

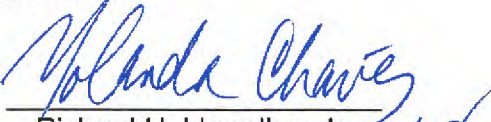
TRANSMITTAL

TO City Council	DATE 9-9-19	COUNCIL FILE NO. 18-0392
FROM Municipal Facilities Committee		COUNCIL DISTRICT 10

At its regular meeting on August 29, 2019, the Municipal Facilities Committee considered the attached report from the Department of General Services, concurred with the recommendations, and instructed staff to transmit to Council for approval. Council approval of the report recommendations would authorized GSD to negotiate and execute a new Right of Entry agreement between the Department of General Services and the Department of Recreation and Parks (RAP) for RAP-controlled property bounded by Hoover Street, South LaFayette Park Place, and Wilshire Boulevard ("LaFayette Park Triangle," APN 5077-005-901) in Los Angeles CA, 90057, for use as a temporary bridge housing facility.

Fiscal Impact

There is no additional anticipated impact to the General Fund for approval of the recommendations in this report. On March 8, 2019, the City Council approved a Motion (Wesson – Cedillo) to allocate approximately \$5,481,289 in General City Purposes Fund No. 100/56 and Homeless Emergency Aid Program (HEAP) Grant Fund No. 60P/10, AC-1 – Capital and Operation Support for construction of this facility. This funding is sufficient to cover the cost of construction.


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

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
111 EAST FIRST STREET
LOS ANGELES, CA 90012
(213) 928-9555
FAX No. (213) 928-9515

August 29, 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 RIGHT OF ENTRY AGREEMENT NEAR 625 S. LAFAYETTE
PARK PLACE WITH CITY OF LOS ANGELES - RECREATION
AND PARKS FOR USE AS A BRIDGE HOUSING FACILITY**

The Department of General Services (GSD) requests authorization to negotiate and execute a new Right of Entry agreement between the City of Los Angeles (City) - Department of General Services and the City of Los Angeles - Department of Recreation and Parks (RAP), for the RAP controlled triangular property bounded by Hoover Street, South LaFayette Park Place, and Wilshire Boulevard (APN 5077-006-901), near 625 S. LaFayette Park Place ("LaFayette Park Triangle") for use as a temporary bridge housing facility.

BACKGROUND

On March 8, 2019, the City Council adopted a motion (C.F. 18-0392) instructing staff to evaluate and determine if this property was suitable for development as a crisis and bridge housing facility and instructed the City's Homeless Coordinator to identify operational funds of the site. This evaluation is now completed, and the City Council in a subsequent motion instructed GSD to proceed with the negotiation of a three-year Right of Entry (ROE) agreement for this purpose.

The triangle shaped RAP controlled site is bounded by Hoover Street, South LaFayette Park Place and Wilshire Boulevard. The City will enter in to a ROE agreement for approximately 30,127 square feet at zero cost for three years to construct and establish a bridge housing facility. The right of entry agreement includes a zero-cost holdover option, on a month-to-month basis after the initial expiration date.

a bridge housing facility. The right of entry agreement includes a zero-cost holdover option, on a month-to-month basis after the initial expiration date.

The Bureau of Engineering (BOE) and other appropriate City departments have determined this property is suitable for modular container structures containing bridge housing beds for up to 70 individuals. The site will also include storage for residents, personal hygiene and laundry facilities, supportive and community engagement services, and 24-hour security.

This site will be a bridge housing facility that will be designed and constructed by a private developer on City-owned land. At City Council's direction (C.F.18-0392), BOE has contracted with LSA Capital and HBG Construction Corporation through the competitive Request for Quotation/Proposal process. The executed contract between the parties follows the City's standards and guidelines under the general conditions and requirements. The involved third-party stakeholders under the contract is LSA Capital the developer, and HBG Construction Corporation, the general contractor. This bridge housing facility will utilize pre-fabricated modular containers for the shelter.

The three-year ROE agreement with RAP will include no rent and no renewal options. Furthermore, the ROE will allow the City to license to a third-party operator. The Los Angeles Homeless Services Authority (LAHSA) has identified the Salvation Army as the service provider to manage and operate the site. GSD will create a separate and concurrent report to the Municipal Facilities Committee and Council regarding the Salvation Army license agreement.

The three-year ROE term will commence upon Los Angeles Department of Building and Safety's final approval of a Certificate of Occupancy.

