

T R A N S M I T T A L

TO Council	DATE 10-07-21	COUNCIL FILE NO. 20-0841
FROM Municipal Facilities Committee		COUNCIL DISTRICT 14

The attached report from the General Services Department (GSD) was approved by the Municipal Facilities Committee (MFC) on September 30, 2021, and it is hereby transmitted for Council consideration.

Adoption of the report recommendations would authorize GSD to negotiate and execute a license agreement with Union Station Homeless Services (USHS) for the property located at 7570 North Figueroa Street, Los Angeles, CA 90041, in Council District 14, to operate an interim housing site. GSD is requesting a three-year no-cost license agreement with USHS, to commence upon final issuance of the Certificate of Occupancy.

This interim housing site is part of the COVID-19 Homelessness Roadmap (Roadmap). On June 3, 2021, the Council and Mayor approved the Office of the City Administrative Officer (CAO) Roadmap Funding Recommendations, which included funding to establish a Tiny Home Village with up to 93 beds at 7570 North Figueroa Street. The following funding was approved for operating costs: \$1,288,934 from Homeless Efforts – County Funding Agreement Fund for furniture, fixtures, and equipment (\$5,069) and operations/services through June 30, 2022 (\$1,283,865).

There is no anticipated impact to the General Fund at this time. In Fiscal Year 2022-23, the annual cost to operate this site will be \$1,866,975. The City portion of this cost after the County of Los Angeles commitment to Roadmap operations will be \$933,487.50. Funding for these costs will be considered through the City's annual budget process, which is subject to Council and Mayor approval.



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

MWS:PJH:AW: 16220119

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
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September 30, 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 LICENSE AGREEMENT WITH UNION STATION HOMELESS SERVICES
AT 7500 - 7570 N. FIGUEROA STREET TO OPERATE INTERIM HOUSING**

The Department of General Services (GSD) requests authority to negotiate and execute a license - operating agreement with Union Station Homeless Services (USHS or Licensee) to operate a Tiny Home Village interim housing site on property which includes parcels owned by the City's Recreation and Parks (RAP) – 7570 N. Figueroa , Southern California Edison (SCE) – APN: 5691-017-803, and the County of Los Angeles (County) located at 7500 N. Figueroa St, Los Angeles, CA 90041 all located in Council District 14 (CD14).

BACKGROUND

This project is also identified as 7541 North Figueroa Street in the original Motion from CD14 and 7570 N Figueroa Street in previously approved reports from the City Administrative Office (CAO) and Bureau of Engineering (BOE). The County identifies the site address as 7500 North Figueroa Street, which will be the address used in this agreement.

On March 17, 2021, the City Council approved a Motion from CD14 requesting various City Departments to begin working on the coordination and design process for this temporary interim housing site (CF 19-0774-S1). The Department of Recreation and Parks (RAP) was instructed to execute agreements with SCE and the County because RAP had existing agreements for use of the respective parcels as overflow parking. However, GSD will execute a separate lease agreement with the County for the revised use for interim housing. Furthermore, execution of the USHS license agreement is subject to RAP's execution of the SCE agreement. Therefore, a license agreement which will serve as an operative agreement with USHS will be executed for the site for all three parcels mentioned above.

Subsequently, on June 17, 2021 the Board of Recreation and Park Commissioners approved a report to utilize a portion of the City owned and RAP controlled Eagle Rock Recreation Center and convert it from an underutilized parking lot to a temporary housing site (No 21-105).



The report also authorized RAP's General Manager, or designee, which may include another City Department, to issue a license to a housing operator for the operation, security, and maintenance of the project. Therefore, GSD will execute an agreement with USHS allowing them to operate the site with a LAHSA service contract under the COVID-19 Homeless Roadmap Program.

The Tiny Home Village project, encompassing parcels from the County, Southern California Edison and RAP, includes perimeter fencing, sewer lines, utilities, and a pet area. The site will include 48 pallet shelters, two mobile hygiene stations, two administrative pallet offices, one laundry station, one pallet shelter for security, and one food preparation pallet servicing up to 93 homeless individuals. A large gathering space outside of the administrative offices includes a dining area, picnic tables, and umbrellas for shade.

The Bureau of Engineering (BOE) is providing project design and construction management oversight with an expected construction start date in early August 2021.

