

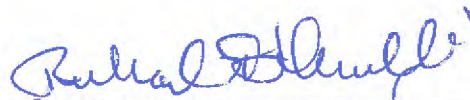
0220-05151-0064

**TRANSMITTAL**

TO Council	DATE 11-28-18	COUNCIL FILE NO.
FROM Municipal Facilities Committee		COUNCIL DISTRICT 1

At its meeting held on November 15, 2018, the Municipal Facilities Committee adopted the recommendations in the attached General Services Department (GSD) report. Adoption of the report recommendations would authorize GSD to negotiate and execute a new sub-lease agreement with the People Assisting the Homeless (PATH) for property located at 1920 West 3<sup>rd</sup> Street, for use as a bridge housing facility for women and families. The lease will have a term of three (3) years with a seven (7) year option. PATH is required to maintain no less than 25 beds at all times at this residential transitional housing facility.

The City will not charge PATH for the term of the lease. Los Angeles County Measure H funds will pay for the majority of the PATH operational costs and Council District 1 share of Crisis and Bridge Housing Fund in the General City Purpose fund will subsidize operations by \$563,070 over three years (C.F.18-0941-S1). As such, there is no additional impact on the General Fund.



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

RHL:MB:RA:16190010

CITY OF LOS ANGELES  
CALIFORNIA

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

November 15, 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 SUB-LEASE AGREEMENT AT  
1920 W. 3<sup>rd</sup> STREET FOR USE AS A BRIDGE HOUSING FACILITY**

The Department of General Services (GSD) requests authorization to negotiate and execute a new sub-lease agreement with the People Assisting the Homeless (PATH) at 1920 W. 3<sup>rd</sup> Street, Los Angeles, California 90057 for use as a bridge housing facility for women and families (C.F. 18-0941).

**BACKGROUND**

On October 31, 2018, the Council adopted a motion (C.F. 18-0941) instructing GSD to negotiate a three year lease agreement with the Los Angeles Mission (L.A. Mission) and an associated sub-lease with PATH to operate this facility as bridge housing.

On November 2, 2018, the Council introduced a motion transferring and appropriating \$923,070 from the Crisis and Bridge Housing Fund to Housing and Community Investment Department (HCID) to be used as follows: "\$675,532 to support PATH to manage and operate the facility for 36 months; and \$251,538 in start-up costs to furnish and initiate. The motion further instructs HCID to amend the Los Angeles Homeless Services Agency (LAHSA) Contract C-131989 to contract with PATH to operate the bridge housing facility.

In a separate report to the Municipal Facilities Committee submitted for the November 15, 2018 meeting, GSD requested authority to negotiate and execute a lease with L.A. Mission for their privately owned facility.



PATH, a 501(c)3 non-profit, operates 25 locations throughout California providing case management, medical and mental healthcare, benefits advocacy, employment training, and other services to homeless individuals. Since 2013, PATH has connected more than 7,500 people to permanent housing.

### SCOPE OF SERVICES

PATH is required to maintain no less than 25 beds at all times at this residential transitional housing facility. L.A. Mission holds a Federal Home Loan Bank (FHLB) grant for the property requiring them to comply with all terms and conditions for its use as a shelter and the bed requirement is central to the grant. PATH anticipates this facility will shelter 28 women and five families and provide the following services:

- Intensive case management aimed at identifying and securing permanent housing
- Wellness activities and groups focused on budgeting, life skills and workforce development
- Safety and security through 24/7 staffing
- Nutritious meals and snacks
- Connection to primary care, mental health care and substance use services as needed

### TERMS AND CONDITIONS

The sub-lease will contain the following:

LOCATION:	1920 W. 3 <sup>rd</sup> Street, Los Angeles, CA 90057
TENANT:	People Assisting the Homeless (PATH)
USE:	Restricted to residential transitional housing for homeless/low income consistent with landlord's Federal Home Loan Bank grant (FHLB)
SQUARE FEET:	Approximately 6,271 sq. ft. - 4,000 sq. ft. basement (not included in master lease payment)
TERM:	Three years (36 months)
RENTAL RATE:	\$0
ESCALATIONS:	N/A
OPTIONS:	One 7-year option, renegotiated at market rate, at sole discretion of the City
ADDITIONAL RENT:	N/A

SECURITY DEPOSIT:	N/A
PARKING:	N/A
UTILITIES:	Paid by the sub-lessee
CUSTODIAL:	Provided by the sub-lessee
PROPERTY TAXES:	Paid by City through master lease
INSURANCE:	Paid by City through master lease
MAINTENANCE:	Landlord maintains foundation, structure, roof, HVAC, plumbing, sewer, electrical, fire sprinklers and boilers
TENANT IMPROVEMENT:	Building is undergoing renovation. Any further tenant improvements are at sub-lessee's cost.
TERMINATION RIGHTS:	Landlord right to terminate only if the tenant fails to operate the facility to comply with terms and conditions of FHLB grant
MAINTENANCE:	Through the master lease, maintenance is provided at no cost to the sub-lessee for the foundation, structure, roof, HVAC equipment, plumbing, electrical, sewer, fire sprinkler and boilers. PATH will provide basic and routine maintenance and repairs within the facility which includes maintaining and repairing floors, interior walls and ceilings.

