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**TRANSMITTAL**

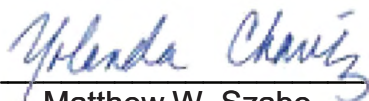
TO Council	DATE 09-02-21	COUNCIL FILE NO. 20-0841
FROM Municipal Facilities Committee	COUNCIL DISTRICT 9	

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

Adoption of the report recommendations would authorize GSD to negotiate and execute a no-cost lease agreement with the Coalition for Responsible Community Development and subsequently a no-cost sublease agreement with Urban Alchemy for the property located at 2300 South Central Avenue, Los Angeles, CA 90011, in Council District 9, to establish and operate a Safe Sleeping Village.

This interim housing intervention is part of the COVID-19 Homelessness Roadmap (Roadmap). On June 30, 2021, the Mayor and City Council approved funding to establish 95 spaces for up to 125 occupants at 2300 South Central Avenue. The \$4,133,594 approved includes: \$1,060,520 for construction costs; \$24,574 for hygiene station(s); and \$3,048,500 for start-up costs and services through June 30, 2022.

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 \$3,056,875. The City portion of the operations/services cost is estimated to be \$1,802,188. Funding for these costs will be considered through the City's annual budget process, which is subject to Mayor and Council approval.

  
\_\_\_\_\_  
*for* Matthew W. Szabo  
City Administrative Officer  
Chair, Municipal Facilities Committee

MWS:YC:AW:16220113

CAO 649-d

# CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



ERIC GARCETTI  
MAYOR

DEPARTMENT OF  
GENERAL SERVICES  
ROOM 701  
CITY HALL SOUTH  
111 EAST FIRST STREET  
LOS ANGELES, CA 90012  
(213) 928-9555  
FAX No. (213) 928-9515

August 26, 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  
COALITION FOR RESPONSIBLE COMMUNITY DEVELOPMENT AND A  
SUBSEQUENT SUBLEASE AGREEMENT WITH URBAN ALCHEMY AT  
2300 SOUTH CENTRAL AVENUE FOR INTERIM HOUSING**

The Department of General Services (GSD) requests authority to negotiate and execute a lease agreement with Coalition for Responsible Community Development (CRCD), the Landlord, and a sublease with Urban Alchemy (UA), the service provider, for a Safe Sleeping Village site located at 2300 S. Central Ave, Los Angeles, CA 90011 (Central). CRCD owns the site and is leasing the surface parking lots to accommodate the interim housing project. Subsequently, GSD will sublease the site to Urban Alchemy to operate and provide services on site.

**BACKGROUND**

On July 1, 2020, City Council (Council) approved a motion (CF 20-0841) reserving up to \$100 million of COVID-19 Federal Relief Funds to implement the COVID-19 Homelessness Roadmap. The motion further directed the City Administrative Officer (CAO), with the assistance of various departments to report back and the ensuing CAO report (CF 20-0841) was approved in Council on June 29, 2021 recommending the use of Central in Council District 9 (CD9) for construction of a Safe Sleeping Village. (See Attachment A - Site Plan).

The Safe Sleeping Village at Central will consist of approximately 95 tent spaces for up to 125 people and will also include emergency shelter, restrooms, showers, storage, food services and case management services for families and individuals experiencing homelessness. Currently, the site is primarily asphalt paved and used as a surface parking lot. The site includes an existing covered patio, a basketball court, and perimeter fencing and gates that provide privacy. Minor improvements will include painting of 10' x 12' demarcated spaces.

The Bureau of Engineering (BOE) is providing project design and construction management oversight with an expected completion in September 2021.



Central is the location of the Historic Lincoln Theater. Opened in 1927, the Lincoln Theatre is significant as the last remaining theatre in Los Angeles that catered specifically to the African American community and is a City of Los Angeles Historic-Cultural Monument. The project at Central is also referred to as the Lincoln Theatre Safe Sleeping Village Site.

