

0220-05578-0001

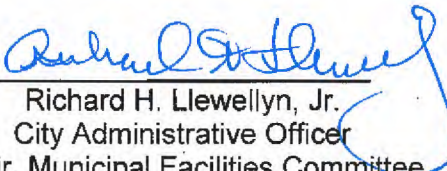
TRANSMITTAL

TO Council	DATE 06-04-19	COUNCIL FILE NO. 18-0510
FROM Municipal Facilities Committee		COUNCIL DISTRICT 11

At its regular meeting on May 30, 2019, the Municipal Facilities Committee considered the attached report from the Department of General Services (GSD), concurred with the recommendations, and instructed staff to transmit to Council for approval. Council approval of the report recommendations would authorize GSD to negotiate and execute a new lease agreement with the Los Angeles Metropolitan Transit Authority (Metro) at 100 Sunset Avenue, Venice, CA 90293 for use as a crisis and bridge housing facility in Council District 11.

Fiscal Impact

The cost to construct this project is estimated to be \$7.6 million. The Council and Mayor previously approved funding to finance this project as follows: \$2.8 million from Homeless Services Program Fund, \$1.3 million from the Crisis and Bridge Housing Fund, \$815,011 from the Homeless Emergency Aid program Grant Fund; and \$3 million in grant funds from the California Community Foundation. The remaining balance of the \$8 million authorized for this project is needed for furniture, fixture and other equipment (FF&E) costs.


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

RHL:YC:MB:AY:15190119
Attachment

CITY OF LOS ANGELES
CALIFORNIA

Agenda Item No. 6

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

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 100 SUNSET AVE WITH THE LOS ANGELES COUNTY METROPOLITAN
TRANSIT AUTHORITY FOR USE AS A BRIDGE HOUSING FACILITY**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with the Los Angeles County Metropolitan Transit Authority (LA Metro) at 100 Sunset Avenue (100 Sunset), Venice, CA 90293 for use as a crisis and bridge housing facility in Council District 11 (CD 11).

BACKGROUND

On December 11, 2018, the City Council adopted a motion (C.F. 18-0510) approving funding for development of the 100 Sunset site as a crisis and bridge housing facility and instructed the City's Homeless Coordinator to identify additional funds for the operation of the site. The City's Homeless Coordinator has requested GSD proceed with the negotiation of the lease with LA Metro for this purpose.

On February 28, 2019, LA Metro's Board of Directors instructed staff to enter into a lease agreement with the City for use of 100 Sunset as a temporary bridge housing facility. The project will operate for up to three years and will provide emergency shelter, hygiene, storage, food services and case management to homeless individuals.

This site was previously a LA Metro bus yard and consists of approximately 3.1 acres and includes one vacant warehouse/office building (Building) and former bus yard/parking lot. The City will only be utilizing the bus yard/parking lot portion of the site and will be fencing off the Bridge Housing Site to prevent access to the Building. The lot totals approximately 130,000 square feet; the project square footage is approximately 75,000 square feet as shown in Exhibit A.



The project design plan is comprised of a new single-story modular membrane structure, which will accommodate up to 100 beds, and nine youth trailers, which will house approximately 54 beds. Also included are: 2 hygiene trailers, storage containers, a free-standing shade structure, an administration trailer, an exterior dining area and storage for approximately 154 60-gallon bins. An outdoor pet area, bike racks, a smoking area and general open space are also elements of the project design plan. There will be 20 parking spaces on the site.

The lease will allow the City to sub-lease to a site operator, with written consent from Metro. The proposed project will be operated by the non-profit program services provider People Assisting The Homeless (PATH) pursuant to a service contract with the Los Angeles Homeless Services Authority (LAHSA). PATH will sublease the site from the City and will be contractually obliged, through its services contract with LAHSA, to adhere to LAHSA's 'A Bridge Home Projects' Scope of Required Services, Facility Standards and Program Standards documentation. Full staff will be onsite during daytime operational hours to provide services. The site will be continuously staffed, 24 hours a day, with security personnel provided by PATH. The primary beneficiaries of the project will be the local homeless community and the public.

GSD will report back to the Municipal Facilities Committee and Council in a subsequent report, including funding sources for operation, for the sub-lease with PATH.

In Lease negotiations, GSD will seek to ensure that any delay in placing a subtenant service provider in the facility will not constitute a breach of the site lease. Also, GSD will seek to ensure that calculation of the 3-year term will commence when a certificate of occupancy is acquired.

FUNDING

The City Council and the Mayor declared a shelter crisis in the City of as of April 2018. In the 2018-19 Adopted Budget the Mayor and City Council allocated \$20 million to the Crisis and Bridge Housing Fund to establish temporary crisis and bridge housing facilities. The goal of this fund is to add 50-100 new beds per Council District. Additionally, \$45 million has also been allocated within the City Homeless Emergency Aid Program (HEAP) allocation from the State of California and \$10 million was included in the Unappropriated Balance (Homeless Services Program) to augment sites with costs that exceed the \$1.33 million limit per Council District set by the Crisis and Bridge Housing Fund.

