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TRANSMITTAL


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| TO Council | DATE 04-06-22 | COUNCIL FILE NO. 20-0841 |
| FROM Municipal Facilities Committee | COUNCIL DISTRICT 9 | |

The attached report from the General Services Department (GSD) was approved by the Municipal Facilities Committee (MFC) on March 31, 2022, 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 Los Angeles Metropolitan Transportation Agency (Metro) for the operation of a Tiny Home Village located at the intersection of Compton Avenue and Nevin Avenue, Los Angeles, CA 90011, in Council District 9. GSD is requesting a 60-month lease with Metro, to commence upon final issuance of the Certificate of Occupancy. This is a no cost lease.

This interim housing site is part of the COVID-19 Homelessness Roadmap (Roadmap). On September 30, 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 144 beds at the property located at the intersection of Compton Avenue and Nevin Avenue. The following funding was approved for construction costs: \$7,194,335 from the Additional Homeless Services General City Purpose Fund and \$10,000 from the Homeless Housing, Assistance, and Prevention (HHAP) Grant Fund.

There is no anticipated impact to the General Fund.



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

MWS:PJH:BB:MAG 16220161

CAO 649-d

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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March 31, 2022

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, CA, 90012

Attention: Michael Espinosa, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE
A LEASE LOCATED AT RIGHT OF WAY BETWEEN COMPTON AVENUE AND
NEVIN AVENUE, LOS ANGELES, CA 90011 WITH LOS ANGELES METROPOLITAN
TRANSPORTATION AGENCY TO OPERATE AN INTERIM HOUSING SITE**

The Department of General Services (GSD) requests authority to negotiate and execute a lease with Los Angeles Metropolitan Transportation Agency (Metro) for the operation of a Tiny Home Village located at the intersection of Compton and Nevin Los Angeles, CA 90011 in Council District 9 for interim housing.

BACKGROUND

The City's Homeless Coordinator requested GSD proceed with the negotiation of a 60-month lease with Metro for the use of an undeveloped lot that is approximately 48,838 square feet in order to design, construct, establish and operate an interim housing project. The site is located in Council District 9.

Through this lease with Metro, the site shall establish an interim housing project with up to 144-bed capacity, that will include tiny homes (including Americans with Disabilities Act compliant single beds), administration offices, two hygiene mobile units with restrooms, showers, and lavatories, drinking fountains, seating areas with mobile shade umbrellas for food distribution services, laundry utilities, a guard booth, individual storage bins, a pet area, staff parking, and site perimeter fencing with privacy slats.

TERMS AND CONDITIONS

The lease will commence upon final approval and issuance of the Certificate of Occupancy and will last for approximately 60 months. A complete set of terms and conditions are outlined on the attached term sheet.



BUILDING MAINTENANCE, UTILITIES, AND LANDSCAPING

The City shall construct, operate, and maintain major building systems, including plumbing, electrical, roofing, mechanical systems, and all doors including hardware, door frames, and door openers. The City shall not be liable for any damage resulting from the active negligence or willful misconduct of Metro.

Subsequently, a nonprofit provider 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 the nonprofit operator 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.

Furthermore, the nonprofit provider will also maintain any landscaping, if any.

The Office of the City Administrative Officer (CAO) advises an A Bridge Home Maintenance Fund through the CTIEP 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 September 30, 2021, 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). 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 emergency homeless shelters; and, because the project uses "Homeless Housing, Assistance and Prevention 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.

FUNDING

The estimated project costs for construction are approximately \$7.2 million. On September 30, 2021, the Mayor and City Council approved CAO funding recommendations (CF 20-0841) authorizing \$7,194,335 from the Additional Homeless Services General City Purpose Fund and \$10,000 from the Homeless Housing, Assistance, and Prevention (HHAP) Grant Fund for the construction of this Tiny Home Village.

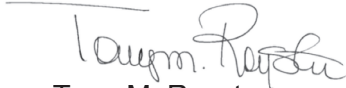
An operational budget will be recommended in a future funding report.

FISCAL IMPACT

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 \$2,890,800. The City's portion of this cost after the County of Los Angeles commitment to Roadmap operations will be \$1,445,400. Funding for these costs will be considered through the City's annual budget process, which is subject to Council and Mayor approval.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute a lease with Los Angeles Metropolitan Transportation Agency for the undeveloped lot located between the intersection of Compton Avenue and Nevin Avenue in Los Angeles 90011 for an interim housing site under the terms and conditions substantially outlined in this report.

A handwritten signature in black ink, appearing to read "Tony M. Royster".

Tony M. Royster
General Manager

Attachments: Term Sheet

LEASING TERM SHEET

MFC DATE 03/31/2022

LANDLORD Los Angeles County Metropolitan Transportation Agency

ADDRESS Compton and Nevin - Address TBD

TENANT City of Los Angeles - GSD

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

LOCATION Compton and Nevin - Intersection in CD 9

AGREEMENT TYPE Lease

USE Interim Housing

SQUARE FEET Approximately 48,838 SF lot


TERM 60 months from Certificate of Occupancy

RENT START DATE Upon final issuance of the Certificate of Occupancy

LEASE START DATE Date Attested

OPTION TERM None

HOLDOVER Month-to-Month

SUBLET/
ASSIGNMENT Right to Sublease 

TERMINATION MTA may terminate w/ 90 days notice for a public project

RENTAL RATE \$0

ESCALATION N/A

RENTAL ABATEMENT None

ADDITIONAL RENT N/A

PROPERTY TAX None

OPEX Tenant and subsequent operator shall be responsible for repairs and maintenance

CAM N/A

| | |
|--------------------------------|---|
| OTHER | |
| SECURITY DEPOSIT | N/A |
| MAINTENANCE/ REPAIR | <div>Tenant and subsequent operator</div> <div></div> |
| MAINTENANCE/ REPAIR DETAILS | <div>City and subsequent operator shall be responsible for all costs on site. City is self-insured and will indemnify the Landlord limited to its use.</div> <div></div> |
| TENANT IMPROVEMENTS | <div>TBD by City of Los Angeles - Bureau of Engineering</div> <div></div> |
| PARKING | As Available on site |
| UTILITIES | Operator |
| CUSTODIAL | Operator |
| SECURITY | Operator as needed |
| PROP 13 PROTECTION | <div>Other</div> <div></div> |
| INSURANCE (City) | <div>Other</div> <div></div> |
| OTHER: | <div>The City, through BOE has performed initial environmental review and is satisfied based on the scope of work along with the interim nature of this lease, is comfortable to proceed based on BOE's recommendation.</div> <div>Landlord acknowledges that the City intends to concurrently sublease/assign the Premises to a nonprofit to operate the site.</div> <div></div> |