

0220-05724-0000

TRANSMITTAL

TO City Council	DATE 04-24-20	COUNCIL FILE NO. 19-0126
FROM Municipal Facilities Committee		COUNCIL DISTRICT 4

At its special meeting on April 16, 2020, the Municipal Facilities Committee considered the attached report from the Department of General Services, concurred with the recommendations, and instructed staff to transmit to Council for approval. Council approval of the report recommendations would authorized GSD to negotiate and execute a service provider lease agreement with the People Assisting the Homeless (PATH) for the City-owned property at 3210 and 3248 Riverside Drive in Los Angeles CA, 90027 for use as a temporary bridge housing facility.

Fiscal Impact

There is no anticipated impact to the General Fund for the approval of the recommendations in this report. The City Administrative Officer (CAO) will request operational funding be identified from the Homeless Housing, Assistance and Prevention Program (HHAP) for the non-profit and associated start-up and operational costs.



Richard H. Llewellyn, Jr.
City Administrative Officer
Chair, Municipal Facilities Committee

RHL:YC:MB:BLM:15200157
Attachment

CITY OF LOS ANGELES
CALIFORNIA

Agenda Item No. 3

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

DEPARTMENT OF
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April 16, 2020

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

Attention: Armando Bencomo, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A NEW LEASE AGREEMENT
WITH PEOPLE ASSISTING THE HOMELESS
AT 3210 AND 3248 RIVERSIDE DRIVE**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with People Assisting the Homeless (PATH), a 501(c)(3) non-profit organization, to operate a bridge housing facility at 3210 and 3248 Riverside Drive, Los Angeles, CA 90029.

BACKGROUND

On March 27, 2019, the City Council adopted a motion (C.F. 19-0126) and report from the Homelessness and Poverty Committee (H&P) instructing staff to evaluate and determine if Riverside Dr. was suitable for development as a bridge housing facility. The evaluation is complete and the City's Homeless Coordinator requested GSD proceed with the negotiation of a lease with PATH to operate the facility.

The site is owned by the City of Los Angeles (City) and under the Department of Recreation and Parks' (RAP) jurisdiction. The site is a partially developed and improved parcel situated on an existing surface parking lot at approximately 3.3 acres and is comprised of two lots (APN 5434-016-900 and 5434-016-901). The project design includes a 10,800 square feet (sf) tent structure with 100 beds, an 1,080 sf hygiene trailer, an 1,080 sf administration/intake trailer, a repose garden, bin storage area, waste and recycling area, an elevated deck, an outdoor pet area and general open space.

The Bureau of Engineering (BOE) is managing the construction of the project with an estimated opening date of late June 2020.



TERMS AND CONDITIONS

The lease term is for three years, includes two one-year extension options and a month-to-month holdover option. The lease term commences on the approval and issuance date of a Certificate of Occupancy. A complete set of terms and conditions are outlined on the attached term sheet.

SHELTER SERVICES

PATH was selected by the City Administrative Office (CAO) as the non-profit provider lessee to operate this site. PATH was founded in Los Angeles by a group of concerned community members to support their neighbors experiencing homelessness. PATH provides a variety of services for homeless individuals including employment, outreach, housing navigation, and permanent supportive housing.

BUILDING MAINTENANCE

The CAO advised a maintenance fund will be established in the Capital Improvement Expenditure Program (CIEP) for major building and site systems such as structural, foundation, sewer, roof, HVAC, plumbing, and electrical, fire, life safety systems. PATH will provide routine daily maintenance and repairs through its operational funds.

ENVIRONMENTAL

This site is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Article 19, Sections 15301 Class 1(h); 15304, Class 4(a)(b)(e); and 15331 Class 32; as well as City of Los Angeles CEQA Guidelines, Article III, Section 1, Class 1(8)(12); and Class 4(1)(3)(6); as set forth in the Notice of Exemption.

COMMUNITY BENEFIT ANALYSIS

Inasmuch as A Bridge Home is a City program formed to facilitate temporary housing and social services for homeless individuals, the proposed lease, being necessary for implementation of the subject "A Bridge Home" project, does not require further analysis of community benefits in support of the lease.

