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TRANSMITTAL

TO
Council

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7-30-19

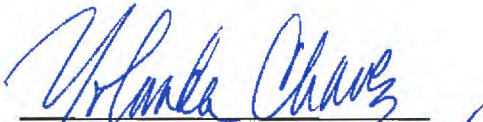
COUNCIL FILE NO.
18-0750

FROM
Municipal Facilities Committee

COUNCIL DISTRICT
9

At its meeting held on July 25, 2019, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize GSD to negotiate and execute a new sublease with the Volunteers of America Los Angeles (VOALA) and the City of Los Angeles for property at 2817 S. Hope Street, Los Angeles, CA 90007 as the operator of a bridge housing facility for a term of three years and a rental rate of \$0. The City will construct a crisis and bridge housing facility on this site that is located in Council District 9.

There is no additional impact on the General Fund. Council and Mayor previously approved \$6.3 million to construct the bridge housing facility using the Homeless Emergency Aid Program (HEAP) Grant Fund, which includes capital and operating support of (\$6,079,875 million) and the Capital Improvement Expenditure Program Homeless Projects (\$243,174). The City is coordinating with the County for operational funding offsets in the amount of (\$634,350) from the HEAP Grant for this facility.



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

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

DEPARTMENT OF
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ROOM 701
CITY HALL, SOUTH
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LOS ANGELES, CA 90012
(213) 928-9555
FAX NO. (213) 928-9515

July 25, 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 SUBLEASE AT 2817 S. HOPE STREET WITH VOLUNTEERS OF AMERICA
OF LOS ANGELES (VOALA) FOR USE AS A BRIDGE HOUSING FACILITY**

The Department of General Services (GSD) requests authority to negotiate and execute a new sublease between the City of Los Angeles (City) and the Volunteers of America Los Angeles (VOALA), a non-profit 501(c)3 organization, as the operator of a bridge housing facility at 2817 S. Hope St. Los Angeles, CA 90007.

BACKGROUND

On December 4, 2018, the City Council adopted a motion (C.F. 18-0750) instructing city staff to evaluate and determine if 2817 S. Hope 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 was completed and the City Council subsequently approved funding and instructed GSD to negotiate a lease and sublease agreement with the County for this property. The Council directed the sub-lease agreement be with the Volunteers of America Los Angeles (VOALA) as an operator of the site. The master lease agreement with the County was approved by City Council on July 3, 2019.

The 28,270 square foot County-owned parking lot is located between the intersection of Hope Street and 28th Street bordering the 110 freeway. It currently serves as a County employee parking lot. Employee parking will be reassigned to an adjacent lot once the City takes possession mid to late August 2019.

The Bureau of Engineering (BOE) is providing project design and management oversight of the City's GSD Construction Forces to complete this project, expected to open in November 2019. The project design includes a new singular-story modular membrane structure along with multiple trailers. The design includes 100 beds within the membrane structure, a hygiene trailer, an administration trailer, supportive and community engagement services and 24-hour security. Other amenities include an outdoor pet area, bike rack, a smoking area and general open space.

The 3-year sublease with VOALA includes a zero-cost lease and holdover option, on a month-to-month basis after the lease expiration date along with two 1-year options subject to the County's master plan for redevelopment.

FUNDING

The estimated total project costs are approximately \$6.3 million dollars. On May 10, 2019, the City Council approved a Motion (Harris-Dawson – Price) to allocate \$6,323,174 to construct the bridge housing facility (C.F. 18-0750). The source of these funds will be an appropriation from the Homeless Emergency Aid Program Grant Fund No. 60P/10. A total of \$243,174 has been paid from the Capital Improvement Expenditure Program Homeless Projects account for design and CEQA analysis. The total costs include \$280,340 for Furniture, Fixtures and Expenditures (FF&E).

At its meeting 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 City is coordinating with the County for operational funding from the Homeless Emergency Aid Program grant – AC 1 – Capital and Operating Support – A Bridge Home in the amount of \$634,360 for this facility.

SHELTER SERVICES

The City, through the Los Angeles, Homeless Services Authority (LAHSA), identified VOALA as the service provider to manage and operate the site with experienced staff and security personnel. VOALA is a human services organization committed to serving people in need, strengthening families, building communities and serving children and families from under-served communities, at-risk youth, Veterans, individuals and families struggling with homelessness, men and women returning from prison, and people challenged with addictions and substance use. Operational funds 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.

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.

MAINTENANCE

The CAO advises a maintenance fund has been established in the Capital Improvement Expenditure Program (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 the major maintenance items of the facility.

Upon taking possession pursuant to a sublease, VOALA, the contracted service provider will be responsible for daily and minor maintenance and repair items throughout the site.

COMMUNICATION, MOVING, FURNITURE EXPENSE

Per the City Council adopted motion (CF18-0750), the contract was amended with Los Angeles Homeless Services Authority for Homeless Emergency Assistance Programs to include funds in the amount of \$280,340 for VOALA to purchase furniture, fixtures and equipment for the facility.

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 sublease will include the following:

- LOCATION: 2817 S. Hope St. Los Angeles, CA 90007
- LANDLORD: City of Los Angeles
- TENANT: VOALA
- USE: Residential transitional housing for homeless
- SQUARE FEET: Approximately 28,270 sq. ft.

TERM: Three years (36 months) from Building and Safety's Certificate of Occupancy issuance.

