

TRANSMITTAL

TO Council	DATE 8-13-19	COUNCIL FILE NO. 18-0651-S2
FROM Municipal Facilities Committee		COUNCIL DISTRICT 15


The Municipal Facilities Committee (MFC) waived the attached report issued by the Department of General Services (GSD) and is now for Council consideration. In this report, GSD requests authority to negotiate and execute a new license agreement between the City and the Port of Los Angeles (POLA) for their controlled property located at 826 Eubank Avenue Wilmington, CA 90744 for use as a temporary bridge housing facility. The term of the license agreement will be for 42 months from the issuance of the Certificate of Occupancy with two one-year options and a month-to-month holdover option. Subsequently, the City will sublicense with the United States Veterans Initiative (U.S. Vets) as the operator of the site at no cost.

The Bureau of Engineering (BOE) and other appropriate City departments have determined this site is suitable for a tension membrane structure and modular trailers containing bridge housing beds for approximately 100 individuals. The site will also include storage for residents, personal hygiene and laundry facilities, supportive and community engagement services, and 24-hour security. The estimated total project cost to build the facility is \$7.7 million. Funding was originally budgeted in the 2018-19 Unappropriated Balance (\$2,184,232) and General City Purpose Fund (\$5,537,350). In July 2019, those funds were transferred to the following accounts for the project:

Fund/Department	Acct No	Account Title	Amount
100/40 GSD	001014	Salaries, Construction Project	\$ 339,000
100/40 GSD	001101	Hiring Hall Construction	813,000
100/40 GSD	001121	Benefits Hiring Hall	534,000
100/40 GSD	003180	Construction Materials	1,944,700
100/78 BOE	001010	Salaries General	400,000
10A/43 HCID GF Program	TBD	LAHSA Provider FFE – Eubank	84,100
100/54 CIEP	TBD	Bridge Housing – Eubank Street	1,422,550
100/54 CIEP	00S704	Bridge Housing - Eubank Street	2,184,232
		Total:	\$7,721,582

Fiscal Impact

The project has no impact on the General Fund as funds have been budgeted.


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

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
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CITY PURCHASING AGENT



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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 NEW LICENSE
AGREEMENT AT 826 EUBANK AVENUE WILMINGTON, CA 90744 WITH THE
PORT OF LOS ANGELES FOR USE AS A BRIDGE HOUSING FACILITY**

The Department of General Services (GSD) requests authority to negotiate and execute a new license agreement between the City of Los Angeles (City) and the Port of Los Angeles - Harbor Department (POLA) for their controlled property located at 826 Eubank Avenue Wilmington, CA 90744 for use as a temporary bridge housing facility.

BACKGROUND

On July 3, 2018, the City Council adopted a motion (C.F. 18-0651-S2) 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 funds for the operation of the site. This evaluation is complete and the City Council in a subsequent motion instructed GSD to proceed with the negotiation of a forty-two month license agreement with POLA and a subsequent sublicensee agreement with United States Veterans Initiative (U.S. Vets) as the operator of the site.

The site is located between the intersection of Eubank Ave. and E. Anaheim Street. The City will license 47,233 square feet at zero cost for 42 months to construct and establish a bridge home.

Although not yet fully redesigned, the Bureau of Engineering (BOE), and other appropriate City departments have determined this site is suitable for a tension

membrane structure and modular trailers containing bridge housing beds for approximately 100 individuals. The site will also include storage for residents, personal hygiene and laundry facilities, supportive and community engagement services, and 24-hour security. However, due to the undetermined nature of the environmental risks, the site may need additional evaluation for housing occupants.

FUNDING

The estimated total project costs are approximately \$7.7 million dollars. (C.F. 18-0651-S3). A total of \$7.7 million in funding were budgeted in the FY 2018-2019 Budget - \$5,537,350 from the Crisis and Bridge Housing Fund line item within the General City Purposes Fund, and \$2,184,232 from the Unappropriated Balance. The total costs include \$84,100 for Furniture, Fixtures and Expenditures (FF&E). The CAO's Office is coordinating with the Mayor's Office operational funding at the site.

In addition, there are lease costs associated with this project. The total lease costs for the project throughout the end of the initial license term amount to \$1.00/annually or \$4.00 total. The license also includes two one-year options and a month-to-month holdover option. The City will sublicense the site at no cost to U.S. Vets to operate the facility.

SHELTER SERVICES

The City, through the Los Angeles Homeless Services Authority (LAHSA), identified U.S. Vets as the service provider to manage and operate the site with experienced staff and security personnel. GSD will submit a separate report to the Municipal Facilities Committee and Council regarding the U.S. Vets sublicense agreement. In negotiations, GSD will seek to ensure the license term will commence upon the issuance of a Certificate of Occupancy.

U.S. Vets, a 501(c)3 non-profit organization, is the nation's largest nonprofit provider of comprehensive services to homeless and at-risk veterans. It provides housing, employment and counseling services, and treatment for mental and physical health problems. At each of its 11 locations around the country, U.S. Vets' personnel go into the local community to find homeless veterans and guide them to crucial services that might help alleviate the challenges they face as a result of their homelessness.

