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**TRANSMITTAL**

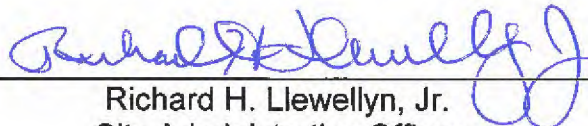
TO Council	DATE  06-07-19	COUNCIL FILE NO. 17-1288
FROM Municipal Facilities Committee		COUNCIL DISTRICT 4

At its meeting held on May 30, 2019, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize GSD to negotiate and execute a new Lease Agreement with the Los Angeles Homeless Services Authority (LAHSA) for the City-owned property located at 1403 N. Gardner Street for use as a women's bridge housing facility. Tenant improvements funded by Proposition HHH are currently underway and the facility is anticipated to open in August 2019.

The City is leasing the property to LAHSA at zero monthly cost. LAHSA is currently in the process of selecting a service provider to operate the facility. The selected service provider will be a sub-lessee to this agreement. Funding for program operations will be provided by Los Angeles County Measure H funds through a contract with LAHSA at a cost estimated at \$657,000 annually based on a bed rate of \$60 per night for 30 beds.

Fiscal Impact

There is no impact to the General Fund. The total capital improvements of \$1,875,000 are funded by Proposition HHH bond funds.



Richard H. Llewellyn, Jr.  
City Administrative Officer  
Chair, Municipal Facilities Committee

RHL:MB:EMM:16190060

# CITY OF LOS ANGELES

CALIFORNIA

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May 30, 2019

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

Attention: Leyla Campos, Legislative Assistant

## **REQUEST AUTHORIZATION TO NEGOTIATE AND EXECUTE A NEW LEASE AT 1403 N. GARDNER STREET WITH THE LOS ANGELES HOMELESS SERVICES AUTHORITY**

The Department of General Services (GSD) requests authorization to negotiate and execute a new lease with the Los Angeles Homeless Services Authority (LAHSA) for the City-owned property at 1403 N. Gardner Street where LAHSA will be the program operator of a women's bridge housing facility.

### **BACKGROUND**

On November 8, 2017 (C.F.17-1288), a Council motion was introduced and referred to the Information, Technology and General Services Committee directing the City Administrative Office (CAO) and others to determine if this was suitable for development as a women's bridge housing site. The City team determined this is an optimal site for 30 beds in Council District 4. On May 29, 2018, the City Council authorized use of Proposition HHH funding for this property based on recommendations by the CAO in a May 17, 2018 report on the Proposition HHH Fiscal Year 2018-19 Project Expenditure Plan (C.F. 17-0090).

This City property, formerly the Durant Library, was purchased from the Library Department by the Los Angeles Bureau of Sanitation (LASAN) with Sewer Construction Maintenance Funds (SCM) (C.F. 04-2067). The 17,302 square foot lot contains the 4,000 square foot library building and a 3,500 square foot area for LASAN's facility. LASAN constructed an air scrubber (an odor control facility) on site that mitigates sewer odors from two large underground sewer lines that run through the neighborhood. The odor control facility (Sierra Bonita Carbon Scrubber Facility) will undergo some upgrades and remain in operation throughout the term of the proposed lease. Seven



dedicated parking spots for LASAN staff will also remain on site. The library structure on site has been vacant since it closed.

The Bureau of Engineering (BOE) provided project design and management oversight and the City's GSD Construction Forces is now completing tenant improvements of the former library structure, expected to re-open as a bridge housing facility in August pending an estimated July construction completion date.

LAHSA will hold this lease and ultimately sub-lease to a program provider once tenant improvements to the 4,000 square foot library structure are complete.

### FUNDING

The \$1,875,000 tenant improvement project is funded through the Proposition HHH Fiscal Year 2018-19 Project Expenditure Plan. Funding for the program operation is provided by County Measure H through a contract with LAHSA and estimated at \$657,000 annually based on a bed rate of \$60 per night for 30 beds.

### SHELTER SERVICES

Through LAHSA, the facility will operate 24/7 and staffed with experienced security personnel. In addition to guarding the facility itself, the security personnel will patrol the parking lot and conduct security checks of the scrubber facility a minimum of nine times daily. The security staff will also respond 24/7 to any issues related to security of the scrubber facility.

Program participants will remain at the shelter until they identify permanent housing or choose to exit the program. Support services are funded for three years and include case management, mental health and substance abuse oversight.

### MAINTENANCE

The CAO advised a maintenance fund will be established for the City to maintain the major building systems of the housing facility including heating, ventilation, air conditioning, water heater, fire alarm and sprinkler system. The City will also maintain the building's exterior walls, structural condition of interior walls, exterior roof, plumbing and electrical systems.

