

0150-12203-0000

TRANSMITTAL

TO Council	DATE 10-14-22	COUNCIL FILE NO. 20-0841-S25
FROM Municipal Facilities Committee		COUNCIL DISTRICT 1

At its meeting held on September 29, 2022, the Municipal Facilities Committee (MFC) approved the recommendation of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report would authorize GSD to negotiate and execute a lease agreement with John Wesley Center for Health (JWCH) for 11,000 square feet of City-owned property located at 499-503 San Fernando Road (Council District 1), for the operation of a "Tiny Home" interim housing site. Construction is scheduled to commence in January 2023. The proposed lease term is three years, with two one-year options to renew.

There is no General Fund impact as there is no revenue generated from this zero cost lease. Funding for construction costs totaling \$14,415,914 will be provided from the Additional Homeless Services-General City Purpose Fund (\$11,603,635) and the Community Development Block Grant COVID-19 Fund (\$2,812,279). First year operational costs will be provided from the 12th COVID-19 Homelessness Roadmap funding report (C.F. 20-0841-S25).



Matthew W. Szabo
Chair, Municipal Facilities Committee

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



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September 29, 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 AGREEMENT
WITH JOHN WESLEY CENTER FOR HEALTH FOR INTERIM HOUSING AT
499-503 SAN FERNANDO ROAD, LOS ANGELES**

The Department of General Services (GSD) requests authority to negotiate and execute a lease with John Wesley Center for Health (JWCH) for the operation of a Tiny Home site located at a City-owned property at 499-503 San Fernando Road Los Angeles, CA 91340 in Council District 1 for interim housing.

BACKGROUND

The City's Homeless Coordinator requested that GSD negotiate a 36-month lease with JWCH for the use of a City-owned lot that is approximately 36,305 square feet.

Through this lease with JWCH, the site will be operated as an interim housing project that includes, among other things, a membrane structure and trailers to accommodate up to 70 beds (including Americans with Disabilities Act-compliant single beds), administration offices, hygiene mobile units with restrooms, showers, and lavatories, drinking fountains, seating areas with food distribution services, laundry utilities, a guard booth, individual storage bins, a pet area, staff parking, and site perimeter fencing with privacy slats.

The Bureau of Engineering (BOE) is providing project design and construction management oversight with an expected construction commencement date in January 2023.



TERMS AND CONDITIONS

The lease term commences upon City Clerk's attestation of the contract. A complete set of terms and conditions are outlined on the attached term sheet.

BUILDING MAINTENANCE, UTILITIES, AND LANDSCAPING

The City shall maintain major building systems, including plumbing, electrical, roofing, mechanical systems, and all doors including hardware, door frames, and door openers.

JWCH will be responsible for utilities and 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 JWCH 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. JWCH will also maintain any landscaping, if any.

The CAO advises A Bridge Home Maintenance Fund was established through the CIEP 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 "A Bridge Home Housing" and additional Roadmap sites, which will be recommended in a subsequent report.

ENVIRONMENTAL

On December 3, 2021, City Council determined that the interim housing project involved in this approval, including leasing, was exempt from the California Environmental Quality Act (CEQA) and approved the project (CF No. 20-0841). The current leasing approval is an action toward implementing, and in furtherance of, the previously approved and exempt project.

FUNDING

On December 3, 2021, the City Council approved CAO funding recommendations (CF 20-0841) authorizing \$11,603,635 of Additional Homeless Services - General City Purpose (AHS-GCP) funds and \$2,812,279 of Community Development Block Grant Covid-19 (CDBG-CV) funds for construction of the site. On August 19, 2022, the City Council approved \$1,733,875 of County funds for site operations from January 1, 2023 to June 30, 2023 provided in the 12th COVID-19 Homelessness Roadmap funding report (CF 20-0841-S25).

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 is \$1,733,875, since the site will be operational for about half of the FY. Operations for the remainder of the site's term will cost \$2,609,750.00 annually, which will be funded with County Agreement funds. Additional Homeless Services - General City Purpose funds can be allocated for maintenance, as necessary.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute a lease agreement with JWCH for the "Tiny Home" site located at 490-503 San Fernando Road, Los Angeles, CA 91340 to operate 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

LANDLORD

ADDRESS

TENANT

ADDRESS

LOCATION

AGREEMENT TYPE

USE

SQUARE FEET

TERM

RENT START DATE

LEASE START DATE

OPTION TERM

HOLDOVER

SUBLET/
ASSIGNMENT

TERMINATION

RENTAL RATE

ESCALATION

RENTAL ABATEMENT

ADDITIONAL RENT

PROPERTY TAX

OPEX

CAM

OTHER	
SECURITY DEPOSIT	N/A
MAINTENANCE/ REPAIR	TENANT
MAINTENANCE/ REPAIR DETAILS	City to maintain Building Systems limited to electrical and water. Tenant shall provide basic and routine daily maintenance and repairs.
TENANT IMPROVEMENTS	City through Bureau of Engineering (BOE) will project manage the construction of the project that is projected to be completed in Jan. 2023. CEQA filed June 23, 2022.
PARKING	As available on site
UTILITIES	Tenant
CUSTODIAL	Tenant
SECURITY	Tenant
PROP 13 PROTECTION	*Other
INSURANCE	Tenant shall indemnify and hold harmless Landlord
OTHER:	