

TRANSMITTAL

0220-05151-0141

TO Council	DATE July 29, 2019	COUNCIL FILE NO. 19-0644
FROM Municipal Facilities Committee		COUNCIL DISTRICT 14

At its regular meeting on July 25, 2019, the Municipal Facilities Committee (MFC) adopted the recommendations, as amended, in the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. The MFC provided a verbal amendment to modify the controller instructions to reflect the correct address of the site, located at 544 Towne Ave/545 Stanford Ave. This amendment is reflected in Attachment A.

Adoption of the report recommendations would:

1. Authorize GSD to negotiate and execute a new lease agreement with Los Angeles Holdings, LLC to operate a ReFresh Spot/Crisis Response Facility (Hygiene Center) on the property located at 544 Towne Ave/545 Stanford Ave, Los Angeles, 90013 (544 Towne) for a lease term of five (5) years and a monthly rental rate of \$17,000; and
2. Allocate State of California Homeless Emergency Aid Program (HEAP) grant funds in the amount of \$4,315,212 to lease the property and develop the Hygiene Center.

There is no impact to the General Fund. The lease and construction costs will be funded by State HEAP grant funds.



Richard H. Llewellyn, Jr.
City Administrative Officer
Chair, Homeless Strategy Committee

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

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 LEASE AT 544 TOWNE AVE/545 STANFORD AVE FOR USE AS A REFRESH SPOT HYGIENE CENTER

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with Los Angeles Holdings, LLC to operate a ReFresh Spot/Crisis Response Facility (Hygiene Center) for the property located at 544 Towne Ave, Los Angeles 90013 (544 Towne). (This property also has a second address of 545 Stanford Ave, Los Angeles, CA 90013.)

BACKGROUND

On June 14, 2019, the City Council adopted a motion (C.F. 19-0644) instructing GSD to negotiate and execute a lease for the purpose of relocating the Skid Row Hygiene Center currently located at 557-559 Crocker St (557 Crocker) to 544 Towne. 557 Crocker, owned by the Weingart Center, is being developed into permanent supportive housing with planned construction commencing October 2019. 544 Towne was identified as a proximate alternative site for the Skid Row Hygiene Center. 544 Towne is individually and privately owned by Mr. Maurice Moussavieh.

Despite the City's investment in public and non-profit facilities in Skid Row, there remains a shortage of public restrooms and other personal hygiene facilities. The new Skid Row Hygiene Center is a continued response to the unsheltered homelessness crisis and Hepatitis A and will provide showers, restrooms, and laundry facilities, as well as supportive services and community engagement services to the residents of Skid



Row. Due to its increased size over the Crocker site, 544 Towne creates the opportunity for additional service programming in conjunction with City and County agencies, non-profit service providers and community organizations (e.g. Goodwill Industries, Social Model Recovery Systems, and We Team Security Services).

FUNDING

The Bureau of Engineering will oversee the tenant improvement project estimated at \$4.32 million. This project will be funded through the Homeless Emergency Aid Program (HEAP) Grant Fund as detailed in the report recommendations.

HYGIENE CENTER SERVICES

HHCLA, a 501(C)3 non-profit organization, will continue to be the service provider for the Skid Row Hygiene Center at 544 Towne. HHCLA will manage and operate the site 24/7 with experienced staff and security personnel. HHCLA's comprehensive approach connects individuals to medical and mental health services, substance use programs, and case management services, as well as facilitating referrals to long term housing placement.

GSD will report back to the Municipal Facilities Committee and Council in a subsequent report on a new service provider sub-lease with HHCLA. In those lease negotiations, GSD will seek to ensure that any delay in placing a subtenant service provider in the facility will not constitute a breach of the site lease. Also, GSD will seek to ensure that calculation of the five-year term will commence when a certificate of occupancy is acquired.

544 Towne supportive services are funded for five years and will include case management, 24/7 security, housing service referrals, hygiene access, and mental health and substance abuse management.

COMMUNICATION AND FURNITURE, FIXTURES AND EQUIPMENT

Existing Communication and Furniture, Fixtures and Equipment (FF&E) located at 557 Crocker will be moved to and utilized at 544 Towne. Any additional Communication and FF&E will be funded through the operating budget provided to HHCLA. This includes communication, data, and staff phones, all the furniture, office equipment, desks, chairs, and all the associated start-up furnishing required to equip the facility.

MAINTENANCE

The CAO advises that 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, if applicable. GSD shall be responsible for the major maintenance items of the facility.

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

ENVIRONMENTAL

A Notice of Exemption is currently under review by the Bureau of Engineering and the Office of the City Attorney and will be brought to the City Council under a separate action.

