

T R A N S M I T T A L

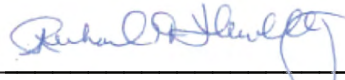
TO Council	DATE 05-05-21	COUNCIL FILE NO. 20-0841
FROM Municipal Facilities Committee		COUNCIL DISTRICT 13

The attached report from the General Services Department (GSD) was waived by the Municipal Facilities Committee (MFC) and is hereby transmitted for Council consideration.

Adoption of the report recommendations would authorize GSD to negotiate and execute a no-cost sublease with Urban Alchemy for property located at 1455 – 1461 N. Alvarado Street Los Angeles, CA 90026, in Council District 13, for use as an interim housing facility as part of the COVID-19 Homelessness Roadmap (Roadmap).

The site will include Pallet shelters with up to 74 beds, one modular hygiene trailer, one administrative container, one storage pallet and one guard booth. The sublease will commence upon final issuance of Certificate of Occupancy for approximately 30 months, and expire April 30, 2024. The City shall have the unilateral right to terminate the lease.

There is no anticipated impact to the General Fund at this time. On December 9, 2020, the Mayor and Council approved \$218,800 total for operating costs through June 30, 2021 (\$162,800) and furniture, fixtures, and equipment (\$56,000). The City Administrative Officer will include the recommended \$1,485,550 operations funding for Fiscal Year 2021-22 in an upcoming Roadmap funding report.



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

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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May 27, 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 1455 – 1461 N. ALVARADO ST. LOS ANGELES, CA 90026
WITH URBAN ALCHEMY TO OPERATE INTERIM HOUSING**

The Department of General Services (GSD) requests authority to negotiate and execute a sublease with Urban Alchemy to operate a Tiny Home Village located at 1455 – 1461 N. Alvarado Street Los Angeles, CA 90026 in Council District 13 for interim housing.

BACKGROUND

The City Administrative Officer (CAO) recommended that GSD proceed with the negotiation of a lease agreement with Kirkby Properties, L.P. c/o Reliable Properties through April 30, 2024 for the use of an open surface lot located on Alvarado and Scott Avenue. The site located in Council District 13 consists of an open lot to construct and establish interim housing. Under the direction of the Bureau of Engineering (BOE), the project is currently in the final construction phase.

Through this sublease, Urban Alchemy will operate the site which includes pallet shelters with up to 74 beds, one modular hygiene trailer, one administrative container, one storage pallet and one guard booth.

TERMS AND CONDITIONS

The sublease term will commence upon final issuance of the Certificate of Occupancy and expire as of April 30, 2024. The City shall have the unilateral right to terminate the sublease. A complete set of terms and conditions are outlined on the attached term sheet.

SHELTER SERVICES

Urban Alchemy was founded in 2018 in order to bring a sense of peace and respect to America's most chaotic urban areas that are struggling with the intersection of extreme poverty, addiction, mental illness, and hopelessness. They currently provide services in Council District 13 as the operator of a Mobile Pit Stop program and the Safe Sleep pilot program. LAHSA will execute a service contract with Urban Alchemy to operate the site.



BUILDING MAINTENANCE, UTILITIES, AND LANDSCAPING

The City will maintain major building systems including plumbing, electrical, structural portions of the improvements, mechanical systems, and all doors including hardware, door frames, and door openers, except for reasonable use and wear and damage resulting from negligent or other acts or omissions of Urban Alchemy and its parties.

Urban Alchemy will provide routine daily repair and maintenance including, without limitation, interior and exterior light fixture lamps, interior paint, damaged glass, smoke detectors, fire extinguishers, HVAC, localized plumbing drain backups which do not affect the mainline, graffiti removal, and damage resulting from negligent or other acts or omissions of Urban Alchemy and its parties. This also includes replacement or repair of fixtures, electrical outlets, plumbing, and HVAC damaged as a result of intentional destruction of such property. Furthermore, Urban Alchemy will also maintain fire and life safety compliance and other regulatory requirements.

Urban Alchemy will also maintain any landscaping, if any.

The CAO advises an A Bridge Home Maintenance Fund through the CIEP was established with GSD for bridge home and homeless navigation site maintenance costs. The CAO is working with GSD to confirm ongoing costs and funding source for Tiny Home Villages and additional Roadmap sites, which will be recommended in a subsequent report.

ENVIRONMENTAL

On December 9, 2020, City Council determined that the pallet shelter project involved in this approval was exempt from the California Environmental Quality Act (CEQA) and approved the project (CF No. 20-0841). Although the documents in this action refer to 1455 Alvarado Blvd., the location includes a range of addresses 1455 – 1461 Alvarado Blvd., and the project to be leased, constructed, and operated is the same as that referenced by City Council as 1455 N. Alvarado St., Los Angeles, CA (CF No. 20-0841). In its action, Council determined that the City's activities related to the homeless shelter at this site are statutorily exempt from CEQA under Public Resources Code Section 21080(b)(4) as a specific action necessary to prevent or mitigate an emergency, as set forth in the Notice of Exemption in the Council's prior action.

COMMUNITY BENEFIT ANALYSIS

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

FUNDING

On December 9, 2020, the Mayor and Council approved \$218,800. This includes \$162,800 for operating costs through June 30, 2021, as well as \$56,000 for furniture, fixtures, and equipment.

FISCAL IMPACT

There is no anticipated impact to the General Fund at this time. In Fiscal Year 2021-22, the annual cost to operate this site will be \$1,485,550. The City portion of this cost after the County Commitment to Roadmap operations will be \$742,775. Funding for these costs will be considered through the City's annual budget process, which is subject to Mayor and Council approval.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute this sublease with Urban Alchemy at 1455 – 1461 Alvarado Street for interim housing under the terms and conditions substantially outlined in this report.

A handwritten signature in black ink, appearing to read "Tony M. Royster". The signature is written in a cursive style with a horizontal line above the first few letters.

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	n/a
SECURITY DEPOSIT	n/a
MAINTENANCE/ REPAIR	Other See Maintenance/Repairs Details below.
MAINTENANCE/ REPAIR DETAILS	Upon taking possession, Sublessee will provide basic and routine daily maintenance throughout the site including plumbing, electrical, HVAC and fire life safety
TENANT IMPROVEMENTS	None
PARKING	None
UTILITIES	Sublessee shall be responsible for all utilities
CUSTODIAL	Sublessee shall be responsible for all custodial
SECURITY	Sublessee shall be responsible for security on site
PROP 13 PROTECTION	Other n/a
INSURANCE	Tenant shall indemnify and hold harmless the City
OTHER:	