SUBLEASE EFFECTIVE DATE: Upon complete execution by both parties and attested by City Clerk's Office

RENTAL RATE: \$0

ESCALATIONS: N/A

OPTIONS: Two 1-year options subject to County's master plan for redevelopment with six-month notice

HOLDOVER: Month to month, at \$0 rent

ADDITIONAL RENT: VOALA shall not be subject to any additional rent

SECURITY DEPOSIT: None

UTILITIES: All utilities shall be paid by the sublessee

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

SUBLEASE CLAUSE: VOALA shall be permitted to sublease to an operator with the City's prior written consent and notice which shall not be unreasonably withheld.

CUSTODIAL: Provided by the sub-lessee

PROPERTY TAXES: VOALA 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 construction.

INSURANCE: Subject to City's right to self-insure, City shall provide insurance for the property and to be further determined by Risk Management. VOALA shall also meet the insurance requirements per the sublease agreement.

MAINTENANCE: City 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.

Sublessee shall be responsible to maintain and conduct some preventive maintenance items of the building systems.

FISCAL IMPACT

There is no impact to the General Fund. A total of \$ \$6.3 million in funding for the site is provided by the Homeless Emergency Aid Program Grant Fund No. 60P/10, AC-1 – Capital and Operating Support (\$6,079,875), Capital Improvement Expenditure Program Homeless Projects (\$243,174) and operational funds from the Homeless Emergency Aid Program Grand Fund – AC1 – Capital and Operating Support (\$637,350).

RECOMMENDATION

That the Los Angeles City Council, subject to approval of the Mayor, authorize the Department of General Services to negotiate and execute a sublease with VOALA for 2817 S. Hope Street, under the terms and conditions as substantially outlined in this report.


Tony M. Royster
General Manager

Attachments

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 SCALE 1" = 90'

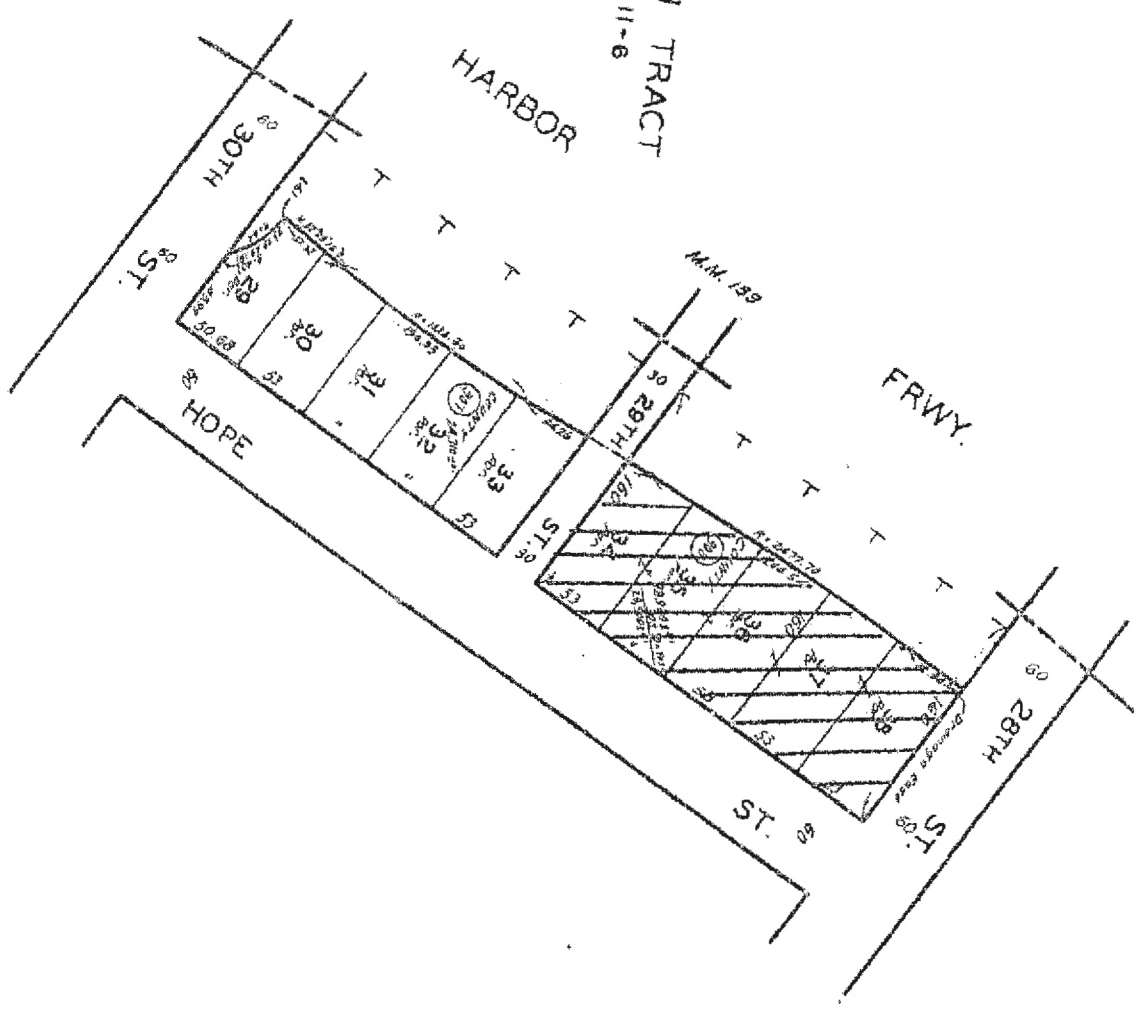
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JUDSON TRACT
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CODE
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FOR PREV. ASSMNT. SEE: 33-416



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