

**TRANSMITTAL**

TO Council	DATE 08-11-21	COUNCIL FILE NO. 20-0841
FROM Municipal Facilities Committee	COUNCIL DISTRICT 2	

The attached report from the General Services Department (GSD) was approved by the Municipal Facilities Committee (MFC) on July 29, 2021, and it is hereby transmitted for Council consideration.

Adoption of the report recommendations would authorize GSD to negotiate and execute a lease agreement with the California Department of Transportation (Caltrans) and subsequently a sublease agreement with Hope of the Valley for the property located at 12550-12600 North Saticoy Street, Los Angeles, CA 91605, in Council District 2, to establish and operate a Tiny Home Village. The proposed lease rate is \$1 per month and \$500 annual administrative fee.

This interim housing intervention is part of the COVID-19 Homelessness Roadmap (Roadmap). On November 24, 2020, the City Council approved the Office of the City Administrative Officer (CAO) Roadmap Funding Recommendations, which included funding to establish 150 interim housing beds at 12600 North Saticoy Street. A total of \$8,894,431 was approved for construction costs, and a total operational budget of \$3,467,250 for furniture, fixtures, and equipment (\$126,000) and services through June 30, 2022 (\$3,341,250) was approved.

There is no anticipated impact to the General Fund. In Fiscal Year 2022-23, the annual cost to operate this site is estimated to be \$3,011,250. The City portion of the operations/services cost is estimated to be \$1,505,625. Funding for these costs will be considered through the City's annual budget process, which is subject to Mayor and Council approval.



Matthew W. Szabo  
City Administrative Officer  
Chair, Municipal Facilities Committee

MWS:YC:AW:16220106

CAO 649-d

# CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



ERIC GARCETTI  
MAYOR

DEPARTMENT OF  
GENERAL SERVICES  
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CITY HALL SOUTH  
111 EAST FIRST STREET  
LOS ANGELES, CA 90012  
(213) 928-9555  
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July 29, 2021

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

Attention: Michael Espinosa, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A LEASE WITH CALIFORNIA  
DEPARTMENT OF TRANSPORTATION AND SUBSEQUENTLY A SUBLEASE WITH  
HOPE OF THE VALLEY AT 12550/12600 N. SATICOY ST. LOS ANGELES, CA 91605  
TO ESTABLISH AND OPERATE AN INTERIM HOUSING SITE**

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The Department of General Services (GSD) requests authority to negotiate and execute a lease with California Department of Transportation (Caltrans) and subsequently a sublease with Hope of the Valley (HVRM) located in Council District 2 (CD2) at 12550/12600 N. Saticoy Street Los Angeles, CA 91605, Caltrans location reference #07-000415-0001-01, for interim housing. (CF #20-0841)

**BACKGROUND**

The City's Homeless Coordinator requested GSD proceed with the negotiation of a 36-month lease with Caltrans for the use of an open park field approximately 41,224 sf that is currently leased to the Department of Recreation and Parks (RAP) located on the intersection of Saticoy and Whitsett. The site located in CD2 consists of an open field to construct and establish interim housing.

Through this lease with Caltrans and a subsequent sublease with Hope of the Valley Rescue Mission (HVRM), a nonprofit service provider, the Tiny Home Village site will include approximately 77 pallet shelters hosting a maximum of 150 beds, two hygiene trailers, two free-standing shade structures, two administration/laundry structures, and an exterior dining area. The Bureau of Engineering (BOE) is providing project design and construction management oversight with an expected completion date of mid-August 2021.



**TERMS AND CONDITIONS**

The lease and sublease shall commence upon final issuance of the Certificate of Occupancy for approximately 36 months. A complete set of terms and conditions are outlined on the attached term sheet.

**SHELTER SERVICES**

Founded in 2009, HVRM is a faith-based compassion ministry that focuses on spiritual, emotional, physical, relational, occupational, and financial needs of their clients. Their two-pronged approach starts with crisis intervention then bridges clients, when they are ready, into long-term services that address chronic obstacles. HVRM aims to help clients find a job or form of public assistance, medical and mental health services, substance abuse counseling and recovery, and housing placement. LAHSA will execute a service contract with HVRM to operate the site.

**BUILDING MAINTENANCE, UTILITIES, AND LANDSCAPING**

The City will maintain major building systems including plumbing, electrical, roof, 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.

The service provider, HVRM, will provide routine daily maintenance including interior and exterior light fixture lamps, interior 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 HVRM 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.

Hope of the Valley will also maintain any landscaping, if any.

The CAO advises 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 and additional Roadmap sites which will be recommended in a subsequent report.

**ENVIRONMENTAL**

On October 30, 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-S3**). In its action, Council determined 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, Public Resources Code section 21080.27 (AB 1197) applicable to City of Los Angeles homeless shelters; and because the project is partly funded by Homeless Emergency Aid Program funds, it is exempt under Governor's Order N-32-20; as set forth in the Notice of Exemption in the Council's prior action.

