

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 29, 2023

CAO File No. 0220-05151-0486
Council File No.
Related Council File No. 19-0914
Council District: 5

To: The City Council

From: Matthew W. Szabo, City Administrative Officer



Reference: Council District 5 Midvale

Subject: **COUNCIL DISTRICT 5 INTERIM HOUSING - 2377 MIDVALE AVENUE**

SUMMARY

As part of the June 14, 2022, Alliance Lawsuit Settlement Agreement, the City has committed to provide 12,915 new interim or permanent housing units by 2027. This report recommends an interim housing site to provide assistance to people experiencing homelessness.

First, this Report reprograms unspent Homeless Housing, Assistance, and Prevention Round 1 (HHAP-1) funds from previous fiscal years and allocates uncommitted HHAP-1 funds and HHAP-1 interest.

Second, this Report recommends the approval of the design and construction of an interim housing site located at 2377 Midvale Avenue in Council District 5 for 33 beds. Funding recommended for this site includes General Fund and HHAP-1 funds.

Third, this Report authorizes the Department of General Services to negotiate an agreement with the Department of Transportation and enter into a commodities contract to acquire modular housing units for the interim housing site.

RECOMMENDATIONS

That the City Council, subject to approval by the Mayor:

1. DETERMINE that the Interim Housing Project at 2377 Midvale Avenue, which allows for funding allocation, construction, lease or similar agreement, and operation of an interim housing facility to provide temporary emergency shelter to people experiencing homelessness, is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code, Section 21080(b)(4), as a specific action necessary to prevent or mitigate an emergency, and as reflected in State CEQA Guidelines, Section 15269(c); and Public Resources Code, Section 21080.27 (AB 1197), applicable to City of Los Angeles emergency homeless shelters.

2. REPROGRAM \$1,770,257 in unspent funds from previous fiscal years of State Homeless Housing, Assistance, and Prevention Program (HHAP) from the Los Angeles Housing Department to HHAP Fund No. 62Y/10, Account No. 10S650, FC-1: A Bridge Home Capital and Operating Gap from the following accounts:
 - a. \$246,363 from HHAP Fund No. 62Y/43, Account No. 43S846, Shower of Hope
 - b. \$22,630 from HHAP Fund No. 62Y/43, Account No. 43S853, Bridge Housing-Beacon Street;
 - c. \$300,760 from HHAP Fund No. 62Y/43, Account No. 43S988, Laundry Truck LA;
 - d. \$27 from HHAP Fund No. 62Y/43, Account No. 43V812, Services St. Andrews Place;
 - e. \$37,555 from HHAP Fund No. 62Y/43, Account No. 43V831, TPC Hygiene;
 - f. \$3,015 from HHAP Fund No. 62Y/43, Account No. 43V835, Homeless Outreach Integrated Care Sys-CD8;
 - g. \$434,399 from HHAP Fund No. 62Y/43, Account No. 43V839, Sepulveda Blvd Motel Initiative;
 - h. \$33,865 from HHAP Fund No. 62Y/43, Account No. 43V857, LA Mission Hygiene;
 - i. \$26,919 from HHAP Fund No. 62Y/43, Account No. 43V860, Downtown Women's Center Rapid Rehousing;
 - j. \$64,724 from HHAP Fund No. 62Y/43, Account No. 43VA24, HHRP-Tarzana Treatment Center-TTC;
 - k. \$600,000 from HHAP Fund No. 62Y/43, Account No. 43WC46, LAHSA PRK Housing Navigation Services;
3. REPROGRAM \$347,768 in unspent funds from previous fiscal years of State Homeless Housing, Assistance, and Prevention Program (HHAP) funds from the Office of the City Administrative Officer to HHAP Fund No. 62Y/10, Account No. 10S650, FC-1: A Bridge Home Capital and Operating Gap from the following accounts:
 - a. \$134,228 from HHAP Fund No. 62Y/10, Account No. 10T182, Bureau of Sanitation;
 - b. \$11,869 from HHAP Fund No. 62Y/10, Account No. 10V112, City Attorney;
 - c. \$201,671 from HHAP Fund No. 62Y/10, Account No. 10W110, City Administrative Officer;
4. APPROPRIATE \$266,087 of uncommitted HHAP funds from HHAP Fund No. 62Y/10, Account No. 10S656, FC-7: Administrative Costs to HHAP Fund No. 62Y/10, Account No. 10S650, FC-1: A Bridge Home Capital and Operating Gap;
5. APPROPRIATE up to \$865,986 from HHAP Grant Fund No. 62Y/10, RSRC 4903, Interest Income to HHAP Fund No. 62Y/10, Account No. 10S650, FC-1: A Bridge Home Capital and Operating Gap;
6. REPROGRAM maintenance savings in the amount of \$137,255 from Capital and Technology Improvement Expenditure Program (CTIEP) Fund No. 100/54, Account No. 00T773, Safe Sleep Village-317 N. Madison Avenue to HHAP Fund No. 62Y/10, Account No. 10S650, FC-1: A Bridge Home Capital and Operating Gap;

