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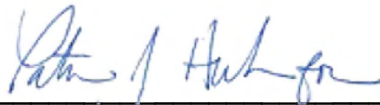
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|--|------------------|-----------------------------|
| TO Council | DATE 10-07-21 | COUNCIL FILE NO. 20-0841 |
| FROM Municipal Facilities Committee | | COUNCIL DISTRICT 14 |

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 lease agreement with the County of Los Angeles (County) for the property located at 7500 North Figueroa Street, Los Angeles, CA 90041, in Council District 14, to establish and operate an interim housing site. GSD is requesting a three-year no-cost lease agreement with the County, 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 County identifies the site using 7500). The following funding was approved for construction costs: \$10,000 from the Homeless Housing, Assistance, and Prevention Program (HHAP) Fund, \$354,280 from the Federal Coronavirus Relief Fund, and \$3,444,357 from the Additional Homeless Services General City Purposes Fund.

There is no anticipated impact to the General Fund.



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

MWS:PJH:AW: 16220118

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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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: Michael Espinosa, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE
A LEASE AGREEMENT WITH THE COUNTY OF LOS ANGELES
AT 7500 N. FIGUEROA STREET TO CONSTRUCT AND OPERATE INTERIM HOUSING**

The Department of General Services (GSD) requests authority to negotiate and execute a lease agreement with the County of Los Angeles (County) to operate a temporary interim housing site located at 7500 N. Figueroa St, Los Angeles, CA 90041 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 the lease 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 SoCal Edison and the County because RAP had existing agreements in place for use of the respective parcels as overflow parking. GSD will execute this lease with the County because the new use will be for interim housing, without functions relating to RAP.

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.



GSD will request authority, in a separate report, to execute a sublease agreement with Union Station Homeless Services allowing them to operate the site via a service contract with LAHSA under the COVID-19 Homeless Roadmap Program.

The portion of the parking lot owned by the County that will be utilized for the Tiny Home Village measures approximately 24,220 square feet (sf) of the total 42,900 ft project. Construction of the entire project, encompassing parcels from the County, Southern California Edison, and RAP includes perimeter fencing, sewer lines, utilities, and a pet area. The site includes 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 commencement date in early August 2021.

TERMS AND CONDITIONS

The three-year lease agreement with the County will have no rent and no renewal options. The term will commence 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.

BUILDING MAINTENANCE/UTILITIES/LANDSCAPING

The City is responsible for the development of the site. Daily maintenance, utility, and landscaping responsibilities will be passed on to the service provider in a separate agreement when a final certificate of occupancy is obtained.

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.

FUNDING


This will be a no-cost lease with the County. The Tiny Home Village site is part of the COVID-19 Homelessness Roadmap. A total of \$3,808,637 for construction was previously approved in a report from the CAO on May 20, 2021 (CF 20-0841). This includes \$10,000 from the Homeless Housing, Assistance, and Prevention Program (HHAP) Fund, \$354,280 from the Federal Coronavirus Relief Fund, and \$3,444,357 from the Additional Homeless Services General City Purposes Fund. A total of \$1,288,934 from Homeless Efforts – Counting Funding Agreement Fund will be allocated 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. An operational budget for FY 2022-23 will be provided by the CAO in a future report.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute a lease agreement with the County of Los Angeles at 7500 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 |
| <hr/> | |
| LANDLORD | County of Los Angeles |
| ADDRESS | 320 W Temple Street, 7th Floor, Los Angeles, CA 90012 |
| <hr/> | |
| TENANT | City of Los Angeles |
| ADDRESS | 111 E. 1st Street, Room 201, Los Angeles, CA 90012 |
| <hr/> | |
| LOCATION | 7500 N. Figueroa St, Los Angeles, CA 90041 |
| AGREEMENT TYPE | Payable Lease |
| USE | Interim housing |
| SQUARE FEET | Approximately 24,220 sq ft |
| TERM | 3 years from final issuance of Certificate of Occupancy |
| RENT START DATE | Term starts upon 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, at \$0 rent |
| SUBLET/ ASSIGNMENT | RIGHT TO SUBLEASE |
| TERMINATION | County may terminate with 6 month notice after 30th month |
| RENTAL RATE | \$0.00 |
| ESCALATION | N/A |
| RENTAL ABATEMENT | N/A |
| ADDITIONAL RENT | N/A |
| PROPERTY TAX | N/A |
| OPEX | N/A |
| CAM | N/A |

| | |
|--------------------------------|---|
| OTHER | |
| SECURITY DEPOSIT | N/A |
| MAINTENANCE/ REPAIR | TENANT |
| MAINTENANCE/ REPAIR DETAILS | City to maintain structures and systems. Tenant shall provide basic and routine daily maintenance and repairs. |
| TENANT IMPROVEMENTS | City shall be responsible for building out the Premises with multiple temporary interim housing structures for the homeless, whether by itself or through a subtenant; Landlord shall not contribute any sums to nor shall Landlord have any responsibility for such buildout |
| PARKING | Any left after construction of Tenant Improvements |
| UTILITIES | Tenant |
| CUSTODIAL | Tenant |
| SECURITY | Tenant |
| PROP 13 PROTECTION | *Other |
| INSURANCE | CITY shall indemnify and hold harmless Landlord |
| OTHER: | Insurance subject to City's right to self-insure, City shall provide insurance for the property and to be further determined by Risk Management |