

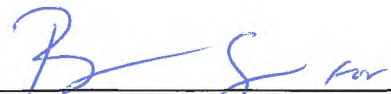
0220-05151-0171

TRANSMITTAL

TO Council	DATE 11-27-2019	COUNCIL FILE NO. 19-0877
FROM Municipal Facilities Committee		COUNCIL DISTRICT 13

The Municipal Facilities Committee (MFC) waived the attached report issued by the Department of General Services (GSD), which is hereby transmitted for Council consideration. In this report, GSD requests authority to negotiate and execute a new lease agreement at 1215 S. Lodi Avenue with the Young Women's Christian Association of Greater Los Angeles (YWCA) for use as a Bridge Housing Facility. People Assisting the Homeless (PATH) is currently operating 64 interim housing beds at this site. This agreement will create an additional 60 interim housing beds. A subsequent report requests authorization to negotiate a sub-lease agreement with PATH to operate all 124 beds.

The term of the lease agreement will be for 36 months from the final issuance of the Certificate of Occupancy by the Department of Building and Safety with seven (7) one-year renewal options. Recommended Homeless Housing Assistance and Prevention (HHAP) Program funding for the total 36-month leasing cost of \$3,225,314 is currently pending Council consideration (C.F. 19-0914). The total leasing costs for 36 months is \$3,225,314. Operating costs will be supported by the County of Los Angeles and the Los Angeles Homeless Services Authority.



Richard H. Llewellyn, Jr.
City Administrative Officer

RHL:YC:HR:16200037

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 21, 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
AGREEMENT BETWEEN CITY AND YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES (YWCA) FOR USE OF PROPERTY
(AT 1215 N. LODI AVENUE) AS A BRIDGE HOUSING FACILITY**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease agreement between City of Los Angeles (City) and Young Women's Christian Association (YWCA) for the YWCA-owned property at 1215 N. Lodi Place Los Angeles, CA 90038, APN 5534003017 (YWCA Property) for use as a temporary bridge housing facility operated by People Assisting the Homeless (PATH).

BACKGROUND

On August 2, 2019, the City Council adopted a motion (C.F. 19-0877) instructing City staff to negotiate with YWCA a new lease for the YWCA Property, and a sublease of that Property with PATH to operate a bridge housing facility there. The motion also instructed the City Homeless Coordinator to identify funds for operation of such a facility there.

The YWCA Property was formerly the historic Hollywood Studio Club property located in Council District 13. Under the existing lease of that Property, PATH has use of an approximately 14,168 square foot portion of the building thereon, which PATH uses to operate a 64-person bridge housing facility. Under the new lease, the City will lease approximate 31,388 square footage of the building to continue and expand PATH's operation of a bridge housing facility there. The new lease provides for expansion of the facility to house an additional 60 persons (thus, 124 total persons housed). The lease



has a three (3) year term commencing on substantial completion of leasehold improvements with seven (7) one year options to extend the term, and a holdover option allowing City to occupy the building on a month-to-month basis after expiration of the term and any extensions thereof. Additionally, the lease provides for an initial annual rent of approximately One Million One Hundred Twenty-Seven Thousand Three Hundred Twenty-Nine and 50/100 Dollars (\$1,127,329.50) with annual escalations thereafter of three percent (3%), and full rent abatements in month 9 and 21 and one-half abatement in month 36. Further, the lease gives City the right to sublease the YWCA Property to PATH with prior written consent of YWCA which consent cannot be unreasonably withheld.

FUNDING

CAO and CLA are preparing recommendations to fund regarding the State of California Homeless, Housing, Assistance, and Prevention (HHAP) Program.

SERVICE PROVIDER

PATH is currently operating 64 interim housing beds at the YWCA Property, and will also manage and operate the expanded program there (60 additional beds) on a 24/7 schedule with experienced staff and security personnel. PATH started its community services by distributing food and clothing to people living on the streets. Now, over thirty years later, PATH has more than 25 interim housing locations throughout California, provides services in more than 140 cities nationwide, and has more than 1,000 units of permanent supportive housing completed or in the pipeline. PATH's mission is to end homelessness for individuals, families, and communities.