ENVIRONMENTAL

On December 11, 2018, the City Council adopted a report from the Homelessness and Poverty Committee, dated December 5, 2018, relative to this project qualifying for a categorical exemption under the California Environmental Quality Act (CEQA). The City's action in now approving the license agreement of the site from POLA is an action implementing the prior City Council approval of the project and as such, no further CEQA determination is required.

The City acknowledges receipt of Phase I and Limited Phase II Environmental Site Assessment Report and the First Addendum to Phase I and Limited Phase II

Environmental Site Assessment Report for the Premises. The City will indemnify and hold harmless POLA for any legal challenges to the environmental process or documentation including, any legal challenge to the CEQA documentation, permits, agreements and/or approvals. Based on these reports, there may be an associated risk to future occupants of the site.

MAINTENANCE

The CAO's Office 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 will be responsible for maintenance of major building systems within the facility. Upon taking possession pursuant to a sublicense, U.S. Vets, the operator will be responsible for daily and minor maintenance and repair items throughout the site.

COMMUNICATION, FURNITURE, FIXTURES AND EQUIPMENT

Per the City Council adopted motion (18-0651-S2) to instruct the General Manager and the Housing and Community Investment Department to amend the General Fund contract with LAHSA funding to include funds in the amount of \$84,100 for U.S Vets to purchase furniture, fixtures and equipment for the bridge housing facility at 826 Eubank Street.

TERMS AND CONDITIONS

The proposed license will include the following:

LOCATION:	826 Eubank Street Wilmington, CA 90744
LANDLORD:	City of Los Angeles – Port of Los Angeles
TENANT:	City of Los Angeles
USE:	Residential transitional housing for homeless
SQUARE FEET:	Approximately 47,233 sq. ft.
TERM:	Forty-Two (42 months) from the issuance of the Certificate of Occupancy by Building and Safety.
LICENSE EFFECTIVE DATE:	Upon lease signature by both parties and attested by City Clerk's Office
RENTAL RATE:	\$1/Month
ESCALATIONS:	N/A

- OPTIONS:** None
- HOLDOVER:** Month-to-month at \$1/mo. rental rate
- ADDITIONAL RENT:** City shall not be subject to any additional rent
- SECURITY DEPOSIT:** None
- UTILITIES:** All utilities shall be paid by the sublicensee
- PARKING:** On site, at no extra cost subject to availability
- SUBLICENSEE
CLAUSE:** The City may be permitted to sublicense to an operator with POLA's prior written consent and notice which shall not be unreasonably withheld.
- CUSTODIAL:** Provided by the Sublicensee
- PROPERTY TAXES:** City shall not be subject to possessory interest tax. Sublicensee may be subject to possessory interest tax.
- TENANT
IMPROVEMENTS:** City shall be responsible for Tenant Improvements for the membrane structure, trailers, including any fence or wall.
- INSURANCE:** POLA shall allow the City to meet its insurance obligations through a program of self-insurance; U.S. Vets shall also meet the insurance requirements per the sublicensee agreement.
- MAINTENANCE:** City shall 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.
- Sublicensee shall be responsible to maintain and conduct some preventive maintenance items of the building systems.
- SURRENDER OF
PREMISES:** On the expiration of the License, the City shall surrender the Premises in the original condition, including demolition and removal of any "Tenant Improvements" and "Alterations." City shall be subject to rent per above schedule during restoration period.
- INDEMNITY:** City shall defend, indemnify and hold harmless Harbor Department from any and all claims and/or causes of action,

damages, liabilities, judgments, expense, penalties, attorneys' and consultants' fees. The obligations under shall survive the Termination Date of this agreement.

**ENVIRONMENTAL
OBLIGATION:**

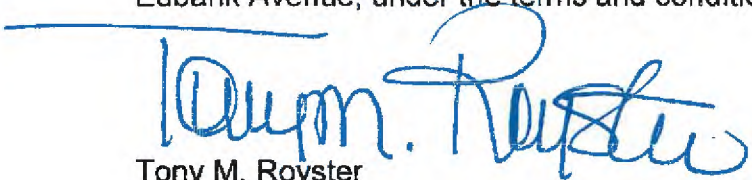
Tenant shall remediate any spill discharge or release of any Environmental Regulated Material that occurs, in on, under or about the Premises whether caused by Tenant or any Assignor or any third-party during Tenant's or Assignor's occupancy.

FISCAL IMPACT

There is no impact to the General Fund. A total of \$7.7 million in funding were budgeted in the FY 2018-2019 Budget - \$5,537,350 from the Crisis and Bridge Housing Fund line item within the General City Purposes Fund, and \$2,184,232 from the Unappropriated Balance. Funds needed to operate this facility, estimated to be \$2,190,000 annually are not included in this report. The FY 2019-20 Adopted Budget includes \$9,000,000 in the Unappropriated Balance for Homeless Services Programs, which may be used for this purpose. Additionally, the CAO is working with the Mayor's Office to identify service funds for A Bridge Home projects, including a second HEAP allocation from the State of California and/or additional funding from Los Angeles County Measure H.

RECOMMENDATION

That the Los Angeles City Council, subject to approval of the Mayor, authorize the Department of General Services to negotiate and execute a lease with POLA for 826 Eubank Avenue, under the terms and conditions as substantially outlined in this report.



Tony M. Royster
General Manager