7. APPROVE \$4,597,353 for construction costs relative to the interim housing site located at 2377 Midvale Avenue in Council District 5 for 33 beds;
8. APPROPRIATE \$4,597,353 to a new CTIEP Fund No. 100/54, in a new account entitled “CD 5 Midvale IH” from the following accounts:
 - a. \$1,200,000 from General City Purposes Fund No. 100/56, Account No. 000903, Council Community Projects;
 - b. \$3,397,353 from HHAP Fund No. 62Y/10, Account No. 10S650, FC-1: A Bridge Home Capital and Operating Gap;
9. AUTHORIZE the General Services Department (GSD) to negotiate and enter into an agreement with the Los Angeles Department of Transportation (LADOT) for the LADOT owned lot #707 located at 2377 Midvale Avenue in Council District 5;
10. AUTHORIZE the GSD to negotiate and execute a sole source Commodities Contract for one year, with LifeArk SPC for the acquisition of prefabricated modular units for an interim housing facility to be located at the LADOT owned lot #707 at 2377 Midvale Avenue in Council District 5;
11. INSTRUCT the General Manager of the Los Angeles Housing Department or their designee to amend the HHAP contract with LAHSA (C-135650) to reflect the reprogramming of allocations shown in Recommendation 2; and
12. AUTHORIZE the CAO to:
 - a. Prepare Controller instructions or make necessary technical adjustments, including to the names of the Special Fund accounts recommended for this report, to implement the intent of these transactions, and authorize the Controller to implement these instructions;

BACKGROUND

Under the June 14, 2022, Alliance Lawsuit Settlement Agreement, the City is required to develop 12,915 new interim or permanent housing units or other interventions by June 14, 2027, in order to accommodate 60 percent of unsheltered persons experiencing homelessness (PEH) within the City based on LAHSA’s 2022 Point-in-Time Count who do not have a serious mental illness. As of June 30, 2023, 1,748 new interventions are open and occupiable and 6,206 interventions are in progress.

DISCUSSION

New Interim Housing in Council District 5

This Report introduces a City owned parking lot as consideration for a new interim housing intervention in Council District 5. The surface parking lot located at 2377 Midvale Avenue, also

known as 10907 Pico Blvd., is owned by the Los Angeles Department of Transportation (LADOT). The lot also known as Lot #707 sits at the intersection of Pico Boulevard and Midvale Avenue and is approximately 16,800 square feet, with a 40 percent utilization rate. This project will provide onsite laundry, housing units with ensuite bathrooms, storage, and services to people experiencing homelessness. This report recommends funding that would support construction, as well the authorities for the appropriate groups within the General Services Department (GSD) to enter into agreements with LADOT and the LifeArk SPC, a modular building system company. The proposed layout will provide 33 beds towards the City of Los Angeles Alliance Settlement Agreement.

The Bureau of Engineering (BOE) has conducted a CEQA analysis for these sites, which is transmitted under a separate cover. The Mayor and City Council must approve BOE's determinations that these uses are categorically exempt from CEQA. A future report will recommend funding for furniture, fixtures, and equipment and operating costs, and the authority for the GSD to negotiate and execute necessary license, lease, and/or sublease agreements for 2377 Midvale Ave.

Funding

Funding for this site includes \$1.2 million of General Fund allocated to Council District 5 under Council Community Projects for homelessness interventions and unspent Homeless Housing, Assistance and Prevention Round 1 (HHAP-1) funds from previous fiscal years from the following programs in Table 1. Expenditure authority for these accounts ended on June 30, 2023. Funding for these programs have been continued using additional rounds of Homeless Housing, Assistance, and Prevention grant funds awarded to the City. Additionally, uncommitted HHAP-1 funds in the amount of \$276,087 and \$865,986 in HHAP-1 accrued interest have been recommended for this project. Table 2 below provides the details of the source of funds.

Table 1: HHAP Detail Breakdown

Program	Amount
Shower of Hope	\$246,363
Bridge Housing-Beacon Street (A Bridge Home Operations)	\$22,630
Laundry Truck LA	\$300,760
Services St. Andrews Place (A Bridge Home Operations)	\$27
The People Concern Hygiene	\$37,555
Homeless Outreach Integrated Care Sys-CD8	\$3,015
Sepulveda Blvd Motel Initiative (CD 7 Family Navigation Services)	\$434,399
LA Mission Hygiene	\$33,865
Downtown Women's Center Rapid Rehousing	\$26,919
HHRP-Tarzana Treatment Center-TTC	\$64,724
LAHSA PRK Housing Navigation Services	\$600,000
YMCA Shower Program (Bureau of Sanitation)	\$134,228
City Attorney (Salaries)	\$11,869

Program	Amount
City Administrative Officer (Salaries)	\$201,671
CTIEP Madison Safe Sleep Maintenance	\$137,255
Uncommitted HHAP-1 (Funding Category 1- A Bridge Home Capital and Operating)	\$10,000
Uncommitted HHAP-1 (Funding Category 7- Administrative Costs)	\$266,087
Uncommitted HHAP-1 (Accrued Interest)	\$865,986.03
Total	\$3,397,353

Table 2: Source of Funds

Funding Source	Amount
Homeless Housing, Assistance, and Prevention Round 1	\$3,397,353
General Fund	\$1,200,000
Total	\$4,597,353

FISCAL IMPACT STATEMENT

The recommendations in this report will be funded with the City's General Fund previously approved for homelessness interventions and the Homeless Housing, Assistance, and Prevention Round 1 funds. There is no additional impact to the General Fund as a result of the recommendations in this report. Funding for operations of the site will be programmed in a future funding report.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City Financial Policies in that budgeted funds are being used to fund recommended actions.