

TRANSMITTAL

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| TO Council | DATE 03-16-21 | COUNCIL FILE NO. 20-0841 |
| FROM Municipal Facilities Committee | | COUNCIL DISTRICT 4 |

The attached report from the General Services Department (GSD) was approved by the Municipal Facilities Committee (MFC) at its February 25, 2021 meeting. and is hereby transmitted for Council consideration.

Adoption of the report recommendations would authorize GSD to negotiate and execute a new sublease agreement with People Assisting the Homeless (PATH) to operate the interim housing site located at 3061 Riverside Dr., Los Angeles, CA 90027 in Council District 4.

This interim housing site is part of the COVID-19 Homelessness Roadmap. On April 3, 2020, the Mayor and City Council approved an MFC report to negotiate and execute a five-year lease with L&R Construction, Inc., including funding for L&R Construction to make the necessary capital improvements to establish 80 interim housing beds for families on this site. PATH will operate this 11,784 square foot site. The sublease with PATH will commence concurrently upon final issuance of the Certificate of Occupancy.

There is no anticipated impact to the General Fund at this time. Operations and services at this site will be funded by PATH's existing County Measure H allocation for family interim housing. On January 28, 2021, \$1,928,309.28 was approved from the Homeless Housing, Assistance, and Prevention Program for the leasing costs for the full 60 month lease term (C.F. 19-0914). Funding for costs beyond the current lease term will be considered through the City's annual budget process, which is subject to Mayor and Council approval.



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

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
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February 25, 2021

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 305, City Hall
Los Angeles, CA, 90012

Attention: Armando Bencomo, Legislative Assistant

REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A SUBLEASE AT 3061 RIVERSIDE DRIVE WITH PEOPLE ASSISTING THE HOMELESS (PATH) TO OPERATE INTERIM HOUSING

The Department of General Services (GSD) requests authority to negotiate and execute a sublease agreement with People Assisting the Homeless (PATH) for a site located at 3061 Riverside Drive, Los Angeles, CA 90027 for interim housing.

BACKGROUND

On April 3, 2020, the City Council approved a report (C.F. 19-1397) from the Municipal Facilities Committee to negotiate and execute a five-year lease with L&R Construction, Inc. for approximately 11,764 square foot (s.f.) industrial site in Council District 4 (CD4) for use as an interim housing facility. L&R Construction, Inc. is constructing the tenant improvements according to the City's plans and the Bureau of Engineering (BOE) is providing project management oversight with an expected completion date of April 1, 2021.

Through this sublease, PATH will operate the site that includes a warehouse and office space that will be repurposed into an interim housing facility for families. The site will include approximately 26 separate family units and nine communal restrooms will be constructed. Other amenities include a dining area, multipurpose rooms, community room, meal prep area, playroom and an outdoor playground will also be installed.

TERMS AND CONDITIONS

The five-year sublease will commence concurrently with the master lease from the final issuance of the Certificate of Occupancy. This sublease with PATH will have no rent and include one five-year option to extend. The City will have the unilateral right to terminate. A complete set of terms and conditions are outlined on the attached term sheet.



SHELTER SERVICES

The service provider contract will be a sole source agreement between CD4, LAHSA, and the operator.

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, UTILITIES, AND LANDSCAPING

L&R Construction, Inc. will be responsible for maintenance and repair of the structural portions of the building, parking lot, sewer connections, fences, and building systems including HVAC and roof.

PATH will directly set up utility services with utility providers as well as provide routine daily maintenance including interior and exterior light fixture lamps, paint, smoke detectors, fire extinguishers, localized plumbing drain backups which do not affect the mainline, and damage resulting from negligent or other acts or omissions of PATH 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. Landscaping, if any, will be maintained by PATH.

The City will not have any maintenance responsibility at this site.

ENVIRONMENTAL

On April 3, 2020, the City Council determined that the interim housing project involved in this approval was exempt from the California Environmental Quality Act (CEQA) and approved the project (CF No. 19-1397). In its action, Council determined the City's activities related to interim housing at this site are statutorily exempt from CEQA under Public Resources Code Sections 21080.27 for City of Los Angeles bridge home shelters, and 21080(b)(4) as a specific action necessary to prevent or mitigate an emergency as reflected also in State CEQA Guideline Section 15269(c), and exempt under Governor's Executive Order No. N-32-20 that suspends CEQA "for any project using Homeless Emergency Aid Program funds, Homeless Housing, Assistance, and Prevention Program funds, or funds appropriated in Senate Bill 89."

COMMUNITY BENEFIT ANALYSIS

Inasmuch as the COVID-19 Homelessness Roadmap Project formed to facilitate temporary housing and social services for homeless individuals, the proposed sublease, being necessary for implementation of the subject "Project Roadmap" project, does not require further analysis of community benefits in support of the sublease.

FUNDING

The total cost for the capital improvements at this site is \$5,000,000. Council approved up to \$5 million for capital costs, comprising of \$2,100,000 from an MOU with the County, \$1,286,000.04 from the Coronavirus Relief Fund, \$613,999.96 from the Homeless Emergency Aid Program (HEAP) grant, and \$1,000,000 from the Homeless Housing, Assistance, and Prevention (HHAP) grant, which will be amortized over the 5-year lease term. Additionally, Council approved \$101,400.00 from HHAP for BOE costs related to construction project management.

Operations and services at this site will be supported by County Measure H funding for family interim housing to accommodate the communication, data, staff phones, all the furniture, office equipment, desks, chairs, and associated start-up furnishing required to equip the premises.

FISCAL IMPACT

There is no anticipated General Fund impact providing the grant funding repays for the authorized reserve fund loan for the project. Initial project funding of \$5 million was approved by Council with the understanding the full cost will be offset by the HHAP grant funds and Coronavirus Relief Fund.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute this sublease with PATH at 3061 Riverside Drive for an interim housing site under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachments: Term Sheet

LEASING TERM SHEET

MFC DATE

LANDLORD

ADDRESS

TENANT

ADDRESS

LOCATION

AGREEMENT TYPE

USE

SQUARE FEET

TERM

RENT START DATE

LEASE START DATE

OPTION TERM

HOLDOVER

SUBLET/
ASSIGNMENT

TERMINATION

RENTAL RATE

ESCALATION

RENTAL ABATEMENT

ADDITIONAL RENT

PROPERTY TAX

OPEX

CAM

| | |
|--------------------------------|---|
| OTHER | |
| SECURITY DEPOSIT | None |
| MAINTENANCE/ REPAIR | Other |
| | PATH responsible for day to day maintenance |
| MAINTENANCE/ REPAIR DETAILS | PATH responsible for electrical, plumbing, fire life safety, and HVAC that is not covered by L&R. Also lamps, interior paint, fire extinguishers, plumbing and damage resulting from negligent or other acts or omissions of PATH |
| TENANT IMPROVEMENTS | |
| PARKING | Included |
| UTILITIES | PATH |
| CUSTODIAL | PATH |
| SECURITY | PATH |
| PROP 13 PROTECTION | Other |
| | L&R will provide Prop 13 protection |
| INSURANCE (City) | Tenant shall indemnify and hold harmless the City |
| OTHER: | |