FUNDING

On March 8, 2019, the City Council approved a motion (Wesson - Cedillo) to allocate \$7,097,779 to construct the bridge housing facility for both 1819 Western and LaFayette Park Triangle (C.F. 18-0392) with approximately \$5,481,289 allocated for LaFayette Park Triangle site.

On May 15, 2019, the City Council Committee on Homelessness and Poverty considered recommendations from the Homeless Strategy Committee (HSC) relative to a report from the City Administrative Officer (CAO) regarding the State Homeless Emergency Aid Program (HEAP) - First Quarterly Expenditure Report and Funding Recommendations. This report recommended HEAP funding to supplement County Measure H funding identified to pay for the operating costs at this site.

The contract with the developer and the general contractor for the work is approximately \$5,481,289. The source of those funds will be an appropriation from the Homeless Emergency Aid Program Grant Fund No. 60P/10. Additional Capital Improvement Expenditure Program (CIEP) funds for staff time and City contingency have been requested through the 1st Construction Projects Report for both 1819 Western and LaFayette Park Triangle. Operational funding in the amount of \$2,549,400 has been

identified from the Homeless Emergency Aid Program grant - AC 1 - Capital and Operating Support - A Bridge Home for this facility.

ENVIRONMENTAL

This site has been determined to be categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Article 19, Sections 15301 Class 1(h); 15304, Class 4(a)(b)(e); and 15332 Class 32; as well as City of Los Angeles CEQA Guidelines, Article III, Section 1, Class 1 (8)(12); and Class 4(1)(3)(6); as set forth in the Notice of Exemption.

MAINTENANCE

The CAO advises a maintenance fund has been established in the CIEP for major building and site systems such as structural foundation, sewer, roof, HVAC, plumbing, electrical, fire and life safety systems. GSD shall be responsible for the major maintenance building and site system items of the facility. Upon taking possession pursuant to a license, the contracted service provider, the Salvation Army, shall be responsible for daily maintenance and repairs throughout the site.

COMMUNICATION, MOVING AND FURNITURE EXPENSE

The City through the approved services funding will provide the operator the communication, data, staff on-site phones, all the furniture, beds, office equipment, desks, chairs, and all the associated start-up furnishing required to equip the facility.

TERMS AND CONDITIONS

The proposed Right of Entry agreement will include the following:

- LOCATION: City-owned property near 625 S. Lafayette Park Place Los Angeles, CA 90057
- GRANTOR: City of Los Angeles - Recreation and Parks
- GRANTEE: City of Los Angeles - GSD
- USE: Residential transitional housing for homeless
- SQUARE FEET: Approximately 30,127 sq. ft.
- TERM: Three years (36 months) from Building and Safety's final Certificate of Occupancy issuance for the Tenant Improvements.

RIGHT OF ENTRY
EFFECTIVE DATE: Upon complete execution by both parties and attested by City Clerk's Office.

RENTAL RATE: \$0

ESCALATIONS: None.

OPTIONS: None.

HOLDOVER: Month to month, at \$0 rent.

ADDITIONAL RENT: City shall not be subject to any additional rent.

SECURITY DEPOSIT: None.

UTILITIES: All utilities shall be paid by sub licensee.

PARKING: On site, at no extra cost subject to availability.

SUBLICENSE
CLAUSE: City shall be permitted to a sublicense to an operator with RAP's prior written consent which shall not be unreasonably withheld. RAP has already consented to Salvation Army as the operator.

CUSTODIAL: Provided by the sub licensee.

PROPERTY TAXES: City shall not be subject to any property tax.

TENANT
IMPROVEMENTS: City shall be responsible for Tenant Improvements which container modular container structures, including any fence or wall construction, if needed.

INSURANCE: Subject to City's right to self-insure, City shall provide insurance for the property and to be further determined by Risk Management.

MAINTENANCE: GSD to maintain major building systems including heating, ventilation, air conditioning, water heaters, fire alarm and sprinkler system, exterior and interior walls, and plumbing and electrical systems.

Sub licensee, (Salvation Army) shall provide basic and routine daily and annual preventative maintenance and repairs within the facility.

FISCAL IMPACT

There is no impact to the General Fund. A total of \$5.4 million dollars in funding for site is provided by the Homeless Emergency Aid Program Grant Fund No. 60P/10, AC-1 - Capital and Operating Support and General City Purposes Fund No. 100/56.

RECOMMENDATION

That the Los Angeles City Council authorize the Department of General Services to negotiate and execute a Right of Entry agreement with the City of Los Angeles - Recreation and Parks for City-owned property near 625 S. LaFayette Park Place, under the terms and conditions substantially as outlined in this report.



Tony M. Royster
General Manager