### **TERMS AND CONDITIONS**

The three-year lease and subsequent sublease agreement with CRCD and Urban Alchemy, respectively, will have no rent and no renewal options. A complete set of terms and conditions are outlined on the attached term sheets.

### **SHELTER SERVICES**

Urban Alchemy, a non-profit organization founded in 2018, brings a sense of peace and respect to America's most chaotic urban areas. UA accomplishes this mission by transforming people and urban spaces, with respect and compassion, to heal communities and cities. UA understands how struggling communities are impacted at intersection of extreme poverty, addiction, mental illness, and hopelessness, and therefore joins with community partners to build a better tomorrow. UA is fueled with a passion to transform people and places, and believe that respecting, encouraging, and empowering our neighbors is the key to changing lives and communities.

LAHSA will execute a service contract with Urban Alchemy to operate the site.

### **COMMUNICATION AND FURNITURE, FIXTURES, AND EQUIPMENT**

The City will provide separate funding to accommodate the communication, data, staff phones, furniture and office equipment required. Funding for this purpose will be provided from the operational funding within the Emergency Solutions Grant - COVID Fund, Safe Sleep Operations, which City Council approved on June 29, 2021 from a CAO report (CF 20-0841) in the amount of \$3,048,500.

### **BUILDING MAINTENANCE/UTILITIES/LANDSCAPING**

The City shall maintain the site in good and sanitary condition. The City is further obligated to maintain, as applicable, exterior light fixture lamps, fire extinguishers, including replacement or repair of fixtures, electrical outlets, plumbing, and HVAC damaged as a result of intentional destruction of such property, as applicable. Any repairs, alterations or other improvements required from the specific use of the building by sub-lessee shall be performed by sub-lessee at sub-lessee's sole cost and expense.

Landscaping, if any, will be maintained by CRCD.

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 a funding source for Safe Sleeping and additional Roadmap sites which will be recommended in a subsequent report.

### **ENVIRONMENTAL**

On June 29, 2021, the Los Angeles City Council determined that the safe sleeping shelter project involved with this approval was exempt from California Environmental Quality Act approved the project (CF 20-0841). In this action, the City Council determined the City's activities related to the safe sleeping homeless shelter at this site are statutorily exempt under Public

Resources Code, Section 21080(b)(4), as a specific action necessary to prevent or mitigate an emergency, and as reflected in CEQA Guideline Section 15269(c); Public Resources Code, Section 21080.27 (AB 1197) applicable to City of Los Angeles emergency homeless shelters; and, because the Project uses "Homeless Housing, Assistance and Prevention (HHAP) program funds," it is exempt under the Governor's Executive Order N-32-20, as set forth in the Notice of Exemption in the City Council's prior action.

### **COMMUNITY BENEFIT ANALYSIS**

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

### **FUNDING**

On June 29, 2021 the City Council approved the City Administrative Office (CAO) Funding Recommendations for COVID-19 Homelessness Roadmap Projects which approved the construction of a Safe Sleeping Village at Central in CD9 (CF 20-0841).

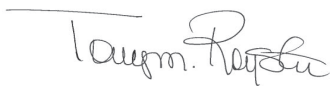
A total of \$4,133,594 is approved for site preparation, hygiene trailer and administrative offices procurement from the Additional Homeless Services General City Purposes Fund (\$1,050,520) and the Homeless Housing Assistance and Prevention Program (\$10,000). The Additional Homeless Services General City Purposes Fund will also provide \$24,574 for hygiene station rental services to fund a hygiene trailer rental for operations while the permanent trailer is being procured. A total of \$3,048,500 in Emergency Solutions Grant - COVID Fund, Safe Sleep Operations is provided to the Los Angeles Homeless Services Authority for the cost of operations and furniture, fixtures, and equipment from August 31, 2021 through June 30, 2022.

