use. A complete set of terms and conditions are outlined in the attached term sheet.

SHELTER SERVICES

At this time, it has not been decided which provider will be selected to operate this site. That decision is made by the CAO with Council Office direction. A request for a sublease agreement with the selected service provider (Operator) will be requested in a future report.

BUILDING MAINTENANCE, UTILITIES AND LANDSCAPING

The City shall maintain major building systems, limited to plumbing, electrical, and mechanical systems that service the entire project.

The Operator shall be responsible for utilities and provide daily routine maintenance such as janitorial services and annual preventative maintenance including but not limited to interior electrical, light fixture(s), smoke detectors, fire life safety, including Reg-4 testing, fire extinguishers, plumbing fixtures such as water heaters, localized plumbing drain backups which do not affect the main line, pest control, and damage resulting from negligent or other acts or omissions of the Operator and its parties. This includes replacement or repair of fixtures, electrical outlets, plumbing, and HVAC damaged as a result of intentional destruction of such property.

The Operator will also maintain any landscaping and hardscape, which will be addressed in a subsequent report.

The CAO is working with GSD to confirm ongoing costs and funding sources for all Tiny Home Villages and additional Roadmap sites, which will be recommended in a subsequent report. The CAO advises the established A Bridge Home Maintenance Fund will be reviewed and funded on a case-by-case basis.

ENVIRONMENTAL

In the CAO's Third Alliance funding report dated December 6, 2024 (C.F. 23-1022-S11; Council Action File dated December 19, 2024), findings were approved that funding allocation, construction, lease, and operation of a tiny home village/low barrier navigation center at this site are statutorily exempt from the California Environmental Quality Act (CEQA) under Public Resources Code (PRC) section 21080.27 as a low barrier navigation center; and 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 is exempt as of January 1, 2025, under Senate Bill (SB) 1395 (PRC Section 21080.27.5) as financial support, constructing, operating, or contracting services for a low barrier navigation center. The current leasing approval is an action toward implementing and furthering the previously approved and exempt project. A subsequent authority shall be provided for the option term.

FUNDING

On December 19, 2024, the Mayor concurred with the City Council's approval of the Third Alliance Funding report (C.F. 23-1022-S11), which allocated \$3,866,311 of Emergency Stabilization Beds Grant funds to support the construction of a 45 units Tiny Home Village using the Boss Cubez typology which will provide 51 beds. A future funding report or Council motion will allocate

discretionary funding from CD 13 to support up to \$280,137 in leasing costs through June 30, 2026, pending Council and Mayoral approval. Lease funds for the remainder of the term, starting July 1, 2026, may need to be supported by the General Fund.

FISCAL IMPACT

The recommendation to approve this report will not have an immediate impact on the General Fund through Fiscal Year 2025-26. There is a potential future impact on the General Fund relative to supporting the lease beginning Fiscal Year 2026-27 through the remainder of the lease term.

Period	Term	Rent	Notes
Year 1	Lease Commencement Date - first 60 days after full lease execution or 8/1/25, whichever comes first	\$0.00	
	Day 61 to 08/1/25 (if applicable)	\$2,568.49/mo.	Prorated daily
	08/01/25 - 01/31/26	\$20,000/mo.	
Year 2	02/01/26 - 01/31/27	\$31,000/mo.	
Year 3	02/01/27 - 01/31/28	\$31,930.00/mo.	
Year 4	<ul style="list-style-type: none"> 02/01/28 to end of initial 36-month term Commencement of Year 1 of Option term to 1/31/29 	\$32,887.90/mo.	Possible Option Rent and Period
Year 5	02/01/29-01/31/30	\$33,874.54/mo.	Option Rent

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute a lease agreement with GMA - Sierra Vista, LLC & Sierra Vista-Y, LLC for property located at 5301 Sierra Vista under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachment: Term Sheet:

LEASING TERM SHEET

MFC DATE February 27, 2025

LANDLORD GMA - Sierra Vista, LLC & Sierra Vista-Y, LLC

ADDRESS 1611 N Formosa Ave., 302, Los Angeles, CA 90046

TENANT City of Los Angeles - GSD

ADDRESS 200 N. Main St., 2nd Floor Los Angeles, CA 90012

LOCATION 5301 Sierra Vista LA, CA 90029

AGREEMENT TYPE Ground Lease

USE Interim Housing

SQUARE FEET 19,185 SF

TERM Up to 3 years

EARLY POSSESSION Upon Full Execution of Lease Agreement

RENT START DATE See Rent Schedule below

LEASE
COMMENCEMENT DATE Upon City Clerk Attestation

OPTION TERM 2 one-year option to extend at \$32,887.90/month w 3% annual increase

HOLDOVER Holdover rate at 110%

SUBLET/
ASSIGNMENT Right to sublease and transfer without Landlord's consent to a future Operator.

TERMINATION N/A

RENTAL RATE From Lease Commencement Date - first 60 days after full lease execution or 8/1/25, whichever comes first - NO RENT
From Day 61 to 08/1/25: \$2,568.49/mo. Prorated daily
08/01/25 - 01/31/26: \$20,000/mo.

	02/01/26 - 01/31/27: \$31,000/mo 02/01/27 - 01/31/28: \$31,930.00/mo.
ESCALATION	See Rent Schedule above
RENTAL ABATEMENT	See Rent Schedule above
ADDITIONAL RENT	Tenant/Operator shall be responsible for utilities
PROPERTY TAX	None
OPEX	None
CAM	None
OTHER	None
SECURITY DEPOSIT	\$0
MAINTENANCE/ REPAIR	City/Operator shall be responsible for repairs and maintenance.
TENANT IMPROVEMENTS	City/Operator shall be responsible for its own improvements.
PARKING	None, as available on site
UTILITIES	Tenant/Operator at their own sole cost and expense, shall furnish all utility services.
CUSTODIAL	All custodial services shall be paid and assumed by the Tenant/future operator
SECURITY	Tenant/operator shall be responsible for security during the lease term.
PROP 13 PROTECTION	N/A
INSURANCE (City)	City shall indemnify and hold harmless the Landlord.
OTHER:	<p>City shall be responsible for environmental testing, PHASE I as part of its work as part of the construction project within 60 days from the full lease execution.</p> <p>Landlord shall provide 60 days from lease execution for City to perform Phase I soil testing. If results state that the site is not viable for City's use, City may terminate the lease, effective immediately.</p> <p>This letter of intent is nonbinding</p>

PRINT:

Yevgeniya Chernyakova, as manager of GMA - Sierra Vista, LLC & Sierra Vista-Y, LLC

SIGNATURE:

A handwritten signature in black ink, appearing to read "Yevgeniya Chernyakova", is written over a horizontal line.