TERMS AND CONDITIONS

The proposed lease will include the following:

LOCATION:	544 Towne Ave/545 Stanford Ave, Los Angeles, CA 90013
LANDLORD:	Los Angeles Holdings, LLC
TENANT:	City of Los Angeles
USE:	ReFresh Spot/Crisis Response Facility (Hygiene Center)
SQUARE FEET:	Approximately 17,000 sq. ft.
TERM:	Five years (60 months) from Lease Commencement Date
LEASE EFFECTIVE DATE:	Upon attestation by City Clerk's Office
LEASE COMMENCEMENT DATE:	Upon issuance of Certificate of Occupancy
RENTAL RATE:	\$17,000 Monthly / \$204,000 Annually
ESCALATIONS:	3% Annually
OPTION TERM:	One (1) Five-year option
HOLDOVER:	Month-to-Month, at 0% increase
TERMINATION:	City unilateral right, 30-day notice
ADDITIONAL RENT:	Property Taxes, Insurance and Utility Costs
SECURITY DEPOSIT:	\$17,000 payable with first installment
UTILITIES:	City shall be responsible for all utilities

PARKING:	On-site, at no extra cost – subject to availability
SUB-LET:	Subject to City approval
TENANT IMPROVEMENTS:	The City shall be responsible for improvements for the Hygiene Center
CUSTODIAL:	The City shall provide all custodial services (The City intends for the subtenant to be responsible for this under the sublease)
PROPERTY TAXES:	\$17,235.48 Annually or \$1,436.25 Monthly
INSURANCE:	\$900.00 yearly or \$75.00 monthly
MAINTENANCE:	The City shall provide basic and routine daily maintenance and repairs, normal wear and tear within the lease's rentable square footage (The City intends for the subtenant to be responsible for this under the sublease)

FISCAL IMPACT

There is no impact to the General Fund. The estimated construction project costs are \$4.32 million which will be funded through the HEAP Grant Fund.

RECOMMENDATIONS

The City Council, subject to approval of the Mayor:

1. APPROVE funds in the amount of \$4,315,212 to develop a hygiene facility at 540 Towne Avenue. Funds to be appropriated from the Homeless Emergency Aid Program Grant Fund No. 60P/10, Account No. 10R631, AC-2 – Capital and Operating Support – Skid Row;
2. ESTABLISH a new account within the Capital Improvement Expenditure Program Fund No 100/54, entitled "Hygiene Center – 540 Towne" and APPROPRIATE funds in the amount of \$1,416,284;
3. AUTHORIZE the Controller to appropriate the amount of \$4,315,212 to develop a hygiene facility at 540 Towne Avenue in Council District 14, as follows:
 - a. TRANSFER \$4,315,212 from the Homeless Emergency Aid Program Grant Fund No. 60P/10, 60P/10, Account No. 10R631, AC-2 – Capital and Operating Support – Skid Row to the accounts below as follows:

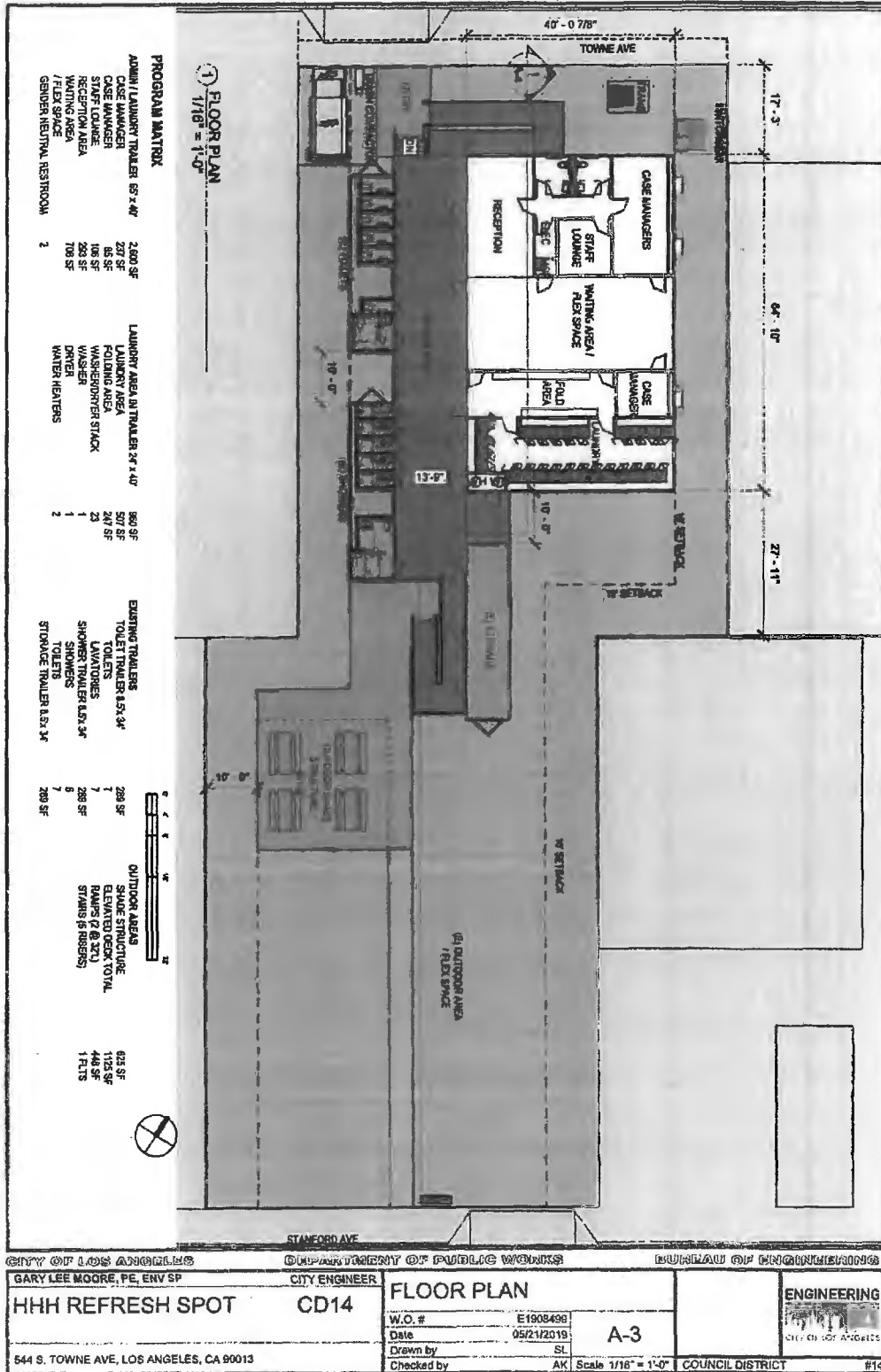
Fund/Department	Account Number	Account Title	Amount
100/40 General Services Department	006030	Leasing	\$ 1,127,678
100/40 General Services Department	001101	Hiring Hall Construction	\$ 277,200
100/40 General Services Department	001121	Benefits Hiring Hall Construction	\$ 226,800
100/40 General Services Department	003180	Construction Materials	\$ 797,250
100/78 Bureau of Engineering	001010	Salaries General	\$ 470,000
100/54 Capital Improvement Program	TBD	Hygiene Center - 540 Towne	\$ 1,416,284
Total:			\$ 4,315,212