LAHSA and its selected non-profit will be responsible for custodial, maintenance of lighting fixtures, smoke detectors, provide fire extinguishers, maintenance of exterior building lighting and landscaping and basic maintenance of plumbing such as clogged drains. LAHSA will also pay for utilities and insurance for contents and liability.

### TENANT IMPROVEMENTS

The estimated cost of the proposed tenant improvements (TIs) are approximately \$1,875,000. The TIs consist of plumbing, flooring, painting, carpentry, electrical, concrete and possible demolition. The improvements made to the former library building

will remain on the premises and be owned by LASAN upon expiration of the site's use as interim housing.

### COMMUNITY BENEFIT ANALYSIS

This is a no cost lease based on the TIs made to the former library structure on the property, estimated at \$1,875,000. Even with the improvements made to LASAN's location, the fact that the odor control facility is onsite renders the property difficult to lease. The City's ongoing maintenance services to the structure and LAHSA's security services benefit the sewer operations onsite and further offset any fair market value lease payment.

Inasmuch as 'A Bridge Home' is a City program formed to facilitate temporary housing and social services for homeless individuals, the proposed lease, being necessary for implementation of the subject "A Bridge Home" project, does not require further analysis of community benefits in support of the lease.

### TERMS AND CONDITIONS

The lease agreement will contain the following:

LOCATION:	1403 N. Gardner Street, Los Angeles, CA 90046
LANDLORD:	City of Los Angeles
USE:	Homeless Housing
SQUARE FEET:	Approximately 4,000 sq. ft. building plus use of a portion of the 17,302 sq. ft. lot for parking
TERM:	Three years (36 months)
RENTAL RATE:	\$0 (Zero dollars).
ESCALATIONS:	N/A
OPTIONS:	One 3-year option at City's sole discretion
TERMINATION RIGHT:	City unilateral right, 30 day notice
HOLDOVER:	Month to month, at City discretion
ADDITIONAL RENT:	Operating expenses as passed through to sub-lessee
SECURITY DEPOSIT:	N/A
UTILITIES:	Sub-lessee pays utilities

- PARKING:** Provided at no cost/approximately 23 spaces, exclusive of LASAN's seven
- SUB-LET CLAUSE:** Permission to sub-lease
- TENANT IMPROVEMENTS:** City to complete TI project as outlined in a scope of work to include demolition, carpentry, electrical, flooring, and interior/exterior paint, concrete, and plumbing of the former library building.
- CUSTODIAL:** Provided by sub-lessee
- PROPERTY TAXES:** N/A
- INSURANCE:** As outlined by the City's Risk Manager/sub-lessee to maintain contents insurance
- MAINTENANCE:** City to maintain major building systems of the housing facility including heating, ventilation, air conditioning, water heaters, fire alarm and sprinkler system. City duties include building's exterior walls, structural condition of interior walls, exterior roof, plumbing and electrical systems.
- Tenant and sub-lessee responsible for day to day minor maintenance to facility including lighting, fixtures, drains, etc.
- LANDSCAPING MAINTENANCE:** Provided by the City
- PEST CONTROL:** Paid by sub-lessee

**ENVIRONMENTAL**

The BOE Environmental Management Group conducted analyses on both the bridge housing facility and the Sierra Bonita Carbon Scrubber Facility upgrades and determined that this project is categorically exempt under CEQA. The exemption is contained in CEQA Article 19 Section 15301, Class 1 Existing Facilities, (a)(b)(d), Section 15304 Class 4(f) Minor Alterations to Land, and Section 15331 Class 31, Historical Resource Restoration/Rehabilitation. The project is also categorically exempt under the City of Los Angeles CEQA Guidelines, Art. III, Sec.1, Class 1(1)(2)(4) Existing Facilities and Class 4(12) Minor Alterations to Land.

**COMMUNICATION, MOVING, FURNITURE EXPENSE**

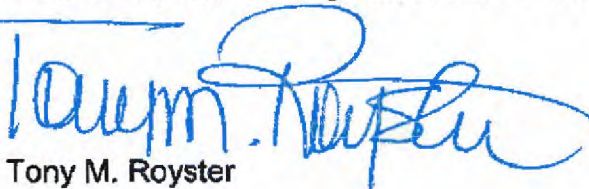
The program operator will provide separate funding for communication equipment, data, staff phones, furniture, beds, office equipment, desks, chairs, moving and all associated start up furnishing required to equip the facility.

**FISCAL IMPACT**

There is no impact to the General Fund. The facility tenant improvements are funded by Proposition HHH and the program funding for operations is provided by County Measure H.

**RECOMMENDATION**

That the Los Angeles City Council authorize the Department of General Services to negotiate and execute a lease with LAHSA for the City property under the terms and conditions as substantially outlined in this report for said property located at 1403 N. Gardner Street, Los Angeles, California 90046.



Tony M. Royster  
General Manager