

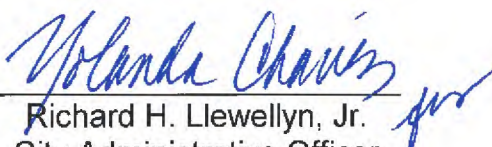
0220-05151-0070

TRANSMITTAL

TO Council	DATE 12-31-18	COUNCIL FILE NO. 18-0941
FROM Municipal Facilities Committee		COUNCIL DISTRICT 15

At its meeting on December 20, 2018, the Municipal Facilities committee approved recommendations in the attached Department of General Services (GSD) report and instructed staff to transmit to Council for consideration. Council approval of the report recommendations would authorize GSD to negotiate and execute a new lease with the Housing Authority of the City of Los Angeles (HACLA) for the property located 2316 E. Imperial Highway for use as a bridge housing facility adjacent to Council District 15.

Fiscal Impact Statement: Funds recommended to construct the bridge housing facility were budgeted in the Fiscal Year 2018-19 Budget. As such, there is no additional impact to the General Fund. The City is working with the County of Los Angeles to secure operating funding for this facility.


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

RHL/MB/13190016

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
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December 20, 2018

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 2316 EAST IMPERIAL HIGHWAY WITH
THE HOUSING AUTHORITY OF LOS ANGELES
FOR USE AS A BRIDGE HOUSING FACILITY**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with the Housing Authority of the City of Los Angeles (HACLA) at 2316 E. Imperial Highway for use as a bridge housing facility in Council District 15.

BACKGROUND

On August 1, 2018, the City Council adopted a motion (CF18-0941) instructing staff to 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. The City's Homeless Coordinator has requested GSD proceed with the negotiation of the lease with HACLA for this purpose.

The site is a three parcel vacant lot, of approximately 59,000 square feet, owned by HACLA, and was previously used for emergency housing. The City Administrative Officer (CAO) released a report (CF18-0651) on November 29, 2018, that determined this property is suitable for two tension membrane structures and associated modular trailers to establish bridge housing beds for 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 City will lease 30,960 square feet of the eastern portion at zero cost for three years to construct and establish a bridge home. The project includes construction of a fence or wall at tenant's cost as a proposed Watts Worksource Center will be built on the remaining portion of the lot during this three year timeframe.

The estimated total project costs is \$5,468,596 of which \$235,084 was paid from the Capital Improvement Expenditure Program (CIEP) Homeless Projects account for design and California Environmental Quality Act (CEQA) analysis. The total costs includes \$488,166 for Furniture, Fixtures and Expenditures (FF&E). The City is coordinating with the County to secure operating funding for this facility. The estimated construction start date is mid-January 2019.

The lease is limited to three years as HACLA intends to construct permanent supportive housing on the site. The lease includes a zero cost holdover option, to be exercised at HACLA's sole discretion, on a month to month basis after the three year expiration date.

The lease allows the City to sub-lease to a site operator, with written consent of HACLA. An operator for the site has not been selected at this time. GSD will report back to the Municipal Facilities Committee and Council once an operator has been selected.

FUNDING

The City Council and the Mayor declared a shelter crisis in the City of Los Angeles as of April 2018. The Mayor and Council allocated \$20 million to the Crisis and Bridge Housing Fund in the 2018-19 Adopted Budget 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 of Los Angeles' 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 has been identified as the optimal site within Council District 15, and these sources of funds will cover the cost of the construction project, estimated at \$5,233,512. The CAO report allocates the construction and FF&E funding for this project.

MAINTENANCE

The CAO advises a maintenance fund will be established with CBHF or HEAP 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

Per the CAO, report (CF-180651), the City pays for the furniture, fixtures and other equipment required to provide services at the facility. 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.

TERMS AND CONDITIONS

LOCATION: 2316 E. Imperial Highway

LANDLORD: Housing Authority of the City of Los Angeles

USE: Residential transitional housing for homeless

SQUARE FEET: 30,960

RATE: Zero

ADDITIONAL RENT: Both landlord and tenant are self-insured and exempt from property taxes

TERM: Three years

ESCALATIONS: None

OPTIONS: None

HOLDOVER: Month to month, at landlord discretion, zero rent

SECURITY DEPOSIT: None

UTILITIES: Paid by sub-lessee

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-lessee

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.

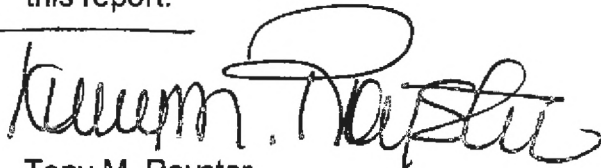
Sub-lessee provides basic and routine daily maintenance and repairs within the facility.

FISCAL IMPACT

Funds recommended in this report were budgeted in the Fiscal Year 2018-19 Budget. Funding for this site in its entirety (\$5.2 million) is provided by Council District 15's share of the Crisis and Bridge Housing Fund in the General City Purpose Fund (\$1.33 million), the Homeless Emergency Aid Program Grand Fund No 60P/10,AC-1-Capital and Operating Support (\$3 million) and the Unappropriated Balance, Homeless Services Program (\$900,170). As such, there is no additional impact to the General Fund. The City is coordinating with the County to secure operating funding for this facility.

RECOMMENDATION

That the Los Angeles City Council authorize the Department of General Services to negotiate and execute a lease with the Housing Authority of the City of Los Angeles for 2316 East Imperial Highway, under the terms and conditions as substantially outlined in this report.



Tony M. Royster
General Manager

Attachment