MAINTENANCE

YWCA, as landlord under the new lease, shall be responsible for all major building and site systems such as structural foundation, sewer, roof, HVAC, plumbing, kitchen fixtures, electrical, fire and life safety systems. PATH, the operator, through the sublease agreement will be responsible for paying the costs of daily operations, repairs and maintenance of the Property.

COMMUNICATION, FURNITURE AND MOVING EXPENSE

YWCA shall furnish the beds for the homeless operations at the YWCA Property. PATH will provide its own office equipment, desks, chairs and all other associated start-up costs to operate its homeless facility there.

ENVIRONMENTAL

Staff recommends that Council determine the Crisis and Bridge Housing facility on 1215 N. Lodi Place, which allows the lease of the property and use as temporary shelter for those experiencing homelessness, is exempt under the California Environmental Quality Act (CEQA). The Bureau of Engineering has prepared a Notice of Exemption (NOE) that will be brought to the City Council for their consideration.

COMMUNITY BENEFIT ANALYSIS

Inasmuch as '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 lease will include the following terms and conditions:

LOCATION:	1215 N. Lodi Place LA, CA 90038
LANDLORD:	YWCA
TENANT:	City of Los Angeles - GSD
USE:	Residential transitional housing for homeless
SQUARE FEET:	Approximately 31,388 sq. ft. of the building – Portion of the first floor and all of the second and third floors of building.
TERM:	Three years (36 months) from City's substantial completion of its leasehold improvements.
LEASE EFFECTIVE DATE:	Upon complete execution by both parties and attestation by City Clerk's Office
RENT EFFECTIVE DATE:	Upon City's substantial completion of its leasehold improvements.
RENTAL RATE:	\$3.27/PSF
RENT ABATEMENT:	Months 9, 21 and half of 36 shall be abated
ESCALATIONS:	3% Annual Increase
OPTIONS:	7 One-Year options
HOLDOVER:	Month to month
ADDITIONAL RENT:	City, as tenant, shall not be subject to any additional rent.
SECURITY DEPOSIT:	\$102,484.50

- UTILITIES:** All utilities including trash shall be based on a proportionate share paid by Sublessee. Internet shall be paid separately by Sublessee directly with a vendor.
- PARKING:** On site, at no extra cost on allotted spaces
- SUBLEASE
CLAUSE:** City, as tenant, shall be permitted to sublease to an operator with Landlord's prior written consent which shall not be unreasonably withheld.
- CUSTODIAL:** Provided by Sublessee for the building.
- PROPERTY TAXES:** City shall not be subject to any possessory or property tax.
- TENANT
IMPROVEMENTS:** City and Sublessee shall be responsible for leasehold improvements to make the Property ADA compliant on the first floor. Furthermore, City, Sublessee and landlord will determine the associated costs to repair and maintain the first-floor courtyard for viable use from its current condition within the first-year of the lease.
- INSURANCE:** Subject to City's right to self-insure, City shall provide insurance for the proposed Project on the YWCA Property with coverage, amounts and endorsements to be determined by CAO Risk Management.
- MAINTENANCE:** YWCA (as landlord) shall maintain major building systems including heating, ventilation, air conditioning, if any, water heaters, fire alarm and sprinkler system, kitchen fixtures and equipment, exterior and interior walls, and plumbing and electrical systems. Further, landlord shall maintain exterior common areas including but not limited to landscaping and parking lot.
- City (as tenant) shall provide basic and routine daily maintenance and repairs within the Premises.
- EARLY TERMINATION:** City shall have the right to terminate lease with 30 days' prior written notice given to YWCA.

FISCAL IMPACT

There is no impact to the General Fund. \$231,085.34 is reserved for this site in Homeless Emergency Aid Program Grant Fund No. 60P/10, AC-2 – Youth Set-Aside. The balance of funding will be addressed through a pending report from the CAO and CLA regarding the State Homeless Housing, Assistance, and Prevention (HHAP) Program.

RECOMMENDATIONS

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD with the assistance of the City Attorney to negotiate and prepare a new lease between City (as tenant) and YWCA (as landlord) for the YWCA Property at 1215 N. Lodi Place with the terms and conditions as substantially described in this Report (including City sublease rights to PATH).


Tony M. Royster
General Manager