

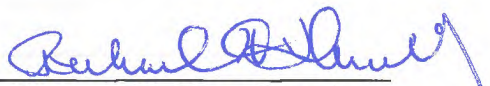
0220-05578-0002

TRANSMITTAL

TO City Council	DATE 07-11-19	COUNCIL FILE NO. 18-0510
FROM Municipal Facilities Committee	COUNCIL DISTRICT 11	

At its regular meeting on June 27, 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 sub-lease agreement with People Assisting the Homeless (PATH) at 100 Sunset Avenue, Venice, CA 90293 for use as a bridge housing facility.

There is no impact to the General Fund. On June 14, 2019, the Mayor and City Council authorized \$5,860,980 in Homeless Emergency Aid Program (HEAP) funding for PATH's operating costs.


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



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June 27, 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 SUB-LEASE
AT 100 SUNSET AVE WITH PEOPLE ASSISTING THE HOMELESS
FOR USE AS A BRIDGE HOUSING FACILITY**

The Department of General Services (GSD) requests authority to negotiate and execute a new sub-lease with People Assisting The Homeless (PATH), a non-profit 501(c)3 organization, as the operator of a bridge housing facility at 100 Sunset Ave in Venice.

BACKGROUND

On June 29, 2018, the City Council adopted a motion (C.F. 18-0510) instructing staff to evaluate and determine if 100 Sunset was suitable for development as a crisis and bridge housing facility and instructed the City's Homeless Coordinator to identify operational funds for the site. The evaluation is complete and the City Council approved funding in two motions on November 30, 2018 and March 8, 2019. Subsequently, the City's Homeless Coordinator requested GSD proceed with the negotiation of a three-year lease with PATH to operate the facility.

The 130,000 square foot LA Metro owned site will be leased by the City, then sub-leased to PATH, to accommodate 154 beds in a tension membrane structure and trailers. The Bureau of Engineering (BOE) is providing project design and management oversight of the City's GSD Construction Forces to complete the project, expected to open in October 2019. The project design plan includes a new single-story modular membrane structure and nine youth trailers. The design includes 100 beds within the membrane structure, 54 additional beds in youth trailers, a hygiene trailer, a youth



hygiene trailer, 154 60-gallon storage containers, a free-standing shade structure, an administration trailer, and an exterior dining area. Other features include an outdoor pet area, bike racks, a smoking area and general open space.

The three year lease with PATH includes a zero-cost holdover option on a month-to-month basis after expiration. In lease negotiations, GSD will seek to ensure the calculation of the three year term will commence when the certificate of occupancy is acquired. The master lease agreement between the City and LA Metro is pending Council approval; it was approved by the Municipal Facilities Committee (MFC) in May and is scheduled for the Homelessness and Poverty Committee (HPC) in mid-June.

FUNDING

The estimated tenant improvement project costs are approximately \$7.6 million. The City Council adopted a motion (C.F. 18-0510) authorizing \$5 million in funding. The remainder of the funding will come from a \$3 million California Community Foundation Grant approved by City Council on March 8, 2019 (C.F 18-0510).

At its meeting on Friday, June 14, the City Council approved the PATH programming operations costs provided by grant funding from the Homeless Emergency Aid Program (HEAP).

SHELTER SERVICES

The City, through the Los Angeles, Homeless Services Authority (LAHSA), identified PATH as the service provider to manage and operate the site 24/7 with experienced staff and security personnel. PATH is dedicated to ending homelessness for individuals, families, and communities. PATH accomplishes this by building affordable housing and providing supportive services throughout California. Support services are funded for three years and include case management, mental health and substance abuse oversight. Program participants will remain at the shelter until they identify permanent housing or choose to exit the program.

COMMUNICATION AND FURNITURE, FIXTURES AND EQUIPMENT

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

MAINTENANCE

The CAO advises a maintenance fund is established with the Capital Improvement Expenditure Fund (CIEP) 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 building and site systems maintenance of the facility.

Upon taking possession, PATH will provide basic and routine daily maintenance and repairs throughout the site.

ENVIRONMENTAL

This site is 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.

COMMUNITY BENEFIT

Inasmuch as a "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 proposed lease will include the following:

LOCATION:	100 Sunset Avenue, Venice, CA 90293
LANDLORD:	City of Los Angeles
TENANT:	People Assisting The Homeless (PATH)
USE:	Crisis and Bridge Housing Facility
SITE SQUARE FEET:	Approximately 130,000 SF
PROJECT SQUARE FEET:	Approximately 75,000 SF (See attached Exhibit A)
TERM:	Three years (36 months) from Lease Commencement Date
LEASE EFFECTIVE DATE:	Upon attestation by City Clerk's Office
LEASE COMMENCEMENT DATE:	Upon final sign-off from involved City departments on approval of Certificate of Occupancy
RENTAL RATE:	Zero
ESCALATIONS:	None
OPTION TERM:	None
HOLDOVER:	Month to month, at landlord discretion, zero rent

TERMINATION:	City unilateral right, 30 day notice
ADDITIONAL RENT:	None
SECURITY DEPOSIT:	None
UTILITIES:	Tenant shall be responsible for all utilities
PARKING:	On site at no extra cost, subject to availability
SUB-LET:	N/A
TENANT IMPROVEMENTS:	The City shall be responsible for improvements for the membrane structure, trailers, including any fence or wall construction, if needed.
CUSTODIAL:	Provided by the Tenant
PROPERTY TAXES:	None.
MAINTENANCE:	City 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 to provide basic and routine maintenance and repairs throughout the site.
INSURANCE AND INDEMNIFICATION:	Complete insurance coverage and indemnification from lessee.
SECURITIZATION:	The City and sub-lessee explicitly warrants the site will be securitized and cleaned during the operation. A written security plan shall be provided to LA Metro Security, subject to LA Metro's approval.
SITE ACCESS:	Lessee agrees to allow LA Metro access to the site at any time during the duration of the Agreement.
SURRENDER OF PREMISES:	Written guidelines or otherwise understanding of what the site conditions will be upon termination of the operation.

FISCAL IMPACT

There is no impact to the General Fund. 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. In addition, on June 14, 2019, Council approved the program services funding provided by HEAP.

RECOMMENDATION

That the Los Angeles City Council authorizes the Department of General Services to negotiate and execute a new lease agreement with People Assisting The Homeless for the property located at 100 Sunset Avenue under the terms and conditions as substantially outlined in this report.

A handwritten signature in black ink, appearing to read "Tony M. Royster". The signature is written in a cursive style with a large, looped initial "T".

Tony M. Royster
General Manager

EXHIBIT A

(100 Sunset Site Plan)