#### COMMUNICATION EXPENSE, FURNITURE AND MOVING

PATH will provide communication, data, staff phones, furniture, beds, office equipment, desks, chairs and all associated start-up furnishings required to equip the facility.

#### MAINTENANCE

PATH will provide basic and routine maintenance and repairs within the facility. This includes maintaining and repairing floors, interior walls and ceilings.

The landlord will maintain and repair the foundation, structure, roof, HVAC equipment, plumbing, sewer, electrical, fire sprinklers and boilers.

The City will have no maintenance responsibilities under the master lease or the sub-lease.

MARKET ANALYSIS/COMMUNITY BENEFIT ANALYSIS

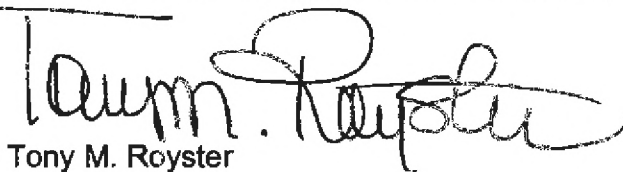
A recent market analysis reflects the price per square foot (psf) for a similar location and type of warehouse space ranges from \$2.75 to \$5.00. The master lease is already funded through Crisis and Bridge Housing Fund. The CAO has determined that a Community Benefits Analysis (CBA) will not be required for this sub-lease agreement due to the fact the property is not City-Owned.

FISCAL IMPACT

This sub-lease generates no revenue back to the City's General Fund. Pending approval by Council and Mayor, the Crisis and Bridge Housing Fund and the General City Purposes Budget will finance the master lease base rent, deposit, renovation, property taxes and insurance as well as PATH's start-up and operating costs.

RECOMMENDATION

That the Los Angeles City Council authorize the Department of General Services to negotiate and execute a new sub-lease agreement with PATH, at 1920 W. 3<sup>rd</sup> Street, Los Angeles, California to operate a bridge housing facility under the terms and conditions substantially as outlined in this report.



Tony M. Royster  
General Manager

Attachment

1920 W. 3rd Street, Los Angeles CA 90057

Address	City	Property Type	Property Size	Space Avail	Rent/US/Mo
1201 W 5th St	Los Angeles	Class B Office	450,000 SF	46,681 SF	\$3.25-\$3.65
611 W 6th St	Los Angeles	Class B Office	762,893 SF	715,050 SF	\$3.25-\$3.50
3500 W 6th St	Los Angeles	Retail/Storefront (Community Center)	166,042 SF	26,330 SF	\$3.00-\$5.00
419 W 7th St	Los Angeles	Retail/Storefront Retail/Office	47,000 SF	47,000 SF	\$2.50-\$6.00
617 W 7th St	Los Angeles	Class A Office	216,016 SF	62,426 SF	\$3.55
811 W 7th St	Los Angeles	Class B Office/Loft/Creative Space	115,902 SF	80,641 SF	\$3.67
815 W 7th St	Los Angeles	Class A Office	355,198 SF	68,189 SF	\$3.35-\$3.58
1055 W 7th St	Los Angeles	Class B Office/Loft/Creative Space	617,918 SF	157,628 SF	\$2.75
1200 W 7th St	Los Angeles	Class A Office/Telecom Hotel/Data Hosting	733,000 SF	285,555 SF	\$2.75
200-226 E 9th St	Los Angeles	Retail/Restaurant	24,806 SF	16,517 SF	\$5.00
316-320 W 9th St	Los Angeles	Class C Office/Loft/Creative Space	124,374 SF	11,777 SF	\$3.00-\$6.00
110 W 11th St	Los Angeles	Class C Office	62,600 SF	48,391 SF	\$2.75-\$3.25
2417 Beverly Blvd	Los Angeles	Class B Office	10,720 SF	10,720 SF	\$2.75
330 S Broadway	Los Angeles	Retail/Restaurant	6,240 SF	6,240 SF	\$5.00
639-656 S Broadway	Los Angeles	Class B Office/Loft/Creative Space	200,000 SF	64,757 SF	\$3.50
750-762 S Broadway	Los Angeles	Class C Multi-Family/Apartments	165,400 SF	5,298 SF	\$6.50
445 S Figueroa St	Los Angeles	Class A Office	627,334 SF	126,949 SF	\$3.58
811 Wilshire Blvd	Los Angeles	Class A Office	337,052 SF	61,769 SF	\$2.75-\$2.83