### **FISCAL IMPACT**

There is no anticipated impact to the General Fund. Initial project funding of \$4.13 million was approved by the City Council and Mayor. In Fiscal Year 2022-23, the annual cost to operate this site is estimated to be \$3,056,875. The City portion of the operations/services cost is estimated to be \$1,802,188. 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 a lease with Coalition for Responsible Community Development and a subsequent sublease agreement with Urban Alchemy at 2300 S Central Ave, Los Angeles, CA 90011 for a Safe Sleeping Village site under the terms and conditions substantially outlined in this report.



Tony M. Royster  
General Manager

Attachments: Attachment A - Site Plan  
Term Sheet with CRCD (Lease with landlord)  
Term Sheet with Urban Alchemy (Sub lease with Service provider)



# Figure 1: Project Location



## LEASING TERM SHEET

MFC DATE 08/26/2021

LANDLORD Coalition For Responsible Community Development

ADDRESS 3101 S Grand Ave, Los Angeles, CA 90007

TENANT City of Los Angeles

ADDRESS 111 E 1st Street, Room 201, Los Angeles, CA 90012

LOCATION 2300 S Central Ave, Los Angeles, CA 90011

AGREEMENT TYPE Zero Dollar Receivable License

USE Safe Sleeping Village

SQUARE FEET Approximately 50,000 square feet (sf)

TERM Three (3) Years

RENT START DATE Upon final issuance of Certificate of Occupancy

LEASE START DATE Date Attested

OPTION TERM None

HOLDOVER Month-To-Month

SUBLET/  
ASSIGNMENT Right to Sublease/Assign - Landlord approval

TERMINATION Landlord right to revoke site at will with 60 days notice upon uncured default

RENTAL RATE \$0

ESCALATION n/a

RENTAL ABATEMENT n/a

ADDITIONAL RENT n/a

PROPERTY TAX n/a

OPEX City is responsible for all operating expenses

CAM n/a



OTHER	n/a
SECURITY DEPOSIT	n/a
MAINTENANCE/ REPAIR	Other See Maintenance/Repairs Details below.
MAINTENANCE/ REPAIR DETAILS	City shall be responsible for the major maintenance items of the site/facility. Upon taking possession, Tenant will provide basic and routine daily maintenance throughout the site.
TENANT IMPROVEMENTS	BOE will provide design and management.
PARKING	n/a
UTILITIES	Tenant responsible to directly contract utility services
CUSTODIAL	Tenant
SECURITY	Tenant
PROP 13 PROTECTION	City is Exempt
INSURANCE	City shall indemnify and hold harmless Landlord
OTHER:	The Safe Sleeping site project at 2300 South Central Avenue, which allows for the lease, construction, and use of this property as temporary shelter for those experiencing homelessness, is statutorily exempt under Public Resources Code, Section 21080(b)(4), as a specific action necessary to prevent or mitigate an emergency, and as reflected in CEQA Guideline, Section 15269(c); Public Resources Code, Section 21080.27 (AB 1197), applicable to City of Los Angeles emergency homeless shelters; and, because the project uses "Homeless Housing, Assistance and Prevention (HHAP) program funds," it is exempt under the Governor's Executive Order N-32-20. Please refer to the attached NOE.

## LEASING TERM SHEET

MFC DATE 08/26/2021

LANDLORD City of Los Angeles

ADDRESS 111 E 1st Street, Room 201, Los Angeles, CA 90012

TENANT URBAN ALCHEMY

ADDRESS 72 6TH ST, SAN FRANCISCO, CA 94103

LOCATION 2300 S Central Ave, Los Angeles, CA 90011

AGREEMENT TYPE Zero Dollar Receivable License

USE Safe Sleeping Village

SQUARE FEET Approximately 50,000 square feet (sf)

TERM Three (3) Years

RENT START DATE Upon final issuance of Certificate of Occupancy

LEASE START DATE Date Attested

OPTION TERM None

HOLDOVER Month-To-Month

SUBLET/  
ASSIGNMENT Right to Sublease/Assign - Landlord approval

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ADDITIONAL RENT n/a

PROPERTY TAX n/a

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CAM n/a



OTHER	n/a
SECURITY DEPOSIT	n/a
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