**COMMUNITY BENEFIT ANALYSIS**

Inasmuch as the COVID-19 Homelessness Roadmap Project formed to facilitate temporary housing and social services for homeless individuals, the proposed lease and 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**

The estimated development project costs are approximately \$8.9 million. On April 6, 2020, the City Council adopted a motion (CF 20-0841) authorizing \$7,928,227 from the COVID-19 Federal Relief Fund and \$966,204 from the Homeless Emergency Aid Program (HEAP).

An operational budget of \$3,467,250 for furniture, fixtures, and equipment (\$126,000) and services through June 30, 2022 (\$3,341,250) was approved. These funds are from the CARES Act Emergency Solutions Grant (ESG-COVID).

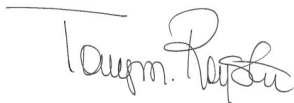
**FISCAL IMPACT**

There is no impact to the General Fund. The cost to construct this project is estimated to be \$8.9 million. The Council and Mayor previously approved funding to finance this project as follows: \$7,928,227 from the COVID-19 Federal Relief Fund and \$966,204 from the Homeless Emergency Aid Program (HEAP) for construction, and \$3,467,250 from the Emergency Solutions Grant – COVID for operations.

**RECOMMENDATION**

That the Los Angeles City Council, subject to the approval of the Mayor:

- 1) Authorize GSD to negotiate and execute a lease with Caltrans at 12550/12600 N. Saticoy St., Los Angeles, CA 91605 for interim housing under the terms and conditions substantially outlined in this report.
- 2) Authorize GSD to negotiate and execute a sublease with Hope of the Valley Rescue Mission at 12550/12600 N. Saticoy St., Los Angeles, CA 91605 for interim housing under the terms and conditions substantially outlined in this report.



Tony M. Royster  
General Manager

Attachments: Caltrans Term Sheet  
Hope of the Valley Term Sheet

## LEASING TERM SHEET

MFC DATE 07/29/2021

LANDLORD California Department of Transportation (Caltrans) - ROW

ADDRESS 100 Main St. Los Angeles, CA 90012

TENANT City of Los Angeles - GSD - RES

ADDRESS 111 E. First Street 2nd Floor Los Angeles, CA 90012

LOCATION 12550/12600 N. Saticoy St. North Hollywood, CA 91605

AGREEMENT TYPE Lease

USE Interim Housing

SQUARE FEET 41,221

TERM 36 months from C of O

RENT START DATE Final Issuance of C of O

LEASE START DATE Subject to City Clerk's Attestation

OPTION TERM 4 One Year Extensions

HOLDOVER As-Is

SUBLET/  
ASSIGNMENT Right to Sublease/Assign - Landlord approval 

TERMINATION Landlord and Tenant may terminate with 120 days notice

RENTAL RATE \$1/mo. + \$500/yearly admin. fee

ESCALATION None

RENTAL ABATEMENT None

ADDITIONAL RENT None

PROPERTY TAX None

OPEX None

CAM Tenant shall be responsible for all operating costs of site

OTHER	<div></div>
SECURITY DEPOSIT	<div>None</div>
MAINTENANCE/ REPAIR	<div>Tenant</div> <div></div>
MAINTENANCE/ REPAIR DETAILS	<div>Tenant shall be responsible for all repairs and maintenance items on the site.</div>
TENANT IMPROVEMENTS	<div>Tenant shall be responsible for all plans and construction.</div>
PARKING	<div>As available</div>
UTILITIES	<div>Tenant</div>
CUSTODIAL	<div>Tenant</div>
SECURITY	<div>Tenant</div>
PROP 13 PROTECTION	<div>Other</div> <div>None</div>
INSURANCE (City)	<div>City is self insured</div>
OTHER:	<div></div>

## LEASING TERM SHEET

MFC DATE 07/29/2021

LANDLORD City of Los Angeles - GSD - RES

ADDRESS 111 E. First Street 2nd Floor Los Angeles, CA 90012

TENANT Hope of the Valley Rescue Mission (HVRM)

ADDRESS 11076 Norris Ave., 2nd Floor Pacoima, CA 91331

LOCATION 12550/12600 N. Saticoy St. North Hollywood, CA 91605

AGREEMENT TYPE Sublease

USE Interim Housing

SQUARE FEET 41,221


TERM 36 months from C of O

RENT START DATE Final Issuance of C of O

LEASE START DATE Subject to City Clerk's Attestation

OPTION TERM 4 One Year Extensions

HOLDOVER As-Is

SUBLET/  
ASSIGNMENT No Right to Sublease/Assign 

TERMINATION Landlord may terminate with 30 days notice

RENTAL RATE None

ESCALATION None

RENTAL ABATEMENT None

ADDITIONAL RENT None

PROPERTY TAX None

OPEX None

CAM HVRM shall be responsible for all operating costs of site

OTHER	
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	<div>Other</div> <div>HVRM shall be responsible for daily maintenance</div>
MAINTENANCE/ REPAIR DETAILS	HVRM shall be responsible for all repairs and maintenance items on the site.
TENANT IMPROVEMENTS	N/A
PARKING	As available
UTILITIES	HVRM shall be responsible for all utilities including telecommunications
CUSTODIAL	HVRM shall be responsible
SECURITY	HVRM shall be responsible
PROP 13 PROTECTION	<div>Other</div> <div>None</div>
INSURANCE (City)	City is self insured
OTHER:	