4. DIRECT the City Administrative Officer to prepare any additional Controller instructions or make any necessary technical adjustments consistent with the Mayor and Council action in this matter, and AUTHORIZE the Controller to implement these instructions; and
5. DIRECT the City Administrative Officer to prepare any additional Controller instructions to reimburse the City Departments for their accrued labor, material or permit costs related to this project from the "Hygiene Center - 540 Towne " account within the Capital Improvement Expenditure Program Fund No 100/54 consistent with the Mayor and Council action on this matter, and AUTHORIZE the Controller to implement these instructions.
6. AUTHORIZE the Department of General Services to negotiate and execute a new lease agreement with Los Angeles Holdings, LLC for the property located at 544 Towne Ave/545 Stanford Ave, Los Angeles, CA 90013 under the terms and conditions as substantially outlined in this report, and approve the Funding Recommendations and Controller Instructions.


 Tony M. Royster
 General Manager

Attachment

Exhibit A (Site Plan)



CITY OF LOS ANGELES		DEPARTMENT OF PUBLIC WORKS		BUREAU OF ENGINEERING	
GARY LEE MOORE, PE, ENV SP		CITY ENGINEER		FLOOR PLAN	
HHH REFRESH SPOT		CD14			
644 S. TOWNE AVE, LOS ANGELES, CA 90013		W.O. #	E1908496	A-3	
		Date	05/21/2019		
		Drawn by	SL		
		Checked by	AK	Scale 1/16" = 1'-0"	COUNCIL DISTRICT
				#14	

AMENDED RECOMMENDATIONS

The City Council, subject to approval of the Mayor:

1. APPROVE funds in the amount of \$4,315,212 to develop a hygiene facility at 544 Towne Avenue/545 Stanford Avenue. Funds to be appropriated from the Homeless Emergency Aid Program Grant Fund No. 60P/10, Account No. 10R631, AC-2 - Capital and Operating Support - SkidRow;
2. ESTABLISH a new account within the Capital Improvement Expenditure Program Fund No 100/54, entitled "Hygiene Center - 544 Towne" and APPROPRIATE funds in the amount of \$1,416,284;
3. AUTHORIZE the Controller to appropriate the amount of \$4,315,212 to develop a hygiene facility at 544 Towne Avenue/545 Stanford Avenue in Council District 14, as follows:
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100/54 Capital Improvement Program	TSO	Hygiene Center - 544 Towne	\$ 1,416,284
Total:			\$ 4,315,212

4. DIRECT the City Administrative Officer to prepare any additional Controller instructions or make any necessary technical adjustments consistent with the Mayor and Council action in this matter, and AUTHORIZE the Controller to implement these instructions; and
5. DIRECT the City Administrative Officer to prepare any additional Controller instructions to reimburse the City Departments for their accrued labor, material or permit

Attachment A

costs related to this project from the "Hygiene Center - 544 Towne" account within the Capital Improvement Expenditure Program Fund No 100/54 consistent with the Mayor and Council action on this matter, and AUTHORIZE the Controller to implement these instructions.

6. AUTHORIZE the Department of General Services to negotiate and execute a new lease agreement with Los Angeles Holdings, LLC for the property located at 544 Towne Avenue/545 Stanford Avenue, Los Angeles, CA 90013 under the terms and conditions as substantially outlined in this report, and approve the Funding Recommendations and Controller Instructions.