FUNDING

On December 10, 2019, the City Council approved a motion (C.F. 19-0126) to allocate \$1,465,000 to complete the project design and construction for the site. The motion also instructs the Controller to process a Reserve Fund loan in the amount of \$1,465,000 to support the project, which will be reimbursed through the State of California (State) Homeless Housing, Assistance, and Prevention Program (HHAP) grant receipts. The Reserve Fund loan will ensure that construction of the bridge housing facility at Riverside Dr. is not delayed. This loan will be repaid upon receipt of the City's HHAP allocation.

On February 11, 2020, the City Council approved a second funding motion (C.F. 19-0126) to allocate an additional \$5,631,255 for construction costs to build the facility. The motion also instructs the Controller to process a Reserve Fund loan for BOE in the amount of \$5,631,255 to support the project, which will be reimbursed through the State HHAP grant receipts. The Reserve Fund loan will ensure that construction of the bridge housing facility at Riverside Dr. is not delayed. This loan will be repaid upon receipt of the City's HHAP allocation.

The City expects to receive \$117,562,500 from the State of California HHAP grant, however, these funds are not anticipated to be available until second quarter 2020. The State Business, Consumer Services, and Housing Agency, the agency that administers HHAP, has confirmed that pre-award capital and operational costs may be reimbursed with HHAP.

Upon receiving HHAP grant funds, the City Administrative Officer (CAO) will request operational funding be identified from the Homeless Emergency Aid Program Grant AC-1 – Capital and Operating Support for the non-profit and associated start-up and operational costs.

FISCAL IMPACT

There is no anticipated General Fund impact provided the grant funding repays for the authorized reserve fund loan for the project. Initial project funding of \$7,096,255 was approved by Council with the understanding the full cost will be offset by the HHAP grant funds.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute a new lease agreement with the People Assisting the Homeless at 3210 and 3248 Riverside Dr., Los Angeles, CA 90029 for use as a bridge housing facility under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachment: Term Sheet

LEASING TERM SHEET

Agenda Item No. 3

MFC DATE 04/16/2020

LANDLORD City of Los Angeles

ADDRESS 200 North Main Street, Los Angeles, Ca 90012 c/o GSD Real Estate Services

TENANT People Assisting the Homeless (PATH)

ADDRESS 340 N Madison Ave, Los Angeles, CA 90004

LOCATION 3210 and 3248 Riverside Dr. Los Angeles, CA 90029

AGREEMENT TYPE Lease

USE Bridge Housing Facility - Temporary Shelter

SQUARE FEET 28,500

TERM 36 Months from final issuance of Certificate of Occupancy

RENT START DATE 36 Months from final issuance of Certificate of Occupancy

LEASE START DATE Effective Date of City Clerk's Signature

OPTION TERM Two (2) one-year extensions

HOLDOVER Month-to-Month

SUBLET/
ASSIGNMENT No Right to Sublease/Assign - Landlord approval

TERMINATION Other - See below (1)

RENTAL RATE \$0 per month

ESCALATION n/a

RENTAL ABATEMENT n/a

ADDITIONAL RENT n/a

PROPERTY TAX n/a

OPEX n/a

CAM n/a

OTHER	n/a
SECURITY DEPOSIT	n/a
MAINTENANCE/ REPAIR	Other See 'Maintenance/Repair Details' section below.
MAINTENANCE/ REPAIR DETAILS	City shall maintain major building/site systems: structural foundation, sewer, roof, HVAC, plumbing, kitchen fixtures, electrical, fire-life safety systems (Limited - to be further defined in lease); Also see #3 in 'Other' section below.
TENANT IMPROVEMENTS	City shall, at its own cost and expense, be responsible for all tenant improvements.
PARKING	Subject to availability at no extra cost.
UTILITIES	All utilities, including Internet, shall be paid by and assumed by the Tenant.
CUSTODIAL	All custodial services shall be paid by and assumed by the Tenant.
SECURITY	Other - See below (2)
PROP 13 PROTECTION	Other n/a
INSURANCE (City)	Tenant shall indemnify and hold harmless the City
OTHER:	<ol style="list-style-type: none"> 1. Termination: City shall have the unilateral right to terminate this lease at any time for any reason upon thirty (30) days' written notice to Tenant. 2. Security: Security Measures. Tenant, at its own cost and expense, shall provide security on the Property at a level that is necessary to ensure the safety of visitors thereto, including the participants of the Bridge Home Facility. At minimum, Tenant shall provide for one (1) security guard to be on the Property Monday through Saturday during operating hours. 3. Tenant will provide basic and routine maintenance and repairs throughout the site.