This facility on Sunset has been identified as the optimal site within CD 11, and these sources of funds will contribute to the cost of the construction project, estimated at \$7.6 million. On December 11, 2018, the City Council adopted a motion authorizing \$5 million in funding for this project (C.F. 18-0510). The remainder of the funding will come from a \$3 million California Community Foundation grant approved by the Council on March 10, 2019 (C.F. 18-0510)

MAINTENANCE

The CAO advises a maintenance fund will be established with the Crisis and Bridge Housing Fund or California Homeless Emergency Aid Program funds for major building and site systems such as structural foundation, sewer, roof, HVAC, plumbing, electrical and fire, life, safety systems. GSD would be responsible for the major maintenance of the facility.

The operator, once established, will provide basic and routine maintenance and repairs throughout the site.

COMMUNICATION, MOVING, FURNITURE EXPENSE

The City pays for the Furniture, Fixtures and Other Equipment (FF&E) required to provide services at the facility (C.F. 18-0510). Either the service provider or the City will procure the furniture and fixtures. The service provider will also provide communication data, staff phones and moving expenses.

The lease will contain the following:

TERMS AND CONDITIONS

LOCATION:	100 Sunset Avenue, Venice, CA 90293
LANDLORD:	Los Angeles County Metropolitan Transit Authority (LA Metro)
USE:	Residential transitional housing for homeless
SITE SQUARE FEET:	Approximately 136,157 total square feet (3.13 Acres)
PROJECT SQUARE FEET:	Approximately 70,000 Square Feet
RATE:	Zero
ADDITIONAL RENT:	Both landlord and tenant are self-insured and exempt from property taxes
TERM:	Three years
ESCALATIONS:	None
OPTION TERM:	None
HOLDOVER:	Month to month, at landlord discretion, zero rent
SECURITY DEPOSIT:	N/A
UTILITIES:	Paid by sub-tenant
PARKING:	On site at no extra cost
SUB-LET:	Permitted with written approval by landlord
TENANT IMPROVEMENTS:	Provided by the tenant, including fence or wall construction
CUSTODIAL:	Provided by the sub-tenant
MAINTENANCE:	Tenant to maintain major building systems, including heating, ventilation, air conditioning, water heaters, fire alarm and sprinkler systems (includes exterior walls, structural, roof, plumbing and electrical systems). Tenant will provide written documentation as

to level and frequency of maintenance with specific direction if portable hygiene facilities are brought on site. Sub-tenant provides basic and routine daily maintenance and repairs within the facility.

INDEMNIFICATION: Complete indemnification from the tenant. Tenant is self-insured. (See attached Exhibit B).

SECURITIZATION: Normally a security deposit (guaranteeing clean-up) in terms of a Cash Bond or Letter of Credit would be required. In this situation, that requirement will be waived providing, in the agreement, the tenant states explicitly that it will warrant the sites will be cleaned when the operation ceases. A written security plan shall be provided to LA Metro Security. LA Metro has to approve the plan.

SITE ACCESS: Tenant agrees to allow LA Metro access to the site at any time during the duration of the Agreement.

TERMINATION: MTA shall have the right to terminate this Lease by delivering sixty (60) days' prior written notice to Tenant, provided that MTA, in its sole, reasonable judgment, determines that it then may require possession of the Premises for its primary, transportation related purposes.

FISCAL IMPACT

The cost to construct this project is estimated to be \$7.6 million. The Council and Mayor previously approved funding to finance this project as follows: \$2.8 million from Homeless Services Program Fund, \$1.3 million from the Crisis and Bridge Housing Fund, \$815,011 from the Homeless Emergency Aid Program Grant Fund; and \$3 million in grant funds from the California Community Foundation.

RECOMMENDATION

That the Los Angeles City Council authorizes the Department of General Services to negotiate and execute a lease with the Los Angeles County Metropolitan Transit Authority for 100 Sunset Avenue, Venice, CA 90293, under the terms and conditions as substantially outlined in this report.

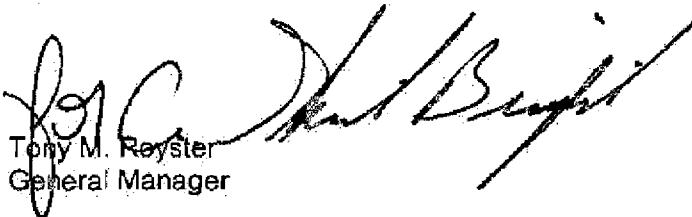

Tony M. Royster
General Manager

EXHIBIT A

(100 Sunset Site Plan)