TERMS AND CONDITIONS

The three-year license agreement with USHS will have no rent and no renewal options. The term will be concurrent with the other agreement between RAP, County of Los Angeles and Southern California Edison commencing upon the final approval and issuance of the Certificate of Occupancy. A complete set of terms and conditions are outlined on the attached term sheet.

SHELTER SERVICES

Union Station Homeless Services (USHS) is the non-profit service provider selected by CD14 to operate the site. USHS was started in 1970 and has grown to be one of the pre-eminent homeless services agencies in the San Gabriel Valley due to the quality of their service and practice of the Housing First Model. This approach prioritizes providing permanent housing and then offering, but not mandating, wrap-around services to help people experiencing homelessness stabilize and improve their quality of life.

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

BUILDING MAINTENANCE/UTILITIES/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 of the USHS or USHS's Parties. The City will also maintain fire, life, safety compliance and other regulatory requirements.

USHS will directly set up utility services with utility providers as well as 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 USHS 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. USHS will provide fire watch at a level approved by the Los Angeles Fire Department. Landscaping, if any, will be maintained by USHS.

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 June 2, 2021, the 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 20-0841-S2). In its action, the City Council determined that the project is statutorily exempt under Public Resources Code Section 21080(b)(4) as a specific action necessary to prevent or mitigate an emergency as also reflected in CEQA Guideline Section 15269(c); Public Resources Code section 21080.27 (AB 1197) applicable to City of Los Angeles bridge homeless shelters; and, because the project uses "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 City Council's prior action. Environmental testing has not been performed at this site leaving unknown subterranean risks.

COMMUNITY BENEFIT ANALYSIS

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

FUNDING

This Tiny Home Village site is part of the COVID-19 Homelessness Roadmap.


On June 2, 2021, the Mayor and Council approved \$1,288,934 from Homeless Efforts – Counting Funding Agreement Fund for furniture, fixtures, and equipment (\$5,069) and operations/services through June 30, 2022 (\$1,283,865).

FISCAL IMPACT

There is no anticipated impact on the General Fund at this time. In Fiscal Year 2022-23, the annual cost to operate this site will be \$1,866,975. The City portion of this cost after the County Commitment to Roadmap operations will be \$933,487.50. 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 license-operating agreement with Union Station Homeless Services at 7570 N. Figueroa St., Los Angeles, CA 90041 for an interim housing site under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachment: Term Sheet

LEASING TERM SHEET

MFC DATE	09/30/2021
LANDLORD	City Of Los Angeles
ADDRESS	111 E. 1st Street Room 201, Los Angeles, CA 90012
TENANT	Union Station Homeless Services
ADDRESS	825 E. Orange Grove Blvd, Pasadena, CA 91104
LOCATION	7570 N. Figueroa St, Los Angeles, CA 90041
AGREEMENT TYPE	Zero dollar receivable license/operating agreement
USE	Operation of an interim housing facility
SQUARE FEET	Approximately 42,900 sq ft
TERM	3 years from final issuance of Certificate of Occupancy
RENT START DATE	Final issuance of Certificate of Occupancy
LEASE START DATE	Lease execution date and attestation by the City Clerk's Office
OPTION TERM	None
HOLDOVER	Month to month
SUBLET/ ASSIGNMENT	RIGHT TO ASSIGN - LANDLORD APPROVAL
TERMINATION	Upon uncured default
RENTAL RATE	\$0.00
ESCALATION	N/A
RENTAL ABATEMENT	N/A
ADDITIONAL RENT	N/A
PROPERTY TAX	N/A
OPEX	USHS
CAM	N/A

OTHER	
SECURITY DEPOSIT	N/A
MAINTENANCE/ REPAIR	TENANT
MAINTENANCE/ REPAIR DETAILS	USHS, except Building Systems under warranty and limited to City's purview
TENANT IMPROVEMENTS	BOE will provide design and construction management
PARKING	A minimum of 2 parking spaces
UTILITIES	USHS responsible to directly contract utility services
CUSTODIAL	USHS
SECURITY	USHS
PROP 13 PROTECTION	*Other
INSURANCE	TENANT shall indemnify and hold harmless the City
OTHER:	<p>City is self insured</p> <p>City has the right to terminate the contract for convenience with 30 day notice.</p> <p>RAP will continue to maintain landscaping in Southern California Edison Parcel. USHS will maintain landscaping within perimeter fencing.</p>